

Summary Note

This Summary Note is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and in accordance with the provisions of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

Dated 18 June 2020

In respect of an issue of

€14,000,000 4% Secured Bonds 2026

having a nominal value of €100 per Bond issued at par (the 'Series A Bonds')
ISIN: MT0002351204

and

€26,000,000 4.5% Secured Bonds 2032

having a nominal value of €100 per Bond issued at par (the 'Series B Bonds')
ISIN: MT0002351212

(collectively, the 'Bonds' or 'Secured Bonds')

SHORELINE MALL P.L.C.

a public limited liability company registered and incorporated in terms of the Companies Act with company registration number C 84005 and having its registered office at Suite 407, Level 4, Block SCM 01, Smart City Malta, Ricasoli, Kalkara SCM 1001, Malta

Sponsor, Manager & Registrar



Legal Counsel



THE PROSPECTUS HAS BEEN APPROVED BY THE LISTING AUTHORITY, AS COMPETENT AUTHORITY UNDER REGULATION (EU) 2017/1129. THE LISTING AUTHORITY ONLY APPROVES THIS PROSPECTUS AS MEETING THE STANDARD OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY REGULATION (EU) 2017/1129 AND SUCH APPROVAL SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER.

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

Approved by the Directors

Robert Ancilleri

Kevin Deguara

Jean C. Farrugia

Benjamin Muscat

Ryan Edward Otto

Roderick Psaila

Charles Scerri

This Summary Note is prepared in accordance with the requirements of the Regulation. This Summary Note contains key information which will enable investors to understand the nature and the risks of the Issuer and the Bonds.

Except where the context otherwise requires, the capitalised words and expressions used in this Summary Note shall bear the meanings assigned to them in the Registration Document and the Securities Note, as the case may be.

1 INTRODUCTION AND WARNINGS

Full legal and commercial name of the Issuer:	Shoreline Mall plc
Registered address:	Suite 407, Level 4, Block SCM 01, Smart City Malta, Ricasoli, Kalkara SCM 1001, Malta
Place of Registration and Domicile:	Malta
Registration number:	C 84005
Legal Entity Identification (LEI) Number:	391200FQG1FQ0DT1US42
Date of Registration:	15 December 2017
Telephone numbers:	+356 21808895 / +356 21808970
Email:	admin@theshorelinerresidence.com
Website:	www.theshorelinerresidence.com
Nature of the securities	€14,000,000 4% Secured Bonds 2026 and €26,000,000 4.5% Secured Bonds 2032, both having a nominal value of €100 per bond issued at par
ISIN of the Bonds	4% 2026 Bonds - MT0002351204 4.5% 2032 Bonds - MT0002351212
Date of Approval	18 June 2020
Details of the competent authority approving the prospectus	The Board of Governors of the MFSA, appointed as Listing Authority for the purposes of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta).
Address, telephone number and official website of the competent authority approving the prospectus	The Listing Authority, Malta Financial Services Authority, Triq l-Imdina, Zone 1, Central Business District, Birkirkara, Malta, CBD 1010 Telephone number: +356 2144 1155 Official website: https://www.mfsa.mt

Prospective investors are hereby warned that:

- i. This summary is being provided to convey the essential characteristics and risks associated with the Issuer, and the Bonds being offered pursuant to this Prospectus. This section of the Prospectus is merely a summary and, therefore, should only be read as an introduction 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 Bonds described in this Prospectus. Any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole by the investor;
- ii. An investment in the Bonds could result in the investors losing all or part of the investor's capital;
- iii. Where a claim relating to the information contained in this 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
- iv. Civil liability attaches only to those persons who have tabled this summary, including any translation thereof, and who applied for its notification, but only if this 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 KEY INFORMATION ON THE ISSUER

2.1 WHO IS THE ISSUER OF THE BONDS?

2.1.1 DOMICILE AND LEGAL FORM

The Issuer has been incorporated and is domiciled in Malta as a public limited liability company in terms of the Companies Act. The Issuer's registered address is Suite 407, Level 4, Block SCM01, Smart City Malta, Ricasoli, Kalkara, Malta. The Issuer is a subsidiary of Shoreline Holdings which holds 16,575,997 Ordinary A Shares fully paid up in the capital of the Issuer. Shoreline Residence holds 4,424,002 Ordinary A Shares 33.9% paid up and 1 Ordinary B Share 100% paid up in the capital of the Issuer.

2.1.2 PRINCIPAL ACTIVITIES OF THE ISSUER

The principal activity of the Issuer is the acquisition and disposal and/or development and operation of the various immovable properties within and constituting the Shoreline Mall Complex to be situated at the Shoreline Mall Site at Smart City Malta,

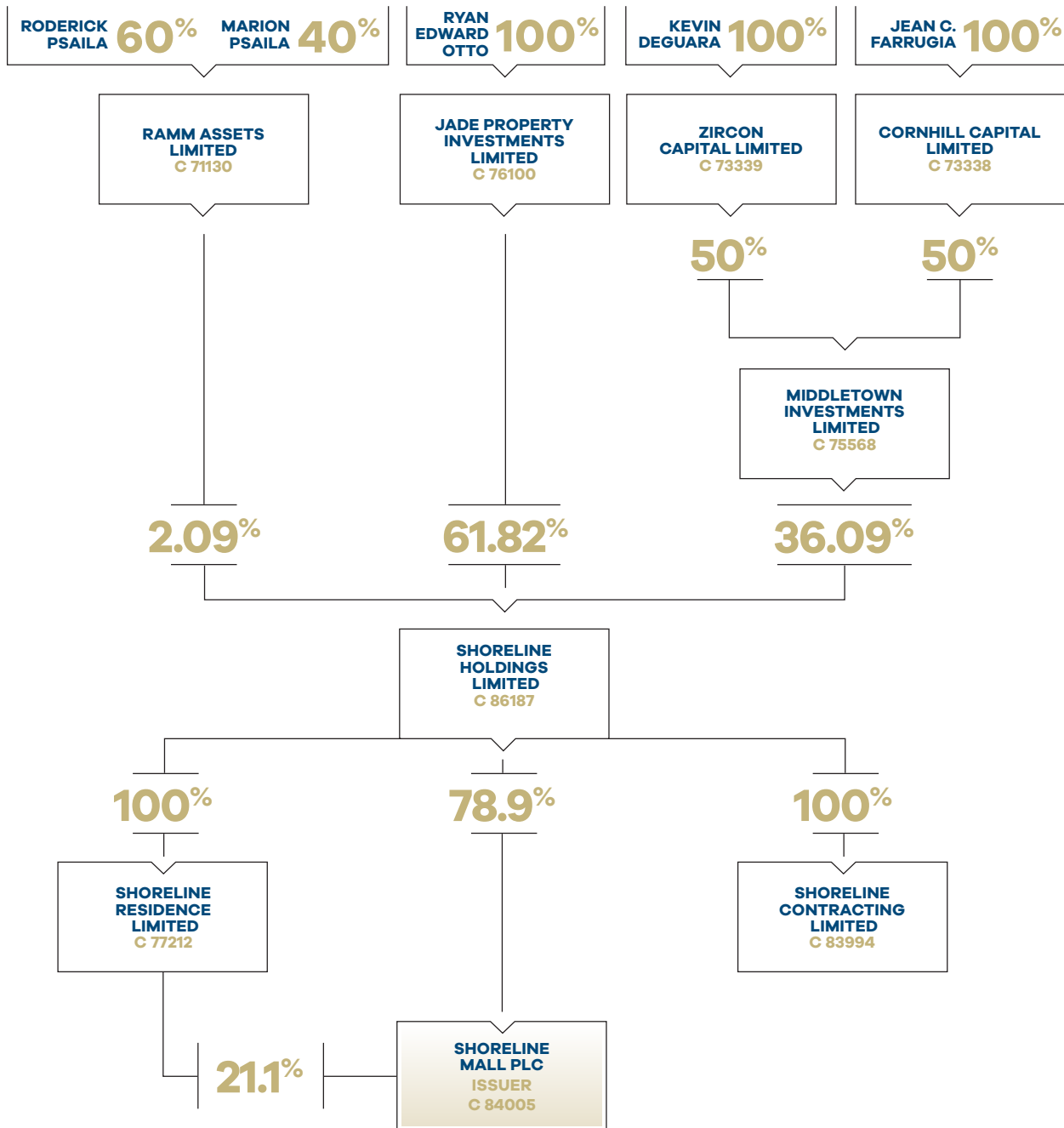
Kalkara. The Issuer was, in fact specifically set up in view and for the purposes of, and will principally operate by reference to, the Shoreline Mall Complex and its activities will accordingly be focused thereon.

The Project itself will consist of mixed-use developments.

As such, the Issuer's main business therefore consists and will consist of:

- a. The sale of immovable property within the Shoreline Mall Site, mainly consisting of the Residential Units and the Residential Carpark; and
- b. The acquisition and development of parts of the Shoreline Mall Site for long-term investment, through the operation and/or letting thereof and revenues generated therefrom, mainly the development and operation of the Commercial Units and the Commercial Carpark.

2.1.3 MAJOR SHAREHOLDERS



2.1.4 IDENTITY OF THE KEY MANAGING DIRECTORS

As at the date of the Prospectus, the Board of Directors of the Issuer is composed of the following persons:

- Benjamin Muscat (Chairman and independent non-executive Director)
- Ryan Edward Otto (Executive Director)

- Dr Jean Carl Farrugia (Executive Director)
- Dr Kevin Deguara (Executive Director)
- Roderick Psaila (Executive Director)
- Robert Ancilleri (Independent non-executive director)
- Charles Scerri (Independent non-executive director)

2.1.5 STATUTORY AUDITORS OF THE ISSUER

Deloitte Audit Limited, a private limited liability company incorporated and registered under the laws of Malta bearing registration number C 51312 and registered address at Deloitte Place, Mriehel Bypass BKR 3000, Malta.

2.2 WHAT IS THE KEY FINANCIAL INFORMATION REGARDING THE ISSUER?

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

STATEMENT OF PROFIT OR LOSS			
€'000	Financial year ending 30 April 2019	Period ending 31 October 2018	Period ending 31 October 2019
Profit/loss for the period	(7.4)	(0.3)	6.5
STATEMENT OF FINANCIAL POSITION			
€'000	As at 30 April 2019	As at 31 October 2018	As at 31 October 2019
Non-current assets	1,964.9	946.9	16,683.2
Current assets	58.6	12.3	468.9
Total assets	2,023.5	959.2	17,152.1
Equity	1,240.1	0.9	15,575.0
Current liabilities	783.4	958.3	1,577.1
Total equity and liabilities	2,023.5	959.2	17,152.1

CASH FLOW STATEMENT

€'000	Financial year ending 30 April 2019	Period ending 31 October 2018	Period ending 31 October 2019
Net cash flows used in operating activities	(58.9)	(1.3)	(13.3)
Net cash flows used in investing activities	(1,964.9)	(946.9)	(14,718.3)
Net cash inflows from financing activities	2,024.0	948.2	15,101.6

The information for the financial year ending 30 April 2019 is extracted from the audited financial statements. The audit report does not include any qualifications.

The interim financial information for period ending 31 October 2018 and 31 October 2019 is unaudited.

2.3 WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE ISSUER?

1. The Issuer exists and operates principally for the purposes of and by reference to the Project. The Issuer is therefore subject to concentration risk in view of the fact that its business is solely related to the Project.
2. The Issuer is subject to general market and economic risks that may have a significant impact on its current and future property developments and their timely completion within budget and their profitable operation.
3. There are a number of factors that commonly affect the real estate development industry, many of which are beyond the Issuer's control, and which could adversely affect the economic performance and value of the real estate properties under development within the Project.
4. An increase in the supply of commercial retail space could impact negatively upon capital values and income streams of the Issuer's properties. The Issuer is dependent on tenants fulfilling their obligations under their lease agreements. The business, revenue and projected profits of the Issuer would be negatively impacted if tenants fail to honour their respective lease obligations.
5. The Issuer, is also subject to the risk that tenants may terminate or elect not to renew their respective lease, either due to the expiration of the lease term or due to an early termination of the lease.
6. The Issuer may not be able to obtain the entirety of the capital it requires for the development or improvement of existing or new properties on commercially reasonable terms, or at all.

7. If Shoreline Holdings is unable to comply with the covenants and other undertakings, conditions, and warranties included in its re-financing arrangements in the future, the Issuer could be required to enter into financial arrangements, request waivers or replace borrowings with other financing in order to prevent a default.
8. A significant portion of the Issuer's costs are or will be fixed and the Issuer's operating results are vulnerable to short term changes in revenues. The Issuer's inability to react quickly to changes in revenue by reducing operating expenses could have a material adverse effect on its respective business, financial condition and results of operations.
9. The lack of liquidity and alternative uses of real estate investments could significantly limit the Issuer's ability to respond to adverse changes in the performance of its properties thereby potentially harming its financial condition.
10. All industries, including the real estate development industry, are subject to legal claims, with or without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit.
11. The valuation of property is inherently subjective, due to, among other things, the individual nature of each property and the assumptions upon which the valuation is carried out. Accordingly, there can be no assurance that the valuation of properties, including of the Shoreline Mall Complex, referred to in the Prospectus reflects actual values that could be achieved on a sale, even where any such sale were to occur shortly after the valuation date.

3 KEY INFORMATION ON THE BONDS

3.1 WHAT ARE THE MAIN FEATURES OF THE BONDS?

Each Series A Bond forms part of a duly authorised issue of 4% Secured Bonds 2026 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €14,000,000. Each Series B Bond forms part of a duly authorised issue of 4.5% Secured Bonds 2032 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €26,000,000. The Bonds are created under Maltese law.

- a. The currency of the Bonds is Euro (€).
- b. The Bonds are freely transferable.
- c. Subject to admission to listing of the Bonds to the Official List of the MSE, the Bonds are expected to be assigned ISIN: MT0002351204 for Series A Bonds and ISIN: MT0002351212 for Series B Bonds.
- d. The Secured Bonds, as and when issued and allotted, shall constitute the general, direct and unconditional obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves. The Secured Bonds shall rank with priority or preference to all other present and future unsecured obligations of the Issuer, save for such exceptions as may be provided by applicable law, by virtue and to the extent of the Special Hypothec.
- e. Unless previously purchased and cancelled, the Bonds shall be redeemable at par on the respective Redemption Date.
- f. The issue of the Bonds is made in accordance with the requirements of the Listing Rules, the Act, and the Regulation.
- g. The Bond Issue is not underwritten.

There are no special rights attached to the Bonds other than the right of the Bondholders to the payment of capital and interest and in accordance with their respective ranking at law.

3.2 WHERE WILL THE BONDS BE TRADED?

The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 18 June 2020.

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.

3.3 WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE BONDS?

1. There can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue.
2. Investment in such fixed rate bonds involves the risk that subsequent changes in market interest rates may adversely affect the market value of the said bonds. Investors should also be aware that the price of bonds moves adversely to changes in interest rates.
3. Notwithstanding that the Bonds constitute the general, direct, unconditional and secured obligations, there can be no guarantee that privileges accorded by law in specific situations will not arise during the course of the business of the Issuer which may rank with priority or preference to the Special Hypothec. Moreover, whilst this Special Hypothec grants the Security Trustee a right of preference and priority for repayment of the relevant Series over the creditors of the Issuer in respect of the Shoreline Mall Complex, there can be no guarantee that the value of the said Shoreline Mall Complex over the term of the relevant Series of Secured Bonds will be sufficient to cover the full amount of interest and principal outstanding under the said Series of Bonds.
4. Whilst the independent valuation opines that the value of the Shoreline Mall Complex relative to the Secured Bonds in its developed state actually exceeds the aggregate nominal value of the Bonds, there is no guarantee that such value determined in the independent valuation would be achieved, particularly if the Special Hypothec is enforced at a time when the Shoreline Mall Complex is still not completed and unfinished, in which case various pressures in the market may push the price down.

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

4.1 UNDER WHICH CONDITIONS AND TIMETABLE CAN I INVEST IN THE BONDS?

1. Application Forms available to the general public	1 July
2. Offer Period (may be closed earlier as determined by the Issuer)	6 July 2020 - 31 July 2020
3. Commencement of interest on Bonds	1 August 2020
4. Announcement of basis of acceptance	3 August 2020
5. Refunds of unallocated monies	3 August 2020
6. Dispatch of allotment letters	3 August 2020
7. Listing of Bonds on the MSE	6 August 2020
8. Commencement of trading on MSE	7 August 2020

The Issuer reserves the right to close the Offer Period before 31 July 2020 in the event of oversubscription, in which case the remaining events set out in section 4.11 of the Securities Note will be brought forward and will take place in the same chronological order as set out above. However, listing of the Bonds and commencement of trading on the MSE may only take place provided that security for the benefit of Bondholders has been duly perfected within a maximum of 15 Business Days from closing of the Offer Period.

The Aggregate Offer is open for subscription to all categories of investors. Subscriptions shall be made through any of the Authorised Financial Intermediaries, subject to a minimum subscription amount of €2,000 in nominal value of Bonds in any of the Series A and/or Series B Bonds and in multiples of €100 thereafter (the minimum subscription amount shall also apply in the case of subscriptions by Authorised Financial Intermediaries on account of their underlying customers, for each underlying application and in multiples of €100 thereafter). It is expected that an allotment letter will be issued by latest 3 August 2020.

The Authorised Financial Intermediaries shall be required to conduct a Suitability Test in respect of the Applicant for Bonds and, based on the results of such test, be satisfied that an investment in the Bonds may be considered suitable for the Applicant. Prospective investors should be aware of the potential risks in investing in the Bonds after careful evaluation of all the risk factors involved, and should consider making the decision to invest after consideration with his/her own independent financial advisor. Any Authorised Financial Intermediary shall ensure that subscribers to the Bonds are duly warned about the risk factors involved with investing in the Bonds and subscribers shall confirm that they have been so warned.

The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the Laws of Malta), and regulations made thereunder. Such monies will not bear interest while retained as aforesaid. Dealings in the Bonds shall not commence prior to the Bonds being admitted to the Official List of the Malta Stock Exchange. The Issuer shall allocate the Bonds in accordance with its allocation policy.

It is expected that the total expense of the issue will amount to €800,000.

4.2 WHY IS THIS PROSPECTUS BEING PRODUCED?

4.2.1 USE OF PROCEEDS

The net proceeds from the Bond Issue, are expected to amount to approximately €39,200,000. Said proceeds will be utilised for the development of the project as follows:

- €20,490,000 for direct civil and construction costs of the project;
- €14,010,000 for direct finishing costs; and
- €4,700,000 for other costs related to the project such as excavation works and professional fees.

Bond issue expenses for a total of €800,000 will consist of:

- Selling commission of €400,000; and
- Professional, MSE, regulatory and other ancillary fees of €400,000.

All proceeds from the Bond Issue shall be held by the Security Trustee and will be drawn down against the presentation of invoices, in accordance with the provisions of the Security Trust Deed. In terms of the Prospectus and Security Trust Deed, the Security Trustee shall not release any of the Bond Issue proceeds (after receiving same from the Registrar), except for the payment of invoices directly related to the development of the Shoreline Mall Complex.

The bonds are not subject to an underwriting agreement.

4.2.2 CONFLICTS OF INTEREST

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

Registration Document

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THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE BONDS AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENT IS IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENT.

THE LISTING 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 THESE BONDS.

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

Robert Ancilleri

Kevin Deguara

Jean C. Farrugia

Benjamin Muscat

Ryan Edward Otto

Roderick Psaila

Charles Scerri

IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONSTITUTES PART OF A PROSPECTUS AND CONTAINS INFORMATION IN RELATION TO SHORELINE MALL PLC IN ITS CAPACITY AS ISSUER. THIS DOCUMENT INCLUDES INFORMATION GIVEN IN COMPLIANCE WITH: (A) THE COMPANIES ACT, (CHAPTER 386 OF THE LAWS OF MALTA) AND REGULATION (EU) 2017/1129 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 14 JUNE 2017 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING ON A REGULATED MARKET, AND REPEALING DIRECTIVE 2003/71/EC (THE 'REGULATION'); AND (B) THE RULES AND REGULATIONS APPLICABLE TO THE ADMISSION OF SECURITIES ON THE OFFICIAL LIST OF THE MSE.

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 BONDS OF THE ISSUER OTHER THAN THOSE CONTAINED IN THE PROSPECTUS AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHROSIED BY THE ISSUER, ITS DIRECTORS, OR ADVISERS.

THE LISTING 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 HOWEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT AND ANY PERSON WISHING TO APPLY FOR ANY BONDS ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY BONDS THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH BONDS AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE. A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY AND THE MSE, AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES, APPLICATION HAS BEEN MADE TO THE MSE, FOR THE BONDS TO BE ADMITTED TO THE OFFICIAL LIST OF THE MSE. **A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISER.**

THIS DOCUMENT AND ALL AGREEMENTS, ACCEPTANCES AND CONTRACTS RESULTING THEREFROM SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF MALTA, AND ANY PERSON ACQUIRING ANY BONDS PURSUANT TO THE PROSPECTUS SHALL SUBMIT TO THE JURISDICTION OF THE MALTESE COURTS, WITHOUT LIMITING IN ANY MANNER THE RIGHT OF THE ISSUER TO BRING ANY ACTION, SUIT OR PROCEEDING, IN ANY OTHER COMPETENT JURISDICTION, ARISING OUT OF OR IN CONNECTION WITH ANY PURCHASE OF BONDS, OR AGREEMENT, ACCEPTANCE OR CONTRACT RESULTING HEREFROM OR THE PROSPECTUS AS A WHOLE.

THIS 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 IN WHICH: (I) 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 THAT (I) THE INFORMATION CONTAINED IN THIS PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) 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.

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

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

ALL THE ADVISERS TO THE ISSUER HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PUBLIC OFFER AND PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON. NONE OF THE ADVISERS ACCEPT ANY RESPONSIBILITY TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE CONTENTS OF, ANY INFORMATION CONTAINED IN AND THE TRANSACTIONS PROPOSED IN THE PROSPECTUS, ITS COMPLETENESS OR ACCURACY OR ANY OTHER STATEMENT MADE IN CONNECTION THEREWITH. THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THIS DOCUMENT. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS. THE DIRECTORS OF THE ISSUER CONFIRM THAT WHERE INFORMATION INCLUDED IN THIS PROSPECTUS HAS BEEN SOURCED FROM A THIRD PARTY, SUCH INFORMATION HAS BEEN ACCURATELY REPRODUCED, AND AS FAR AS THE

DIRECTORS OF THE ISSUER ARE AWARE AND ARE ABLE TO ASCERTAIN FROM INFORMATION PUBLISHED BY THAT THIRD PARTY, NO FACTS HAVE BEEN OMITTED WHICH WOULD RENDER THE REPRODUCED INFORMATION INACCURATE OR MISLEADING.

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 INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS.

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DEFINITIONS

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

Act	the Companies Act (Chapter 386 of the Laws of Malta);
Articles of Association	the Articles of Association of the Issuer in force at the time of the publication of the Prospectus;
Bondholders or Investors	the holders of the Bonds, and the terms "Bondholder" and "Investor" shall be construed accordingly;
Bonds, the Secured Bonds, or Securities	collectively Series A Bonds and Series B Bonds, offered and issued by the Issuer in favour of the Bondholders, representing the amount due by the Issuer to the Bondholders and creating, acknowledging and representing the indebtedness of the Issuer to the Bondholders in terms of this Document. The term "Bond" , "Secured Bond" and "Security" shall be respectively construed accordingly;
Bond Issue	the issue of Bonds;
Building Permit	the full development permit including the approved plans attached thereto issued by the Planning Authority and bearing Planning Authority Number PA/01029/18 for the excavation of the Designated Area and the development thereon, inter alia, of the Shoreline Mall Complex, which Building Permit is part of the architect's valuation in Annex I;
Business Day	any day (other than Saturday, Sunday or any public holiday in Malta) on which commercial banks in Malta are open;
Cash Collateral	the net proceeds of this Bond Issue which shall be held in escrow by the Security Trustee in terms of section 4.6.2 of the Securities Note and the Security Trust Deed;
Commercial Carpark	the 532 car parking spaces complementing the Commercial Units to be developed by the Issuer within the Shoreline Mall Site in terms of the Building Permit;
Commercial Units	the commercial component to be developed within the Shoreline Mall Site in terms of the Building Permit;
Completion	shall have the meaning assigned to it in section 6.2.3 of the Securities Note and Completion Date shall be construed accordingly;
Designated Area	the divided portion of land measuring approximately fourteen thousand one hundred and thirty seven square meters (14,137 sq. m.) including its subsoil which divided portion of land is bounded on the South by third party property, West by the Northern Urban Ring Road and on the North East by the Promenade Area and on the Southeast in part by the Laguna Area and in part by the divided portion of land which forms part of the Emphyteutical Land and which measures approximately thirty eight square meters (38 sq. m.);
Directors or Board	the directors of the Issuer whose names are set out under the heading 'Administrative, Management and Supervisory Bodies';
Emphyteutical Land	the divided portion of land granted on temporary emphyteusis by the Government of Malta to SmartCity (Malta) Limited, by virtue of a deed in the records of Notary Vincent Miceli of the 22 April 2007 by virtue of which the Government of Malta granted to SmartCity (Malta) Limited the Emphyteutical Land on temporary emphyteusis for a period of 99 years commencing from the 22 April 2007 for the consideration and under the other terms and subject to the conditions set out in the same deed of emphyteusis as may be amended from time to time;
Euro or €	the lawful currency of the Republic of Malta and the Eurozone at the time of issue of the Prospectus;
Eurozone	the area consisting of those Member States of the European Union that have adopted the Euro as their currency;
Excluded Area	<ol style="list-style-type: none">1. The airspace of an area of circa 53 square meters meant for the construction of a lift core marked with the letter A on the set of plans marked as Document K attached to the Shoreline Mall Site Deed;

2. The airspace of an area of circa 57 square meters meant for the construction of a lift core marked with the letter B on the set of plans marked as Document K attached to the Shoreline Mall Site Deed;
3. The airspace of an area of circa 57 square meters meant for the construction of a lift core marked with the letter C on the set of plans marked as Document K attached to the Shoreline Mall Site Deed;
4. The airspace of an area of circa 57 square meters meant for the construction of a lift core marked with the letter D on the set of plans marked as Document K attached to the Shoreline Mall Site Deed;
5. The airspace of an area of circa 57 square meters meant for the construction of a lift core marked with the letter E on the set of plans marked as Document K attached to the Shoreline Mall Site Deed;
6. The airspace of an area of circa 57 square meters meant for the construction of a lift core marked with the letter F on the set of plans marked as Document K attached to the Shoreline Mall Site Deed;
7. The airspace of an area of circa 53 square meters meant for the construction of a lift core marked with the letter G on the set of plans marked as Document K attached to the Shoreline Mall Site Deed;
8. The airspace of circa 101 square meters meant for the construction of a residential centralized condenser unit marked with the letter H on the set of plans marked as Document K attached to the Shoreline Mall Site Deed;
9. The airspace of an area of circa 12 square meters meant for the construction of a borehole pump marked with the letter R1 on the set of plans marked as Document K attached to the Shoreline Mall Site Deed;
10. The airspace of an area of circa 10 square meters meant for the construction of a borehole pump marked with the letter R2 on the set of plans marked as Document K attached to the Shoreline Mall Site Deed;
11. The airspace of an area of circa 14 square meters meant for the construction of a borehole pump marked with the letter R3 on the set of plans marked as Document K attached to the Shoreline Mall Site Deed;
12. The airspace of an area of circa 14 square meters meant for the construction of a borehole pump marked with the letter R4 on the set of plans marked as Document K attached to the Shoreline Mall Site Deed;
13. The airspace of an area of circa 16 square meters meant for the construction of a borehole pump marked with the letter R5 on the set of plans marked as Document K attached to the Shoreline Mall Site Deed;
14. The airspace of an area of circa 14 square meters meant for the construction of a borehole pump marked with the letter R6 on the set of plans marked as Document K attached to the Shoreline Mall Site Deed;
15. The airspace of an area of circa 16 square meters meant for the construction of a borehole pump marked with the letter R11 on the set of plans marked as Document K attached to the Shoreline Mall Site Deed;
16. The airspace of an area of circa 25 square meters meant for the construction of a borehole pump marked with the letter R12 on the set of plans marked as Document K attached to the Shoreline Mall Site Deed;
17. The airspace of an area of circa 51 square meters meant for the construction of a cycle store marked with the letter I on the set of plans marked as Document K attached to the Shoreline Mall Site Deed;

	<p>18. The airspace of an area of circa 15 square meters meant for the construction of a store marked with the letter S4 on the set of plans marked as Document K attached to the Shoreline Mall Site Deed;</p> <p>19. The airspace of an area of circa 15 square meters meant for the construction of a store marked with the letter S9 on the set of plans marked as Document K attached to the Shoreline Mall Site Deed;</p> <p>20. The airspace of an area of circa 33 square meters meant for the construction of a waste collection room marked with the letter W1 on the set of plans marked as Document K attached to the Shoreline Mall Site Deed;</p> <p>21. The airspace of an area of circa 24 square meters meant for the construction of a waste collection room marked with the letter W2 on the set of plans marked as Document K attached to the Shoreline Mall Site Deed;</p> <p>22. The airspace of an area of circa 33 square meters meant for the construction of a waste collection room marked with the letter W3 on the set of plans marked as Document K attached to the Shoreline Mall Site Deed; and</p> <p>23. The airspace of an area of circa 33 square meters meant for the construction of a waste collection room marked with the letter W4 on the set of plans marked as Document K attached to the Shoreline Mall Site Deed.</p>
GDP	Gross Domestic Product;
Issuer or Company	Shoreline Mall plc, a public limited liability company registered and incorporated in terms of the Companies Act with company registration number C 84005 and having its registered office at Suite 407, Level 4, Block SCM 01, Smart City Malta, Ricasoli, Kalkara SCM 1001, Malta;
Laguna Area	the divided portion of the Emphyteutical Land measuring circa thirteen thousand, two hundred and eighty nine square meters (13,289 sq. m.) bordering on the North West with the Designated Area and on the South and South East with property of SmartCity (Malta) Limited;
Listing Authority	the Board of Governors of the Malta Financial Services Authority, appointed as Listing Authority for the purposes of the Financial Markets Act (Chapter 345 of the Laws of Malta) by virtue of Legal Notice 1 of 2003;
Listing Rules	the listing rules issued by the Listing Authority, as may be amended from time to time;
Malta Business Registry	The Malta Business Registry established in terms of the Malta Business Registry (Establishment as an Agency) Order, LN 144/2018 as amended;
Malta Stock Exchange or MSE	Malta Stock Exchange plc, as originally constituted in terms of the Financial Markets Act (Chapter 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;
Memorandum and Articles	The Memorandum and Articles of Association of the Issuer drawn up in terms of the Act and registered with the Malta Business Registry;
MFSA	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Chapter 330 of the Laws of Malta);
Nominal Value	€100 per Bond;
Northern Urban Ring Road	the divided portion of the Emphyteutical Land measuring circa two thousand, nine hundred and twenty-three square meters (2,923 sq. m.) which divided portion of land borders on the South East with the Designated Area and all other boundaries with third party property;
Offer Period	the period between 08:30 hours on 6 July 2020 and 16:00 hours on 31 July 2020 (or such earlier date as may be determined by the Issuer) during which the Bonds are available for subscription;
Official List	the list prepared and published by the MSE in terms of its Bye-Laws, containing information of all listed securities, together with such other information as the MSE may consider appropriate to include therein;
Project	The development of the Shoreline Mall Site into the Shoreline Mall Complex;

Promenade Area	the divided portion of the Emphyteutical Land measuring circa one thousand two hundred and thirty-nine square meters (1,239 sq. m.) which, when developed, shall form part of the promenade to be developed along the seashore and which is referred to as the Promenade and which portion of land borders on the South West with the Shoreline Mall Site and all other compass points with third party property;
Prospectus	collectively, the Summary Note, this Registration Document and the Securities Note;
Redemption Date	1 August 2026 in the case of the Series A Bonds and 1 August 2032 in the case of the Series B Bonds, being the date on which the Bonds shall be redeemed in terms of the Prospectus;
Registrar of Companies	the Registrar of Companies in Malta appointed in terms of the Act;
Registration Document	This document in its entirety;
Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the Prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing directive 2003/71/EC.
Residential Carpark	the 316 car parking spaces to be developed by the Issuer within the Shoreline Mall Site in terms of the Building Permit;
Residential Units	the residential component to be developed within the Shoreline Mall Site in terms of the Building Permit;
Securities Note	The securities note issued by the Issuer dated 18 June 2020, forming part of the Prospectus;
Security Interest	the Special Hypothec and the Cash Collateral as may be varied from time to time in terms of section 4.6 of the Securities Note and in terms of the Security Trust Deed as further described in section 4.7 of the Securities Note;
Security Trustee	Trident Trust Company (Malta) Limited having company registration number C 51249 and its registered office at Orange Point Building, Second Floor, Dun Karm Street, Birkirkara By-Pass, Birkirkara, Malta, licensed by the MFSA to act as trustee and provide general corporate fiduciary services, or any duly authorised person as may be appointed to act as security trustee in term of the Security Trust Deed;
Security Trust Deed	the agreement entered into between the Issuer and the Security Trustee dated 11 November 2019 as better outlined in section 4.7 of the Securities Note;
Series A Bonds	the €14,000,000 bonds due 2026 of a nominal value of €100 per bond redeemable at their nominal value on the respective Redemption Date, bearing interest at the rate of 4% per annum as set out in the Securities Note;
Series B Bonds	the €26,000,000 bonds due 2032 of a nominal value of €100 per bond redeemable at their nominal value on the respective Redemption Date, bearing interest at the rate of 4.5% per annum as set out in the Securities Note;
Shoreline Group	the Shoreline group of companies comprising of the parent company, Shoreline Holdings Ltd, a limited liability company incorporated and registered in Malta with company registration number C 86187 and registered address at Suite 407, Level 4, Block SCM 01, Smart City Malta, Ricasoli, Kalkara SCM 1001, Malta (“Shoreline Holdings”), and its subsidiaries, comprising of the Issuer, Shoreline Residence Limited, a limited liability company incorporated and registered in Malta with company registration number C 77212 and registered address at Suite 407, Level 4, Block SCM 01, Smart City Malta, Ricasoli, Kalkara SCM 1001, Malta (“Shoreline Residence”), and Shoreline Contracting Ltd, a limited liability company incorporated and registered in Malta with company registration number C 83994 and registered address at Suite 407, Level 4, Block SCM 01, Smart City Malta, Ricasoli, Kalkara SCM 1001, Malta (“Shoreline Contracting”).
Shoreline Mall Complex	the complex of buildings and outside areas which the Issuer shall develop on the Shoreline Mall Site, in accordance with and as shown in the plans forming part of, the Building Permit, which shall consist of (a) the commercial units; (b) three (3) levels of underground parking and ancillary facilities; and (c) the residential units.

Shoreline Mall Site	the portion of the Designated Area up to the level of twenty point eight (20.8) meters above sea level, including the relative subsoil usque ad infernum and excluding the Excluded Area;
Shoreline Mall Site Deed	the public deed in the records of Notary Joseph Smith La Rosa of the 24th October 2019 by virtue of which the Issuer acquired the Shoreline Mall Site from Shoreline Residence;
SmartCity (Malta) Limited	a limited liability company registered in Malta with registration number C 41194 and registered office at SmartCity (Malta) Limited, Ricasoli, Kalkara SCM 1001
Special Hypothec	the special hypothec over the Shoreline Mall Complex to be constituted by the Issuer in favour of the Security Trustee as security for the observance by the Issuer of its obligations in terms of the Bond Issue, inter alia the repayment of the principal and interest outstanding at any point in time in favour of the Bondholders;
Sponsor, Manager and Registrar or Sponsor or Manager or Registrar	Calamatta Cuschieri Investment Services Limited, an authorised financial intermediary licensed by the MFSA and a member of the MSE, bearing registration number C 13729 and having its registered office at Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta;
Subsidiaries	each of Shoreline Residence, Shoreline Mall, and Shoreline Contracting;
Summary Note	the summary note issued by the Issuer dated 18 June 2020, forming part of the Prospectus.

Unless it appears otherwise from the context:

- a. Words importing the singular shall include the plural and *vice-versa*;
- b. Words importing the masculine gender shall include the feminine gender and *vice-versa*;
- c. The word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;
- d. Any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organizations, 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;

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 issue of the Prospectus.

1 PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL

Save for the Financial Analysis Summary reproduced in Annex IV of the Securities Note and the Architect's Valuation reproduced in Annex I of this Registration Document, the Prospectus does not contain any statement or report attributed to any person as an expert. The Financial Analysis Summary dated 18 June 2020 has been included in Annex IV of the Securities Note in the form and context in which it appears with the authorisation of Calamatta Cuschieri Investment Services Limited of Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta, which has given, and has not withdrawn, its consent to the inclusion of said report herein. Calamatta Cuschieri Investment Services Limited does not have any beneficial interest in the Issuer. The Issuer confirms that the Financial Analysis Summary has been accurately reproduced in the Prospectus and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

The Architect's Valuation reproduced in Annex I of this Registration Document has been included with the consent of Dr Edwin Mintoff as the author of the said valuation, contents of which have been accurately reproduced herein. As far as the Issuer is aware and is able to ascertain from the contents of the Architect's Valuation, no facts have been omitted which would render the said valuation inaccurate or misleading.

In drawing up the Architect's Valuation, Dr Edwin Mintoff as the author of the said valuation relied on information provided to him by the Issuer, its management and its advisors or, on information which was otherwise in the public domain.

1.1 RESPONSIBILITY STATEMENT

This Registration Document includes information prepared in compliance with the Listing Rules of the Listing Authority for the purpose of providing Investors with information with regard to the Issuer. Each and all of the Directors of the Issuer whose names appear under the heading 'Directors and Company Secretary' in section 8.1 of this Registration Document, are the persons responsible for the information contained herein. To the best of the knowledge and belief of the Directors of the Issuer (who have all taken reasonable care to ensure such is the case), the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly. The Issuer has given its consent for drawing up this Prospectus and to its use. The Issuer accepts responsibility for the content of this Prospectus and to the subsequent resale or final placement of the Bonds by the Authorised Financial Intermediaries listed in Annex I to the Securities Note.

2 ADVISORS AND AUDITORS

2.1 LEGAL ADVISORS

Name: DF Advocates
Address: II Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, SLM 1607, Malta

DF Advocates is a Maltese based law firm providing advice to international and local clients in day-to-day operations, local and cross border transactions and a multitude of complex issues spanning various industries.

2.2 SPONSOR, MANAGER & REGISTRAR

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

Calamatta Cuschieri Investment Services Limited holds a Category 3 license issued by the Malta Financial Services Authority and is a member of the Malta Stock Exchange.

2.3 STATUTORY AUDITORS

Name: Deloitte Audit Limited (C 51312)
Address: Deloitte Place, Mriehel Bypass BKR 3000, Malta

The Annual Audited Financial Statement of the Issuer for the financial year ended 30 April 2019 were prepared by Deloitte Audit Limited. Deloitte Audit Limited is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Chapter 281 of the Laws of Malta).

3 RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE 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. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED, OTHER THAN THE FIRST RISK FACTOR PRESENTED IN EACH CATEGORY, IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

IMPORTANT FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THE EXPECTATIONS OF THE ISSUER'S DIRECTORS INCLUDE THOSE RISKS IDENTIFIED UNDER THIS SECTION 3 AND ELSEWHERE IN THE PROSPECTUS. IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER'S FINANCIAL RESULTS AND TRADING PROSPECTS AND 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 AND 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 IN CONNECTION WITH SECURITIES ISSUED BY THE ISSUER: (A) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION (B) NOR SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE SPONSOR THAT ANY RECIPIENT OF THIS 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 IN THIS DOCUMENT.

3.1 FORWARD-LOOKING STATEMENTS

This Prospectus contains statements that are, or may be deemed to be, 'forward-looking statements'. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will' or 'should' or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and its Directors concerning, amongst other things, the Issuer's and the Shoreline Group's strategies and business plans, results of operations, financial condition, liquidity and prospects of the Issuer and the markets in which it operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The actual results of operations, financial condition, liquidity and the strategic development of the Issuer and the Shoreline Group may differ materially from the forward-looking statements contained in this Prospectus. In addition, even if the results of operations, financial condition and liquidity of the Issuer and/or the Shoreline Group are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include:

- i. Continued, sustained or worsening global economic conditions and in particular economic weakness in the areas in which the Issuer and/or the Shoreline Group operates;
- ii. Increased competition; and
- iii. Increased regulation.

Potential investors are advised to read this Prospectus in its entirety and, in particular, this Section titled 'Risk Factors' for a further discussion of the factors that could affect the Issuer's and/or the Shoreline Group's future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Prospectus may not occur. All forward-looking statements contained in this Prospectus are made only as at the date hereof. The Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

3.2 RISKS RELATING TO THE ISSUER AND ITS BUSINESS

3.2.1 GENERAL

As stated above, the Issuer has been set up for the purposes and/or in connection with the Project or specific aspects thereof and has been relatively recently set up and is thus substantially a start-up operation with all the attendant risks that start-ups normally entail, including the lack of financial stability. The Issuer's business model remains primarily reliant on:

- a. The development and resale of select immovable properties forming part of the Shoreline Mall Complex (namely the Residential Units and the Residential Carpark); and
- b. The development and retention of ownership of Commercial Units and the Commercial Carpark for long-term investment, through the operation and/or letting thereof and the revenues generated therefrom.

In addition, the Issuer's assets and operations are concentrated in Malta, in a specific region thereof, Smart City I/o Kalkara, and are accordingly intimately dependent on the retail and the property rental market in Malta and more specifically in such region. Payments under the Bonds will be mainly financed through operational revenues of the Issuer consisting principally of operational fees and profits from the operation of the Commercial Carpark, rental payments to be received by it from tenants of the Commercial Units as well as the resale of the Residential Units and the Residential Carpark.

The Issuer's financial condition and payment abilities may therefore be negatively affected by risks relating directly or indirectly to real estate development and operation, commercial tenancies, and all other risks relevant or which may have a negative impact on such operational revenues mentioned above.

3.2.2 PROJECT

The Issuer exists and operates principally for the purposes of and by reference to the Project. The Issuer is therefore subject to concentration risk in view of the fact that its business is solely related to the Project.

3.2.3 THE ISSUER IS SUBJECT TO MARKET AND ECONOMIC CONDITIONS GENERALLY

The Issuer is subject to general market and economic risks that may have a significant impact on its current and future property developments and their timely completion within budget and their profitable operation. These include factors such as the health of the local property market, inflation and fluctuations in interest rates, exchange rates, property prices and rental rates. In the event that general economic conditions and property market conditions experience a downturn, such as that currently experienced due to the COVID-19 pandemic as further outlined in Section 3.2.4 of this Registration Document, which was not foreseeable or contemplated in the Issuer's planning during development, there may be an adverse impact on the financial condition of the Issuer and may therefore affect the ability of the Issuer to meet its obligations under the Bonds.

3.2.4 MATERIAL RISKS RELATED TO NATURAL DISASTERS, STATES OF EMERGENCY, COVID-19 AND OTHER PANDEMICS

The Issuer's business could be adversely affected by the effects of natural disasters, states of emergency, and pandemics such as the COVID-19 virus disease.

While COVID-19 is still spreading and the final implications of the pandemic are difficult to estimate at this stage, it is likely that it will have an adverse effect on the livelihood of parts of sections of the global population and on the economy in general. At the time of publication of this prospectus, the pandemic has led to state of emergencies being declared in various countries, travel restrictions have been imposed, quarantines mandated, and various businesses forced to temporarily close their doors.

The ongoing COVID-19 pandemic and any possible future outbreaks of viruses may have a significant adverse effect on the Issuer. Firstly, a spread of such diseases amongst its officials and/or employees, as well any quarantines affecting such officials and/or, may reduce the possibility of the Issuer's personnel to carry out their work and thereby the effect on its business operations. The current pandemic and any possible future outbreaks of viruses or similar calamities could also have an adverse effect on the Issuer's projected income streams should retailers be or continue being adversely affected by such pandemics and consequently decide to curtail their expenditures and/or their business expansion and their ability to honour their financial commitments towards the Issuer qua tenants. The Issuer's revenues may be further impacted should the Issuer fail to realise the projected sale price of the Residential Units due to decrease in appetite for real estate investment or reduction of property prices. The development of the Project may also be delayed due to directives which may be issued by government and public authorities having an effect on the ability of the Issuer to complete the construction on time.

Further to the above, the Issuer may be adversely affected by the wider macroeconomic effect of the ongoing COVID-19 pandemic and any possible future outbreaks. While the final effects of the COVID-19 pandemic are at this stage difficult to assess, it is possible that it will have substantial negative effect on the economies where the Group operates in. These effects may also take place in case of any possible future outbreaks.

The overall severity and duration of COVID-19-related adverse impacts on the business and operations of the Issuer will depend on future developments which cannot currently be predicted, including directives of government and public health authorities, the status of labour availability, the ability to staff our operations and facilities. Even after the COVID-19 outbreak has subsided, the Issuer may continue to experience material adverse impacts on its businesses and operations as a result of its global economic impact, including any related recession, as well as lingering impacts on demand for or oversupply of retail space and/or real estate.

Any of the factors above could have an adverse effect on the Issuer's profits and financial position, and thereby affect the Issuer's ability to make the payments under the Bonds.

3.2.5 MATERIAL RISKS RELATING TO REAL ESTATE DEVELOPMENT MAY AFFECT THE ECONOMIC PERFORMANCE AND VALUE OF ANY ELEMENT OF THE PROJECT AND THE PROPERTIES UNDER DEVELOPMENT

There are a number of factors that commonly affect the real estate development industry, many of which are beyond the Issuer's control, and which could adversely affect the economic performance and value of the real estate properties under development within the Project. Such factors include:

- changes in global economic conditions particularly in the European Union;
- changes in the general economic conditions in Malta;

- general industry trends, including the cyclical nature of the real estate market;
- changes in local market conditions, such as an oversupply of similar properties, a reduction in demand for real estate or change of local preferences and tastes;
- delays or refusals in obtaining required permits and authorisations;
- shortages and/or price increases in raw materials or other construction inputs, such as, among others, cement, steel, energy and other utilities, leading to cost overruns;
- possible structural and environmental problems;
- acts of nature, such as earthquakes and floods, that may damage any of the properties or delay development thereof;
- the inherent risks to health and safety arising from the nature of property development, including the risk of serious injury or even fatality; and the litigations that may arise therefrom; and
- increased competition in the market segment in which the Issuer operates may lead to an oversupply of residential or commercial properties in such markets, which could lead to a lowering of prices and rental rates and a corresponding reduction in revenue of the Issuer.

Any of the factors described above could have a material adverse effect on the Issuer's business, its financial condition and prospects and accordingly on the repayment of the Bonds and interest thereon.

3.2.6 RISKS RELATING TO THE COMMERCIAL RENTAL BUSINESS OF THE ISSUER

An increase in the supply of commercial retail space could impact negatively upon capital values and income streams of the Issuer's properties. The Issuer is dependent on tenants fulfilling their obligations under their lease agreements. The business, revenue and projected profits of the Issuer would be negatively impacted if tenants fail to honour their respective lease obligations.

The Issuer, is also subject to the risk that tenants may terminate or elect not to renew their respective lease, either due to the expiration of the lease term or due to an early termination of the lease. In cases of early termination by tenants prior to the expiration of the lease term, there is a risk of loss of rental income if the tenant is not replaced in a timely manner. Furthermore, the Issuer may be subject to increases in operating and other expenses with respect to the said properties. The Project is also subject to common real estate risks, including market disruption or oversupply, which may result in the Issuer being unable to achieve appropriate rental rates and other operational receivables at the levels it anticipates, potentially requiring changes in the Issuer's pricing strategy that could result in significant losses or charges, as well as construction delays, cost overruns, lender financial defaults or 'acts of God' such as earthquakes, hurricanes, floods or fires, which could increase overall project costs or result in project cancellations. Furthermore, the Issuer is subject to various counter-party risks, including the risk of counter-party default, such as prospective buyers or lessees defaulting on their obligations with the Issuer. Such parties may default or fail to perform on their obligations to the Issuer due to insolvency, lack of liquidity, market or economic downturns, operational failure or other reasons which are beyond the Issuer's control. If such risks, many of which are common to the real estate industry, were to materialise, they could have an adverse impact on the Issuer's revenue generation, cash flows and financial performance. No assurance can be given that the Issuer will be able to deal with these risks in an efficient and cost effective manner.

3.2.7 THE ISSUER DEPENDS ON THIRD PARTIES IN CONNECTION WITH ITS BUSINESS, GIVING RISE TO COUNTER-PARTY RISKS

As stated above the Issuer is subject to various counter-party risks. The Issuer relies upon third party or related service providers such as architects, project managers, building contractors, subcontractors, suppliers, hotel operators and others for the construction and completion and (where applicable) subsequent operation of its property developments. This gives rise to counter-party risks in those instances where such third parties do not perform in line with the Issuer's expectations and in accordance with their contractual obligations. If these risks were to materialise, the resulting development cost overruns or delays in completion or loss of revenue could have an adverse impact on the Issuer's business, and its financial condition, results of operations and prospects. Prospective purchasers of Residential Units and the Residential Carpark may default on their obligations under preliminary agreements of sale with the Issuer, in particular by failing to appear on the final deed of sale and/or pay the outstanding amounts of the price when due, and tenants of the Commercial Units may default on their rental payment obligations, thus causing potential liquidity shortages for the Issuer and forcing same into potential litigation.

3.3 ENVIRONMENTAL RISKS

THE ISSUER MAY BE EXPOSED TO ENVIRONMENTAL LIABILITIES ATTACHING TO REAL ESTATE PROPERTY

The Issuer may become liable for the costs of removal, investigation, or remediation of any hazardous or toxic substances that may be located on, or in, or which may have migrated from, a property owned or occupied by it, which costs may be substantial. The Issuer may also be required to remove or remedy any hazardous substances that it causes or knowingly permits at any property that it owns or may in future own. Laws and regulations, which may be amended over time, may also impose liability for the presence of certain materials or substances or the release of certain materials or substances into the air, land or water or the migration of certain materials or substances from a real estate investment, including asbestos, and such presence, release or migration could form the basis for liability to third parties for personal injury or other damages. These environmental liabilities, if realised, could have a material adverse effect on the Issuer's business, financial condition, and results of operations.

3.4 RISKS RELATED TO THE ISSUER'S FINANCIAL SITUATION

3.4.1 FINANCING FOR CURRENT AND FUTURE INVESTMENTS

The Issuer may not be able to obtain the entirety of the capital it requires for the development or improvement of existing or new properties on commercially reasonable terms, or at all. The Issuer may not be able to secure sufficient financing for its current and future investments. No assurance can be given that sufficient financing will be available on commercially reasonable terms or within the timeframes required by the Issuer, also taking into account the need from time to time for the Commercial Units and other property within the Shoreline Mall Complex owned by the Issuer to undergo renovation, refurbishment or other improvements in the future. Failure to obtain, or delays in obtaining, the capital required to complete current or future developments and refurbishment projects on commercially reasonable terms, including increases in borrowing costs or decreases in loan availability, may limit the Issuer's growth and materially and adversely affect its business, financial condition, results of operations and prospects.

3.4.2 DIFFICULTIES IN ACCESSING ADDITIONAL FINANCING OR COMPLYING WITH FINANCIAL COVENANTS INCLUDED IN THE ISSUER'S FINANCING ARRANGEMENTS COULD HAVE AN ADVERSE EFFECT ON THE ISSUER'S FINANCIAL POSITION

The Issuer's ability to finance its operations will depend on a number of factors, such as its cash flows from operations and, possibly, access to additional debt or equity (or quasi-equity) financing, and there can be no assurance that financing will be available at a commercially reasonable cost, or at all. Should the Issuer not be able to obtain such re-financing, this could have a material adverse effect on the Issuer's business, financial condition and result of operations.

Moreover, the Issuer's financial arrangements include re-financing covenants on the part of its parent, Shoreline Holdings. For more information, see section 4.19 of the Securities Note. If Shoreline Holdings is unable to comply with the covenants and other undertakings, conditions, and warranties included in its re-financing arrangements in the future, the Issuer could be required to enter into financial arrangements, request waivers or replace borrowings with other financing in order to prevent a default. There can be no certainty that the Issuer would be able to take any such action on terms that are acceptable, or at all. Should Shoreline Holdings be unable to comply with the covenant included in its re-financing arrangements, this or any of the foregoing could have a material adverse effect on the Issuer's business, financial condition, results of operations and future prospects as well as make it difficult for the Issuer to obtain additional financing on reasonable terms, or at all.

3.4.3 FIXED OPERATING EXPENSES

A significant portion of the Issuer's costs are or will be fixed and the Issuer's operating results are vulnerable to short term changes in revenues. The Issuer's inability to react quickly to changes in revenue by reducing operating expenses could have a material adverse effect on its respective business, financial condition and results of operations.

Increases in Operating and Other Expenses

The Issuer's operating and other expenses could increase without a corresponding increase in turnover or revenue. The factors which could materially increase operating and other expenses include:

- increases in the rate of inflation, in particular where the income stream of the Issuer does not increase correspondingly;
- increases in property taxes and other statutory charges;
- changes in laws, regulations or government policies, and corresponding increased costs of compliance therewith;
- increases in insurance premia;
- unforeseen increases in the costs of maintaining properties;
- unforeseen capital expenditure;
- reputational risks and strategic and business risks materialising; and
- unanticipated expenses as a result of 'acts of God' and their consequences.

Such increases in costs and expenses may not be recoverable or fully recoverable from tenants or in the case of the Residential Units and the Residential Carpark, from the owners of such properties. These increases could have a material adverse effect on the Issuer's financial position and operational performance.

3.4.4 FUTURE INDEBTEDNESS

The Issuer may, from time to time, require bank credit facilities or other indebtedness, including through the issue of further debt securities, to maintain the Shoreline Mall Complex, in particular the Commercial Units and the Commercial Carpark, to refinance indebtedness as well as to fund future growth in terms of acquisition and/or developments. Such indebtedness will require a portion of the Issuer's generated cash flows to be used to service the same. There can be no assurance that the Issuer will have access to such debt financing at reasonable interest rates. Furthermore, any borrowings under bank credit facilities will likely be at variable interest rates, which could cause the Issuer to be vulnerable to increases in interest rates. The agreements regulating the Issuer's bank debt may impose significant financial covenants on the Issuer, the covenants of which could limit the Issuer's ability to obtain future financing, make capital expenditure, withstand a future downturn in business or economic conditions generally or otherwise inhibit the ability to conduct necessary corporate activities. Such bank or other financing as aforesaid may involve the creation of security interests upon the whole or any part of the present or future undertakings, assets or revenues of the Issuer, but no such security interests will affect the ranking status of the Special Hypothec securing the Bonds.

3.4.5 LIQUIDITY RISK

The lack of liquidity and alternative uses of real estate investments could significantly limit the Issuer's ability to respond to adverse changes in the performance of its properties thereby potentially harming its financial condition. Furthermore, the Issuer's strategy to retain certain properties, for operational or rental income rather than to sell the same, may be a limiting factor in its ability to respond to changing economic, financial and investment conditions. The real estate market is affected by many factors, such as general economic conditions, availability of financing, interest rates and other factors, including supply and demand, that are beyond the Issuer's control.

3.5 SOCIAL AND GOVERNANCE RISKS

3.5.1 RISKS RELATING TO THE POLITICAL, ECONOMIC AND SOCIAL ENVIRONMENT IN WHICH THE ISSUER OPERATES

The Issuer's assets and operations are all situated in Malta. Accordingly, the Issuer is generally exposed to the economic and political conditions which are prevalent in Malta from time to time, thereby rendering the Issuer's operations overly exposed to the social, political and economic stability in Malta, which, in the event of downward trend could have a material adverse impact on the operations of the Issuer and the value of its assets. Such over-exposure to the Maltese market could render investment in the Issuer riskier than investments in more geographically diversified operations.

3.5.2 THE ISSUER'S KEY SENIOR PERSONNEL AND MANAGEMENT HAVE BEEN AND REMAIN MATERIAL TO ITS GROWTH

The Issuer believes that its growth is largely attributable to the efforts and abilities of the directors and members of its executive management team and other key personnel. If one or more of the members of this team were unable or unwilling to continue in their present position, the Issuer might not be able to replace them within the short term, which could have a material adverse effect on the Issuer's business, financial condition and results of operations. In common with many businesses, the Issuer will be relying heavily on the contacts and expertise of its directors and senior management teams and other key personnel. Although no single person is solely instrumental in fulfilling the Issuer's business objectives, there is no guarantee that these objectives will be achieved to the degree expected following the possible loss of key personnel. The loss of the services of any of the key personnel could have, in the short term, a material adverse effect on the Issuer's business.

3.6 LEGAL AND REGULATORY RISK

3.6.1 RISKS RELATIVE TO CHANGES IN LAWS

The Issuer is subject to taxation, environmental and health and safety laws and regulations. As with any business, the Issuer is at risk in relation to changes in laws and regulations and the timing and effects of changes in the laws and regulations to which it is subject, including changes in the interpretation thereof which cannot be predicted. 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 upon the business and operations of the Issuer.

3.6.2 LITIGATION RISK

All industries, including the real estate development industry, are subject to legal claims, with or without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute will not have a material adverse effect on the Issuer's future cash flow, results of operations or financial condition. The Issuer's insurance policies, as at the date of this Registration Document, for contractors' all risks and third party liability insurance covers, are at levels determined by the Issuer to be appropriate in light of the cost of cover and the risks of activities and risk profiles of the business in which the Issuer operates. With respect to losses for which the Issuer is covered by such policies, it may be difficult and may take time to recover such losses from insurers. In addition, the Issuer may not be able to recover the full amount from the insurer. No assurance can be given that the Issuer's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates.

3.6.3 RISKS RELATING TO THE SPECIAL HYPOTHEC

The Bonds, as and when issued and allotted, shall constitute the general, direct, and unconditional obligations of the Issuer and shall be secured in respect of both the interest due and the principal amount under said Secured Bonds by the Special Hypothec. The Secured Bonds shall at all times rank *pari passu* without any priority or preference among themselves but, in respect of the Issuer, and save for such exceptions as may be provided by applicable law, they shall rank with priority or preference over all unsecured indebtedness, if any, by virtue and to the extent of the Special Hypothec which the Issuer has agreed to constitute in favour of the Security Trustee for the benefit of the Bondholders. In terms of the Security Trust Deed, the Issuer retains the discretion to substitute any one of the immovable properties charged with the Special Hypothec with another immovable property owned by the Issuer, subject to a property valuation report by an independent architect to be appointed by the Issuer with the consent of the Security Trustee, confirming that the value of the property substituting and being added to the immovable properties charged by the Special Hypothec is at least equal to the value of the immovable property which has been removed. Whilst this Special Hypothec in respect of the Secured Bonds grants the Security Trustee a right of preference and priority for repayment over the creditors of the Issuer in respect of the Shoreline Mall Complex, there can be no guarantee that the value of the said Shoreline Mall Complex over the term of the relevant Series of Bonds

will be sufficient to cover the full amount of interest and principal outstanding under the said Series of Bonds. This may be the result of various factors, including general economic factors that could have an adverse impact on the value of the Shoreline Mall Complex. If such circumstances were to arise or subsist at the time that the Security Hypothec is to be enforced by the Security Trustee, it could have a material adverse effect on the recoverability of all the amounts that may be outstanding under the Bonds. Furthermore, whilst the independent valuation opines that the value of the Shoreline Mall Complex relative to the Secured Bonds in its developed state actually exceeds the aggregate nominal value of the Bonds, there is no guarantee that such value determined in the independent valuation would be achieved, particularly if the Special Hypothec is enforced at a time when the Shoreline Mall Complex is still not completed and unfinished, in which case various pressures in the market may push the price down (including the perceived weakness in the financial situation of the Issuer by potential buyers, the hesitation of potential buyers to take up the commitments, efforts and challenges of completing the same, the lost opportunity of fetching a good price typically offered by an immovable which is finished and which can be operated immediately).

3.6.4 RISKS INHERENT IN PROPERTY VALUATIONS

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

4 INFORMATION ABOUT THE ISSUER

Full legal and commercial name of the Issuer:	Shoreline Mall plc
Registered address:	Suite 407, Level 4, Block SCM 01, Smart City Malta, Ricasoli, Kalkara SCM 1001, Malta
Place of Registration and Domicile:	Malta
Registration number:	C 84005
Legal Entity Identification (LEI) Number:	391200FQG1FQ0DT1US42
Date of Registration:	15 December 2017
Legal Form:	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act
Telephone numbers:	+356 21808895 / +356 21808970
Email:	admin@theshorelinerresidence.com
Website:	www.theshorelinerresidence.com

The Issuer is a subsidiary of Shoreline Holdings which holds 16,575,997 Ordinary A Shares fully paid up in the capital of the Issuer. Shoreline Residence holds 4,424,002 Ordinary A Shares 33.9% paid up and 1 Ordinary B Share 100% paid up in the capital of the Issuer.

The Issuer was incorporated on the 15th December 2017 and was converted as a public limited liability company on the 18 October 2019 in terms of the Act.

There has not been any material adverse change since the date of publication of the latest audited financial statements of the Issuer. Moreover, there has not been any significant change in the in the prospects of the Issuer, which has occurred since the end of the last financial period for which financial information has been published up to the date of this Registration Document.

The Issuer was set up and established primarily to acquire and dispose and/or develop, manage, improve, operate, and maintain, immovable property and grant on lease any moveable and immovable property for a definite period of time to third parties, whether for a determined purpose or otherwise. As at the date of this Registration Document, the Issuer has an issued share capital of €21,000,000 divided into 16,575,997 Ordinary A Shares of one Euro (€1) each, fully paid up, 4,424,002 Ordinary A Shares of one Euro (€1) each 33.9% paid up, and one (1) Ordinary B Share of one Euro (€1), fully paid up.

The Issuer's objects include, inter alia, that of borrowing or raising finance in connection with the ownership, development, operation and financing of its business activities on such terms as the Directors may deem expedient, and also to invest and deal with the moneys of the Issuer in or upon such investments and in such manner as the Directors may, from time to time, deem expedient. The issue of the Bonds and other debt securities, therefore, falls within the objects of the Issuer.

5 BUSINESS OVERVIEW

5.1 PRINCIPAL ACTIVITIES AND MARKETS

The principal activity of the Issuer is the acquisition and disposal and/or development and operation of the various immovable properties within and constituting the Shoreline Mall Complex to be situated at the Shoreline Mall Site at Smart City Malta, Kalkara. The Issuer was, in fact, specifically set up in view and for the purposes of, and will principally operate by reference to, the Shoreline Mall Complex and its activities will accordingly be focused thereon.

The Project itself will consist of mixed-use developments. A more detailed description of the concept, characteristics and other matters in relation to the Project can be found in section 5.2.2 hereunder.

As such, the Issuer's main business therefore consists and will consist of:

- a. The resale of immovable property within the Shoreline Mall Site, mainly consisting of the Residential Units and the Residential Carpark;
- b. The acquisition and development of parts of the Shoreline Mall Site for long-term investment, through the operation and/or letting thereof and revenues generated therefrom, mainly the development and operation of the Commercial Units and the Commercial Carpark.

5.2 THE PROJECT AND THE SHORELINE MALL SITE

5.2.1 ACQUISITION OF THE SHORELINE MALL SITE

The Issuer acquired the Shoreline Mall Site for the total price of €13,000,000 (the 'Consideration') from Shoreline Residence by virtue of the Shoreline Mall Site Deed.

The immovables forming part of the Shoreline Mall Site were transferred subject to the rights, easements, restrictions, terms and conditions resulting from the Shoreline Mall Site Deed.

In terms of an agreement entered into between Shoreline Residence and Shoreline Holdings on or about the date of the aforementioned deed, Shoreline Residence assigned its right to receive the Consideration due to it by the Issuer to Shoreline Holdings. Shoreline Holdings proceeded to capitalise the said receivable due to it through the subscription to an equivalent amount of Ordinary A Shares in the capital of the Issuer in terms of a resolution in writing dated on or about the date of the aforementioned deed.

5.2.2 DESCRIPTION OF THE PROJECT

The Project is a mixed-use development in the Southern area of Malta and consists of:

1. A commercial component comprising of a shopping mall with a total gross area of ca. 25,000 sqm spread over 2 floors, of which approximately 14,000 sqm consist of rentable retail spaces;
2. 848 parking spaces split between 532 parking spaces complementing the commercial component which shall be retained and operated and/or leased by the Issuer and 316 parking spaces complementing the residential component for resale purposes. The Issuer has committed the residential carpark to Shoreline Residence for resale upon completion; and
3. Seven foreshore luxury residential units which shall be retained by the Issuer for resale purposes.

5.2.3 COMMERCIAL COMPONENT

The commercial component of the Project comprises a shopping mall with a total gross area of ca. 25,000 sqm on 2 floors, of which approximately 14,000 sqm are rentable retail spaces, overlying 3 levels of underground parking. Following an international bid, Haskoll, one of Europe's leading retail architectural firms responsible for creating successful shopping center designs around the world, has been appointed. Furthermore, in order to ensure that the commercial element delivers sustainable solutions for the internal and external environments of the project, lighting consultant Franck Franjou, acoustic consultant Hann Tucker Associates Ltd, and LEED consultant Greenwich have been appointed.

The Issuer intends to retain ownership of the Commercial Units and to lease out the resulting mix of retail, leisure, entertainment and catering outlets. Management intends the Shoreline Mall to be a mid-market mall with an associated tenant mix. Such leases are subject to an agreement structured towards a set base rate per sqm regulated by a percentage of gross turnover which base rates may vary according to the type of operation.

The Issuer has a number of letters of intent and expressions of interest by the major brands and operators already present in Malta, which letters of intent and expressions of interest are currently being reviewed by the Shoreline Group's retail consultants for shortlisting. Additionally, the Issuer is in constant discussions with several significant foreign brands which currently do not have a presence in Malta, with a view to attract them to the commercial component as prominent tenants thereof.

In terms of target market it is to be noted that no retail shopping malls currently exist in the Southern area of Malta, where, inversely, a substantial percentage of the islands' population exists. Currently these residents have to drive or commute

towards other parts of the island to visit shopping malls. This is the primary target market of the mall, given that the mall will be within a 15 minute drive of the most populated towns and villages in the south of the island.

5.2.4 RESIDENTIAL COMPONENT

The Residential Component consists of a row of 7 terraced duplex residences made up of a mix of 2 and 3 bedroom variants all having adjoining terraces, lock-up garages and private lifts to all levels, all located on the foreshore of the Shoreline Mall Site. The Residential Component has been earmarked for sale by the Issuer upon the completion of the construction and development thereof.

5.2.5 PROJECT PHASING AND EXPECTED TOTAL COSTS OF THE PROJECT

Following the issuance of the Building Permit, excavation works commenced on the 11th May 2019 and were completed in Q1 2020. The Shoreline Group has selected TACA İnşaat ve Ticaret A.S., qua the chosen contractor. The contract of works is a design and build contract based on the International Federation of Consulting Engineers' ('FIDIC') Yellow Book whereby the price of construction (works and materials) and time for delivery of the different phases is fixed. It is expected that the contract shall be executed, and construction works commence, on or about the date of admission to listing of the Bonds.

It is envisaged that the Commercial Units shall be completed and open for business by Q3 2022 with the residential element being completed by end of September 2021 with contracts expected to be signed in January 2022.

As at the date of this Registration Document, the capital expenditure, construction and development costs of the Project for the Issuer (including the cost of acquisition of relative land/airspace, excavation and construction costs, mechanical and electrical costs, finishing costs, professional fees, and other pre-operational costs) are estimated and budgeted at approximately €69,250,000, although the actual amount of costs may vary over time up to completion due to a variety of factors.

It is expected that the Issuer shall finance the development of the Project through equity financing, the bond proceeds and through a proportion of the revenue generated through the sales of the Residential Units and the Residential Carpark.

5.3 BUSINESS OVERVIEW OF THE ISSUER

As outlined in section 5.1 above, the main business activities of the Issuer are expected to be the sale of certain immovables within the Project as well as the development and retention of other immovables within the Project for long-term investment to generate rental and operational income therefrom.

5.3.1 SALE OF THE RESIDENTIAL UNITS AND THE RESIDENTIAL CARPARK SPACES

As indicated above, the Residential Units and the Residential Carpark will be sold to third parties with the latter being committed to Shoreline Residence.

It is estimated that the aggregate price of the Residential Units and the Residential Carpark spaces to be sold to Shoreline Residence will amount to approximately €24,200,000.

5.3.2 RETENTION AND LETTING AND/OR OPERATION OF IMMOVABLES

The Issuer intends to retain the ownership of the Commercial Units and to rent the outlets therein directly to third party operators. As at the date of this Registration Document, no rental or operation agreements have been concluded for these outlets although letters of intent and expressions of interest have been concluded in relation to the majority of the Commercial Units.

Moreover, the Issuer shall retain the ownership of the Commercial Carpark as it intends to operate same upon the commissioning of the commercial element of the Project as an essential and intrinsic part thereto.

5.3.3 RELATION OF THIS BUSINESS LINE (RETENTION AND LETTING AND/OR OPERATION OF IMMOVABLES) WITH THE BONDS

Payments due under the Bonds (including interest and the repayment of the principal due upon maturity) will be financed through partial proceeds of the sale of the Residential Carpark and the Residential Units and through operational revenues from the Commercial Carpark and rental payments received by the Issuer from the tenants of the Commercial Units.

5.4 SECURITY PROPERTY

Security for the fulfilment of the Issuer's obligations under the Bonds of each Series is to be granted in favour of the Security Trustee for the benefit of the Bondholders in the form of the Special Hypothec. The Issuer has obtained an independent architect's valuation of the Shoreline Mall Complex, which valuation is being attached to this Registration Document as Annex I.

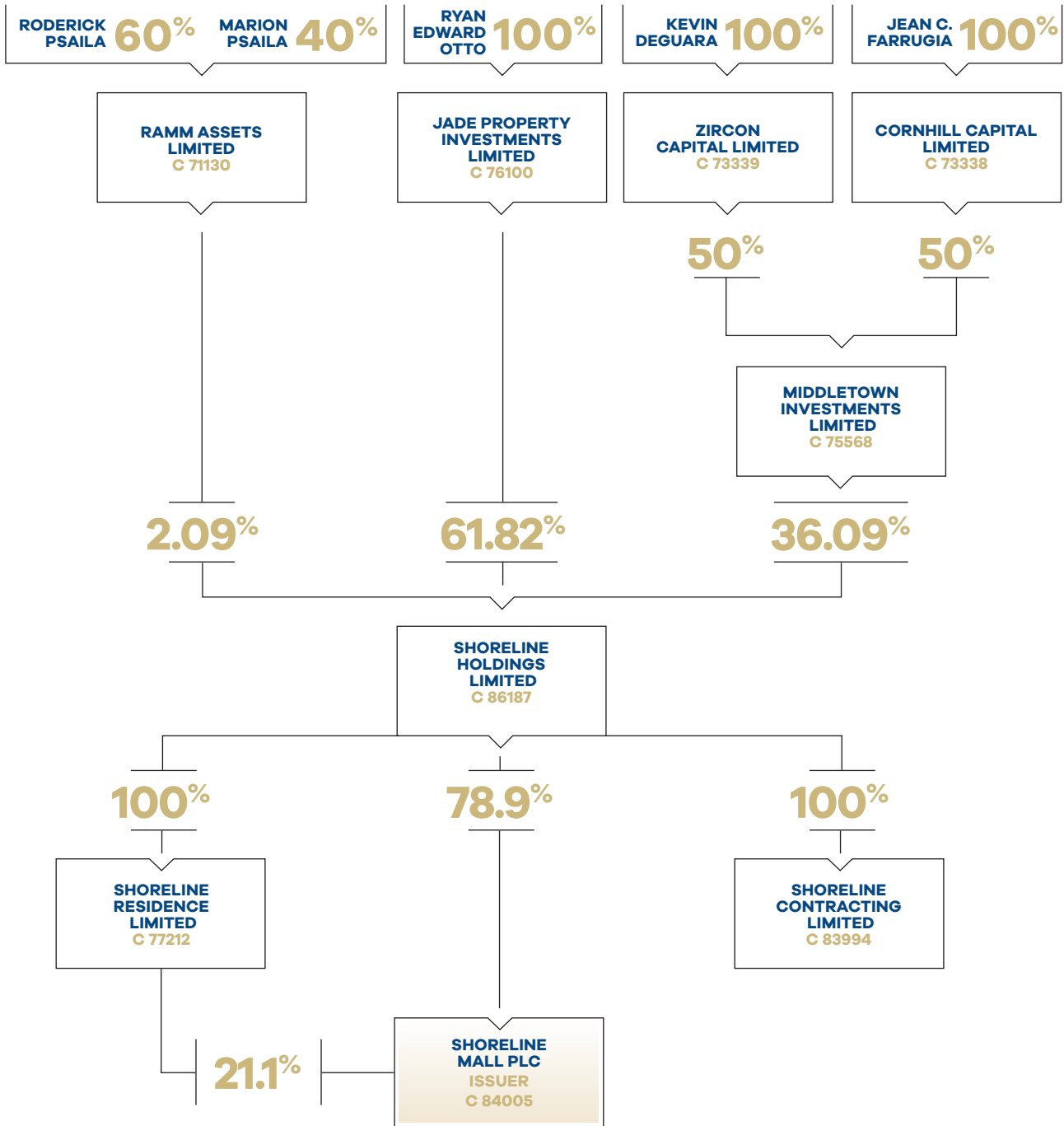
The Issuer intends to utilise the proceeds of the Bonds to finance the development costs of the Issuer in respect of the Project.

Upon full payment of principal and interest under the Series A Bonds, the Special Hypothec shall be reduced by an amount equivalent to €14,000,000.

5.5 CLOSING DYNAMICS

Listing of the Bonds on the Official List of the Malta Stock Exchange shall not occur until all security for the benefit of Bondholders has been duly perfected. Once the Bonds are admitted to listing on the Official List of the Malta Stock Exchange, proceeds from the Bond Issue will be forwarded by the Registrar to the Security Trustee, as outlined in the Security Trust Deed. In the event that Completion does not occur within 15 Business Days from the closing of the Offer Period, the Registrar shall return all Bond Issue proceeds to the Investors in terms of section 6.2.3 of the Securities Note.

6 ORGANISATIONAL STRUCTURE OF THE ISSUER



The Issuer is a subsidiary of Shoreline Holdings, which latter entity is the parent company of the Shoreline Group. As at the date hereof the Shoreline Group consists of Shoreline Holdings, and its subsidiaries: Shoreline Residence, Shoreline Contracting, and the Issuer. The diagram above illustrates the companies within the organisational structure of the Shoreline Group, as at the date of the Prospectus.

Shoreline Holdings was set up on 8 May 2018 and acts as the holding company of the Shoreline Group. Shoreline Holdings has an authorised share capital of €15,000,000 divided into 15,000,000 ordinary shares all having nominal value of €1 each. The issued share capital is of €11,497,700 divided into 11,497,700 ordinary shares divided into 5,108,183 Ordinary A Shares 100% paid up, 2,000,000 Ordinary A Shares 25% paid up, 239,926 Ordinary B Shares 100% paid up, 2,149,591 Ordinary C Shares 100% paid up, and 2,000,000 Ordinary C Shares 25% paid up, all of a nominal value of €1 each. Shoreline Holdings is in turn owned by the following companies; RAMM Assets Limited (2.09%), Jade Property Investments Limited (61.82%) and Middletown Investments Limited (36.09%).

Shoreline Residence and Shoreline Contracting were incorporated on 12 September 2016 and 15 December 2017 respectively, both having an authorised and issued share capital of 1,200 shares of a nominal value of €1 each, fully paid up. Shoreline Residence and Shoreline Contracting are both 100% owned by Shoreline Holdings. The business objects of Shoreline Residence are those of developing the airspace above the Shoreline Mall Site whilst Shoreline Contracting acts as the contracting arm of the Shoreline Group thereby entering into agreements with third party contractors for the development of the portions of the Designated Area held by Shoreline Residence and the Issuer.

7 TREND INFORMATION

7.1 GENERAL MARKET CONDITIONS

The Issuer is subject to general market and economic risks that may have a significant impact on its current and future property developments and their timely completion within budget. These include factors such as the health of the local property market, inflation and fluctuations in interest rates, exchange rates, property prices and rental rates. In the event that general economic conditions and property market conditions experience a downturn, which is not contemplated in the Issuer's planning during development, this shall have an adverse impact on the financial condition of the Issuer and may therefore affect the ability of the Issuer to meet its obligations under the Bonds.

7.2 ECONOMIC UPDATE¹ AND COVID-19 OUTBREAK

In March 2020, the Bank's Business Conditions' Index (BCI) fell when compared with the previous month, and continued to suggest that economic conditions remain below their long-term average. The European Commission's Economic Sentiment Indicator (ESI) also decreased. Sentiment weakened in all sectors, except construction, with the retail and services sectors recording the largest falls. In February, annual growth in the number of tourist arrivals remained strong and close to that recorded a month earlier, while nights stayed and expenditure by tourists rose at a faster pace. The volume of retail trade also rose at a quicker rate. Meanwhile growth in industrial production slowed down, while remaining robust. Conditions in the labour market remained favourable, with the number of registered unemployed and the unemployment rate lower than year ago levels. The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) eased to 1.1% in February. Inflation based on the Retail Price Index (RPI) fell to 1.0%.

Economic Projections Pre COVID-19 Outbreak in Malta²

The latest economic projections implemented by the Central Bank of Malta were based on information available until 28 February 2020. This was prior to the first case of COVID-19 in Malta. Hence, the baseline projections do not include the containment measures introduced by the Maltese authorities to limit the spread of COVID-19.

Economic activity in Malta was expected to remain robust but moderate over the projection horizon. GDP growth was projected to ease from 4.4% in 2019 to 3.8% in 2020, and further to 3.6% in 2021 and 3.5% in 2022. Compared with the Bank's previous projections, published in December 2019, GDP growth was revised downwards in 2020 due to lower private consumption and export growth.

Domestic demand was expected to be the main driver of economic growth over the projection horizon reflecting positive contributions from all components. Although net exports were also set to contribute to GDP growth over the next three years, their contribution was assessed to be much lower than that of domestic demand. The supply-side of the economy was also foreseen to be supportive of growth. The positive output gap was seen to gradually close and turn marginally negative by 2022.

Investment growth was expected to decelerate over the projection horizon, mirroring the projected easing of economic activity, and an expected moderation in growth of residential investment. Nevertheless, the timing of large-scale outlays on infrastructural projects were expected to continue conditioning the path of investment.

As economic activity was projected to moderate over the projection horizon, the pace of job creation was foreseen to slow down, while remaining well above the historical average. Consequently, the unemployment rate was expected to edge up marginally from record lows, ending the projection horizon at 3.8%. As regards wage growth, this was projected to pick-up due to the expected rise in consumer price in inflation and elevated labour market tightness.

1 Central Bank of Malta – Economic Update: Issue 4/2020
2 Central Bank of Malta – Economic Projections 2020-2022

With regards to consumer prices, HICP inflation in Malta was set to rise slightly to 1.6% in 2020, from 1.5% in 2019. Thereafter, consumer price inflation was expected to accelerate gradually, reaching 1.9% in 2022. The pick-up in HICP inflation over 2020 to 2022 was largely driven by expected movements in HICP excluding energy. This was mainly underpinned by faster growth in services prices, reflecting some intensification of demand and wage pressures. Non-energy industrial goods (NEIG) inflation was also set to pick up, mirroring a recovery in imported inflation. Food inflation was projected to remain robust over the projection horizon.

Economic Projections Post COVID-19 Outbreak in Malta³

COVID-19 has caused a public health emergency throughout the world. In response to these events, governments have put in place a number of containment measures to stem the spread of the virus. The economic impact is likely to be substantial, though mainly concentrated in 2020. The Organisation for Economic Co-operation and Development (OECD) has estimated that the outbreak could lead to world GDP growth being between 0.5 percentage point and 1.5 percentage points lower in 2020 than previously projected. The ECB statistical projections released on 12 March foresee an impact of between 0.8 and 1.4 percentage points on euro area GDP growth in 2020.

The situation is unprecedented and fluid and hence it is very challenging to quantify the economic impact at this juncture, given the high uncertainty concerning the duration of this pandemic. The Central Bank of Malta has built a scenario which attempts to cater for the impact of COVID-19 on the Maltese economy. It is based on external developments, the announcements made by the Maltese Government up to 15 March and a number of assumptions.

In particular, the scenario assumes a severe drop in tourist expenditure due to the travel ban and extension of quarantine to all visitors to Malta, shocks related to possible supply-chain disruptions, lower employment hours, and a drop in confidence due to the environment of acute uncertainty.

GDP growth in Malta is estimated to be around 3.5 percentage points lower in 2020, when compared to previous projections. The sectors that are expected to bear the largest drops are the accommodation and food service sector, travel agency-related services, sports and other recreational activities, the transport sector and firms involved in the production of food products. However, almost all other sectors are expected to experience a negative impact due to COVID-19.

The government balance is expected to remain in surplus, but is expected to be around 0.8 percentage points lower than that projected in previous projections, as a result of the assumed lower economic activity. The impact of COVID-19 reported depends on the duration of this pandemic. Measures addressing the financial sector and any fiscal support the Maltese Government may offer to the private sector in Malta should mitigate the negative economic impact of COVID-19.

Based on previous outbreaks, the current conditions are expected to reverse as the virus is either contained or a vaccine is developed. Consequently, although the Issuer is not immune to the current conditions that exist within the economy, the Issuer believes that, bearing in mind that the operational activities of the Issuer will be launched in Q3 2022, the project is insulated from the potential downsides of COVID-19 and that it does not envisage any material adverse effect on its financial projections as a consequence thereof. The Issuer takes considerable comfort from the IMF Country Report No. 20/98 issued on the 9th April 2020 (the 'IMF Report'), which predicts that after an initial reduction in real GDP growth of 2.8% per annum in 2021, Malta's economy is expected to grow by 7% in terms of real GDP in 2022, which effectively coincides with the operational launch of the Issuer's project. The Issuer also notes that both Fitch and Moody's are also predicting a contraction in 2020 and a growth rebound in 2021 (albeit providing more austere figures than the IMF).

The retail sector in Malta has lately undergone a gradual transformation, whereby it was fragmented with small businesses and a limited number of importers, wholesalers and distributors. Subsequent to Malta's entry into European Union (EU) in 2004, the liberalisation of the market greatly encouraged foreign chains to set up in Malta, forcing local traders to come up with more convenient and unique distribution strategies. The 'all-under-one-roof' concept has been gaining popularity among the general public, as witnessed by the opening of a number of shopping destinations in Malta such as The Point Shopping Mall, The Plaza Shopping Centre and D-Mall. This concept has allowed individuals to cater for all their shopping requirements under one roof rather than having to go to different retail shops in multiple locations. Growing consumer expectations has resulted in shops remaining open for longer hours, instead of closing during lunch hours, as occurs in the majority of the other Mediterranean countries.

The retail sector is expected to be negatively impacted as a result of the measures employed by the Government to prevent the virus spread. However, the Issuer understands that retail sector stakeholders are generally expecting the recovery process to commence as soon as the current operating restrictions are lifted.

The Issuer is confident that, provided that construction works commence in the second half of 2020, its retail project will be launched in Q3 2022.

Furthermore, the Issuer is confident that retailers are well cognisant of the extremely competitive rental rates being offered. These competitive rates should enable the retail element of the Project to become an even more attractive sustainable business proposition when compared to other destinations which charge significantly higher rental rates. A comparative analysis in relation to the placement of the rental offering of the Issuer as opposed to comparable outlets can be found in Section 7.3 of this Registration Document. The Issuer also believes that it stands to benefit from a 'first mover' advantage,

³ Central Bank of Malta – Economic Projections 2020-2022

as the current economic climate may actually deter or slow down the pace of other, previously contemplated, potentially competing projects.

The strong economic growth sustained by the Maltese economy in recent years has contributed to a rise in the employment rate and the influx of foreign workers within the Maltese workforce. Nevertheless, it is evident that Malta has over recent years completely evolved and has attracted a numerous amount of foreign companies related to sectors within the financial services, gaming and IT related fields. The country's ability to continue attracting these type of businesses to Malta has significantly contributed towards the sustainability of the luxurious residential and rental sector. Enterprises within these type of areas have thrived in recent years, making Malta an attractive investment alternative. In fact, during 2018 the financial services, gaming and IT industries, collectively amounted to 25.9%² of Malta's overall economic activity. An indication of the high-end market being healthy is that the buyers in these developments are made up of a mix of locals and foreigners.

Of note, there are several traditional high-end residential areas in Malta. For instance, localities such as Gharghur, Tal-Virtu in Rabat and Madliena all boast magnificent sea or country views. One may also find several luxury villas within the central area of Malta such as Lija, Attard, Balzan, Naxxar, Sliema and Saint Julian's. Another area in Malta being popular for its high density of villas is Santa Marija Estate in Mellieha, overlooking Mellieha Bay. In furtherance, there also top quality high-end residential and rental developments within the proximity of Marsascala, Marsaxlokk and in other parts of the south of Malta including Smart City in Ricasoli which also boasts impressive and spectacular sea views.

The luxury property sector is not immune to the current negative economic environment as a result of the measures employed by the Government to prevent the virus spread. However, the Issuer believes that the conservative pricing of the seven fairly unique independently accessed sea front houses at €7,000 per square meter makes the units an even more attractive proposition, as prospective buyers would actually be able to purchase a luxury unit at a price which is more in line with prices for mid to upper end units. Given the conservative pricing, the limited number of units, and the uniqueness and exclusive sea front positioning of the units, the Issuer does not envisage any adverse impact on the saleability of the units offered by it for sale.

7.3 INDUSTRY SPECIFIC ENVIRONMENT

The 'all-under-one-roof' concept has been gaining popularity among the general public, as witnessed by the opening of a number of shopping destinations in Malta such as The Point Shopping Mall, The Plaza Shopping Centre and D-Mall. Rental rates achievable within these type of shopping malls vary according to location, the profile of the tenants within the mall and is also be linked to tenant sales performance. Of note, rental rates achievable at the above-mentioned shopping malls are demonstrated in the table below.

MALL	TOTAL SQM	€/ SQM
The Point Shopping Mall	14,800	429 ⁴
The Plaza Shopping Centre	4,500	260 ⁴
D-Mall	1,164	650 ⁵

The Shoreline Mall is expected to offer a premium product-offering, which is comparable to the top segment of the shopping malls in Malta. Upon completion, this is expected to radically bolster the surrounding area known as SmartCity in terms of footfall and appeal. Of the 369 apartments which are to be constructed by Shoreline Residence, 156 have already been sold from the 224 released for sale. The sale of apartments is expected to provide a natural draw to the catchment area where Shoreline Mall is situated. Additionally, the strong tenant portfolio of the Shoreline Mall will most likely lead to an increased financial performance in the years following the Shoreline Group project's completion.

⁴ Rental rates on The Point Shopping Complex and The Plaza Shopping Complex are worked out from the audited financial statements and may include legacy rates
⁵ Rental rates of D-Mall are derived from D Shopping Mall Finance plc – Admission Document

8 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

8.1 DIRECTORS AND COMPANY SECRETARY

As at the date of this Prospectus, the Board of Directors of the Issuer is constituted by the following persons:

NAME AND IDENTITY CARD NUMBER	ADDRESS	OFFICE DESIGNATION
Benjamin Muscat (447054M)	TF 5. Apt 5, Caravaggio Court, Tigne Point, Sliema TP 01, Malta	Chairman and independent non-executive Director
Ryan Edward Otto (592217L)	Block T 10B, Flat 59, Tigne Point, Sliema TP 01, Malta	Executive Director
Dr Jean Carl Farrugia (244176M)	No. 9, Mons. F.X. Zahra Street, Balzan, Malta	Executive Director
Dr Kevin Deguara (97877M)	122, Triq Antonio Schembri, Kappara, San Gwann, Malta	Executive Director
Roderick Psaila (476571M)	The Three Doves, 25th November Avenue, Zejtun ZTN2018, Malta	Executive Director
Robert Ancilleri (457574M)	'Cheyenne', Triq tas-Sisla, Birkirkara BKR4151 Malta	Independent non-executive director
Charles Scerri (183165M)	The Penthouse, Carolina Court, Giuseppi Cali Street, Ta' Xbiex XBX 1425, Malta	Independent non-executive director

Dr Jean Carl Farrugia, Dr Kevin Deguara, Roderick Psaila and Ryan Edward Otto are executive Directors within the Issuer and the Shoreline Group. The other three Directors, Benjamin Muscat, Robert Ancilleri, and Charles Scerri serve on the Board of the Issuer in a non-executive capacity. They are considered as independent Directors since that are free of any significant business, family or other relationship with the Issuer, its controlling shareholders or the management of either, that could create a conflict of interest such as to impair their judgement. In assessing the said directors' independence due notice has been taken of Listing Rule 5.117 of the Listing Rules.

Dr Jean Carl Farrugia has been appointed as the Company Secretary. Dr Farrugia's curriculum vitae can be found in section 8.1.1 of this Registration Document.

8.1.1 CURRICULUM VITAE OF DIRECTORS

Mr Benjamin Muscat

Benjamin Muscat is a Certified Public Accountant by profession (Fellow of the Association of Chartered and Certified Accountants – FCCA) with a long career in finance and management at senior executive positions. He has worked in various industry sectors including switchgear manufacturing, food production, beer and soft drink brewing and production and bottling, international fast food franchising, hospitality and timeshare, construction and real estate development, including marketing and selling luxury condominiums. In his capacity as Chief Executive Officer of MIDI Plc a Maltese listed company, Benjamin was key in the development of the Tigne' Point Project. Benjamin was also instrumental in the promotion of the re-generation of part of Malta's historical Grand Harbour including the development of a cruise ship porting facility locally known as the Valletta Waterfront project. He also has extensive experience in raising project specific funding via banking facilities, third party investment, private placements, and issue of equity and debt instruments through retail offers subsequently listed on the Malta Stock Exchange. Today Benjamin provides professional services as a freelance consultant and sits on the board of directors of a number of listed companies, two on the MSE Main Market, namely; Merkanti Holdings Plc and Phoenicia Finance Plc, and two on the Prospects MTF, namely; The Convenience Shop (Holding) Plc and Horizon Finance Plc.

Mr Ryan Otto

Ryan Otto, a South African entrepreneur, attended Rand Afrikaans University where he completed a Bachelor of Commerce in Accounting and, thereafter, he achieved a Higher Diploma in Taxation, in terms of the Taxation laws of South Africa. Mr. Otto co-founded Megatron Engineering (Pty) Ltd which he successfully grew into a Pan-African infrastructure group and then sold to a public company.

Throughout the years Mr. Otto expanded and diversified his investment portfolio by investing in various transactions across multiple industries. Amongst his investments is Maxidor SA, a manufacturer of security barriers located in South Africa, and Molopo (Pty) Ltd, an energy company operating in the natural gas business, which was recently acquired by a public company, Renergen Limited.

Mr Roderick Psaila

Mr Psaila is a qualified banker, having graduated as an Associate of the Chartered Institute of Bankers (ACIB) from the United Kingdom, and subsequently obtained a Masters in Economics from the University of Malta. He had an eighteen (18) year career with the Central Bank of Malta starting in 1990 where he held various positions related to banking, monetary policy statistics, and financial stability. From 2005 to 2008, Mr Psaila headed the Financial Stability Office. In 2004, Mr Psaila was seconded to the European Central Bank in Frankfurt. In 2008, Mr Psaila joined Nemea Bank PLC as Chief Operating Officer where he led the team responsible for setting up the operations of the bank. In 2010, Mr Psaila joined, as general manager, a

banking start-up seeking to finance SME lending assets with online deposits. The said entity successfully gained its licence but never commenced operations. In 2012, Mr Psaila joined AgriBank Plc as Chief Executive Officer. Mr Psaila terminated his engagement with AgriBank plc in 2018.

Dr Kevin Deguara

Dr Deguara is a qualified lawyer by profession and a partner of DF Group (a group of companies operating in the provision of legal and corporate services). He specializes in international structuring for ultra-high net worth individuals, families, succession, asset protection structuring, citizenship and immigration issues. Kevin Deguara has also considerable experience acting as a transactional lawyer specialising in real estate. He has over the last 17 years advised developers and landowners on a variety of residential, commercial, retail, leisure, educational and mixed-use developments. He also occupies a number of posts as director on the boards of a number of companies involved in retail, manufacturing, real estate, corporate services and hospitality business. Dr Deguara sits on the board of directors of The Convenience Shop (Holding) Plc and Horizon Finance Plc, both listed on the Prospects MTF.

Dr Jean C. Farrugia

Dr Farrugia is a qualified lawyer by profession and partner of DF Group (a group of companies operating in the provision of legal and corporate services). He has advised and still acts on an ongoing basis for major local and international companies including banks, insurance companies, private equity firms, funds, investment advisors and fund/asset managers, in the setting up and licensing of their business as well as on their regulatory and compliance needs. He also advises on an ongoing basis various entities on corporate related issues, including corporate governance, shareholder rights, directors' duties, instrument listing and dematerialisation, private placements, restructuring and M&A operations. Dr Farrugia also acts as non-executive director for a number of regulated entities operating in the financial services sector, including funds and fund management companies with a particular focus on the legal and regulatory aspects of the various operations carried out by such companies, corporate governance, regulatory compliance and AML occasionally accepting appointments also as company secretary, money laundering reporting officer and Compliance Officer thereby acting as liaison between such licensed entities and the regulator (the Malta Financial Services Authority). Dr Farrugia sits on the board of directors of Horizon Finance Plc, a company listed on the Prospects MTF.

Mr Robert Ancilleri

Robert has recently set up his own practice providing accounting and business and regulatory advisory services. He serves as a member of the Supervisory Council of a locally based foundation. He holds a Bachelor of Accountancy (Honours) degree from the University of Malta and is a Certified Public Accountant with a practising Certificate in Auditing. Up to July 2018, he served as Chief Accounting Officer at HSBC Bank Malta Plc. Prior to that, he occupied senior management positions, responsible for finance at Banif Bank (Malta) p.l.c. and Volksbank Malta Group. Prior to moving into banking in 2003, Robert worked in audit and business advisory at MSD & Co. and Ernst & Young. Robert sits on the board of directors of Busy Bee Finance Plc and Horizon Finance Plc, both listed on the Prospects MTF.

Mr Charles Scerri

Charles Scerri is a Certified Public Accountant by profession (Fellow of the Institute of Accountants) with a long career in finance and management at senior executive positions. He has worked in various industry sectors including banking and finance, auditing, leisure and hospitality. In 1995 he set up his own accountancy and audit practice, Charles Scerri & Associates, with the firm currently employing more than 45 employees and being the exclusive representative of the International Association of Practising Accountants in Malta. Charles sits on the board of directors of Busy Bee Finance Plc and The Convenience Shop (Holding) Plc, both listed on the Prospects MTF.

The below represents the ordinary shares held by the Directors of the Issuer as at the date of the Prospectus:

DIRECTOR	OVERALL PERCENTAGE (%)
Mr Ryan Otto	61.82%
Dr Kevin Deguara	18.045%
Mr Roderick Psaila	2.09%
Dr Jean C. Farrugia	18.045%

Mr Ryan Otto has a beneficial interest in Jade Property Investments Limited. Dr Kevin Deguara and Dr Jean C. Farrugia have a beneficial interest in Middletown Properties Limited. Mr Roderick Psaila has a beneficial interest in RAMM Assets Ltd.

8.2 CONFLICT OF INTEREST

As at the date of this Prospectus, the executive Directors of the Issuer, namely Mr Ryan Otto, Mr Roderick Psaila, Dr Kevin Deguara, and Dr Jean C. Farrugia, are directors and officers of Shoreline Residence and Shoreline Contracting, and as such may be susceptible to conflicts between potentially diverging interests of the different members of the Shoreline Group. The said executive directors are also the ultimate beneficial owners of the Issuer and the Shoreline Group.

The Audit Committee of the Issuer has the task of ensuring that any potential conflicts of interest that may arise at any moment pursuant to these different involvements of the Directors are handled in the best interest of the Issuer, the Bondholders and according to law. The fact that the Audit Committee is constituted solely of independent, non-executive Directors provides an effective measure to ensure that transactions vetted by the Audit Committee are determined on an arms-length basis. Additionally, the Audit Committee has, pursuant to the relative terms of reference, been granted express

powers to be given access to the financial position of the Issuer on a quarterly basis. To this effect, the Issuer is to submit to the Audit Committee bi-annual accounts, as well as at least bi-annual comparisons of actuals against projections.

Save for what is stated herein, no private interests or duties unrelated to the Issuer have been disclosed by the management teams of the companies within the Shoreline Group which may or are likely to place any of them in conflict with any interests in, or duties towards, the Issuer.

To the extent known or potentially known to the Issuer, as at the date of the Prospectus, there are no other potential conflicts of interest (save for those mentioned herein) between the duties of the Directors and executive officers of the Issuer and their respective private interests and/or their other duties, which require disclosure in terms of the Regulation.

8.3 EMPLOYEES

The Issuer does not have any employees of its own. The Directors believe that the current organisational structure is adequate given the current activities of the Issuer. The Directors shall maintain this structure under ongoing review so as to ensure that it meets the developing demands of the business and in order to strengthen the checks and balances required for the implementation of good corporate governance.

8.4 AUDIT COMMITTEE

The terms of reference of the Audit Committee of the Issuer consist of, inter alia, its support to the Board in its responsibilities in dealing with issues of risk, control and governance, and associated assurance. The Board has set formal terms of establishment and the terms of reference of the Audit Committee that establish its composition, role and function, the parameters of its remit, as well as the basis for the processes that it is required to comply with. The Audit Committee, which meets at least once every three (3) months, is a committee of the Board and is directly responsible and accountable to the Board. The Board reserved the right to change the Committee's terms of reference from time to time.

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

- a. Its monitoring responsibility over the financial reporting processes, financial policies and internal control structures;
- b. Maintaining communications on such matters between the Board, management and the independent auditors;
- c. Facilitating the independence of the external audit process and addressing issues arising from the audit process; and
- d. Preserving the Issuer's assets by understanding the Issuer's risk environment and determining how to deal with those risks.

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

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

All of the Directors sitting on the Audit Committee are non-executives and also independent. The Audit Committee is presently composed of Benjamin Muscat, Charles Scerri, and Robert Ancilleri, all three members being non-executive Directors and all of them also being independent of the Issuer. The Audit Committee is chaired by Charles Scerri. In compliance with the Listing Rules, all three directors are independent non-executive Directors who are competent in accounting and/or auditing matters. In his capacity as Chairman of the Audit Committee, Mr Charles Scerri holds meetings with the executive Directors as necessary to review the Issuer's accounts and operations. The Issuer considers that the members of the Audit Committee have the necessary experience, independence and standing to hold office as members thereof. The Curriculum Vitae of the said Directors may be found in section 8.1.1 above.

8.5 COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

As a consequence of the Bond Issue and in accordance with the terms of the Listing Rules, the Issuer is required to endeavour to adopt and comply with the provisions of the Code of Principles of Good Corporate Governance forming part of the Listing Rules (the 'Code'). The Issuer declares its full support of the Code and undertakes to comply with the Code to the extent that this is considered complementary to the size, nature and operations of the Issuer.

The Issuer supports the Code and its adoption and believes that its application will result in positive effects accruing to the Issuer.

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

A. Principle 7 'Evaluation of the Board's Performance'

Under the present circumstances, the Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board's performance is evaluated on an ongoing basis by, and is subject to the constant scrutiny

of, the Board itself, the Audit Committee (insofar as conflicting situations arise), the Issuer's shareholders, the market and the rules by which the Issuer is regulated as a listed company.

B. Principle 8 'Committees'

- The Issuer does not have Remuneration Committee as recommended in Principle 8; and
- The Issuer does not have a Nomination Committee as recommended in Principle 8.

Appointments to the Board of Directors are determined by the shareholders of the Company in accordance with the Memorandum and Articles of Association of the Issuer. The Issuer considers that the current members of the Board provide the required level of skill, knowledge and experience expected in terms of the Code.

Going forward, the Issuer shall, on an annual basis in its annual report, explain the level of the Issuer's compliance with the principles of the Code, explaining the reasons for non-compliance, if any, in line with the Listing Rules' requirements.

9 MAJOR SHAREHOLDERS

The Issuer has an issued share capital of €21,000,000 divided into 20,999,999 Ordinary A Shares of one Euro (€1) each and one (1) Ordinary B Share of one Euro (€1) which are subscribed to and allotted as follows:

(1)	Shoreline Holdings Limited Company Registration No. C 86187 Suite 407, Level 4, Block SCM01 Smart City Malta, Ricasoli Kalkara SCM1001 Malta	16,575,997 Ordinary A Shares 100% paid up
(2)	Shoreline Residence Limited Company Registration No. C 77212 Suite 407, Level 4, Block SCM01 Smart City Malta, Ricasoli Kalkara SCM1001 Malta	4,424,002 Ordinary A Shares 33.9% paid up 1 Ordinary B Share 100% paid up

The following shareholders hold more than 10% of the Issuer's issued ordinary shares, thereby regarded as substantial shareholders in terms of the Listing Rules:

	PERCENTAGE (%)
Jade Property Investments Limited	61.82%
Middletown Investments Limited	36.09%

Jade Property Investments Limited is ultimately beneficially owned by Mr Ryan Edward Otto whilst Dr Kevin Deguara and Dr Jean Carl Farrugia indirectly hold 50% each of the shares in issue in Middletown Investments Limited.

10 HISTORICAL FINANCIAL INFORMATION

The Company was incorporated on 15 December 2017 and has a 30 April financial yearend. Therefore the first set of audited financial statements were prepared for the seventy-one week period ending 30 April 2019. The Company appointed Deloitte as its statutory auditor. The independent auditor's report, which accompanies the annual financial statements for the period ending 30 April 2019, is a clean audit report with no qualifications reported. The information for the financial year ending 30 April 2019 is extracted from the aforementioned audited financial statements. The interim financial information for period ending 31 October 2018 and 31 October 2019 is unaudited.

STATEMENT OF PROFIT OR LOSS			
€'000	Financial Year ending 30 April 2019	Period ending 31 October 2018	Period ending 31 October 2019
Other Income	-	-	10.0
Administrative expenses	(7.4)	(0.3)	(3.5)
Profit/loss for the period	(7.4)	(0.3)	6.5

The Company did not recognise any revenue in the first financial year ending 30 April 2019 as the project is still at a pre-development stage. The company incurred administrative expenses of €7,400 in the financial period ending 30 April 2019. As at H1 2020 (October 2019), the Issuer registered a profit after tax amounting to €6,000.

STATEMENT OF FINANCIAL POSITION			
€'000	As at 30 April 2019	As at 31 October 2018	As at 31 October 2019
NON-CURRENT ASSETS			
Investment property under construction	1,964.9	946.9	16,683.2
CURRENT ASSETS			
Other receivables	58.5	12.2	98.9
Cash and cash equivalents	0.1	0.1	370.0
Total current assets	58.6	12.3	468.9
Total assets	2,023.5	959.2	17,152.1
EQUITY			
Share capital	1.2	1.2	15,576.0
Shareholders' contributions	1,246.3	-	-
Accumulated losses	(7.4)	(0.3)	(1.0)
Total equity	1,240.1	0.9	15,575.0
CURRENT LIABILITIES			
Other payables	7.0	11.3	27.5
Amounts due to related parties	776.4	947.0	1,549.6
Total liabilities	783.4	958.3	1,577.1
Total equity and liabilities	2,023.5	959.2	17,152.1

Investment property under construction represents the Shoreline Mall Site, including the underlying car park and site for luxury residences. This balance is inclusive of development costs incurred to date.

In H1 2020, the share capital of the Issuer increased from €1 million as at April 2019 to €15.6 million as per H1 2020 results. This increase is mainly attributable to the transfer of the mall components from Shoreline Residence Limited to Shoreline Mall Plc. Out of the Issuer's total equity, €13 million relate to a contribution in kind of the Shoreline Mall Site, including the underlying car park and site for luxury residence whereas the rest relate to a cash contribution of €2.6 million.

CASH FLOW STATEMENT

€'000	Financial Year ending 30 April 2019	Period ending 31 October 2018	Period ending 31 October 2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/loss for the period	(7.4)	(0.3)	6.5
Operating profit/loss before working capital changes	(7.4)	(0.3)	6.5
Movement in other receivables	(58.5)	(12.3)	(40.3)
Movement in other payables	7.0	11.3	20.5
Net cash flows used in operating activities	(58.9)	(1.3)	(13.3)
CASH FLOWS FROM INVESTING ACTIVITIES			
Movement in investment property under construction	(1,964.9)	(946.9)	(14,718.3)
CASH FLOWS FROM FINANCING ACTIVITY			
Proceeds from issue of share capital	1.2	1.2	15,574.8
Financing from parent and related parties	2,022.8	947.0	(473.2)
Net cash inflows from financing activities	2,024.0	948.2	15,101.6
Net movement in cash and cash equivalents	0.1	0.1	370.0
Cash and cash equivalents at the beginning of the period	-	-	0.1
Cash and cash equivalents at the end of the period	0.1	0.1	370.1

The Company reported minimal cash movements throughout the financial period. The investment made was financed through dues to Shoreline Holdings and other related parties.

Proceeds received from increase in share capital and related parties in H1 2020 were utilised in the development of investment property.

11 ADDITIONAL INFORMATION

11.1 SHARE CAPITAL OF THE ISSUER

As at the date of this Prospectus, the authorised share capital of the Issuer is twenty one million Euro (€21,000,000) divided into twenty million nine hundred ninety-nine thousand nine hundred ninety-nine (20,999,999) Ordinary A Shares of one Euro (€1) each and one (1) Ordinary B Share of one Euro (€1).

As at the date of this Registration Document, the Issuer has an issued share capital of €21,000,000 divided into 16,575,997 Ordinary A Shares of one Euro (€1) each, fully paid up, 4,424,002 Ordinary A Shares of one Euro (€1) each 33.9% paid up, and one (1) Ordinary B Share of one Euro (€1), fully paid up.

The shares of the Issuer are not listed on the MSE or admitted to any alternative list, nor has an application ever been filed for the shares of the Issuer to be quoted on any trading platform. There is no capital of the Issuer which has been issued to the public as from the date of incorporation to the date of the Prospectus. There is no capital of the Issuer which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Issuer is to be put under option.

11.2 MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE ISSUER

The Memorandum and Articles are registered with the Registrar of Companies and are available for inspection during the term of the Bond at the registered office of the Issuer and at the Malta Business Registry.

11.3 OBJECTS

The principal objects for which the Issuer is established are:

- a. To acquire and dispose and/or develop, manage, improve, operate, and maintain, immoveable property and grant on lease any moveable and immoveable property for a definite period of time to third parties, whether for a determined purpose or otherwise;
- b. To carry on the business of a holding company and therefore to subscribe for, take, purchase, participate in or otherwise acquire, hold, manage, sell or otherwise dispose of, and deal in any manner whatsoever in, shares, stock, debentures, bonds, notes or other securities whatsoever solely for and on behalf of the Company, and options, warrants or other rights or interests whatsoever in any such securities of, and any interests whatsoever in, any company in any other part of the world as the Company may determine and in such manner, under such terms and conditions and for such consideration as the Company may think fit;
- c. To apply for, register, purchase, or by other means acquire, hold, develop, exploit, protect, renew and dispose of, under any title, any intellectual property, including without limitation, software, licences, service marks, trademarks, patents, patent rights, marketing authorisations for regulated goods and substances, royalties, URLs, domain names, brand names, secret processes, designs, copyrights, grants, options, protections and concessions and other exclusive and non-exclusive rights, and to grant licences or other rights in respect thereof;
- d. To issue bonds, commercial paper or any other instruments creating or acknowledging indebtedness and to sell or offer the same to the public;

12 MATERIAL CONTRACTS

The Issuer or the Shoreline Group have not entered into any material contracts which are not in the ordinary course of their respective business which could result in either the Issuer or any member of the Shoreline Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Bondholders in respect of the Bonds being issued pursuant to, and described in, the Securities Note.

13 DOCUMENTS AVAILABLE FOR INSPECTION

For the duration of this Registration Document, the following documents (or copies thereof) shall be available for inspection at the registered address of the Issuer:

1. Memorandum and Articles of Association of the Issuer;
2. Audited financial statements of the Issuer for the financial year ended 2019, together with the Auditor's Report thereon;
3. Interim unaudited financial statements of the Issuer for the period ending 31 October 2018 and 31 October 2019;
4. The Security Trust Deed;
5. The Architect's Valuation Report attached hereto as Annex I.

The Issuer's financial statements referred to in (2) above are also available on the Issuer's website: www.theshorelinerresidence.com

14 PROPERTY VALUATION REPORT

The Issuer commissioned Architect Edwin Mintoff (B.E. &A.(Hons). PhD. (Newcastle) A.&C.E.) to issue a property valuation report in relation to the property owned by the Issuer. The business address of Architect Mintoff is at 119, Sliema Road, Gzira, Malta GZR 1635. Dr Edwin Mintoff does not have any financial interest in the Issuer or the Shoreline Group.

Listing Rule 7.4.3 provides that property valuations to be included in a prospectus must not be dated (or effective from) more than 60 days prior to the date of publication of the prospectus. The valuation report is dated 11 June 2020.

A copy of the report compiled by Architect Mintoff, is annexed to this Registration Document as Annex I.

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DR. EDWIN MINTOFF B.E.&A.(Hons). Ph.D. (Newcastle) A.&.C.E.
ARCHITECT & CIVIL ENGINEER

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V.A.T. Registration number 1108-0503

The Board of Directors

Shoreline Mall plc

Suite 407, Level 4, Block SCMN 01,

Smart City Malta, Ricasoli,

Kalkara,

Malta

11 June 2020

Valuation of Property: Plot 3 & 4, Smart City, Ricasoli, Kalkara, Malta

Tenure / Possession: Freehold

1.0 Introduction

1.1 The undersigned, in the capacity of a warranted architect and civil engineer, has been commissioned by Shoreline Mall plc., to carry out a valuation of Plot 3 and 4 situated at Smart City, Ricasoli, Kalkara, Malta, and as further described in section 5.0 below (the “Site”). The detailed valuation report which includes the value of the Property, is submitted herewith. The effective date of the valuation is the 11th of June 2020.

1.2 The valuation is being carried out as at present market conditions.

1.3 The valuation is being made without a formal structural or technical assessment. The valuation covers the building as a whole in its existing state. The property is being valued on a Market Value basis, as defined by the Royal Institute of Chartered Surveyors ('RICS') Standards, namely, the price at which land and buildings could be sold under private contract between a willing seller and an arm's length buyer on the date of valuation, it being assumed that the property is publicly exposed to the market, that market conditions permit orderly disposal and that a normal period, having regard to the nature of the property, is available for the negotiation of sale.

2.0 Purpose of Valuation

2.1 It is understood that the purpose of the valuation is for inclusion with the Prospectus, to be published in connection with a proposed Public Bond issue by Shoreline Mall plc, in accordance with the Listing Rules published by the Malta Financial Services Authority. The valuation has been prepared in accordance with Chapter 7 Section 7.5 '*Valuations of Property in course of Development*' of the said Listing Rules, and with the disclosure requirements related to property Companies seeking listing on the Malta Stock Exchange. The following Listing Rules found in Chapter 7 Sections 7.6, 7.7, 7.8, 7.9 and 7.10 are not applicable.

I understand that my express consent will be needed in writing for this report, or parts thereof, to be included in the Prospectus of the Shoreline Mall plc public offer.

The valuation has been carried out by the undersigned, as an external and independent valuer in terms of, and with regard given to, the RICS Valuation and Professional Standards Manual.

As a non-RICS regulated member of a firm over which RICS cannot exert control, the undersigned declares that in preparing this valuation the undersigned has complied with the RICS valuation standards and guidelines.

2.2 The undersigned declares that he has visited the site at Smart City given that this property is currently under construction. This visit was intended to better understand the characteristics and qualities of the Property and its surroundings, to evaluate the construction being carried out and to establish what could influence the values of the Property, and to confirm their current uses.

2.2.1 The Property was inspected by the undersigned on the 1st of June 2020

2.3 This valuation has been prepared solely for the abovementioned purpose and is not suitable for any other use. In accordance with standard practice, neither the whole, nor any part of this valuation, nor any reference thereto, may be included in any document published without the prior written approval of the undersigned for the context in which it may appear.

3.0 Declaration of Independence

3.1 The undersigned confirms his status as an external independent valuer, without any financial interest (other than service fees due to him) in Shoreline Mall plc.

4.0 Basis of Valuation

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

- 4.1.1 A willing seller;
- 4.1.2 That, prior to the date of valuation, there had been a reasonable period, (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of price and terms and conditions of the sale;.
- 4.1.3 That the state of the market, level of values and other circumstances were, on an earlier assumed date of exchange of contracts, the same as on the date of valuation;
- 4.1.4 That no account is taken of any additional bid by a purchaser with a special interest;
- 4.1.5 That both parties to the transaction had acted knowledgably, prudently and without compulsion.

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

5.0 Property Description

- 5.1 The Site is located within Smart City, limits of Ricasoli, Kalkara. According to the master plan of Smart City approved through outline development permit PA 1997/08, the Site occupies Plots 3 and 4 which overlook the existing inland Laguna on the east of the Site.
- 5.2 The area of the Site is of approximately 14,200 square meters and it is currently vacant land. The Northern part of the Site overlooks the rocky shoreline, whilst the western side adjoins a planned road (Northern Urban Ring Road) leading to the existing main road passing through the centre of Smart City. On

the south one finds landscaped areas and the parts of Smart City which are already developed with offices and commercial buildings.

- The Site is subject to an annual temporary sub-ground rent amount to six thousand one hundred and eleven euro (Euro 6,111) that consists of:
 - The sum of four thousand three hundred and thirty-nine euro and thirteen cents (Euro 4,339.13) representing the original annual temporary ground-rent, that is the current proportionate share of the annual and temporary original ground-rent imposed by the Government of Malta on the Site as subject to the abatements and increases thereon; and
 - The sum of one thousand seven hundred and seventy one euro and eighty seven cents (Euro 1,771.87) representing an increase in temporary ground-rent which has been imposed by Smart City Malta.

5.3 The approved development currently includes residential parking spaces, 7 luxury terrace houses, commercial parking spaces and 14,594 square meters of commercial spaces split onto 2 levels which forms part of a larger complex including some 45,000 square metres of residential units.

5.4 The Site under review is currently under construction. Excavation works commenced at the end of April 2019. It is envisaged that the construction will be completed by December 2021. Dates of occupation are estimated for the third quarter of 2021 with the first and second quarter of 2022 being the target timeframe for the public opening.

5.5 Lease conditions

The salient features of the standard lease agreements that shall be entered into between the Shoreline Mall plc and the respective lessees of the Commercial Units are being reproduced hereunder:

5.5.1 Term

The maximum lease term is that of 15 (fifteen) years with a standard price of EURO 300 (three hundred euro) per square meter annually or 10% (ten percent) of the annual turnover – whichever is the highest, with an increase of 3% (three percent) annually which rental amount is to be paid in monthly installments.

5.5.2 Title

Shoreline Mall plc shall grant by title of lease to the tenant the relevant premises let together with:

- a) the right of ingress and egress from the premises in over and along all the usual entrances, landings, lifts, lobbies, passages, escalators, forecourts and corridors leading thereto in common with Shoreline Mall plc and all others so authorised by it and all other persons entitled thereto;
- b) the right for the tenant and others duly authorised by the tenant to use all conduits (in terms of the relevant lease agreement) provided for the premises leased.

In terms of the said lease agreement, Shoreline Mall plc shall reserve:

- a) the right to the free and uninterrupted passage and running of all services from and to other parts of the Commercial Units in and through the conduits and ancillary apparatus which now are or may during the term of the lease be in, on, under or over the premises leased;
- b) the right of light, air and support by the premises leased for other parts of the Commercial Units or neighbouring property of Shoreline Mall plc;
- c) the right to take any action to ensure compliance with the requirements of any statute, rule, order, regulation or by-law whatsoever in force during the term of the lease;
- d) the right to erect scaffolding for the purposes of repairing, maintaining, cleaning or altering the common areas or any other part of the Commercial Units, despite, but taking all reasonable steps to avoid or minimize the time of, any temporary obstruction to or interference with the access to or use and enjoyment of the premises leased;
- e) the right to suspend temporarily any rights granted to the tenant in respect of the common areas in connection with the necessary repair and maintenance thereof or any other necessary purpose provided that Shoreline Mall plc will use all

reasonable endeavours to provide alternative rights during such period of suspension;

- f) the right to regulate and control the use of the common areas and to establish, modify and enforce rules and regulations with respect to the common areas;
- g) the right to vary, alter, restrict or extend the common areas so long as reasonable and proper means of adequate access to and egress from the premises leased are afforded and essential services are maintained;
- h) the right to erect and remove kiosks and other structures in any part of the common areas and to grant to any person the right to do so and use the common areas for such purposes and upon such terms and conditions as Shoreline Mall plc may in its absolute discretion think fit. Provided such kiosks or structures do not in any way hinder access to the premises leased;
- i) during the term of the lease, the tenant shall have the non-exclusive use in common with Shoreline Mall plc, the other tenants of the Commercial Units, their guests and invitees, of the non-reserved common automobile parking spaces, driveways and footways, subject to rules and regulations for the use thereof as prescribed from time to time by Shoreline Mall plc. Shoreline Mall plc shall reserve the right to designate parking areas for the tenant, and the tenant's agents and employees;
- j) the right to enter onto the premises leased:
 - (i) to inspect or to carry out any work to the common areas or any adjoining or neighbouring property to which access cannot readily be obtained without entry upon the premises leased and to use such property as Shoreline Mall plc sees fit temporary obstruction to or interference with the access of light and air to the premises leased or to any other amenities or rights enjoyed by the premises leased;
 - (ii) to remedy any breach of the tenant's obligations under the lease agreement;
 - (iii) to inspect, clean, test, repair, remove, alter or divert conduits on the premises leased or to install or connect to the same;

(iv) for the purpose of ascertaining that the conditions of the lease agreement are being duly complied with;

(v) to comply with any of its obligations to the tenant or to any other occupier of the Commercial Units; or

(vi) for any other reasonable purpose connected with the safety, security, management or use of the Commercial Units

Provided that the foregoing rights shall be exercised in such a manner as to cause as little disruption to tenants as is reasonably practicable, and that all rights of entry onto the premises leased shall be exercisable at reasonable times and upon reasonable notice, except when there is an emergency when Shoreline Mall plc shall following an unsuccessful attempt at notifying the tenant, have the right to enter (or, if necessary, to break and enter) the premises leased without giving any notice to the tenant or being held liable for loss or damage subject to Shoreline Mall plc having taken all reasonable steps to mitigate same.

5.5.3 Reservation Fee, Security Deposit and Service Charge

The tenant shall, upon signing of the lease agreement, pay to Shoreline Mall plc a non-refundable reservation fee which shall be equivalent to the rent payable by the tenant to Shoreline Mall plc for a period of one (1) month. The reservation fee shall be held by Shoreline Mall plc in a separate bank account set-up for this purpose.

Upon handing over the leased premises, the said reservation fee paid by the tenant shall be automatically converted into a security deposit, which security deposit shall continue to be held by Shoreline Mall plc, in the aforementioned separate bank account, throughout the term of the lease, as security for the due observance and performance by the tenant of all its obligations under the lease agreement. Subject to any applicable deductions in terms of the lease agreement, the security deposit shall be refunded to the tenant at the end of the

term of the lease without interest within one (1) month from the date the premises leased are duly repaired, cleaned, decorated and reinstated in accordance with the tenant's obligations in terms of the lease agreement and returned to Shoreline Mall plc.

5.5.4 Service Charge

The tenant shall also be subject to a service charge as specified in the lease agreement.

6.0 Sources of Information

In drawing up this report, I have relied on the information provided to me by Shoreline Mall plc; management and their advisors or which was otherwise in the public domain.

Section 7.5 of the Listing Rules for Property Companies is being adhered to.

7.0 Planning History

Application No.	Type of Application	Project Description	Issue Date
PA 06762/06	Full Development	Demolition of factories, site clearance, construction of temporary jetty, partial conversion and refurbishment of Factory RRL006 into temporary site offices and erection of security fencing	04/09/2007
PA 01997/08	Outline Development	Construction of an ICT city, including all related amenities	11/11/2008
PA 01839/09	Full Development	Site-wide grading (cut and fill) at SmartCity (Malta)	04/12/2009

PA 03003/17	Outline Development	Amendments to Master Plan as approved in PA 1997/08 consisting in general changes to the respective plot development guidelines is currently	Suspended
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8.0 General Considerations

8.1 No allowance has been made for the balance of outstanding loans or other charges which may exist, either in respect to capital or interest thereon.

8.2 No allowances have been made in our valuation for any expenses of purchase or realization.

8.3 The undersigned draws attention to the fact that valuations stated within this report are exclusive of any VAT liability which may be incurred in development or disposal.

8.4 Unless otherwise stated, the undersigned has assumed that the freehold and leasehold properties are capable of unrestricted transfer to third party purchasers (in the case of leasehold properties subject to the lessors consent, not to be unreasonably withheld).

8.5 The undersigned's valuation reflects only the goodwill which is transferable. It excludes goodwill which attaches to personal reputations and qualities.

In the event of a future change in the trading potential, the open market value of the existing use could vary.

9.0 Valuation Methodology

The valuation is based on a comparative valuation methodology. This is a relative valuation method in which one compares the current value of a property to another with similar

characteristics. This method involves comparing the subject property with similar properties that have been recently sold and those that are currently being offered for sale in the vicinity of other comparable localities. The characteristics, merits and demerits of these properties are noted and appropriate adjustments thereof are then made to arrive at the value of the subject property.

Since there are not much similar properties to this in the vicinity of this property, other comparatives in different areas of Malta were considered, mainly The Point Shopping Mall in Tigne together with its parking area and Tigne Apartments. Since Tigne is located in a more upscale area, the values considered in this valuation have been slightly depreciated to further suit the location of this property.

10.0 Valuation Conclusions

The definition of Market Value is based on the RICS Valuation Standards, published by the Royal Institute of Chartered Surveyors.

The Market Value, unless otherwise directed by legislation, is defined 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 (see IVS 104 paragraph 30.1).”

The valuation is valid at the date of inspection. It takes account of the condition of the property as indicated in this report. No inquiries have been made regarding the actual or potential use of other property in the area that may have an effect on the value of the inspected property.

After having considered the above intrinsic factors, approved permits, Local Plan Policies and location, the undersigned considers that, based on open market values:

10.1 The value of the Shoreline Mall Site (as defined in the Prospectus of the Company) in its current state is estimated to be **Euro 13,000,000** (Thirteen million Euro). This can be broken down as follows:

- The land value of the **Commercial Mall area** is estimated to be **Euro 7 000 000** (Seven million Euro);
- The **land value of the residential parking area** is estimated to be **Euro 1,000,000** (One million Euro);
- The **land value of the residential activity** is estimated to be **Euro 5,000,000** (Five Million Euro).

10.2 Costs of Construction:

10.2.1 Direct civil works/construction costs are estimated to be Euro 25 881 000;

10.2.2 Direct Finishing costs are estimated to be Euro 24 932 000;

10.2.3 Other costs related to the development of the project are estimated at Euro 8 487 000. These can be further broken down as:

10.2.3.1 Project management costs Euro 1 540 000;

10.2.3.2 Planning and permit costs Euro 907 000;

10.2.3.3 Architectural and Consultancy costs Euro 1 880 000;

10.2.3.4 Excavation costs Euro 2 216 000;

10.2.3.5 Landscaping costs Euro 1 159 000;

10.2.3.6 Professional fees Euro 220 000;

10.2.3.7 Overheads and other miscellaneous Euro 565 000

10.3 Finance costs capitalized is estimated at Euro 4 002 000

10.4 Agency fees and commissions are estimated at Eur 735 000

10.5 Upon completion:

10.5.1 the total freehold market value of 316 residential parking spaces will be EURO 9,480,000 (Nine Million, four hundred and eighty thousand Euro).

10.5.2 the total freehold market value of the 7 luxury terraces houses, will be EURO 14,000,000 (Fourteen Million Euro).

10.5.3 the annual rental value of the commercial parking space will be EURO 1,600,000 (One Million and six hundred thousand Euro).

10.6 Upon completion and once operational:

10.6.1 the annual rental value of the commercial areas will be EURO 4,378,000 (Four Million, three hundred and seventy-eight thousand Euro).

10.6.2 the total freehold market value of the commercial areas and the commercial parking area, will be EURO 70,000,000 (Seventy Million Euro).

10.7 The undersigned hereby declares that there is no difference in the intrinsic value of the property between this being in a completely finished state to be let to potential tenants, to the intrinsic value of the property once this is actually let.

Note should be taken to the fact that the valuation was based on an analysis of the selling price of several sites in the area and a projection as to the demand for properties of the same characteristics in the vicinity.

The undersigned confirms that there is no conflict of interest, at the date of this report, related to this valuation.

Regards,



Dr Edwin Mintoff



Visual showing an overview of the project



Visual showing an overview of the project



Visual showing an overview of the project



Visual showing the 7 luxury terraced houses



Visual showing the 7 luxury terraced houses



Visual showing the 7 luxury terraced houses



Visual showing the entrance to the car park



Visual showing the entrance to the commercial centre



Visual showing the entrance to central plaza



Visual showing the entrance to central plaza

Mr. Ryan Otto

Date: 1 February 2019
Our Ref: PA/01029/18

Application Number: PA/01029/18
Application Type: Full development permission
Date Received: 26 January 2018
Approved Documents: PA 1029/18/1A: Site Plan
PA 1029/18/1X: Existing Block Plan
PA 1029/18/131A: GA Plans Level 00 Swept Paths and Car Park
PA 1029/18/131C: GA Plans Block Plan with Vehicular Access
PA 1029/18/128O: GA Plans Block Plan
PA 1029/18/46A: GA Plans Level -4
PA 1029/18/46B: GA Plans Level -3
PA 1029/18/46C: GA Plans Level -2
PA 1029/18/165A: GA Plans Level -1
PA 1029/18/165B: GA Plans Level 00
PA 1029/18/165C: GA Plans Level 02
PA 1029/18/165D: GA Plans Level 03
PA 1029/18/165E: GA Plans Level 04
PA 1029/18/165F: GA Plans Level 05
PA 1029/18/165G: GA Plans Level 06
PA 1029/18/165H: GA Plans Level 07
PA 1029/18/165I: GA Plans Level 08
PA 1029/18/165J: GA Plans Level 09
PA 1029/18/165K: GA Plans Level 10
PA 1029/18/165L: GA Plans Level 11
PA 1029/18/165M: GA Plans Level 12
PA 1029/18/165N: GA Plans Level 13
PA 1029/18/157A-H: Block A level 02 - 09
PA 1029/18/162A-B/157K-R: Block B level 02 - 11
PA 1029/18/162E/157T-AD: Block C level 02 - 13
PA 1029/18/157AE-AP: Block D level 02 - 13
PA 1029/18/158A-L: Block E level 02 - 13
PA 1029/18/158M-V: Block F level 02 - 11
PA 1029/18/158W-AD: Block G level 02 - 09
PA 1029/18/140U: Block H levels -1, 00, 01
PA 1029/18/105A/B: Podium Elevations
PA 1029/18/104B: Developed Elevations
PA 1029/18/103A: Elev A-B Plaza

PA/01029/18

Print Date: 02/04/2019

PA 1029/18/103B:	Elev A-B Street
PA 1029/18/103C:	Elev C Plaza
PA 1029/18/103D:	Elev C Street
PA 1029/18/103E:	Elev D Plaza
PA 1029/18/103F:	Elev D Street
PA 1029/18/103G:	Elev E Plaza
PA 1029/18/103H:	Elev E Street
PA 1029/18/103I:	Elev F-G Plaza
PA 1029/18/103J:	Elev F-G Street
PA 1029/18/1AA:	Sections 01
PA 1029/18/1AB:	Sections 02
PA 1029/18/173A:	Phasing Plan; and supporting documents:
PA 1029/18/1AG:	Energy, Utility and Storm Water Management Report
PA 1029/18/1AJ:	Construction Management Plan
PA 1029/18/1AH-AI/134B/169A:	Lighting and Ventilation Report
PA 1029/18/76A:	Fire Safety Strategy Report; and
PA 1029/18/48C:	Environment and Resources Authority
PA 1029/18/78A:	Water Services Corporation
PA 1029/18/83A-D:	Malta Tourism Authority
PA 1029/18/84A:	Enemalta Corporation
PA 1029/18/90A:	Environmental Health Directorate
PA 1029/18/143A:	Commission for the Rights of Persons with Disability

Location:
Proposal:

Plots 3 & 4, Smart City, Ricasoli, Kalkara, Malta
Excavation of site to sea level and construction of mixed use development consisting of the following elements: Underground car park on three levels, a commercial complex (including Class 4B, 4C , 4D) over two partially below ground levels and with a frontage onto the existing Laguna Walk, an elevated residents plaza with communal pool and landscaping, and an overlying residential complex on eleven floors

Development Planning Act, 2016 Full Development Permission

The Planning Authority hereby grants development permission in accordance with the application and documents described above, subject to the following conditions:

1 PLANNING GAIN

This permission is subject to a planning gain to the value of € 1,227,250 (one million, two hundred twenty seven thousand, two hundred and fifty Euro) towards the Planning Authority's Planning Fund. The funds raised from the planning gain shall be used to fund environmental improvement projects in the locality of the site. The planning gain is not refundable and funds shall be utilized as required and directed by the Planning Authority.

PA/01029/18

Print Date: 02/04/2019

In lieu of the above, the applicant may contribute €337,250 (three hundred thirty seven thousand and two-hundred fifty Euro) to the Planning Authority's Planning Fund and within six months from the issue of the non-executable permit, submit an agreement signed between the applicant and the Kalkara Local Council identifying works valued to €890,000 (eight hundred and ninety thousand Euro) to be carried out in the locality in lieu of the payment of such amount in cash.

If agreement between applicant and Local Council is not reached within six months from the date of the issue of the non executable permit, the Planning Gain amounting to € 1,227,250 (one million, two hundred twenty seven thousand, two hundred and fifty Euro) is to be paid in full to the Planning Authority.

2 **BANK GUARANTEE**

This development permission is subject to a bank guarantee to the value of € 511,377 (five hundred eleven thousand, three hundred and seventy seven Euro) to ensure the adherence to the conditions imposed in this development permission.

The bank guarantee shall be managed as follows:

- a) € 25,000 shall be released upon the Planning Authority's approval of the Construction Management Plan required by condition number 3;
- b) € 25,000 shall be released upon the Planning Authority's approval of the Construction Phase Monitoring Programme required by condition number 4;
- c) € 50,000 shall be retained for a period of five years after the completion of the landscaping phase to cover any failure to implement the landscaping scheme requested in condition number 5, and to maintain the landscaping to the satisfaction of the Planning Authority;

The remaining balance of € 411,377 of the guarantee shall be released to the applicant only after completion of the development hereby approved and upon confirmation by the Planning Authority that the requirement of this condition has been complied with in full. If this condition is not complied with, then the total amount of the bank guarantee shall be forfeited. Its forfeiture would not, however, preclude the Authority from taking any action to ensure that the conditions of this permission are adhered to and the approved drawings/documents are complied with.

3 **RESERVED MATTERS - CONSTRUCTION MANAGMENT PLAN**

Prior to the commencement of works an update of the CMP in document PA 1029/18/1AJ is to be submitted for the approval of the Planing Authority including:

1. identification of the contractor;
2. all construction access points;
3. storage areas for materials and plant;
4. a construction programme, including details of the timing and phasing of the development,
5. how excavation and development is to be carried out;
6. protection measures for retained buildings, structures and landscapes, including the coastline;
7. protection measures for the safety of pedestrians/vehicles;
8. the location of disposal sites for material from demolition and excavation - if this includes dumping at sea, submit the necessary clearances from the Environment

- and Resources Authority;
9. means and routing of transport to disposal sites approved by Transport Malta - if this includes dumping at sea, submit details of any necessary temporary jetty, means of preventing spillage of material in the sea, reinstatement of jetty site;
 10. traffic management scheme for the area affected by the development and the construction traffic.

4 **CONSTRUCTION PHASE MONITORING**

- (a) There shall be a monitoring programme throughout the duration of the construction phase which shall: take into account (but not be limited to) the concerns and recommendations raised in the Environmental Impact Assessment; as well as ensure that all the works on site proceed according to the approved development permit conditions and drawings, respective Construction Management Plan, and any other subsidiary approved documents.
- (b) The monitoring programme shall be formulated by a monitoring consultant (hereinafter referred to as "the monitor") approved in advance by the Planning Authority after nomination by the applicant. The monitor shall have the necessary expertise and track record to ensure that the monitoring programme is satisfactorily devised and implemented.
- (c) The monitor shall be engaged at the expense of the applicant.
- (d) Monitor shall not have full executive powers which shall remain vested in the Director of Enforcement.
- (e) The monitor shall also be responsible for submitting regular monitoring reports, in line with the approved monitoring programme, to the Planning Authority. Both the Planning Authority and the monitor shall reserve the right to request further submissions and to impose any further conditions as deemed necessary during the progress of works.

5 **RESERVED MATTER - LANDSCAPING**

Before operations commence on site, a scheme of landscaping shall be submitted for Planning Authority approval. The approved scheme shall be implemented in its entirety within the first planting season following completion of the development hereby approved. The scheme shall include provision for the following:

- a) the location of all existing trees and shrubs within the site, accurately specified on a plan;
- b) the retention of as many trees and shrubs as possible and the identification of all trees and shrubs to be removed;
- c) proposals for new tree and shrub planting, earth mounding and seeding, fencing and other measures to screen operational areas, buildings and access roads;
- d) details of the species, size, number and location of all new trees and shrubs;
- e) treatment proposed for all hardened surfaces beyond the limits of the highway;
- f) a timetable within which the scheme shall be carried out; and
- g) a programme of maintenance for a period of not less than five years.

6 **RESERVED MATTER - LIGHTING SCHEME**

Prior to the operation of the approved development a lighting scheme is to be submitted for the approval of the Planning Authority. This shall adhere to but not be restricted to the following:

1. Lighting fixtures shall be appropriate to the style of architecture or aesthetically concealed from view.
2. Illumination levels should be appropriate to the type of use proposed, the architectural style of the structure and the overall neighbourhood.
3. Lighting should be designed to control glare, minimize light trespass onto adjacent properties, minimize direct upward light emission, promote effective security, and avoid interference with safe operation of motor vehicles. The minimum intensity for the intended purpose shall be used.
4. In residential areas, illumination levels shall be compatible with residential uses. Lighting for commercial installations proximate to residential uses should be designed to be compatible with residential illumination levels.
5. During daylight hours lighting is reduced or avoided.

7 **CONDITIONS IMPOSED AND ENFORCED BY EXTERNAL DEPARTMENTS**

The conditions imposed and enforced by external departments are as follows:

PA 1028/18/48C:	Environment and Resources Authority
PA 1028/18/78A:	Water Services Corporation
PA 1028/18/83A-D:	Malta Tourism Authority
PA 1028/18/84A:	Enemalta Corporation
PA 1028/18/90A:	Environmental Health Directorate
PA 1028/18/143A:	Commission for the Rights of Persons with Disability

The architect/applicant is required to contact the relevant Department/ Corporation/ Authority, throughout the implementation of the development hereby approved, to ensure conformity with the imposed conditions. A copy of the relative correspondence issued by the Department/ Corporation/ Authority shall be submitted to the Planning Authority accordingly.

8 **COMPLIANCE (COMPLETION) CERTIFICATION**

Each of the phases identified in phasing plan in document PA 1029/18/173A within the development hereby permitted shall be subject to Final Compliance (Completion) Certification, verifying that the development in each area has been carried out in full accordance with the approved drawings, documents and conditions imposed in this development permission, except where such conditions are enforced by other entities. Prior to the issue of any compliance certificate on any part of this development, the applicant shall submit to the Planning Authority, in relation to that part of the building:

- (i) clearance from the Commission for the Rights of Persons with Disability verifying that the development in the relevant Area fully satisfies the accessibility standards and/or any conditions imposed by the Commission in supporting document PA

1029/18/143A.

Note: Should a partial compliance certificate be requested, a Bank Guarantee of EUR 50,000 shall apply to ensure that CRPD clearance is obtained

- (ii) certification from a qualified engineer confirming that the development in the relevant Area fully satisfies the requirements specified in supporting documents PA 1029/18/1AG, PA 1029/18/1AH-AI/134B/169A and PA 1029/18/76A.
- (iii) clearance from the Civil Protection Department verifying that the development in the relevant Area fully satisfies the standards required by the Department.

9 **USE OF APPROVED DEVELOPMENT**

The approved premises shall be used as indicated on the approved drawings or as limited by any condition of this permission. If a change of use is permitted through the Development Planning (Use Classes) Order, 2014 (or its subsequent amendments), and it is not restricted by a condition of this permission, approval from the Commission for the Rights of Persons with Disability may still be required. Reference needs to be made to PA Circular 3/10 (with the exception of Appendix A), PA Circular 2/14 and their subsequent amendments.

- 10 The communal parking area shall only be used for the parking of vehicles and shall be kept available at all times for staff, other visitors, and customers. The parking area shall be adequately lit and sign-posted, and the parking bays properly demarcated in accordance with the standards set out in the Development Control Design Policy, Guidance and Standards 2015. The use of the parking area for storage, industrial, or commercial activity is prohibited.

- 11 Loading and unloading shall take place solely within the premises, and not from/on the public pavement or street.

12 **STANDARD CONDITIONS**

a) The façade(s) of the building shall be constructed in local un-rendered and unpainted stone, except where other materials/finishes are indicated on the approved drawings.

b) All the apertures and balconies located on the façade(s) of the building shall not be in gold, silver or bronze aluminium.

c) Where a front garden is imposed, the 'solid part' of the boundary wall in the front garden shall not be higher than 1.4 metres above the external finished road level. Where the road is sloping, the wall shall be stepped accordingly. Any pillars or gateposts shall not exceed a height of 2.25 metres.

d) The height of the services on the roof of the building shall not extend beyond the approved height of the uppermost parapet wall.

- 13 a) This development permission is valid for a period of FIVE YEARS from the date of

publication of the decision in the press but will cease to be valid if the development is not completed by the end of this validity period.

b) This permission relates only to the development as specifically indicated on the approved drawings. This permission does not sanction any other illegal development that may exist on the site.

c) A Commencement Notice is to be submitted to the Planning Authority, by the permit holder on behalf of the applicant, at least FIVE DAYS prior to the date of commencement of works or utilisation of the permission. Failure to submit the Commencement Notice (with all fields correctly completed) or failure to submit it within the required timeframe shall invalidate the Notice and shall result in the imposition of fines according to Schedule D of Legal Notice 277 of 2012, or its amendments, or its replacements. In addition, **if the applicant fails to submit the Commencement Notice or the Commencement Notice submitted is invalid, the relative permission shall be considered as never having been utilised** - Article 72(4) of the Development Planning Act (2016).

d) Copies of all approved drawings and documents shall be available for inspection on site by Planning Authority officers at all reasonable times.

e) The development shall be carried out in complete accordance with the approved drawings, documents and conditions of this permission. Where a matter is not specified, then the conditions of this permission and of Development Control Design Policy, Guidance and Standards 2015 shall apply.

f) Before any part of the development hereby permitted commences, the enclosed green copy of this development permission shall be displayed on the site. This must be mounted on a notice board, suitably protected from the weather and located not more than 2 metres above ground level at a point on the site boundary where it is clearly visible and can be easily read from the street. The copy of the permission must be maintained in a good condition and it shall remain displayed on the site until the works are completed.

g) All building works shall be erected in accordance with the official alignment and official/existing finished road levels as set out on site by the Planning Authority's Land Surveyor. The Setting Out Request Notice must be submitted to the Land Survey Unit of the Planning Authority when the setting out of the alignment and levels is required.

h) Where an officially schemed street, within the development zone, bordering the site is unopened or unformed, it shall be opened up and brought up to its proper, approved and official formation levels prior to the commencement of any development hereby being permitted.

i) It is the responsibility of the permit holder to ensure that development is carried out in accordance with the provisions of the Environmental Management Construction Site Regulations, Legal Notice 295 of 2007 (or subsequent amendments). Any hoarding shall be erected in accordance with Schedule 2 of the same Regulations.

j) New development on vacant or redeveloped sites shall be provided with a water cistern to store rainwater run-off as required by the Energy Performance of Buildings Regulations (2012) [published through Legal Notice 376 of 2012 and any amendments thereto].

k) No steps, ramps or street furniture are to be constructed on or encroached onto the public pavement or road.

- l) Any doors and windows, the lower edge of which is less than 2m above road level, and any gates shall not open outwards onto a public pavement or road.
- m) Where present, window grilles (including 'pregnant' windows), sills, planters and other similar elements which are part of or fixed to the facade of buildings, the lower edge of which is less than 2 metres above road level, shall not project more than 0.15 metres from the facade over a public pavement or street.
- n) Air conditioning units shall not be located on the facades of the building which are visible from the street or a public space.
- o) There shall be no service pipes, cables or wires visible on the front elevation or on any other elevations of the building which are visible from the street or public space.
- p) Any garages/parking spaces shall only be used for the parking of private cars and shall be kept available at all times for this purpose.
- q) Any unit approved on more than one floor (duplex or more) shall remain physically interconnected as a single unit, and shall not be sub-divided into separate units without specific Planning Authority consent.

14 **CONDITIONS IMPOSED AND ENFORCED BY OTHER ENTITIES**

A. Where construction activity is involved:

(a) the applicant shall:

(i) **Appoint a Project Supervisor for the Design Stage and a Project Supervisor for the Construction Stage** and any such appointment shall be terminated, changed or renewed as necessary. The same person may be appointed to act as project supervisor for both the design and construction stage, if that person is competent to undertake the duties involved and

(ii) **Keep a health and safety file** prepared by the Project Supervisor for the Design Stage.

(b) When the construction works related to this application are scheduled to last longer than thirty working days and on which more than twenty workers are occupied simultaneously, or on which the volume of work is scheduled to exceed five hundred person-days, the project supervisor **shall communicate a prior notice to the Occupational Health and Safety Authority (OHSA) at least four calendar weeks before commencement of works.**

(c) The Project Supervisor for the Design Stage shall **draw up a health and safety plan** which sets out the occupational health and safety rules applicable to the construction activities concerned, outlining the measures to ensure cooperation between different contractors and shall also include specific measures concerning occupational risks that may be present at this site.

B. Where the development concerns a change of use to a place of work, the applicant shall obtain a Perit's declaration that the building conforms to the requirements of LN 44 of 2002.

C. Where the development concerns a place of work:

The applicant shall:

(i) obtain a Perit's declaration that the necessary requirements arising out of LN 44 of 2002 have been included in the plans and drawings; and

(ii) obtain a Perit's declaration that the building conforms to the requirements of LN 44 of 2002.

D. The development is to strictly adhere to the 'Design Guidelines on fire safety for buildings in Malta' to ensure that all Fire Safety measures and provisions are addressed as indicated in the Design Guidelines on Fire Safety for Buildings in Malta, published by the DCID in 2004, (or other relevant standard, provided it is approved by the Civil Protection Department), Policies, and the Laws and Regulations of Malta.

E. Where the development includes a swimming pool:

(a) Any effluent, if discharged in the sewers, shall meet the specifications listed in L.N.139 of 2002 as amended by L.N.378 of 2005.

(b) Adequate sampling points should be installed as directed by WSC – Discharge Permit Unit officials.

(c) Chlorine concentration of the effluent should not exceed 100 mg/L Cl₂.

F. Prior to laying of water and wastewater services in the road, the development shall comply with the requirements of Legal Notice 29/10 Part III (Roads in inhabited Areas) Clause 12.

G. In the event of an accidental discovery in the course of approved works, any cultural heritage feature discovered should not be damaged or disturbed and the Superintendence is to be immediately informed of such discovery. Any cultural heritage features discovered are to be investigated, evaluated and protected in line with the Cultural Heritage Act 2002 (CAP 445). The discovery of cultural heritage features may require the amendment of approved plans.

In terms of Article 72(3) of the Development Planning Act, 2016, the execution and validity of this permission is automatically temporarily **suspended** and no works as approved by the said development permission may commence before the lapse of the time period established in Article 13 of the Environment and Planning Review Tribunal Act and subsequently will remain so suspended if the Tribunal so decides in accordance with the Environment and Planning Review Tribunal Act.

Where the approved drawings and/or documents are dimensioned, then the declared dimensions shall prevail over the actual size as depicted on the approved drawings and/or documents.

Developers are advised to check the invert level to the sewer main with the Water Services Corporation as they would have to make their own arrangements where a gravity service connection is not possible. In these cases, the architect has to indicate the solutions envisaged and to indicate on the plan what needs to be carried out and obtain approval from WSC. Developers are further reminded that connection of storm water into main sewers is not allowed.

If the declaration of ownership, as contained in the application form, is determined as incorrect by a
PA/01029/18 Print Date: 02/04/2019

Court of Law, then the said Court of Law can declare this development permission as null and void. This development permission does not remove or replace the need to obtain the consent of the land/building owner to this development before it is carried out. Furthermore, it does not imply that consent will necessarily be forthcoming nor does it bind the land/building owner to agree to this development. Where the land/building is owned or administered by the Government of Malta a specific clearance and agreement must be obtained for this development from the Land and/or Estate Management Departments.

This development permission is granted saving third party rights. This permission does not exonerate the applicant from obtaining any other necessary permission, license, clearance or approval required from any Government department, local council, agency or authority, as required by any law or regulation.

This development permit does not authorise any storage of substances listed in Occupational Health and Safety Authority Act (Cap. 424) - Control of Major Accident Hazards Regulations, 2003, as amended, in quantities that would render this site an establishment within scope of these regulations. The storage and handling of said substances may require a new or amended development permission in line with current policies and regulations.

For any non-residential uses hereby being approved, prior to commencement of any works on site or any eventual permitted change of use, the applicant shall be required to contact the Environment and Resources Authority to obtain any necessary operational permit or registration. This requirement does not apply to Class 2B, 2C, 4A and 4B uses as listed in the Development Planning (Use Classes) Order 2014, or its subsequent amendments.

This decision is being published on 6 February 2019.

Joseph Borg
Board Secretary
Planning Board

Notes to Applicant and Perit

Right for reconsideration

Where applicable, you have a right to submit a request for reconsideration to the Authority in terms of regulation 14 of Legal Notice 162 of 2016.

Right for appeal

You have a right to submit an appeal, against the decision, to the Environment and Planning Review Tribunal in terms of Article 13 of the Environment and Planning Review Tribunal Act, 2016.

Time limits

Requests for reconsideration or appeals must be made within 30 days from the publication of the decision notification in the local press as required by regulation 14(1) of Legal Notice 162 of 2016.

Fees to submit a request for reconsideration or appeal

In either case, there is a fee to be paid which should accompany the request for reconsideration or the appeal. The fees are as follows:

For reconsideration - 3% of the Development Permit Fee paid in respect of the original application, subject to a minimum of €69.88.

For appeal - 5% of DPF (Development Permit Fee) paid in respect of the original application, subject to a minimum of €150 + €50 administrative fee (LN 112 of 2016).

Submission of request for reconsideration or appeal

With regards to requests for reconsideration, Form PA 4/16 must be used for submission. All fields of the Form must be filled in as appropriate. Requests for reconsideration can only be submitted electronically.

With regards to appeals, as required by Article 13 of the Environment and Planning Review Tribunal Act, 2016, the submission must include the detailed grounds for appeal and the requests being made by the appellant. Appeals must be submitted physically at the offices of the Environment and Planning Review Tribunal, St. Francis Ditch, Floriana.

Important Notice

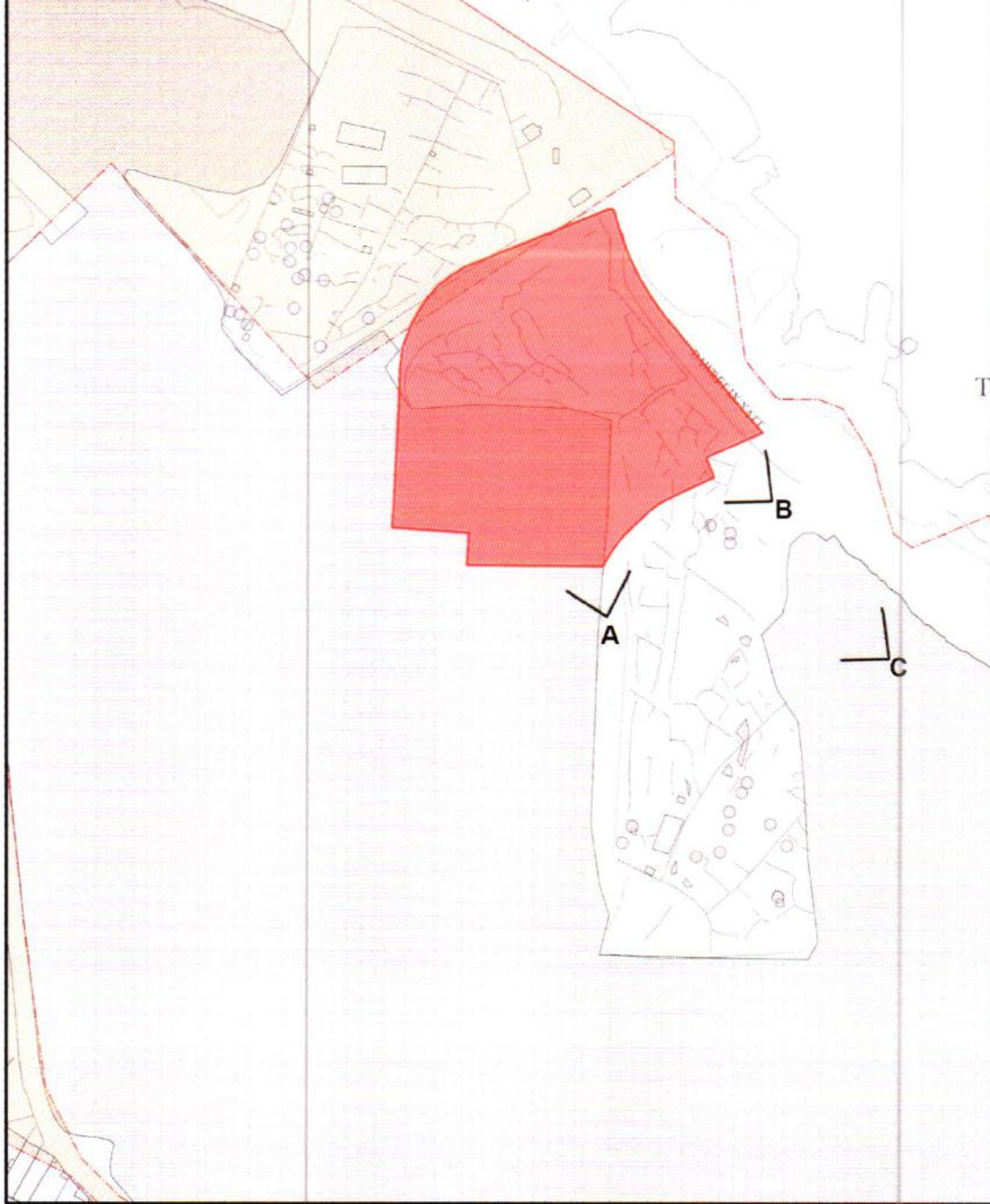
In view of the provisions of Article 72(4) of the Development Planning Act (2016), a Commencement Notice is to be submitted to the Planning Authority, by the perit on behalf of the applicant, at least FIVE DAYS prior to the date of commencement of works or utilisation of the permission. Failure to submit the Commencement Notice (with all fields correctly completed) or failure to submit it within the required timeframe shall invalidate the Notice and shall result in the imposition of fines according to Schedule D of Legal Notice 277 of 2012, or its amendments, or its replacements. In addition, if the applicant fails to submit the Commencement Notice or the Commencement Notice submitted is invalid, the relative permission shall be considered as never having been utilised.

-PADCN-

PA/01029/18 - 1a - Valid,
Recommended for Approval.

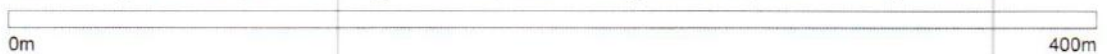
50 Planning Board - Approved - Delroy Muscat - on behalf of Edwin Mintoff - 24/10/2019

1a



0m

Min Easting 58458.38, Min Northing 71949.95, Max Easting 58858.38, Max Northing 72449.95



Planning Authority - www.pa.org.mt

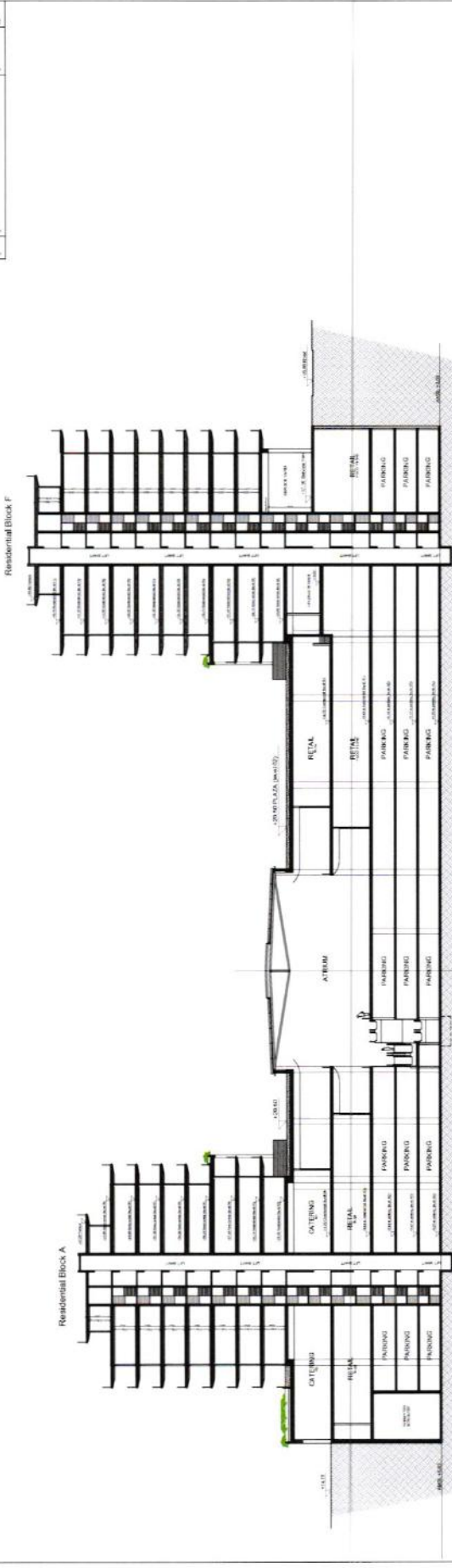
St. Francis Ravelin
Floriana FRN 1230, Malta
PO Box 200, Marsa MRS 1000, Malta
Tel: +356 2290 0000 Fax: +356 22902295

Site Plan, Scale 1:2500
Printed on: Friday, January 13, 2017

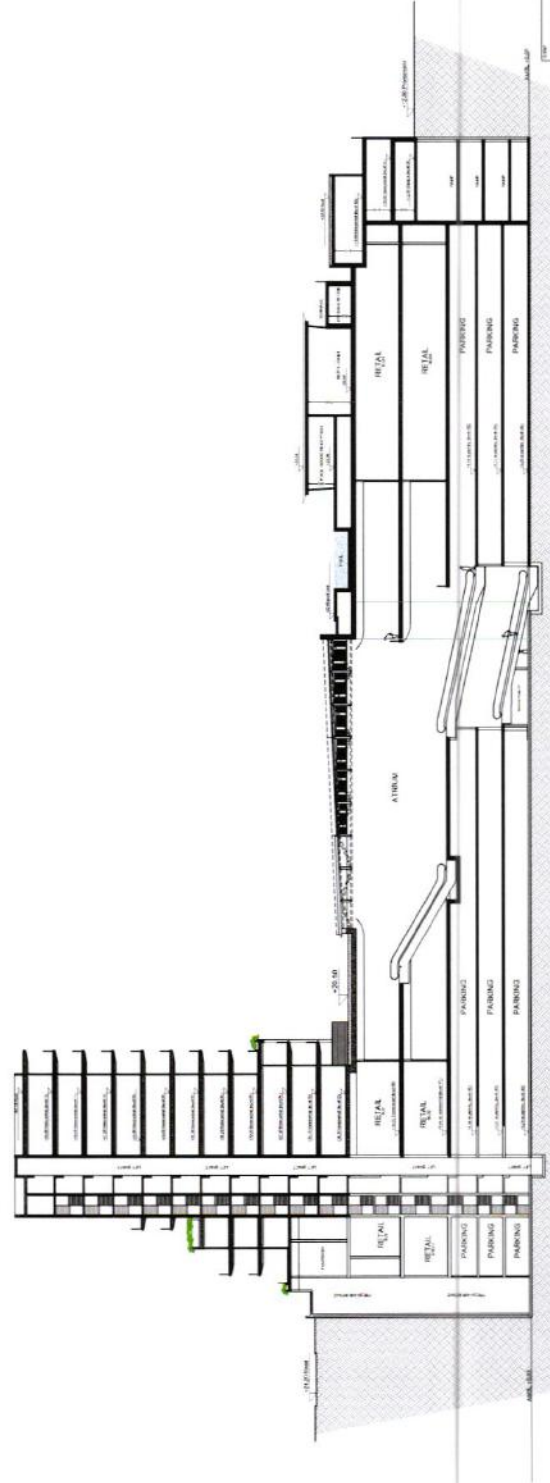
Page 1 of 1
No use for interpretation or scaling of scheme alignments
Copyright © PA - Planning Authority. Not for resale.



Rev	Date	By



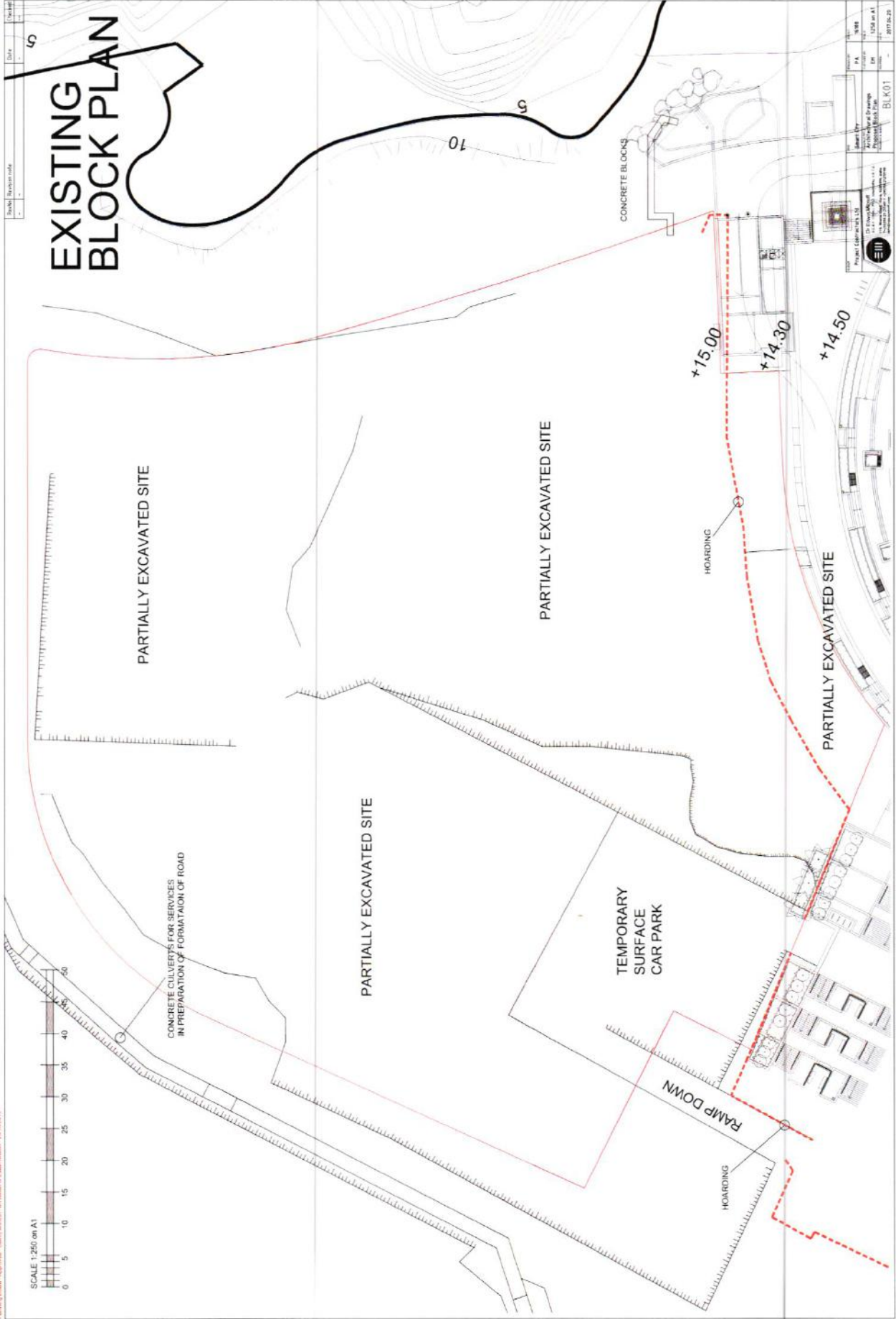
SECTION A-A'



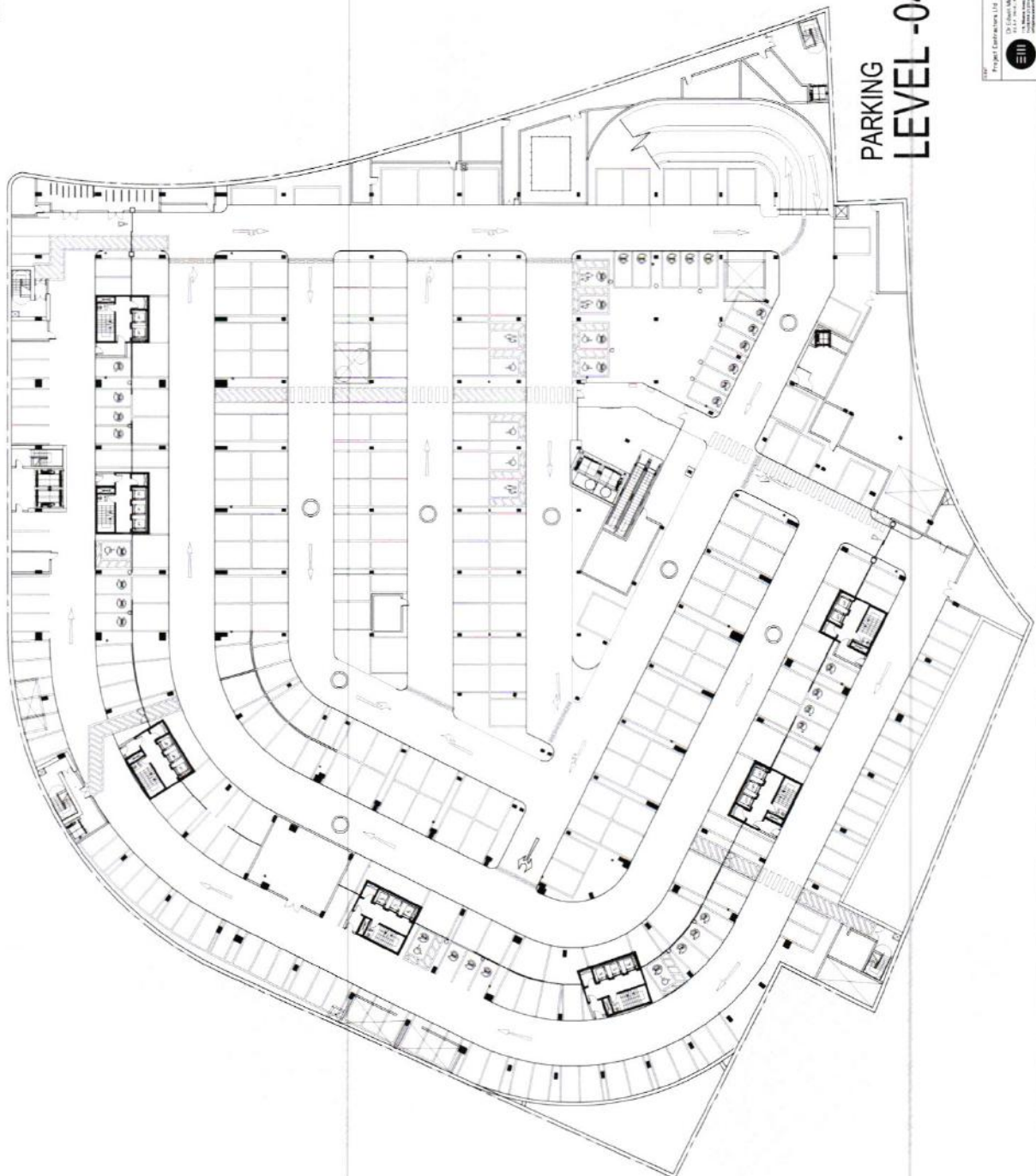
SECTION B-B'

 Eshah Architects 111, 113 & 115, The Arcade, Adelaide SA 5000 Tel: +61 8 8212 1234 Fax: +61 8 8212 1235 Email: info@eshah.com.au	Project: Commercial 1A 111, 113 & 115, The Arcade, Adelaide SA 5000	Sheet: 001 Project Name: Residential Development Drawing No: SEC-001	Scale: 1/50 Date: 2018/04/12 Drawing No: 111/113/115
	Project: Commercial 1A 111, 113 & 115, The Arcade, Adelaide SA 5000	Sheet: 001 Project Name: Residential Development Drawing No: SEC-001	Scale: 1/50 Date: 2018/04/12 Drawing No: 111/113/115

1x



DATE	DESCRIPTION

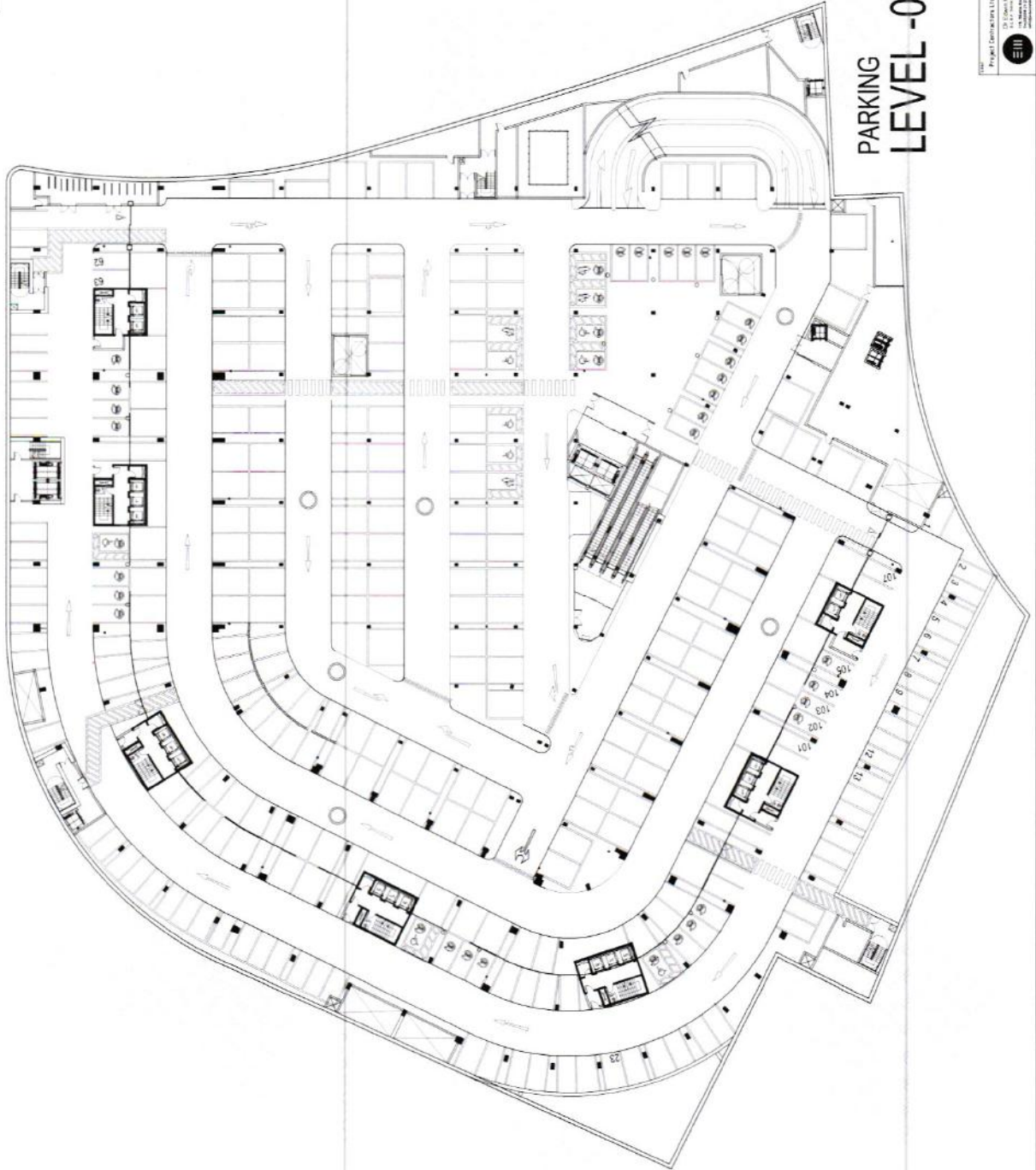


**PARKING
LEVEL -04 +0.20**

Project Name	Sheet No.	Scale
Project Location	Sheet Title	Scale
Client Name	Project No.	Scale
Client Address	Project Name	Scale
Client Phone	Project No.	Scale
Client Email	Project Name	Scale
Client Website	Project No.	Scale
Client Logo	Project Name	Scale

PROJECT NO. 1001-1001
 PROJECT NAME: [illegible]
 PROJECT LOCATION: [illegible]
 PROJECT DATE: [illegible]

Drawn	Revision	Date	Checked



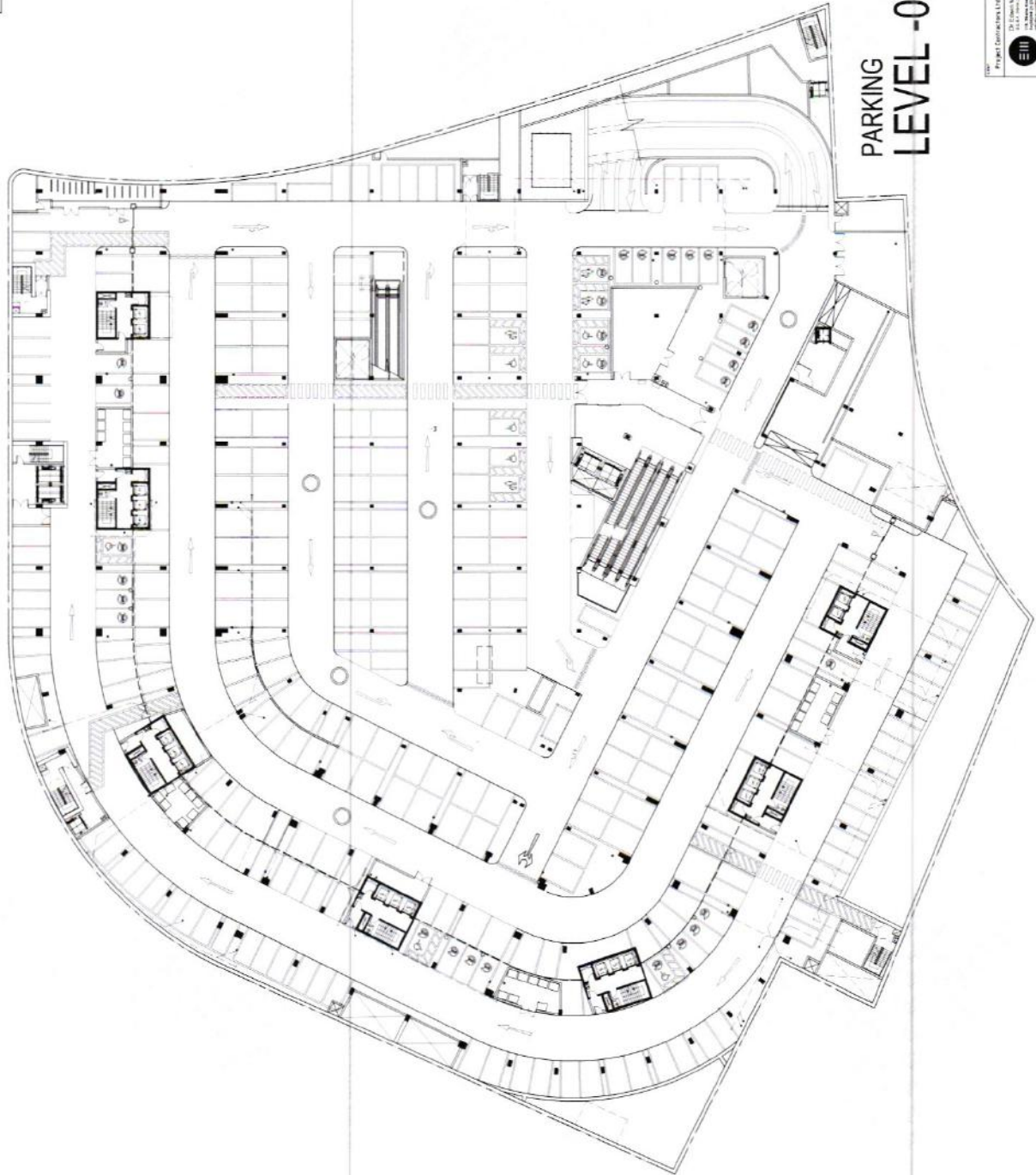
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Project Name: Project City Centre LLC	Scale: 1:500
Client: City of Chicago	Sheet: P-002
Architect: Skidmore, OWINGS & Merrill LLP	Date: 12/26/11
Engineer: ARCADIS	Drawn by: 12/26/11
Checked by: 12/26/11	



PROJECT NO. 11-000-0000-0000
 DRAWING NO. 11-000-0000-0000
 SHEET NO. 11-000-0000-0000

Revised	Revised with	Date	Drawn

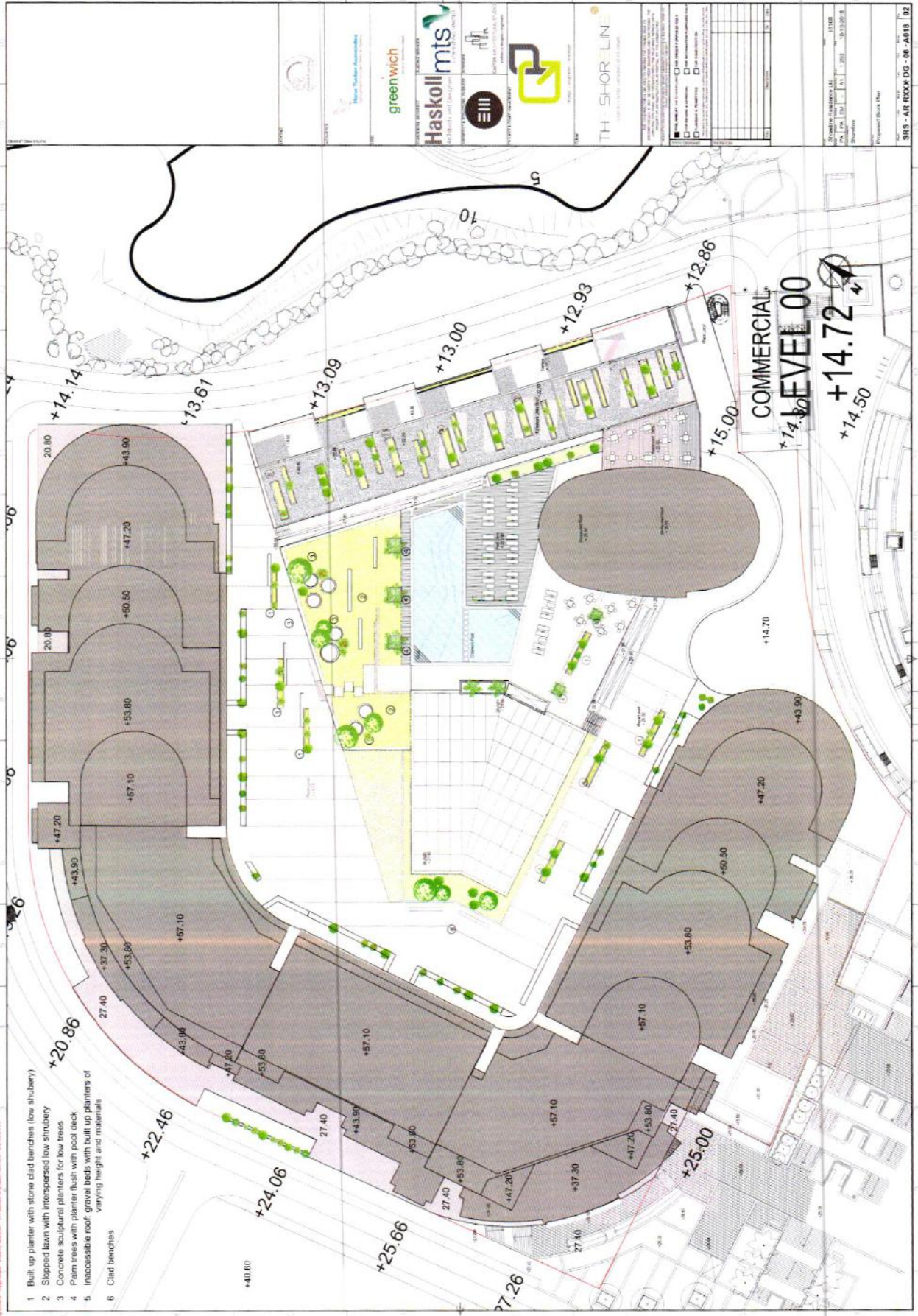


PARKING LEVEL -02 +6.14

PROJECT: 46C - 0404
 DRAWING: 46C-0404-0202
 PROJECT: 46C - 0404
 DRAWING: 46C-0404-0202

Project Name	46C - 0404
Client	46C - 0404
Scale	1/8" = 1'-0"
Sheet No.	46C-0404-0202
Sheet Title	PARKING LEVEL -02
Project No.	46C-0404
Revision	0
Date	08/08/23





- 1 Built up planter with stone clad benches (low shrubbery)
- 2 Stopped lawn with interspersed low shrubbery
- 3 Concrete sculptural planters for low trees
- 4 Palm trees with planter flush with pool deck
- 5 Inaccessible roof: gravel beds with built up planters of varying height and materials
- 6 Clad benches

DATE: 02/18/18 (1806-0048)
 REVISION: 02/18/18 (1806-0048)
 APPROVED FOR APPROVAL: [Signature]
 APPROVED FOR CONSTRUCTION: [Signature]

ACCESS FOR ALL

Providing access for all is the responsibility of all. All interior areas to be accessible for all. Locations, paths and facilities. All bar, counter, service and other areas. All bar, counter, service and other areas. All bar, counter, service and other areas.

Food Access

Food service areas shall be provided in order to allow access for all. All bar, counter, service and other areas. All bar, counter, service and other areas.

Building Entrances

All building entrances are accessible either directly or via a ramp. All bar, counter, service and other areas. All bar, counter, service and other areas.

Other Areas

Other areas shall be provided in order to allow access for all. All bar, counter, service and other areas. All bar, counter, service and other areas.

- 1. Accessible entrance
- 2. Accessible path
- 3. Accessible parking
- 4. Accessible public areas
- 5. Accessible service areas
- 6. Accessible restrooms
- 7. Accessible elevators
- 8. Accessible stairs
- 9. Accessible ramps
- 10. Accessible signage
- 11. Accessible telephone
- 12. Accessible fax
- 13. Accessible computer
- 14. Accessible internet
- 15. Accessible printer
- 16. Accessible scanner
- 17. Accessible copier
- 18. Accessible fax
- 19. Accessible telephone
- 20. Accessible fax



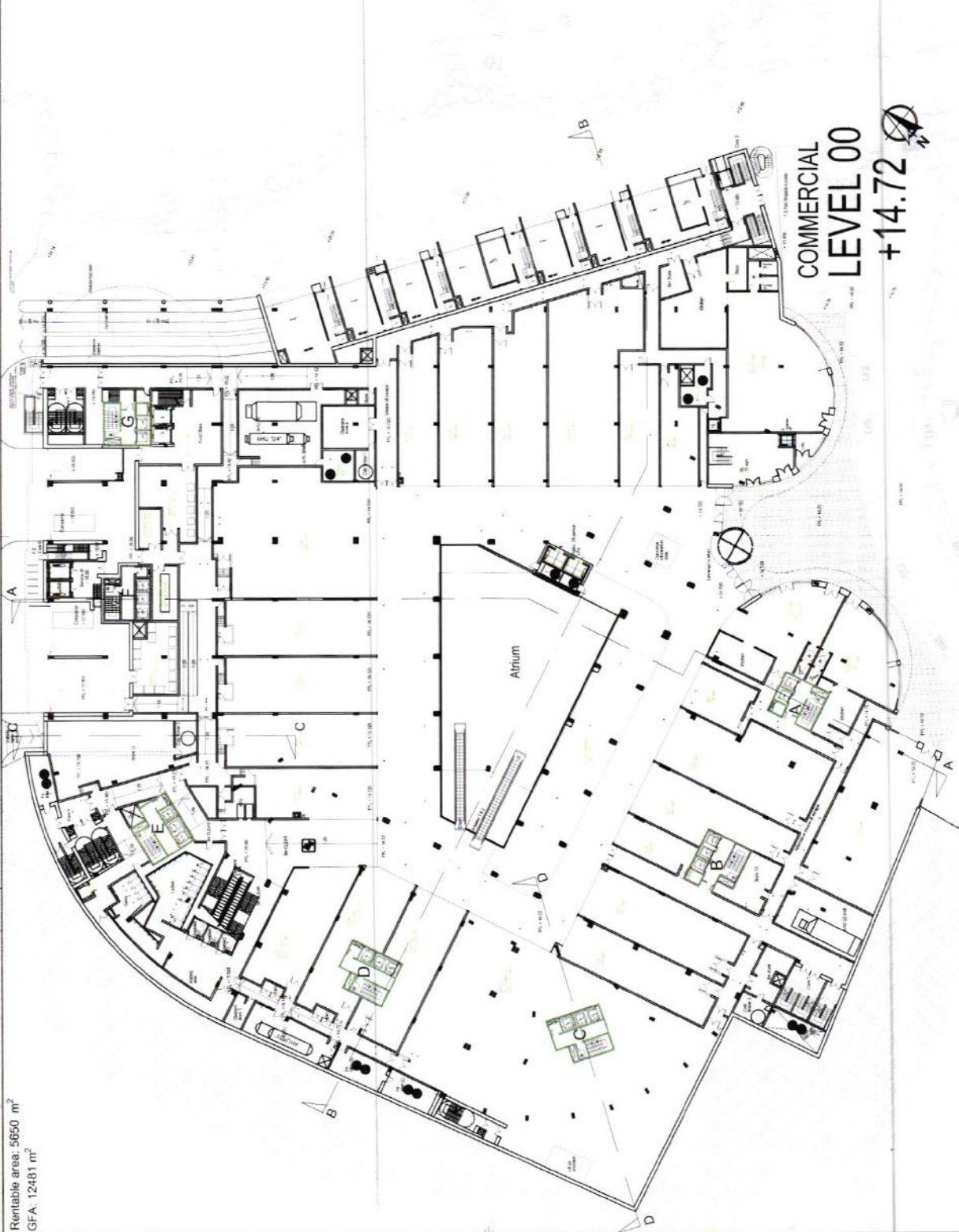
greenwich
Haskoll mts
TH SHOR LINE

PROJECT INFORMATION
PROJECT NO. 165b
DATE: 2014-03-10

TH SHOR LINE
1000 WEST 10TH AVENUE, SUITE 1000
DENVER, CO 80202

NO.	DESCRIPTION	DATE	BY
1	ISSUED FOR PERMITTING	2014-03-10	JL
2	ISSUED FOR CONSTRUCTION	2014-03-10	JL
3	ISSUED FOR OCCUPANCY	2014-03-10	JL

Scale: 1/8" = 1'-0"
North Arrow
Project No. 165b
Date: 2014-03-10



Rentable area: 5650 m²
GFA: 12481 m²

ACCESS FOR ALL:
At outdoor areas to be accessible for all.

Paving
Paving should be used to create a path of travel that is accessible to all. All the paving, granite and other materials used must be able to be used by people with wheelchairs. Materials must be hard and smooth, not too hot or too cold, and must be free of any holes or protrusions. The paving must be level to the high surface of the wheels. The paving must be continuous and not have any gaps or joints. The paving must be slip resistant. Paving should be used to create a path of travel that is accessible to all.

Pool Access
An accessible route must be provided to allow access to the pool. The route must be paved and must be level to the high surface of the wheels. The route must be continuous and not have any gaps or joints. The route must be slip resistant. The route must be paved and must be level to the high surface of the wheels. The route must be continuous and not have any gaps or joints. The route must be slip resistant.

Including Landscaping
All landscaped areas must be accessible to all. The landscaping must be hard and smooth, not too hot or too cold, and must be free of any holes or protrusions. The landscaping must be level to the high surface of the wheels. The landscaping must be continuous and not have any gaps or joints. The landscaping must be slip resistant. The landscaping must be paved and must be level to the high surface of the wheels. The landscaping must be continuous and not have any gaps or joints. The landscaping must be slip resistant.

Landmarks
Landmarks must be accessible to all. The landmarks must be hard and smooth, not too hot or too cold, and must be free of any holes or protrusions. The landmarks must be level to the high surface of the wheels. The landmarks must be continuous and not have any gaps or joints. The landmarks must be slip resistant. The landmarks must be paved and must be level to the high surface of the wheels. The landmarks must be continuous and not have any gaps or joints. The landmarks must be slip resistant.

Signage
Signage must be accessible to all. The signage must be hard and smooth, not too hot or too cold, and must be free of any holes or protrusions. The signage must be level to the high surface of the wheels. The signage must be continuous and not have any gaps or joints. The signage must be slip resistant. The signage must be paved and must be level to the high surface of the wheels. The signage must be continuous and not have any gaps or joints. The signage must be slip resistant.

Seating
Seating must be accessible to all. The seating must be hard and smooth, not too hot or too cold, and must be free of any holes or protrusions. The seating must be level to the high surface of the wheels. The seating must be continuous and not have any gaps or joints. The seating must be slip resistant. The seating must be paved and must be level to the high surface of the wheels. The seating must be continuous and not have any gaps or joints. The seating must be slip resistant.

Storage
Storage must be accessible to all. The storage must be hard and smooth, not too hot or too cold, and must be free of any holes or protrusions. The storage must be level to the high surface of the wheels. The storage must be continuous and not have any gaps or joints. The storage must be slip resistant. The storage must be paved and must be level to the high surface of the wheels. The storage must be continuous and not have any gaps or joints. The storage must be slip resistant.

GFA: 4842 m²

Room No.	Description	Area (m ²)	Volume (m ³)
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120



**RESIDENTIAL
LEVEL 02
+20.80**



165C-2015-10-16-1000
Government of Alberta
Development Approval

165C

greenwich

Haskillmts

THE SHOR LINE

SRS-AR-4302-DG-08-A008_04

Securities Note

This Securities Note is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and in accordance with the provisions of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

Dated 18 June 2020

In respect of an issue of

€14,000,000 4% Secured Bonds 2026

having a nominal value of €100 per Bond issued at par (the 'Series A Bonds')
ISIN: MT0002351204

and

€26,000,000 4.5% Secured Bonds 2032

having a nominal value of €100 per Bond issued at par (the 'Series B Bonds')
ISIN: MT0002351212

(collectively, the 'Bonds' or 'Secured Bonds')

SHORELINE MALL P.L.C.

a public limited liability company registered and incorporated in terms of the Companies Act with company registration number C 84005 and having its registered office at Suite 407, Level 4, Block SCM 01, Smart City Malta, Ricasoli, Kalkara SCM 1001, Malta

Sponsor, Manager & Registrar



Legal Counsel



THE PROSPECTUS HAS BEEN APPROVED BY THE LISTING AUTHORITY, AS COMPETENT AUTHORITY UNDER REGULATION (EU) 2017/1129. THE LISTING AUTHORITY ONLY APPROVES THIS PROSPECTUS AS MEETING THE STANDARD OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY REGULATION (EU) 2017/1129 AND SUCH APPROVAL SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER OR THE QUALITY OF THE SECURITIES THAT ARE THE SUBJECT OF THIS SECURITIES NOTE. PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN ASSESSMENT AS TO THE SUITABILITY OF INVESTING IN THE SECURITIES AND SHOULD BE AWARE THAT THE VALIDITY OF THIS PROSPECTUS WILL EXPIRE AND THAT THE OBLIGATION TO SUPPLEMENT A PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES DOES NOT APPLY WHEN A PROSPECTUS IS NO LONGER VALID.

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE BONDS AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENT IS IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENT.

THE LISTING 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 THESE BONDS.

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

Robert Ancilleri

Kevin Deguara

Jean C. Farrugia

Benjamin Muscat

Ryan Edward Otto

Roderick Psaila

Charles Scerri

IMPORTANT INFORMATION

THIS SECURITIES NOTE CONSTITUTES PART OF A PROSPECTUS AND CONTAINS INFORMATION IN RELATION TO SHORELINE MALL PLC IN ITS CAPACITY AS ISSUER. THIS DOCUMENT INCLUDES INFORMATION GIVEN IN COMPLIANCE WITH: (A) THE COMPANIES ACT, (CHAPTER 386 OF THE LAWS OF MALTA) AND REGULATION (EU) 2017/1129 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 14 JUNE 2017 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING ON A REGULATED MARKET, AND REPEALING DIRECTIVE 2003/71/EC (THE 'REGULATION'); AND (B) THE RULES AND REGULATIONS APPLICABLE TO THE ADMISSION OF SECURITIES ON THE OFFICIAL LIST OF THE MSE. 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 BONDS OF THE ISSUER OTHER THAN THOSE CONTAINED IN THE PROSPECTUS AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHROSIED BY THE ISSUER, ITS DIRECTORS, OR ADVISERS.

THE LISTING 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 HOWEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT AND ANY PERSON WISHING TO APPLY FOR ANY BONDS ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY BONDS THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH BONDS AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE. A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY AND THE MSE, AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES, APPLICATION HAS BEEN MADE TO THE MSE, FOR THE BONDS TO BE ADMITTED TO THE OFFICIAL LIST OF THE MSE. **A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISER.**

THIS DOCUMENT AND ALL AGREEMENTS, ACCEPTANCES AND CONTRACTS RESULTING THEREFROM SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF MALTA, AND ANY PERSON ACQUIRING ANY BONDS PURSUANT TO THE PROSPECTUS SHALL SUBMIT TO THE JURISDICTION OF THE MALTESE COURTS, WITHOUT LIMITING IN ANY MANNER THE RIGHT OF THE ISSUER TO BRING ANY ACTION, SUIT OR PROCEEDING, IN ANY OTHER COMPETENT JURISDICTION, ARISING OUT OF OR IN CONNECTION WITH ANY PURCHASE OF BONDS, OR AGREEMENT, ACCEPTANCE OR CONTRACT RESULTING HEREFROM OR THE PROSPECTUS AS A WHOLE.

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

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

IN THE CASE OF OFFERS MADE BY AN AUTHORISED FINANCIAL INTERMEDIARY, THE AUTHORISED FINANCIAL INTERMEDIARY WILL PROVIDE INFORMATION TO INVESTORS ON THE TERMS AND CONDITIONS OF THE OFFER AT THE TIME THE OFFER IS MADE.

ALL THE ADVISERS TO THE ISSUER HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PUBLIC OFFER AND PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON. NONE OF THE ADVISERS ACCEPT ANY RESPONSIBILITY TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE CONTENTS OF, ANY INFORMATION CONTAINED IN AND THE TRANSACTIONS PROPOSED IN THE PROSPECTUS, ITS COMPLETENESS OR ACCURACY OR ANY OTHER STATEMENT MADE IN CONNECTION THEREWITH. THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THIS DOCUMENT. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS. THE DIRECTORS OF THE ISSUER CONFIRM THAT WHERE INFORMATION INCLUDED IN THIS PROSPECTUS HAS BEEN SOURCED FROM A THIRD PARTY, SUCH INFORMATION HAS BEEN ACCURATELY REPRODUCED, AND AS FAR AS THE DIRECTORS OF THE ISSUER ARE AWARE AND ARE ABLE TO ASCERTAIN FROM INFORMATION PUBLISHED BY THAT THIRD PARTY, NO FACTS HAVE BEEN OMITTED WHICH WOULD RENDER THE REPRODUCED INFORMATION INACCURATE OR MISLEADING.

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 INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS.

AUTHORISED FINANCIAL INTERMEDIARIES MAKING USE OF THE PROSPECTUS HAVE TO STATE ON THEIR WEBSITE THAT THEY ARE USING THE PROSPECTUS IN ACCORDANCE WITH THE CONSENT AND THE CONDITIONS ATTACHED THERETO.

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DEFINITIONS

In this Securities Note, the following words and expressions shall bear the following meaning except where the context otherwise requires:

Aggregate Offer	the aggregate amount of Bonds subject of this Bond Issue;
Applicant/s	a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;
Application/s	an application to subscribe for Bonds made by an Applicant on an Application Form and submitted to the Authorised Financial Intermediary;
Authorised Financial Intermediaries	the licensed stockbrokers and financial intermediaries listed in Annex I of this Securities Note;
Elective Professional Client	<p>An Authorised Financial Intermediary may treat a client as an Elective Professional Client if it complies with (a), (b) and (c) below:</p> <ol style="list-style-type: none">a. the Authorised Financial Intermediary undertakes an adequate assessment of the expertise, experience and knowledge of the client, undertaken by the Authorised Financial Intermediary, gives reasonable assurance, in the light of the nature of the transactions or services envisaged, that the client is capable of making his own investment decisions and of understanding the risks involved; andb. in the course of the assessment referred to (a) above, as a minimum, two of the following criteria shall be satisfied:<ol style="list-style-type: none">i. the client has carried out transactions, in significant size, on the relevant market at an average frequency of 10 per quarter of the previous four quarters;ii. the size of the client's instrument portfolio, defined as including cash deposits and instruments exceeds €500 000;iii. the client works or, which requires knowledge of the transactions or services envisaged;iv. the client has worked in the financial sector for at least one year in a professional position; andc. The following procedure is followed:<ol style="list-style-type: none">i. they shall state in writing to the Authorised Financial Intermediary that they wish to be treated as a Professional Client, either generally or in respect of a particular service or transaction or type of transaction or product;ii. the Authorised Financial Intermediary shall give such clients a clear written warning of the protections and investor compensation rights they may lose;iii. clients shall state in writing in a separate document from the contract, that they are aware of the consequences of losing such protections.
Eligible Counterparty	means investment firms, credit institutions, insurance companies, UCITS schemes and their management companies, pension funds and their management companies, other financial institutions authorised or regulated under laws of the European Union or under Maltese law, national governments and their corresponding offices including public bodies that deal with public debt at national level, central banks and supranational organisations;
Interest Buffer	Initially, an amount equivalent to four (4) years' coupon payments on the aggregate nominal value of Bonds outstanding. Provided that the Interest Buffer may be reduced by an amount equivalent to two (2) years' coupon payments on the aggregate nominal amount of Bonds outstanding at the time upon the earlier of the third (3rd) anniversary from the commencement of interest on Bonds or upon the commencement of the letting operations by the Company;
Interest Payment Date	<p>with respect to the:</p> <ol style="list-style-type: none">i. Series A Bonds, means 1 August of each year between and including each of the years 2021 and the year 2026; andii. Series B Bonds, means 1 August of each year between and including each of the years 2021 and the year 2032; <p>provided that, in either case, 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;</p>

Per Se Professional Client

A client who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs. The following should all be regarded as professionals in all investment services and activities and with respect to all the financial instruments mentioned in Schedule 2 to the Investment Services Act (Chapter 370 of the Laws of Malta):

1. Entities which are required to be authorised or regulated to operate in the financial markets. The list below should be understood as including all authorised entities carrying out the characteristic activities of the entities mentioned: entities authorised by a Member State under a Directive, entities authorised or regulated by a Member State without reference to a Directive, and entities authorised or regulated by a Non-Member State:
 - i. Credit institutions
 - ii. Investment firms
 - iii. Other authorised or regulated financial institutions
 - iv. Insurance companies
 - v. Collective investment schemes and management companies of such schemes
 - vi. Pension funds and management companies of such funds
 - vii. Commodity and commodity derivatives dealers
 - viii. Locals
 - ix. Other institutional investors
2. Large undertakings meeting two of the following size requirements on a company basis:
 - i. balance sheet total: €20,000,000
 - ii. net turnover: €40,000,000
 - iii. own funds: €2,000,000
3. National and regional governments, public bodies that manage public debt, central banks, international and supranational institutions such as the World Bank, the IMF, the ECB, the EIB and other similar international organisations.
4. Other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financing transactions.

Professional Client

a client which is either a Per Se Professional Client or an Elective Professional Client;

Retail Client

a client other than a Professional Client or Eligible Counterparty;

Suitability Test

shall have the meaning assigned to it under section 6.2.1 of this Securities Note;

Terms and Conditions

The terms and conditions of issue of the Bonds as set out in section 6.2 of this Securities Note.

Unless it appears otherwise from the context:

- a. Words and expressions and capitalised terms used in this Securities Note shall, except where the context otherwise requires and except where otherwise defined herein, bear the same meaning as the meaning given to such words, expressions and capitalised terms as indicated in the Registration Document forming part of the Prospectus;
- b. Words importing the singular shall include the plural and *vice-versa*;
- c. Words importing the masculine gender shall include the feminine gender and *vice-versa*;
- d. The word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;
- e. Any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organizations, governments, states, foundations or trusts;
- f. Any reference to a person includes that person's legal personal representatives, successors and assigns;
- g. 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;
- h. 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 issue of the Prospectus.

1 PERSONS RESPONSIBLE

Each and all of the Directors of the Issuer whose names appear in section 8.1 of the Registration Document, accept responsibility for the information contained in this Securities Note. The Issuer has given its consent for drawing up this Prospectus and to its use also with respect to the subsequent resale or final placement of the Bonds by any Authorised Financial Intermediaries.

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

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

2 RISK FACTORS

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 ON THE REDEMPTION DATE UNLESS THE BONDS ARE PREVIOUSLY RE-PURCHASED AND CANCELLED.

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED, OTHER THAN THE FIRST RISK FACTOR PRESENTED IN EACH CATEGORY, IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCE.

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

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

2.1 FORWARD-LOOKING STATEMENTS

This Prospectus contains statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and its Directors concerning, amongst other things, the Issuer's and the Shoreline Group's strategies and business plans, results of operations, financial condition, liquidity and prospects of the Issuer and the markets in which it operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not a guarantee of future performance and should therefore not be construed as such. The actual results of operations, financial condition, liquidity and the strategic development of the Issuer and the Shoreline Group may differ materially from the forward-looking statements contained in this Prospectus. In addition, even if the results of operations, financial condition and liquidity of the Issuer and/or the Shoreline Group are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include:

- i. Continued, sustained or worsening global economic conditions and particularly economic weakness in the areas in which the Issuer and/or the Shoreline Group operates;
- ii. Increased competition; and
- iii. Increased regulation.

Potential investors are advised to read this Prospectus in its entirety and in particular this Section titled “Risk Factors” for a further discussion of the factors that could affect the Issuer’s and/or the Shoreline Group’s future performance. In view of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Prospectus may not occur. All forward-looking statements contained in this Prospectus are made only as at the date hereof. The Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

2.2 SUITABILITY OF INVESTMENT

An investment in the Issuer and the Bonds may not be suitable for all recipients of this document and prospective investors are urged to consult an independent investment advisor licensed under the Investment Services Act (Chapter 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:

- a. each prospective investor has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this document or any applicable supplement;
- b. each prospective investor 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;
- c. each prospective investor understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets;
- d. each prospective investor is able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect his/her/its investment and his/her/its ability to bear the applicable risks; and
- e. the investment in the bonds is in line with the investment objectives of the prospective investor.

Authorised Financial Intermediaries providing investment advice and/or discretionary portfolio management shall distribute the Bonds to Retail Clients and/or Elective Professional Clients on an advisory basis or discretionary portfolio management basis only. The referred Authorised Financial Intermediaries are therefore required to conduct a Suitability Test in respect of Applicants that qualify as Retail Clients and/or Elective Professional Clients. This requirement shall also be applicable with regard to secondary trading.

2.3 RISKS RELATING TO THE BONDS

An investment in the Bond includes certain risks including, but not limited to, the following:

- a. **Risks related to the offer to the public and/or admission of the securities to trading on a regulated market**
 - i. **No assurance of an active secondary market**

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 and the general economic conditions in the market in which the Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer has no control. The recent events surrounding the COVID-19 pandemic and the ensuing global health crisis, have led to a massive impact on the global capital markets and general investor sentiment. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Accordingly, 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 at all.
 - ii. **Interest rate risk**

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.
 - iii. **Exchange rate risk**

An investor in the Bonds will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the investor’s currency of reference, if different.
 - iv. **Effect of future change in shareholding**

No prediction can be made about the effect which any future public offerings of the Issuer’s securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time.
 - v. **Ongoing compliance requirement of the Issuer**

Even after the Bonds are admitted to trading on 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 Listing Authority has the authority

to suspend trading 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 Listing Authority may discontinue the trading of the Bonds on the MSE. Any such trading suspension or discontinuance described above could have a material adverse effect on the liquidity and value of the Bonds.

vi. No independent credit rating of the Bonds has been sought

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

b. Risks related to the nature of the securities

The Issuer is entitled to issue bonds bearing a fixed rate of interest. Investment in such fixed rate bonds involves the risk that subsequent changes in market interest rates may adversely affect the market value of the said bonds. Investors should also be aware that the price of bonds moves adversely to changes in interest rates.

Should the Issuer wish to amend any of the Terms and Conditions of Issue of the Bonds, it shall call a meeting of Bondholders in accordance with the provisions of section 4.14 of this Securities Note. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

c. Risks related to the underlying

- i. The Secured Bonds shall at all times rank *pari passu* without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, they shall rank without priority or preference over all unsecured indebtedness of the Issuer, if any, by virtue and to the extent of the first ranking special hypothecs over the Shoreline Mall Complex which the Issuer has agreed to constitute in favour of the Security Trustee for the benefit of the Bondholders of the Series A Bonds and the Series B Bonds.

In terms of the Security Trust Deed, the Security Trustee retains the discretion to substitute any one of the immovable properties subject to the Special Hypothec with another immovable property owned by the Issuer or some affiliated company, subject to a property valuation report by an independent architect to be appointed by the Issuer with the consent of the Security Trustee, confirming that the value of the property substituting and being added to the immovable properties subject to the Special Hypothec is at least equal to the value of the immovable property on which the charge has been lifted.

Notwithstanding that the Bonds constitute the general, direct, unconditional and secured obligations, there can be no guarantee that privileges accorded by law in specific situations will not arise during the course of the business of the Issuer which may rank with priority or preference to the Special Hypothec. Moreover, whilst this special hypothec grants the Security Trustee a right of preference and priority for repayment of the relevant Series over the creditors of the Issuer in respect of the Shoreline Mall Complex, there can be no guarantee that the value of the said Shoreline Mall Complex over the term of the relevant Series of Secured Bonds will be sufficient to cover the full amount of interest and principal outstanding under the said Series of Bonds.

This loss in value may be the result of various factors, including general economic factors that could have an adverse impact on the value of the Shoreline Mall Complex. If such circumstances were to arise or subsist at the time that the Special Hypothec is to be enforced by the Security Trustee, it could have a material adverse effect on the recoverability of all the amounts that may be outstanding under the Secured Bonds.

Whilst the independent valuation opines that the value of the Shoreline Mall Complex, once developed and the commercial element thereof being operational, actually exceeds the aggregate nominal value of the relevant Series of Bonds, there is no guarantee that such value determined in the independent valuation would be achieved, particularly if the Special Hypothec is enforced at a time when the Shoreline Mall Complex is still not completed and unfinished or, in the case of the commercial element, not yet operational, in which case various pressures in the market may push the price down (including the perceived weakness in the financial situation of the Group by potential buyers, the hesitation of potential buyers to take up the commitments, efforts and challenges of completing the same, the lost opportunity of fetching a good price typically offered by an immovable which is finished and which can be operated immediately).

The valuation of property is inherently subjective, due to, among other things, the individual nature of each property and the assumptions upon which the valuation is carried out. Accordingly, there can be no assurance that the valuation of properties, including of the Shoreline Mall Complex, referred to in the Prospectus reflects actual values that could be achieved on a sale, even where any such sale was to occur shortly after the valuation date. Actual values may be materially different from any future values that may be expressed or implied by forward-looking statements set out in the valuation or anticipated on the basis of historical trends, as reality may not match the assumptions made. There can be no assurance that such valuation of property will reflect actual market values.

d. The global economic downturn may have a material adverse effect on the marketability and saleability of the Bonds

The global capital and credit markets have experienced increased volatility and disruption over the recent months particularly due to the COVID-19 pandemic, making it more difficult for companies to access capital markets. The issuance of the Bonds

depends, in part on stable, liquid and well-functioning capital and credit markets. There can be no assurance that continued or increased volatility and disruption in the capital and credit markets will not impair the marketability and saleability of the Bonds.

3 ESSENTIAL INFORMATION

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

Without prejudice to the potential conflicts of interest of Directors disclosed in section 8.2 of the Registration Document, and save for the subscription for Bonds by the Authorised Financial Intermediaries (which include the Sponsor, Manager & Registrar), and any fees payable in connection with the Bond Issue to the Sponsor, Manager & Registrar, so far as the Issuer is aware no person involved in the Bond Issue has an interest material to the Bond Issue.

3.2 REASONS FOR THE OFFER AND USE OF PROCEEDS

The net proceeds from the Bond Issue, are expected to amount to approximately €39,200,000. The proceeds will be utilised for the development of the Project as follows:

- a. €20,490,000 for direct civil and construction costs of the Project;
- b. €14,010,000 for direct finishing costs of the Project; and
- c. €4,700,000 for other costs related to the Project such as excavation works and professional fees.

Bond Issue expenses for a total of €800,000 will consist of:

- a. Selling commission of €400,000; and
- b. Professional, MSE, regulatory and other ancillary fees of €400,000.

All proceeds from the Bond Issue shall be held by the Security Trustee and will be drawn down against the presentation of invoices, in accordance with the provisions of the Security Trust Deed. In terms of the Prospectus and Security Trust Deed, the Security Trustee shall not release any of the Bond Issue proceeds (after receiving same from the Registrar), except for the payment of invoices directly related to the development of the Shoreline Mall Complex.

4 INFORMATION CONCERNING THE SECURITIES TO BE OFFERED TO THE PUBLIC AND ADMITTED TO TRADING

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

4.1 GENERAL

Each Series A Bond forms part of a duly authorised issue of 4% Secured Bonds 2026 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €14,000,000 (except as otherwise provided under section 4.13 "Further Issues"). Each Series B Bond forms part of a duly authorised issue of 4.5% Secured Bonds 2032 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €26,000,000 (except as otherwise provided under section 4.13 "Further Issues"). The Bonds are created under Maltese law.

- a. The currency of the Bonds is Euro (€).
- b. Subject to admission to listing of the Bonds to the Official List of the MSE, the Bonds are expected to be assigned ISIN: MT0002351204 for Series A Bonds and ISIN: MT0002351212 for Series B Bonds.
- c. Unless previously purchased and cancelled, the Bonds shall be redeemable at par on the respective Redemption Date.
- d. The issue of the Bonds is made in accordance with the requirements of the Listing Rules, the Act, and the Regulation.
- e. The Bond Issue is not underwritten.
- f. There are no special rights attached to the Bonds other than the right of the Bondholders to the payment of capital and interest and in accordance with the ranking specified in section 4.3 hereunder.

In the event that the Bond Issue is not fully subscribed and provided that the amount received from any of the Series A Bonds and/or Series B Bonds is not less than €30,000,000, the Issuer will proceed with the listing thereof. Any amounts required by the Issuer for the purposes of the use specified in this Prospectus which shall not have been raised through the Bond Issue shall be financed from the Shoreline Group's general cash flow and/or bank financing. In the event that the proceeds received on closure of the Offer Period amounts to below €30,000,000, no allotment of the Bonds shall be made, the Subscription of Bonds shall be deemed not to have been accepted by the Issuer and all money received from Applicants shall be refunded accordingly.

4.2 REGISTRATION, FORM, DENOMINATION AND TITLE

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

registration numbers (in the case of companies) and MSE account numbers of the Bondholders and particulars of the Bonds held by them respectively, and the Bondholders shall have, at all reasonable times during business hours, access to the register of bondholders held at the CSD for the purpose of inspecting information held on their respective account. The CSD will issue, upon a request by a Bondholder, a statement of holdings to such Bondholder evidencing his/her/its entitlement to Bonds held in the register kept by the CSD. 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. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further detail on the e-portfolio is found on the afore-mentioned website.

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

Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons (including the Issuer) and for all purposes (including the making of any payments), as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below in section 4.12 of this Securities Note.

4.3 RANKING OF THE BONDS

The Secured Bonds, as and when issued and allotted, shall constitute the general, direct and unconditional obligations of the Issuer and shall at all times, rank *pari passu*, without any priority or preference among themselves. The Secured Bonds shall rank with priority or preference to all other present and future unsecured obligations of the Issuer, save for such exceptions as may be provided by applicable law, by virtue and to the extent of the Special Hypothec. Pursuant to the Trust Deed, the Issuer has agreed to constitute in favour of the Security Trustee for the benefit of Bondholders as beneficiaries, the Special Hypothec. The Special Hypothec will secure the claim of the Security Trustee, for the benefit and in the interest of Bondholders as beneficiaries, for the repayment of the principal and interest under the Bonds by a preferred claim over the Shoreline Mall Complex.

4.4 RIGHTS ATTACHING TO THE BONDS

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

- a. the repayment of capital;
- b. the payment of interest;
- c. the benefit of enforcing the Special Hypothec through the Security Trustee;
- d. the right to attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and
- e. enjoy all such other rights attached to the Bonds emanating from the Prospectus.

4.5 INTEREST

The Secured Bonds shall bear interest:

- i. in the case of the Series A Bonds, from and including 1 August 2020 at the rate of 4% per annum on the nominal value thereof; and
- ii. in the case of the Series B Bonds, from and including 1 August 2020 at the rate of 4.5% per annum on the nominal value thereof,

payable annually in arrears on each respective Interest Payment Date. The first interest payment for both Series A and Series B Bonds will be effected on 1 August 2021 (covering the period 1 August 2020 to 31 July 2021).

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

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

4.6 THE SECURITY INTEREST

4.6.1 THE SPECIAL HYPOTHEC

The Bonds shall be secured, upon Completion, by the Special Hypothec which shall be registered in favour of the Security Trustee, in terms of the Security Trust Deed. Details of the Security Trust Deed are contained in section 4.7 of this Securities Note.

The Special Hypothec may be varied or reduced from time to time, as provided for in clauses 9.7 and 9.8 of the Security Trust Deed, insofar as the value of the property charged by the Special Hypothec from time to time shall not be less than the aggregate nominal amount of the Bonds outstanding at the time together with the Interest Buffer. The Security Trustee, if it is deemed to be in the interest of the Bondholders, may provide its consent for security to be granted by the Issuer which shall rank prior to the Special Hypothec in terms of and under the conditions set out in clauses 9.7 and 9.8 of the Security Trust Deed, described in section 4.7 of this Securities Note. In such cases, the Security Trustee shall, in giving its consent, act for the benefit of Bondholders as he is obliged to do in terms of law (Article 3.1 of the Trusts and Trustees Act (Chapter 331 of the Laws of Malta)).

In terms of Article 1995 of the Civil Code (Chapter 16 of the Laws of Malta), the property of a debtor is the common guarantee of his creditors, all of whom have an equal right over such property unless there exist between them 'lawful causes of preference'. Hypothecs are 'lawful causes of preference'.

A hypothec is a right created over the property of a debtor or of a third party for the benefit of the creditor, as security for the fulfilment of an obligation (Article 2011 of the Civil Code); a special hypothec is a hypothec which affects particular immovables (Article 2012 of the Civil Code).

The Special Hypothec created in favour of the Security Trustee for the benefit of the Bondholders shall secure the principal amount of the Bonds still outstanding together with accrued interest thereon. However, in the event of enforcement, the Special Hypothec would be subordinate to the security interests indicated (below):

- A. The special privilege for the amount of sixty-five thousand Maltese Lira (Lm65,000) (equivalent to one hundred and fifty-one thousand, four hundred and nine Euro (€151,409)), burdening the Emphyteutical Land (including the Shoreline Mall Site), registered in the Public Registry as Note of Privilege number eight thousand, three hundred and sixty-three of the year two thousand and seven (I.8363/2007), which special privilege is also registered in the Land Registry as charge one thousand and thirty four of the year two thousand and seven (LRC1034/2007), as security in favour of the Government of Malta (as creditor) for payment of the annual temporary ground-rent burdening the Emphyteutical Land (set at sixty five thousand Maltese Lira (Lm65,000) equivalent to one hundred and fifty-one thousand, four hundred and nine Euro (€151,409)) and the due observance of all other obligations arising out of the deed of emphyteusis in the records of Notary Vincent Miceli of the 22 April 2007 by virtue of which the Government of Malta granted the Emphyteutical Land unto Smart City (Malta) Limited by title of temporary emphyteusis for a period of ninety-nine (99) years commencing on the 22 April 2007;
- B. The special privilege for the amount of three thousand, five hundred and forty-three Euro and seventy-five cents (€3,543.75) burdening the Designated Area (including the Shoreline Mall Site), registered in the Public Registry as Note of Privilege number eight thousand four hundred and seventy-seven of the year two thousand and nineteen (I.8477/2019) which special privilege is also registered in the Land Registry as charge two thousand six hundred and ninety-one of two thousand nineteen (cc 2691/2019) as security in favour of Smart City (Malta) Limited for payment of the "Increase in Ground Rent" (as such term is defined in the deed in the records of Notary Joseph Smith La Rosa of the 17 April 2019) set at three thousand, five hundred and forty-three Euro and seventy-five cents (€3,543.75) and the due observance of all other obligations, imposed by and emanating from the said deed whereby the Designated Area was transferred by Smart City (Malta) Limited unto Shoreline Residence by title of sub-emphyteusis;
- C. The special hypothec for the amount of five hundred thousand Euro (€500,000) burdening the Shoreline Mall Site, to be registered, on or about the date of the Issue of the Bonds, in the Public Registry and Land Registry as security in favour of Smart City (Malta) Limited for the due observance by the Issuer of its obligations under the "Smart City Facilities Agreement" including the "Community Fee" (as such terms are defined in the Shoreline Mall Site Deed);
- D. Any security interest which may arise by operation of law in favour of third parties over the Shoreline Mall Site, which in terms of applicable law may rank prior to the Special Hypothec.

4.6.2 THE CASH COLLATERAL

Furthermore, the Security Trustee shall, upon Completion, retain the Cash Collateral as additional security for the benefit of the Bondholders. The Cash Collateral shall be held on escrow by the Security Trustee for the financing of the development costs of the Project. The Security Trustee shall release the Cash Collateral upon the presentation of the relative requests for payment for the development costs of the Project by the Company.

In terms of the Security Trust Deed, the Security Trustee may retain and pay to itself out of any monies or the proceeds of any investment in its hands upon the trusts of the Trust Deed all sums owing to it in respect of remuneration costs, charges, expenses or interest or by virtue of any release or indemnity granted to it and all such sums as aforesaid shall be so retained and paid in priority to the claims of the Bondholders.

4.7 THE SECURITY TRUST DEED

The following does not purport to constitute an exhaustive summary of the Security Trust Deed. This Section 4.7 is simply intended to give an overview of the more salient provisions of the Security Trust Deed. For more information on the provisions of the Security Trust Deed, please refer to the Security Trust Deed which is available for inspection as indicated in section 13 of the Registration Document.

Terms in this section 4.7 have the meaning assigned to them in the Security Trust Deed.

4.7.1 GENERAL PROVISIONS

The trust is constituted in terms of Article 2095E of the Civil Code (Chapter 16 of the Laws of Malta), and is to be treated as constituted in the context of a commercial transaction in terms and for the purposes of the Trusts and Trustees Act (Chapter 331 of the Laws of Malta).

4.7.2 SAFEGUARDS FOR THE APPLICANTS

4.7.2.1 Conditions

The net proceeds from the issue of the Bonds shall be held by the Security Trustee for the payment therefrom of the development costs in relation to the Project, against the presentation by the Issuer to the Security Trustee of documentation to the satisfaction of the Security Trustee evidencing that the funds requested are required and shall be utilised in connection with the Project. Release of funds by the Security Trustee shall be subject to the fulfilment by the Issuer of the following:

- i. The publication of the deed of special hypothec;
- ii. Completion.

4.7.2.2 Registration of the Special Hypothec

The Issuer shall, upon Completion, register a special hypothec in favour of the Security Trustee, over the Shoreline Mall Complex, which shall be constituted for the aggregate amount of Bonds outstanding on the Completion Date.

4.7.2.3 Transfer of the net proceeds of the Bonds

Upon the satisfaction of the conditions indicated in section 4.7.2.1 above, the Security Trustee shall retain the net proceeds from issue of the Bonds on escrow for the benefit of the Bondholders, for the sole use to fund, against the presentation to it of the relevant invoices by the Issuer, the development costs of the Issuer.

4.7.3 VARIATION OR REDUCTION OF THE SPECIAL HYPOTHEC

The Security Trust Deed makes provision for the following:

- i. In the event that any of the Bonds are either redeemed or purchased and cancelled by the Issuer, the value of the Special Hypothec is to be reduced by an amount equivalent to the principal amount of the Bonds so redeemed or purchased and cancelled.
- ii. The Issuer has the right to have a part or parts of the property being secured by the Special Hypothec to be released from the effects of the Special Hypothec and/or to have the relative Special Hypothec waived or postponed, without substituting other property or money, provided that the property remaining immediately after such release or waiver shall have an aggregate value as shown by a valuation of not less than the aggregate nominal amount of the Bonds and the Interest Buffer. The Security Trust Deed defines 'valuation' as a valuation made by such professional valuer as may be nominated or approved by the Security Trustee (the 'Valuer') on the basis of applicable international standards or such other basis as the Security Trustee may approve, in the case of immovable property. The Issuer and the Security Trustee have the right to require a valuation at any time, at the Issuer's expense, and may require the release, waiver or postponement of the Special Hypothec as aforesaid within twelve (12) months of the date of the valuation. The Security Trustee may, subject to agreement with the Issuer, instead of requiring a valuation, treat the value of the property as being its proposed sale price.

4.7.4 COVENANTS AND REPRESENTATIONS AND WARRANTIES

The Issuer has covenanted various obligations with the Security Trustee which apply for the duration of the continuance of the Security Interest. These covenants may be enforced by the Security Trustee. Moreover, the Issuer has made a number of representations and warranties to the Security Trustee.

4.7.5 FUNCTIONS AND POWERS OF THE SECURITY TRUSTEE

The Security Trust Deed grants the Security Trustee various powers. Most notably, the Security Trustee may, by notice in writing to the Issuer, declare the Bonds to have become immediately due and repayable in the case of an Event of Default in terms of Section 4.11 of this Securities Note and may take any proceedings against the Issuer as it may deem fit including the enforcement of the Security Interest if the Issuer fails to pay the principal amount as and when the Bonds are due to be redeemed and failure continues for 30 days after written notice is given to the Issuer or at any time after the Bonds have become immediately due and payable. The functions and powers of the Security Trustee shall not be liable for any error of judgement committed in good faith unless it is proved that it was grossly negligent in ascertaining the pertinent facts and the Security Trustee, its officer, employees and agents are entitled to be indemnified out of the property subject to the Security Interest so far as may be lawful in respect of all liabilities incurred in the execution of the trusts of the Security Trust Deed.

The Security Trustee may pay to itself out of the funds held on trust by it, all sums owing to it in respect of remuneration costs, charge, expenses or interest, or by virtue of any indemnity from the Issuer to which it is entitled under the Security Trust Deed or by law or by virtue of any release of indemnity granted to it, out of any monies or the proceeds of any investments in its hands upon the trusts of the Security Trust Deed. All such sums shall be retained and paid in priority to the claims of the Bondholders and shall constitute an additional charge upon the property charged with the Security Interest.

4.7.6 RESIGNATION AND REMOVAL OF SECURITY TRUSTEE

The Security Trustee may resign as security trustee by giving not less than three (3) months' notice in writing to the Issuer. The Issuer may remove the Security Trustee by giving at least one (1) months' notice.

In the event of the Security Trustee giving notice of its resignation or being removed, the Issuer undertakes to procure a new trustee to be appointed (the 'Successor Trustee'). The retirement or removal of the Security Trustee shall not become effective until such time as a Successor Trustee is appointed and the Security Interest is transferred to the Successor Trustee. Upon appointment of the Successor Trustee, references contained in the Security Trust Deed and this Prospectus to the Security Trustee shall be deemed to refer to the Successor Trustee.

The terms and conditions of the Security Trust Deed shall, upon subscription or purchase of any Bonds, be binding on such subscriber or purchaser as a beneficiary under the trust as if the Bondholder had been a party to the Security Trust Deed and as if the Security Trust Deed contained covenants on the part of each Bondholder to observe and be bound by all the provisions thereof, and the Security Trustee is authorised and required to do the things required of it by the Security Trust Deed.

4.8 YIELD

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds is:

- i. in the case of Series A Bonds, 4% per annum; and
- ii. in the case of Series B Bonds, 4.5% per annum.

4.9 REDEMPTION AND PURCHASE

Unless previously purchased and cancelled:

- i. the Series A Bonds will be redeemed at their nominal value (together with interest accrued to the respective date fixed for redemption) on 1 August 2026; and
- ii. the Series B Bonds will be redeemed at their nominal value (together with interest accrued to the respective date fixed for redemption) on 1 August 2032.

Subject to the provisions of this section the Issuer may at any time purchase Bonds of any Series in the open market or otherwise at any price.

Any purchase by tender shall be made available to all Bondholders of the relevant Series alike.

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

4.10 PAYMENTS

Payment of the principal amount of Bonds will be made in Euro (€). The Issuer will effect payments to the person in whose name the Bonds are registered, with interest accrued up to the Redemption Date. Payments shall be made by means of direct credit transfer into such bank account as the Bondholder designates in the Application Form and/or such other bank account as the Bondholder may designate from time to time, provided such bank account is denominated in Euro and held with any licensed bank in Malta. Such payment shall be made within seven (7) days of the Redemption Date. The Issuer shall not be responsible for any charges, loss or delay in transmission. Upon payment of the Redemption Value the Bonds shall be redeemed and the appropriate entry made in the electronic register of the Bonds at the CSD.

In the case of Bonds held subject to usufruct, payment of the principal amount 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 fifteen (15) days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in Euro and held with any licensed bank in Malta. Such payment shall be effected within seven (7) days of the Interest Payment Date.

The Issuer shall not be responsible for any charges, loss or delay in transmission. All payments with respect to the Bonds are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable fiscal or other laws and regulations. In particular, but without limitation, all payments of 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 or of any other applicable jurisdiction having power to tax.

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

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 years.

4.11 EVENTS OF DEFAULT

Pursuant to the Trust Deed, the Security Trustee may in its absolute discretion, and shall upon the request in writing of not less than 75% in value of the registered Bondholders or (as the case may be) of the registered Bondholders of the relevant Series at the relevant time, by notice in writing to the Issuer declare the Bonds, or either the Series A Bonds or the Series B Bonds, to have become immediately due and repayable at their principal amount together with accrued interest, upon the happening of any of the following events ("Events of Default"):

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

Upon any such declaration being made as aforesaid the said principal monies and interest accrued under the Bonds or, as the case may be, under the Bonds of the relevant Series, shall be deemed to have become immediately payable at the time of the event which shall have happened as aforesaid. Provided that in the event of any breach by the Issuer of any of the covenants, obligations or provisions contained herein or in the Trust Deed due to any fortuitous event of a calamitous nature beyond the control of the Issuer, then the Security Trustee may, but shall be under no obligation so to do, give the Issuer such period of time to remedy the breach as in its sole opinion may be justified in the circumstances and if in its sole opinion the breach is remediable within the short term and without any adverse impact on the Bondholders.

Provided further that in the circumstances contemplated by this proviso, the Security Trustee shall at all times, to the extent deemed to be in the best interests of Bondholders, act on and in accordance with any directions it may receive in a meeting of Bondholders or (as the case may be) of the Bondholders of the relevant Series satisfying the conditions set out in the Trust Deed. The Security Trustee shall not be bound to take any steps to ascertain whether any event of default or other condition, event or circumstance has occurred or may occur, and, until it shall have actual knowledge or express notice to the contrary, the Security Trustee shall be entitled to assume that no such event of default or condition, event or other circumstance has happened and that the Issuer are each observing and performing all the obligations, conditions and provisions on their respective parts contained in the Bonds and the Trust Deed.

4.12 TRANSFERABILITY OF THE BONDS

The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole (i.e. 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 for the Secured Bonds shall only apply during the Offer Period. 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.

Any person becoming entitled to a Bond in consequence of the death or bankruptcy or winding up of a Bondholder may, upon such evidence being produced as may from time to time properly be required by the Issuer or the CSD, elect either to be registered himself/herself as holder of the Bond or to have some person nominated by him/her registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself/herself, he/she shall deliver or send to the CSD a notice in writing signed by him/her stating that he/she so elects. If he/she shall elect to have another person registered he/she shall testify his/her election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person. All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.

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

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

4.13 FURTHER ISSUES

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

4.14 RESOLUTIONS AND MEETINGS OF BONDHOLDERS

The Issuer may from time to time call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which in terms of the Prospectus require the approval of a Bondholders' meeting and to effect any change to the applicable Terms and Conditions of the Bonds. The Security Trust Deed also provides for the power of the Security Trustee, at the cost of the Issuer and at its own initiative to call meetings of Bondholders prior to exercising any power or discretion under such Deed or to write to all Bondholders requesting their directions. Furthermore, the Security Trust Deed provides for an obligation of the Security Trustee to call a meeting of Bondholders upon a request made at any time by one or more Bondholders holding at least ten per cent (10%) of the outstanding value of the Bonds.

The Security Trust Deed provides that the Security Trustee shall not be bound to act on behalf of the Bondholders under such Deed unless it receives duly authorised directions as stipulated in the said Deed, and in such case only to the extent deemed to be in the best interests of Bondholders. Where the matter to be consulted upon or requiring consent or approval of Bondholders or the change to the Terms and Conditions relates exclusively to one Series of Bonds, to the rights attaching to one such Series and/or the holder of one such Series, then the matter shall be discussed, resolved and voted upon at a meeting called solely for the holders of the relevant Series, and in such case all the provisions of this section or any other provision of the Prospectus relating to meetings of Bondholders shall apply 'mutatis mutandis' to such Series specific meeting and references therein to Bonds and Bondholders (including quorum and voting thresholds or majorities calculated by reference to a percentage of the nominal value of Bonds) shall be construed as references to the relevant Series of Bonds and to the holders thereof respectively.

A meeting of Bondholders shall be called by the Directors by giving all Bondholders listed on the register of Bondholders as at a date being not more than thirty (30) days preceding the date scheduled for the meeting, not less than fourteen (14) days' notice in writing. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment to the Terms and Conditions of the Bonds in terms of this Prospectus that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders. Following a meeting of Bondholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Bondholders whether the necessary consent to the proposal made by the Issuer has been granted or withheld.

Subject to having obtained the necessary approval by the Bondholders in accordance with the provisions of this section at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer. The amendment or waiver of any of the Terms and Conditions of the Bonds, or in any other part of the Prospectus, may only be made with the approval of Bondholders at a meeting called and held for that purpose in accordance with the terms hereof. A meeting of Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. At least two Bondholders present, in person or by proxy, representing not less than 50% in nominal value of the relevant Series of Bonds then outstanding, shall constitute a quorum. If a quorum is not present within thirty (30) minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Bondholders of the relevant Series of Bonds present at that meeting. The Issuer shall within two (2) days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven (7) days, and not later than fifteen (15) days, following the original meeting. At an adjourned meeting: the number of Bondholders of the relevant Series of Bonds present, in person or by proxy, shall constitute a quorum; and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.

Any person who in accordance with the Memorandum and Articles of Association of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of Bondholders. Once a quorum is declared present by the chairman of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions which are required to be taken at the meeting, the Directors or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the

other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.

The voting process shall be managed by the company secretary of the Issuer under the supervision and scrutiny of the auditors of the Issuer. Unless otherwise expressly stated and required in respect of a specific issue/s herein, the proposal placed before a meeting of Bondholders shall only be considered approved if at least 60% in nominal value of the Bondholders present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.

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.

4.15 BONDS HELD JOINTLY

In respect of a Bond held jointly by several persons (including husband and wife), the joint holders shall nominate one of their number as their representative and his/her name will be entered in the register with such designation. The person whose name shall be inserted in the field entitled "Applicant" on the Application Form, or first named in the register of Bondholders shall for all intents and purposes be deemed to be such nominated person by all the joint holders of the relevant Bond/s. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held.

4.16 BONDS HELD SUBJECT TO USUFRUCT

In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. Without prejudice to what is provided in section 4.10 regarding payment of principal, the usufructuary shall, for all intents and purposes, be deemed *vis-a-vis* the Issuer to be the holder of the Bond so held and shall have the right to receive interest on the Bond and to vote at meetings of the Bondholders but shall not, during the continuance of the Bond, have the right to dispose of the Bond so held without the consent of the bare owner.

4.17 AUTHORISATIONS AND APPROVALS

The Board of Directors of the Issuer authorised the Bond Issue pursuant to a Board of Directors' resolution passed on 19 October 2019.

4.18 REPRESENTATIONS AND WARRANTIES

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

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

The Prospectus contains all relevant material information with respect to the Issuer and all information contained in the Prospectus is in every material respect true and accurate and not misleading, and there are no other facts in relation to the Issuer, its businesses and financial position, the omission of which would, in the context of the issue of the Bonds, make any statement in the Prospectus misleading or inaccurate in any material respect.

4.19 COMMITMENT BY RELATED ENTITIES

Should the need arise during the term of the Bonds or on maturity of the Bonds, Shoreline Holdings has committed in favour of the Issuer to fund the Issuer's financial obligations arising from the Bonds up to an amount of €7,497,700. Such funding shall be provided via the injection of additional equity or quasi-equity in the capital of the Issuer. The Issuer's Audit Committee shall in its ongoing assessment of the Issuer's financial position based on the quarterly management accounts and projections, make its determination as to when and if such funding is required thereby submitting to the Board its recommendation as to the mode and quantum of the financing required to be injected from Shoreline Holdings for the relevant financial year.

4.20 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 registered address and posted.

4.21 GOVERNING LAW AND JURISDICTION

The Bonds, all the rights and obligations of the Bondholders and the Issuer, and any non-contractual matters arising out of or in connection therewith, shall be governed by and construed in accordance with Maltese law. Any dispute, legal action,

suit or proceedings against the Issuer arising out of or in connection with the Bonds and/or the Prospectus and/or any non-contractual matters arising out of or in connection therewith shall be brought exclusively before the Maltese courts. The Issuer and each Bondholder therefore irrevocably submits to the exclusive jurisdiction of the Courts of Malta to hear and determine any dispute, action, suit or proceedings as aforesaid.

5 TAXATION

INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND ANY FOREIGN TAX LEGISLATION WHICH MAY BE APPLICABLE TO THEM IN RESPECT OF THE BONDS, INCLUDING THEIR ACQUISITION, HOLDING AND TRANSFER AS WELL AS ON ANY INCOME DERIVED THEREFROM OR ON ANY GAINS DERIVED ON THE TRANSFER OF SUCH BONDS. THE FOLLOWING IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO BONDHOLDERS IN SO FAR AS TAXATION IN MALTA IS CONCERNED. THIS INFORMATION DOES NOT CONSTITUTE LEGAL OR TAX ADVICE AND DOES NOT PURPORT TO BE EXHAUSTIVE. THE INFORMATION BELOW IS BASED ON AN INTERPRETATION OF TAX LAW AND PRACTICE RELATIVE TO THE APPLICABLE LEGISLATION, AS KNOWN TO THE ISSUER AT THE DATE OF THE PROSPECTUS, IN RESPECT OF A SUBJECT ON WHICH NO OFFICIAL GUIDELINES EXIST. INVESTORS ARE REMINDED THAT TAX LAW AND PRACTICE AND THEIR INTERPRETATION AS WELL AS THE LEVELS OF TAX ON THE SUBJECT MATTER REFERRED TO IN THE PRECEDING PARAGRAPH, MAY CHANGE FROM TIME TO TIME. THIS INFORMATION IS BEING GIVEN SOLELY FOR THE GENERAL INFORMATION OF INVESTORS. THE PRECISE IMPLICATIONS FOR INVESTORS WILL DEPEND, AMONG OTHER THINGS, ON THEIR PARTICULAR CIRCUMSTANCES AND ON THE CLASSIFICATION OF THE BONDS FROM A MALTESE TAX PERSPECTIVE, AND PROFESSIONAL ADVICE IN THIS RESPECT SHOULD BE SOUGHT ACCORDINGLY.

Malta tax on interest

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is instructed by a Bondholder to receive the interest gross of any withholding tax, or 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 Bondholder 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 (Cap. 123 of the Laws of Malta).

Bondholders who do not fall within the definition of a "recipient" do not qualify for the said rate and should seek advice on the taxation of such income as special rules may apply. This withholding tax is considered as a final tax and a Maltese resident individual Bondholder is not obliged to declare the interest so received in his income tax return (to the extent that the interest is paid net of tax). No person shall be charged to further tax in respect of such income.

The Issuer will render an account to the Maltese Commissioner for Revenue of all amounts so deducted but will not specify the identity of the recipient. In the case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his income tax return and be subject to tax at the standard rates applicable to such Bondholder at that time. Additionally, in this latter case the Issuer will advise the Maltese Commissioner for Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients unless the beneficiary is a non-resident of Malta. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

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

Exchange of information

In terms of applicable Maltese legislation, the Issuer and/or its agent are required to collect and forward certain information (including, but not limited to, information regarding payments made to certain Bondholders) to the 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.

Maltese tax on capital gains on transfer of the Bonds

On the assumption that the Bonds would not fall within the definition of "securities" in terms of article 5(1)(b) of the Income Tax Act, that is, "shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return", to the extent that the Bonds are held as capital assets by the Bondholder, no income tax on capital gains is chargeable in respect of transfer of the Bonds.

Duty on documents and transfers

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

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

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

6 TERMS AND CONDITIONS OF THE BOND ISSUE

6.1 EXPECTED TIMETABLE

1. Application Forms available to the general public	1 July
2. Offer Period (may be closed earlier as determined by the Issuer)	6 July 2020 – 31 July 2020
3. Commencement of interest on Bonds	1 August 2020
4. Announcement of basis of acceptance	3 August 2020
5. Refunds of unallocated monies	3 August 2020
6. Dispatch of allotment letters	3 August 2020
7. Listing of Bonds on the MSE	6 August 2020
8. Commencement of trading on MSE	7 August 2020

The Issuer reserves the right to close the Offer Period before 31 July 2020 in the event over-subscription, in which case the remaining events set out in section 4.11 above, will be brought forward and will take place in the same chronological order as set out above. However, listing of the Bonds and commencement of trading on the MSE may only take place provided that security for the benefit of Bondholders has been duly perfected within a maximum of 15 Business Days from closing of the Offer Period (refer to section 5.5 of Registration Document entitled 'Closing Dynamics').

6.2 TERMS AND CONDITIONS OF APPLICATION

6.2.1 Applicants may subscribe for Series A Bonds by completing Application Form 'A' and for Series B Bonds by completing Application Form 'B', specimens of which can be found in Annex II and Annex III to this Securities Notes, respectively. Such Application Forms may be submitted to any Authorised Financial Intermediary by latest 31 July 2020, or such earlier date as may be determined by the Issuer in case of oversubscription.

Authorised Financial Intermediaries providing investment advice and/or discretionary portfolio management shall distribute the Bonds to Retail Clients and/or Elective Professional Clients on an advisory basis or discretionary portfolio management basis only. The referred Authorised Financial Intermediaries are therefore required to conduct a Suitability Test in respect of Applicants that qualify as Retail Clients and/or Elective Professional Clients. This requirement shall also be applicable with regard to secondary trading.

The referred Authorised Financial Intermediaries have to be satisfied that based on the outcome of the suitability test, the Bond/s is/are suitable for the Applicant. In this context, the Authorised Financial Intermediaries are expected to assess that the risk profile of the Bond/s as detailed in this Prospectus fits within the Applicant's risk profile and risk of bearing economic losses.

This requirement does not apply to Applicants that qualify as "Per Se Professional Clients" or "Eligible Counterparties".

For the purpose of this Prospectus, the term 'Suitability Test' means the process through which Authorised Financial Intermediaries who shall provide investment advice or portfolio management services (as the case may be) in relation to the subscription for and trading of Bonds, obtain such information from the Applicant or prospective transferee, as is necessary, to enable the Authorised Financial Intermediary to recommend to or, in the case of portfolio management, to effect for, the Applicant or prospective transferee, the investment service and trading in Bonds that are considered suitable for him/her, in accordance with the Conduct of Business Rulebook as issued by the MFSA.

The information obtained pursuant to this test must be such as to enable the licensed financial intermediary to understand the essential facts about the Applicant or prospective transferee and to have a reasonable basis for believing, giving due consideration to the nature and extent of the service provided, that the specific transaction to be recommended, or to be entered into in the course of providing a portfolio management service, satisfies the following criteria:

- it meets the investment objectives of the Applicant or prospective transferee in question;
- it is such that the Applicant or prospective transferee is able financially to bear any related investment risks consistent with the investment objectives of such Applicant or prospective transferee; and
- it is such that the Applicant or prospective transferee has the necessary experience and knowledge.

- 6.2.2** The Offer shall be deemed to have closed upon the earlier occurrence of either subscriptions reaching the aggregate Offer at any point in time during the Offer Period, or upon closing of the Offer Period where the Issuer would have received subscriptions equivalent to at least the Minimum Total Subscription Amount ('Closing').
- 6.2.3** The issue and allotment of the Bonds is conditional upon: (i) security for the benefit of Bondholders has been duly perfected within a maximum of 15 Business Days from the closing of the Offer Period and (ii) the Secured Bonds being admitted to the Official List of the MSE ("Completion"). In the event that Completion does not occur, any Application monies received by the Issuer will be returned without interest by direct credit into the Applicant's bank account indicated by the Applicant on the relative Application Form. The Issuer shall not be responsible for any charges, loss or delay in transmission to the extent that the said Issuer has acted diligently and with the expected reasonable due standard of care.
- 6.2.4** 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.
- 6.2.5** 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 and the Memorandum and Articles of Association of the Issuer.
- 6.2.6** Any person, whether natural or legal, shall be eligible to submit an Application and any one (1) person, whether directly or indirectly, should not submit more than one (1) Application Form in any one Series. 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 is 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 and/or the Registrar, but it shall not be the duty or responsibility of the Registrar or Issuer to ascertain that such representative is duly authorised to appear on the Application Form and bind the Applicant. 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 thereof is joint and several.

Applications in the name of a corporation or corporate entity or association of persons, need to include a valid Legal Entity Identifier ("LEI") 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 section 6.2.20 below.

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-a-vis the Issuer to be the holder of the Bond/s so held and shall have the right to receive interest on the Bond/s and to vote at meetings of the Bondholders but shall not, during the continuance of the Bond/s, have the right to dispose of the Bond/s so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Bond (which shall be due to the bare owner).

- 6.2.7** 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 Form shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents/legal guardian/assigning 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.
- 6.2.8** 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 (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended).
- 6.2.9** 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 registration or other legal requirements.
- 6.2.10** 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 consent, observing any other formality required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- 6.2.11** Subject to all other terms and conditions set out in the Prospectus, the Issuer reserves the right to reject, in whole or in part, or to scale down, any Application, including multiple or suspected multiple applications, 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 is not properly completed in all respects in accordance with the instructions, and/or the Prospectus, and/or is not accompanied by the required documents. Only original Application Forms will be

accepted, and photocopies/facsimile copies will not be accepted. In the case of joint Applications, reference to the Applicant is a reference to each Applicant, and liability therefor is joint and several.

- 6.2.12** The Issuer has not sought assessment of the Bonds by any independent credit rating agency.
- 6.2.13** The Bonds will be issued in multiples of €100. The minimum amount of Bonds that can be subscribed for in the aggregate by each Applicant is €2,000.
- 6.2.14** Subject to all other terms and conditions set out in the Prospectus, the Issuer reserves the right to revoke the issue at any time before the closing of the Offer Period. The circumstances in which such revocation might occur are expected to be exceptional, for example where a significant change in market conditions occurs.
- 6.2.15** The Offer Period shall close immediately upon attaining full subscription or on the last day of the Offer Period whichever is the earliest. Within five (5) Business Days from closing of the Offer Period, the Issuer shall announce the results of the Bond Issue and shall announce the basis of acceptance of Applications and the allocation policy.
- 6.2.16** In the event that an Applicant has not been allocated any Bonds or has been allocated a number of Bonds which is less than the number applied for, the Applicant shall receive a full refund or, as the case may be, the balance of the price of the Bonds applied for but not allocated, without interest, by credit transfer to such amount, indicated in the Application Form, at the Applicant's sole risk within ten (10) Business Days from closing of the Offer Period. The Issuer shall not be responsible for any charges, loss or delay in transmission. Completed Application Forms are to be lodged with any of the Authorised Financial Intermediaries.
- 6.2.17** All Application Forms must be accompanied by the full price of the Bonds applied for in Euro. Payment may be made either in cash or by cheque payable to the respective Authorised Financial Intermediary. In the event that cheques accompanying Application Forms are not honoured on their first presentation, the respective Authorised Financial Intermediary or the Issuer acting through the Registrar reserve the right to invalidate the relative Application.
- 6.2.18** For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Legal Notice 180 of 2008), as amended from time to time, all appointed Authorised Financial Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the "Members' Code of Conduct" appended as Appendix 3.6 to Chapter 3 of the Malta Stock Exchange Bye-Laws, irrespective of whether the said appointed Authorised Financial Intermediaries are Malta Stock Exchange members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the GDPR and the Data Protection Act (Chapter 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.
- 6.2.19** Authorised Financial Intermediaries may use this Prospectus in Malta.
- 6.2.20** 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 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. The Issuer shall not be responsible for any charges, loss or delay arising in connection with such credit transfer.
- 6.2.21** It shall be incumbent on the respective Authorised Financial Intermediary to ascertain that all other applicable regulatory requirements relating to subscription of Bonds by an Applicant are complied with, including without limitation the obligation to comply with all applicable requirements set out in Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 ("MiFIR") as well as applicable MFSA Rules for investment services providers.
- 6.2.22** By completing and delivering an Application Form, the Applicant:
- i. 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;
 - ii. 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 accordance with 6.2.18 above. 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;
 - iii. authorises the Registrar and the Directors of the Issuer 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 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 Data Protection Act (Chapter 586 of the Laws of Malta). The Applicant has

the right to request access to and rectification of the personal data relating to him/her/it as processed by the Issuer and/or the MSE. Any such requests must be made in writing and sent to the Issuer at the address indicated in the Prospectus. The requests must further be signed by the Applicant to whom the personal data relates;

- iv. 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;
- v. 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 and any verification of identity as required by the Prevention of Money Laundering Act (Chapter 373 of the Laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
- vi. agrees to provide the Registrar and/or the Issuer (as the case may be) with any information which it/they may request in connection with the Application;
- vii. warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his/her/its 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;
- viii. warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- ix. 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 he/she/it is 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;
- x. agrees that all documents in connection with the issue of the Bonds and any returned monies including refunds of all unapplied Application monies, 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;
- xi. 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;
- xii. 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 by the Issuer) at the Bond Issue Price subject to the Prospectus, the terms and conditions thereof, and the Memorandum and Articles of Association of the Issuer;
- xiii. warrants that his/her/its remittance will be honoured on first presentation and agrees that if such remittance is not so honoured he/she/it will not be entitled to receive a registration advice, or be registered in the register of debentures or enjoy or receive any rights in respect of such Bonds unless and until payment in cleared funds for such Bonds is received and accepted by the Issuer and/or the Registrar (which acceptance shall be made in the absolute discretion of the Issuer and/or the Registrar and may be on the basis that the Issuer and/or the Registrar is indemnified against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of such remittance to be honoured on first presentation) and that, at any time prior to unconditional acceptance by the Issuer and/or the Registrar of such late payment in respect of such Bonds, the Issuer and/or the Registrar 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);
- xiv. 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;
- xv. 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;
- xvi. warrants that he/she is not under the age of eighteen (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/s or legal guardian/s of the minor;

xvii. confirms that in the case of a joint Application submitted in joint names, the first named Applicant shall be deemed the holder of the Bonds; and

xviii. agrees that, in all cases, any refund of unallocated Application monies 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 or refunds. The Issuer shall not be responsible for any damages, loss or delay in transmission.

6.3 PRICING

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

6.4 PLAN OF DISTRIBUTION AND ALLOTMENT

The Bonds are open for subscription by all categories of investors including the general public. Subscriptions shall be made through any of the Authorised Financial Intermediaries, subject to a minimum subscription amount of €2,000 in nominal value of Bonds in any of the Series A and/or Series B Bonds and in multiples of €100 thereafter.

It is expected that an allotment letter will be issued by the Issuer to Applicants by latest 3 August 2020. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the Laws of Malta), and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

Dealings in the Bonds shall not commence prior to the Bonds being admitted to the Official List of the Malta Stock Exchange.

6.5 ALLOCATION POLICY

The Issuer shall allocate the Bonds in accordance with an allocation policy for each of Series A Bonds and Series B Bonds *pari passu* without any priority or preference amongst applicants in each of the respective Series of Bonds.

The Issuer shall announce the result of the Bond Issue on 3 August 2020 and shall determine and announce the basis of acceptance of Applications and the allocation policy to be adopted through a company announcement. This date may, however, vary in accordance with the terms of section 6.1 of this Securities Note ('Expected Timetable').

6.6 ADMISSION TO TRADING

The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 18 June 2020.

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 6 August 2020 and trading is expected to commence on 7 August 2020, however these dates may vary in accordance with the terms of section 6.1 of this Securities Note ("Expected Timetable").

7 ADDITIONAL INFORMATION

The Financial Analysis Summary dated 18 June 2020 has been included in Annex IV of this Securities Note in the form and context in which it appears with the authorisation of Calamatta Cuschieri Investment Services Limited of Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta, which has given, and has not withdrawn, its consent to the inclusion of said report herein. Calamatta Cuschieri Investment Services Limited does not have any beneficial interest in the Issuer. The Issuer confirms that the Financial Analysis Summary has been accurately reproduced in the Prospectus and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

ANNEX I – AUTHORISED FINANCIAL INTERMEDIARIES

NAME	ADDRESS	TELEPHONE
Calamatta Cuschieri Investment Services Ltd	Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034	25688688
FINCO Treasury Management Ltd	The Bastions Office No. 2, Emvin Cremona Street, Floriana FRN 1289	21220002
Michael Grech Financial Investment Services Limited	The Brokerage, Level O A, St Marta Street, Victoria VCT 2550, Gozo	21554492
MZ Investment Services Limited	65, Triq Santa Rita, Rabat	21453739
Rizzo, Farrugia & Co (Stockbrokers) Ltd	Airways House, Fourth Floor, High Street, Sliema SLM 1551	22583000
Zenith Finance Limited	220, Immaculate Conception Street, Msida	21332200

ANNEX II – SPECIMEN APPLICATION FORM SERIES A



SHORELINE MALL P.L.C.
€14,000,000 4% SECURED BONDS 2026
APPLICATION FORM 'A' - SERIES A BONDS

Please read the notes overleaf before completing this Application Form. **Mark 'X' where applicable.**

APPLICANT (see notes 2 to 7)			
<input type="checkbox"/> Non-Resident	<input type="checkbox"/> Minor (under 18)	<input type="checkbox"/> Body Corporate/ Body of Persons	<input type="checkbox"/> CIS-Prescribed Fund
A			
B	TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME / REGISTERED NAME	
ADDRESS			
			POSTCODE
MSE A/C NO. (mandatory)	I.D. CARD / PASSPORT / COMPANY REG. NO.	DOCUMENT TYPE	COUNTRY OF ISSUE
LEI (Legal Entity Identifier) (If applicant is NOT an Individual)	DATE OF BIRTH	NATIONALITY	MOBILE NO.
<input type="checkbox"/> PLEASE REGISTER ME FOR E-PORTFOLIO (mobile number is mandatory for e-portfolio registration)			
ADDITIONAL (JOINT) APPLICANTS (see note 3) (please use Addendum to Application Form if space is not sufficient)			
C	TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.
	DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH
		NATIONALITY	
DECISION MAKER/MINOR'S PARENTS / LEGAL GUARDIAN(S) (see notes 4 & 7) (to be completed ONLY if applicable)			
D	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	
I/WE APPLY TO PURCHASE AND ACQUIRE (see note 8):			
E	AMOUNT IN FIGURES €	AMOUNT IN WORDS	
<p>Shoreline Mall p.l.c. 4% Secured Bonds 2026 (the "Bonds") (minimum subscription of €2,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 18 June 2020 (the "Prospectus"), payable in full upon application under the Terms and Conditions of the Bonds as set out in the Prospectus. (See note 9)</p>			
RESIDENT - FINAL WITHHOLDING TAX ("FWT") DECLARATION (see notes 9) (to be completed ONLY if the Applicant is a resident of Malta)			
F	<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.)
NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see notes 2 & 10) (to be completed ONLY if the Applicant is a non-resident)			
G	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
INTEREST, REFUND AND REDEMPTION MANDATE (see note 11 & 12) (completion of this panel is MANDATORY)			
H	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 Company 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 Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.</p> <p>*Authorised Financial Intermediaries providing investment advice and/or discretionary portfolio management shall distribute the Bonds to Retail Clients and/or Elective Professional Clients on an advisory basis or discretionary portfolio management basis only. The referred Authorised Financial Intermediaries are therefore required to conduct a Suitability Test in respect of Applicants that qualify as Retail Clients and/or Elective Professional Clients. This requirement shall also be applicable with regard to secondary trading.</p>			
Signature/s of Applicant/s			Date
<small>(Parent/s or legal guardian/s are/s to sign if Applicant is a minor) (All parties are to sign in the case of a joint Application) (Bare owner/s and usufructuary/es to sign in the case of holdings that are subject to usufruct)</small>			
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 18 June 2020 regulating the Bond Issue

1. This Application is governed by the Terms and Conditions of Application contained in section 6.2 of the Securities Note dated 18 June 2020 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. Applicants who are non-residents in Malta for tax purposes, must indicate their passport number in Panel B and complete Panel G. The relative box in Panel A must also be marked appropriately.
3. Applicants are to insert full personal details in Panel B. In the case of an Application by more than one person (including husband and wife) full details of all individuals must be given in Panels B and C but the person whose name appears in Panel B 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 B), 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 on 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 D must be inserted with full details of the parents/legal guardians.
5. In the case of a body corporate, the name of the entity exactly as registered and the registration number are to be inserted in Panel B. A valid Legal Entity Identifier ("LEI") needs to be inserted in Panel B. 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. APPLICANTS ARE TO INSERT AN MSE ACCOUNT NUMBER IN THE SPACE PROVIDED IN PANEL B, AND FAILURE TO DO SO WILL RESULT IN REJECTION OF THE APPLICATION FORM. APPLICANTS 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 AFFECTED.
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 D.
8. Applications must be for a minimum subscription of €2,000 and thereafter in multiples of €100 and must be accompanied by the relevant subscription amount in Euro.
9. 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 (having indicated their status in the appropriate box in Panel A) will have final withholding tax (currently 10%), deducted from interest payments.
In terms of Section 5 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).
10. 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 9 and 10 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisors in case of doubt.
11. Interest and redemption proceeds will be credited to the account indicated in Panel H or as otherwise amended by the Bondholder/s during the term of the Bond.
12. The Offer Period will open at 08:30 hours on 6 July 2020 and will close at 16:00 hours on 31 July 2020, or earlier in case of over-subscription. Completed Application Forms are to be delivered to any Authorised Financial Intermediary listed in Annex I of the Securities Note during regular office hours. Remittances by post are made at the risk of the Applicant and the Company 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 H.
13. 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 III – SPECIMEN APPLICATION FORM SERIES B



SHORELINE MALL P.L.C.
€26,000,000 4.5% SECURED BONDS 2032
APPLICATION FORM 'B' - SERIES B BONDS

Please read the notes overleaf before completing this Application Form. **Mark 'X' where applicable.**

APPLICANT (see notes 2 to 7)			
<input type="checkbox"/> Non-Resident	<input type="checkbox"/> Minor (under 18)	<input type="checkbox"/> Body Corporate/ Body of Persons	<input type="checkbox"/> CIS-Prescribed Fund
A			
B	TITLE (Mr/Mrs/Ms/...)		
	FULL NAME AND SURNAME / REGISTERED NAME		
	ADDRESS		
			POSTCODE
	MSE A/C NO. (mandatory)	I.D. CARD / PASSPORT / COMPANY REG. NO.	COUNTRY OF ISSUE
	LEI (Legal Entity Identifier) (If applicant is NOT an Individual)	DATE OF BIRTH	NATIONALITY
			MOBILE NO.
	<input type="checkbox"/> PLEASE REGISTER ME FOR E-PORTFOLIO (mobile number is mandatory for e-portfolio registration)		
ADDITIONAL (JOINT) APPLICANTS (see note 3) (please use Addendum to Application Form if space is not sufficient)			
C	TITLE (Mr/Mrs/Ms/...)		
	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
	DOCUMENT TYPE	COUNTRY OF ISSUE	NATIONALITY
		DATE OF BIRTH	
DECISION MAKER/MINOR'S PARENTS / LEGAL GUARDIAN(S) (see notes 4 & 7) (to be completed ONLY if applicable)			
D	TITLE (Mr/Mrs/Ms/...)		
	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
	DOCUMENT TYPE	COUNTRY OF ISSUE	NATIONALITY
		DATE OF BIRTH	
	TITLE (Mr/Mrs/Ms/...)		
	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
	DOCUMENT TYPE	COUNTRY OF ISSUE	NATIONALITY
		DATE OF BIRTH	
I/WE APPLY TO PURCHASE AND ACQUIRE (see note 8):			
E	AMOUNT IN FIGURES		
	€	AMOUNT IN WORDS	
	Shoreline Mall p.l.c. 4.5% Secured Bonds 2032 (the "Bonds") (minimum subscription of €2,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 18 June 2020 (the "Prospectus"), payable in full upon application under the Terms and Conditions of the Bonds as set out in the Prospectus. (See note 9)		
RESIDENT - FINAL WITHHOLDING TAX ("FWT") DECLARATION (see notes 9) (to be completed ONLY if the Applicant is a resident of Malta)			
F	<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).		
NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see notes 2 & 10) (to be completed ONLY if the Applicant is a non-resident)			
G	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		
INTEREST, REFUND AND REDEMPTION MANDATE (see note 11 & 12) (completion of this panel is MANDATORY)			
H	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 Company 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 Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.</p> <p>*Authorised Financial Intermediaries providing investment advice and/or discretionary portfolio management shall distribute the Bonds to Retail Clients and/or Elective Professional Clients on an advisory basis or discretionary portfolio management basis only. The referred Authorised Financial Intermediaries are therefore required to conduct a Suitability Test in respect of Applicants that qualify as Retail Clients and/or Elective Professional Clients. This requirement shall also be applicable with regard to secondary trading.</p>		
	Signature/s of Applicant/s		Date
	(Parent/s or legal guardian/s are/s to sign if Applicant is a minor) (All parties are to sign in the case of a joint Application) (Bare owner/s and usufructuary/es to sign in the case of holdings that are subject to usufruct)		
	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 18 June 2020 regulating the Bond Issue

1. This Application is governed by the Terms and Conditions of Application contained in section 6.2 of the Securities Note dated 18 June 2020 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. Applicants who are non-residents in Malta for tax purposes, must indicate their passport number in Panel B and complete Panel G. The relative box in Panel A must also be marked appropriately.
3. Applicants are to insert full personal details in Panel B. In the case of an Application by more than one person (including husband and wife) full details of all individuals must be given in Panels B and C but the person whose name appears in Panel B 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 B), 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 on 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 D must be inserted with full details of the parents/legal guardians.
5. In the case of a body corporate, the name of the entity exactly as registered and the registration number are to be inserted in Panel B. A valid Legal Entity Identifier ("LEI") needs to be inserted in Panel B. 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. APPLICANTS ARE TO INSERT AN MSE ACCOUNT NUMBER IN THE SPACE PROVIDED IN PANEL B, AND FAILURE TO DO SO WILL RESULT IN REJECTION OF THE APPLICATION FORM. APPLICANTS 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 AFFECTED.
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 D.
8. Applications must be for a minimum subscription of €2,000 and thereafter in multiples of €100 and must be accompanied by the relevant subscription amount in Euro.
9. 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 (having indicated their status in the appropriate box in Panel A) will have final withholding tax (currently 10%), deducted from interest payments.

In terms of Section 5 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).
10. 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 9 and 10 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisors in case of doubt.
11. Interest and redemption proceeds will be credited to the account indicated in Panel H or as otherwise amended by the Bondholder/s during the term of the Bond.
12. The Offer Period will open at 08:30 hours on 6 July 2020 and will close at 16:00 hours on 31 July 2020, or earlier in case of over-subscription. Completed Application Forms are to be delivered to any Authorised Financial Intermediary listed in Annex I of the Securities Note during regular office hours. Remittances by post are made at the risk of the Applicant and the Company 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 H.
13. 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.

Financial Analysis Summary

SHORELINE MALL P.L.C.
18 June 2020



Calamatta Cuschieri
YOUR PARTNER IN FINANCIAL SERVICES

The Directors
Shoreline Mall Plc
Suite 407, Level 4, Block SMC 01,
Smart City, Ricasoli
Kalkara, Malta

18 June 2020

Dear Sirs,

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

The purpose of the financial analysis is that of summarising key financial data appertaining to Shoreline Mall Plc (C 84005) as explained in part 1 of the Analysis. The data is derived from various sources or is based on our own computations as follows:

- a. Historical financial data for the financial year ending 30 April 2019 has been extracted from the audited financial statements of the Issuer.
- b. The forecast data for the financial year ending 2020 – 2022 have been provided by management.
- c. Our commentary on the Issuer's results and financial position is based on the explanations set out by the Issuer in the Prospectus and Listing Authority Policies.
- d. The ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions set out in Part 4 of the Analysis.
- e. The principal relevant market players listed in Part 3 of the document have been identified by management. Relevant financial data in respect of competitors has been extracted from public sources such as the web sites of the companies concerned or financial statements filed with the Registrar of Companies.

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

Yours sincerely,



Nick Calamatta

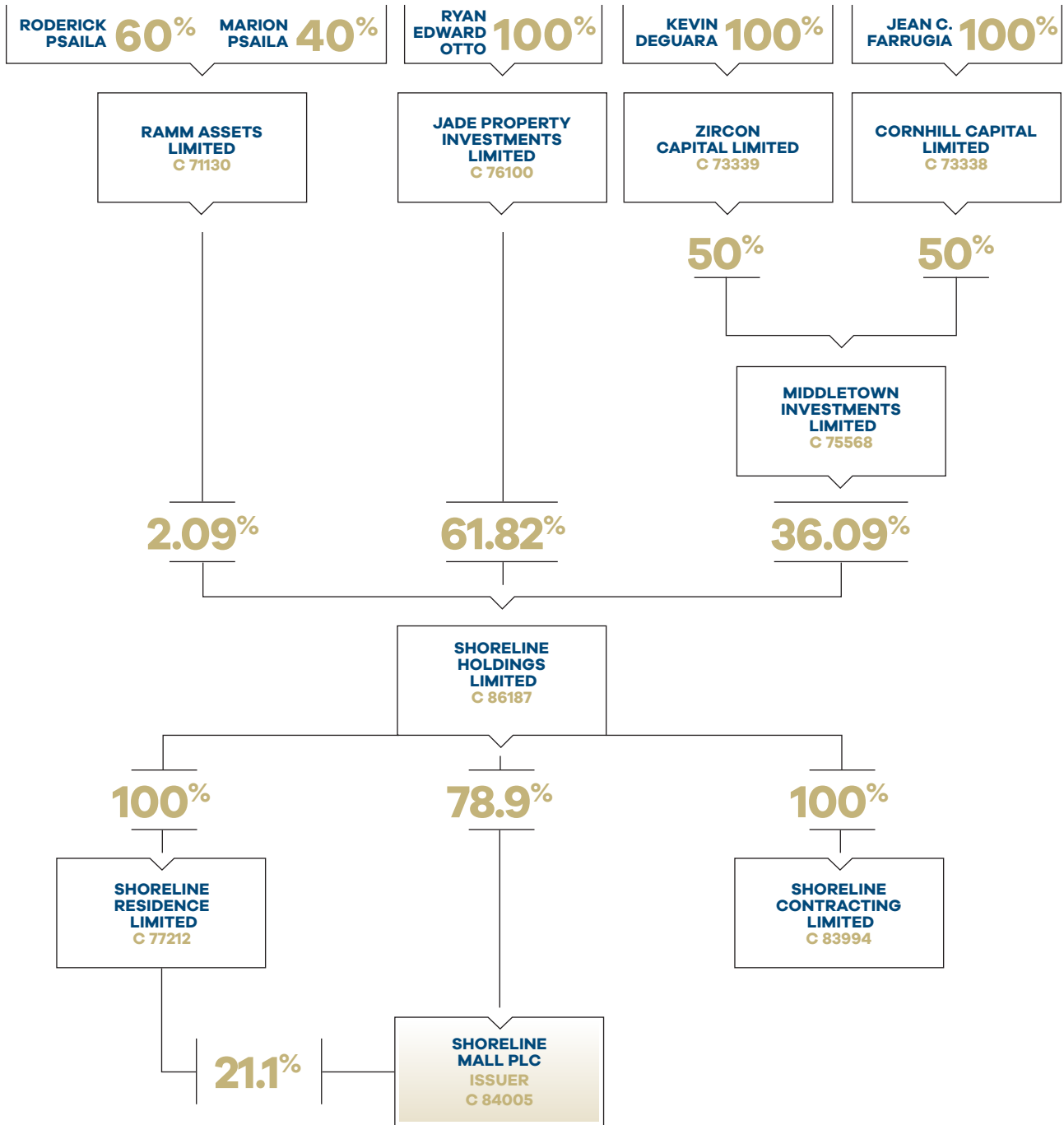
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PART 1 - INFORMATION ABOUT THE GROUP

1.1 ISSUER AND GROUP'S SUBSIDIARIES KEY ACTIVITIES AND STRUCTURE

The Group structure is as follows:



The "Group" of companies or the "Shoreline Group", consists of the "Issuer", Shoreline Holdings Limited acting as the "Holding" company of the Issuer and its fellow subsidiaries being: Shoreline Residence Limited and Shoreline Contracting Limited. The principal activity of the Group is the development of a shopping mall, seven luxury residential units and a car park complex in Smart City. Upon completion, the residential apartments will be sold, whereas the retail areas within the shopping mall will be leased out to third parties.

The “**Issuer**”, Shoreline Mall Plc (SMP), was incorporated on 15 December 2017 and registered under Maltese Law as a public liability company with registration number C 84005. The Issuer is, except for 4,424,002 Ordinary A Shares and 1 Ordinary B Share, which are held by Shoreline Residence Limited, a subsidiary of Shoreline Holdings Limited. SMP was established to carry out the “**Shoreline Project**”, being the development of a mall complex, seven luxury residences and a car park complex in Smart City. The Issuer has an authorised share capital of €21,000,000 divided into 20,999,999 Ordinary A Shares and 1 Ordinary B Share all having a nominal value of €1 each. The issued share capital of the Issuer is of €21,000,000 divided into 16,575,997 Ordinary A Shares of €1 each, fully paid up, 4,424,002 Ordinary A Shares of €1 each 33.9% paid up and 1 Ordinary B Share of €1 euro, fully paid up.

Shoreline Holdings Limited (SHL), company registration number C 86187, was set up on 8 May 2018 and acts as the holding company of the Shoreline Group. SHL has an authorised share capital of €15,000,000 divided into 15,000,000 ordinary shares all having nominal value of €1 each. The issued share capital is of €11,497,700 divided into 11,497,700 ordinary shares, which are divided into 5,108,183 Ordinary A Shares 100% paid up, 2,000,000 Ordinary A Shares 25% paid up, 239,926 Ordinary B Shares 100% paid up, 2,149,591 Ordinary C Shares 100% paid up and 2,000,000 Ordinary C Shares 25% paid up. The main shareholders are; Jade Property Investments Limited (61.82%), Middletown Investments Limited (36.09%) and RAMM Assets Limited (2.09%).

Shoreline Residence Limited (SRL) and Shoreline Contracting Limited (SCL) were incorporated on 12 September 2016 and 15 December 2017 respectively. SRL will own the airspace above ground level which will encompass the residential development. SCL will engage third-party contractors and recharge these services to both SRL and SMP in order to execute the development programme.

1.2 MAJOR ASSETS OWNED BY THE GROUP

SRL acquired the Designated Area (as defined in the Registration Document) from Smart City (Malta) Limited, in virtue of a deed in the records of Notary Joseph Smith La Rosa of the 17 April 2019 by title of sub-emphyteusis. On the 24 October 2019, the Issuer acquired the Shoreline Mall Site (as defined in the Registration Document) from SRL for a consideration of €13 million. Up until August 2019, SHL and its subsidiaries incurred €2.6 million in costs related to the development of the mall components on behalf of SMP. This has contributed towards an overall total value of €15.6 million concerning the site. As a result, SHL capitalised the amounts due from SMP into 15,575,998 ordinary shares with a nominal value of €1 each.

This site is located in Smart City, Kalkara and is bounded on the South by third party property, West by the Northern Urban Ring Road and on the North East by the promenade area and on the South East in part by the Laguna area and in part by the divided portion of land which forms part of the Emphyteutical Land.

Further detail concerning the Shoreline Project may be found in section 1.4 of the Analysis.

1.3 DIRECTORS AND KEY EMPLOYEES

Board of Directors - Issuer

As at the date of the prospectus, the board of directors of the Issuer is constituted by the following persons:

NAME	OFFICE DESIGNATION
Mr. Benjamin Muscat	Chairman and independent non-executive Director
Mr. Ryan Edward Otto	Executive Director
Dr. Jean Carl Farrugia	Executive Director
Dr. Kevin Deguara	Executive Director
Mr. Roderick Psaila	Executive Director
Mr. Robert Ancilleri	Independent non-executive Director
Mr. Charles Scerri	Independent non-executive Director

The business address of all of the directors is the registered office of the Issuer. Refer to section 8 of the Registration Document for the curriculum vitae of the Issuer’s directors. Dr Jean Carl Farrugia is the company secretary of the Issuer.

The board is composed of seven directors who are entrusted with the overall direction and management of the Issuer. The executive directors are entrusted with the decision making and the day-to-day management of the Issuer, whereas the three non-executive directors, all of whom are independent of the Issuer, monitor the executive activity of the Issuer and contribute to the development of its corporate strategy, by providing objective and impartial scrutiny. The Issuer does not have any employees other than the directors and the company secretary.

1.4 OPERATIONAL DEVELOPMENTS

As discussed above, the principal activity of the Issuer is concerned with the development of the Shoreline Project, being a shopping mall, seven luxury residential units and a car park complex in Smart City. The Issuer is proposing a total bond issue of €40 million split into two tranches:

- Tranche A amounting to €14 million (4%) and having a term of six years
- Tranche B amounting to €26 million (4.5%) and having a term of twelve years

The net proceeds of the bond issue, which are expected to amount to approximately €39.2 million, will be used by the Issuer for the construction of the Shoreline Project. The bond will be secured by a Special Hypothec over the value of the Shoreline Project, which has been valued by an independent architect, as per valuation attached to the Registration Document as Annex I.

The proposed development will comprise a commercial component consisting of a shopping mall with a total gross area of 25,000 sqm spread over two floors, of which 14,000 sqm consist of various rental retail spaces. Management expect the development of the mall to be completed by December 2021, with operations commencing in 2022.

The Shoreline project will also comprise the development of seven foreshore luxury residential units which shall be retained for sale purposes. Management expect these residential units to be completed by end of September 2021, with contracts expected to be signed in January 2022.

In terms of the development of the car park, SMP is intended to develop 848 car parking spaces split between 532 parking spaces complementing the shopping mall which shall be retained and operated by the Issuer and 316 parking spaces complementing the residential component for sale purposes. The former will be made available for use by customers at reduced rates and the latter, has been committed by the Issuer to SRL for resale upon completion.

Development costs of the mall and mall car park are estimated at €48.6 million, including allocated costs and overheads projected over the course of the development. On completion, the combined value of the mall and mall car park is estimated at €70 million, with the combined value of the residential units and the residential car park estimated at €23.5 million.

The Mall components, being the in-scope components for the proposed bond issue, which will be referred to throughout this Analysis include: (i) the mall (the commercial component), (ii) the seven residential units, (iii) the mall car park and (iv) the residential car park.

PART 2 - HISTORICAL PERFORMANCE AND FORECASTS

The Issuer was incorporated on 15th December 2017 and, has yet to commence operations and, accordingly has no trading record or history of operations.

As per the requirements of the Companies Act Chapter 386 of the Laws of Malta, Art 174 (3) following the admission of the prospective bond issue to the Malta Stock Exchange ('MSE'), financial statements have to be prepared for the issuer of the bond. Given that the whole operation of the Shoreline Project will be undertaken by the Issuer, the financial projections also relate to the Issuer, SMP.

For the purpose of this document, the focus is on a review of the performance of the Issuer. Furthermore, the historical financial information pertaining to FY 2019 (reflecting the full results of the Issuer since incorporation), together with the interim historical data relating to H1 FY2019 (01/05/2018 – 30/10/2018) and H1 FY2020 (01/05/2019 - 30/10/2019) of the Issuer, are set out from section 2.1 to section 2.3 of this Analysis. Forecasts pertaining the Issuer for the period ending 30th April 2020 to 30th April 2022 are based on management projections and are set out in section 2.4 of this Analysis.

2.1 ISSUER'S STATEMENT OF COMPREHENSIVE INCOME

INCOME STATEMENT			
€'000s	Apr-2019 Audited	Oct-2018 Management	Oct-2019 Management
Revenue	-	-	10
Administrative expenses	(7)	-	(4)
(Loss)/ Profit before tax	(7)	-	6
Income tax	-	-	-
(Loss)/ Profit after tax	(7)	-	6

Apart from €10k in other income generated during 2019, the Issuer did not recognise any material revenue since incorporation as the project is still at a pre-development stage. Expenses incurred by the Issuer since incorporation relate to €7k in administrative expenses relating to the development of the mall components which were not capitalised. As at H1 2020 (October 2019), the Issuer registered a profit after tax amounting to €6k.

2.2 ISSUER'S STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION		
€'000s	Apr-2019A Audited	Oct-19 Management
ASSETS		
NON-CURRENT ASSETS		
Investment property under construction	1,965	16,683
	1,965	16,683
CURRENT ASSETS		
Other receivables	59	99
Cash and cash equivalents	-	370
Total current assets	59	469
Total assets	2,024	17,152
EQUITY		
Share capital	1	15,576
Shareholders' contributions	1,246	-
Accumulated losses	(7)	(1)
Total equity	1,240	15,575
LIABILITIES		
NON-CURRENT LIABILITIES		
	-	-
CURRENT LIABILITIES		
Other payables	7	27
Amounts due to related parties	777	1,550
Total current liabilities	784	1,577
Total liabilities	784	1,577
Total equity and liabilities	2,024	17,152

The assets of the Issuer are mainly composed of investment property under construction, representing 97.1% of total assets as at April 2019. These reflect the capitalised costs incurred so far on the development of the mall components. As per H1 2020 results, the land over which the mall components are being developed was transferred from SRL to the Issuer, resulted in increase in investment property under construction to €16.7 million.

The share capital of the Issuer increased from €1 million as at April 2019 to €15.6 million as per H1 2020 results. This increase is mainly attributable to the transfer of the mall components from SRL to SMP as discussed above. Out of the Issuer's total equity, €13 million relate to a contribution in kind of the Shoreline Mall Site, including the underlying car park and site for luxury residence, whereas the rest relate to a cash contribution of €2.6 million.

Total liabilities for FY2019 amounted to €0.8 million and are mainly composed of amounts due to related parties. The investment carried out until 30 April 2019 has been funded in full through €1.2 million of loans from SHL (quasi equity) and €0.8 million from related companies within the Shoreline Group. As at 30 April 2019, the Issuer did not have debt due to third parties outside the Shoreline Group. Total liabilities as per H1 2020 amount to €1.6 million.

2.3 ISSUER'S STATEMENT OF CASH FLOWS

CASH FLOWS STATEMENT			
€'000s	Apr-2019A Audited	Oct-18 Management	Oct-19 Management
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation	(7)	(0)	6
Adjustments for:			
Movement in other receivables	(59)	(11)	(40)
Allowance in other payables	7	11	21
Net cash flows generated from/(used in) operating activities	(59)	(0)	(13)
CASH USED IN INVESTING ACTIVITIES			
Movement in investment property under construction	(1,965)	(947)	(14,718)
Net cash flows generated from/(used in) investing activities	(1,965)	(947)	(14,718)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital	1	-	15,575
Financing from parent and related parties	2,023	947	(474)
Net cash flows generated from / (used in) financing activities	2,024	947	15,101
MOVEMENT IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at start of year	-	-	-
Cash and cash equivalents at end of year	(0)	(0)	370

Movement in receivables over FY2019 led to an overall deterioration in net cash flows from operating activities. Net cash flows used in investing activities relate to the costs incurred so far on the development of the mall components. Furthermore, the Issuer's financing activities during FY2018 are mainly composed of movements in related party loans. In line with the transfer of the mall site from SRL to SMP the Issuer registered a cash balance of €0.4 million during H1 2020.

2.4 ISSUER'S FINANCIAL FORECAST

INCOME STATEMENT - CONSOLIDATED			
€'000s	Apr-2020F	Apr-2021F	Apr-2022F
Revenue - retail space	-	-	348
Revenue - carpark	-	-	1,748
Revenue - luxury residences	-	-	14,700
Total Revenue	-	-	16,796
Cost of Sales	-	-	(7,903)
Gross Profit	-	-	8,893
Administrative expenses	(17)	(13)	(773)
EBITDA	(17)	(13)	8,120
Depreciation	-	-	(421)
EBIT	(17)	(13)	7,699
Amortisation of bond issue costs	-	(90)	(90)
Investment income on excess cash	9	194	124
Interest expense on short-term negative cash balance	(1)	(1)	-
Finance Costs	-	(1,730)	(1,730)
Capitalised interest	-	1,730	1,238
Profit before tax	(9)	90	7,241
Tax	(3)	(68)	(1,118)
Profit/ (loss) for the year	(12)	22	6,123
Other comprehensive income:			
Net Revaluation of Mall	-	-	7,695
Comprehensive Income	(12)	22	13,818

RATIO ANALYSIS

	Apr-2020F	Apr-2021F	Apr-2022F
PROFITABILITY			
Gross Profit Margin (Gross Profit / Revenue)	n/a	n/a	52.9%
EBITDA Margin (EBITDA / Revenue)	n/a	n/a	48.3%
Net Margin (Profit for the year / Revenue)	n/a	n/a	36.5%
Growth in Revenue (YoY Revenue Growth)	n/a	n/a	n/a
Operating (EBIT) Margin (EBIT / Revenue)	n/a	n/a	45.8%
Return on Common Equity (Net Income / Total Equity)	-0.1%	0.1%	24.5%
Return on Assets (Net Income / Total Assets)	-0.1%	0.0%	7.7%
Interest Coverage ¹ (EBITDA / Cash interest paid)	n/a	(0.0)x	4.7x

Management expect the commercial and car park (mall) operations to commence in January 2022 and as such the Issuer is not expected to generate any income in 2020 and 2021 respectively. Moreover, both the residential units and residential car park spaces are expected to be completed by September 2021 whereon sales of these assets will commence from 2022 onwards.

¹ The interest coverage ratio was worked on the actual interest that will be paid on the bonds, rather than on the net interest expense given the capitalised interest during the development phase of the Shoreline Project.

Given that the financial year of the Issuer ends on 30th April, the revenue figure pertaining to the retail space for 2022 only captures three months of the retail mall operations. Management confirmed that the Issuer will provide discounts to tenants in the first and second year of operation, hence resulting into a lower level of revenue generation from the mall in the initial years of operation.

Additionally, the issuer has already signed several letters of intent (LOIs) pertaining to 80.1% of the total available retail space. The majority of LOIs contemplate an annual rent of €300 per sqm as a base rate (subject to 3% annual increases) or 10% of outlet turnover, whichever is the higher. Management expect the retail mall to be 95% occupied as from the date of opening. All luxury residential units are expected to be sold in FY22, at an average price of €2.1 million per unit. All residential car parking spaces are expected to be sold by FY24 at an expected average price of €30k per unit.

The cost of sales figure for FY22 include the land cost, capital expenditure and capitalised interest relating to the development of the residential units and the respective car parking spaces. These are expected to amount to €7.9 million in FY22.

Administrative expenses consist primarily of, agency fees on the residential units together with mall operating costs and ground rent. Agency fees will not be charged on the sale of car spaces as these assets will be sold directly to SRL. Mall operating costs represent general overheads which are not expected to be recharged to tenants and are assumed to be incurred once the mall commences operations in FY22. Management expect administrative expenses to amount to €0.8 million in FY22.

The depreciation charge reflected in FY22 relates to depreciation incurred on the mall and mall car park. No depreciation charges will be incurred on assets under development.

Finance costs are projected to reach €1.7 million in FY21 and remain constant thereafter. The expected finance costs are composed of interest costs of 4.0% charged on the €14 million 6-year bond and 4.5% charged on the €26 million 12 year bond. Finance costs are presented net of capitalised interest throughout the forecasted period.

Tax is projected at the lower of 35% on rental income net of 20% maintenance allowance and interest expenses, or 15% of rental income. Tax incurred on the sale of the residential units is projected at 8% payable on the total sales value, net of agency fees.

The net revaluation of the mall amounting to €7.7 million reflected in FY22 under other comprehensive income is deemed to be line with the expected completion of the whole Shoreline Project.

STATEMENT OF FINANCIAL POSITION			
€'000s	Apr-2020F	Apr-2021F	Apr-2022F
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11,811	31,963	62,744
CURRENT ASSETS			
Inventory	7,479	10,593	5,684
Cash and cash equivalents	-	17,579	11,484
Total current assets	7,479	28,172	17,168
Total assets	19,290	60,135	79,912
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	18,076	18,076	18,076
Retained earnings	(2)	20	13,794
Total equity	18,074	18,096	31,870
LIABILITIES			
NON-CURRENT LIABILITIES			
Debt securities in issue	-	39,290	39,380
Deferred tax liability	-	-	5,019
Total non-current liabilities	-	39,290	44,399
TOTAL CURRENT LIABILITIES			
Development costs payable	430	1,258	1,752
Deposits	709	1,491	1,891
Short-term funding	77	-	-
Total current liabilities	1,216	2,749	3,643
Total liabilities	1,216	42,039	48,042
Total equity and liabilities	19,290	60,135	79,912
RATIO ANALYSIS			
	Apr-2020F	Apr-2021F	Apr-2022F
FINANCIAL STRENGTH			
Gearing 1 (Net Debt / Total Equity)	0.0%	120.0%	87.5%
Gearing 2 (Total Liabilities / Total Assets)	6.3%	69.9%	60.1%
Net Debt / EBITDA	0.0x	(1,670.1)x	3.4x
Current Ratio (Current Assets / Current Liabilities)	6.15x	10.25x	4.71x

Total assets in 2020, which mainly comprise property, plant and equipment and inventory. Property, plant and equipment reflects the land cost attributable to the mall and mall car park, capital expenditure on these properties, and capitalised interest.

Inventory reflects the land cost attributed to the residential units and the residential car spaces, any capital expenditure on these properties, and capitalised interest. Following the receipt of the bond proceeds, cash and cash equivalents are anticipated to amount to €17.6 million during FY20 and are expected to decline on a yearly basis in line respective stage of completion of the Shoreline Project. In line with the profitability which is expected to be achieved during 2022, total equity is anticipated to amount to €31.9 million during the period.

Non-current liabilities are expected to stand at 93.5% of SMP's total liabilities during FY21, mainly reflecting the undertaking of the bond issue. Also listed under non-current liability for FY22 is a deferred tax liability arising on property valuation, concerning the mall and mall car park property value.

Current liabilities are mainly composed of development costs payable and deposits. Development costs payable are based on the projected balance of works carried out, which have not yet been settled. Management expect these balances to be settled in full by April 2022, four months after the development of the mall is completed. Furthermore, deposits includes cash received from third parties as deposits on the luxury residences, and deposits attributed to SMP from SRL.

CASH FLOWS STATEMENT

€'000s	Apr-2020F	Apr-2021F	Apr-2022F
Deposits and receipts on property held for sale	709	782	16,754
Rental income from commercial operations	-	-	443
Total cash inflows from operations	709	782	17,197
Acquisition of airspace	(13,000)	-	-
Development costs	(5,860)	(20,708)	(19,733)
Recurring capital expenditure	-	-	(18)
Overheads	(17)	(13)	(38)
Agency Fees	-	-	(735)
Taxation paid	(3)	(68)	(1,160)
Net cash flows from operating activities	(18,880)	(20,789)	(21,684)
Cash used from investing activities	-	-	-
Cash flows from financing activities			
Equity injection	18,086	-	-
Net proceeds from proposed bond issue	-	39,200	-
Repayment of bond interest	-	(1,730)	(1,730)
Interest received on excess cash	8	193	123
Net cash flows generated from / (used in) financing activities	18,094	37,663	(1,607)
Movement in cash and cash equivalents	(77)	17,656	(6,094)
Cash and cash equivalents at start of year	-	(77)	17,579
Cash and cash equivalents at end of year	(77)	17,579	11,485

RATIO ANALYSIS

	Apr-2020F	Apr-2021F	Apr-2022F
CASH FLOW			
Free Cash Flow (Net cash from operations - Capex)	€(18,880)	€(20,789)	€(21,684)

Deposits and receipts on property held for sale in FY20 and FY21 reflect deposits received on the residential car parking spaces and residential units. Management expect the majority of the contracts concerning both the residential car parking spaces and the luxury residences to be signed in FY22 and FY23 respectively.

During FY20 the Issuer is expected to acquire the airspace over which the mall components will be developed from the Shoreline Group for €13 million. Management confirmed that this will be entirely financed through shareholders equity. Development costs also included under cash outflows from operating activities, reflect the total projected cash outlay on the development of the project, including allocated costs, overheads and VAT on the residential components. No VAT is expected to be incurred on development costs related to the mall as this is expected to be recovered. Recurring capital expenditure reflects annual projected capital expenditure on the Mall, required to maintain the mall in an operational and up to date state.

The equity injection listed under financing activities refers to the equity contribution implemented within the Shoreline Group as described in section 1.4 and section 2.4 of this Analysis. The net proceeds from the proposed bonds are expected to amount to €39.2 million after deducting 2% issue costs. The projected bonds include a €14 million 6-year facility incurring interest at 4% per annum and €26 million 12-year facility incurring interest at 4.5% per annum. As a result of the above, the

closing cash and cash equivalents balance over FY20 to FY22 are anticipated to amount to €17.6 million and €11.5 million during FY21 and FY22 respectively.

PART 3 - KEY MARKET AND COMPETITOR DATA

3.1 GENERAL MARKET CONDITIONS

The Issuer is subject to general market and economic risks that may have a significant impact on its current and future property developments and their timely completion within budget. These include factors such as the health of the local property market, inflation and fluctuations in interest rates, exchange rates, property prices and rental rates. In the event that general economic conditions and property market conditions experience a downturn, which is not contemplated in the Issuer's planning during development, this shall have an adverse impact on the financial condition of the Issuer and may therefore affect the ability of the Issuer to meet its obligations under the Bonds.

Economic Update²

In March 2020, the Bank's Business Conditions' Index (BCI) fell when compared with the previous month, and continued to suggest that economic conditions remain below their long-term average. The European Commission's Economic Sentiment Indicator (ESI) also decreased. Sentiment weakened in all sectors, except construction, with the retail and services sectors recording the largest falls. In February, annual growth in the number of tourist arrivals remained strong and close to that recorded a month earlier, while nights stayed and expenditure by tourists rose at a faster pace. The volume of retail trade also rose at a quicker rate. Meanwhile growth in industrial production slowed down, while remaining robust. Conditions in the labour market remained favourable, with the number of registered unemployed and the unemployment rate lower than year ago levels. The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) eased to 1.1% in February. Inflation based on the Retail Price Index (RPI) fell to 1.0%.

Economic Projections Pre COVID-19 Outbreak in Malta³

The latest economic projections implemented by the Central Bank of Malta were based on information available until 28 February 2020. This was prior to the first case of COVID-19 in Malta. Hence, the baseline projections do not include the containment measures introduced by the Maltese authorities to limit the spread of COVID-19.

Economic activity in Malta was expected to remain robust but moderate over the projection horizon. GDP growth was projected to ease from 4.4% in 2019 to 3.8% in 2020, and further to 3.6% in 2021 and 3.5% in 2022. Compared with the Bank's previous projections, published in December 2019, GDP growth was revised downwards in 2020 due to lower private consumption and export growth.

Domestic demand was expected to be the main driver of economic growth over the projection horizon reflecting positive contributions from all components. Although net exports were also set to contribute to GDP growth over the next three years, their contribution was assessed to be much lower than that of domestic demand. The supply-side of the economy was also foreseen to be supportive of growth. The positive output gap was seen to gradually close and turn marginally negative by 2022.

Investment growth was expected to decelerate over the projection horizon, mirroring the projected easing of economic activity, and an expected moderation in growth of residential investment. Nevertheless, the timing of large-scale outlays on infrastructural projects were expected to continue conditioning the path of investment.

As economic activity was projected to moderate over the projection horizon, the pace of job creation was foreseen to slow down, while remaining well above the historical average. Consequently, the unemployment rate was expected to edge up marginally from record lows, ending the projection horizon at 3.8%. As regards wage growth, this was projected to pick-up due to the expected rise in consumer price in inflation and elevated labour market tightness.

With regards to consumer prices, HICP inflation in Malta was set to rise slightly to 1.6% in 2020, from 1.5% in 2019. Thereafter, consumer price inflation was expected to accelerate gradually, reaching 1.9% in 2022. The pick-up in HICP inflation over 2020 to 2022 was largely driven by expected movements in HICP excluding energy. This was mainly underpinned by faster growth in services prices, reflecting some intensification of demand and wage pressures. Non-energy industrial goods (NEIG) inflation was also set to pick up, mirroring a recovery in imported inflation. Food in inflation was projected to remain robust over the projection horizon.

² Central Bank of Malta – Economic Update: Issue 4/ 2020

³ Central Bank of Malta – Economic Projections 2020-2022

Economic Projections Post COVID-19 Outbreak in Malta⁴

COVID-19 has caused a public health emergency throughout the world. In response to these events, governments have put in place a number of containment measures to stem the spread of the virus. The economic impact is likely to be substantial, though mainly concentrated in 2020. The Organisation for Economic Co-operation and Development (OECD) has estimated that the outbreak could lead to world GDP growth being between 0.5 percentage point and 1.5 percentage points lower in 2020 than previously projected. The ECB statistical projections released on 12 March foresee an impact of between 0.8 and 1.4 percentage points on euro area GDP growth in 2020.

The situation is unprecedented and fluid and hence it is very challenging to quantify the economic impact at this juncture, given the high uncertainty concerning the duration of this pandemic. The Central Bank of Malta has built a scenario which attempts to cater for the impact of COVID-19 on the Maltese economy. It is based on external developments, the announcements made by the Maltese Government up to 15 March and a number of assumptions.

In particular, the scenario assumes a severe drop in tourist expenditure due to the travel ban and extension of quarantine to all visitors to Malta, shocks related to possible supply-chain disruptions, lower employment hours, and a drop in confidence due to the environment of acute uncertainty.

GDP growth in Malta is estimated to be around 3.5 percentage points lower in 2020, when compared to previous projections. The sectors that are expected to bear the largest drops are the accommodation and food service sector, travel agency-related services, sports and other recreational activities, the transport sector and firms involved in the production of food products. However, almost all other sectors are expected to experience a negative impact due to COVID-19.

The government balance is expected to remain in surplus, but is expected to be around 0.8 percentage points lower than that projected in previous projections, as a result of the assumed lower economic activity. The impact of COVID-19 reported depends on the duration of this pandemic. Measures addressing the financial sector and any fiscal support the Maltese Government may offer to the private sector in Malta should mitigate the negative economic impact of COVID-19.

Retail Sector

The retail sector in Malta has lately undergone a gradual transformation, whereby it was fragmented with small businesses and a limited number of importers, wholesalers and distributors. Subsequent to Malta's entry into European Union (EU) in 2004, the liberalisation of the market greatly encouraged foreign chains to set up in Malta, forcing local traders to come up with more convenient and unique distribution strategies. The 'all-under-one-roof' concept has been gaining popularity among the general public, as witnessed by the opening of a number of shopping destinations in Malta such as The Point Shopping Mall, The Plaza Shopping Centre and D-Mall. This concept has allowed individuals to cater for all their shopping requirements under one roof rather than having to go to different retail shops in multiple locations. Growing consumer expectations has resulted in shops remaining open for longer hours, instead of closing during lunch hours, as occurs in the majority of the other Mediterranean countries.

Rental rates achievable within these type of shopping malls vary according to location, the profile of the tenants within the mall and is also linked to tenant sales performance. Of note, rental rates achievable at the above-mentioned shopping malls are demonstrated in the table below.

MALL	TOTAL SQM	€/ SQM
The Point Shopping Mall	14,800	429 ⁵
The Plaza Shopping Centre	4,500	260 ⁵
D-Mall	1,164	650 ⁶

The Retail Sector is expected to be negatively impacted as a result of the measures employed by the Government to prevent the virus spread. In line with the easing of several restrictions recently announced by the Government, the retail sector is however expected to gradually recover from the negative consequences brought about by the COVID-19 outbreak.

⁴ Central Bank of Malta – Economic Projections 2020-2022

⁵ Rental rates on The Point Shopping Complex and The Plaza Shopping Complex are worked out from the audited financial statements and may include legacy rates

⁶ Rental rates of D-Mall are derived from D Shopping Mall Finance plc – Admission Document

Luxury Property Sector

The strong economic growth sustained by the Maltese economy in recent years has contributed to a rise in the employment rate and the influx of foreign workers within the Maltese workforce. Nevertheless, it is evident that Malta has over recent years completely evolved and has attracted a numerous amount of foreign companies related to sectors within the financial services, gaming and IT related fields. The country's ability to continue attracting these type of businesses to Malta has significantly contributed towards the sustainability of the luxurious residential and rental sector. Enterprises within these type of areas have thrived in recent years, making Malta an attractive investment alternative. In fact, during 2018 the financial services, gaming and IT industries, collectively amounted to 25.9%⁷ of Malta's overall economic activity. An indication of the high-end market being healthy is that the buyers in these developments are made up of a mix of locals and foreigners.

Of note, there are several traditional high-end residential areas in Malta. For instance, localities such as Gharghur, Tal-Virtu in Rabat and Madliena all boast magnificent sea or country views. One may also find several luxury villas within the central area of Malta such as Lija, Attard, Balzan, Naxxar, Sliema and Saint Julian's. Another area in Malta being popular for its high density of villas is Santa Marija Estate in Mellieha, overlooking Mellieha Bay. In furtherance, there also top quality high-end residential and rental developments within the proximity of Marsascala, Marsaxlokk and in other parts of the south of Malta including Smart City in Ricasoli which also boasts impressive and spectacular sea views.

The Luxury Property Sector is not immune to the current negative economic environment. However, in line with our comments above the situation is expected to start recovering once the economic sphere stabilises.

3.2 COMPARATIVE ANALYSIS

The purpose of the table below compares the proposed debt issuance of the Group to other debt instruments. One must note that given the material differences in profiles and industries, the risks associated with the Group's business and that of other issuers is therefore different.

SECURITY	NOM VALUE	YIELD TO MATURITY (%)	INTEREST COVERAGE (EBITDA)	TOTAL ASSETS	TOTAL EQUITY	TOTAL LIABILITIES / TOTAL ASSETS (%)	NET DEBT / TOTAL EQUITY (%)	NET DEBT / EBITDA	CUR-RENT RATIO	RETURN ON COMMON EQUITY (%)	NET MARGIN	REVENUE GROWTH (YOY)
	€'000s	(%)	(times)	€' millions	€' millions	(%)	(%)	(times)	(times)	(%)	(%)	(%)
5.75% International Hotel Investments plc Unsecured € 2025	45,000	5.97%	3.2x	1,617.9	877.6	45.8%	58.7%	7.6x	11x	1.0%	3.3%	5.7%
4.5% Hilli Properties plc Unsecured € 2025	37,000	4.60%	1.6x	154.7	52.2	66.2%	172.6%	16.6x	0.4x	4.7%	29.0%	15.0%
5.25% Central Business Centres plc Unsecured € 2025 S2T1	3,000	5.35%	0.2x	29.0	16.1	44.6%	72.5%	113.2x	0.8x	-0.7%	-33.3%	8.2%
4.0% Shoreline Mall Plc Secured € 2026 **	14,000	4.00%	4.7x	19.3	18.1	60.1%	87.5%	3.4x	4.7x	24.5%	36.5%	100.0%
4% MIDI plc Secured € 2026	50,000	3.80%	10.2x	220.6	97.4	55.8%	47.0%	2.4x	2.7x	12.6%	22.2%	1031.7%
4% International Hotel Investments plc Secured € 2026	55,000	4.00%	3.2x	1,617.9	877.6	45.8%	58.7%	7.6x	11x	1.0%	3.3%	5.7%
3.9% Plaza Centres plc Unsecured € 2026	8,500	3.85%	4.6x	46.0	28.0	39.1%	41.8%	4.5x	0.5x	3.9%	33.5%	-0.2%
4% International Hotel Investments plc Unsecured € 2026	60,000	4.27%	3.2x	1,617.9	877.6	45.8%	58.7%	7.6x	11x	1.0%	3.3%	5.7%
3.25% AX Group plc Unsec Bds 2026 Series I	15,000	3.00%	6.9x	325.2	214.6	34.0%	22.9%	2.3x	1.0x	16.5%	56.6%	23.1%
3.75% Mercury Projects Finance plc Secured € 2027	11,500	3.75%	7.7x	38.0	0.8	97.9%	663.5%	4.8x	0.6x	101.2%	12.3%	2610%
4.4% Central Business Centres plc Unsecured € 2027 S1/17 T1	6,000	4.40%	0.2x	29.0	16.1	44.6%	72.5%	113.2x	0.8x	-0.7%	-33.3%	8.2%
3.75% Turnas Investments plc Unsecured € 2027	25,000	3.67%	23.0x	266.9	154.5	42.1%	19.6%	0.5x	3.2x	37.3%	36.1%	128.6%
4% Stivala Group Finance plc Secured € 2027	45,000	4.00%	3.7x	202.4	115.8	42.8%	54.1%	5.8x	0.3x	99.8%	587.9%	51.3%
3.85% Hilli Finance Company plc Unsecured € 2028	40,000	4.59%	4.0x	455.1	86.4	81.0%	284.3%	5.7x	1.0x	14.0%	2.8%	7.8%
4% Exalco Finance plc Secured € 2028	15,000	4.00%	4.5x	68.3	37.9	44.5%	49.9%	6.6x	1.4x	11.6%	47.2%	39.4%
4% SP Finance plc Secured EUR Bonds 2029	12,000	4.00%	6.4x	20.9	16.0	23.6%	15.0%	2.7x	0.5x	2.5%	28.0%	6.9%
3.75% TUM Finance plc Secured € 2029	20,000	3.75%	2.1x	60.1	32.1	46.6%	53.0%	11.1x	4.5x	41.9%	773.6%	n/a
3.65% Stivala Group Finance plc Secured € 2029	15,000	3.68%	3.7x	202.4	115.8	42.8%	54.1%	5.8x	0.3x	99.8%	587.9%	51.3%
3.8% Hilli Finance Company plc Unsecured € 2029	80,000	4.45%	4.0x	455.1	86.4	81.0%	284.3%	5.7x	1.0x	14.0%	2.8%	7.8%
3.75% AX Group plc Unsec Bds 2029 Series II	10,000	3.63%	6.9x	325.2	214.6	34.0%	22.9%	2.3x	1.0x	16.5%	56.6%	23.1%
4.25% Mercury Projects Finance plc Secured € 2031	11,000	3.92%	7.7x	38.0	0.8	97.9%	663.5%	4.8x	0.6x	101.2%	12.3%	2610%
4.5% Shoreline Mall Plc Secured € 2032 **	26,000	4.50%	4.7x	19.3	18.1	60.1%	87.5%	3.4x	4.7x	24.5%	36.5%	100.0%
Average		4.13%	5.4x	389.5	195.9	52.8%	138.5%	16.6x	1.2x	28.9%	111.6%	102.2%

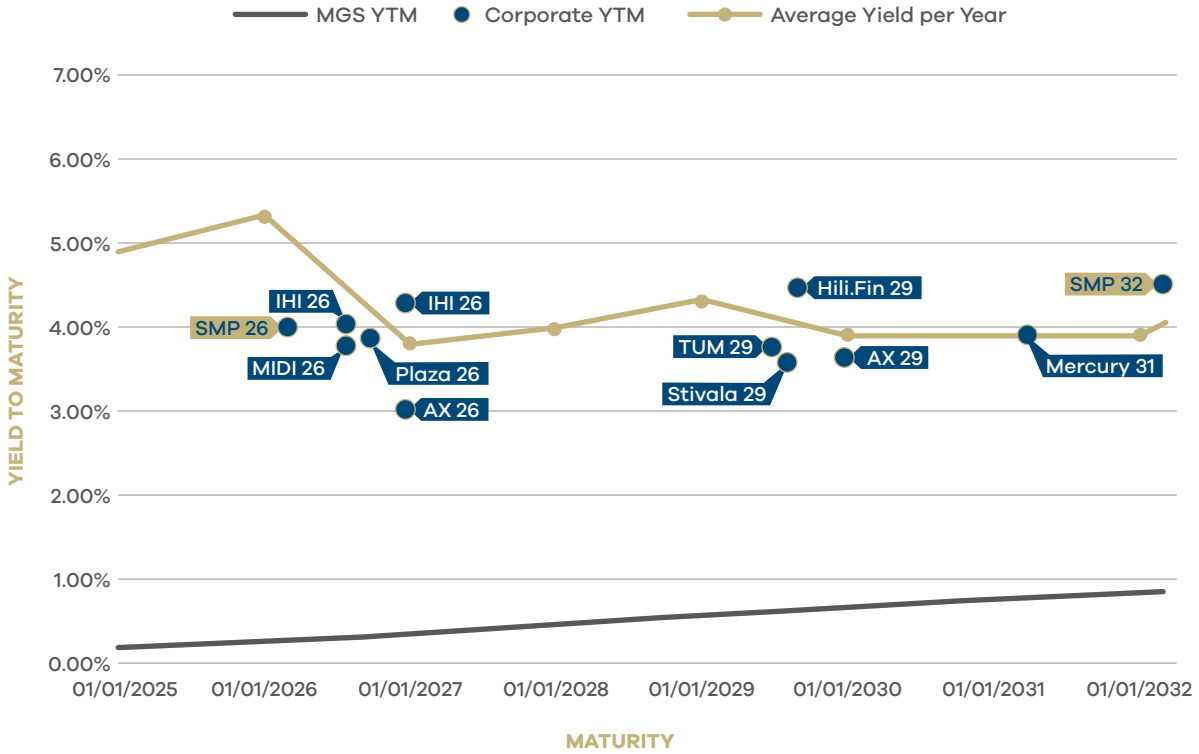
Source: The financial position of comparable issuers are for the year ending 31st December 2018.

* Last closing price as at 12/05/2020

** The financial analysis of Shoreline Mall Plc reflects the financial position of the issuer for the year ended 30th April 2022.

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

YIELD CURVE ANALYSIS



Source: Malta Stock Exchange, Central Bank of Malta and Calamatta Cuschieri Estimates

The graph illustrates the yield of each issuer as well as the yield of MGSs (Y-axis) vs the maturity of both Issuers and MGSs (X-axis), in their respective maturity bucket, to which the spread premiums can be noted. The graph illustrates on a stand-alone basis, the yield of comparable issuers maturing during 2026, 2029 and 2031 respectively.

In line with the new 2026 Shoreline Mall Plc bond, the best comparable Issuer is Plaza Centres Plc (2026), whereas the best comparable Issuer in terms of the new 2032 Shoreline Mall Plc bond is TUM Finance plc (2029).

As at 13 May 2020, the average spread over the Malta Government Stock (MGS) for corporates with maturity range of 5 to 7 years (2025-2027) was 391 basis points. The new 2026 Shoreline Mall Plc bond is being priced with a 4.0% coupon issued at par, meaning a spread of 377 basis points over the equivalent MGS.

As at 13 May 2020, the average spread over the Malta Government Stock (MGS) for corporates with maturity range of 9 to 12 years (2029-2032) was 331 basis points. The new 2032 Shoreline Mall Plc bond is being priced with a 4.5% coupon issued at par, meaning a spread of 367 basis points over the equivalent MGS.

PART 4 - GLOSSARY AND DEFINITIONS

INCOME STATEMENT

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

PROFITABILITY RATIOS

Growth in Revenue (YoY)	This represents the growth in revenue when compared with previous financial year.
Gross Profit Margin	Gross profit as a percentage of total revenue.
EBITDA Margin	EBITDA as a percentage of total revenue.
Operating (EBIT) Margin	Operating margin is the EBIT as a percentage of total revenue.
Net Margin	Net income expressed as a percentage of total revenue.
Return on Common Equity	Return on common equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing the net income by the average common equity (average equity of two years financial performance).
Return on Assets	Return on assets (ROA) is computed by dividing net income by total assets.

CASH FLOW STATEMENT

Cash Flow from Operating Activities (CFO)	Cash generated from the principal revenue producing activities of the Group/Company less any interest incurred on debt.
Cash Flow from Investing Activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Group/Company.
Cash Flow from Financing Activities	Cash generated from the activities that result in change in share capital and borrowings of the Group/Company.
Capex	Represents the capital expenditure incurred by the Group/Company in a financial year.
Free Cash Flows (FCF)	The amount of cash the Group/Company has after it has met its financial obligations. It is calculated by taking Cash Flow from Operating Activities less the Capex of the same financial year.

BALANCE SHEET

Total Assets	What the Group/Company owns which can be further classified into Non-Current Assets and Current Assets.
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Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Inventory	Inventory is the term for the goods available for sale and raw materials used to produce goods available for sale.
Cash and Cash Equivalents	Cash and cash equivalents are Group/Company assets that are either cash or can be converted into cash immediately.
Total Equity	Total Equity is calculated as total assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.
Total Liabilities	What the Group/Company owes which can be further classified into Non-Current Liabilities and Current Liabilities.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Total Debt	All debt obligations inclusive of long and short-term debt.
Net Debt	Total debt of a Group/Company less any cash and cash equivalents.
Current Liabilities	Obligations which are due within one financial year.

FINANCIAL STRENGTH RATIOS

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

OTHER DEFINITIONS

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