SUMMARY

21 November, 2022

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

This Summary is being issued by:

MARINER FINANCE PLC

MARINER FINANCE P.L.C.
a public limited liability company registered under the laws of Malta
with company registration number C 31514

in respect of an issue of up to €44,000,000 5% unsecured bonds due 2032
issued and redeemable at their nominal value (at €100 per Bond)

ISIN MT0000271222

SPONSOR	MANAGER AND REGISTRAR	LEGAL COUNSEL
MZ INVESTMENT SERVICES	BOV Bank of Valletta	CAMILLERI PREZIOSI ADVOCATES

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

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

APPROVED BY THE BOARD OF DIRECTORS

Marin Hili	**Ian Micallef**

signing in their capacities as directors of the Issuer and on behalf of:

Michela Borg   Anthony Busuttil   Edward Hili   Kevin Saliba   Lawrence Zammit

INTRODUCTION AND WARNINGS

This Summary is prepared in accordance with the requirements of the Prospectus Regulation and the delegated acts issued thereunder. This Summary contains key information which investors require in order 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 shall bear the meanings assigned to them in the Registration Document and the Securities Note, as the case may be.

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

Legal and commercial name:	Mariner Finance p.l.c.
Registered address:	37, Triq Censu Tabone, St. Julian's STJ 1218, Malta
Registration number:	C 31514
Telephone number:	+356 22470100
Issuer's website:	http://www.mfplc.com.mt/
Legal Entity Identifier ('LEI'):	485100UWC0VRB3D40532
Competent authority approving the Prospectus:	The MFSA, being the competent authority to approve prospectuses of any offer of securities to the public in Malta in terms of the Financial Markets Act (Cap. 345 of the laws of Malta)
Address of the MFSA:	MFSA, Triq l-Imdina, Zone 1, Central Business District, Birkirkara, Malta, CBD 1010
Telephone number of the MFSA:	+356 2144 1155
MFSA's website:	https://www.mfsa.mt/
Name of the Bonds:	5% Unsecured Bonds due 2032 issued by the Issuer
ISIN number of the Bonds:	MT0000271222
Prospectus approval date:	21 November, 2022

Prospective investors are hereby warned that:

(i) this Summary should be read as an introduction to the Prospectus. It is being provided to convey the key characteristics and risks associated with the Issuer and the Bonds being offered pursuant to the Prospectus. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this Summary in making a decision as to whether to invest in the Bonds described in this document;

(ii) any decision of the investor to invest in the Bonds should be based on a consideration of the Prospectus as a whole by the investor;

(iii) an investor may lose all or part of the capital invested in subscribing for Bonds;

(iv) where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and

(v) civil liability attaches only to those persons who have tabled the Summary, including any translation thereof, but only if the Summary, when read together with the other parts of the Prospectus, is misleading, inaccurate, or inconsistent or does not provide key information in order to aid investors when considering whether to invest in the Bonds.

1. KEY INFORMATION ON THE ISSUER

1.1. WHO IS THE ISSUER OF THE BONDS?

1.1.1. Domicile and legal form, its LEI and country of incorporation

The Issuer of the Bonds is Mariner Finance p.l.c., a public limited liability company registered in Malta in terms of the Companies Act (Cap. 386 of the laws of Malta), having company registration number C 31514. The Issuer was incorporated and is domiciled in Malta, with LEI number 485100UWC0VRB3D40532.

1.1.2. Principal activities of the Issuer

The Issuer is the holding, finance and investment company of its main operating subsidiary SIA Baltic Container Terminal, (Latvian company registration number 000328803) ("**BCT**"), which is engaged in the provision of port and related services in the port of Riga, Latvia, over which it holds a port concession licence. The Issuer is therefore economically dependent, in the main, on the performance and financial position of BCT. Moreover, the Issuer owns and operates, *inter alia*, the Merkela Property, in Riga, Latvia which, as at March, 2022, was valued at €4,371,000.

1.1.3. Major shareholders of the Issuer

As at the date of this Summary, Mariner Capital Limited (C 11890) holds 99.99% of the entire issued share capital of the Issuer, with the remaining 0.01% held by Marin Hili. In turn, the majority shareholder of the Issuer, Mariner Capital Limited is wholly owned by Hili Company Limited, which is ultimately beneficially owned by Marin Hili to the extent of 60%, with the remaining 40% split equally between companies beneficially owned by Mr Hili's children, Michela Borg and Edward Hili.

1.1.4. Directors of the Issuer

The Board of Directors of the Issuer is composed of the following persons: Marin Hili (Chairman and Executive Director); Edward Hili (Chief Executive Officer and Executive Director); Michela Borg (Non-Executive Director); Kevin Saliba (Non-Executive Director); Ian Micallef (Non-Executive Director); Lawrence Zammit (Independent Non-Executive Director); and Anthony Busuttil (Independent Non-Executive Director).

1.1.5. Statutory auditors

The auditors of the Issuer as of the date of this Summary are Deloitte Audit Limited of Deloitte Place, Triq l-Intornjatur, Zone 3, Central Business District, Birkirkara CBD3050, Malta. The annual statutory financial statements of the Issuer for the financial year ended 31 December, 2019, 31 December, 2020 and 31 December, 2021 have been audited by Deloitte Audit Limited.

1.2. WHAT IS THE KEY FINANCIAL INFORMATION REGARDING THE ISSUER?

The key information regarding the Issuer on a consolidated basis is set out below:

	FY 2021 Audited (€'000)	FY 2020 Audited (€'000)	FY 2019 Audited (€'000)	6-mth period ended 30 Jun'22 Unaudited (€'000	6-mth period ended 30 Jun'21 Unaudited (€'000)
Income Statement					
EBITDA	7,248	7,911	8,584	4,971	3,556
Cash Flow Statement					
Cash flows from (used in) operating activities	4,432	6,160	5,600	3,799	2,585
Cash flows from (used in) financing activities	(4,009)	(7,677)	(13,192)	(2,257)	(1,603)
Cash flows from (used in) investing activities	(510)	1,629	7,044	468	718
Statement of Financial Position					
Net financial debt	46,216	46,567	44,981	44,490	
Breakdown as follows:					
Borrowings and other financial liabilities	5,763	5,576	8,364	6,348	
Debt securities	34,789	34,717	34,648	34,838	
Lease liabilities	6,304	7,001	2,584	5,954	
Cash and cash equivalents	(640)	(727)	(615)	(2,650)	

1.3. WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE ISSUER?

The most material risk factors specific to the Issuer, which may adversely impact the operations and financial position of the Issuer should the circumstances mentioned therein materialise, are as follows:

1.3.1. Risks relating to the Issuer's dependence on its Subsidiaries

As at the date of the Prospectus, the financial performance and financial position of the Issuer is largely dependent, on income derived from BCT, which is engaged in the provision of port and related services in Riga, Latvia, and following completion of the Acquisition, on income derived from SIA Mariner Logistics (Latvian registration number 50203198151). In this respect, the operating results of the Group have a direct effect on the Issuer's financial position.

The ability of the aforementioned Subsidiaries to effect payments to the Issuer will depend on their respective cash flows and earnings. The occurrence of any such factor could have an adverse effect on the financial position and performance of the Issuer which may in turn negatively affect its ability to meet its obligations in respect of the payment of interest on the Bonds and repayment of principal when due.

1.3.2. Risks relating to the war in Ukraine

In response to the invasion of Ukraine by Russia, several industries implemented boycotts, bans, sanctions and other similar measures against Russia. The exact duration and effects of the war in Ukraine, its impact on global inflation, and the financial and economic effects it will have on BCT's port related operations and the Group, are inherently difficult to predict with any degree of accuracy. Consequently, the Group's business and financial performance remains susceptible to the risks relating to this growth in inflation, directly or indirectly related to the effects of the war in Ukraine.

1.3.3. Dependence on the Latvian market and exposure to economic and socio-political conditions

The Group's business activities are concentrated in, and aimed at, the Latvian market. Accordingly, the Group is highly susceptible to the economic trends that may from time to time be felt in Latvia, and other socio-political factors. Demand for the Group's services can be adversely affected by weakness in the wider economy beyond the Group's control. Negative economic factors and trends in Latvia could have a negative impact on the business of the Group, and in turn on the financial condition and prospects of the Issuer.

1.3.4. Risks relating to additional indebtedness

The Group may, from time to time, incur additional debt for the purpose of refinancing indebtedness as well as to fund future growth in terms of acquisitions and developments. Substantial borrowings under bank credit facilities are at variable interest rates, which causes the Group to be vulnerable to increases in interest rates. A portion of the cash flow generated from the Group's operations is utilised to repay their debt obligations pursuant to financial covenants to which they are subject, which gives rise to a reduction in the amount of cash available for distribution to the Issuer, including for the purpose of effecting payment of amounts owed to holders of its securities. Accordingly, by incurring additional debt, the financial position and performance of the Group, including the Issuer, could be negatively impacted.

1.3.5. Risks relating to competition

The Group operates in a highly competitive environment and faces competition from other entities in the markets within which it operates. Moreover, an increase in supply and, or a reduction in demand in the property segment in which the Group operates, may result in units forming part of their respective properties becoming vacant or being leased out at prices which are lower than what is being anticipated once current leases expire. Severe competition in the sectors within which the Group operates could adversely affect the business and operating results of the Group, and in turn its financial condition and prospects.

1.3.6. Dependence on the growth of trade volumes and the liberalisation of trade

Given BCT's dependence on the volume of container traffic and the liberalisation of trade, any developments of container volumes could impact BCT's revenue and profits. This could materially impair BCT's growth prospects and, in turn, could have an adverse effect on the business, results of operations, financial condition or prospects of the Issuer.

1.3.7. Risk of termination of the port concession licence

BCT operates at the Riga Free Port No. 48 under a port concession licence issued by the Riga Free Port Authority, which expires on 22 March, 2047. In the event that the right to suspend or cancel the licence is lawfully exercised as a result of a breach of any of the conditions contained therein, such termination will have a material adverse effect on the financial condition of BCT.

1.3.8. Risks specific to the property rental market

The Group companies operating within the real estate sector are susceptible to risks which are intrinsic to the real estate sector. The health of the property and commercial rental market in Latvia may be negatively affected by a number of factors. Moreover, an increase in the supply of commercial space could impact negatively upon capital values and income streams of the property. These factors are likely to cause property prices to change and an increase in supply and, or a reduction in demand in the property market to which the respective companies are exposed, could negatively impact their financial performance.

1.3.9. Risks relating to the rental income of the Group's commercial properties

Certain companies operating within the Group lease property to which they hold title to third parties. The revenue generated by these activities is dependent on tenants' fulfilment of their payment obligations. Due to reasons which are beyond the Group's control, there can be no assurance that the lessees will be in a position, at all times, to meet their obligations throughout the term. The failure to maintain a good relationship with existing lessees and, or sub-lessees, to renew lease agreements or enter into new lease agreements with new lessees and, or sub-lessees on similar or more favourable terms, could have a material adverse effect on the group's profitability in the real estate sector and its operational results as a whole.

1.3.10. Risks relating to concentration on key tenants

A significant portion of the revenue generated from the Group's property portfolio is dependent on key tenants occupying a significant portion of the Merkela Property and, post-Acquisition, the Mārupe Property. The financial failure of, or default in payment by, a key tenant under its lease is likely to cause a significant reduction in the Group's rental revenue from that property and consequently a reduction in the value of the property. Further to the above, commercial leases with third parties will be susceptible to risks inherent to the industries in which such third parties operate as well as the risks specific to their business. If any of the aforementioned risks were to materialise, this could have a material adverse effect on the Group and its business, and in turn on its results of operations and its prospects.

2. KEY INFORMATION ON THE SECURITIES

2.1. WHAT ARE THE MAIN FEATURES OF THE SECURITIES?

ISIN:	MT0000271222;
Description, amount:	up to €44,000,000 unsecured Bonds due 2032, having a nominal value of €100 per Bond issued at par;
Bond Issue Price:	at par (€100 per Bond);
Interest:	5% per annum;
Redemption Date:	16 December, 2032;
Status of the Bonds:	the Bonds constitute the general, direct, unsecured, and unconditional obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such obligations as may be mandatorily preferred by law, at all times rank at least equally with all the Issuer's present and future unsecured obligations;
Minimum amount per subscription:	in respect of the general public: minimum of €2,000 and multiples of €100 thereafter; and in respect of Existing Bondholders: no minimum amount per subscription shall be applicable;
Denomination:	Euro (€);
Form:	the Bonds shall be issued in fully registered and dematerialised form and shall be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD;
Rights attaching to the Bonds:	a Bondholder shall have such rights as are attached to the Bonds, including the repayment of capital; the payment of interest; ranking with respect to other indebtedness of the Issuer; the right to attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bonds; and the enjoyment of all such other rights attached to the Bonds emanating from the Prospectus;
Transferability:	the Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time;
Underwriting:	the Bond Issue is not subject to an underwriting agreement on a firm commitment basis.

2.2. WHERE WILL THE SECURITIES BE TRADED?

Application has been made to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List.

2.3. WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE SECURITIES?

2.3.1. Orderly and liquid market

The existence of an orderly and liquid market for the Bonds depends on a number of factors over which the Issuer has no control including the presence of willing buyers and sellers of the Bonds at any given time and the general economic conditions in the market in which the Bonds are traded. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Moreover, there can be no assurance that Bondholders will be able to sell the Bonds at or above the Bond Issue Price or at all.

2.3.2. Future public offers

No prediction can be made about the effect which any future public offerings of the Issuer's Bonds (including but not limited to the effects arising out of a change in the cash flow requirements of the Issuer or other commitments of the Issuer *vis-à-vis* the new security holders), or any takeover or merger activity involving the Issuer (including but not limited to a de-listing, in full or in part, of the Bonds), will have on the market price of the Bonds prevailing from time to time.

2.3.3. Ranking of the Bonds

Any secured or privileged debts of the Issuer shall rank at all times ahead of the obligations of the Issuer under the Bonds, as a result of which the Bondholders may not be able to recover their investment in the Bonds in the case of insolvency or an equivalent situation, whether in full or in part. Furthermore, third-party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer, as the case may be, for so long as such security interests remain in effect.

2.3.4. Subsequent changes in interest rates and the potential impact of inflation

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the market value of the Bonds. When prevailing market interest rates are rising, the prices that market participants will generally be willing to pay for the Bonds can be expected to decline. Conversely, if market interest rates are declining, secondary market prices for the Bonds can generally be expected to rise. Moreover, the coupon payable on the Bonds is a nominal interest rate. The real interest rate is computed by subtracting inflation from the nominal interest rate, the result of which indicates the real return on the Bond coupons. In a period of high inflation, an investor's real return on the Bonds will be lower than the Bonds' nominal interest rate and thus undermine an investor's expected return. Furthermore, an increase in inflation may result in a decrease in the traded price of the Bonds on the secondary market.

3. KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

3.1. UNDER WHICH CONDITIONS AND TIMETABLE CAN I INVEST IN THIS SECURITY?

3.1.1. Plan of distribution, allotment and allocation policy

The Bonds shall be made available for subscription as follows:

(a) an amount of up to €35,000,000 in nominal value of Bonds, shall be made available for subscription by Existing Bondholders during the Offer Period, electing to subscribe for Bonds by Exchangeable Bond Transfer; and

(b) an amount of up to €9,000,000 in nominal value of Bonds, as such amount would be increased by any amount not subscribed for by Existing Bondholders by way of Exchangeable Bond Transfer pursuant to 3.3.1 (a) above, and thus resulting in part of the amount referred to in (a) above becoming available for distribution other than by way of Exchangeable Bond Transfer, shall be made available for subscription by Existing Bondholders applying for Excess and the general public, *pari passu* between themselves.

The Bonds are open for subscription during the Offer Period by Existing Bondholders as well as by the general public. All subscriptions shall be made through Authorised Financial Intermediaries. Subscriptions by the general public shall be subject to a minimum subscription amount of €2,000 in nominal value of Bonds and in multiples of €100 thereafter. Subscriptions by Existing Bondholders electing to participate in the Exchangeable Bond Transfer shall not be subject to minimum subscription requirements.

Existing Bondholders applying for Bonds are to submit an Application Form 'A' to an Authorised Financial Intermediary listed in Annex II and are to settle all or part of the amount due on the Bonds applied for by the transfer to the Issuer of Exchangeable Bonds held by them as at the Cut-Off Date. The consideration for the purchase of the Exchangeable Bonds by the Issuer shall be €101.50 per Exchangeable Bond. Such consideration will be settled as follows:

(i) Existing Bondholders electing to subscribe for Bonds through the transfer to the Issuer of all or part of the Exchangeable

Bonds held by them as at the Cut-Off Date shall be allocated such number of Bonds representing the nominal value of Exchangeable Bonds transferred to the Issuer at the Bond Issue Price; and

(ii) the difference of €1.50 shall be settled by the Issuer by the settlement in cash of €1.50 per Exchangeable Bond so purchased by the Issuer by virtue of the Exchangeable Bond Transfer (the "**Cash Settlement**"). The said amount shall be settled within 30 calendar days from admission to listing of the Bonds by direct credit transfer of the Cash Settlement to the bank account corresponding to the Existing Bondholder in the register of Existing Bondholders. The Issuer shall not be responsible for any charges, loss or delay in transmission.

Interest on the Exchangeable Bonds subject to the Exchangeable Bond Transfer, which has accrued up to and including the 15 December, 2022, shall be settled by the Issuer within 30 calendar days from admission to listing of the Bonds. The settlement of accrued interest shall be made by the Issuer by direct credit transfer to the aforementioned bank account. The Issuer shall not be responsible for any charges, loss or delay in transmission.

Other Applicants not being Existing Bondholders are to submit an Application Form 'B' to an Authorised Financial Intermediary.

Dealings in the Bonds shall not commence prior to the Bonds being admitted to the Official List.

3.1.2. Expected timetable of the Bond Issue

1	Application Forms mailed to Existing Bondholders as at the Cut-Off Date	25 November, 2022
2	Offer Period	28 November, 2022 to 16 December, 2022
3	Commencement of interest on the Bonds	16 December, 2022
4	Announcement of basis of acceptance	23 December, 2022
5	Refunds of unallocated monies (if any)	3 January, 2023
6	Expected dispatch of allotment advices	3 January, 2023
7	Expected date of admission of the Bonds to listing	3 January, 2023
8	Expected date of commencement of trading in the Bonds	4 January, 2023

The Issuer reserves the right to close the Offer Period before 16 December, 2022 in the event of over-subscription, in which case the events set out in points 4 to 8 above will be brought forward, but shall be kept in the same chronological order as set out above.

3.1.3. Total estimated expenses

Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €880,000 in the aggregate. The expenses pertaining to the Bond Issue shall be borne exclusively by the Issuer.

3.2. WHY IS THIS PROSPECTUS BEING PRODUCED?

3.2.1. The use and estimated net amount of the proceeds

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €43,120,000, will be utilised by the Issuer for the following purposes:

(a) an amount of up to €35,525,000 in the form of Exchangeable Bonds surrendered by Existing Bondholders in favour of the Issuer by virtue of an Exchangeable Bond Transfer, resulting in the purchase of Exchangeable Bonds from said Existing Bondholders by the Issuer, for cancellation (as at the date of the Prospectus the total value of Exchangeable Bonds in issue stands at €35,000,000, with an additional amount of *circa* €525,000 attributable to the payment of Cash Settlements arising from the aforementioned Exchangeable Bond Transfer); and

(b) an amount of *circa* €7,595,000 shall be applied towards general corporate funding purposes. Such proceeds may be used, in part, to finance capital expenditure of the Issuer or any of its Subsidiaries.

3.2.2. Conflicts of interest pertaining to the Bond Issue

Save for the subscription for Bonds by Authorised Financial Intermediaries, and any fees payable in connection with the Bond Issue to M. Z. Investment Services Ltd as Sponsor and Bank of Valletta p.l.c. as Manager and Registrar, in so far as the Issuer is aware, no person involved in the Bond Issue has an interest, conflicting or otherwise, which is material to the Bond Issue.

REGISTRATION DOCUMENT

21 November, 2022

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

This Registration Document is being issued by:

MARINER
FINANCE PLC

MARINER FINANCE P.L.C.

a public limited liability company registered under the laws of Malta
with company registration number C 31514

SPONSOR	MANAGER AND REGISTRAR	LEGAL COUNSEL
MZ INVESTMENT SERVICES	BOV Bank of Valletta	CAMILLERI PREZIOSI ADVOCATES

THIS REGISTRATION DOCUMENT HAS BEEN APPROVED BY THE MFSA, AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THIS MEANS THAT THE MFSA HAS ONLY APPROVED THIS REGISTRATION DOCUMENT AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY AS PRESCRIBED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT, HOWEVER, BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER THAT IS THE SUBJECT OF THIS REGISTRATION DOCUMENT. IN PROVIDING THIS AUTHORISATION, THE MFSA DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS OF INVESTING IN SECURITIES ISSUED BY THE ISSUER AND SUCH AUTHORISATION SHOULD NOT BE DEEMED, OR BE CONSTRUED, AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN ANY SUCH SECURITIES.

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A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENT.

APPROVED BY THE BOARD OF DIRECTORS

Marin Hili	Ian Micallef

signing in their capacities as directors of the Issuer and on behalf of:

Michela Borg   Anthony Busuttil   Edward Hili   Kevin Saliba   Lawrence Zammit

IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT FORMS PART OF THE PROSPECTUS AND CONTAINS INFORMATION ON MARINER FINANCE P.L.C. (C 31514) (THE "**ISSUER**"), AND THE BUSINESS OF THE GROUP OF WHICH IT FORMS PART, IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES, THE ACT, THE FMA AND THE PROSPECTUS REGULATION.

A COPY OF THIS REGISTRATION DOCUMENT HAS BEEN SUBMITTED TO THE MFSA IN SATISFACTION OF THE CAPITAL MARKETS RULES, THE MSE IN SATISFACTION OF THE MSE BYE-LAWS, AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES AT THE MALTA BUSINESS REGISTRY IN ACCORDANCE WITH THE ACT.

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

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS REGISTRATION DOCUMENT AND ANY PERSON WISHING TO APPLY FOR THE BONDS TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS IN THE BONDS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY BONDS AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE AND, OR DOMICILE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISERS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.

THE ISSUER HAS CONSENTED TO THE AUTHORISED FINANCIAL INTERMEDIARIES MAKING USE OF THIS REGISTRATION DOCUMENT IN CONNECTION WITH THEIR DISTRIBUTION AND PLACEMENT ACTIVITIES FOR THE SALE OF THE BONDS.

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

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

THIS REGISTRATION DOCUMENT IS VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE HEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS OBLIGED TO PUBLISH A SUPPLEMENT ONLY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES RELATING TO THE INFORMATION SET OUT IN THE PROSPECTUS WHICH MAY AFFECT THE ASSESSMENT OF THE SECURITIES AND WHICH ARISES OR IS NOTED BETWEEN THE TIME WHEN THE PROSPECTUS IS APPROVED AND THE CLOSING OF THE ISSUE PERIOD OR THE TIME WHEN TRADING ON A REGULATED MARKET COMMENCES, WHICHEVER OCCURS LATER. THE OBLIGATION TO SUPPLEMENT THE

PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES DOES NOT APPLY WHEN THE PROSPECTUS IS NO LONGER VALID.

ALL THE ADVISERS TO THE ISSUER NAMED IN SECTION 4.1 OF THIS REGISTRATION DOCUMENT HAVE ACTED, AND ARE ACTING, EXCLUSIVELY FOR THE ISSUER IN RELATION TO THE PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON, AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

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

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

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 FINANCIAL AND OTHER PROFESSIONAL ADVISERS.

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1. DEFINITIONS

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

Acquisition	the acquisition by the Issuer of the entire issued share capital of SIA Mariner Logistics, as further described in section 7.4 of this Registration Document;
Authorised Financial Intermediary(ies)	the financial intermediaries whose details appear in Annex II of the Securities Note;
Act	the Companies Act (Cap. 386 of the laws of Malta), as may be amended from time to time;
Bond(s)	the unsecured bonds of an aggregate principal amount of up to €44,000,000 of a nominal value of €100 per bond, issued at par and redeemable at their nominal value on the Redemption Date, as applicable, and bearing interest at the rate of 5% per annum and having ISIN MT0000271222, as described in further detail in the Securities Note;
Bondholder	a holder of the Bonds;
Bond Issue	the issue of the Bonds;
Capital Markets Rules	the capital markets rules issued by the MFSA, as may be amended from time to time;
Cut-Off Date	close of business on 11 November, 2022 (trading session of 9 November, 2022);
Directors or Board	the directors of the Issuer whose names are set out in section 9.1 of this Registration Document;
EU	European Union;
Euro or **€**	the lawful currency of the Republic of Malta;
Exchangeable Bonds	the 5.3% unsecured bonds (ISIN MT0000271214) redeemable on 3 July, 2024 amounting, as at the date of the Prospectus, to €35,000,000 issued by the Issuer pursuant to a prospectus dated 2 June, 2014;
Existing Bondholders	the holders of the Exchangeable Bonds as at the Cut-Off Date;
FMA	the Financial Markets Act (Cap. 345 of the laws of Malta), as may be amended from time to time;
Hili Company	Hili Company Limited, a private limited liability company registered under the laws of Malta with company registration number C 62988 and having its registered office at 37, Triq Censu Tabone, St. Julian's STJ 1218, Malta;
Issuer	Mariner Finance p.l.c., a public limited liability company registered under the laws of Malta with company registration number C 31514 and having its registered office at 37, Triq Censu Tabone, St. Julian's STJ 1218, Malta;
Malta Financial Services Authority or **MFSA**	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta), being the competent authority to approve prospectuses of any offer of securities to the public in Malta in terms of the FMA;
Malta Stock Exchange or **MSE**	Malta Stock Exchange p.l.c., as originally constituted in terms of the FMA with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Manager and Registrar	Bank of Valletta p.l.c., a public limited liability company registered in Malta, with company registration number C 2833 and having its registered office at 58, Zachary Street, Valletta VLT 1130, Malta;
Mariner Capital Limited	a private limited liability company registered under the laws of Malta with company registration number C 11890 and having its registered office at 37, Triq Censu Tabone, St. Julian's STJ 1218, Malta, a wholly owned subsidiary of Hili Company;
Mariner Group or **Group**	the Issuer and its Subsidiaries;
Mariner S.R.L.	a private limited liability company registered under the laws of Italy with company registration number 666981 and having its registered office at Via Ugo Foscolo, 8-35131, Padova (PD), Italy;

Mārupe Property	has the same meaning assigned to it in section 7.4.1 of this Registration Document;
Memorandum and Articles of Association	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus in the form as registered with the Registrar of Companies at the Malta Business Registry. The terms "**Memorandum**", "**Articles**" and "**Articles of Association**" shall be construed accordingly;
Merkela Property	has the same meaning assigned to it in section 7.3.1 of this Registration Document;
MSE Bye-Laws	the bye-laws issued by the MSE;
Prospectus	collectively, the Registration Document, the Securities Note and the Summary;
Prospectus Regulation	Regulation (EU) No. 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, as amended from time to time, and as supplemented in accordance with the provisions of Commission Delegated Regulation No. 2019/979 and Commission Delegated Regulation No. 2019/980 issued thereunder, as may be amended from time to time;
Redemption Date	means, with respect to the Bonds, 16 December, 2032;
Registration Document	this document in its entirety issued by the Issuer in respect of the Bond Issue, dated 21 November, 2022, forming part of the Prospectus;
Securities Note	the securities note issued by the Issuer in respect of the Bond Issue, dated 21 November, 2022, forming part of the Prospectus;
SIA Baltic Container Terminal or **BCT**	a company registered under the laws of Latvia with company registration number 000328803 and having its registered office at 32 Uriekstes Street, Riga LV-1005, Latvia, a wholly owned subsidiary of MFB;
SIA Mariner Finance Baltic or **MFB**	a company registered under the laws of Latvia with company registration number 40103643056 and having its registered office at 32 Uriekstes Street, LV-1005, Latvia, a wholly owned subsidiary of the Issuer;
SIA Mariner Logistics	a company registered under the laws of Latvia with company registration number 50203198151 and having its registered office at Uriekstes 32, LV-1005, Riga, Latvia, currently a wholly owned subsidiary of Mariner Capital Limited;
Sponsor	M.Z. Investment Services Limited, a private limited liability company registered in Malta, having company registration number C 23936 and registered office at 61, M.Z. House, St. Rita Street, Rabat RBT 1523, Malta, licensed by the MFSA and member of the MSE;
Subsidiaries	an entity over which the Issuer has control over from time to time, including, following completion of the Acquisition, SIA Mariner Logistics. In terms of the International Financial Reporting Standards adopted by the European Union, a group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The term "**Subsidiary**" shall be construed accordingly. The term "**Subsidiaries**" shall collectively refer to the said entities; and
Summary	the summary issued by the Issuer dated 21 November, 2022, 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. all references in this Registration Document to "*Malta*" shall be construed as defined in Article 124 (1) of the Constitution of Malta;
e. any phrase introduced by the terms "*including*", "*include*", "*in particular*" or any similar expression is illustrative only and does not limit the sense of the words preceding those terms; and
f. 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 date of this Registration Document.

2. 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 THIS 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 A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

THE RISK FACTORS BELOW HAVE BEEN CATEGORISED UNDER THREE MAIN CATEGORIES, AS FOLLOWS: (I) RISKS RELATING TO THE ISSUER PER SE; (II) RISKS RELATING TO THE MARINER GROUP AND ITS BUSINESS; AND (III) OTHER SECTOR-SPECIFIC RISKS. (II) HAS, IN TURN, BEEN SUB-CATEGORISED INTO: (A) ECONOMIC AND FINANCIAL RISKS OF THE GROUP; (B) BUSINESS AND OPERATIONAL RISKS OF THE GROUP; AND (C) REGULATORY AND LEGAL RISKS. (III) HAS, IN TURN, BEEN SUB-CATEGORISED INTO: (A) RISKS RELATING TO THE CONTAINER SHIPPING INDUSTRY; AND (B) RISKS RELATING TO THE REAL ESTATE SECTOR.

THE RISK FACTOR FIRST APPEARING UNDER EACH CATEGORY CONSTITUTES THAT RISK FACTOR WHICH THE DIRECTORS HAVE ASSESSED TO BE THE MOST MATERIAL RISK FACTOR UNDER SUCH CATEGORY AS AT THE DATE OF THIS REGISTRATION DOCUMENT. IN MAKING THIS ASSESSMENT OF MATERIALITY, THE DIRECTORS HAVE EVALUATED THE COMBINATION OF: (I) THE PROBABILITY THAT THE RISK FACTOR OCCURS; AND (II) THE EXPECTED MAGNITUDE OF THE ADVERSE EFFECT ON THE FINANCIAL CONDITION AND PERFORMANCE OF THE COMPANY, OR THE ESTATES GROUP, IF THE RISK FACTOR WERE TO MATERIALISE.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS ADVERSE EFFECT ON THE ISSUER'S FINANCIAL RESULTS, FINANCIAL CONDITION, OPERATIONAL PERFORMANCE, BUSINESS AND, OR TRADING PROSPECTS, AS WELL AS THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES ISSUED BY IT FROM TIME TO TIME. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS AS AT THE DATE OF THIS REGISTRATION DOCUMENT, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER OR GROUP FACES OR COULD FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL ADVERSE IMPACT ON THE ISSUER'S FINANCIAL RESULTS, FINANCIAL CONDITION, OPERATIONAL PERFORMANCE, BUSINESS AND, OR TRADING PROSPECTS.

THE PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN AND, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH BONDS ISSUED BY THE ISSUER:

i. **IS NOT INTENDED TO PROVIDE THE BASIS FOR ANY CREDIT OR OTHER EVALUATION;**
ii. **IS NOT AND SHOULD NOT BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE DIRECTORS, ANY OF THE ADVISERS LISTED IN SECTION 4.1 BELOW, OR ANY OF THE AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THIS PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE THE BONDS ISSUED BY THE ISSUER (AND THEREFORE PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS REGISTRATION DOCUMENT); AND**
iii. **CONTAIN STATEMENTS THAT ARE, OR MAY BE DEEMED TO BE, "FORWARD-LOOKING STATEMENTS".**

2.1. FORWARD-LOOKING STATEMENT

Forward-looking statements can be identified by the use of forward-looking terminology, including the terms ''*believes*'', ''*estimates*'', "*forecasts*", "*projects*", ''*anticipates*'', ''*expects*'', "*envisages*", ''*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 within the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and, or the Directors concerning, amongst other things, the Issuer's strategy and business plans, financial condition and performance, results of operations, liquidity, prospects, investments, 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 Issuer's and, or the Group's actual operational results, financial condition and performance, and trading prospects may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the operational results, financial condition and performance, and trading prospects of the Issuer and, or the Group are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, those factors identified under this section 2 of this Registration Document and elsewhere in the Prospectus.

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

2.2. RISKS RELATING TO THE ISSUER

2.2.1. Risks relating to the Issuer's dependence on its Subsidiaries

As further described in section 7.1, "*Principal Activities*", of this Registration Document, the Issuer is principally the holding as well as the finance and investment company of its main operating (indirect) subsidiary, namely, SIA Baltic Container Terminal (BCT), which is engaged in the provision of port and related services in the port of Riga, Latvia. As such, the Issuer's assets consist primarily in investments in Group companies, particularly, its investment in BCT.

Consequently, as at the date of this Registration Document, the financial performance and financial position of the Issuer is largely dependent, including for the purpose of servicing interest payments on the Bonds and the repayment of the principal on maturity date, on income derived from BCT. In this respect, the operating results of the Mariner Group have a direct effect on the Issuer's financial position, and therefore the risks intrinsic in the business and operations of BCT have a direct effect on Issuer. In the event that BCT significantly underperforms or otherwise experiences adverse fluctuations in cash flows, volatility in cash flows, liquidity strains or other financial difficulties, such underperformance or adverse financial position and operational results may, in turn, adversely affect the financial position and operational results of the Issuer, and impact negatively the market value of the securities issued by the Issuer from time to time, including the Bonds, and, or, the ability of the Issuer to meet its obligations towards holders of its debt or other securities, including its obligations towards Bondholders under the Bonds.

Following the completion of the Acquisition (described in section 7.4 of this Registration Document), the financial performance and financial position of the Issuer will, to a certain extent, also be dependent on the income derived from the performance of SIA Mariner Logistics. In the event that SIA Mariner Logistics underperforms in any one financial year, such underperformance or adverse financial position and operation results may, in turn, adversely affect the financial position of the Issuer.

The ability of the aforementioned Subsidiaries to affect payments to the Issuer will depend on their respective cash flows and earnings which may be restricted by changes in applicable laws and regulations; the terms of agreements to which they are or may become party, including the indenture governing their existing indebtedness, if any; or other factors beyond the Issuer's control. The additional risks specific to the sectors in which said Subsidiaries, upon which the Issuer depends, operate, are set out in section 2.4 below. The occurrence of any such factor could have an adverse effect on the financial position and performance of the Issuer, which may in turn negatively affect its ability to meet its obligations in respect of the payment of interest on the Bonds and repayment of principal when due.

2.2.2. Risks relating to the Issuer's dependence on the Merkela Property

As further described in section 7.3.1 of this Registration Document, the Issuer is the owner and operator of the Merkela Property, which it leases out to third parties. Consequently, the risks intrinsic to the real estate market, expounded upon in section 2.4 of this Registration document ('*Other Sector-Specific Risks*'), may have a direct effect on the Issuer and its financial position.

The financial performance and financial position of the Issuer is dependent on, including for the purpose of servicing interest payments on the Bonds and the repayment of the principal on maturity date, the generation of rental income from the Merkela Property. In the event that any key tenant of the Merkela Property fails to fulfil its obligations or terminates its lease agreement with the Issuer, the reduction in rental income may have a direct effect on the operational results of the Issuer and its financial position and performance.

Furthermore, in the event that the value of the Merkela Property depreciates in any one financial year or otherwise experiences adverse fluctuations due to volatility in the real estate market, such depreciation may, in turn, adversely affect the financial position of the Issuer.

2.3. RISKS RELATING TO THE MARINER GROUP AND ITS BUSINESS

2.3.1. Economic and financial risks of the Group

2.3.1.1. Risks relating to the war in Ukraine

In response to the invasion of Ukraine by Russia, several industries implemented boycotts, bans and other forms of retaliation against Russia. Global geopolitical risks have soared since Russia's invasion of Ukraine, with periods of elevated geopolitical risks having historically been associated with sizable negative effects on global economic activity. Some economic effects are already materialising, with the economies of both Russia and Ukraine having contracted sharply as a direct result of the war and the sanctions imposed on Russia. Commodity markets are similarly in turmoil and financial markets have been highly volatile since the start of the conflict, all together putting downward pressure on global activity and upward pressure on inflation.

As a direct result of the war in Ukraine, in April and May, 2022, while it has still been possible for unsanctioned cargoes to be transported, transit to and from Russia has overall decreased. This may have an adverse effect on the operations of BCT and, in turn, the overall financial position, performance, and operational results of the Mariner Group. The exact duration and effects of the war in Ukraine, its impact in global inflation, and the financial and economic effects it will have on BTC's port-related operations and the Mariner Group are inherently difficult to predict with any degree of accuracy.

Consequently, the Mariner Group's business and financial performance remains susceptible to the risks described hereabove, directly or indirectly related to the effects of the war in Ukraine.

2.3.1.2. Risks relating to the global economy and financial markets

The operations of the Mariner Group are affected by conditions in the global economy and financial markets. Over the past months, inflation rates have risen in the EU and in most countries over the world due to a number of factors, including but not limited to, the Russian invasion of Ukraine, leading to higher energy and commodity prices. Inflation pressures may, in turn, result in periods of significant volatility in the financial markets and may increase the risks of recession. Changes in overall economic conditions, inflation, consumer and business spending, recession, and other general factors, including public health crises such as the COVID-19 pandemic, which are beyond the Group's control, may have an adverse effect on the Group's business and financial performance.

2.3.1.3. Dependence of the Latvian market and exposure to economic and socio-political conditions

As at the date of this Registration Document, the Mariner Group's business activities are concentrated in, and aimed at, the Latvian market. Accordingly, the Mariner Group is highly susceptible to the economic trends that may from time to time be felt in Latvia, including fluctuations in consumer demand, financial market volatility, inflation, the property market, interest rates, exchange rates, direct and indirect taxation, wage rates, utility costs, government spending and budget priorities and other general market, economic and social factors.

A significant economic decline in the Latvian market could impact the Group's ability to continue to grow. Demand for the Group's services can be adversely affected by weakness in the wider economy beyond the Group's control. Negative economic factors and trends in Latvia could have a negative impact on the business of the Group, and, in turn, on the financial condition and prospects of the Issuer.

2.3.1.4. Risks relating to the Group's financing strategy

The Issuer or any Subsidiary may not be able to secure sufficient financing for its future operations and investments. No assurance can be given that sufficient financing will be available on commercially reasonable terms or within the timeframes required by the Issuer or any of its Subsidiaries. Failure to obtain, or delays in obtaining the capital required to complete current or future developments and investments on commercially reasonable terms, including increases in borrowing costs or decreases in loan availability, may limit the Group's, including the Issuer's, growth, and may materially and adversely affect its business, financial condition, and prospects.

2.3.1.5. Risks relating to additional indebtedness

The Group may, from time to time, incur additional debt for the purpose of refinancing indebtedness as well as to fund future growth in terms of acquisitions and developments. Substantial borrowings under bank credit facilities are at variable interest rates, which causes the Group to be vulnerable to increases in interest rates. The agreements regulating the Issuer's bank debt impose and are likely to impose significant operating restrictions and financial covenants on the Issuer. These restrictions and covenants 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. A portion of the cash flow generated from the Group's operations is utilised to repay their debt obligations pursuant to financial covenants to which they are subject. This gives rise to a reduction in the amount of cash available for distribution to the Issuer's which would otherwise be available for funding of the Group's working capital, capital expenditure, development costs and other general corporate costs or for the payment of amounts owed to holder of its securities.

The Issuer and any member of the Mariner Group may in certain cases be required to provide security or guarantees for debts contracted by itself or any other member of the Group. As at the date of this Registration Document, a number of movable and immovable assets of the Group, including but not limited to, the Mārupe Property held by SIA Mariner Logistics, as well as number of movable and immovable assets owned by BCT, are secured in favour of a Latvian credit institution. Additionally, the entire issued share capital of a number of group companies, including but not limited to that of SIA Mariner Logistics (which company is intended to be acquired by the Issuer following completion of the Acquisition), has been pledged in favour of the said credit institution. Defaults under financing agreements could lead to the enforcement of security over property owned by the Mariner Group, where applicable, and, or cross-defaults under other financing agreements. This could, in turn, materially adversely affect business, operating results or the financial condition of the Group.

2.3.1.6. Concentration risks

Concentration risk arises due to a high level of exposure by the Mariner Group to: (i) individual counterparties; (ii) specific industry sectors; (iii) a single currency; (iv) credit exposures secured by a single security; and, or (v) geographical regions or countries, in particular, those countries on which the Issuer is dependent to generate high volumes of business. As a significant proportion of revenue generated by the Group is derived from its container terminal operations, the Group is subject to sector-specific concentration risk. Moreover, the Group operates solely in Latvia and is therefore also subject to geographical-specific concentration risk, as further detailed in section 7.2 of this Registration Document. Consequently, a decline in revenue generated from its container business operations and, or any significant downturn in the Latvian market, could negatively impact the financial performance of the Group, including that of the Issuer.

2.3.1.7. Risks associated with currency fluctuations and the reference currency of the Group

The Group's overseas business operations are exposed to currency fluctuation risks in respect of certain transactions not denominated in Euro, in particular transactions denominated in US Dollars. To the extent that there are fluctuations in exchange rates exceeding the said tolerance level, this could have a material impact on the Group's financial position or results of operations. The Directors cannot predict the effect of exchange rate fluctuations upon future operating results and there can be no assurance that exchange rate fluctuations will not have a material adverse effect on the business, operating results or financial condition of the Group.

2.3.1.8. Risks relating to the economic repercussions of the COVID-19 pandemic

As a direct result of the spread of COVID-19, global economic activity has experienced a general downturn, with certain industry sectors and market segments having been affected more harshly than others. A sudden surge in freight rates, which reached historical highs by end-2020 and early 2021, resulted in declines in both container volumes handled and occupancy levels within the Group's principal activities when compared to the financial results obtained prior to the COVID-19 outbreak.

The pandemic has posed significant challenges to the continuity, efficacy, and proper functioning of the day-to-day operations of the Group, particularly insofar as BCT's operations are concerned. A spread of such disease amongst the employees of the Mariner Group, as well as any self-quarantine measures affecting the employees of the Group or the Group's properties, may negatively impact the ability of the Group's personnel to carry out their work at full-functionality and, or capacity, and thereby negatively affect the Group's operations.

Moreover, the real estate sector has emerged as one of the sectors impacted most significantly by the pandemic. The pandemic has significantly impacted the Issuer's operation of the Merkela Property, and in consequence, the Issuer has offered a number of its tenants discounted rental charges resulting in an uptake in occupancy at the Merkela Property. Should the real estate sector continue to suffer the consequences of the COVID-19 pandemic, this may adversely affect the profitability of the Group.

The Issuer and the Group's business, operations, and financial performance remain susceptible to the risk relating to the uncertainty surrounding the constantly changing circumstances within which it finds itself operating as a result of COVID-19, as well as the risks of the effects of the corresponding restrictive or prohibitive measures that have been, and may in the future, be introduced a result thereof or in connection therewith. Any of the COVID-19 related factors could have an adverse effect on the Group's operational results, financial position and performance, trading prospects and its ability to continue on a going-concern basis.

2.3.2. Business and operational risks of the Group

2.3.2.1. Risks relating to the expansion of the Group's business through potential acquisitions

As elaborated on in section 7.4 of this Registration Document, the Issuer intends to increase its business in the real estate sector through the Acquisition. Moreover, in the coming years, the Mariner Group may also seek to expand its operations in the container shipping business through the acquisition of third-party container terminals. Any future acquisitions that the Group may undertake entail certain risks, including the failure to realise the expected benefits of the acquisitions and the incurrence of unexpected risks and obligations.

Acquisitions are also subject to the risk that the target is overvalued and thus the payment of consideration is greater than the acquisition's actual market value. Acquiring additional businesses could also place increased pressure on the Group's cash flows and give rise to the incurrence of significantly higher than anticipated financing-related risks and operating expenses, especially if the acquisition is paid for in cash. Furthermore, if an acquisition is not completed, this may adversely impact the Group's strategic objectives. If any such risks were to materialise in conjunction with an acquisition, this could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

In addition, the Group may experience problems in integrating potential acquisitions into its business and managing them optimally, and such integration may place additional strain on management resources. The acquisition of operations located outside of the area in which the Group currently operates can expose the Group to the risks of operating in new geographies. The above could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

2.3.2.2. Risks relating to competition

The Mariner Group operates in a highly competitive environment and faces competition from other entities in the markets within which it operates.

BCT faces competition from two other terminals in Riga, namely, Riga Central Terminal (RCT) and Riga Universal Terminal (RUT), which terminals handle smaller volumes of containerised cargo. As further described in section 7.3.2.3 of this Registration Document, Klaipeda Container Terminal (KCT), Klaipeda Smelte Container Terminal (KSCT) and HHLA Muuga (HHLA), located in the neighbouring Baltic States represent direct competition to BCT due to their similar geographical locations, hinterland markets, inland connections, geopolitical environment and general terminal facilities.

Moreover, an increase in supply and, or a reduction in demand in the property segment in which the Issuer and following the Acquisition, SIA Mariner Logistics, operate, may result in units forming part of their respective properties (the Merkela Property and the Mārupe Property, respectively) becoming vacant or being leased out at prices which are lower than what is being anticipated once current leases expire.

Severe competition in the sectors within which the Mariner Group operates, and changes in economic and market conditions could adversely affect the business and operating results of the Mariner Group, and in turn its financial condition and prospects.

2.3.2.3. Exposure to environmental liabilities

Members of the Mariner Group 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, property owned or occupied by it, which costs may be substantial. The Group may also be required to remove or remediate 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 property 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 its business, financial condition and results of operations.

In particular, the activities relating to the operation and management of BCT's container terminal business, and its ancillary activities, subject the Group to a variety of laws and regulations, whether in Latvia, or in other jurisdictions, relating to the environment, marine conservation, air and water pollution, health and safety, employment, planning, land use and development standards which may be subject to change from time to time and which impose liability including liability for personal injury, environmental damage and other damages. A breach by the Issuer of any of such laws and regulations, to which it is subject, or its failure to adapt in a timely manner to changes thereof, could materially adversely affect the financial condition of the Issuer, the results of its operations, and its ability to meet its obligations under the Bonds.

2.3.2.4. Risks relating to key senior management and other personnel

The growth and success of the Mariner Group is partially attributable to the efforts and abilities of its personnel, specifically the members of its executive management team and other key personnel, including executive, management, sales, and project management personnel and upon their ability to attract, develop and retain such key personnel to manage and grow the business.

The inability of the Group to attract and, or retain, highly skilled and qualified personnel with the necessary sector-specific experience and expertise, could have an adverse effect on the Group's operational results, business relationships with both partners and customers and accordingly, its ability to meet its strategic objectives. Moreover, if a member of the executive management team were to be unable or unwilling to continue in their present position, particularly if this member were to be lost to one of the Group's competitors, the Group might not be able to replace the said member within the short term, which could have a material adverse effect on the business, operational results and financial condition of the Group, and its ability to meet its strategic objectives.

2.3.2.5. Risks relating to the Group's insurance cover

The Mariner Group has maintained insurance at levels determined by the Group to be appropriate in light of the cost of cover and the risk profiles of the sectors in which the Group operates. However, it may be difficult and may take time to recover losses from insurers, as and when necessary. In addition, the Group may not be able to recover the full amount from the insurer due to procedural restrictions or formalities, or due to substantive exclusions, exemptions, limitations on coverage, de minimis liability coverage limitations, prescriptive time periods and limitations, reporting or other disclosure requirements, licensing or other authorisation or registration requirements, breach of restrictive covenants or undertakings, breach of warranties and, or, representations, as well as restrictions or formalities relating to the initiation of, and control over, litigation, investigations or other proceedings relating thereto.

Insofar as the Group's container shipping business is concerned, BCT carries insurance for all of its operations in line with currently accepted market practice. Although BCT's contracts generally provide that BCT is liable for damage to or loss of cargo it handles, its liability is limited to the cargo value stated on the applicable customs declaration. BCT's contractual liability for export cargo handling begins when the railcar or truck enters its territory at the port and ends when the consignment is issued after having loaded the cargo onboard the vessel, and vice versa for import cargo handling. BCT's insurance against such liabilities is limited to third party liability insurance against damage to or destruction of the cargo up to its replacement value. If an uninsured event were to occur and BCT were liable for it or if BCT were to experience difficulty collecting insurance compensation that is due to it, BCT could experience significant disruption in its operations and, or requirements to make significant payments for which it would not be compensated. This, in turn could substantially impair BCT's growth prospects and could have a material adverse effect on BCT's, and in turn the Mariner Group's business, results of operations, financial condition or prospects.

No assurance can be given that the Group'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. In addition, changes in legislation or judicial interpretation, or the issuance or alteration of directives, orders, or other measures (whether interim or otherwise), by the relevant authorities may impact the ability to recoup losses under insurance coverage held by the Group. Furthermore, the actions, or inactions of employees or other officials of the Group, or of contractors, sub-contractors, outsourcing parties, or other third-parties engaged by the Group from time to time, may affect the ability of the Group to successfully make a claim under its insurance policies.

2.3.2.6. Interest rate risks

An increase in interest rates on the Issuer's existing or future borrowings may increase the costs of the Issuer's borrowings and have an adverse effect on the profitability of the Issuer.

2.3.2.7. Counterparty risks

The Issuer may enter into transactions which would expose the Issuer to the credit risk of third parties and their ability to satisfy the terms of such contract. In the event of a bankruptcy or insolvency of such third parties, the Issuer could experience significant losses.

2.3.3. Regulatory and legal risks

2.3.3.1. Risks relating to legal and regulatory changes

The operations of the Mariner Group are subject to regulatory requirements applicable to all sectors within which it operate including laws and regulations relating to health and safety, environmental protection, construction, property acquisition and development, employment law, consumer protection, data protection, cyber-security, anti-money laundering and counter-terrorist financing, and ongoing disclosure and reporting obligations, among others. Regulatory changes may require significant changes to the way the business operates and may inhibit a Group company's strategy with respect to the markets in which the respective company operates, brand protection, and use or transmission of customer data.

A Group company may be unable to anticipate the implications of legal and regulatory changes in a given sector, which necessitate a re-evaluation of processes from both a fiscal and operational perspective. As the Group's operations are concentrated in Latvia, the Group is subject to laws and regulations in said jurisdiction as well regulatory developments relating to same. This may result in a loss of revenue for the respective sector and the profitability of the Group as a whole.

2.3.3.2. Risks relating to litigation

Since the Mariner Group operates in industries which involve the continuous provision of services to customers, and such operations necessarily require continuous interaction with employees, regulatory authorities and other stakeholders or interested persons, the Mariner Group is exposed to the risk of litigation from its customers, actual and potential partners, suppliers, employees, regulatory authorities, and other stakeholders or interested persons. Adverse publicity from such allegations may materially adversely affect the business of the Issuer and the results of its operations, regardless of whether such allegations are true or whether the Issuer is ultimately held liable.

All litigation is expensive, time consuming and may divert management's attention away from the operation of the business. In addition, the Issuer cannot be certain that its insurance coverage will be sufficient to cover one or more substantial claims. Furthermore, it is possible that if complaints, claims or legal proceedings such as the aforementioned were to be brought against a direct competitor of the Issuer, the latter could also be affected due to the adverse publicity brought against, and concerns raised in respect of the industry in general.

Although as stated in section 13 under the heading "*Legal and Arbitration Proceedings*", the Issuer is not involved in any governmental, legal or arbitration proceedings, insofar as the Directors are aware, which may have, or have had, during the 12 months preceding the date of this Registration Document, a significant effect on the Issuer's financial condition or operational performance, no assurance can be given that disputes which could have such effect would not arise in the future. Exposure to litigation or fines imposed by regulatory authorities may affect the Group's, and in turn the Issuer's reputation even though the monetary consequences may not be significant.

2.3.3.3. Risks associated with environmental, social and governance matters

There is a growing expectation for companies to integrate sustainability risks and consider sustainability factors in their day-to-day management and their decision-making processes. With an increased emphasis on environmental, social and governance ("**ESG**") considerations at global level, the implementation of sustainable factors in the Issuer's business model is expected to become under increased scrutiny by investors, regulators, and the public at large.

ESG considerations for the purposes of the Mariner Group's business may include, but are not limited to, environmental protection, marine conservation, air and water pollution as well as social and employment considerations of workers and the health and safety thereof. Should the Group fail to operate its business in a sustainable manner, the failure to implement sustainable factors in the Group's business operations may also have a material adverse effect on the Group's reputation and public image in both sectors as well as its relationship with clients, suppliers, business partners and other stakeholders. This in turn, may have a material adverse impact on the business activities, revenues, financial condition, and operations of the Group, and as a result could negatively affect the Issuer's financial condition and, or prospects.

2.3.3.4. Risks relating to personal data protection and privacy laws

In the ordinary course of its business, the Group companies receive, process, transmit and store information relating to identifiable individuals ("**personal data**"). As a result, the Mariner Group is subject to various local laws and EU regulations relating to the collection and processing of personal data. These laws impose operational requirements for companies receiving or processing personal data and provide for significant penalties for non-compliance. These requirements with respect to personal data have subjected and may continue in the future to subject the Group companies to, among other things, additional costs and expenses and have required and may in the future require costly changes to their business practices and information security systems, policies, procedures, and practices.

Security controls over personal data, the training of employees on data privacy and data security, and the policies, procedures, and practices implemented, or which may be implemented in the future, may not prevent the improper disclosure of personal data by the Group companies. Unauthorised access or improper disclosure of personal data in violation of personal data protection or privacy laws could harm the reputation of the Group, cause loss of consumer confidence, subject Group companies to regulatory enforcement actions (including fines), and result in private litigation against them, which could result in loss of revenue, increased costs, liability for monetary damages, fines and, or criminal prosecution, all of which could negatively affect the business and operating results of the Group, including the Issuer.

2.4. OTHER SECTOR-SPECIFIC RISKS

2.4.1. Risks relating to the container shipping industry

2.4.1.1. Dependence on the growth of trade volumes and the liberalisation of trade

The development of container volumes is an important determinant of BCT's cargo volumes and, consequently, the development of its revenue and profits. In times of volatility, particularly in light of the COVID-19 pandemic, the container shipping industry experienced a temporary decline in annual container handling volume.

A delay in or obstruction of the further liberalisation of trade within the markets from which BCT receives cargo, or to which cargo passing through its terminal is shipped, slowing economic growth due to factors such as wars, including the current war in Ukraine, as well as economic fluctuations, natural disasters or internal developments such as political realignments, or the imposition of new trade barriers such as rail, road and other tariffs; minimum prices; export subsidies and import restrictions or duties in Russia or in the Commonwealth of Independent States (CIS) or globally, could lead to lower growth or a decline in the volume of trade and, consequently, to a decline or slower growth in cargo container handling.

Given BCT's dependence on the volume of container traffic, such developments could materially impair BCT's growth prospects and could have a material adverse effect on its business, results of operations, financial condition or prospects, and in turn on those of the Issuer.

2.4.1.2. Risk of termination of the port concession licence

As further detailed in section 7.3.2 of this Registration Document, BCT operates at the Riga Free Port No. 48 under a port concession licence issued by the Riga Freeport Authority which expires on 22 March, 2047. In the event that the right to suspend or cancel the licence is lawfully exercised as a result of a breach of any of the conditions contained therein, such termination will have a material adverse effect on the financial condition of BCT. Any of the foregoing risks could have a material adverse effect on the Group's business, results of operations, financial condition and prospects, and as a result on the Issuer's financial condition and prospects.

2.4.1.3. Risks associated with the consolidation or alliances between container terminal operators and container shipping companies

The container terminal industry has in recent years experienced, and continues to experience, significant consolidation, both internally and with the container shipping industry. Consolidation within the container terminal industry results in BCT having to compete with other terminal operators that may be larger and have greater financial resources than BCT, and that may, therefore, be able to invest more heavily or effectively in their facilities or withstand price competition.

Consolidation between competitor container ports and container shipping companies could also have the effect of reducing the number of shipping customers available to BCT and increasing the access that its competing ports have to the major shipping lines. The above could substantially impair BCT's growth prospects and have a material adverse effect on BCT's business, results of operations, financial condition or prospects, and consequently on the Issuer's financial condition and, or prospects.

2.4.1.4. Risks associated with BCT's dependence on a limited number of shipping lines

BCT's container terminal business is dependent on a limited number of shipping lines calling at its terminal. At any time during the terms of existing contracts with such shipping lines, one or more of these shipping lines may opt to terminate and have its containers handled at a competitor's terminal, or may reduce its throughput at BCT's terminal. As a result, BCT's revenues are vulnerable to the loss of or difficulties experienced by such customers. The loss of, or a reduction in, or failure, of payment for services rendered for any reason by important customers, could substantially impair BCT's growth prospects and could have a material adverse effect on BCT's business, results of operations, financial condition or prospects, and in turn on the Issuer's financial condition and, or prospects.

2.4.1.5. Risks associated with the information systems and technologies ("IT") utilised by BCT

Key to BCT's emergence as a major player in Riga's port management is its focus on innovation, efficiency and productivity through its leadership in IT development. The Mariner Group continually invests in its IT and logistics infrastructure as well as programmes to build a competitive response to the ever-changing dynamics of world trade and the container shipping industry. The operational information and technology systems at BCT's terminal are designed to enable the terminal to use its infrastructure resources as efficiently as possible and monitor and control all aspects of its operations and terminal management.

As the Group is increasingly dependent on the proper and uninterrupted operations of its computer systems, information processing and management systems software and telecommunications networks, electronic communication networks, access to the internet, as well as the systems and services of other third parties (collectively the "**I.T. Systems**") that are necessary to carry out its production its manufacturing facilities or project sites, and the supporting and ancillary activities relating thereto, its operational activities may become subject to a failure, disruption or other interruption in its I.T. Systems. Such event may arise as a result of various factors that may be out of the control of the Group, as a result of (without limitation) natural disasters, electricity outages and, or technical malfunctions which could be malicious or due to errors, negligence or force majeure.

If such failure, disruption or other interruption, even temporary, were to occur, the activities of the Group could be interrupted for the period of time for which such event subsists, which lack of access could adversely affect the Group's information management systems, manufacturing and processing systems, operational processes, and its ability to deal with its stakeholders in a timely, proper and effective manner. Any of the foregoing risks could have a material adverse effect on the Group's business, results of operations, financial condition and prospects, including those of the Issuer.

2.4.1.6. Risks associated with strikes and, or work stoppages

BCT may experience disruptions to its operations due to strikes, labour disputes or other labour unrest. Any disruptions of transportation services due to strikes or other events could also impair customers' ability to use BCT's terminal. Moreover, any labour interruptions in any of the ports that serve as starting points or final destinations for trade lanes calling at the BCT terminal could lower the shipping volume passing through the terminal. Such disruptions could adversely affect the business, financial condition, results of operations and prospects of BCT, and consequently those of the Issuer.

2.4.2. Risks relating to the real estate sector

2.4.2.1. Risks specific to the property rental market

The Issuer, BCT, and, following completion of the Acquisition, SIA Mariner Logistics, in aggregate hold title to a portfolio of immovable properties. The Group companies operating within the real estate sector are susceptible to risks which are intrinsic to the real estate sector. The health of the property and commercial rental market in Latvia may be negatively affected by a number of factors, including but not limited to, political developments, government regulations, changes in planning or tax laws, interest rate changes, inflation, the availability of financing and the profits which different investments may provide. Moreover, an increase in the supply of commercial space could negatively impact capital values and income streams of the property. These factors are likely to cause property prices to change and an increase in supply and, or a reduction in demand in the property market to which the respective companies are exposed, could negatively impact their financial performance.

2.4.2.2. Risks relating to title over immovable property

The Group's immovable property and any proposed investments in immovable property are dependent on the performance of a due diligence exercise on the good title over the land or immovable property. To the extent that the Group, or its third-party advisers, fail to identify defects in title or erroneously assess the materiality or implication of the findings of the due diligence exercise, including environmental liabilities, structure or operational defects, or other material issues, the Group may be exposed to claims and, or liabilities relating to such issues. Should any such issues materialise, this could negatively affect the Group's business and operations.

The Mariner Group is susceptible to risks associated with temporary title to property held by certain members of the Group. BCT's title and rights pertaining to freeport buildings, edifices, technical communications, quays, hydro-engineering structures and immovable property objects are limited to the period of the relevant lease agreements entered into with the Riga Freeport Authority as regards the underlying land plot. In the event of early termination of the lease, BCT will be required to remove the immovable property from the underlying leased land at its own cost.

Moreover, as further described in section 7.4 of this Registration Document, it is the intention of the Issuer to acquire SIA Mariner Logistics, a Latvian-incorporated company which operates the Mārupe Property in Latvia. The land over which the Mārupe Property has been developed is held by SIA Mariner Logistics under 'a right of use' title, granted by Riga International Airport, for a period of 49 years, due to expire in June, 2054. The occurrence of any event which may entitle the Riga International Airport to terminate the land lease agreement unilaterally at an earlier date, could result in the expropriation of the Mārupe Property or an order for the demolition of the entire structure.

Failure to abide by the terms and conditions to which the aforementioned land lease agreements are subject, and any subsequent action by the lessor, may result in the enforcement of an event of default under any of said agreements, which could have a material adverse effect on the results of the operations of the Group, its financial performance and financial condition.

2.4.2.3. Risks relating to the rental income of the Group's commercial properties

Certain companies operating within the Mariner Group, namely, the Issuer and, following completion of the Acquisition, SIA Mariner Logistics, lease property to which they hold title to third parties. The revenue generated by these activities is dependent on the lease agreements with tenants and accordingly, the tenants' fulfilment of obligations under such agreements. The business, revenue, and projected profits of the Group would be negatively impacted if tenants fail to honor their respective lease obligations. There can be no assurance that the lessees will be in a position, at all times, to meet their obligations throughout the term, whether due to insolvency, lack of liquidity, market or economic downturns, operational failure or other reasons which are beyond the Group's control.

The Group is susceptible to the risk that lessees and, or sub-lessees may terminate prior to the lease expiration date or elect not to renew their respective lease agreements, and, in such instances, there is no guarantee that new lessees and, or sub-lessees will be willing to lease the properties in question and, or that the lease agreements will be concluded on equally favourable terms. The failure to maintain a good relationship with existing lessees and, or sub-lessees, to renew lease agreements or enter into new lease agreements with new lessees and, or sub-lessees on similar or more favourable terms, could have a material adverse effect on the Group's profitability in the real estate sector and its operational results as a whole.

The Issuer's, and following the Acquisition, SIA Mariner Logistics', operating and other related expenses could increase without a corresponding increase in revenue. The factors which could materially increase operating and other expenses include:

(i) unforeseen increases in the costs of maintaining the property;
(ii) material increases in operating costs that may not be fully recoverable from tenants; and
(iii) increases in the rate of inflation above the level of annual increments contracted with tenants.

2.4.2.4. Risks relating to concentration on key tenants

A significant portion of the revenue generated from the Group's property portfolio is dependent on key tenants occupying a significant portion of the Merkela Property, and, following completion of the Acquisition, the Mārupe Property. The financial failure of, or default in payment by, a key tenant under its lease is likely to cause a significant reduction in the Group's rental revenue from that property and consequently a reduction in the value of the property. If this risk were to materialise, this could have a material adverse effect on the Group and its business, and in turn on its results of operations and its prospects.

Further to the above, commercial leases with third parties will be susceptible to risks inherent to the industries in which such third parties operate as well as the risks specific to their business. In particular, as noted in section 7.3.1 of this Registration Document, the Issuer leases a significant area of the Merkela Property to a key tenant, SIA Premier Restaurants Latvia, the operator of McDonald's, Latvia. The continued success or otherwise of SIA Premier Restaurants Latvia or any other key tenant which the Issuer and, or SIA Mariner Logistics has or may have in the future, may have a material adverse effect on the operations and financial position of the Issuer.

2.4.2.5. Risks relating to property valuations

The valuation of property is intrinsically subjective and based on several assumptions at a given point in time. From time to time, the property-owning companies within the Group seek valuations of their property portfolio from experts. In providing a market value of the respective properties, certain assumptions are taken, which ultimately may cause the actual values to be materially different from any future values that may be expressed, implied or anticipated on the basis of historical trends as reality may not match the assumptions. For this reason, the Group may purchase and, or may have purchased property on the basis of inaccurate valuations. Moreover, property valuations are largely dependent on current and, or, expected market conditions which may fluctuate from time to time. There can be no assurance that such property valuations will reflect actual market values.

2.4.2.6. Risks relating to the sale of property

The Group may from time to time seek to dispose of real estate assets, to generate additional capital for investment, to improve its cashflows, or because an asset may be under-performing financial targets or be deemed suitable for disposal. There can be no assurance that real estate assets in the Group's portfolio will be transferred and disposed of at the carrying value or estimated value. It may be difficult to dispose of the Group's properties at their carrying values on account of: (a) market conditions; (b) the size or value of the overall portfolio; (c) the specialised nature of the properties in question; (d) specific local market conditions; (e) regulatory risks including, albeit not limited to, the delay in obtaining or the inability to obtain the necessary permits and, or authorisations; or (f) other local or international economic factors influencing the Group's operations or assets. It may also prove necessary to dispose of properties at values which the respective directors consider are reasonable in the circumstances prevailing at the time, but which represent discounts to book values or earlier property valuation reports, in order to satisfy other commercial demands of the Group and deliver the long-term strategy objectives.

3. PERSONS RESPONSIBLE AND STATEMENT OF APPROVAL

3.1. PERSONS RESPONSIBLE

The Directors are the persons responsible for the information contained in this Registration Document. To the best of the knowledge and belief of the Directors, 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.

3.2. STATEMENT OF APPROVAL

This Registration Document has been approved by the MFSA as the competent authority in Malta for the purposes of the Prospectus Regulation. The MFSA has only approved this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Issuer or the Group (as the subjects of this Registration Document).

4. ADVISERS AND STATUTORY AUDITORS

4.1. ADVISERS

SPONSOR	**M.Z. Investment Services Limited** 61, M.Z. House St Rita Street Rabat RBT 1523, Malta
MANAGER & REGISTRAR	**Bank of Valletta p.l.c.** 58, Zachary Street Valletta VLT 1130, Malta
LEGAL COUNSEL	**Camilleri Preziosi** Level 3, Valletta Buildings, South Street Valletta VLT 1103, Malta

The services of the Issuer's advisers in respect of this Prospectus are limited to the specific matters upon which they have been consulted. There may be other matters that would have a bearing on the Issuer or an investment in the Bonds upon which the Issuer's advisers have not been consulted. The Issuer's advisers do not undertake to monitor the compliance by the Issuer with its obligations as described in this Prospectus, nor do they monitor the Issuer's activities for compliance with applicable laws. Additionally, the Issuer's advisers have relied and continue to rely upon information furnished to them by the Issuer and the Directors, and have not investigated or verified, nor will they investigate or verify the accuracy and completeness of information set out herein concerning the Issuer, the Issuer's service providers or any other parties involved in the Bond Issue, including all of their respective affiliates, directors, officers, employees and agents. Moreover, the Issuer's legal counsel and the other advisers accept no responsibility for any description of matters in this Prospectus that relate to, and any issues arising from, any applicable law that is not Maltese law.

4.2. STATUTORY AUDITORS

Deloitte Audit Limited
Deloitte Place
Triq l-Intornjatur
Zone 3, Central Business District
Birkirkara CBD 3050, Malta

The annual statutory financial statements of the Issuer for the financial year ended 31 December, 2019, 31 December, 2020 and 31 December, 2021 have been audited by Deloitte Audit Ltd. Deloitte Audit Ltd is a firm of certified public accountants holding a warrant to practice the profession of accountancy in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta) and bearing Accountancy Board registration number AB/26/84/81.

5. INFORMATION ABOUT THE ISSUER

5.1. GENERAL INFORMATION ABOUT THE ISSUER

LEGAL AND COMMERCIAL NAME	Mariner Finance p.l.c.
REGISTERED ADDRESS	37, Triq Censu Tabone, St. Julian's STJ 1218
PLACE OF REGISTRATION AND DOMICILE	Malta
REGISTRATION NUMBER	C 31514
LEGAL ENTITY IDENTIFIER ('LEI')	485100UWC0VRB3D40532
DATE OF REGISTRATION	30 May, 2003
LEGAL FORM	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act.
TELEPHONE NUMBER	+356 22470100
EMAIL	info@mfplc.com.mt
WEBSITE	http://www.mfplc.com.mt/

The Directors are not aware of any material change in the Issuer's borrowing and funding structure since the end of the latest financial year ending 31 December, 2021.

The Directors expect the Issuer's working capital and funding requirements to be met by the proceeds from the Bond Issue.

Unless it is specifically stated herein that particular information is incorporated by reference into this Prospectus, the contents of the Issuer's website or any other website directly or indirectly linked to the Issuer's website, or any other website referred to herein, do not form part of the Prospectus. Accordingly, no reliance ought to be made by any investor on any information or other data contained in such website as a basis for a decision to invest in the Bonds.

5.2. HISTORICAL BACKGROUND OF THE ISSUER

Hili Company, the ultimate parent company of the Issuer, is the holding company of an international group of companies with interests in Europe and Northern Africa. Hili Company has a 95-year history rooted in the shipping industry. Today, the Group maintains a focus on the maritime and logistics industry, where the Issuer is a recognized leader in the regions in which it operates, and in parallel, is building a prestigious portfolio of businesses in renewable energy and real estate.

The Issuer was incorporated on 30 May, 2003, in advance of a €13,000,000 bond issue pursuant to a prospectus dated 17 June, 2003, which bonds were redeemed on 15 July, 2010. The net bond proceeds of the issue were on-lent to its then parent company, Mariner S.R.L., to fund the acquisition of a shareholding in Terminal Intermodale Venezia S.p.A. (a company registered in Italy with registration number 03280930276), a licensed operator of a seaport terminal in Venice, Italy, and to fund the 100% equity interest in BCT. On 1 March, 2013, BCT was acquired by MFB from Mariner S.R.L.

In 2014, the Issuer tapped into the capital markets for the second time with a €35,000,000 bond issue redeemable in 2024, pursuant to a prospectus dated 2 June, 2014 (the Exchangeable Bonds). The net bond proceeds of the issue were used to re-finance an outstanding loan agreement entered into by and between MFB (as borrower), AS DNB Banka (registration number 40003024725) and Nordea Bank Finland Plc (Latvian branch having registration number 40003486767) (as lenders), as well as to fund investments in ports or port operations and, or storage or logistic facilities related to the core and ancillary operations of the Group.

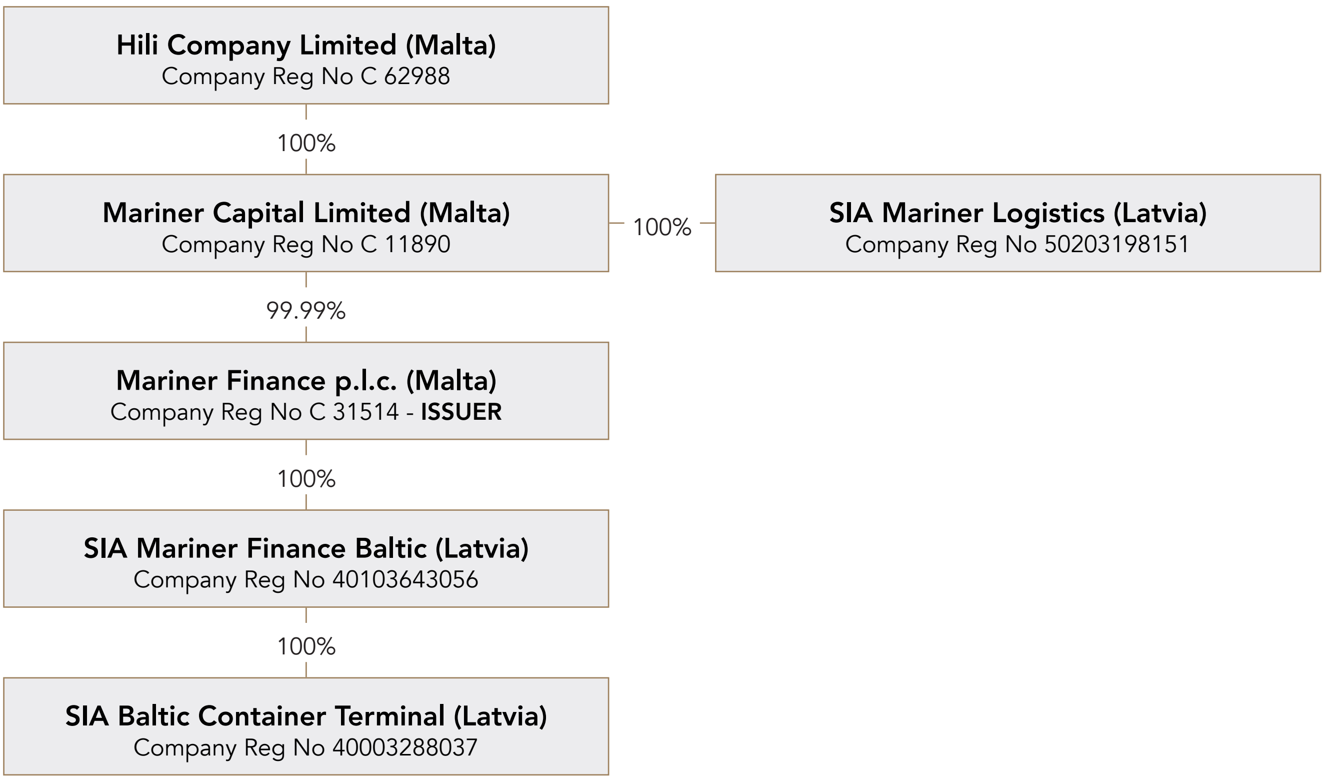
Prior to a corporate restructuring exercise in 2018, the Issuer was the parent of SIA Mariner Baltic Holding, a private limited liability company incorporated and registered in Latvia with Latvian registration number 40103780617 ("**MBH**"), incorporated principally to act as a holding company of the Group. MBH was the direct parent of MFB and SIA Equinor Riga, a private limited liability company incorporated and registered in Latvia with Latvian registration number 000325568 ("**EQR**"). EQR owned and operated the Merkela Property (the *circa* 3,300 sqm commercial and office building located in Merkela Street, Riga, Latvia described in section 7.3.1 below). In March, 2018, EQR merged into MBH. As a result of the merger, EQR ceased to exist and the ownership and operation of the Merkela Property in Latvia was, at the date of the merger, transferred to MBH.

The re-organisation exercise of the Group was completed in 2019 with the cross-border merger of MBH into the Issuer. As a result of the second merger, MBH ceased to exist and the Issuer acquired all the assets, rights, liabilities and obligations of MBH, including the ownership and operation of the Merkela Property.

6. ORGANISATIONAL STRUCTURE OF THE GROUP

The organisational structure of the Group as at the date of this Registration Document, is illustrated in the diagram below, indicating the position of the Issuer within the Group.

MARINER GROUP



The Issuer is owned by Mariner Capital Limited, save for one share held by Marin Hili.

The holders of shares that have voting rights in Hili Company are companies ultimately owned by Michela Borg as to 20%, Edward Hili as to 20% and Marin Hili as to 60%.

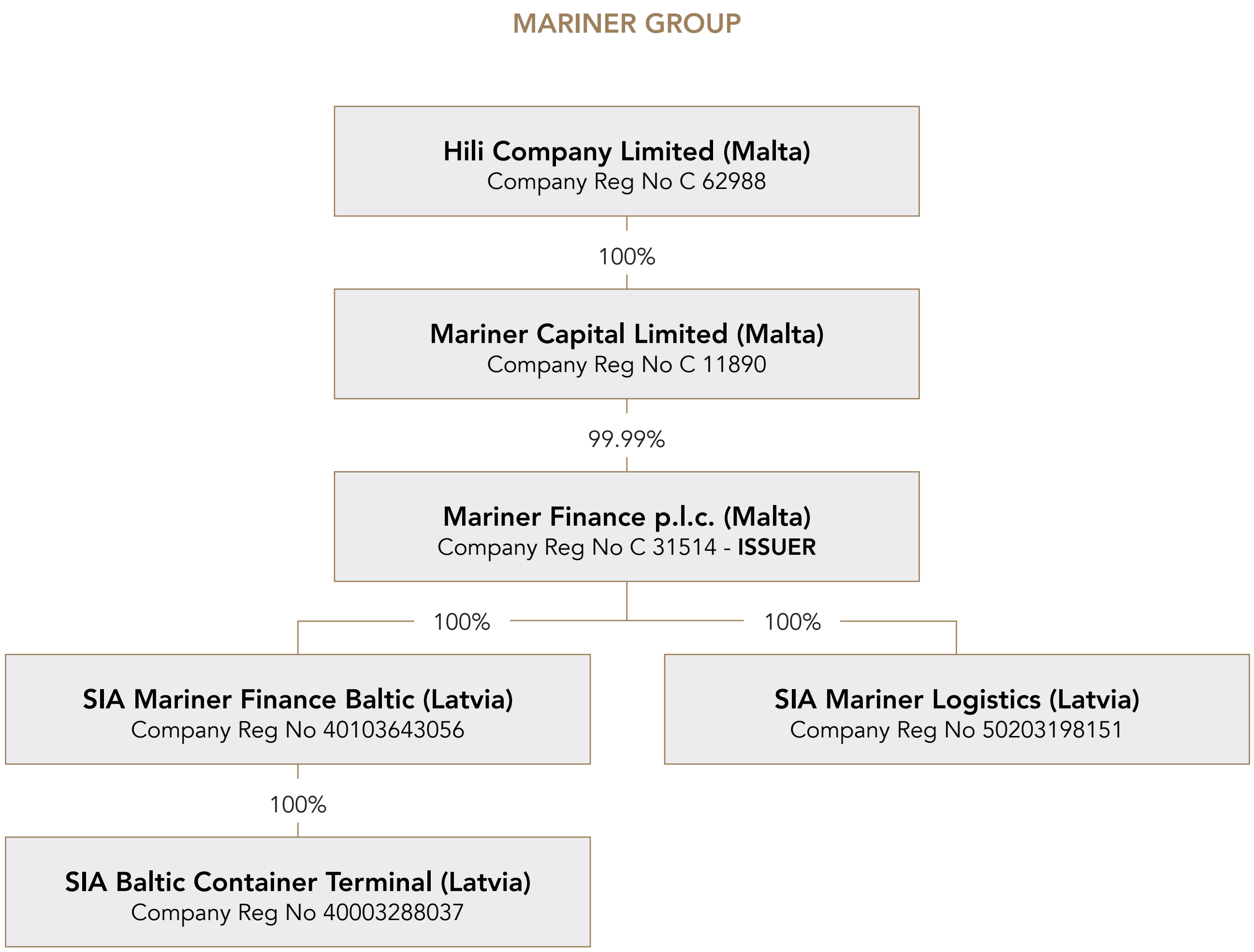
A brief overview of the activities of the Subsidiaries is set out below:

SIA Mariner Finance Baltic (MFB) is a private limited liability company incorporated and registered in Latvia. The company was set up on 28 February, 2013 principally to act as the immediate parent company of BCT and to provide financing to its subsidiary company;

SIA Baltic Container Terminal (BCT) is a private limited liability company incorporated and registered in Latvia. The company was set up on 26 March, 1996 and is principally engaged in the provision of port and related services at the port of Riga;

Following the Acquisition (as further described in section 7.4 of this Registration Document, **SIA Mariner Logistics**, a private limited liability company incorporated and registered in Latvia, will be a wholly owned subsidiary of the Issuer. The company was set up in February, 2019 and is principally engaged in the operation and lease of real estate in Latvia.

The organisational structure of the Group post-Acquisition is illustrated in the diagram below, indicating the position of the Issuer within the Group:



7. BUSINESS OVERVIEW

7.1. PRINCIPAL ACTIVITIES

The Issuer is the holding, finance and investment company of its main operating subsidiary, SIA Baltic Container Terminal (BCT), which is engaged in the provision of port and related services in the port of Riga, Latvia, over which it holds a port concession licence expiring in March, 2047. Moreover, the Issuer owns and operates the Merkela Property, a commercial and office building of *circa* 3,300 sqm in Riga, Latvia which, as at March, 2022, was valued at €4,371,000. The Issuer also owns a site in Latvia which, as at 26 January, 2018, was valued at €82,000.

7.2. PRINCIPAL MARKETS

The Issuer and the Group operate solely in Latvia. As mentioned in section 7.1 of this Registration Document, the Group's main business activity is the operation of a sea terminal in Riga, Latvia. In addition to the foregoing, the Issuer owns property and land in Latvia, including the Merkela Property, which it rents to third parties.

7.3. OVERVIEW OF THE BUSINESS OF THE MARINER GROUP

7.3.1. The Merkela Property (and other)

The Issuer, through its Latvian branch, owns and operates the commercial and office building and associated site located in Merkela Street, Riga, Latvia, consisting of a five-storey building, with total floor area of *circa* 3,300 sqm and leasable area of *circa* 2,480 sqm, situated at a major intersection in the central part of Riga, within the main retail and commercial area of the city (referred to in this Prospectus as the "**Merkela Property**"). Prior to the corporate restructuring described in section 5.2 of this Registration Document, until 2018, the Merkela Property was owned and operated by SIA Equinor Riga (Latvian registration number 000325568), and thereafter, until the second merger in 2019, was owned and operated by SIA Mariner Baltic Holdings (Latvian registration number 40103780617).

As at March, 2022, the Merkela Property was valued by an independent certified expert at €4,371,000. In 1998, the building underwent refurbishment in compliance with Class B commercial/office standards.

The Merkela Property is leased to third parties and, as at the date of this Registration Document, the occupancy level of the building stands at 64%. The Issuer leases an area of *circa* 626 sqm of the Merkela Property to SIA Premier Restaurants Latvia (Latvian registration number 40003189347), accounting for just over 25% occupancy of the leasable area. Pursuant to a lease agreement dated 1 August, 2010 entered into with SIA Premier Restaurants Latvia, SIA Premier Restaurants Latvia, in its capacity as the lessee, uses and occupies the premises for a McDonald's restaurant and operates a cafeteria trading under the name '*McCafe*'. The term of the lease is that of 13 years, which term is due to expire on the 31 August, 2023, and is thereafter intended to be renewed for a period of 15 years. The rent receivable is based on a percentage of net monthly sales. Between January and August of this year, SIA Premier Restaurant Latvia contributed to 81% of the total rental income generated from the Merkela Property. As at the date of this Registration Document, the monthly rent receivable from SIA Premier Restaurant Latvia constitutes 9.5% of the Issuer's net monthly sales.

The remaining area occupied at the Merkela Property is leased to three other tenants on the basis of the following terms:

USE OF LEASED AREA	LEASED AREA	LEASE PERIOD
Commercial office space	area of 243.8 sqm	three years, due to expire on 31 May, 2025, and subject to the lessee's right to renew the agreement on the same terms.
Rendering of educational courses	area of 257.9 sqm	seven years, due to expire on 28 February, 2025, and subject to the lessee's right to renew the agreement on the same terms.
Rendering hospitality services	area of 466.9 sqm	six years, due to expire on 28 February, 2027, and subject to the lessee's right to renew the agreement on the same terms.

According to the lease agreements entered into by and between the Issuer and the respective tenants, the rent receiveable in respect of each of said leases is based on a fixed monthly rental charge per square metre.

In addition to the ownership and operation of the Merkela Property, the Issuer owns a site in Latvia which, as at 26 January, 2018, was valued by an independent certified expert at €82,000 and which, as at the date of this Registration Document, is utilised by the Issuer as arable farm land.

7.3.2. SIA Baltic Container Terminal (BCT)

SIA Baltic Container Terminal (BCT) is a Latvian registered company engaged in port and related services, wholly owned by MFB, a wholly owned subsidiary of the Issuer.

On 30 April, 2003, BCT entered into a real estate purchase agreement with the Riga Freeport Authority, pursuant to which the Riga Freeport Authority sold to BCT, which acquired, full ownership of all buildings, warehouses, yards and infrastructure within the boundaries of the BCT terminal (excluding the quay), together with all underlying communications, warehousing facilities, parking and paved areas surrounding said warehouses, and covered rail ramps. The BCT terminal has since become the largest and fastest-growing container handling facility in the region of Riga.

BCT operates at the Riga Free Port No. 48 under a port concession licence issued by the Riga Freeport Authority on 2 April, 2013 for a period of 34 years, until 22 March, 2047.

A number of financing agreements of the Mariner Group are secured by assets of BCT in favour of **Luminor Bank AS** (Estonian registration number 11315936). Such security interests include but are not limited to pledges and other security interests over all assets, present and future, of BCT.

7.3.2.1. Principal activities of BCT

BCT commenced activities on 1 May, 1996, subsequent to the restructuring of a state-owned company, Riga Trade Port. It operates over an area of *circa* 557,000 sqm. The BCT terminal has an annual container handling capacity of *circa* 450,000 TEUs, and offers the following services:

(i) **Quay-side operations** – including the berthing of vessels for the loading and,or unloading of containerised cargo using four ship-to-shore gantry cranes. A fifth ship-to-shore gantry crane was delivered during 2020. Quay operations are supported by a variety of yard and interface equipment which includes reach stackers, rail-mounted gantries as well as various tractors, trailers and forklifts;

(ii) **Yard operations** – the terminal has a container storage yard comprising a capacity of *circa* 20,000 TEUs. In addition, the yard has 500 reefer points, that is, electrical outlets for the storage of temperature-controlled containers;

(iii) **Gate and rail operation**s – including the transfer of containers between the container terminal and inland road and rail networks. BCT has direct access to both road and rail networks, and operates its own rail handling facility which can service up to 64 rail platforms simultaneously;

(iv) **Warehousing** – the terminal has *circa* 20,400 sqm of covered warehousing space for the storage of general cargo. The warehouse facilities have direct access to the rail and road networks for more efficient distribution of cargo. In January, 2020, BCT completed development of further warehouse facilities, thereby increasing capacity by an additional 11,000 sqm;

(v) **Ancilliary activities** – a wide range of value-added services are provided at the container terminal due to an optimised integrated logistics chain. Through a container freight station, the terminal offers the service of, amongst others, stuffing and stripping of containers (packing and,or unpacking). In addition, BCT also provides engineering services for the repair of damaged containers.

Of the activities outlined above, the principal business at BCT is quay-side operations (the loading and unloading of containers), which in Q1 and Q2 of the year 2022 represented 68% of total revenue generated by the BCT.

7.3.2.2. Principal clients of BCT

As an important node within the region's logistics network, BCT's clients include shipping lines, freight forwarders, third party logistics service providers, liner agents, inland carriers (such as road haulage companies), as well as end-customers. The container terminal services some of the world's largest shipping lines which call directly at the terminal as well as other shipping lines that use common feeder services. These include Maersk Line, Compagnie Maritime d'Affretement – Campagnie Generale Maritime (CMA-CGM) and Mediterranean Shipping Company (MSC), Unifeeder and Cosco (including OOCL), as well as Evergreen, ONE and HMM. BCT has strong relationships with all the major shipping lines and their local representatives and strives to maintain good relations with both existing and potential clients.

The Freeport of Riga is a regional port that services cargo vessels operating in the Baltic region, particularly in trade with the Commonwealth of Independent States (CIS). Mariner's BCT covers 57 hectares on an island at the mouth of the river Daugava with favourable navigation at the terminal all year round with no tide to influence its 24/7 operation. The terminal enjoys optimum connectivity by rail and road to the major cities of the four countries that border Latvia, namely, Russia, Estonia, Lithuania and Belarus.

7.3.2.3. Market share and competition

The BCT container terminal is located at the mouth of the river Daugava which runs through the centre of Latvia's capital Riga. Its favourable geographical location and direct access via road and rail to its market hinterland make it strategically located to serve as a gateway to meet container traffic demand to and from the main industrial centres of Russia and other destinations including Moscow, Kaluga, Novgorod, St Petersburg, Minsk, Kiev, Vilnius, Tallinn, Almaty and Tashkent.

Latvia is a fast-developing country located on the south-east coast of the Baltic Sea in the centre of the Baltic States (Lithuania, Latvia and Estonia). It represents the financial hub of the three nations and its favourable geopolitical environment provides excellent business opportunities for the four major markets bordering Latvia, namely, Belarus, Estonia, Lithuania and Russia.

There are three main ports in Latvia - Venstpils, Riga and Liepaja - and these are mainly involved in transit cargo. The Freeport of Riga is by far the major container-handling port in Latvia. Moreover, BCT is the only specialised container terminal within the port. There are two other terminals - Riga Central Terminal (RCT) and Riga Universal Terminal (RUT) - which handle relatively small volumes of containerised cargo, though their main fields of activity are in the handling of general and bulk cargoes. As a specialised container terminal BCT is better equipped in terms of infrastructure, superstructure and workforce to efficiently and productively handle containers.

In addition to RCT and RUT, BCT's other competitors comprise specialised container terminals which are located in the neighbouring Baltic States and other eastern Baltic countries. These include: Klaipeda Container Terminal (KCT) and Klaipeda Smelte Container Terminal (KSCT) in Klaipeda, Lithuania; HHLA Muuga (HHLA) in Tallinn, Estonia; the container terminals within the Port of St. Petersburg, Russia, and; Palokangas - EU Container Terminal and Mussalo Container Terminal within HaminaKotka Port, Finland.

KCT, KSCT and HHLA, located in the neighbouring Baltic States represent the most direct form of competition to BCT due to their similar geographical locations, hinterland markets, inland connections, geopolitical environment and general terminal facilities.

7.4. NEW INVESTMENTS

On 6 October, 2022, the Issuer entered into a share purchase agreement which agreement was subsequently amended, with Mariner Capital Limited, pursuant to which Mariner Capital Limited (as transferor) agreed to sell and transfer to the Issuer (as transferee) the entire issued share capital which it held in SIA Mariner Logistics, and the Issuer agreed to accept and purchase the entire issued share capital of SIA Mariner Logistics. The consideration due by the Issuer to Mariner Capital Limited, in the amount of €7,238,931.00, shall be set-off against a receivable due by Mariner Capital Limited to the Issuer.

In terms of said share purchase agreement, the shares shall be sold and transferred to the Issuer free from all encumbrances, save for the security constituted under a share pledge agreement dated 4 November, 2020, by and between Luminor Bank AS, Mariner Capital Limited and SIA Mariner Logistics. In this respect, Mariner Capital Limited (in its capacity as pledgor) undertook to pledge in favour of Luminor Bank AS, the entire issued share capital of SIA Mariner Logistics in order to secure any claims that may arise under a loan agreement dated 1 March, 2019 by and between SIA Mariner Logistics and Luminor Bank AS. In anticipation of the Acquisition, Mariner Capital Limited has sought and obtained the approval of Luminor Bank AS in order for the shares to be transferred notwithstanding the terms of the share pledge agreement. Following the completion of the Acquisition, the share capital of SIA Mariner Logistics will continue to be pledged in favour of Luminor Bank AS, by the Issuer, in its capacity as the new pledgor, as security for the remaining balance of the loan.

Upon completion of the Acquisition, which is expected to take place in January, 2023, SIA Mariner Logistics will become a wholly owned subsidiary of the Issuer, engaged principally in the operation and lease of real estate in Latvia.

7.4.1. Historical background of SIA Mariner Logistics

SIA Mariner Logistics was incorporated in 2019 as a subsidiary of Mariner Capital Limited. It was set up to act as the parent and finance company of SIA Elipse BLC (Latvian registration number 40003706196) and SIA Elipse Centrs (Latvian registration number 40103987320), two entities incorporated and registered in Latvia.

SIA Elipse BLC was granted the right of use of a site in the municipality of Mārupe, Riga, Latvia, by the Riga International Airport for a period of 49 years, due to expire in June, 2054. The leased site, registered in the land register department of the Riga district with cadastral number 8076-002-0007, on 13 April, 2014, covers an area of approximately 60,570 sqm (the "**Mārupe Site**"). Subject to a number of conditions set out in said land lease agreements, after the expiry of the lease term in 2054 and at the request of the lessee, the Riga International Airport is obliged to extend the lease for a new term of operation.

The Riga International Airport leased Mārupe Site to SIA Elipse BLC for the development of a commercial property on the Mārupe Site and thereafter SIA Elipse BLC operated same as a warehouse building with office space, two auxiliary buildings and an engineering building, covering a total area of 31,549 sqm (the "**Mārupe Property**"). The Mārupe Property at Ziemelu Street 4, Riga Airport, Mārupe county, with cadastre No.8076 502 0015, consists of "A" class Business and Logistics Center "Elipse BLC" buildings - warehouse with office premises together with functionally related auxiliary buildings - access control building and fire pump station with water reservoir, and real property consisting of the foundations of a warehouse/office building under construction.

The Mārupe Property is located on a site which is strategically located within the territory of the Riga International Airport in Latvia, with excellent road connections to Riga City Centre, Riga port, national highways and the Baltic highway network. It is also in close proximity to the planned Rail Baltic project, which will connect Riga International Airport to Riga City Centre and to other key cities in the Baltics.

In terms of a reorganisation agreement dated 4 November, 2020, the Mariner Logistics sub-group underwent a group reorganisation whereby the subsidiaries of SIA Mariner Logistics, namely SIA Elipse BLC and SIA Elipse Centrs, were acquired by SIA Mariner Logistics, following which the two subsidiaries ceased to exist. As a result of the reorganisation, SIA Mariner Logistics acquired all the property, rights and liabilities of its subsidiary companies, and consequently acquired the right of use of the Mārupe Site and ownership of the Mārupe Property.

The loan agreement dated 1 March, 2019 by and between SIA Mariner Logistics and Luminor Bank AS referred to in section 7.4 of this Registration Document is secured by, *inter alia*, the assets of SIA Mariner Logistics. Such security interests include but are not limited to pledges over the Mārupe Property granted by SIA Mariner Logistics in favour of Luminor Bank AS.

An extract of the financial statements of SIA Mariner Logistics for the financial year ended 31 December, 2021 may be found in section 6.2 ("*Financial Performance*") of the financial analysis summary annexed to the Securities Note as Annex III thereof. The full financial statements of SIA Mariner Logistics for the said period are available for inspection at the registered address of the Issuer.

7.4.2. Principal activities of SIA Mariner Logistics

SIA Mariner Logistics' principal business activity is the leasing of property located in Latvia. As at the date of this Registration Document, SIA Mariner Logistics has the right of use of the Mārupe Site and is the operator of the Mārupe Property.

As at the date of this Registration Document, the Mārupe Property is leased out to a total of 14 tenants, with five of said tenants accounting for 78% of the revenue generated by SIA Mariner Logistics. The warehouse with office premises with a total area of 9,592.7 sqm within the warehouse is leased out to a third party tenant until 1 June, 2028, and the warehouse with an area of 4,442.7 sqm and locker room of 32.4 sqm is leased out to another key third party tenant until 31 March, 2024. According to the lease agreements entered into with the other 12 tenants, covering a total area of 14,035.4 sqm, the leases are due to expire between 2023 and 2026, and are expected to be renewed thereafter. Two of the key leases due to expire in 2023 will be automatically extended for another one-year period under the same terms and conditions, unless either party objects to the extension. As at the date of this Registration Document, no such objection has been manifested by either the Group or the respective tenants.

The Mārupe Property also includes an area of *circa* 10,145 sqm which has been developed by SIA Mariner Logistics and is predominantly being operated as a car park. The remaining vacant area of *circa* 19,080 sqm is to be developed into additional logistics space. As at the date of this Registration Document, foundations works for said development have been undertaken.

As at 1 September, 2022, the Mārupe Property was valued by an independent expert at €24,570,000, while the vacant area of *circa* 19,080 sqm (to be developed into additional logistics space and for which foundational works have been undertaken) was valued at €890,000, which together, aggregate to a value of €25,460,000.

7.4.3. Business development strategy

The Mariner Group continually seeks to acquire, develop and operate strategically-located seaport terminals in niche and emerging markets with a clear objective of sourcing smaller, less developed terminals with a greater potential for growth and profitability.

The Group takes a selective and disciplined approach to acquisitions. The Group evaluates port opportunities based on factors such as strategic location, hinterland accessibility and physical attributes of the site, and prospective investment returns. The expansion potential of targets, the ability to achieve operational control and the likely return for shareholders are among the key criteria for the Group's development which is clearly focused on the potential value to be created rather than the overall size of a potential project or acquisition. Any such investments would be subject to board and shareholder approval, and subject to the availability of adequate funding, due diligence and agreement on acceptable commercial terms. The Group aims to be a leader in the areas in which it operates through professionalism, efficiency and deployment of its long industry experience, employing a focused and hands-on approach to all its investments. Towards this end, the Group is constantly seeking to identify opportunities that add value to the logistics chain, and furthermore pursue the development of other opportunities, including warehousing and distribution centres.

8. TREND INFORMATION

The Directors are of the view that the Issuer shall, generally, be subject to the normal business risks associated with sea terminal operations in Latvia and, to a lesser extent, commercial property in Latvia and barring unforeseen circumstances, do not anticipate any likely material adverse effect on the Issuer's prospects, at least for the next 12 months.

Latvia's 2022 growth spurt is set to be cut short by an inflation surge and a slowing global economy. The doubling of energy prices ahead of the coming heating season is projected to make households scale back on consumption likely resulting in negative quarterly GDP growth around the year change. In 2023, consumption is expected to partially recover once the heating season is over. However, by that time a slowing external environment is forecast to weigh on Latvia's exports. A pick-up in EU-funded investments is expected to give a boost to public investment in both 2023 and 2024. Energy price growth is forecast to peak before 2023 and services prices are forecast to gradually become the main inflation driver during the forecast horizon. The general government deficit is set to decrease to 3.4% of GDP in 2023 and further to 1.4% in 2024.

2022 started with a strong growth in exports and a recovery in private consumption that was driven by a lifting of the pandemic-related restrictions to economic activity. However, growth is expected to slow in the second part of the year as household disposable incomes shrink amid surging energy prices and exports face headwinds from slowing foreign demand. Overall, on the back of the strong growth in the first half of the year, GDP growth for 2022 is forecast at 1.9%.

In 2023, GDP growth is expected to decline by 0.3%. While the end of the heating season is likely to provide a boost to consumption, this is expected to be a mild increase amid still high energy prices and depleted household savings. Similarly, weakened real disposable incomes and slowing construction and manufacturing elsewhere in the EU means exports are also set to struggle. Private investment growth is forecast to slow amid dwindling savings and rising interest rates. However, clearing of the backlog of EU funded projects should provide a timely boost to public investments keeping the economy out of a recession in 2023.

In 2024, growth is expected to pick up to 2.6%. A stabilisation in energy prices is set to provide relief for household budgets and hence foster their consumption. EU-funded investments are expected to have gathered pace by then and private investment would benefit from a relief in construction materials' prices, although higher interest rates are set to dampen household investment. Export growth is expected to continue struggling amid weak growth in Europe and a global investment slowdown, which is forecast to reduce demand for Latvia's sizeable timber industry. Import growth is expected to follow demand dynamics and after a significant slowdown in 2023 it is forecast to pick up in 2024.

In 2022, HICP[1] inflation is forecast to reach 16.9%, but it is expected to peak before the end of 2022 as the full increase in wholesale energy prices is assumed to have been passed on to consumers by then. However, energy prices are expected to remain elevated throughout 2023 and combined with knock-on effects to non-energy prices, inflation is projected at 8.3%. By 2024 energy prices are expected to begin falling, but services price inflation supported by strong wage growth is set to take over as the main inflation driver.[2]

There has been no material adverse change in the financial performance and prospects of the Issuer since 30 June, 2022 (being the date of the last published financial statements of the Issuer) to the date of this Prospectus.

1. Harmonised Index of Consumer Prices;
2. European Economic Forecast – Autumn 2022 (European Commission Institutional Paper 187 Nov '22).

9. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

9.1. THE BOARD OF DIRECTORS OF THE ISSUER

As at the date of this Registration Document, the Board of Directors of the Issuer is composed of the following eight Directors:

NAME	DESIGNATION
Marin Hili	Chairman and Executive Director
Edward Hili	Chief Executive Officer and Executive Director

Michela Borg	Non-Executive Director
Kevin Saliba	Non-Executive Director
Ian Micallef	Non-Executive Director
Lawrence Zammit	Independent Non-Executive Director
Anthony Busuttil	Independent Non-Executive Director

Kevin Saliba is the company secretary of the Issuer.

The business address of the Directors and the company secretary is that of the Issuer.

9.2. CURRICULA VITAE OF DIRECTORS OF THE ISSUER

Marin Hili

Marin Hili has acquired a wealth of knowledge through his vast experience in port development, investment and operations, as well as across a broad spectrum of industries in Malta, Europe and beyond.

In 1987, Mr Hili was appointed Chairman of the Malta Freeport by the Maltese Government with a brief to develop the port into a commercially viable hub. In his decade and a half in the post, he developed the port from scratch into a multi-million TEU transhipment hub. During this period he also held the post of Chairman of Malta's Privatisation Unit.

Mr Hili developed and led the family-owned group's strategic international expansion vision from its traditional shipping roots into international trade, trade finance, petrochemical and construction supplies, property development, franchising (McDonald's), real estate and construction engineering. Subsequently he refocused Hili Company's operations on their present strategic direction.

In 2002, Mr Hili was decorated by the State as Member of the National Order of Merit (MOM) in recognition of his successful contribution to the development of the Malta Freeport.

Mr Hili is Honorary Consul of Latvia in Malta.

Edward Hili

Edward Hili joined Hili Company in 2008 as a financial analyst in the group's terminals & logistics segment. He is now responsible for driving the strategic growth and development of the group across all business segments. He has led a number of international acquisitions and development projects, as well as several capital raising efforts.

Mr Hili has played a key role in expanding the group's portfolio. This now includes the renewable energy segment, with projects in Malta and Croatia, and investments in Manoel Island Yacht Yard and Manoel Island Yacht Marina. He has also driven the growth of the logistics segment through the establishment of Mariner Shipping and the expansion of Mariner Logistics' warehousing and distribution portfolio.

Mr Hili graduated with a Masters in Finance from the University of Cambridge and is a Fellow of the ACCA.

Mr Hili has served as an independent, non-executive director on a number of regulated financial sector entities.

Michela Borg

Michela Borg has over 10 years of experience in the maritime industry. Having joined Hili Company as a research and development analyst in 2008, she now takes the overall lead in the critical research and analysis which guides the development of company's various operations, its approach to markets, and the pursuit of new projects and opportunities. Ms Borg also oversees all corporate marketing for the group.

Ms Borg graduated with a Masters in Medical Genetics from Newcastle University, UK.

Kevin Saliba	Kevin Saliba is a certified public accountant and auditor. He joined the group in 2001, specialising in offshore companies and trade finance. In 2004, Mr Saliba moved to Venice to become CFO of Terminal Intermodale Venezia. He held this post for over three years, focusing on fulfilling the financing requirements of the company's capital expenditure in line with its expansion programme. During his term he developed his knowledge of the port industry, terminal operations and the Italian financial sector. In 2007, Mr Saliba returned to Malta as Group Financial Controller for Hili Company and in 2013 was appointed Chief Financial Officer. Mr Saliba graduated from the University of Malta with a Bachelor of Commerce degree in 1996. Two years later he attained his Bachelor in Accountancy (Hons) Degree from the same university.
Ian Micallef	A lawyer by profession, Ian Micallef has been involved in the maritime industry since the early stages of his career. Following an initial period on the Board of Directors at Freeport Terminal Malta (1992 – 1996), he was appointed Senior Legal Manager of the major transhipment port of Malta Freeport. Throughout his tenure he decisively contributed on various sectors – client (Shipping Lines) contracts, dispute resolution, equipment acquisition negotiations up to commissioning, human resource engagement conditions, port work services sourcing and industrial dispute resolution. Dr Micallef's industry knowledge is complemented by appointments on EU panels as representative of Maltese national bodies. Dr Micallef graduated as a Doctor of Laws from the University of Malta.
Lawrence Zammit	Lawrence Zammit is a founding partner and a director of MISCO. At MISCO he serves as a consultant to a number of business organisations across a range of economic sectors. Mr Zammit also has extensive board experience, serving and having served on the board of directors of a number of companies and corporations. He is currently chairman of the board of directors of Atlas Insurance PCC Limited (C 5601) and Grand Harbour Marina p.l.c. (C 26891) and a member of the board of directors of Loqus Holdings p.l.c. (C 27140), PG p.l.c. (C 78333), Exalco Finance p.l.c. (C 87384) and Merill Sicav p.l.c. (SV 384). He was also chairman of the board of directors of Malta Enterprise, the Employment and Training Corporation, Air Malta p.l.c. (C 2685) and Malta International Airport p.l.c. (C 12663).
Anthony Busuttil	Formerly the Head of Trade and Supply Chain at HSBC Bank Malta p.l.c. (C 3177), Anthony Busuttil, retired as of 2009, specialised in structured trade finance and gained work experience in HSBC group offices in UK, France and Italy. Mr Busuttil worked for HSBC Bank Malta p.l.c. (C 3177) for a period of 28 years, during which he was awarded employee of the year in 1998 in recognition of his contribution towards Maltese export initiatives. Mr Busuttil retains his seat as director on the board of directors of Endo Finance p.l.c. (C 89481) as of 2018.

9.3. POTENTIAL CONFLICTS OF INTEREST

As at the date of this Registration Document, the Issuer has identified and managed the following roles which may give rise to conflicts of interest:

(i) Marin Hili, Edward Hili and Michela Borg are directors of the Issuer and its parent company Mariner Capital Limited. Kevin Saliba, director and company secretary of the Issuer, is also the Chief Financial Officer and company secretary of Mariner Capital Limited; and
(ii) Edward Hili and Michela Borg are directors of the Issuer and SIA Mariner Logistics, of which the Issuer will become its parent company, following the successful completion of the Acquisition.

Conflicts of interest could potentially arise in relation to transactions involving the Issuer and Mariner Capital Limited, and the Issuer and SIA Mariner Logistics.

Save as stated above, there are no other identified conflicts of interest between the duties of the Directors or the members of the senior management team towards the Issuer and, or the Group and their private interests and, or other duties.

9.4. SENIOR MANAGEMENT

In the execution of the strategic direction, investment and management oversight of the Group, the board of the Issuer is supported by members of senior management of operating companies of the Group, namely BCT and SIA Mariner Finance Baltic (MFB). The aforementioned members of senior management and their respective roles are set out hereunder:

Gerard Sammut	*Chief Executive Officer (BCT and MFB)* Gerard Sammut joined the Mariner Group's Riga operation, Baltic Container Terminal, in 1997, from Air Malta where he held the post of Head of Strategic Planning and Control. Today, as Chief Executive Officer of Baltic Container Terminal, he is responsible for the overall operation and direction of the terminal. Mr Sammut has acquired a wealth of knowledge and experience on both the corporate finance and terminal operation sides of the business. Mr Sammut graduated with a Masters in Business Administration (Hons) from the Norwegian School of Management and BA (Hons) in Business Management from the University of Malta. He is an Associate of the Chartered Institute of Management Accountants.
Aldis Zieds	*Chairman (BCT)* Aldis Zieds is highly experienced in the port sector having spent a career in the industry and is the Managing Director for the Mariner Group's Riga operation, Baltic Container Terminal. Starting off as a ship officer onboard various vessels, he went on to serve as Director of container terminal in Riga Commercial port. In 1996, Aldis Zieds brought his experience to Baltic Container Terminal. Aldis Zieds plays a key role in planning, managing and guiding the direction of BCT. He is involved in daily operations and works closely with key suppliers and customers, as well as various public authorities. Aldis Zieds graduated in Navigation and Agriculture Engineering from Maritime Engineers Institute in St Petersburg and Latvian Agriculture University respectively.
Dmitrijs Kiselevs	*Chief Operating Officer (BCT) and Information Technology Director (Group)* Dmitrijs has 17 years' experience in IT system development and information management. He joined the Mariner Group's Riga operation, Baltic Container Terminal, in 2001 as network administrator and worked his way up to Chief Operating Officer. As the Group's Information Technology Director he has been responsible for keeping the Group's terminals at the forefront of technological developments, driving the adoption of the most advanced terminal operating systems and automation modules, as well as the development of numerous proprietary systems. As IT Director for Mariner, he has also been involved in numerous other projects in the various companies within the Group. Dmitrijs graduated in Electronics and Computer Science from the Transport and Telecommunication Institute in Latvia.
Dzintars Vigulis	*Terminal Manager (BCT)* Dzintars Vigulis plays a critical role in managing and coordinating the personnel and works related to the handling of ships, railway wagons and road transport in BCT. He also manages the operations in the General Cargo Department and ensures that work safety and other regulations are observed and complied with.

10. BOARD PRACTICES

10.1. BOARD COMMITTEE

The Directors have constituted the following specialised committee, the terms of reference of which shall be determined by the Board of Directors from time to time with the purpose of fulfilling the below-mentioned purposes.

10.1.1. Audit Committee

The Audit Committee's primary objective is to assist the Board of Directors in fulfilling its oversight responsibilities over the financial reporting processes, financial policies and internal control structure. The Audit Committee oversees the conduct of the external audit and acts to facilitate communication between the Board, management and the external auditors. The external auditors may be invited to attend the Audit Committee meetings. The Audit Committee reports directly to the Board.

The terms of reference of the Audit Committee include support to the Board in fulfilling its responsibilities, broadly for:

(a) overseeing its financial reporting processes, its financial risk assessment and risk management practices, the audit process, its internal control structures, and its external audit activities;
(b) maintaining communications on such matters between the Board, management and the external auditors; and
(c) reviewing the effectiveness of the process for communicating applicable policies, laws and regulations, and the systems for monitoring compliance therewith.

The Board has set formal terms of establishment and the terms of reference of the Audit Committee which set out 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.

In addition, the Audit Committee has the role and function of evaluating any proposed transaction to be entered into by the Issuer and a related party to ensure that the execution of any such transaction is at arm's length, on a commercial basis and ultimately in the best interests of the Issuer.

Furthermore, the Audit Committee has the role of assessing any potential conflicts of interest between the duties of the Directors and their respective private interests or duties unrelated to the Issuer.

The Audit Committee is made up entirely of independent non-executive directors. Audit Committee members are appointed for a period of three years, unless terminated earlier by the Board. The Audit Committee is composed of Mr Lawrence Zammit (independent non-executive Director), Mr Anthony Busuttil (independent non-executive Director) and Dr Ian Micallef (non-executive Director). Mr Lawrence Zammit is considered by the Board to be competent in accounting and, or auditing in terms of the Capital Markets Rules. Mr Lawrence Zammit also occupies the post of Chairman of the Audit Committee. As Chairman of the Audit Committee, he is entrusted with reporting to the Board of Directors of the Issuer on the workings and findings of the Audit Committee.

10.2. COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

In accordance with the terms of the Capital Markets Rules, the Issuer should endeavour to adopt the principles of the Code of Principles of Good Corporate Governance contained in Appendix 5.1 to Chapter 5 of the Capital Markets Rules (the "**Code**"). The Issuer declares its full support of the Code and undertakes to fully 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 is confident that the application thereof shall result in positive effects accruing to the Issuer.

On an annual basis in its annual report, the Issuer reports on the extent of its adoption of the principles of the Code for the financial period being reported upon, in line with the "comply or explain" philosophy of the Code, explaining the reasons for non-compliance, if any. As at the date of this Prospectus, the Board of Directors considers the Issuer to be in compliance with the Code, save for the following exceptions:

Principle 6: Information and professional judgement

Under the present circumstances, full adherence by the Issuer with the provisions of Principle 6 of the Code is not deemed necessary taking into account the size, nature and operations of the Issuer. The Issuer does not feel the need to establish and, or implement a succession plan for senior management in light of its existing organisational structure. The Directors will maintain the existing arrangement under continuous review to ensure that it meets the changing demands of the business and to strengthen the checks and balances necessary for better corporate governance.

Principle 8: Committees

The Board considers that the size and operations of the Issuer do not warrant the setting up of a remuneration committee and a nomination committee. In particular, the Issuer does not believe it is necessary to establish a nomination committee as appointments to the Board are determined at shareholder level in accordance with the procedure set out in the Memorandum and Articles of Association. The Issuer considers that the members of the Board provide the level of skill, knowledge and experience expected in terms of the Code.

Principle 11: Conflict of interest

Under present structure, the majority of Directors of the Issuer are directors of its parent company, namely Mariner Capital Limited, and ultimate beneficial shareholders of the Group, and as such are susceptible to conflicts arising between the potentially diverging interests of said shareholders and the Group as well as conflicts of interest which may arise in relation to transactions involving the Issuer and Mariner Capital Limited. Kevin Saliba, a director and company secretary of the Issuer, is also the Chief Financial Officer of Mariner Capital Limited. In this respect, 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 roles held by Directors, are handled in the best interest of the Issuer and according to law. To the extent known or potentially known to the Issuer, save for the aforesaid, there are no potential conflicts of interest between any duties of the Directors and their private interests and, or their other duties which require disclosure in terms of the Prospectus Regulation.

11. MAJOR SHAREHOLDERS

As at the date of this Registration Document, Mariner Capital Limited currently holds 99.99% of the entire issued share capital of the Issuer, with the remaining 0.01% held by Marin Hili. In turn, the majority shareholder of the Issuer, Mariner Capital Limited, is wholly owned by Hili Company, which is ultimately beneficially owned by Marin Hili to the extent of 60%.

The Issuer adopts measures in line with the Code to ensure that the relationship with Mariner Capital Limited is retained at arm's length, including adherence to the Capital Markets Rules regarding related party transactions, which require the sanctioning of the Audit Committee.

There are no arrangements the operation of which may at some future date result in a change in control of the Issuer.

12. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

12.1. HISTORICAL FINANCIAL INFORMATION

The audited consolidated financial statements of the Issuer for the three financial years ended 31 December, 2019, 31 December, 2020, and 31 December, 2021 (including the audit reports for such financial periods), shall be deemed to be incorporated by reference in, and form part of, the Prospectus. These financial statements have been drawn up in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and endorsed by the EU and are available for inspection at the Issuer's registered office and on the Issuer's website as set out in section 17 of this Registration Document.

The table below provides a cross-reference list to key sections of the financial statements of the Issuer for the financial years ended 31 December, 2019, 31 December, 2020 and 31 December, 2021:

	2019	2020	2021[1]
Independent auditor's report	77 – 82	75 - 80	-
Statement of comprehensive income	11	11	-
Statement of financial position	12 - 13	12 - 13	-
Statement of changes in equity	14 - 15	14 - 15	-
Statement of cash flows	16 - 17	16 - 17	-
Notes to the financial statements	18 - 76	18 - 74	-

1. The annual financial report of the Issuer for 2021 has been prepared in the European Single Electronic Format (ESEF) and therefore does not contain page numbers. The said report is available through the following link:
https://cdn.borzamalta.com.mt/ESEFAPP//MFP_20201231_CON_AFR_485100UWC0VRB3D40532_20220427154115443/485100UWC0VRB3D40532-2021-12-31-en-InlineViewer.xhtml

Set out below are condensed extracts from the said financial statements for such years:

Mariner Finance p.l.c.
Statement of Total Comprehensive Income
for the last year ended 31 December

	2019 Audited €'000	2020 Audited €'000	2021 Audited €'000
Revenue	16,614	15,832	14,717
Rental income and other net operating income	588	604	561
Net operating expenses	(8,618)	(8,525)	(8,030)
EBITDA	**8,584**	**7,911**	**7,248**
Depreciation & amortisation	(1,579)	(2,058)	(2,252)
Operating profit	**7,005**	**5,853**	**4,996**
Loss on revaluation of investment property	-	(463)	(209)
Investment income	348	275	309
Net finance costs	(2,133)	(2,180)	(2,197)
Profit before tax	**5,220**	**3,485**	**2,899**
Taxation	(316)	(288)	(267)
Profit after tax	**4,904**	**3,197**	**2,632**
Other comprehensive income:			
Revaluation, net of deferred tax	6,017	-	-
Total comprehensive income	**10,921**	**3,197**	**2,632**

During FY2020, the global economy experienced the impact of the COVID-19 pandemic. Such on-going pandemic was unprecedented but its effect on the Group's business operations was minimal. In fact, both container volumes handled and occupancy levels within the Group's principal activities were similar to those of the previous year despite the pandemic. The only financial impact resulting from the pandemic was in the form of COVID-19 related discounts given to the Group's clients.

During the reviewed year, revenue decreased by €782,000 or -5%, from €16.6 million in FY2019 to €15.8 million and rental income generated from the property in Latvia amounted to €604,000 compared to €588,000 in the prior year. Net operating expenses also decreased but not to the same extent as revenue (by -1%) which resulted in an 8% decline in EBITDA to €7.9 million (FY2019: €8.6 million).

Depreciation and amortisation charge was higher in FY2020 on a comparable basis by €479,000 on account of new property, plant & equipment. Furthermore, the carrying value of the property in Latvia was reduced by €463,000. As such, profit after tax in FY2020 amounted to €3.2 million, a decrease of €1.7 million (-35%) compared to €4.9 million generated in the previous year.

The Group's revenue in FY2021 amounted to €14.7 million, a decrease of 7% or €1.1 million from the prior year. The decline was mainly attributable to a shortage of containers in the first half of 2021 and increases in freight/shipping prices. Rental income was lower on a y-o-y basis by €43,000 to €561,000. EBITDA generated in FY2021 amounted to €7.2 million compared to €7.9 million in FY2020 (-8%).

Due to the impact of the pandemic, the carrying value of investment property was impaired by €209,000 (FY2020: loss on revaluation of €463,000). Depreciation & amortisation was higher by €194,000 primarily on account of the commissioning of a new quay crane and a warehouse at BCT. No material changes were noted in investment income and taxation. Overall, total comprehensive income was lower by €565,000 from €3.2 million in FY2020 to €2.6 million in FY2021 (-18%).

Mariner Finance p.l.c.
Statement of Financial Position
as at 31 December

	2019 Audited €'000	2020 Audited €'000	2021 Audited €'000
ASSETS			
Non-current assets			
Intangible assets	13,800	13,746	13,703
Property, plant and equipment	48,737	44,996	43,569
Investment property	5,115	4,652	4,443
Right-of-use assets	2,538	8,265	7,938
Loans and receivables	20,583	23,796	27,970
	90,773	**95,455**	**97,623**
Current assets			
Loans receivable	-	750	414
Inventories	465	438	455
Trade and other receivables	3,457	2,980	3,216
Cash and cash equivalents	615	727	640
	4,537	4,895	4,725
Total assets	**95,310**	**100,350**	**102,348**
EQUITY			
Equity and reserves			
Called up share capital	500	500	500
Other equity and reserves	17,470	17,470	17,470
Retained earnings	29,130	32,327	34,960
	47,100	50,297	52,930
LIABILITIES			
Non-current liabilities			
Bank loans	2,041	349	42
Bonds	34,648	34,717	34,789
Lease liability	2,535	6,304	5,604
Other non-current liabilities	274	341	302
	39,498	41,711	40,737
Current Liability			
Bank loans	6,323	5,227	5,721
Lease liability	49	697	700
Other current liabilities	2,340	2,418	2,260
	8,712	8,342	8,681
	48,210	50,053	49,418
Total equity and liabilities	**95,310**	**100,350**	**102,348**

Total assets as at 31 December, 2021 amounted to €102.3 million, an increase of €2.0 million from a year earlier. The primary movements included an increase in loans & receivables of €4.2 million and a decrease of €1.4 million in property, plant & equipment.

Total liabilities decreased y-o-y by €0.6 million, mainly on account of an increase in bank borrowings of €0.2 million and a reduction in lease obligations amounting to €0.7 million (reflecting annual lease payments). Equity increased by the net profit of the year of €2.6 million, from €50.3 million in FY2020 to €52.9 million in FY2021.

Mariner Finance p.l.c.
Statement of Cash Flows
for the last year ended 31 December

	2019 Audited €'000	2020 Audited €'000	2021 Audited €'000
Net cash for operating activities	5,600	6,160	4,432
Net cash from investing activities	(13,192)	(7,677)	(4,009)
Net cash from financing activities	7,044	1,629	(510)
Net movement in cash and cash equivalents	**(548)**	**112**	**(87)**
cash and cash equivalents at beginning of year	1,163	615	727
Cash and cash equivalents at end of year	**615**	**727**	**640**

In FY2021, net movement in cash and cash equivalents amounted to -€87,000 compared to a positive balance of €112,000 in FY2020.

Net cash from operating activities was lower by €1.8 million from the prior year which is reflective of the y-o-y decrease in volumes handled at BCT (FY2021: €4.4 million; FY2020: €6.2 million).

Net cash used in investing activities amounted to €4.0 million (FY2020: net outflows of €7.7 million) and mainly comprised net amounts advanced to parent company and related party of €3.6 million and capital expenditure amounting to €0.4 million.

Net cash used in financing activities amounted to €0.5 million compared to cash inflows of €1.6 million in FY2020. Such amount included lease liability payments and net drawdown of bank loans amounting to €0.7 million (outflow) and €0.2 million (inflow) respectively.

12.2. INTERIM AND OTHER FINANCIAL INFORMATION

The unaudited condensed consolidated interim financial statements of the Issuer for the six-month period 1 January, 2022 to 30 June, 2022 shall be deemed to be incorporated by reference in, and form part of, this Prospectus and are available for inspection at the Issuer's registered office and on the Issuer's website as set out in section 17 of this Registration Document.

The table below provides a cross-reference list to key sections of the interim consolidated financial information:

Page No.

Statement of profit and loss and other comprehensive income	2
Statement of financial position	3 - 4
Statement of changes in equity	5
Statement of cash flows	6
Notes to the interim financial statements	7 - 13

Mariner Finance p.l.c.
Statement of Total Comprehensive Income
for the six-month period 1 January to 30 June

	2021 Unaudited €'000	2022 Unaudited €'000
Revenue	7,403	9,717
Rental income and other net operating income	114	188
Net operating expenses	(3,961)	(4,934)
EBITDA	**3,556**	**4,971**
Despreciation & amortisation	(789)	(1,069)
Operating profit	**2,767**	**3,902**
Investment income	150	169
Net finance costs	(1,095)	(1,073)
Profit before tax	**1,822**	**2,998**
Taxation	(164)	(179)
Profit after tax	**1,658**	**2,819**
Total comprehensive income	**1,658**	**2,819**

Mariner Finance p.l.c.
Statement of Financial Position
as at

	31 Dec'21 Audited €'000	31 Dec'22 Unaudited €'000
ASSETS		
Non-current assets		
Intangible assets	13,703	13,681
Property, plant and equipment	43,569	43,268
Investment property	4,443	4,443
Right-of-use assets	7,938	7,775
Loans and receivables	27,970	29,103
	97,623	**98,270**
Current assets		
Loans receivable	414	932
Inventories	455	440
Trade and other receivables	3,216	4,111
Cash and cash equivalents	640	2,650
	4,725	8,133
Total assets	**102,348**	**106,403**
EQUITY		
Equity and reserves		
Called up share capital	500	500
Other equity and reserves	17,470	17,470
Retained earnings	34,960	37,779
	52,930	55,749
LIABILITIES		
Non-current liabilities		
Bank loans	42	-
Bonds	34,789	34,838
Lease liability	5,604	5,254
Other non-current liabilities	302	486
	40,737	40,578
Current Liability		
Bank loans	5,721	6,348
Lease liability	700	700
Other current liabilities	2,260	3,028
	8,681	10,076
	49,418	50,654
Total equity and liabilities	**102,348**	**106,403**

Mariner Finance p.l.c.
Statement of Cash Flows
for the six-month period 1 January to 30 June

	2021 Unaudited €'000	2022 Unaudited €'000
Net cash for operating activities	2,585	3,799
Net cash from investing activities	(1,603)	(2,257)
Net cash from financing activities	718	468
Net movement in cash and cash equivalents	**1,700**	**2,010**
Cash and cash equivalents at beginning of year	727	640
Cash and cash equivalents at end of year	**2,427**	**2,650**

During the first six months of the year, the Group continued to operate in its two core markets, precisely operation of sea terminal and property rental.

The Group's operational results for the interim period under review exceeded those attained in the same period of 2021. As a result of this, the Group's profit before tax of €3.0 million was higher on a comparable basis by €1.2 million (2021: €1.8 million). The main reasons for this increase in profitability were higher volumes handled, mainly due to a post COVID-19 pandemic recovery. Furthermore, the Russia-Ukraine conflict had a positive effect on volumes too with containers previously passing through Russia being diverted instead to Riga. Volumes handled at Baltic Container Terminal SIA in HY2022 were 21.7% higher than those handled in the same period of the previous year. This implied that turnover generated from sea terminal operations for the first six months of 2022 was higher than in 2021 by €2.3 million to €9.7 million (2021: €7.4 million).

Revenue generated from the Group's rental business was also higher on a comparable basis with average occupancy increasing to 64%, mainly on account of a post COVID-19 economy and industry recovery.

The Group had a net current liability position as at 30 June, 2022 of €1.9 million compared to €4.0 million net current liability as at 31 December, 2021. The reason for this is that the Group's 2019 investments had been financed through a bank overdraft with the intention of subsequently refinancing €5 million into a term loan facility. Management has since decided not to proceed with such refinancing and instead maintain the current overdraft facility, which is not repayable on demand and extended on an annual basis. The Group maintains a strong financial position with net assets as at 30 June, 2022 amounting to €55.7 million (31 December, 2021: €52.9 million).

12.3. SIGNIFICANT CHANGE IN THE ISSUER'S FINANCIAL OR TRADING POSITION

There has been no material adverse change in the prospects of the Issuer since the date of publication of its latest audited financial statements nor has there been any significant change in the financial position of the Issuer since the end of the last financial period for which financial information has been published to the date of this Registration Document.

13. LEGAL AND ARBITRATION PROCEEDINGS

There have been no governmental, legal or arbitration proceedings, including any such proceedings which are pending or threatened or of which the Issuer is aware, during the period covering 12 months prior to the date of the Prospectus which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability.

14. ADDITIONAL INFORMATION

14.1. SHARE CAPITAL

As at the date of this Registration Document, the authorised share capital of the Issuer is €500,000.00 divided into 50,000 ordinary shares of a nominal value of €10.00 each. The issued share capital of the Issuer is €500,000.00 divided into 50,000 ordinary shares of a nominal value of €10.00 each, subscribed for, allotted and taken up as follows:

Mariner Capital Limited (C 11890)	49,999 ordinary shares of a nominal value of €10.00 each, fully paid-up, representing 99.99% of the issued share capital of the Issuer
Marin Hili (Maltese ID 190257M)	1 ordinary share of a nominal value of €10.00 each, fully paid-up, representing 0.01% of the issued share capital of the Issuer

14.2. MEMORANDUM AND ARTICLES OF ASSOCIATION

The Memorandum and Articles of Association are registered with the Malta Business Registry. A full list of the objects for which the Issuer is established is set out in clause 3 of the Memorandum of Association. These objects include, but are not limited to, the following:

(a) to carry on the business of a finance and investment company, including but not limited to, the ownership, development, operation, construction and financing of ports or port operations;
(b) 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;
(c) to purchase, take on lease, exchange or acquire, movable or immovable property by any title, including empytheusis and sub-emphyteusis or otherwise deal in and hold, develop or improve any freehold, leasehold or other property whether for investment or resale; and
(d) to finance building operations of every description, to construct, reconstruct, renovate, alter, improve decorate, finish and maintain buildings or other properties.

15. MATERIAL CONTRACTS

Neither the Issuer nor any of the other companies forming part of the Group is party to any contract not being a contract entered into in the respective company's ordinary course of business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer as at the date of this Registration Document.

16. STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Save for the financial analysis summary, the Prospectus does not contain any statement or report attributed to any person as an expert.

The financial analysis summary has been included in the form and context in which it appears with the authorisation of M.Z. Investment Services Limited (C 23936) of 61, M.Z. House, St. Rita Street, Rabat RBT 1523, Malta, which has given and has not withdrawn its consent to the inclusion of such report herein. The author of the financial analysis summary is Mr Evan Mohnani, Senior Financial Advisor at M.Z. Investment Services Limited. M.Z. Investment Services Limited does not have any material interest in the Issuer.

The Issuer confirms that the financial analysis summary has been accurately reproduced in the Prospectus and as far as the Issuer is aware and is able to ascertain from the information contained therein, no facts have been omitted which render the reproduced information inaccurate or misleading.

17. DOCUMENTS ON DISPLAY

For the duration period of this Registration Document the following documents shall be available for inspection at the registered address of the Issuer:

(a) the Memorandum and Articles of Association of the Issuer;
(b) audited consolidated financial statements for the financial years ended 31 December, 2019, 31 December, 2020 and 31 December, 2021;
(c) the unaudited condensed consolidated interim financial statements for the period 1 January, 2022 to 30 June, 2022; and
(d) the financial analysis summary prepared by the Sponsor and dated 21 November, 2022.

Such documents are also available for inspection in electronic form on the Issuer's website at: *http://www.mfplc.com.mt/*

SECURITIES NOTE

21 November, 2022

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

This Securities Note is being issued by:

MARINER FINANCE P.L.C.

a public limited liability company registered under the laws of Malta with company registration number C 31514

in respect of an issue of up to €44,000,000 5% unsecured bonds due 2032
issued and redeemable at their nominal value (at €100 per Bond)

ISIN MT0000271222

SPONSOR	MANAGER AND REGISTRAR	LEGAL COUNSEL
MZ INVESTMENT SERVICES	BOV Bank of Valletta	CAMILLERI PREZIOSI ADVOCATES

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

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

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

APPROVED BY THE BOARD OF DIRECTORS

Marin Hili	**Ian Micallef**

signing in their capacities as directors of the Issuer and on behalf of:

Michela Borg Anthony Busuttil Edward Hili Kevin Saliba Lawrence Zammit

IMPORTANT INFORMATION

THIS SECURITIES NOTE FORMS PART OF THE PROSPECTUS AND CONTAINS INFORMATION IN CONNECTION WITH AN ISSUE BY MARINER FINANCE P.L.C. (C 31514) (THE "**ISSUER**") OF UP TO €44,000,000 UNSECURED BONDS DUE 2032 HAVING A NOMINAL VALUE OF €100 PER BOND ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 5% PER ANNUM, PAYABLE ANNUALLY IN ARREARS ON 16 DECEMBER OF EACH YEAR UNTIL THE REDEMPTION DATE, AS APPLICABLE (THE "**BONDS**" OR THE "**BOND ISSUE**").

A COPY OF THIS SECURITIES NOTE HAS BEEN SUBMITTED TO THE MFSA IN SATISFACTION OF THE CAPITAL MARKETS RULES, THE MSE IN SATISFACTION OF THE MSE BYE-LAWS AND THE REGISTRAR OF COMPANIES AT THE MALTA BUSINESS REGISTRY IN ACCORDANCE WITH THE ACT.

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

THIS SECURITIES NOTE: (I) CONTAINS INFORMATION ABOUT THE BONDS IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES, THE ACT AND THE PROSPECTUS REGULATION, AND SHOULD BE READ IN CONJUNCTION WITH THE LATEST REGISTRATION DOCUMENT ISSUED BY THE ISSUER FORMING PART OF THE PROSPECTUS; AND (II) SETS OUT THE CONTRACTUAL TERMS UNDER WHICH THE BONDS ARE BEING ISSUED, BY THE ISSUER, WHICH TERMS SHALL REMAIN BINDING.

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

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

THE ISSUER HAS CONSENTED TO THE AUTHORISED FINANCIAL INTERMEDIARIES MAKING USE OF THIS SECURITIES NOTE IN CONNECTION WITH THEIR DISTRIBUTION AND PLACEMENT ACTIVITIES FOR THE SALE OF THE BONDS.

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

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

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

THIS SECURITIES NOTE SHALL REMAIN VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE HEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS OBLIGED TO PUBLISH A SUPPLEMENT ONLY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKE OR MATERIAL INACCURACIES RELATING TO THE INFORMATION SET OUT IN THE PROSPECTUS WHICH MAY AFFECT THE ASSESSMENT OF THE SECURITIES AND WHICH ARISES OR IS NOTED BETWEEN THE TIME WHEN THE PROSPECTUS IS APPROVED AND THE CLOSING OF THE ISSUE PERIOD OR THE TIME WHEN TRADING ON A REGULATED MARKET COMMENCES, WHICHEVER OCCURS LATER. THE OBLIGATION TO SUPPLEMENT THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES DOES NOT APPLY WHEN THE PROSPECTUS IS NO LONGER VALID.

ALL THE ADVISERS TO THE ISSUER NAMED IN SECTION 4.1 OF THE REGISTRATION DOCUMENT HAVE ACTED, AND ARE ACTING, EXCLUSIVELY FOR THE ISSUER IN RELATION TO THE PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON, AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

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

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

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 FINANCIAL AND OTHER PROFESSIONAL ADVISERS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.

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1. DEFINITIONS

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

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)	the application to subscribe for the Bonds made by an Applicant(s) through any of the Authorised Financial Intermediaries;
Application Form(s)	the form of application for the subscription for the Bonds by Existing Bondholders and, or the form of application for the subscription for the Bonds by the general public, specimens of which are contained in Annex I to this Securities Note;
Bond Issue Price	€100 per Bond;
Bondholder(s)	any holder(s) of Bonds from time to time, as evidenced by an electronic entry in the register of Bonds held by the CSD;
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
CSD	the Central Securities Depository of the MSE, having its address at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Excess	such number of Bonds exceeding in value the aggregate nominal value of Exchangeable Bonds held by Existing Bondholders as at the Cut-Off Date, which an Existing Bondholder wishes to apply for;
Exchangeable Bonds	the 5.3% unsecured bonds (ISIN MT0000271214) of a nominal value of €100 per bond redeemable on 3 July, 2024, amounting as at the date of the Prospectus to €35,000,000, issued by the Issuer pursuant to a prospectus dated 2 June, 2014;
Exchangeable Bond Transfer	the subscription for Bonds by an Existing Bondholder settled, after submitting the appropriate Application Form 'A', by the transfer to the Issuer of all or part of the Exchangeable Bonds held by such Existing Bondholder as at the Cut-Off Date;
GDPR	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC, as may be amended from time to time;
Interest Payment Date	16 December of each year between and including each of the years 2023 and 2032, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
Offer Period	the period commencing at 08:30 hours on 28 November, 2022, and lapsing at 12:00 hours on 16 December, 2022, (or such earlier date as may be determined by the Issuer) during which the Bonds will be available for subscription to Existing Bondholders and the general public;
Official List	the list prepared and published by the MSE as its official list in accordance with the MSE Bye-Laws;
Redemption Value	the nominal amount to be paid on the Redemption Date; and
Terms and Conditions	the terms and conditions applicable to the Bonds as contained in section 6 of this Securities Note.

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. all references in this Securities Note to "*Malta*" shall be construed as defined in Article 124 (1) of the Constituton of Malta;
e. any phrase introduced by the terms "*including*", "*include*", "*in particular*" or any similar expression is illustrative only and does not limit the sense of the words preceding those terms; and
f. 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 date of this Securities Note.

2. RISK FACTORS

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

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN 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 BONDS. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

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

THE PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN AND, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH BONDS ISSUED BY THE ISSUER:

(I) IS NOT INTENDED TO PROVIDE THE BASIS FOR ANY CREDIT OR OTHER EVALUATION;
(II) IS NOT AND SHOULD NOT BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE DIRECTORS, ANY OF THE ADVISERS LISTED IN SECTION 4.1 OF THE REGISTRATION DOCUMENT, OR ANY OF THE AUTHORISED FINANCIAL INTERMEDIARIES, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, THAT ANY RECIPIENT OF THE PROSPECTUS SHOULD PURCHASE THE BONDS ISSUED BY THE ISSUER (AND THEREFORE PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS SECURITIES NOTE); AND
(III) CONTAIN STATEMENTS THAT ARE, OR MAY BE DEEMED TO BE, "FORWARD-LOOKING STATEMENTS".

2.1. FORWARD-LOOKING STATEMENTS

This Securities Note contains statements that are, or may be deemed to be, "forward-looking statements". Forward-looking statements can be identified by the use of forward-looking terminology, including the terms *"believes", "estimates", "forecasts", "projects", "anticipates", "expects", "envisages", "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 within the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and, or the Directors concerning, amongst other things, the Issuer's strategy and business plans, financial condition and performance, results of operations, liquidity, prospects, investments, 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 Issuer's and, or the Group's actual operational results, financial condition and performance, and trading prospects may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the operational results, financial condition and performance, and trading prospects of the Issuer and, or the Group are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, those factors identified under this section 2 of this Securities Note and elsewhere in the Prospectus.

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

2.2. RISKS SPECIFIC TO THE BONDS

2.2.1. Orderly and liquid market

The existence of an orderly and liquid market for the Bonds depends on a number of factors, including the presence of willing buyers and sellers of the 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.

Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Moreover, there can be no assurance that Bondholders will be able to sell the Bonds at or above the Bond Issue Price or at all.

2.2.2. Future public offers

No prediction can be made about the effect which any future public offerings of the Issuer's securities (including but not limited to the effects arising out of a change in the cash flow requirements of the Issuer or other commitments of the Issuer *vis-à-vis* the new security holders), or any takeover or merger activity involving the Issuer (including but not limited to a de-listing, in full or in part, of the Bonds), will have on the market price of the Bonds prevailing from time to time.

2.2.3. Ranking of the Bonds

The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer and 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, without priority or preference to all present and future unsecured obligations of the Issuer. This means that any secured or privileged debts of the Issuer shall rank at all times ahead of the obligations of the Issuer under the Bonds, as a result of which the Bondholders may not be able to recover their investment in the Bonds in the case of insolvency or an equivalent situation, whether in full or in part. Furthermore, third-party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer, as the case may be, for so long as such security interests remain in effect.

2.2.4. Subsequent changes in interest rate and the potential impact of inflation

The Bonds are fixed rate debt securities. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the market value of the Bonds. Investors should be aware that because of the way yield is typically calculated by market participants, the price of fixed income securities (such as the Bonds) tends to move in a way that is inversely proportional to changes in interest rates. Accordingly, when prevailing market interest rates are rising, the prices that market participants will generally be willing to pay for the Bonds can be expected to decline. Conversely, if market interest rates are declining, secondary market prices for the Bonds can generally be expected to rise. Moreover, fixed rate debt securities with a longer period to maturity will tend to reflect a greater degree of secondary market price volatility relative to movements in market interest rates when compared to fixed rate debt securities with a shorter lifespan.

The coupon payable on the Bonds is a nominal interest rate. The real interest rate is computed by subtracting inflation from the nominal interest rate, the result of which indicates the real return on the Bond coupons. In a period of high inflation, an investor's real return on the Bonds will be lower than the Bonds' nominal interest rate and thus undermine an investor's expected return. Furthermore, an increase in inflation may result in a decrease in the traded price of the Bonds on the secondary market.

2.2.5. Amendments to the Terms and Conditions

The Terms and Conditions contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. In the event that the Issuer wishes to amend any of the Terms and Conditions it shall call a meeting of Bondholders in accordance with the provisions of section 5.4 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.

THE FOREGOING RISK FACTORS ARE NOT EXHAUSTIVE AND DO NOT PURPORT TO BE A COMPLETE LIST OF ALL OF THE RISKS AND CONSIDERATIONS INVOLVED IN INVESTING IN THE BONDS. IN PARTICULAR, THE ISSUER'S PERFORMANCE MAY BE AFFECTED BY CHANGES IN MARKET OR ECONOMIC CONDITIONS AS WELL AS LEGAL, REGULATORY AND TAX REQUIREMENTS APPLICABLE TO THE ISSUER AND, OR THE BONDS.

3. PERSONS RESPONSIBLE, CONSENT FOR USE OF PROSPECTUS AND STATEMENT OF APPROVAL

3.1. PERSONS RESPONSIBLE

The Directors are the persons responsible for the information contained in this Securities Note. To the best of the knowledge and belief of the Directors (who have all taken reasonable care to ensure 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.

3.2. CONSENT FOR USE OF PROSPECTUS

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

(i) in respect of the Bonds subscribed for through the Authorised Financial Intermediaries;
(ii) to any resale or placement of the Bonds subscribed as aforesaid, taking place in Malta; and, or
(iii) to any resale or placement of the Bonds taking place within the period of 60 days from the date of the Prospectus.

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

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

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

Investors should enquire whether an intermediary is considered to be an Authorised Financial Intermediary in terms of the Prospectus. If the investor is in doubt as to whether it can rely on the Prospectus and, or who is responsible for its contents, it should obtain legal advice. No person has been authorised to give any information or to make any representation not contained in or inconsistent with the Prospectus. If given or made, it must not be relied upon as having been authorised by the Issuer or its advisers. The Issuer does not accept responsibility for any information not contained in the Prospectus.

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

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

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

Any new information with respect to financial intermediaries unknown at the time of approval of this Securities Note will be made available by the Issuer through a company announcement which will be made available on the Issuer's website: *http://www.mfplc.com.mt/*

3.3. STATEMENT OF APPROVAL

This Securities Note has been approved by the MFSA as the competent authority in Malta for the purposes of the Prospectus Regulation. The MFSA has only approved this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Issuer or the quality of the Bonds. Investors should make their own assessment as to the suitability of investing in the Bonds.

4. ESSENTIAL INFORMATION ON THE BOND ISSUE

4.1. REASONS FOR THE ISSUE AND USE OF PROCEEDS

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €43,120,000, will be utilised by the Issuer for the following purposes:

(a) an amount of up to €35,525,000 in the form of Exchangeable Bonds surrendered by Existing Bondholders in favour of the Issuer by virtue of an Exchangeable Bond Transfer resulting in the purchase of Exchangeable Bonds from said Existing Bondholders by the Issuer, for cancellation (as at the date of the Prospectus the total value of Exchangeable Bonds in issue stands at €35,000,000, with an additional amount of *circa* €525,000 attributable to the payment of Cash Settlements arising from the aforementioned Exchangeable Bond Transfer); and

(b) an amount of *circa* €7,595,000 shall be applied towards general corporate funding purposes. Such proceeds may be used, in part, to finance capital expenditure of the Issuer or any of its Subsidiaries.

In the event that the Bond Issue is fully subscribed and less than €35,000,000 in the form of Exchangeable Bonds are purchased by the Issuer by way of Exchangeable Bond Transfer in terms of paragraph 4.1 (a) above, the amount of €35,525,000 indicated in paragraph (a) above may consist of a combination of: (i) Exchangeable Bonds surrendered as set out in paragraph (a) above; (ii) proceeds from subscription for Bonds by Existing Bondholders in respect of any Excess applied for (provided that such Existing Bondholders have transferred their entire holding in Exchangeable Bonds by Exchangeable Bond Transfer); and (iii) proceeds from the subscription for Bonds by the general public. The proceeds referred to in (ii) and (iii) shall be utilised, in part, for the purposes of effecting the payment of Cash Settlements arising from the Exchangeable Bond Transfer, and any balance of proceeds shall be reserved by the Issuer for the eventual redemption of any residual balance of Exchangeable Bonds not surrendered by Existing Bondholders in favour of the Issuer by virtue of the Exchangeable Bond Transfer, on their corresponding redemption date, being the 3 July, 2024 (the "**Reserve**"). The balance of proceeds shall be applied by the Issuer towards the use identified in paragraph 4.1. (b) above.

In the event that the Bond Issue is not fully subscribed and less than €35,000,000 in the form of Exchangeable Bonds are purchased by the Issuer by way of the Exchangeable Bond Transfer in terms of paragraph 4.1, (a) above, the Issuer will proceed with the listing of the amount of Bonds subscribed for. The amount of €35,525,000 indicated in paragraph (a) above may consist of a combination of: (i) Exchangeable Bonds surrendered as set out in paragraph (a) above; (ii) proceeds from subscription for Bonds by Existing Bondholders in respect of any Excess applied for (provided that such Existing Bondholders have transferred their entire holding in Exchangeable Bonds by Exchangeable Bond Transfer); and (iii) proceeds from the subscription for Bonds by the general public. The proceeds from the Bond Issue shall be applied as follows, in the following order of priority: (i) the payment of the Cash Settlements arising from the Exchangeable Bond Transfer and the creation of the Reserve; and (ii) any balance of proceeds shall be applied by the Issuer towards the use identified in paragraph 4.1. (b) above.

In the event that the Bond Issue is not fully subscribed, however the full €35,000,000 in the form of Exchangeable Bonds are purchased by the Issuer by way of Exchangeable Bond Transfer in terms of paragraph (a) above, the Issuer will proceed with the listing of the amount of Bonds subscribed for, and the proceeds from the Bond Issue shall be applied as follows, in the following order of priority: (i) the payment of Cash Settlements arising from the Exchangeable Bond Transfer (in accordance with paragraph 4.1. (a) above); and (ii) the use identified in paragraph 4.1. (b) above.

4.2. EXPENSES

Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €880,000 in the aggregate. There is no particular order of priority with respect to such expenses. The expenses pertaining to the Bond Issue shall be borne exclusively by the Issuer.

4.3. INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE BOND ISSUE

Save for the subscription for Bonds by Authorised Financial Intermediaries, and any fees payable in connection with the Bond Issue to M. Z. Investment Services Ltd as Sponsor and Bank of Valletta p.l.c. as Manager and Registrar, in so far as the Issuer is aware, no person involved in the Bond Issue has an interest, conflicting or otherwise, which is material to the Bond Issue.

5. INFORMATION CONCERNING THE BONDS TO BE ISSUED AND ADMITTED TO TRADING

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

5.1. ISSUE STATISTICS

AMOUNT:	aggregate amount of up to €44,000,000;
DENOMINATION:	Euro (€);
BOND ISSUE PRICE:	at par (€100 per Bond);
ISIN:	MT0000271222;
MINIMUM AMOUNT PER SUBSCRIPTION:	(i) in respect of the general public: minimum of €2,000 and multiples of €100 thereafter; and (ii) in respect of Existing Bondholders: no minimum amount per subscription shall be applicable subject to subscriptions in multiples of €100;
INTEREST:	5% per annum;
INTEREST PAYMENT DATE(S):	16 December of each year between and including each of the years 2023 and 2032, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
ISSUE DATE:	3 January, 2023;
REDEMPTION DATE:	16 December, 2032;
OFFER PERIOD:	the period commencing at 08:30 hours on 28 November, 2022, and lapsing at 12:00 hours on 16 December, 2022, (or such earlier date as may be determined by the Issuer) during which the Bonds will be available for subscription to Existing Bondholders and the general public;
ADMISSION TO LISTING AND TRADING:	the MFSA has approved the Bonds for admissibility to listing on the Official List. Application has been made to the MSE for the Bonds to be listed and traded on its Official List;
STATUS OF THE BONDS:	the Bonds constitute the general, direct, unsecured, and unconditional obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such obligations as may be mandatorily preferred by law, at all times rank at least equally with all the Issuer's present and future unsecured obligations;
GOVERNING LAW:	the Bonds are governed by and shall be construed in accordance with Maltese law; and
JURISDICTION:	the Maltese courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds.

5.2. REGISTRATION, FORM AND TITLE

The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD.

There will be entered in such electronic register, the names, addresses, identification numbers (in the case of natural persons), registration numbers (in the case of legal persons) and MSE account numbers of the Bondholders together with particulars of the Bonds held by them. A copy of the Bondholder's entry in the CSD's electronic register will, at all reasonable times during business hours, be available for inspection by the Bondholders at the registered office of the Issuer. Title to the Bonds shall be evidenced by an entry in the electronic register of Bonds maintained by the CSD. The CSD will issue, upon a request by a Bondholder, a statement of holdings evidencing his or her entitlement to the Bonds held in the electronic register at the CSD.

Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading entitled "Transferability of the Bonds" in section 5.6 of this Securities Note.

5.3. RIGHTS ATTACHING TO THE BONDS

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) ranking with respect to other indebtedness of the Issuer in accordance with the provisions of section 5.5 below;
(d) the right to attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions; and
(e) the enjoyment of all such other rights attached to the Bonds emanating from the Prospectus.

5.4. MEETINGS OF BONDHOLDERS

The Issuer may, from time to time, call meetings of Bondholders for the purpose of consulting with Bondholders or for the purpose of obtaining the consent thereof on matters which in terms of the Prospectus require the approval of a Bondholders' meeting.

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 30 days preceding the date scheduled for the meeting, not less than 14 days' notice in writing. Said notice may be given by electronic mail, by post or by courier, at the discretion of the Issuer.

Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat. Following a meeting of Bondholders held in accordance with the provisions contained herein, 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 5.4, at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.

Each Bond shall entitle the holder thereof to one vote. A meeting of Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose at least two Bondholders present, in person or by proxy, representing not less than 50% in nominal value of the Bonds then in issue, shall constitute a quorum. If a quorum is not present within 30 minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Bondholders present at that meeting. The Issuer shall within two 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 days, and not later than 15 days, following the original meeting. At an adjourned meeting the number of Bondholders present, in person or by proxy, shall constitute a quorum and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.

Any person who in accordance with the Memorandum and Articles of Association 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 being required at the meeting the directors or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote. The voting process shall be managed by the company secretary of the Issuer.

The proposal placed before a meeting of Bondholders shall only be considered approved if at least 75% 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. A matter decided at a duly convened Bondholders' meeting is binding on all Bondholders irrespective of whether they are present or not.

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.

The amendment or waiver of any of the Terms and Conditions may only be made with the approval of Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.

5.5. RANKING OF THE BONDS

The Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and 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, without priority or preference to all present and future unsecured obligations of the Issuer. This means that any secured or privileged debts of the Issuer shall rank at all times ahead of the obligations of the Issuer under the Bonds, as a result of which the Bondholders may not be able to recover their investment in the Bonds, whether in full or in part, in the case of insolvency or an equivalent situation. Furthermore, third-party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer, as the case may be, for so long as such security interests remain in effect.

5.6. TRANSFERABILITY OF THE BONDS

The Bonds are freely transferable and, once admitted to the Official List, 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 applicable to subscriptions by the general public shall only apply during the Offer Period. No minimum holding requirement shall be applicable once the Bonds are admitted to listing on the Official List and commencement of trading thereafter, subject to trading in multiples of €100.

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

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

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

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.

5.7. INTEREST

The Bonds shall bear interest from, and including, 16 December, 2022 at the rate of 5% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 16 December, 2023 (covering the period 16 December, 2022 to 15 December, 2023). Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day.

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.

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.

5.8. YIELD

The gross yield calculated on the basis of the interest, the Bond Issue Price and the Redemption Value of the Bonds at the Redemption Date shall be 5%.

5.9. PAYMENTS

Payment of the principal amount of Bonds will be made in Euro by the Issuer to the person in whose name such Bonds are registered as at the close of business on the Redemption Date, with interest accrued up to (but excluding) the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account is denominated in Euro. Such payment shall be effected within seven days of the Redemption Date. The Issuer shall not be responsible for any loss or delay in transmission or any charges related thereto. Upon payment of the Redemption Value the Bonds shall be redeemed and the appropriate entry made in the electronic register of the Bonds at the CSD.

In the case of Bonds held subject to usufruct, payment will be made against the joint instructions of all bare owners and usufructuaries. Before effecting payment, the Issuer and, or the CSD shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bare owner(s) and the usufructuary(ies) to payment of the Bonds.

Payment of interest on the Bonds will be made to the person in whose name such Bonds are registered at the close of business 15 days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in Euro. Such payment shall be effected within seven days of the Interest Payment Date. The Issuer shall not be responsible for any loss or delay in transmission or any charges related thereto.
All payments with respect to the Bonds are subject in all cases to any applicable fiscal or other laws and regulations prevailing in Malta. In particular, but without limitation, all payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is or may become compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Malta or any authority thereof or therein having power to tax.

Except for any charges which may be imposed by the Issuer or any remitting bank or payment institution in connection with the transmission of payments or transfer of funds, no commissions or expenses shall be charged by the Issuer to Bondholders in respect of such payments.

If, due to any problem encountered by the CSD, any remitting bank and, or payment institution, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the problem has been resolved.

5.10. REDEMPTION AND PURCHASE

Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on the Redemption Date. In such a case the Issuer shall be discharged of any and all payment obligations under the Bonds upon payment made net of any withholding or other taxes due or which may be due under Maltese law and which are payable by the Bondholders. All Bonds repurchased by the Issuer shall be cancelled forthwith and may not be reissued or re-sold.

5.11. EVENTS OF DEFAULT

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

5.11.1. the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for 60 days after written notice thereof shall have been given to the Issuer by any Bondholder; or

5.11.2. the Issuer shall fail to pay the principal amount on any Bond when due and such failure shall continue for 60 days after written notice thereof shall have been given to the Issuer by any Bondholder; or

5.11.3. the Issuer shall fail to duly perform or shall otherwise be in breach of any other material obligation contained in the Terms and Conditions and such failure shall continue for 60 days after written notice thereof shall have been given to the Issuer by a Bondholder; or

5.11.4. an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer; or

5.11.5. the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its respective debts or announces an intention to do so or ceases or threatens to cease to carry on its respective business or a substantial part of its respective business; or

5.11.6. the Issuer is unable, or admits its inability in writing, to pay its debts as they fall due or otherwise becomes insolvent; or

5.11.7. there shall have been entered against the Issuer a final judgment by a court of competent jurisdiction from which no appeal may be or is made for the payment of money in excess of €5,000,000 or its equivalent and 90 days shall have passed since the date of entry of such judgment without it having been satisfied or stayed.

5.12. AUTHORISATIONS AND APPROVALS

The Directors authorised the Bond Issue pursuant to a board of directors' resolution passed on 6 October, 2022.

5.13. NOTICES

Notices will be mailed to Bondholders at their registered addresses and shall be deemed to have been served at the expiration of 24 hours after the letter containing the notice is posted, and in providing such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholder at his or her registered address and posted.

5.14. 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.

6. TERMS AND CONDITIONS

6.1. EXPECTED TIMETABLE OF THE BOND ISSUE

1	Application Forms mailed to Existing Bondholders as at the Cut-Off Date	25 November, 2022
2	Offer Period	28 November, 2022 to 16 December, 2022
3	Commencement of interest on the Bonds	16 December, 2022
4	Announcement of basis of acceptance	23 December, 2022
5	Refunds of unallocated monies (if any)	3 January, 2023
6	Expected dispatch of allotment advices	3 January, 2023
7	Expected date of admission of the Bonds to listing	3 January, 2023
8	Expected date of commencement of trading in the Bonds	4 January, 2023

The Issuer reserves the right to close the Offer Period before 16 December, 2022 in the event of over-subscription of the Bonds, in which case the events set out in points 4 to 8 above will be brought forward, but shall be kept in the same chronological order as set out above.

6.2. CONDITIONS TO WHICH THE BOND ISSUE IS SUBJECT

The following terms and conditions shall be read in conjunction with all the other terms and conditions relative to and regulating the contractual relationship created between the Issuer and the Applicant.

6.2.1. The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Official List of the MSE. In the event that the aforementioned condition is not satisfied, any Application monies (including Excess) 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.

6.2.2. Existing Bondholders applying for Bonds may elect to settle all or part of the amount due on the Bonds applied for (whether in whole or in part consideration for the Bonds being applied for) by completing a pre-printed Application Form 'A', indicating that the consideration for the Bonds applied for shall be settled by way of transfer to the Issuer of all or part of the Exchangeable Bonds held as at the Cut-Off Date in an amount equivalent to the par value of the Bonds applied for (this being, the Exchangeable Bond Transfer). Any Existing Bondholders wishing to apply for Excess, may do so by completing the appropriate section of the Application Form 'A'. Existing Bondholders may lodge their Application Form 'A' with any Authorised Financial Intermediary by not later than12:00 hours on 16 December, 2022 or such earlier date as may be determined by the Issuer.

Application Form 'A' can only be used by Existing Bondholders electing to subscribe for the Bonds by way of an Exchangeable Bond Transfer and the Excess if applied for, provided that such Existing Bondholders applying for any Excess, have opted to transfer their entire holding in Exchangeable Bonds by Exchangeable Bond Transfer.

6.2.3. By submitting a signed pre-printed Application Form 'A' indicating that the option of the Exchangeable Bond Transfer is being selected (whether in whole or in part consideration for the Bonds being applied for), the Applicant is thereby confirming:

(i) that all or part (as the case may be) of the Exchangeable Bonds held by the Applicant as at the Cut-Off Date are being transferred to the Issuer, together with the payment due in respect of any Excess, if applicable;

(ii) that the pre-printed Application Form 'A' constitutes the Applicant's irrevocable mandate to the Issuer to: (a) cause the transfer of the said Exchangeable Bonds in the Issuer's name in consideration of the issue of Bonds; and (b) engage, at the Issuer's cost, the services of such brokers or intermediaries as may be necessary to fully and effectively vest title in the said Exchangeable Bonds in the Issuer and fully and effectively vest title in the appropriate number of Bonds in the Applicant;

(iii) that the obligations of the Issuer with respect to the Exchangeable Bonds being transferred to the Issuer are extinguished, replaced by obligations on the part of the Issuer under the Bonds to be issued upon acceptance

by the Issuer of the Application in question; and
(iv) the matter specified in section 6.2.6. below.

6.2.4. In the event that an Existing Bondholder applying for a number of Bonds exceeding in value the aggregate nominal value of Exchangeable Bonds held by them as at the Cut-Off Date has been allocated a number of Bonds which is less than the Excess applied for, then such Existing Bondholder shall receive a refund of the price of the Bonds applied for but not allocated. Such refund shall be without interest and shall be made by credit transfer to such account indicated in the Application Form 'A', at the Existing Bondholder's sole risk by not later than 3 January, 2023. The Issuer shall not be responsible for any charges, loss or delay arising in connection with such direct credit transfer.

6.2.5. Other Applicants, not being Existing Bondholders, may apply for Bonds by completing Application Form 'B' which may be obtained from any Authorised Financial Intermediary during the Offer Period. In the event that an Applicant has been allocated a number of Bonds which is less than the number applied for, the Applicant shall receive the balance of the price of the Bonds applied for but not allocated, without interest, by credit transfer to such account indicated in the Application Form 'B', at the Applicant's sole risk by not later than 3 January, 2023. The Issuer shall not be responsible for any charges, loss or delay arising in connection with such direct credit transfer.

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

6.2.7. The contract created by the Issuer's acceptance of an Application filed by an applicant 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. 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.

6.2.8. If an Application is submitted on behalf of another person, whether legal or natural, the person submitting the Application will be deemed to have duly bound such other person on whose behalf the Application has been submitted. The person submitting such Application shall be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions on their behalf. Such representative may be requested to submit the relative power of attorney, or resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Issuer and the Registrar, but it shall not be the duty or responsibility of the Registrar or Issuer to ascertain that such representative is duly authorised to sign the Application. Furthermore, in cases where the decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "**decision maker**") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in the relative panel of the Application Form.

6.2.9. In the case of joint Applicants, reference to the Applicant in these terms and conditions is a reference to each of the joint Applicants, and liability therefor is joint and several. 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 those joint holders whose names appear in the field entitled "Additional Applicants" in the Application Form or joint holders in the register, as the case may be. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond(s) so held.

6.2.10. In the case of corporate Applicants or Applicants having separate legal personality, the Application must be signed by a person authorised to sign and bind such Applicant. It shall not be incumbent on the Issuer or Registrar to verify whether the person or persons purporting to bind such Applicant is or are in fact authorised. Applications by corporate Applicants have to include a valid legal entity identifier ("**LEI**") which must be unexpired. Applications without such information or without a valid LEI will not be accepted.

6.2.11. In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register of Bondholders. The usufructuary shall, for all intents and purposes, be deemed *vis-à-vis* the Issuer to be the holder of the Bond(s) so held and shall have the right to receive interest on the Bond(s) and to vote at meetings of the Bondholders but shall not, during the continuance of the Bond(s), have the right to dispose of the Bond(s) so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Bond(s) (which shall be due to the bare owner). Furthermore, the signatures of both the bare owner and the usufructuary will be required in the respective Application.

6.2.12. Applications in the name and for the benefit of minors shall be allowed provided that the Applicant already holds an account with the MSE. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents or legal guardian(s) signing the Application until such time as the minor attains the age of 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 18 years.

6.2.13. All Applications are to be lodged with any of the Authorised Financial Intermediaries listed in Annex II of this Securities Note together with payment of the full price of the Bonds applied for, in Euro with the exception of Applications submitted by Existing Bondholders, where payment needs to correspond to the amount applied for less the aggregate value of the bonds forming the subject of the Exchangeable Bond Transfer, where applicable. Payments may be made by cheque payable to the respective Authorised Financial Intermediary or by any other method of payment as accepted by the respective Authorised Financial Intermediary. In the event that a cheque accompanying an Application is not honoured on its first presentation, the Authorised Financial Intermediary and, or the Issuer acting through the Registrar reserve the right to invalidate the relative Application.

6.2.14. By completing and delivering an Application, the Applicant:

(a) accepts to be irrevocably contractually committed to acquire the number of Bonds allocated to such Applicant at the Bond Issue Price and, to the fullest extent permitted by law, accepts to be deemed to have agreed not to exercise any rights to rescind or terminate, or otherwise withdraw from, such commitment, such irrevocable offer to purchase, and pay the consideration for, the number of Bonds specified in the Application submitted by the Applicant (or any smaller number of Bonds for which the Application is accepted) at the Bond Issue Price (as applicable) being made subject to the provisions of the Prospectus, the Terms and Conditions, the Application Form and the Memorandum and Articles of Association;

(b) 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;

(c) 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. 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 section 6.2.4. above. In the event of a discrepancy between the personal details (including name and surname and the Applicant's address) appearing on the Application and those held by the MSE in relation to the MSE account number indicated on the Application, the details held by the MSE shall be deemed to be the correct details of the Applicant;

(d) acknowledges the processing of any personal data for the purposes specified in the privacy notice published by the Issuer, which is available on the Issuer's website at *http://www.mfplc.com.mt/*. The Applicant hereby acknowledges that the processing of personal data may validly take place, even without the Applicant's consent, in the circumstances set out in the GDPR and the Data Protection Act (Cap. 586 of the laws of Malta) (the "**Data Protection Act**") and any applicable subsidiary legislation, as may be amended from time to time. The Applicant hereby confirms that he/she/it has been provided with and read the privacy notice;

(e) authorises the Issuer (or its service providers, including the CSD and, or the Manager and Registrar) and, or the relevant Authorised Financial Intermediary, as applicable, to process the personal data that the Applicant provides in the respective Application Form, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the GDPR and the Data Protection Act . The Applicant has the right to request access to, and rectification of, the personal data relating to him/her in relation to the Bond Issue. Any such requests must be made in writing and sent to the Issuer and sent to the CSD at the MSE. The requests must be signed by the Applicant to whom the personal data relates;

(f) 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 agrees 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;

(g) agrees that any refund of unallocated Application monies, will be paid by direct credit, without interest, at the Applicant's own risk, to the bank account as indicated in the Application Form. The Issuer shall not be responsible for any loss or delay in transmission or any charges in connection therewith;

(h) warrants that the remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured: (i) the Applicant will not be entitled to receive a registration advice or to be registered in respect of such Bonds, unless and until a payment is made in cleared funds within the Offer Period and such payment is accepted by the respective Authorised Financial Intermediary or by the Issuer acting through the Registrar (which acceptance shall be made in its absolute discretion and may be on the basis that the Authorised Financial Intermediary or the Issuer acting through the Registrar is indemnified for all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of the Applicant's remittance to be honoured on first presentation at any time prior to unconditional acceptance by the Issuer acting through the Registrar of such late payment in respect of the Bonds); or (ii) the Issuer may, without prejudice to other rights, treat the agreement to allocate such Bonds as void and may allocate such Bonds to another person, in which case the Applicant will not be entitled to a refund or payment in respect of such Bonds (other than return of such late payment);

(i) agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta) and regulations made thereunder, and that such monies will not bear interest;

(j) agrees to provide the Registrar and, or the Issuer, as the case may be, with any information which it or they may request in connection with the Application;

(k) agrees that all Applications, acceptances of Applications and contracts resulting therefrom will be governed by, and construed, in accordance with Maltese law, and to submit to the jurisdiction of the Maltese courts, and agrees that nothing shall limit the right of the Issuer to bring any action, suit or proceedings arising out of or in connection with any such Applications, acceptance of Applications and contracts resulting therefrom in any manner permitted by law in any court of competent jurisdiction;

(l) warrants that, where an Applicant signs and submits an Application on behalf of another person, the Applicant is duly authorized to do so and such other person will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in the Terms and Conditions and accordingly will be deemed also to have given the confirmations, warranties and undertakings contained in the Terms and Conditions and undertake to submit his/her power of attorney or a copy thereof duly certified by a lawyer or notary public if so required by the Issuer or the Registrar;

(m) warrants that where the Applicant is under the age of 18 years, or where an Application is being lodged in the name and for the benefit of a minor, the Applicant is the parent or legal guardian of the minor;

(n) warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his/her Application in any 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 and, or his/her Application;

(o) warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;

(p) represents that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the "**United States**") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;

(q) agrees that the advisers to the Bond Issue (listed in section 4.1 of the Registration Document) will owe the Applicant no duties or responsibilities concerning the Bonds or the suitability of the Applicant;

(r) agrees that all documents in connection with the issue of the Bonds will be sent at the Applicant's own risk and may be sent by post at the address (or, in the case of joint Applicants, the address of the first named Applicant) as set out in the Application Form; and

(s) 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.

6.2.15. For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Subsidiary Legislation 373.01 of the laws of Malta), as amended from time to time, the 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 MSE Bye-Laws, irrespective of whether the said appointed Authorised Financial Intermediaries are MSE members or not. Such information shall be held and controlled by the MSE in terms of the Data Protection Act (and the GDPR, as may be amended from time to time, for the purposes and within the terms of the MSE Data Protection Policy as published from time to time.

6.2.16. 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 the applicable MFSA Rules for investment services providers.

6.2.17. By not later than 23 December, 2022, the Issuer shall announce the result of the Bond Issue through a company announcement.

6.2.18. 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. In light of the aforesaid, including but not limited to the onerous requirements involved in the registration of the Prospectus in any territory other than Malta and, or compliance with the relevant legal or regulatory requirements, the Issuer has elected not to send Application Forms 'A' to Existing Bondholders having their address as included in the respective register of bondholders outside Malta, except where, *inter alia*, in the absolute discretion of the Issuer, it is satisfied that such action would not result in a contravention of any applicable legal or regulatory requirement in the relevant jurisdiction.

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

6.2.20. 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.

6.3. PLAN OF DISTRIBUTION AND ALLOTMENT

The Bonds shall be made available for subscription as follows:

(a) an amount of up to €35,000,000 in nominal value of Bonds, shall be made available for subscription by Existing Bondholders during the Offer Period, electing to subscribe for Bonds by Exchangeable Bond Transfer; and
(b) an amount of up to €9,000,000 in nominal value of Bonds, as such amount would be increased by any amount not subscribed for by Existing Bondholders by way of Exchangeable Bond Transfer pursuant to 4.1 (a) above, and thus resulting in part of the amount referred to in (a) above becoming available for distribution other than by way of Exchangeable Bond Transfer shall be made available for subscription by Existing Bondholders applying for any Excess, and the general public, *pari passu* between them.

The Bonds are open for subscription during the Offer Period by Existing Bondholders as well as by the general public.

All subscriptions shall be made through Authorised Financial Intermediaries. Subscriptions by the general public shall be subject to a minimum subscription amount of €2,000 in nominal value of Bonds and in multiples of €100 thereafter. Subscriptions by Existing Bondholders electing to participate in the Exchangeable Bond Transfer shall not be subject to minimum subscription requirements, subject to subscriptions in multiples of €100.

Existing Bondholders applying for Bonds are to submit an Application Form 'A' to an Authorised Financial Intermediary and are to settle all or part of the amount due on the Bonds applied for by the transfer to the Issuer of Exchangable Bonds held by them as at the Cut-Off Date, subject to any Excess subscribed for.

The consideration for the purchase of the Exchangeable Bonds by the Issuer shall be €101.50 per Exchangeable Bond. Such consideration will be settled as follows:

(i) Existing Bondholders electing to subscribe for Bonds through the transfer to the Issuer of all or part of the Exchangeable Bonds held by them as at the Cut-Off Date shall be allocated such number of Bonds representing the nominal value of Exchangeable Bonds transferred to the Issuer at the Bond Issue Price; and
(ii) the difference of €1.50 shall be settled by the Issuer by the settlement in cash of €1.50 per Exchangeable Bond so purchased by the Issuer by virtue of the Exchangeable Bond Transfer (the "**Cash Settlement**"). The said amount shall be settled within 30 calendar days from admission to listing of the Bonds by direct credit transfer of the Cash Settlement to the bank account corresponding to the Existing Bondholder in the register of Existing Bondholders. The Issuer shall not be responsible for any charges, loss or delay in transmission.

Interest on the Exchangeable Bonds subject to the Exchangeable Bond Transfer which has accrued up to and including the 15 December, 2022 shall be settled by the Issuer within 30 calendar days from admission to listing of the Bonds. The settlement of accrued interest shall be made by the Issuer by direct credit transfer to the bank account corresponding to the Existing Bondholder in the Registrar of Existing Bondholders. The Issuer shall not be responsible for any charges, loss or delay in transmission.

The transfer of Exchangeable Bonds to the Issuer in consideration for the subscription of Bonds shall cause the obligations of the Issuer with respect to such Exchangeable Bonds to be extinguished and shall give rise to obligations on the part of the Issuer under the Bonds.

Other Applicants not being Existing Bondholders are to submit an Application Form 'B' to an Authorised Financial Intermediary.

It is expected that allotment advice will be dispatched to Applicants within five Business Days of the announcement of the allocation policy. The registration advice, 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 (chapter 373 of the laws of Malta), and regulations made thereunder. Such monies shall not bear interest while retained as aforesaid.
Dealings in the Bonds shall not commence prior to the Bonds being admitted to the Official List.

6.4. PRICING

The Bonds are being issued at par, that is, at €100 per Bond with the full amount payable upon subscription with the exception of Applications submitted by Existing Bondholders, where payment needs to correspond to the amount applied for less the aggregate value of the bonds forming the subject of the Exchangeable Bond Transfer..

6.5. ALLOCATION POLICY

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

(a) up to an amount of €35,000,000 in nominal value of Bonds shall be allocated to Existing Bondholders applying for Bonds by way of Exchangeable Bond Transfer up to the extent of their holdings of Exchangeable Bonds at the Cut-Off Date; and
(b) up to an amount of €9,000,000 in nominal value of Bonds, as such amount would be increased by any amount not subscribed for by Existing Bondholders by way of Exchangeable Bond Transfer and thus resulting in part of the amount referred to in (a) above not being allocated, shall be allocated to: (i) Existing Bondholders in respect of any Excess applied for (provided that such Existing Bondholders have transferred their entire holding in Exchangeable Bonds by Exchangeable Bond Transfer), and (ii) the general public, *pari passu* without any priority or preference between them in accordance with the allocation policy to be issued by the Issuer.

Should Applications submitted by Existing Bondholders applying for Excess, and Applications submitted by the general public, collectively exceed the reserved portion indicated in point (b) above, or in any other case in which amounts subscribed for remain unsatisfied, the unsatisfied excess amounts will be returned by direct credit transfer to the account number indicated on the respective Application Form, as applicable, within five Business Days following the announcement of the basis of acceptance.

6.6. ADMISSION TO TRADING

The MFSA has authorised the Bonds as admissible to listing pursuant to the Capital Markets Rules by virtue of a letter dated 21 November, 2022.

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

The Bonds are expected to be admitted to the MSE with effect from 3 January, 2023 and trading is expected to commence on 4 January, 2023.

7. TAXATION

7.1. GENERAL

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Bonds, including their acquisition, holding and disposal as well as any income or gains derived therefrom or made on their disposal. 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 is not, and does not purport to be, exhaustive.

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

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

7.2. TAXATION ON INTEREST PAYABLE TO BONDHOLDERS

Interest payable in respect of the Bond to a recipient, as defined in terms of article 41(c) of the Income Tax Act (Cap. 123 of the laws of Malta) (the "**Income Tax Act**") is subject to a 15% final withholding tax (10% in the case of certain types of collective investment schemes), unless the recipient elects to be paid the investment income without deduction of the final withholding tax. Bondholders who do not fall within the definition of a "recipient" do not qualify for the said rate and should seek advice on the taxation of such income as special rules may apply.

This withholding tax is considered as a final tax and a Maltese resident individual Bondholder is not obliged to declare the interest so received in his income tax return (to the extent that the interest is paid net of tax). No person shall be charged to further tax in respect of such income. Furthermore, such tax should not be available as a credit against the recipient's tax liability or for a refund, as the case may be, for the relevant year of assessment in Malta. The Issuer will render an account to the Maltese Commissioner for Revenue of all amounts so deducted, including the identity of the recipient.

In the case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his Maltese income tax return and be subject to tax on such interest 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. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

In terms of article 12(1)(c) of the Income Tax Act, Bondholders who are not resident in Malta satisfying the applicable conditions set out in the Income Tax Act, including but not limited to the condition that the Bondholder is not owned and controlled by, whether directly or indirectly, nor acts on behalf of an individual(s) who are ordinarily resident and domiciled in Malta, are not taxable in Malta on the interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

7.3. TAXATION 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 tax on capital gains is chargeable in respect of a transfer of the Bonds.

7.4. DUTY ON DOCUMENTS AND TRANSFERS

In terms of the Duty on Documents and Transfers Act (Cap. 364 of the laws of Malta) (the "**DDTA**"), 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 or transmission thereof should not be chargeable to duty.

Furthermore, even if the Bonds are considered to be treated as marketable securities for the purposes of the DDTA, in terms of article 50 of the FMA, as the Bonds constitute financial instruments of a company quoted on a regulated market, as is the MSE, redemptions and transfers of the Bonds should, in any case, be exempt from duty.

7.5. EXCHANGE OF INFORMATION

In terms of applicable Maltese legislation, the Issuer and, or its agents 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. Relevant legislation includes, but is not limited to:

(a) the agreement between the Government of the United States of America and the Government of the Republic of Malta to Improve International Tax Compliance and to Implement FATCA – incorporated into Maltese law through Legal Notice 78 of 2014; and

(b) the implementation of Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU) which provides for the implementation of the regime known as the Common Reporting Standard – incorporated into Maltese law through Legal Notice 384 of 2015 entitled the Cooperation with Other Jurisdiction on Tax Matters (Amendment) Regulations, 2015.

Failure on the part of a Bondholder to provide the Issuer with the necessary information required for its compliance with applicable legislation, may have consequences on the Bondholder's holding and, or may result in the Issuer having to report the Bondholder to the relevant tax authorities.

INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND ANY FOREIGN TAX LEGISLATION APPLICABLE TO: (I) THE ACQUISITION, HOLDING AND DISPOSAL OF THE BONDS; (II) THE INTEREST PAYMENTS MADE BY THE ISSUER; AND (III) THE REPORTING BY THE ISSUER TO THE COMMISSIONER FOR REVENUE OF INFORMATION ON THE BONDHOLDERS AND ON PAYMENTS MADE TO THE BONDHOLDERS AND THE EXCHANGE OF SUCH INFORMATION BETWEEN MALTA AND RELEVANT FOREIGN TAX AUTHORITIES. THE TAX LEGISLATION OF THE INVESTOR'S COUNTRY OF DOMICILE AND OF THE ISSUER'S COUNTRY OF INCORPORATION (MALTA) MAY HAVE AN IMPACT ON THE INCOME RECEIVED FROM THE BONDS. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE BONDS AND TO BONDHOLDERS. THIS INFORMATION DOES NOT CONSTITUTE LEGAL OR TAX ADVICE AND REFERS ONLY TO BONDHOLDERS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.

8. ADDITIONAL INFORMATION

The Prospectus does not contain any statement or report attributed to any person as an expert.

MARINER FINANCE PLC

MARINER FINANCE P.L.C.
€44,000,000 5% UNSECURED BONDS 2032
APPLICATION FORM 'A' - EXISTING BONDHOLDERS

This Application Form is not transferable and entitles you to subscribe for Mariner Finance p.l.c. 5% Unsecured Bonds 2032 as an Existing Bondholder as defined in the Prospectus dated 21 November 2022. Please read the notes overleaf before completing this Application Form. **Mark 'X' where applicable.**

A APPLICANT *(see notes 2 to 8)*

	I.D. CARD / PASSPORT	MSE A/C NO.
	DATE OF BIRTH	NATIONALITY
	DOCUMENT TYPE	COUNTRY OF ISSUE
	PLEASE REGISTER ME FOR E-PORTFOLIO ☐	MOBILE NO. *(mandatory for e-portfolio)*
	LEI (Legal Entity Identifier) *(If applicant is NOT an Individual)*	

B ADDITIONAL (JOINT) APPLICANTS *(see note 3)* *(please use Addendum to Application Form if space is not sufficient)*

TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY

C DECISION MAKER/MINOR'S PARENTS / LEGAL GUARDIAN(S) / USUFRUCTUARY/IES *(see notes 4,7 & 8) (to be completed ONLY if applicable)*

TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY

D I/WE APPLY TO PURCHASE AND ACQUIRE *(see note 9)*

BOX 1 Nominal Value of Exchangeable Bonds
BOX 2 Amount of Bonds applied for **in addition** to the nominal holding in the Exchangeable Bonds payable in full upon application under the Terms and Conditions of the Bonds set out in the Prospectus.
BOX 3 I/We wish to purchase and acquire the amount set out in BOX 3 in Bonds at the Bond Issue Price (at par) pursuant to the Prospectus dated 21 November 2022 (the "**Prospectus**").

	EXCHANGEABLE AMOUNT **BOX 1** €
	AMOUNT ADDED IN FIGURES **BOX 2** €
AMOUNT IN WORDS	TOTAL AMOUNT IN FIGURES **BOX 3** €

E RESIDENT - FINAL WITHHOLDING TAX ("FWT") DECLARATION *(see notes 10) (to be completed ONLY if the Applicant is a resident of Malta)*

☐ I/We elect to receive interest NET of FWT ☐ I/We elect to receive interest GROSS (i.e. without FWT)

F NON-RESIDENT - DECLARATION FOR TAX PURPOSES *(see notes 2 & 11) (to be completed ONLY if the Applicant is a non-resident)*

TAX COUNTRY	CITY OF BIRTH
T.I.N. (Tax Identification Number)	COUNTRY OF BIRTH

☐ **NOT** resident in Malta but resident in the European Union ☐ **NOT** resident in Malta and **NOT** resident in the European Union

G INTEREST, REFUND AND REDEMPTION MANDATE *(see notes 12 & 13)* *(completion of this panel is **MANDATORY**)*

BANK	IBAN

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.
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.

Signature/s of Applicant/s
(Parent/s or legal guardian/s are/is to sign if Applicant is a minor)
(All parties are to sign in the case of a joint Application)
(Bare owner/s and usufructuary/ies to sign in the case of holdings of Bonds that are subject to usufruct)

Date

AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE	APPLICATION NUMBER

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 21 November 2022 regulating the Bond Issue

This Application Form is not transferable and entitles you to a preferential treatment as holder of the 5.3% Mariner Finance p.l.c. Unsecured Bonds 2024 (the "**Exchangeable Bonds**") and is to be submitted as a method of payment where the Applicant selects to apply for the 5% Mariner Finance p.l.c. Unsecured Bonds 2032 (the "**Bond/s**") so as to transfer to the Issuer all or part of the holding in the Exchangeable Bond held by the Applicant as at the Cut-Off Date, the nominal value of which is set out in Box 1 of Panel D. By submitting this signed Application Form, Existing Bondholders shall be deemed to:

i. cause the transfer of the said Exchangeable Bonds in the Issuer's name in consideration of the issue of Bonds; and
ii. engage, at the Issuer's cost, the services of such brokers or intermediaries as may be necessary to fully and effectively vest title in the said Exchangeable Bonds in the Issuer and fully and effectively vest title in the appropriate number of Bonds in the Applicant.

1. This Application is governed by the Terms and Conditions of the Bond Issue contained in Section 6 of the Securities Note dated 21 November 2022 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.

2. This Application Form is to be completed in BLOCK LETTERS. For applicants who are non-residents In Malta for tax purposes, the relative box in Panel F must be completed.

3. The MSE account number pertaining to the Existing Bondholders, has been preprinted in Panel A and reflects the MSE account number on the bond register of the Exchangeable Bonds held at the CSD as at 11 November 2022 (trading session of the 09 November 2022). If an MSE account pertains to more than one person (including husband and wife), the full details of all individuals must be given in Panels A and B but the first named bondholder shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 6 below). Applications by more than two persons are to use the Addendum to the Application Form.

   Upon submission of an Application Form, Bondholders who opt to have an online e-portfolio facility (by marking the relative box in Panel A), will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for the e-Portfolio facility requires a mobile number to be provided on the Application Form. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on https://eportfolio.borzamalta.com.mt/. Further detail on the e-portfolio may be found on https://eportfolio.borzamalta.com.mt/Help.

4. Applications in the name and for the benefit of minors shall be allowed provided that the applicant already holds an account with the MSE. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Company has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. Panel C must be inserted with full details of the parents/legal guardians.

5. In the case of a body corporate, a valid Legal Entity Identifier ("**LEI**") needs to be inserted in Panel A. **Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar.** Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.

6. **EXISTING BONDHOLDERS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF. A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE, WILL HAVE TO BE EFFECTED.**

7. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "**decision maker**") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in Panel C.

8. Where an MSE account number is held subject to usufruct, Panel C needs to be completed and both the bare owner/s and the usufructuary/ies are to sign this Application Form.

9. Where the Applicant wishes to acquire a number of Bonds having an aggregate value which exceeds the nominal value of the number of the Exchangeable Bonds set out in Box 1 of Panel D, the Applicant may do so by including such higher amount in Box 3 in Panel D. In such case, the Applicant must ensure that the relative Application Form is accompanied by payment of the difference between the full price of the amount of Bonds applied for and the nominal value of Exchangeable Bonds being transferred as set out in Box 2.

10. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will be obliged to declare interest so received in the tax return. The Company will render an account to the Maltese Commissioner for Revenue of all interest paid, all amounts of tax deducted by the payor in respect of the interest paid and of the identity of all such recipients. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a prescribed fund will have final withholding tax (currently 10%), deducted from interest payments.

    In terms of Section 7.2 of the Securities Note, unless the Company is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act (Cap. 123 of the laws of Malta), interest shall be paid to such person net of final withholding tax, (currently 15%) of the gross amount of interest, pursuant to article 33 of the Income Tax Act (Cap. 123 of the laws of Malta).

11. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.

    The contents of Notes 10 and 11 above do not constitute tax advice by the Company and Applicants are to consult their own independent tax advisors in case of doubt.

12. Interest, refund and redemption proceeds will be credited to the account indicated in Panel G or as otherwise amended by the Bondholder/s during the term of the Bond.

13. The Offer Period will open at 08:30 hours on 28 November 2022 and will close at 12:00 hours on 16 December 2022, or such earlier date as may be determined by the Issuer. Application for Bonds may be lodged with any Authorised Financial Intermediary listed in Annex II of the Securities Note during normal 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 G.

14. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
    a. the Company 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 Company 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 Company.

    Any such requests must be made in writing and addressed to the Company. 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.

MARINER FINANCE PLC

MARINER FINANCE P.L.C.
€44,000,000 5% UNSECURED BONDS 2032
APPLICATION FORM 'B' - GENERAL PUBLIC

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

APPLICANT *(see notes 2 to 6)*

A
☐ Non-Resident ☐ Minor (under 18) ☐ Body Corporate/ Body of Persons ☐ CIS-Prescribed Fund

B

TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME / REGISTERED NAME		
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	DOCUMENT TYPE	COUNTRY OF ISSUE

☐ PLEASE REGISTER ME FOR E-PORTFOLIO *(mobile number is mandatory for e-portfolio registration)*

C
ADDITIONAL (JOINT) APPLICANTS *(see note 3)* *(please use Addendum to Application Form if space is not sufficient)*

TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY

D
DECISION MAKER/MINOR'S PARENTS / LEGAL GUARDIAN(S) / USUFRUCTUARY/IES *(see notes 4,7 & 8) (to be completed ONLY if applicable)*

TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY

E
I/WE APPLY TO PURCHASE AND ACQUIRE *(see note 9)*

AMOUNT IN FIGURES €	AMOUNT IN WORDS

Mariner Finance p.l.c. 5% Unsecured 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 21 November 2022 (the '**Prospectus**'), payable in full upon application under the Terms and Conditions of the Bonds as set out in the Prospectus.

F
RESIDENT - FINAL WITHHOLDING TAX ("FWT") DECLARATION *(see notes 10) (to be completed ONLY if the Applicant is a resident of Malta)*

☐ I/We elect to receive interest NET of FWT ☐ I/We elect to receive interest GROSS (i.e. without FWT)

G
NON-RESIDENT - DECLARATION FOR TAX PURPOSES *(see notes 2 & 11) (to be completed ONLY if the Applicant is a non-resident)*

TAX COUNTRY	CITY OF BIRTH
T.I.N. (Tax Identification Number)	COUNTRY OF BIRTH

☐ **NOT** resident in Malta but resident in the European Union ☐ **NOT** resident in Malta and **NOT** resident in the European Union

H
INTEREST, REFUND AND REDEMPTION MANDATE *(see notes 12 & 13)* *(completion of this panel is **MANDATORY**)*

BANK	IBAN

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.
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.

Signature/s of Applicant/s
(Parent/s or legal guardian/s are/is to sign if Applicant is a minor)
(All parties are to sign in the case of a joint Application)
(Bare owner/s and usufructuary/ies to sign in the case of holdings of Bonds that are subject to usufruct)

Date

AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE	APPLICATION NUMBER

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 21 November 2022 regulating the Bond Issue

1. This Application is governed by the Terms and Conditions of the Bond Issue contained in section 6 of the Securities Note dated 21 November 2022 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.

2. This 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 with the MSE. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. Panel 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 WITH THE DETAILS (INCLUDING REGISTERED ADDRESS), AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE.**

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. Where an Applicant quotes an MSE account number which is held subject to usufruct, both the bare owner/s and the usufructuary/ies are to sign this Application Form.

9. 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.

10. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will be obliged to declare interest so received in the tax return. The Issuer will render an account to the Maltese Commissioner for Revenue of all interest paid, all amounts of tax deducted by the payor in respect of the interest paid and of the identity of all such recipients. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a prescribed fund (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 7.2 of the Securities Note, unless the Issuer is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act (Cap. 123 of the laws of Malta), interest shall be paid to such person net of final withholding tax, (currently 15%) of the gross amount of interest, pursuant to article 33 of the Income Tax Act (Cap. 123 of the laws of Malta).

11. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.

    The contents of notes 10 and 11 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisors in case of doubt.

12. The Offer Period will open at 08:30 hours on 28 November 2022 and will close at 12:00 hours on 16 December 2022 or earlier as may be determined by the Issuer. Completed Application Forms are to be submitted to any Authorised Financial Intermediary listed in Annex II of the Securities Note during normal office hours. **Remittances by post are made at the risk of the Applicant and the Company, the Registrar and Authorised Financial Intermediaries disclaim 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.

14. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
    a. the Issuer or its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR)(EU) 2016/679 as amended from time to time;
    b. the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
    c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer.

    Any such requests must be made in writing and addressed to the Issuer. The request must be signed by yourself as the Applicant to whom the personal data relates.

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

ANNEX II – AUTHORISED FINANCIAL INTERMEDIARIES

Authorised Financial Intermediaries

Name	Address	Telephone
APS Bank p.l.c.	APS Centre, Tower Street, Birkirkara BKR 4012	21226644
Bank of Valletta p.l.c.	Premium Banking Centre, 475, Triq il-Kbira San Guzepp, St Venera SVR 1011	22751732
Calamatta Cuschieri Investment Services Ltd	Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034	25688688
CiliaFormosa Financial Advisors Ltd	Triq id-Delu, Mosta, MST 3355	22260200
Curmi & Partners Ltd	Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	21347331
FINCO Treasury Management Ltd	The Bastions, Office No 2, Emvin Cremona Street, Floriana FRN 1281	21220002
GlobalCapital Financial Management Ltd	Testaferrata Street, Ta' Xbiex XBX 1403	21342342
Hogg Capital Investments Ltd	NuBis Centre, Mosta Road, Lija LJA 9012	21322872
HSBC Bank (Malta) p.l.c.	Wealth and Personal Banking, Investment and Wealth Solutions (IWS), 80, Mill Street, Qormi QRM 3101	23802380
Jesmond Mizzi Financial Advisors Ltd	67 Level 3, South Street, Valletta VLT 1105	21224410
Lombard Bank Malta p.l.c.	67, Republic Street, Valletta VLT 1117	25581112
MeDirect Bank (Malta) p.l.c.	The Centre, Tigne` Point, Sliema TPO 0001	25574400
Michael Grech Financial Investment Services Ltd	The Brokerage, Level 0A, St Marta Street, Victoria, Gozo VCT 2550	22587000
MZ Investment Services Ltd	61, St. Rita Street, Rabat RBT 1523	21453739
Rizzo, Farrugia & Co (Stockbrokers) Ltd	Airways House, Fourth Floor, High Street, Sliema SLM 1551	22583000

ANNEX III – FINANCIAL ANALYSIS SUMMARY

Financial Analysis Summary

21 November 2022

Issuer

Mariner Finance p.l.c.

(C 31514)

MZ INVESTMENT SERVICES

MZ INVESTMENT SERVICES

The Directors
Mariner Finance p.l.c.
37, Triq Censu Tabone
St. Julian's STJ 1018

21 November 2022

Dear Board Members

Mariner Finance p.l.c. Financial Analysis Summary

In accordance with your instructions, and in line with the requirements of the MFSA Listing Policies, we have compiled the Financial Analysis Summary ("**Analysis**") set out in 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 Mariner Finance p.l.c. (the "**Group**" or the "**Company**"). The data is derived from various sources or is based on our own computations as follows:

(a) Historical financial data for the three years ended 31 December 2019 to 31 December 2021 has been extracted from the audited financial statements of the Issuer for the three years in question.

(b) The forecast data for the years ending 31 December 2022 and 31 December 2023 has been provided by management.

(c) Our commentary on the results of the Group and on its financial position is based on the explanations provided by management.

(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) Relevant financial data in respect of the companies included in Part 3 has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Registrar of Companies or websites providing financial data.

MZ INVESTMENT SERVICES

The Analysis is meant to assist investors in the Company's securities and potential investors by summarising the more important financial data of the Group. The Analysis does not contain all data that is relevant to investors or potential investors. The Analysis does not constitute an endorsement by our firm of any securities of the Company and should not be interpreted as a recommendation to invest in any of the Company's securities. We shall not accept any liability for any loss or damage arising out of the use of the Analysis. As with all investments, potential investors are encouraged to seek professional advice before investing in the Company's securities.

Yours faithfully,

Evan Mohnani
Senior Financial Advisor

MZ Investment Services Ltd
63, St Rita Street,
Rabat RBT 1523,
Malta
Tel: 2145 3739

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PART 1 – INFORMATION ABOUT THE GROUP

1. KEY ACTIVITIES

The principal activity of the Mariner Finance p.l.c. (the "**Company**" or the "**Group**") is to act as an investment company within the Group and to engage in the investment, development and operation of sea terminals, namely in Riga, Latvia. Furthermore, the Company operates and rents to third parties owned real estate in Latvia.

2. DIRECTORS AND KEY EMPLOYEES

The Company is managed by a Board consisting of seven directors entrusted with its overall direction and management.

Board of Directors

Marin Hili	Chairman
Edward Hili	Chief Executive Officer
Michela Borg	Non-Executive Director
Kevin Saliba	Non-Executive Director and Company Secretary
Ian Micallef	Non-Executive Director
Lawrence Zammit	Independent Non-Executive Director
Anthony Busuttil	Independent Non-Executive Director

The Chief Executive Officer is responsible for the day-to-day management of the Group. In the execution of the strategic direction, investment and management oversight of the Group, he is assisted by members of senior management of the operating Group companies having the appropriate experience and knowledge required in particular cases arising from time to time. The aforesaid senior management as well as their principle roles are included hereunder:

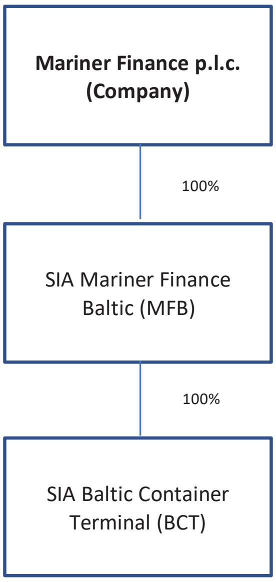
Gerard Sammut	Chief Executive Officer (BCT[1] and MFB[2])
Aldis Zieds	Chairman (BCT)
Dmitrijs Kiselevs	Chief Operating Officer and Information Technology Director (Group)
Dzintars Vigulis	Terminal Manager (BCT)

[1] SIA Baltic Container Terminal ("BCT").

[2] SIA Mariner Finance Baltic ("MFB").

3. ORGANISATIONAL STRUCTURE

As the holding company of the Group, the Company is ultimately dependent upon the operations and performance of the Group's operating company. The organisational structure of the Group is illustrated in the diagram hereunder:



SIA Mariner Finance Baltic ("**MFB**") is a private limited liability company incorporated and registered in Latvia. It has an authorised and issued share capital of the euro equivalent of €25,000,000 divided into 25,000,000 ordinary shares of €1 per share, fully paid up. The company was set up on 28 February 2013 principally to act as the immediate parent company of BCT and to provide financing to its subsidiary company.

A brief overview of **SIA Baltic Container Terminal ("BCT")** is provided in section 5 below.

4. INVESTMENT PROPERTY

The Company owns and operates a commercial and office building located in Merkela Street, Riga, Latvia, consisting of a five-storey building having *circa* 2,480m^2 of rentable space (floor area of *circa* 3,300m^2)[3] ("**Merkela Property**"). The Merkela Property is situated at a major intersection in the central part of Riga, within the main retail and commercial area of the city. In terms of a local grading system, the building is classified as Class B commercial/office space.

The Merkela Property is carried at €4,361,000, a decrease of €209,000 from the prior year (FY2020: €4,570,000). The fair value has been determined based on an independent certified expert's valuation dated 25 March 2022. This decrease in fair value has been solely due to the COVID-19 pandemic which has led the independent expert to adjust the occupancy rates of the property.

The Company has a lease agreement with McDonald's Latvia for an area measuring 626m^2. The lease expires in 2023 and rent receivable is based on a percentage of net annual sales. The remaining area is leased to three other tenants for use as office space or commercial activity. Each of the aforesaid lease agreements specifies a fixed rental charge per square metre and the contractual period ranges from three to ten years.

Commercial & office building – Merkela Street, Riga, Latvia

In addition to the above-mentioned building, the Company owns a parcel of land in Latvia valued at €82,000 (FY2020: €82,000). The fair value has been determined based on independent certified expert's valuation dated 26 January 2018.

[3] In section 4 of the financial analysis summary dated 2 June 2022, the rentable space was incorrectly stated at 3,880m^2.

5. SIA BALTIC CONTAINER TERMINAL

5.1 Introduction

BCT is a private limited liability company incorporated and registered in Latvia. The company was incorporated on 26 March 1996 and is principally engaged in the provision of port and related services at the port of Riga. BCT operates at the Riga Free Port No. 48 under a port concession license issued by the Riga Free Port Authority which expires on 22 March 2047. Apart from the license, the company had entered into a real estate purchase agreement on 30 April 2003 whereby the Riga Free Port Authority sold to BCT, which acquired, full ownership of all yards within the boundaries of the BCT terminal (excluding the quay), together with all underlying communications, warehousing facilities, parking and paved areas surrounding said warehouses, and covered rail ramps.

SIA Baltic Container Terminal

The Freeport of Riga is a regional port that services cargo vessels operating in the Baltic region, particularly in trade with the Commonwealth of Independent States (CIS). Mariner's BCT covers 57 hectares on an island at the mouth of the river Daugava with favourable navigation at the terminal all year round with no tide to influence its 24/7 operation. The terminal enjoys optimum connectivity by rail and road to the major cities of the four countries that border Latvia: Russia, Estonia, Lithuania and Belarus.

5.2 Market and Competition

The BCT container terminal is located at the mouth of the river Daugava which runs through the centre of Latvia's capital Riga. Its favourable geographical location and good, direct access via road and rail to its market hinterland make it strategically located to serve as a gateway to meet container traffic demand to and from the main industrial centres of Russia and other destinations including Moscow, Kaluga, Novgorod, St Petersburg, Minsk, Kiev, Vilnius, Tallinn, Almaty and Tashkent.

Latvia is a fast-developing country located on the south-east coast of the Baltic Sea in the centre of the Baltic States (Lithuania, Latvia and Estonia). It represents the financial hub of the three nations and its favourable geopolitical environment provides excellent business opportunities for the four major markets bordering Latvia - Belarus, Estonia, Lithuania and Russia.

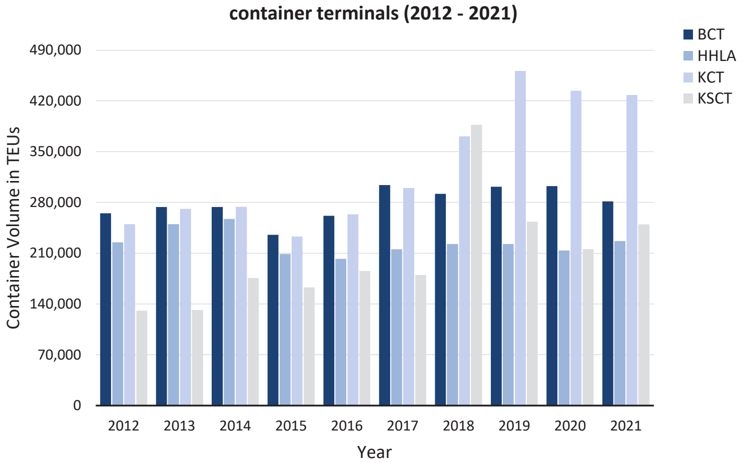
The standing of Russia in the region has been disrupted since February 2022 following its invasion of Ukraine and the subsequent sanctions implemented by the international community which effectively cut-off the country from most Western production inputs.

There are three main ports in Latvia - Venstpils, Riga and Liepaja - and these are mainly involved in transit cargo. The Freeport of Riga is by far the major container-handling port in Latvia. Moreover, BCT is the only specialised container terminal within the port. There are two other terminals - Riga Central Terminal (RCT) and Riga Universal Terminal (RUT) - which handle relatively small volumes of containerised cargo, though their main fields of activity are in the handling of general and bulk cargoes. As a specialised container terminal BCT is better equipped in terms of infrastructure, superstructure and workforce to efficiently and productively handle containers.

In addition to RCT and RUT, BCT’s other competitors comprise specialised container terminals which are located in the neighbouring Baltic States and other eastern Baltic countries. These include: Klaipeda Container Terminal (KCT) and Klaipeda Smelte Container Terminal (KSCT) in Klaipeda, Lithuania; HHLA Muuga (formerly Transiidikeskuse) (HHLA) in Tallinn, Estonia; the container terminals within the Port of St. Petersburg, Russia, and; Palokangas - EU Container Terminal and Mussalo Container Terminal within HaminaKotka Port, Finland.

KCT, KSCT and HHLA, located in the neighbouring Baltic States represent the most direct form of competition to BCT due to their similar geographical locations, hinterland markets, inland connections, geopolitical environment and general terminal facilities. Below is a comparison of BCT with its direct competitors for the financial years 2012 to 2021.

Comparison of total volumes of containers handled at Baltic States container terminals (2012 - 2021)



5.3 Principal Activities

BCT commenced activities on 1 May 1996, subsequent to the restructuring of a state-owned company, Riga Trade Port. It operates over an area of *circa* 557,000m^2. The BCT terminal has an annual container handling capacity of *circa* 450,000 TEUs[4], and offers the following services:

- **Quay-side operations** – including the berthing of vessels for the loading and/or unloading of containerised cargo using four ship-to-shore gantry cranes. A fifth ship-to-shore gantry crane was delivered during 2020. Quay operations are supported by a variety of yard and interface equipment which includes reach stackers, rail-mounted gantries as well as various tractors, trailers and forklifts.
- **Yard operations** – the terminal has a container storage yard comprising a capacity of *circa* 20,000 TEUs. In addition, the yard has 500 reefer points, that is, electrical outlets for the storage of temperature-controlled containers.
- **Gate and rail operations** – including the transfer of containers between the container terminal and inland road and rail networks. BCT has direct access to both road and rail networks, and operates its own rail handling facility which can service up to 64 rail platforms simultaneously.
- **Warehousing** – the terminal has *circa* 20,400m^2 of covered warehousing space for the storage of general cargo. The warehouse facilities have direct access to the rail and road networks for more efficient distribution of cargo. In January 2020, BCT completed development of further warehouse facilities, thereby increasing capacity by an additional 11,000m^2.
- **Ancilliary activities** – a wide range of value-added services are provided at the container terminal due to an optimised integrated logistics chain. Through a container freight station, the terminal offers the service of, amongst others, stuffing and stripping of containers (packing/unpacking). In addition, BCT also provides engineering services for the repair of damaged containers.

Of the activities outlined above, the principal business at BCT is quay-side operations (the loading and unloading of containers), which in H1 2022 represented 68% of total revenue generated by the company (FY2021: 65%).

As an important node within the region's logistics network, BCT's clients include shipping lines, freight forwarders, third party logistics service providers, liner agents, inland carriers (such as road haulage companies), as well as end-customers. The container terminal services some of the world's largest shipping lines which call directly at the terminal as well as other shipping lines that use common feeder services. These include Maersk Line, Compagnie Maritime d'Affretement – Campagnie Generale Maritime (CMA-CGM) and Mediterranean Shipping Company (MSC), Unifeeder and Cosco (including Orient Overseas Container Line [OOCL]), as well as Evergreen, ONE and HMM. BCT has strong relationships with all the major shipping lines and their local representatives and strives to maintain good relations with both existing and potential clients.

[4] TEU is the abbreviation for twenty-foot equivalent unit, a standard measure for a container for transporting goods, used to calculate how many containers a ship can carry, or a port can deal with.

5.4 Operational Performance

The following table sets out the highlights of BCT's operating performance for the years indicated therein.

SIA Baltic Container Terminal Statement of Comprehensive Income for the year ended 31 December	2019 Actual €'000	2020 Actual €'000	2021 Actual €'000	2022 Forecast €'000	2023 Projection €'000
Revenue	16,614	15,832	14,717	17,744	19,164
Other operating income	131	232	252	-	-
Net operating expenses	(8,187)	(7,941)	(7,672)	(9,087)	(9,497)
EBITDA*	**8,558**	**8,123**	**7,297**	**8,657**	**9,667**
Depreciation and amortisation	(1,579)	(2,058)	(2,200)	(2,179)	(2,192)
Net interest income/(cost)	1	(125)	(24)	(172)	25
Profit before tax	**6,980**	**5,940**	**5,073**	**6,306**	**7,500**
Taxation	(70)	(244)	(272)	(241)	(241)
Profit after tax	**6,910**	**5,696**	**4,801**	**6,065**	**7,259**
Comprehensive income:					
Revaluation, net of deferred tax	6,017	-	-	-	-
Total comprehensive income	**12,927**	**5,696**	**4,801**	**6,065**	**7,259**

** Please refer to Part 5 of this report entitled "Glossary of Alternative Performance Measures (APM)"*

Key Accounting Ratios	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Forecast	FY2023 Projection
Revenue growth *(Revenue FY1/revenue FY0)*	1%	-5%	-7%	21%	8%
Operating profit margin *(EBITDA/revenue)*	52%	51%	50%	49%	50%
Net profit margin *(Profit after tax/revenue)*	42%	36%	33%	34%	38%

Source: MZ Investment Services Limited

Notwithstanding the global economic downturn caused by the pandemic, the number of TEUs handled by BCT in **FY2020** was broadly equal to the volume handled in the prior year (302,403 TEUs compared to 302,080 TEUs in FY2019). Revenue for the year amounted to €15.8 million, a decrease of €782,000 or -5% compared to FY2019. The reduction in revenue is mainly attributable to COVID-19 related discounts afforded to clients. As a result, EBITDA declined from €8.6 million in FY2019 to €8.1 million, and operating profit margin decreased by 1% to 51%.

Depreciation and amortisation charge was higher in FY2020 by €479,000 on account of an increase in property, plant and equipment. The company completed new warehouse facilities at the beginning of FY2020 and in July 2020 got delivery of a new gantry crane. Net profit achieved in FY2020 amounted to €5.7 million compared to €6.9 million in FY2019 (-18%).

In **FY2021**, BCT handled 281,568 TEUs compared to 302,403 TEUs in the prior year (-7%). This was mainly due to a shortage of containers in the first half of 2021 and increases in freight/shipping prices, following disruptions caused by the COVID-19 pandemic. In consequence, revenue for the year decreased by 7% from €15.8 million in FY2020 to €14.7 million in FY2021.

The decline in revenue impacted EBITDA by €0.8 million (y-o-y) which amounted to €7.3 million in FY2021 (FY2020: €8.1 million). Operating profit margin for the year decreased by 1 percentage point to 50% (FY2020: 51%).

Depreciation & amortisation was higher y-o-y by 7% to €2.2 million (+€142,000) and related to the commissioning of a new quay crane and a warehouse. This additional charge was partly offset by a decrease in net interest cost of €101,000 (y-o-y) to €24,000. Total comprehensive income in FY2021 amounted to €4.8 million compared to €5.7 million in FY2020 (-16%).

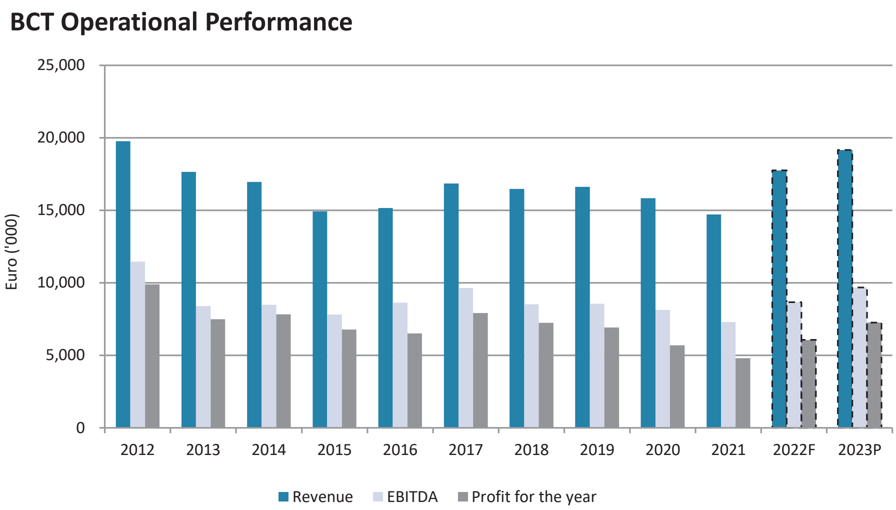
During H1 **2022**, BCT's operational performance improved on a comparable basis primarily due to a post COVID-19 pandemic recovery. Furthermore, the Russia-Ukraine conflict had a positive effect on volumes too with containers previously passing through Russia being diverted instead to Riga. Volumes handled at BCT in H1 2022 were 21.7% higher than those handled in the same period of the previous year.

On an annual basis, BCT expects to handle approximately 331,000 TEUs in FY2022, an increase of 17% from the prior year. As such, revenue is projected to increase by €3.0 million (+21%) from €14.7 million in FY2021 to €17.7 million, while EBITDA is expected to amount to €8.7 million compared to €7.3 million in FY2021 (+19%). Overall, management is estimating BCT's total comprehensive income to amount to €6.1 million for the full year, an increase of €1.3 million from FY2021.

In **FY2023**, TEU volume is expected to grow by 4% to 344,000 TEUs (FY2022: 331,000 TEUs) while average revenue per TEU is projected to increase by 3.85%. As such, revenue generated by BCT is estimated to increase by €1.5 million, from €17.7 million in FY2022 to €19.2 million. EBITDA is projected to increase by 12% (+€1.0 million) to €9.7 million. The EBITDA margin is expected to remain stable at *circa* 50%.

Overall, total comprehensive income is forecasted to amount to €7.3 million in FY2023, an increase of €1.2 million (+20%) over FY2022. In consequence, net profit margin is expected to improve by 4 percentage points to 38%.

5.5 10-Year Operational Performance and Forecast



SIA Baltic Container Terminal for the year ended 31 December	2012 Actual €'000	2013 Actual €'000	2014 Actual €'000	2015 Actual €'000	2016 Actual €'000	2017 Actual €'000	2018 Actual €'000	2019 Actual €'000	2020 Actual €'000	2021 Actual €'000	2022 Forecast €'000	2023 Projection €'000
Revenue	19,761	17,647	16,950	14,924	15,156	16,838	16,475	16,614	15,832	14,717	17,744	19,164
EBITDA*	11,449	8,389	8,488	7,815	8,629	9,642	8,520	8,558	8,123	7,297	8,657	9,667
Profit for the year	9,884	7,495	7,818	6,770	6,501	7,913	7,232	6,910	5,696	4,801	6,065	7,259

	FY2012 Actual	FY2013 Actual	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Forecast	FY2023 Projection
TEUs ('000)	265	274	274	235	262	304	292	302	302	282	331	344
Container revenue per TEU (€)*	75	64	62	64	58	55	56	55	52	52	54	56
EBITDA per TEU (€)*	43	31	31	33	33	32	29	28	27	26	26	28
TEUs growth *(TEUs FY1/TEUs FY0)*	0%	3%	0%	-14%	11%	16%	-4%	3%	0%	-7%	17%	4%
Revenue growth *(Revenue FY1/revenue FY0)*	-1%	-11%	-4%	-12%	2%	11%	-2%	1%	-5%	-7%	21%	8%
Operating profit margin *(EBITDA/revenue)*	58%	48%	50%	52%	57%	57%	52%	52%	51%	50%	49%	50%
Net profit margin *(Profit after tax/revenue)*	50%	42%	46%	45%	43%	47%	44%	42%	36%	33%	34%	38%

Source: MZ Investment Services Limited

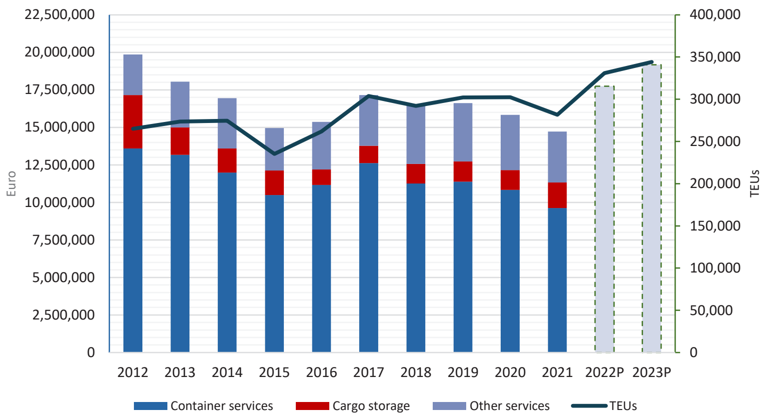
** Please refer to Part 5 of this report entitled "Glossary of Alternative Performance Measures (APM)"*

Over the past 10 years, BCT's performance has been fairly consistent on y-o-y basis, whereby average revenue and average EBITDA for the said period amounted to €16.5 million and €8.7 million respectively. Compared to the last published financial information, actual revenue (FY2021: €14.7 million) was lower than average by 11% mainly due to supply constraints of containers, while actual EBITDA (FY2021: €7.3 million) was lower than average by 16%. Volumes handled by BCT in the reviewed period increased from *circa* 265,000 TEUs in FY2012 to *circa* 282,000 TEUs in FY2021 (the peak year in terms of volume was in FY2017 with 304,000 TEUs).

Competition has increased considerably over the years, which resulted in lower revenue and EBITDA per TEU being generated by BCT. In FY2021, the terminal generated total revenue and EBITDA per TEU of €52 and €26 respectively, compared to €75 and €43 respectively in FY2012. Notwithstanding increased competition, management has undertaken various measures to ensure that the company's EBITDA and profit margins are safeguarded through ongoing capital investment at the terminal (infrastructure, equipment, software, etc.) and implementation of operational efficiencies.

In FY2022 and FY2023, BCT's revenue is projected to surpass average revenue by 8% and 16% respectively (+€1.3 million and +€2.7 million respectively). EBITDA in FY2022 is expected to equal the average EBITDA of €8.7 million but register an 11% increase over average EBITDA in FY2023.

BCT Revenue by Segment



The above chart depicts BCT's revenue by segment. The principal activity of BCT is the handling (loading and unloading) of containers (blue bar) and during the last 10 years represented *circa* 70% of total revenue. Volume of containers (TEUs) has progressively increased from 265,000 TEUs in 2012 to 282,000 TEUs in 2021 (+6%). Notwithstanding, total revenue has decreased from €19.9 million in 2012 to €14.7 million (-26%). Due to the competitive and price-sensitive nature of BCT's industry, the company has been inclined to handle higher container volumes but generate less revenue per TEU. On a unit basis, BCT's revenue has declined from €75/TEU in 2012 to €52/TEU in 2021.

The chart shows a decline in 2015 of 14% (y-o-y) in the number of TEUs handled by BCT. This adverse movement was principally due to the geopolitical situation in Russia at the time and the depressed price of oil.

In view of the general improvement in economic conditions, but also supported by the sanctions on Russia due to the war in Ukraine which diverted container traffic from the port of St Petersburg to alternative terminals in the Baltics, BCT is projecting revenue per unit to increase to €54 and €56 in FY2022 and FY2023, and volume is expected to increase from 282,000 TEUs in FY2021 to 331,000 TEUs and 344,000 TEUs in FY2022 and FY2023 respectively. As such, BCT's revenue is expected to increase by 21% in FY2022 and 8% in the following year.

6. NEW INVESTMENT – MāRUPE PROPERTY

6.1 Overview

On 6 October 2022, the Company entered into a share purchase agreement, which agreement was subsequently amended, with Mariner Capital Limited, the Company's immediate parent company, pursuant to which Mariner Capital Limited agreed to sell and transfer to the Company the entire issued share capital which it held in SIA Mariner Logistics, and the Company agreed to accept and purchase the entire issued share capital of SIA Mariner Logistics. The consideration due by the Company to Mariner Capital Limited, in the amount of €7,238,931, shall be set-off against a receivable due by Mariner Capital Limited to the Company.

Following the completion of this transaction, SIA Mariner Logistics will become a wholly owned subsidiary of the Company, engaged principally in the operation and lease of real estate in Latvia.

SIA Mariner Logistics was incorporated in 2019 as a subsidiary of Mariner Capital Limited. It was set up to act as the parent and finance company of SIA Elipse BLC (Latvian registration number 40003706196) and SIA Elipse Centrs (Latvian registration number 40103987320), two entities incorporated and registered in Latvia.

SIA Elipse BLC was granted the right of use of a plot of land in the municipality of Mārupe, Riga, Latvia, by the Riga International Airport for a period of 49 years, due to expire in June 2054 (the "Mārupe Land"). SIA Elipse BLC developed a commercial property on the Mārupe Land, and thereafter operated same as a warehouse building with office space, two auxiliary buildings and an engineering building, covering a total area of 31,549m^2 (the "**Mārupe Property**").

The Mārupe Property is located on a site which is strategically located within the territory of the Riga International Airport in Latvia, with excellent road connections to Riga City Centre, Riga port, national highways and the Baltic highway network. It is also in close proximity to the planned Rail Baltic project, which will connect Riga International Airport to Riga City Centre and to other key cities in the Baltics.

In terms of a reorganisation agreement dated 4 November 2020, the Mariner Logistics sub-group underwent a group reorganisation whereby the subsidiaries of SIA Mariner Logistics, namely SIA Elipse BLC and SIA Elipse Centrs, were acquired by SIA Mariner Logistics, following which the two subsidiaries ceased to exist. As a result of the reorganisation, SIA Mariner Logistics acquired all the property, rights and liabilities of its subsidiary companies, and consequently acquired the right of use of the Mārupe Land and became the owner and operator of the Mārupe Property.

A loan agreement dated 1 March 2019 by and between SIA Mariner Logistics and Luminor Bank AS is secured by, *inter alia*, the assets of SIA Mariner Logistics. Such security interests include but are not limited to pledges over the Mārupe Property granted by SIA Mariner Logistics in favour of Luminor Bank AS.

The Mārupe Property is leased out to a total of 14 tenants, with five of said tenants accounting for 78% of the revenue generated by SIA Mariner Logistics. The warehouse with office premises with a total area of 9,593 sqm within the warehouse is leased out to a third party tenant until 1 June 2028, and the warehouse with an area of 4,443 sqm and locker room of 32 sqm is leased out to another key third party tenant until 31 March 2024. According to the lease agreements entered into with the other 12 tenants, covering a total area of 14,035 sqm, the leases are due to expire between 2023 and 2026, and are expected to be renewed thereafter. Two of the key leases due to expire in 2023 will be automatically extended for another one-year period under the same terms and conditions, unless either party objects to the extension. As at the date of this report, no such objection has been manifested by either the Group or the respective tenants.

An area of *circa* 10,145m^2 of the Mārupe Land has additionally been developed by SIA Mariner Logistics, which area is predominantly being operated as a car park. The remaining area of *circa* 19,080m^2 is, as at the date of this report, undeveloped land.

As at 1 September, 2022 the Mārupe Property was valued by an independent expert at €24,460,000, while the vacant area of *circa* 19,080 sqm (to be developed into additional logistics space and for which foundational works have been undertaken) was valued at €890,000, which together aggregate to a value of €25,570,000.

6.2 Financial Performance

The following financial information is extracted from the financial statements of SIA Mariner Logistics ("**ML**") for the year ended 31 December 2021.

SIA Mariner Logistics Statement of Total Comprehensive Income for the year ended 31 December	2020 Audited €'000	2021 Audited €'000
Rental income and other operating income	461	2,056
Net operating expenses	(140)	(655)
EBITDA	**321**	**1,401**
Depreciation & amortisation	(32)	(130)
Operating profit	**289**	**1,271**
Change in fair value of investment property	486	2
Investment income	462	-
Net finance costs	(739)	(610)
Profit before tax	**498**	**663**
Taxation	-	-
Profit after tax	**498**	**663**
Total comprehensive income	**498**	**663**

SIA Mariner Logistics Statement of Financial Position as at 31 December	2020 Audited €'000	2021 Audited €'000
ASSETS		
Non-current assets		
Property, plant and equipment	465	469
Investment property	21,198	21,200
Right-of-use assets	3,871	3,769
	25,534	25,438
Current assets		
Trade and other receivables	382	317
Cash and cash equivalents	262	246
	644	563
Total assets	**26,178**	**26,001**
EQUITY		
Equity and reserves		
Called up share capital	1,449	1,449
Retained earnings	327	989
	1,776	**2,438**
LIABILITIES		
Non-current liabilities		
Bank loans	15,350	-
Amounts due to related parties	2,827	2,676
Lease liability	3,907	3,836
Other non-current liabilities	178	179
	22,262	6,691
Current liabilities		
Bank loans	915	15,466
Amounts due to related parties	905	1,173
Lease Liability	81	84
Other current liabilities	239	149
	2,140	16,872
	24,402	**23,563**
Total equity and liabilities	**26,178**	**26,001**

SIA Mariner Logistics Statement of Cash Flows for the year ended 31 December	2020 Audited €'000	2021 Audited €'000
Net cash from operating activities	295	1,633
Net cash from investing activities	703	(27)
Net cash from financing activities	(896)	(1,622)
Net movement in cash and cash equivalents	**102**	**(16)**
Cash and cash equivalents at beginning of year	160	262
Cash and cash equivalents at end of year	**262**	**246**

ML's revenue in 2021 amounted to €2.1 million, mainly generated from leases of commercial space in the Mārupe Property described earlier in this report. Comparative information for 2020 is not representative as ML acquired the Mārupe Property and associated rental business with effect on 30 September 2020. As such, financial information for 2020 covers the period from 1 October 2020 to 31 December 2020. After accounting for operating expenses and finance costs, ML reported total comprehensive income for 2021 of €663,000 compared to €498,000 in 2020.

Shareholder's equity as at 31 December 2021 amounted to €2.4 million.

Assets amounted to €26.0 million in 2021 and principally comprised the Mārupe Property amounting to €21.2 million and right-of-use assets of €3.8 million. The Mārupe Property is situated on a leased plot and as such ML reflects the right-of-use asset and lease liability in accordance with accounting standards. The average remaining term of the lease is 49 years.

Liabilities as at 31 December 2021 mainly included a bank loan of €15.5 million which repayment date was extended from 28 February 2022 to 28 February 2027. In addition, an amount of €3.8 million related to interest-bearing loans due to related parties.

7. ECONOMIC ANALYSIS - LATVIA[5]

Latvia's 2022 growth spurt is set to be cut short by an inflation surge and a slowing global economy. The doubling of energy prices ahead of the coming heating season is projected to make households scale back on consumption likely resulting in negative quarterly GDP growth around the year change. In 2023, consumption is expected to partially recover once the heating season is over. However, by that time a slowing external environment is forecast to weigh on Latvia's exports. A pick-up in EU-funded investments is expected to give a boost to public investment in both 2023 and 2024. Energy price growth is forecast to peak before 2023 and services prices are forecast to gradually become the main inflation driver during the forecast horizon. The general government deficit is set to decrease to 3.4% of GDP in 2023 and further to 1.4% in 2024.

2022 started with a strong growth in exports and a recovery in private consumption that was driven by a lifting of the pandemic-related restrictions to economic activity. However, growth is expected to slow in the second part of the year as household disposable incomes shrink amid surging energy prices and exports face headwinds from slowing foreign demand. Overall, on the back of the strong growth in the first half of the year, GDP growth for 2022 is forecast at 1.9%.

In 2023, GDP growth is expected to decline by 0.3%. While the end of the heating season is likely to provide a boost to consumption, this is expected to be a mild increase amid still high energy prices and depleted household savings. Similarly, weakened real disposable incomes and slowing construction and manufacturing elsewhere in the EU means exports are also set to struggle. Private investment growth is forecast to slow amid dwindling savings and rising interest rates. However, clearing of the backlog of EU funded projects should provide a timely boost to public investments keeping the economy out of a recession in 2023.

In 2024, growth is expected to pick up to 2.6%. A stabilisation in energy prices is set to provide relief for household budgets and hence foster their consumption. EU-funded investments are expected to have gathered pace by then and private investment would benefit from a relief in construction materials' prices, although higher interest rates are set to dampen household investment. Export growth is expected to continue struggling amid weak growth in Europe and a global investment slowdown, which is forecast to reduce demand for Latvia's sizeable timber industry. Import growth is expected to follow demand dynamics and after a significant slowdown in 2023 it is forecast to pick up in 2024.

In 2022, HICP[6] inflation is forecast to reach 16.9%, but it is expected to peak before the end of 2022 as the full increase in wholesale energy prices is assumed to have been passed on to consumers by then. However, energy prices are expected to remain elevated throughout 2023 and combined with knock-on effects to non-energy prices, inflation is projected at 8.3%. By 2024 energy prices are expected to begin falling, but services price inflation supported by strong wage growth is set to take over as the main inflation driver.

[5] European Economic Forecast – Autumn 2022 (European Commission Institutional Paper 187 Nov '22);
[6] Harmonised Index of Consumer Prices.

PART 2 – GROUP PERFORMANCE REVIEW

8. CONSOLIDATED FINANCIAL INFORMATION

The following financial information is extracted from the consolidated financial statements of Mariner Finance p.l.c. (the "**Group**") for the years ended 31 December 2019 to 31 December 2021. The projected financial information for the years ending 31 December 2022 and 31 December 2023 has been provided by management of the Company.

The projected financial statements relate to events in the future and are based on assumptions which the Group believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between projected and actual results may be material.

Mariner Finance p.l.c. **Statement of Total Comprehensive Income** **for the year ended 31 December**	**2019** **Actual** **€'000**	**2020** **Actual** **€'000**	**2021** **Actual** **€'000**	**2022** **Forecast** **€'000**	**2023** **Projection** **€'000**
Revenue	16,614	15,832	14,717	17,744	19,164
Rental income - Merkela property	456	368	261	316	347
Rental income - Mārupe property	-	-	-	-	2,269
Net operating expenses	(8,486)	(8,289)	(7,730)	(9,388)	(10,680)
EBITDA*	**8,584**	**7,911**	**7,248**	**8,672**	**11,100**
Depreciation & amortisation	(1,579)	(2,058)	(2,252)	(2,183)	(2,326)
Operating profit	**7,005**	**5,853**	**4,996**	**6,489**	**8,774**
Loss on revaluation of investment property	-	(463)	(209)	-	-
Net finance costs	(1,785)	(1,905)	(1,888)	(2,112)	(3,281)
Profit before tax	**5,220**	**3,485**	**2,899**	**4,377**	**5,493**
Taxation	(316)	(288)	(267)	(256)	(248)
Profit after tax	**4,904**	**3,197**	**2,632**	**4,121**	**5,245**
Other comprehensive income:					
Revaluation, net of deferred tax	6,017	-	-	-	-
Total comprehensive income	**10,921**	**3,197**	**2,632**	**4,121**	**5,245**

** Please refer to Part 5 of this report entitled "Glossary of Alternative Performance Measures (APM)"*

Key Accounting Ratios	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Forecast	FY2023 Projection
Operating profit margin *(EBITDA/revenue)*	50%	49%	48%	48%	51%
Interest cover (times) *(EBITDA/net finance cost)*	4.81	4.15	3.84	4.11	3.38
Net profit margin *(Profit after tax/revenue)*	29%	20%	18%	23%	24%
Earnings per share (€) *(Profit after tax/number of shares)*	98.08	63.94	52.64	82.42	104.90
Return on equity *(Profit after tax/shareholders' equity)*	10%	6%	5%	8%	10%
Return on capital employed *(EBITDA/total assets less current liabilities)*	10%	9%	8%	9%	9%
Return on assets *(Profit after tax/total assets)*	5%	3%	3%	4%	4%

Source: MZ Investment Services Limited

During **FY2020**, the global economy experienced the impact of the COVID-19 pandemic. Such pandemic was unprecedented but its effect on the Group's business operations in the said year was minimal. In fact, both container volumes handled and occupancy levels within the Group's principal activities were similar to those of the previous year despite the pandemic. The only financial impact resulting from the pandemic was in the form of COVID-19 related discounts given to the Group's clients.

In 2020, revenue decreased by €782,000 or -5%, from €16.6 million in FY2019 to €15.8 million and rental income generated from the property in Latvia amounted to €368,000 compared to €456,000 in the prior year. Net operating expenses also decreased but not to the same extent as revenue (by -2%) which thus resulted in a 8% decline in EBITDA to €7.9 million (FY2019: €8.6 million).

Depreciation and amortisation charge was higher in FY2020 on a comparable basis by €479,000 on account of new property, plant & equipment. Furthermore, the carrying value of the property in Latvia was reduced by €463,000. As such, profit after tax in FY2020 amounted to €3.2 million, a decrease of €1.7 million (-35%) compared to €4.9 million generated in the previous year.

The Group's revenue in **FY2021** amounted to €14.7 million, a decrease of 7% or €1.1 million from the prior year. As explained in section 5.4 of this report, the decline was mainly attributable to a shortage of containers in the first half of 2021 and increases in freight/shipping prices. Rental income was lower on a y-o-y basis by €43,000 to €561,000.

EBITDA generated in FY2021 amounted to €7.2 million compared to €7.9 million in FY2020 (-8%), while operating profit margin was lower by 1 percentage point to 48%. Notwithstanding the decline in EBITDA, interest cover remained strong at 3.84 times (FY2020: 4.15 times).

The Group aims to deliver a return on capital employed above the level of its cost of funding. The return on capital employed as at year end stood at 8% (FY2020: 9%).

Due to the impact of the pandemic, the carrying value of investment property was impaired by €209,000 (FY2020: loss on revaluation of €463,000). Depreciation & amortisation was higher by €194,000 primarily on account of the commissioning of a new quay crane and a warehouse at BCT. No material changes were noted in investment income and taxation. Overall, total comprehensive income was lower by €565,000 from €3.2 million in FY2020 to €2.6 million in FY2021 (-18%). The Group achieved a net profit margin of 18% in FY2021 compared to 20% in the previous year.

In **FY2022**, the Group is projected to achieve a 21% increase in revenue to €17.7 million (FY2021: €14.7 million) mainly in view of the increase in volume handled at the terminal in H1 2022, which trend is expected to continue at least for the rest of the current financial year.

Operating profit margin is expected to remain stable at 48% and accordingly, the Group is projected to report an EBITDA of €8.7 million in FY2022 compared to €7.2 million in FY2021 (+20% or €1.5 million). Interest cover is expected to improve from 3.84 times in FY2021 to 4.11 times due to a projected increase in EBITDA.

In consequence of the above-mentioned increase in operational activities, profit after tax is projected to amount to €4.1 million, an increase of 57% or €1.5 million over the prior year (FY2021: €2.6 million).

The projections for **FY2023** assume that the acquisition of SIA Mariner Logistics is completed at the beginning of FY2023.

Revenue generated from terminal operations is expected to increase y-o-y by 8% to €19.2 million (FY2022: €17.7 million) on account of improving business conditions. In addition, rental income of €2.3 million is projected to be generated from the Mārupe Property pursuant to the consolidation of SIA Mariner Logistics. In consequence, EBITDA is expected to increase by €2.4 million (+28%) from €8.7 million in FY2022 to €11.1 million which will in turn increase operating profit margin by 8 percentage points to 51%.

Due to the projected increase in outstanding bonds from €35 million to €55.4 million and consolidation of SIA Mariner Logistics' bank borrowings, net finance costs are expected to increase from €2.1 million in FY2022 to €3.3 million. As such, interest cover is expected to decline from 4.11 times in FY2022 to 3.38 times.

The Group expects to report a profit after tax of €5.2 million in FY2023 compared to €4.1 million in the prior year (+27%). Such higher earnings will result in a higher return on shareholders' equity (from 5% in FY2021 to 10% in FY2023). The return on capital employed and on assets is projected to remain stable from the last published financial statements at 9% and 4% respectively.

Mariner Finance p.l.c. Statement of Financial Position as at 31 December	2019 Actual €'000	2020 Actual €'000	2021 Actual €'000	2022 Forecast €'000	2023 Projection €'000
ASSETS					
Non-current assets					
Intangible assets	13,800	13,746	13,703	13,661	13,879
Property, plant and equipment	48,737	44,996	43,569	44,838	52,462
Investment property	5,115	4,652	4,443	4,443	29,013
Right-of-use assets	2,538	8,265	7,938	7,611	10,822
Loans and receivables	20,583	23,796	27,970	28,271	17,853
	90,773	95,455	97,623	98,824	124,029
Current assets					
Loans receivable	-	750	414	385	434
Inventories	465	438	455	473	492
Trade and other receivables	3,457	2,980	3,216	3,010	3,629
Cash and cash equivalents	615	727	640	2,352	13,930
	4,537	4,895	4,725	6,220	18,485
Total assets	**95,310**	**100,350**	**102,348**	**105,044**	**142,514**
EQUITY					
Equity and reserves					
Called up share capital	500	500	500	500	500
Other equity and reserves	17,470	17,470	17,470	17,470	17,470
Retained earnings	29,130	32,327	34,960	35,746	37,187
	47,100	**50,297**	**52,930**	**53,716**	**55,157**
LIABILITIES					
Non-current liabilities					
Bank loans and other financial liabilities	2,041	349	42	2,192	14,362
Bonds	34,648	34,717	34,789	34,873	43,232
Lease liability	2,535	6,304	5,604	4,795	7,895
Other non-current liabilities	274	341	302	302	1,880
	39,498	41,711	40,737	42,162	67,369
Current liabilities					
Bank loans and other financial liabilities	6,323	5,227	5,721	5,730	4,802
Bonds	-	-	-	-	12,195
Lease Liability	49	697	700	809	826
Other current liabilities	2,340	2,418	2,260	2,627	2,165
	8,712	8,342	8,681	9,166	19,988
	48,210	**50,053**	**49,418**	**51,328**	**87,357**
Total equity and liabilities	**95,310**	**100,350**	**102,348**	**105,044**	**142,514**

Key Accounting Ratios	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Forecast	FY2023 Projection
Gearing ratio *(Net debt/net debt and shareholders' equity)*	49%	48%	47%	46%	56%
Gearing ratio 2 (times) *(Net debt/shareholders' equity)*	0.96	0.93	0.87	0.86	1.26
Net debt to EBITDA (years) *(Net debt/EBITDA)*	5.24	5.89	6.38	5.31	6.25
Net assets per share (€) *(Net asset value/number of shares)*	942.00	1,005.94	1,058.60	1,074.32	1,103.14
Liquidity ratio (times) *(Current assets/current liabilities)*	0.52	0.59	0.54	0.68	0.92

Source: MZ Investment Services Limited

Total assets as at 31 December **2021** amounted to €102.3 million, an increase of €2.0 million from a year earlier. The primary movements included an increase in loans & receivables of €4.2 million and a decrease of €1.4 million in property, plant & equipment.

Total liabilities decreased y-o-y by €0.6 million, mainly on account of an increase in bank borrowings of €0.2 million and a reduction in lease obligations amounting to €0.7 million (reflecting annual lease payments).

Equity increased by the net profit of the year of €2.6 million, from €50.3 million in FY2020 to €52.9 million in FY2021. The gearing ratio improved by 1 percentage point to 47% (FY2020: 48%).

During the year under review, the liquidity ratio weakened from 0.59 times in FY2020 to 0.54 times in FY2021.

For the year ending 31 December **2022**, the Group does not anticipate any major changes to its financial position. Total assets are projected to amount to €105.0 million (FY2021: €102.3 million) mainly on account of an increase in property, plant & equipment and cash balances of €1.3 million and €1.7 million respectively.

Total liabilities are expected to increase by €1.9 million to €51.3 million, and principally comprise bank loans and bonds amounting to €42.8 million and lease liability of €5.6 million. The gearing ratio of the Group is projected to decrease y-o-y by 1 percentage point to 46%.

The Group's statement of financial position as at 31 December **2023** includes the consolidation of the assets and liabilities of SIA Mariner Logistics and a net increase in bonds of €20.55 million.

Total assets are projected to increase by €37.5 million mainly on account of:

i) the increase in property, plant & equipment of €7.6 million (net of depreciation charge) includes capital expenditure by BCT of approx. €3.0 million and *circa* €5.5 million is earmarked for the development of a new warehouse at ML and installation of solar panels on the roof of the existing warehouse (scheduled for completed in FY2024 at an estimated cost of €9.0 million);
ii) the increase of €24.6 million in investment property relates to the fair value of the Mārupe Property;
iii) the increase in right-of-use assets and lease liabilities of €3.2 million and €3.1 million respectively refer to the existing lease of land of ML;
iv) the decrease of €10.4 million in loans and receivables reflects: (i) the reduction of €7.2 million in balances due from Mariner Capital Limited as consideration for the acquisition of SIA Mariner Logistics; and (ii) the elimination upon consolidation of *circa* €3.5 million in loans between ML and BCT;
v) the increase in projected cash balances to €11.6 million (FY2022: €2.4 million) is explained further in the commentary on the cash flow statement.

During the projected year under review, the liquidity ratio should improve from 0.68 times in FY2022 to 0.92 times in FY2023.

Total liabilities are projected to increase by €36.0 million (y-o-y), which movement is expected to emanate primarily from changes in borrowings and other financial liabilities.

In FY2023, bank borrowings and other financial liabilities are projected to increase by €11.2 million mainly on account of existing bank loans of ML.

Bonds are expected to increase from €35 million in FY2022 to €55.4 million in FY2023 on the assumption that 65% of current bondholders will exchange their bonds for new bonds. The remaining outstanding portion of existing bonds amounting to €12.25 million will be settled in June 2024 and therefore have been classified as current liabilities.

The gearing ratio of the Group is expected to increase by 10 percentage point in FY2023 to 56%. Using alternative measurements of leverage, net debt to equity is projected to increase from 0.86 times in FY2022 to 1.26 times in FY2023, while net debt to EBITDA will weaken to 6.25 years in FY2023 from 5.31 years in the prior year.

Net assets per share is projected to increase from €1,074 in FY2022 to €1,103 in FY2023.

Mariner Finance p.l.c. Statement of Cash Flows for the year ended 31 December	2019 Actual €'000	2020 Actual €'000	2021 Actual €'000	2022 Forecast €'000	2023 Projection €'000
Net cash from operating activities	5,600	6,160	4,432	6,780	6,808
Net cash from investing activities	(13,192)	(7,677)	(4,009)	(3,084)	(8,469)
Net cash from financing activities	7,044	1,629	(510)	(1,984)	13,239
Net movement in cash and cash equivalents	**(548)**	**112**	**(87)**	**1,712**	**11,578**
Cash and cash equivalents at beginning of year	1,163	615	727	640	2,352
Cash and cash equivalents at end of year	**615**	**727**	**640**	**2,352**	**13,930**
Free cash flow*	(1,473)	2,168	3,997	3,696	(8,900)

** Free cash flow is arrived at by deducting capital expenditure from cash generated from operating activities.*

Net cash inflow from operating activities in **FY2020** was higher on a comparable basis by €560,000 to €6.2 million (FY2019: €5.6 million), mainly on account of favourable movements in working capital.

Net cash outflow from investing activities amounted to €7.7 million in FY2020 compared to €13.2 million in FY2019. During the year, the Group's investment in property, plant and equipment amounted to €4.0 million (FY2019: €7.1 million), while net amounts advanced to parent company and related parties amounted to €3.8 million compared to €6.1 million in FY2019.

Net cash used in financing activities amounted to €1.6 million compared to cash inflows of €7.0 million in the prior year. The Group utilised the above-mentioned proceeds from the sale and leaseback transaction to repay a bank loan used to finance the said crane. As such, net repayment of bank loans in FY2020 amounted to €2.8 million (FY2019: net drawdowns of €7.1 million). On the other hand, the Group received proceeds from the sale and leaseback of a gantry crane amounting to €4.5 million.

Cash and cash equivalents as at 31 December 2020 amounted to €727,000 compared to €615,000 in FY2019.

In **FY2021**, net movement in cash and cash equivalents amounted to -€87,000 compared to a positive balance of €112,000 in FY2020.

Net cash from operating activities was lower by €1.8 million from the prior year which is reflective of the y-o-y decrease in volumes handled at BCT (FY2021: €4.4 million; FY2020: €6.2 million).

Net cash used in investing activities amounted to €4.0 million (FY2020: net outflows of €7.7 million) and mainly comprised net amounts advanced to parent company and related party of €3.6 million and capital expenditure amounting to €0.4 million.

Net cash used in financing activities amounted to €0.5 million compared to cash inflows of €1.6 million in FY2020. Such amount included lease liability payments and net drawdown of bank loans amounting to €0.7 million (outflow) and €0.2 million (inflow) respectively.

In view of the expected increase in EBITDA in **FY2022** and **FY2023**, net cash inflows from operating activities are expected to amount to €6.78 million and €6.81 million respectively compared to €4.43 million in FY2021. In the latter projected year, the Group will be in receipt of rent receivable from the Mārupe Property.

Net cash used in investing activities is projected to amount to €3.1 million in FY2022 and €8.5 million in FY2023, as further explained below.

BCT intends to invest €6.1 million in FY2022 and FY2023 mainly for the purposes of extending its quay and other terminal related expenditure. ML is planning to use €5.5 million in FY2023 to develop a new warehouse and a solar farm on the roof of the existing warehouse. Overall, purchase of property, plant and equipment is projected to amount to €3.1 million and €8.6 million in FY2022 and FY2023 respectively.

Net cash used in financing activities is expected to amount to €2.0 million in FY2022, reflecting lease liability payments of €0.8 million, dividend payments of €3.3 million and net drawdown of bank loans of €2.1 million.

In FY2023, net cash inflows from financing activities are projected to amount to €13.2 million. Cash inflows shall comprise net bond proceeds amounting to €20.3 million. Cash outflows are expected to include repayment of bank and other loans of €3.7 million, lease payments of €0.8 million and distribution of dividends of €2.6 million.

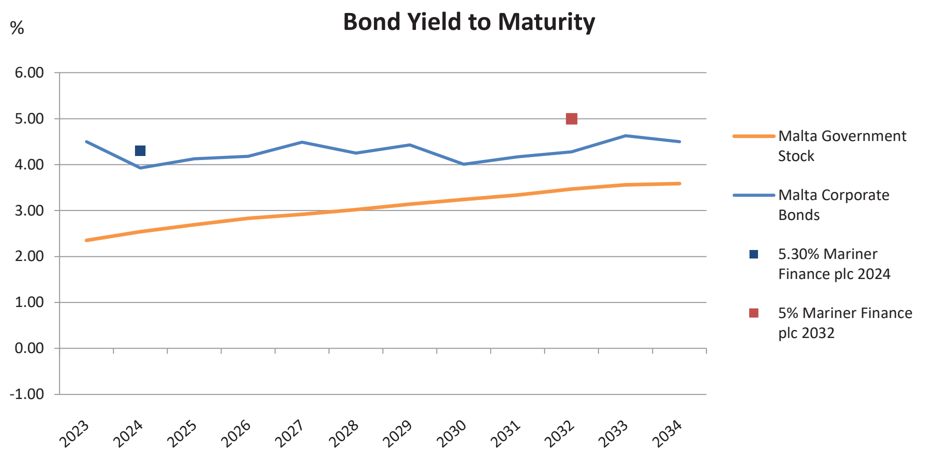
PART 3 – COMPARABLES

The table below compares the Group and its bond issues to other debt issuers listed on the Malta Stock Exchange and their respective debt securities. Although there are significant variances between the activities of the Group and other issuers (including different industries, principal markets, competition, capital requirements etc), and material differences between the risks associated with the Group's business and that of other issuers, the comparative analysis provides an indication of the financial performance and strength of the Group.

Comparative Analysis	Nominal Value (€)	Yield to Maturity (%)	Interest Cover (times)	Total Assets (€'000)	Net Asset Value (€'000)	Gearing Ratio (%)
4.25% GAP Group plc Secured € 2023	8,349,900	5.28	14.81	112,173	21,575	60.31
5.30% United Finance Plc Unsecured € Bonds 2023	8,500,000	4.50	1.68	37,992	9,916	65.59
5.80% International Hotel Investments plc 2023	10,000,000	4.24	1.06	1,695,229	838,216	40.59
6.00% AX Investments Plc € 2024	40,000,000	3.21	1.69	374,099	237,143	25.10
6.00% International Hotel Investments plc € 2024	35,000,000	4.91	1.06	1,695,229	838,216	40.59
5.30% Mariner Finance plc Unsecured € 2024	**35,000,000**	**4.31**	**3.30**	**102,348**	**52,929**	**46.65**
5.00% Hal Mann Vella Group plc Secured € 2024	30,000,000	3.93	2.60	123,752	48,512	53.05
5.10% 1923 Investments plc Unsecured € 2024	36,000,000	5.10	4.58	149,687	52,831	49.89
4.25% Best Deal Properties Holding plc Secured € 2024	9,137,200	2.99	-	24,561	6,893	62.61
3.70% GAP Group plc Secured € 2023-2025 Series 1	21,000,000	3.70	14.81	112,173	21,575	60.31
5.75% International Hotel Investments plc Unsecured € 2025	45,000,000	5.64	1.06	1,695,229	838,216	40.59
5.10% 6PM Holdings plc Unsecured € 2025	13,000,000	5.09	52.47	155,313	70,709	14.82
4.50% Hili Properties plc Unsecured € 2025	37,000,000	4.13	1.41	208,696	110,881	32.31
4.35% Hudson Malta plc Unsecured € 2026	12,000,000	4.18	4.51	58,951	12,557	68.49
4.25% Corinthia Finance plc Unsecured € 2026	40,000,000	4.57	0.83	1,863,456	899,566	40.81
4.00% International Hotel Investments plc Secured € 2026	55,000,000	4.57	1.06	1,695,229	838,216	40.59
3.75% Premier Capital plc Unsecured € 2026	65,000,000	4.03	11.70	317,675	60,118	74.24
4.00% International Hotel Investments plc Unsecured € 2026	60,000,000	4.13	1.06	1,695,229	838,216	40.59
3.25% AX Group plc Unsec Bds 2026 Series I	15,000,000	3.25	1.69	374,099	237,143	25.10
3.90% GAP Group plc Secured € 2024-2026	21,000,000	4.22	14.81	112,173	21,575	60.31
4.35% SD Finance plc Unsecured € 2027	65,000,000	4.60	4.60	349,955	142,068	27.22
4.00% Eden Finance plc Unsecured € 2027	40,000,000	4.49	3.63	193,529	109,284	28.55
4.00% Stivala Group Finance plc Secured € 2027	45,000,000	4.23	3.25	362,955	235,392	26.66
4.00% Hili Finance Company plc Unsecured € 2027	50,000,000	4.25	4.48	727,669	154,632	71.84
3.85% Hili Finance Company plc Unsecured € 2028	40,000,000	4.25	4.48	727,669	154,632	71.84
3.65% Stivala Group Finance plc Secured € 2029	15,000,000	3.36	3.25	362,955	235,392	26.66
3.80% Hili Finance Company plc Unsecured € 2029	80,000,000	4.67	4.48	727,669	154,632	71.84
3.75% AX Group plc Unsec Bds 2029 Series II	10,000,000	3.75	1.69	374,099	237,143	25.10
3.65% International Hotel Investments plc Unsecured € 2031	80,000,000	4.47	1.06	1,695,229	838,216	40.59
3.50% AX Real Estate plc Unsec Bds 2032	40,000,000	4.08	-	238,228	78,698	63.41
5.00% Mariner Finance plc Unsecured € 2032	**44,000,000**	**5.00**	**3.30**	**102,348**	**52,929**	**46.65**
4.50% The Ona plc € 2028 - 2034	16,000,000	4.50	44.94	29,758	8,719	51.62

11-Nov-22

Source: Malta Stock Exchange, Audited Accounts of Listed Companies, MZ Investment Services Ltd



Source: Malta Stock Exchange, Central Bank of Malta, MZ Investment Services Ltd 11 November 2022

To date, there are no corporate bonds which have a redemption date beyond 2034. The Malta Government Stock yield curve has been included as it is the benchmark risk-free rate for Malta.

The 2024 bonds are trading at a yield of 4.31%, which is 38 basis points higher when compared to other corporate bonds maturing in the same year. The premium over FY2024 Malta Government Stock is 177 basis points.

The 2032 bonds have a yield of 5%, which is 72 basis points higher when compared to other corporate bonds maturing in the same year. The premium over FY2032 Malta Government Stock is 153 basis points.

PART 4 – EXPLANATORY DEFINITIONS

Income Statement	
Revenue	Total revenue generated by the Group from its business activities during the financial year.
Operating expenses	Operating expenses include the cost of terminal operations and management expenses in maintaining the investment property.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. EBITDA can be used to analyse and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions.
Profit after tax	Profit after tax is the profit made by the Group during the financial year both from its operating as well as non-operating activities.
Profitability Ratios	
Operating profit margin	Operating profit margin is operating income or EBITDA as a percentage of total revenue.
Net profit margin	Net profit margin is profit after tax achieved during the financial year expressed as a percentage of total revenue.
Efficiency Ratios	
Return on equity	Return on equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing profit after tax by shareholders' equity.
Return on capital employed	Return on capital employed (ROCE) indicates the efficiency and profitability of a company's capital investments, estimated by dividing operating profit by capital employed.
Return on assets	Return on assets (ROA) is computed by dividing profit after tax by total assets.
Equity Ratios	
Earnings per share	Earnings per share (EPS) is the amount of earnings per outstanding share of a company's share capital. It is computed by dividing net income available to equity shareholders by total shares outstanding as at balance sheet date.
Cash Flow Statement	
Cash flow from operating activities	Cash generated from the principal revenue-producing activities of the Company.
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 Company.

Cash flow from financing activities	Cash generated from the activities that result in change in share capital and borrowings of the Company.
Balance Sheet	
Non-current assets	Non-current asset are the Group's long-term investments, which full value will not be realised within the accounting year. Non-current assets are capitalised rather than expensed, meaning that the Group allocates the cost of the asset over the number of years for which the asset will be in use, instead of allocating the entire cost to the accounting year in which the asset was purchased. Such assets include intangible assets (goodwill on acquisition), investment properties, and property, plant & equipment.
Current assets	Current assets are all assets of the Company, which are realisable within one year from the balance sheet date. Such amounts include inventory, accounts receivable, cash and bank balances.
Current liabilities	All liabilities payable by the Company within a period of one year from the balance sheet date, and include accounts payable and short-term debt.
Non-current liabilities	The Company's long-term financial obligations that are not due within the present accounting year. The Company's non-current liabilities include bank borrowings and bonds.
Total equity	Total equity includes share capital, reserves & other equity components, and retained earnings.
Net assets per share	Total assets less total liabilities divided by the number of equity shares in issue.
Financial Strength Ratios	
Liquidity ratio	The liquidity ratio (also known as current 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 a company's current assets to its current liabilities.
Interest cover	The interest coverage ratio is calculated by dividing a company's operating profit of one period by the company's interest expense of the same period.
Net debt to EBITDA	The net debt to EBITDA ratio is a measurement of leverage, calculated as a company's interest bearing liabilities minus cash or cash equivalents, divided by its EBITDA. This ratio shows how many years it would take for a company to pay back its debt if net debt and EBITDA are held constant.
Gearing ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance a company's assets, and is calculated by dividing a company's net debt by net debt plus shareholders' equity. Alternatively, the gearing ratio can be calculated by dividing a company's net debt by shareholders' equity.

PART 5 – GLOSSARY OF ALTERNATIVE PERFORMANCE MEASURES (APM)

The financial information included in this report includes certain measures to assess the financial performance of the Group's business that are termed "non-IFRS measures" because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS. Such measures comprise the following:

Container revenue per TEU

A TEU or Twenty-foot Equivalent Unit is a unit of measurement used to determine cargo capacity for container ships and terminals. This measurement is derived from the dimensions of a 20ft standardised shipping container. Because standard containers can be 20 or 40ft in length the capacity of a container ship can depend on the ratio of the two sizes.

BCT reports the volume of containers handled by the terminal in TEUs (port throughput). Container revenue per TEU is calculated by dividing annual revenue of BCT by total TEUs handled at the terminal during the same period.

EBITDA

EBITDA is calculated as operating income/(loss) after adding back depreciation and amortisation.

Management evaluates operating performance based on EBITDA and is done to give a more comparable basis for profitability. Also, it is a metric closer to net cash generation. Excluding revaluation of property, net finance costs and one-off transactions gives a more comparable year-on-year measure of trading performance.

EBITDA per TEU

EBITDA per TEU is calculated by dividing BCT's EBITDA by total TEU's handled at the terminal during the same period.