

SUMMARY

Dated 1 June 2023

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

**In respect of an issue of €20,000,000 5.85% Unsecured Bonds 2028
of a nominal value of €100 per Bond issued at par by**



MEDITERRANEAN INVESTMENTS HOLDING PLC
a public limited liability company registered in Malta
with company registration number C 37513

GUARANTEED* BY CPHCL COMPANY LIMITED (C 257)

ISIN: MT0000371311

** Prospective investors are to refer to the Guarantee contained in Annex I of the Securities Note forming part of the Prospectus for a description of the scope, nature and terms of the Guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in the Prospectus for a discussion of certain risk factors which should be considered by prospective investors in connection with the Bonds and the Guarantee provided by the Guarantor.*

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

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

Approved by the Directors

A blue ink signature of Alfred Pisani, consisting of several horizontal strokes and a vertical line extending downwards.

Alfred Pisani

A blue ink signature of Alfred Camilleri, featuring a stylized, cursive script.

Alfred Camilleri

in their capacity as Directors and for and on behalf of
Ahmed B. A. A. Wahed, Joseph Pisani, Faisal J. S. Alessa, Mario P. Galea and Ahmed Yousri A. Nouredin Helmy

Legal Counsel



Sponsor



Registrar & Manager



This Summary is prepared in accordance with the requirements of the Prospectus Regulation and the delegated acts issued thereunder. This Summary contains key information which will enable investors to understand the nature and the risks associated with the Issuer, the Guarantor and the Bonds.

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

1 INTRODUCTION AND WARNINGS

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

| | |
|---|--|
| Issuer | Mediterranean Investments Holding plc, a public company registered under the laws of Malta with company registration number C 37513 and having legal entity identifier number (LEI) 213800BEHWHFJ6UYZR18 |
| Address | 22, Europa Centre, Floriana FRN 1400, Malta |
| Telephone number | +356 2123 3141 |
| Website | www.mihplc.com |
| Guarantor | CPHCL Company Limited (C 257) |
| Nature of the securities | Unsecured Bonds up to a maximum amount of €20,000,000, bearing an interest rate of 5.85% per annum, payable annually in arrears on 31 July of each year until 31 July 2028 |
| ISIN of the Bonds | MT0000371311 |
| Competent authority approving the Prospectus | The Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Chapter 330 of the laws of Malta). The MFSA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval shall not be considered as an endorsement of the Issuer |
| Address, telephone number and official website of the competent authority approving the Prospectus | Malta Financial Services Authority, Triq I-Imdina, Zone 1, Central Business District, Birkirkara CBD 1010, Malta. The telephone number of the competent authority is +356 2144 1155. The official website of the competent authority is https://www.mfsa.mt/ |
| Prospectus approval date | 1 June 2023 |

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

2 KEY INFORMATION ON THE ISSUER

2.1 Who is the Issuer of the Bonds?

2.1.1 DOMICILE AND LEGAL FORM, LEI AND COUNTY OF INCORPORATION OF THE ISSUER

The Issuer is Mediterranean Investments Holding plc, a public company registered in terms of the Companies Act (Chapter 386 of the laws of Malta), with company registration number C 37513 and its registered office is at 22, Europa Centre, Floriana FRN 1400, Malta. The Issuer is incorporated and is domiciled in Malta. Its LEI number is 213800BEHWHFJ6UYZR18.



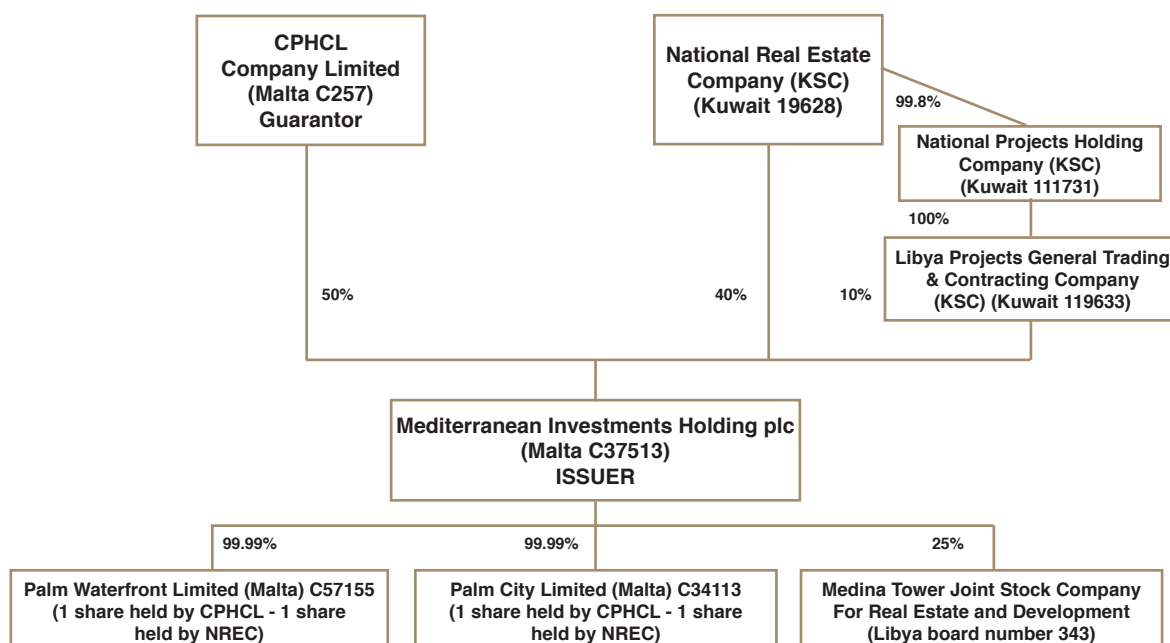
2.1.2 PRINCIPAL ACTIVITIES OF THE ISSUER

The Issuer was set up on 12 December 2005 as a private limited liability company and was subsequently converted into a public limited liability company on 6 November 2007. The principal objects of the Issuer are limited to directly or indirectly acquire, develop and operate real estate opportunities in North Africa, including, without limitation, opportunities with respect to retail outlets, shopping malls, office and commercial buildings, residential gated compounds, housing, hotels, build-operate-transfer (BOT) agreements and other governmental projects and conference centres. The issue of bonds falls within the objects of the Issuer. MIH, which has issued multiple listed and unlisted debt securities since its incorporation, currently has two bonds which are listed and trading on the Official List of the Malta Stock Exchange.

2.1.3 MAJOR SHAREHOLDERS

The Issuer has an authorised share capital of €100,000,000 divided into 50,000,000 ordinary 'A' shares of €1 each and 50,000,000 ordinary 'B' shares of €1 each. The Issuer has an issued share capital of €48,002,000 divided into 24,001,000 ordinary 'A' shares of €1 each and 24,001,000 ordinary 'B' shares of €1 each, which are subscribed to and allotted as fully paid-up shares as to (i) 24,001,000 ordinary 'A' shares of €1 each (50%) held by CPHCL Company Limited (C 257), (ii) 19,200,800 ordinary 'B' shares of €1 each (40%) held by National Real Estate Company KSCP (19628) and (iii) 4,800,200 ordinary 'B' shares of €1 each (10%) held by Libya Projects General Trading And Contracting Company (119633).

The Issuer is the parent company of the Group and, accordingly, is ultimately dependent upon the operations and performance of its subsidiaries and other investments. The organisational structure of the Group as at the date of the Prospectus is illustrated in the diagram below:



2.1.4 DIRECTORS OF THE ISSUER

As at the date of the Prospectus, the Board of Directors of the Issuer is composed of the following 7 individuals:

Alfred Pisani (Executive Director and Chairman), Ahmed B. A. A. Wahedi (Non-executive Director and Deputy Chairman), Alfred Camilleri (Non-executive Director), Joseph Pisani (Non-executive Director), Faisal J.S. Alessa (Non-executive Director), Mario P. Galea (Independent, non-executive Director) and Ahmed Yousri A. Noureldin Helmy (Independent, non-executive Director).

2.1.5 STATUTORY AUDITORS

The annual statutory consolidated financial statements of the Issuer for the financial years ended 31 December 2021 and 2022 have been audited by Grant Thornton Malta. Grant Thornton Malta (accountancy board registration number AB/26/84/22) is a firm registered as a partnership of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Chapter 281 of the laws of Malta).



2.2 What is the key financial information regarding the Issuer

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

| | FY2022 Audited | FY2021 Audited |
|--|---------------------------|---------------------------|
| Income statement | | |
| Operating profit for the year (€'000) | 17,498 | 18,858 |
| Interest Cover Ratio | 3.79x | 2.01x |
| Balance Sheet | | |
| Net Financial Debt (€'000) | 58,760 | 69,992 |
| Current Ratio | 0.42x | 0.35x |
| Cash Flow Statement | | |
| Cash Flows generated from Operating Activities (€'000) | 18,126 | 13,649 |

2.3 What are the key risks specific to the Issuer?

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

2.3.1 RISKS RELATING TO THE GROUP AND ITS BUSINESS

Until such time when the Medina Tower project and the Palm Waterfront project are fully developed and launched on the market, the Issuer will continue to be solely dependent on the business prospects and operating results of PCL, including, therefore, reliance on PCL to service and repay its debt securities. Accordingly, the timely payment of interest payable by the Issuer on its debt securities could be negatively conditioned by unforeseen adverse circumstances affecting the operations of PCL which could significantly impinge on PCL's cash flow. The operations of PCL and its operating results are subject to a number of factors that could adversely affect the Group's business and financial condition, some of which are beyond the Group's control.

2.3.2 RISKS RELATING TO THE POLITICAL, ECONOMIC AND SOCIAL ENVIRONMENT IN LIBYA

Whilst the Issuer and PCL are registered in Malta, the assets, operations, business interests and activities of PCL are located and conducted in Libya through a branch. Accordingly, the Group is susceptible to the political and economic risks that may, from time to time, influence Libya's prospects. Any unexpected changes in the political, social, economic or other conditions in Libya may have an adverse effect on the operations and financial results of the Group and on any investments made by the Group.

2.3.3 NATURAL DISASTERS, CONTAGIOUS DISEASE, TERRORIST ACTIVITY AND WAR HAVE, IN THE PAST, ADVERSELY AFFECTED THE EXPATRIATE COMMUNITY AND SIMILAR EVENTS COULD ADVERSELY AFFECT THE INDUSTRY IN THE FUTURE

Natural disasters, the spread of contagious disease (including COVID-19), industrial action, travel-related accidents, terrorist activity and war, and the targeting of particular destinations, have had a significant negative impact on the travel industry globally and such events could have a similarly negative impact in the future. If general market and economic conditions were to experience a downturn pursuant to any of the foregoing factors, these weakened conditions may have an adverse impact on the financial position and operational performance of the Group's business activities, potentially having a negative effect on the Issuer's financial position, cash flows, operational performance and its ability to fulfil its obligations under the Bonds.

3 KEY INFORMATION ON THE BONDS

3.1 What are the main features of the securities?

The key features of the Bonds are set out below:

Each Bond forms part of a duly authorised issue of 5.85% unsecured bonds 2028 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €20,000,000. The Issue Date of the Bonds is expected to be 28 July 2023. The Bond Issue is guaranteed by CPHCL.

The currency of the Bonds is Euro (€).

Subject to admission to listing of the Bonds to the Official List, the Bonds are expected to be assigned ISIN: MT0000371311.

The Bonds are redeemable on 31 July 2028. The Bonds shall bear interest from and including 31 July 2023 at the rate of 5.85% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 31 July 2024, covering the period 31 July 2023 up to and including 30 July 2024. The Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed jointly and severally by the Guarantor, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other outstanding and unsecured debt of each of the Issuer and the Guarantor, present and future, if any, save for such exceptions as may be provided by applicable law.



The minimum subscription amount of Bonds that can be subscribed for by Applicants upon subscription is €2,000 and in multiples of €100 thereafter.

There are no special rights attached to the Bonds other than the right of the Bondholders to payment of interest and capital, seeking recourse from the Guarantor pursuant to the Guarantee in case of failure by the Issuer to pay any sum payable by it to Bondholders, and in accordance with the ranking specified in the Prospectus.

The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole, in multiples of €100, in accordance with the rules and regulations of the MSE applicable from time to time. The minimum subscription amount of €2,000 shall only apply during the Issue Period and the Intermediaries' Offer, if it takes place. As such, no minimum holding requirement shall be applicable once the Bonds are admitted to listing on the Official List and commence trading thereafter, subject to trading in multiples of €100.

3.2 Where will the securities be traded?

Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on its Official List. The Bonds are expected to be admitted to the Official List with effect from 28 July 2023 and trading is expected to commence on 31 July 2023. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

3.3 Is there a guarantee attached to the securities?

The Bonds are guaranteed by the Guarantor, CPHCL Company Limited (C 257). The Guarantor guarantees the due and punctual performance of all the obligations undertaken by the Issuer under the Bonds and, without prejudice to the generality of the foregoing, undertakes to pay all amounts of principal and interest which have become due and payable by the Issuer to Bondholders under the Bonds, within sixty (60) days from the date such amount falls due and remains unpaid by the Issuer.

3.3.1 DOMICILE AND LEGAL FORM, LEI AND COUNTY OF INCORPORATION OF THE GUARANTOR

CPHCL Company Limited is a company registered under the laws of Malta with company registration number C 257 and having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta. Its LEI number is 529900HIX50FN8L8JK88.

The Guarantor is the parent company of the Corinthia Group and is principally engaged, directly or through Subsidiaries and/or associated entities, in investments that are predominantly focused on the ownership, development and operation of mixed-use real estate developments that consist mainly of hotels, residences, offices, retail and commercial areas, as well as industrial and event catering, in various countries.

3.3.2 KEY FINANCIAL INFORMATION OF THE GUARANTOR

The key consolidated financial information regarding the Guarantor is set out below:

| | FY2022 | FY2021 |
|--|----------------|----------------|
| | Audited | Audited |
| Income statement | | |
| Operating profit (loss) for the year (€'000) | 12,865 | (15,661) |
| Balance Sheet | | |
| Net Financial Debt (€'000) | 645,847 | 620,202 |
| Cash Flow Statement | | |
| Cash Flows generated from Operating Activities (€'000) | 47,815 | 30,176 |

3.3.3 KEY RISKS SPECIFIC TO THE GUARANTOR AND THE CORINTHIA GROUP

CPHCL has a long trading history in mixed-use real estate developments that consist principally of hotels, residences, offices and retail areas. Severe competition in certain countries and changes in economic and market conditions could adversely affect CPHCL's business and operating results. With respect to the Corinthia Group's operations in Russia, including, *inter alia*, as a result of the current conflicts between Russia and Ukraine, an investment in the Bonds carries the risk that, as a result of the said current political and military tensions between Russia and Ukraine, and the resulting economic sanctions imposed on Russia, as well as those imposed by Russia, the general economic conditions in Russia where the Corinthia Group carries out part of its business could be adversely impacted. The Guarantor's prospects should be considered in the light of the risks and the difficulties generally encountered by companies operating in a mixture of mature and stabilised markets coupled with new and rapidly developing markets.



3.4 What are the key risks that are specific to the Bonds?

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

- i. There can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. There can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price, or at all.
- ii. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.
- iii. In view of the current inflationary environment, investment in the Bonds involves the risk that rising inflation on real rates of return in relation to coupon payments as well as secondary market prices may have an adverse impact on the value of the Bonds, such that increasing rates of inflation could have an adverse effect on the return on the Bonds in real terms.
- iv. The strength of the undertaking on the part of the Guarantor pursuant to and in terms of the Guarantee and, therefore, the level of recoverability by the Bondholders from the Guarantor of any amounts due under any of the Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantor.

4 KEY INFORMATION ON THE OFFER OF THE BONDS AND ADMISSION TO TRADING

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

Applications for subscription to the Bonds may be made through any of the Authorised Intermediaries (which include the Sponsor and the Registrar & Manager). The Bonds are open for subscription by: (i) Maturing Bondholders up to the amount of Maturing Bonds held as at the Cut-off Date and subject to any Cash Top-Up, as and if applicable; (ii) Maturing Bondholders in respect of any number of additional Bonds applied for other than by Maturing Bond Transfer exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-off Date, including Cash Top-Up, as and if applicable, as well as Existing MIH Bondholders, without priority or preference between either of them; and (iii) Authorised Intermediaries through an Intermediaries' Offer in respect of any balance of the Bonds not subscribed to by Maturing Bondholders and/or by Existing MIH Bondholders, as the case may be, as aforesaid.

As regards preferred allocations, Maturing Bondholders applying for Bonds may elect to settle all or part of the amount due on the Bonds applied for by the transfer to the Issuer of Maturing Bonds at par value, subject to a minimum Application of €2,000 in Bonds. Any Maturing Bondholders whose holding in Maturing Bonds is less than €2,000 shall be required to pay the difference ("**Cash Top-Up**"). Maturing Bondholders electing to subscribe for Bonds through the transfer to the Issuer of all or part of the Maturing Bonds held by them as at the Cut-off Date (including any Cash Top-Up necessary as stated above) ("**Maturing Bond Transfer**") shall be allocated Bonds for the corresponding nominal value of Maturing Bonds transferred to the Issuer (including Cash Top-Up, where applicable). Bonds applied for by Maturing Bondholders by way of Maturing Bond Transfer as described above shall be allocated prior to any other allocation of Bonds. A Maturing Bondholder wishing to apply for a number of Bonds exceeding in value the aggregate nominal value of Maturing Bonds held by him/her/it as at the Cut-off Date (including Cash Top-Up, where applicable) may subscribe for such additional Bonds, but such additional Bonds shall rank *pari passu* with Applications submitted by Existing MIH Bondholders.

4.1.1 EXPECTED TIMETABLE OF PRINCIPAL EVENTS

| | | |
|---|--|--------------|
| 1 | Application Forms mailed to Maturing Bondholders and Existing MIH Bondholders | 9 June 2023 |
| 2 | Closing date for Applications to be received from Maturing Bondholders and from Existing MIH Bondholders | 7 July 2023 |
| 3 | Intermediaries' Offer* | 18 July 2023 |
| 4 | Announcement of basis of acceptance through a company announcement | 21 July 2023 |
| 5 | Refunds of unallocated monies, if any | 21 July 2023 |
| 6 | Dispatch of allotment letters | 28 July 2023 |
| 7 | Expected date of admission of the Bonds to listing | 28 July 2023 |
| 8 | Expected date of commencement of trading in the Bonds | 31 July 2023 |
| 9 | Commencement of interest | 31 July 2023 |

* In the event that the total value of Applications received from Maturing Bondholders and/or Existing MIH Bondholders, as the case may be, exceeds €20,000,000, the Intermediaries' Offer will not take place.

4.1.2 ALLOCATION POLICY

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

- i. first to Maturing Bondholders applying for Bonds by way of Maturing Bond Transfer, and subject to any Cash Top-Up as and if applicable, and subject to a minimum application of €2,000. In the event that the aggregate value of the Applications received from Maturing Bondholders transferring all or part of the Maturing Bonds held by them as at the Cut-off Date through Maturing Bond Transfer, including Cash Top-Up, where applicable, is in excess of €20,000,000, the Issuer (acting through the Registrar & Manager) shall scale down each Application to a minimum amount equivalent to the Maturing Bonds held by Maturing Bondholders and the Cash Top-Up portion shall be subject to an allocation policy as determined by the Issuer;



- ii. the balance of the Bonds not subscribed for by Maturing Bondholders limitedly by means of a Maturing Bond Transfer, and subject to any Cash Top-Up as and if applicable, if any, shall be made available for subscription to: (A) Maturing Bondholders in respect of any additional Bonds applied for other than by Maturing Bond Transfer exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-off Date; and (B) Existing MIH Bondholders, *pari passu*, without priority or preference between them; and
- iii. in the event that following the allocations made pursuant to paragraphs (i) and (ii) above there shall still remain unallocated Bonds, the Issuer shall offer such remaining Bonds to Authorised Intermediaries through an Intermediaries' Offer. Subscription agreements received from Authorised Intermediaries through an Intermediaries' Offer, if any, shall be allocated without priority or preference.

In the event that the Bond Issue is subscribed for in full by Maturing Bondholders and/or by Existing MIH Bondholders, as the case may be, in terms of paragraphs (i) and (ii) above, the Intermediaries' Offer shall not take place.

4.2 Why is this Prospectus being produced?

4.2.1 USE OF PROCEEDS

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €19,600,000, will be used by the Issuer for the redemption of the outstanding amount of the Maturing Bonds remaining in issue as at 31 July 2023, being the date of redemption of the Maturing Bonds as determined by the Issuer and duly notified to Maturing Bondholders. As at the date of the Prospectus, the aggregate value of Maturing Bonds in issue stands at €20,000,000.

The residual amount required by the Issuer for the purpose of the use specified above, that is, the redemption of the balance of the outstanding amount of the Maturing Bonds, which shall not be raised through the Bond Issue shall be financed from the Group's own funds.

In the event that the Bond Issue is not fully subscribed, the Issuer will proceed with the listing of the amount of Bonds subscribed for and the proceeds from the Bond Issue shall be applied for the purpose set out above.

4.2.2 UNDERWRITING

The Bond Issue is not underwritten.

4.2.3 CONFLICTS OF INTEREST

Save for the possible subscription for Bonds by Authorised Intermediaries (which include the Sponsor and the Registrar & Manager) and any fees payable to M.Z. Investment Services Limited as Sponsor and to Bank of Valletta plc as Registrar & Manager in connection with the Bond Issue, so far as the Issuer is aware no person involved in the Issue has an interest material to the Bond Issue.



REGISTRATION DOCUMENT

Dated 1 June 2023

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



MEDITERRANEAN INVESTMENTS HOLDING PLC
a public limited liability company registered in Malta
with company registration number C 37513

GUARANTEED* BY CPHCL COMPANY LIMITED
a private limited liability company registered in Malta
with company registration number C 257

ISIN: MT0000371311

** Prospective investors are to refer to the Guarantee contained in Annex I of the Securities Note forming part of the Prospectus for a description of the scope, nature and terms of the Guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in the Prospectus for a discussion of certain risk factors which should be considered by prospective investors in connection with the Bonds and the Guarantee provided by the Guarantor.*

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

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

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN FINANCIAL ADVISER.

Approved by the Directors

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Alfred Pisani

A blue ink signature in a cursive script, starting with a large, sweeping initial letter.

Alfred Camilleri

in their capacity as Directors and for and on behalf of
Ahmed B. A. A. Wahed, Joseph Pisani, Faisal J. S. Alessa, Mario P. Galea and Ahmed Yousri A. Nouredin Helmy

Legal Counsel



Sponsor



Registrar & Manager



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IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON MEDITERRANEAN INVESTMENTS HOLDING PLC, IN ITS CAPACITY AS ISSUER, AND ON CPHCL COMPANY LIMITED, IN ITS CAPACITY AS GUARANTOR, IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES ISSUED BY THE MFSA, THE COMPANIES ACT AND THE PROSPECTUS REGULATION.

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

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

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES: BY ANY PERSON IN ANY JURISDICTION (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED; OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

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

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN PROFESSIONAL ADVISERS.

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

A COPY OF THE PROSPECTUS HAS BEEN SUBMITTED TO THE MFSA IN SATISFACTION OF THE CAPITAL MARKETS RULES, TO THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH THE COMPANIES ACT.

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

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

ALL THE ADVISERS TO THE ISSUER NAMED IN SUB-SECTION 4.4 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

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

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



1 DEFINITIONS

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

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| “Act” or “Companies Act” | the Companies Act, Chapter 386 of the laws of Malta; |
| “AHCT” | Alinmaa Holding Company for Tourism & Real Estate Investments, a company registered under the laws of Libya and having its registered office at Al-Hamamat St., Al Madina Alsiahya, Tripoli, Libya; |
| “AUCC” | Arab Union Contracting Company, a company registered under the laws of Libya and having its registered office at Level 21, General Department, Tripoli Tower, Tower 1, Tripoli, Libya; |
| “Authorised Intermediaries” | the licensed financial intermediaries whose details are listed in Annex IV of the Securities Note forming part of the Prospectus; |
| “Bond Issue” or “Issue” | the issue of the Bonds; |
| “Bond Obligations” | the punctual performance by the Issuer of all of its obligations under the Bond Issue, including the repayment of principal and payment of interest thereon; |
| “Bondholder” | a holder of Bonds to be issued by the Issuer in terms of the Prospectus; |
| “Bonds” | a maximum of €20 million unsecured bonds due in 2028 of a nominal value of €100 per bond issued at par by the Issuer and redeemable on the Redemption Date at their nominal value, bearing interest at the rate of 5.85% per annum. The Bonds are guaranteed by the Guarantor; |
| “Capital Markets Rules” | the capital markets rules issued by the Malta Financial Services Authority, as may be amended and/or supplemented from time to time; |
| “CaterMax Limited” | CaterMax Limited, a private limited liability company registered under the laws of Malta with company registration number C 50842 and having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta; |
| “CDI” or “Corinthia Developments Limited” | Corinthia Developments International Limited, a private limited liability company registered under the laws of Malta with company registration number C 70440 and having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta; |
| “CHL” or “Corinthia Hotels Limited” | Corinthia Hotels Limited (formerly CHI Limited), a private limited liability company registered under the laws of Malta with company registration number C 26086 and having its registered office at 1, Europa Centre, Floriana FRN 1400, Malta; |
| “CIL” or “CPHCL Investments (UK) Limited” | CPHCL Investments (UK) Limited (formerly Corinthia Investments (UK) Limited), a private company registered under the laws of England and Wales with company registration number 01962947 and having its registered office at Aissela, 46 High Street, Esher, Surrey KT10 9QY, England; |
| “Corinthia Brand” | any and all intellectual property associated with the Corinthia Brand for hotel and property operations, the legal and beneficial ownership of which is held by CHL; |
| “Corinthia Caterers Limited” | Corinthia Caterers Limited, a private limited liability company registered under the laws of Malta with company registration number C 24720 and having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta; |
| “Corinthia Group” | CPHCL (as defined below) and the companies in which CPHCL has a controlling interest; |
| “Costa Coffee” | The Coffee Company Malta Limited, a private limited liability company registered under the laws of Malta with company registration number C 55973 and having its registered office at ML7 Business Centre, Triq l-Intornjatur, Mriehel, Birkirkara BKR 3000, Malta; |
| “CPHCL” or “Guarantor” | CPHCL Company Limited (formerly Corinthia Palace Hotel Company Limited), a private limited liability company registered under the laws of Malta with company registration number C 257 and having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta. CPHCL is the parent company of the Corinthia Group and is acting as Guarantor of the Bonds in terms of the Guarantee; |
| “Craven House” | 16 Craven House Limited, a private limited liability company registered under the laws of England and Wales with company registration number 14184133 and having its registered office at The Corinthia Hotel London, Whitehall Place, Westminster, London SW1A 2BD, United Kingdom; |
| “Danish Bakery Limited” | Danish Bakery Limited, a private limited liability company duly registered under the laws of Malta with company registration number C 7921 and having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta; |
| “Directors” or “Board” | the directors of the Issuer whose names are set out in sub-section 4.1 of this Registration Document; |



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| “EDREICO” | formerly the Economic Development and Real Estate Investment Company, a company registered under the laws of Libya and having its registered office at 49, 4th Floor, Burj Al Fatah Tower, PO BOX 93142, Tripoli, Libya; |
| “Euro” or “€” | the lawful currency of the Republic of Malta; |
| “Exchange” or “Malta Stock Exchange” or “MSE” | Malta Stock Exchange plc, as originally constituted in terms of the Financial Markets Act, Chapter 345 of the laws of Malta, with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta; |
| “Financial Analysis Summary” | the financial analysis summary dated 1 June 2023 compiled by the Sponsor in line with the applicable requirements of the MFSA Listing Policies, a copy of which is set out in Annex III of the Securities Note forming part of the Prospectus; |
| “Group” | collectively, the Issuer (parent company, as defined below), PCL and PWL (subsidiary companies, both as defined below) and MTJSC (associate company, as defined below); |
| “Guarantee” | the guarantee dated 1 June 2023 granted by the Guarantor as security for the punctual performance of all the obligations undertaken by the Issuer under the Bonds and, without prejudice to the generality of the foregoing, the undertaking on the part of the Guarantor to pay all amounts of principal and interest which may become due and payable by the Issuer to Bondholders under the Bonds, within 60 days from the date such amount falls due and remains unpaid by the Issuer. A copy of the Guarantee and a description of the nature, scope and terms of the Guarantee are appended to the Securities Note forming part of the Prospectus as Annex I thereto; |
| “IHGH” | Island Hotels Group Holdings p.l.c., a company registered under the laws of Malta with company registration number C 44855 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta, which company has been struck off the Registry of Companies following a merger by amalgamation with IHI; |
| “IHI” | International Hotel Investments plc, a public company registered under the laws of Malta with company registration number C 26136 and having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta; |
| “Issuer” or “MIH” or “Company” | Mediterranean Investments Holding plc, a public company registered under the laws of Malta with company registration number C 37513 and having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta; |
| “LAFICO” | Libyan Foreign Investment Company, a company registered under the laws of Libya with company registration number 9481 and having its registered office at Baghdad Street, Al Dahra Area, Libya; |
| “LPTACC” | Libya Projects General Trading And Contracting Company, a company registered under the laws of Kuwait with company registration number 119633 and having its registered office at Office 16/Mezzanine, Block 12, Al Asfour International Company, Al Manqaf, Kuwait; |
| “Maturing Bonds” | the 5.5% unsecured bonds 2023 with ISIN code MT0000371295 of a nominal value of €100 per bond issued at par by the Issuer pursuant to a prospectus dated 1 July 2020 and due to mature on 31 July 2023, amounting as at the date of the Prospectus to €20,000,000. The Maturing Bonds are guaranteed by CPHCL and are currently listed and trading on the Official List of the Malta Stock Exchange. Further details on the Maturing Bonds are set out in sub-section 5.1 of this Registration Document; |
| “Medina Tower” | the proposed Medina Tower project in Tripoli, Libya, as described in sub-section 5.1.2 of this Registration Document; |
| “Memorandum and Articles of Association” or “M&As” | the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus, and the terms “Memorandum of Association” and “Articles of Association” shall be construed accordingly; |
| “MFCC” or “Malta Fairs and Conventions Centre Ltd” | Malta Fairs and Conventions Centre Ltd, a private limited liability company registered under the laws of Malta with company registration number C 39678 and having its registered office at Millenium Stand, Level 1, National Stadium, Ta’ Qali, Attard ATD 4000, Malta; |
| “MFSA” | the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act, Chapter 330 of the laws of Malta, in its capacity as the competent authority in terms of the Financial Markets Act, Chapter 345 of the laws of Malta, authorised to approve prospectuses and admissibility to listing and to monitor and supervise local regulated markets and participants thereof falling within the regulatory and supervisory remit of the MFSA; |
| “MSE Bye-Laws” | the MSE bye-laws issued by the authority of the board of directors of Malta Stock Exchange plc, as may be amended from time to time; |
| “MSS Agreement” | the management and support services agreement entered into between the Issuer and CPHCL on 1 January 2020 in connection with the provision of management services at the strategic level of the Issuer’s business, further details of which are set out in sub-section 5.1.3 of this Registration Document; |



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| "MTJSC" | Medina Tower Joint Stock Company for Real Estate and Development, a joint stock investment company registered under the commercial laws of Libya in accordance with Law No. 5 (1997) as amended by Law No. 7 (2004) and Law No. 9 L(2010), having its registered office at Tripoli Tower, Suite 107, Tower 2, Level 10, Tripoli, Libya, and bearing privatisation and investment board number 343; |
| "NPHC" | National Projects Holding Company (KSC), a company registered under the laws of Kuwait with company registration number 111731 and having its registered office at National Market Building, Fourth Floor, Office 24, Abdullah Al Salem, Al Mirqab, Kuwait; |
| "NREC" | National Real Estate Company KSCP, a company registered under the laws of Kuwait with company registration number 19628 and having its registered office at P.O. Box 64585, Shuwaikh, B 70456, Kuwait; |
| "Official List" | the list prepared and published by the Malta Stock Exchange as its official list in accordance with the MSE Bye-Laws; |
| "Palm City Residences" | the Palm City Residences, a property operated by PCL (as defined below) and situated in Janzour, Libya, as described in sub-section 5.1.2 of this Registration Document; |
| "PCL" or "Palm City Ltd" | Palm City Ltd, a private limited liability company registered under the laws of Malta with company registration number C 34113 and having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta; |
| "PWL" | Palm Waterfront Ltd, a private limited liability company registered under the laws of Malta with company registration number C 57155 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta; |
| "Prospectus" | collectively, the Summary, this Registration Document and the Securities Note published by the Issuer all dated 1 June 2023 as such documents may be amended, updated, replaced and supplemented from time to time; |
| "Prospectus Regulation" | Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as may be amended and/or supplemented from time to time, and in accordance with the provisions of Commission Delegated Regulation No. 2019/979 and Commission Delegated Regulation No. 2019/980 issued thereunder; |
| "QPM" or "QPM Limited" | QPM Limited, a private limited liability company registered under the laws of Malta with company registration number C 26148 and having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta; |
| "RQT" | Recruitment & Quality Talent Limited, a private limited liability company registered under the laws of Malta with company registration number C 42045 and having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta; |
| "Redemption Date" | 31 July 2028; |
| "Registrar & Manager" | Bank of Valletta p.l.c., a public company registered under the laws of Malta with company registration number C 2833 and having its registered address at 58, Zachary Street, Valletta VLT 1130, Malta. Bank of Valletta p.l.c. is regulated by the MFSA and is licensed to carry out the business of banking and investment services in terms of the Banking Act, Chapter 371 of the laws of Malta, and the Investment Services Act, Chapter 370 of the laws of Malta; |
| "Registration Document" | this document in its entirety issued by the Issuer dated 1 June 2023, forming part of the Prospectus; |
| "Securities Note" | the securities note issued by the Issuer dated 1 June 2023, forming part of the Prospectus; |
| "Sponsor" | M.Z. Investment Services Limited, a private limited liability company registered under the laws of Malta having its registered address at 63, M.Z. House, St Rita Street, Rabat RBT 1523, Malta and bearing company registration number C 23936. M.Z. Investment Services Limited is authorised to conduct investment services by the Malta Financial Services Authority in terms of the Investment Services Act, Chapter 370 of the laws of Malta, and is a member of the MSE; |
| "Subsidiary" | an entity over which the parent has control. In terms of the International Financial Reporting Standards (IFRS) as 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 "Subsidiaries" shall collectively refer to the said entities; |
| "Summary" | the summary issued by the Issuer dated 1 June 2023, forming part of the Prospectus; and |
| "Swan Laundry and Dry Cleaning Company Limited" | Swan Laundry and Dry Cleaning Company Limited, a private limited liability company duly registered under the laws of Malta with company registration number C 2708 and having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta. |

All references in the Prospectus to "Malta" are to the "Republic of Malta".



Unless it appears otherwise from the context:

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

2 RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN PROFESSIONAL ADVISERS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER.

SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND NEITHER THE ISSUER NOR THE GUARANTOR IS IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

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

THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE ISSUER AS AT THE DATE OF THE PROSPECTUS, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER AND THE GUARANTOR MAY FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER’S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER AND/OR THE GUARANTOR.

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

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

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

2.1 Forward-looking statements

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

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

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

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



2.2 Risks relating to the Group and its business

The Issuer was incorporated in 2005 and, through PCL, has been primarily involved in the development and operation of Palm City Residences. Until such time when the Medina Tower project and the Palm Waterfront project are fully developed and launched on the market, the Issuer will continue to be solely dependent on the business prospects and operating results of PCL, including, therefore, reliance on PCL to service and repay its debt securities.

Accordingly, the timely payment of interest payable by the Issuer on its debt securities could be negatively conditioned by unforeseen adverse circumstances affecting the operations of PCL which could significantly affect PCL's cash flow.

The payment of interest and/or capital repayment on the Issuer's debt securities will be funded principally by the payment of inter-company loans or dividend pay-outs of PCL. The payment of inter-company loans and/or dividends by PCL will depend on, among other factors, any future profits, financial position, working capital requirements, general economic conditions and other factors that its board of directors deems significant from time to time. Accordingly, any occurrence that could impede or otherwise delay the cash flow generation from Palm City Residences could have a detrimental impact on PCL's ability to pay dividends, or repay inter-company loans, which, in turn, would have an adverse impact on the ability of the Issuer to meet interest payments or capital repayments on its securities on their due date.

Furthermore, in respect of Palm City Residences, the Group could in future face competition from other residential properties in its area of operation. The principal factors which the Issuer expects could affect the said property's ability to both attract new tenants, as well as retain tenants beyond the term of their current lease are, amongst others: (i) the availability of other residential properties; (ii) the quality of the amenities and facilities offered; (iii) the level of security offered; (iv) transport infrastructure; (v) the number of people who work in the Tripoli catchment area and the strength of tenant demand generally; and (vi) fluctuations in rental rates, as well as of property in and around Tripoli generally.

Accordingly, the operations of PCL and its operating results are subject to several factors that could adversely affect the Group's business and financial condition, some of which are beyond the Group's control.

2.2.1 Risks relating to the political, economic and social environment in Libya

Whilst the Issuer and PCL are registered in Malta, the assets, operations, business interests and activities of PCL are located and conducted in Libya through a branch. The Issuer is also an investee in a joint stock company, MTJSC, in respect of the business interests of the Medina Tower project, another project that will be developed in Tripoli, Libya. The Group's business activities over the coming years are expected to be focused on and aimed at the development of the Medina Tower project in which the Group has a 25% holding and Palm Waterfront, which is to be developed by a 100% owned subsidiary of the Issuer. Accordingly, the Group is susceptible to the political and economic risks that may, from time to time, influence Libya's prospects. Negative political or economic factors and trends in or affecting Libya could have a material impact on the business and financial position of the Issuer.

The continued political uncertainty and unpredictability prevailing since the 2011 uprising continues to have a negative effect on travel to Libya and, accordingly, on the performance, operation and financial results of the Group.

Any unexpected negative changes in the political, social, economic or other conditions in Libya may have an adverse effect on the operations and financial results of the Group and on any investments made by the Group; as happened between 2014 and 2016 and again in 2019 when PCL's operations were adversely affected by the conflict and political turmoil in Libya, reporting decreases in occupancy levels for those years.

Security concerns resulting from the above, as well as social unrest and lack of clarity on the political situation, have also brought about a decline in investor confidence, investment (including foreign direct investment) and capital spending.

Furthermore, the Libyan legal and judicial system may be different to what some investors may be more familiar with in certain civil and common law jurisdictions, and investors in Malta may consider such a system as not providing, in various aspects, the level of comfort for investment which they are used to under the Maltese legal system or other civil and common law jurisdictions, and, accordingly, they may consider that the Issuer may face difficulties in enforcing its legal rights relating to its investments made in Libya.

The above-mentioned negative political and economic factors and trends may have an adverse influence on the operating results of the Group and could also have a material impact on the business, financial condition and results of operations of the Group.

2.2.2 Natural disasters, contagious disease, terrorist activity and war have, in the past, adversely affected the expatriate community and similar events could adversely affect the industry in the future

Natural disasters, the spread of contagious disease (including COVID-19), industrial action, travel-related accidents, terrorist activity and war, and the targeting of particular destinations, have had a significant negative impact on the travel industry globally and such events could have a similarly negative impact in the future.

The full impact of any future pandemic on the Group's business at a given time will depend on a range of factors, which the Issuer is not able to accurately predict as at the date of the Prospectus, including the duration and scope of the pandemic, the impact of possible variants, the impact on economic activity and any future measures adopted by the governments in various jurisdictions to mitigate the impact of such pandemic, any of which may have a negative impact on the Group's suppliers and customers, or the economy as a whole and, could, in turn, have an adverse effect on the operations and financial results of the Group.



Such events occurring in the location where the Group operates will invariably affect tenancy patterns and reduce the number of business travellers to the country, including demand for residential accommodation at Palm City Residences. The occurrence of any of these events or increasing concerns about these events could have a material adverse impact on the business, financial condition, results of operations and prospects of the Group and/or the Guarantor.

If general market and economic conditions were to experience a downturn pursuant to any of the foregoing factors, these weakened conditions may have an adverse impact on the financial position and operational performance of the Group's business activities, potentially having a negative effect on the Issuer's financial position, cash flows, operational performance and its ability to fulfil its obligations under the Bonds.

2.2.3 Risks relating to real estate development and the realisation of benefits expected from property investments

Given that one of the pillars of the Group's business is property development, renovating, refurbishing or otherwise improving existing properties to maintain the desired standards, and developing new and commercially viable properties, is key to the Group's business and growth strategy. All development projects are subject to a number of specific risks: the risk of cost overruns; the risk of insufficiency of resources to complete; the risk of sales transactions not materialising at the prices and the tempo envisaged; and the risk of sales delays resulting in a liquidity strain, higher interest costs and the erosion of revenue generation. If these risks were to materialise, they would have an adverse impact on the Group's revenue generation and cash flows.

There are a number of factors that commonly affect the real estate development industry, many of which are beyond the Group's control and which could adversely affect the economic performance and value of the Group's prospective development projects. Such factors include *inter alia*: (i) changes in the general economic conditions; (ii) changes in local market conditions, such as an oversupply of similar properties; (iii) possible structural and environmental problems; and (iv) acts of nature, such as earthquakes and floods, that may damage any of the properties or delay development thereof.

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

2.2.4 The Group may not be able to obtain the capital it requires for development or improvement of existing or new properties on commercially reasonable terms, or at all

The Group's ability to implement its business strategies is dependent upon, amongst other things, its ability to generate sufficient funds internally and to access external financing at acceptable costs. No assurance can be given that sufficient financing for its current and future investments will be available on commercially reasonable terms or within the timeframes required by the Group, also taking into account the need, from time to time, for the Group's properties to undergo renovation, refurbishment or other improvements. Any weakness in the capital markets may limit the Group's ability to raise capital for completion of projects that have commenced or for development of future investments. Failure to obtain, or delays in obtaining, the financing required to complete current or future developments on commercially reasonable terms, including increases in borrowing costs or decreases in loan funding, may limit the Group's growth and materially and adversely affect its business, financial condition, results of operations and prospects.

2.2.5 Fluctuations in property values

As stated above, the Group is involved in the acquisition and development of properties. Property values are affected by and may fluctuate, *inter alia*, as a result of changing demand, changes in general economic conditions, changing supply within a particular area of competing space and attractiveness of real estate relative to other investment choices. The value of the Group's property portfolio may also fluctuate as a result of other factors outside the Group's control, such as changes in regulatory requirements and applicable laws (including in relation to taxation and planning), political conditions, the condition of financial markets, potentially adverse tax consequences, interest and inflation rate fluctuations.

There is no assurance that valuations of Group properties and property-related assets will reflect actual market values that could be achieved upon a sale. Actual values may be materially different from any future values that may be expressed or implied by forward-looking statements set out in the relative valuation or anticipated on the basis of historical trends, as reality may not match the assumptions made.

2.2.6 The Group's indebtedness could adversely affect its financial position

The Group has a material amount of debt, although this has decreased consistently year-on-year since 2018. The amount of debt funding of the Issuer is expected to increase as and when the Issuer undertakes the Medina Tower and the Palm Waterfront projects, and other possible future development plans. Although the amount of debt funding of the Issuer is expected to increase upon the incurrence of its new projects, the Issuer's policy is to maintain its debt-to-equity ratio at prudent levels with corresponding equity being injected at levels considered to be adequate and prudent under current banking practices.

A substantial portion of the Group's generated cash flows will be required to make principal and interest payments on the Group's debt. A substantial portion of the cash flow currently generated from PCL's operations is utilised to repay the Group's debt.

Once the Medina Tower and Palm Waterfront projects proceed to their development stage, MTJSC and PWL will be negotiating bank credit facilities for the construction of their respective projects once a decision is taken to execute these projects. The agreements regulating the bank debt are likely to impose significant operating restrictions and financial covenants on MTJSC and PWL. These restrictions and covenants could limit the ability of each of the said companies and the Group 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.



2.2.7 Currency fluctuations and other regional economic developments may have a material adverse effect on the Issuer's business, financial condition and results of operations

The Issuer's operations are exposed, in the case of transactions not denominated in Euro, to foreign currency risk on transactions, receivables, payables, bank balances and borrowings that are denominated in a currency other than the Euro. As a result, exchange gains or losses may arise on the conversion of bank balances, the realization of amounts receivable and the settlement of amounts payable in currencies which are not Euro-denominated.

The Issuer's financial statements, which are presented in Euro, can be affected by foreign exchange fluctuations through both: translation risk, which is the risk that the financial statements for a particular period or as of a certain date depend on the prevailing exchange rates of the various currencies against the Euro; and transaction risk, which is the risk that the currency of the costs and liabilities fluctuates in relation to the currency of its revenue and assets, which fluctuation may adversely affect its operating performance.

The occurrence of any of the risks specified herein, or an increased level of concern in relation thereto, could have a material adverse effect on the business, financial condition, results of operations and prospects of the Group.

2.2.8 The Group may be exposed to risks relative to its insurance policies

Although the Group maintains insurance at levels determined to be appropriate in the light of the cost of cover and the risk profiles of the businesses in which the Group operates, there can be no assurance that its insurance coverage will be sufficient, or that insurance proceeds will be paid on a timely basis to the Group. In addition, the Group may not be able to recover the full amount from the insurer. 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 or that risks presently covered by insurance policies would be insurable in future. As a result, any loss or disruption to any of the Group's operations may have a material adverse effect on the Group's business, results of operations and financial condition.

2.3 Risks relating to the business of the Guarantor and the Corinthia Group

CPHCL has a long trading history in mixed-use real estate developments that consist principally of hotels, residences, offices and retail areas. Many of CPHCL's current and potential competitors' operating histories, name recognition, customer bases and financial and other resources are a competitive factor for the Guarantor wherever it may have business. Severe competition in certain countries and changes in economic and market conditions could adversely affect CPHCL's business and operating results.

With respect to the Corinthia Group's operations in Russia (as detailed below in this Registration Document), including, *inter alia*, as a result of the current conflicts between Russia and Ukraine, an investment in the Bonds carries the risk that, as a result of the said current political and military tensions between Russia and Ukraine, and the resulting economic sanctions imposed on Russia, as well as those imposed by Russia, the general economic conditions in Russia where the Corinthia Group carries out part of its business could be adversely impacted.

These sanctions include: a Russian measure prohibiting any measures to cease business operations in Russia; an EU ban on business transactions with certain specified natural and legal persons; a ban on any importation of Russian energy and defence industries; and EU measures resulting in the freezing of funds and economic resources of certain specified natural and legal persons. The measures also prohibit the direct or indirect import, export or transfer of all defence-related material and establish a ban for dual-use goods and technology for military use or military-end users in Russia. The EU sanctions further curtail Russian access to certain sensitive technologies that can be used in the Russian energy sector, for instance in oil production and exploration.

The Corinthia Group has no control over this risk. Accordingly, the Corinthia Group is susceptible to the political and economic risks that may, from time to time, influence Russia's prospects. Any unexpected changes in the political, social, economic or other conditions in Russia may have an adverse effect on the operations and financial results of the Corinthia Group and on any investments made by the Corinthia Group in the region.

The Guarantor's prospects should be considered in the light of the risks and the difficulties generally encountered by companies operating in a mixture of mature and stabilised markets coupled with new and rapidly developing markets.

3 PERSONS RESPONSIBLE AND AUTHORISATION STATEMENT

3.1 Persons responsible

This Registration Document includes information prepared in compliance with the Capital Markets Rules issued by the MFSA for the purpose of providing Bondholders with information with regard to the Issuer and the Guarantor. Each and all of the Directors of the Issuer whose names appear in sub-section 4.1 of this Registration Document accept responsibility for all the information contained in the Prospectus.

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



3.2 Authorisation statement

This Registration Document has been drawn up as part of a simplified prospectus in accordance with Article 14 of the Prospectus Regulation. It has been approved by the MFSA, as the competent authority under the Prospectus Regulation. The MFSA only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Registration Document.

4 IDENTITY OF DIRECTORS, SENIOR MANAGEMENT, ADVISERS AND AUDITORS OF THE ISSUER AND GUARANTOR

4.1 Directors of the Issuer

As at the date of this Registration Document, the Board of Directors is constituted by the following seven (7) persons:

| | |
|--|--|
| Alfred Pisani ID No. 126839M | Executive Director and Chairman Florita, Triq Giorgio Locano, Iklin, Malta |
| Ahmed B. A. A. Wahedi Passport No. P05962128 | Non-executive Director and Deputy Chairman Shaab, Street 17, Block 1, House 7, PACI number 11105406, Kuwait |
| Alfred Camilleri ID No. 404059M | Non-executive Director 7, Kentia, Triq il-Battaljun, Mosta, Malta |
| Joseph Pisani ID No. 672637M | Non-executive Director 8, Richmond, Park Towers, Main Street, St Julians, Malta |
| Faisal J. S. Alessa Passport No. P05449499 | Non-executive Director Salwa, Block 3, Street 1, House 34, PACI number 11843732, Kuwait |
| Mario P. Galea ID No. 522554M | Independent, Non-executive Director 35, Triq tal-Mielah, High Ridge, St Andrews, Swieqi, Malta |
| Ahmed Yousri A. Noureldin Helmy Passport No. A24026803 | Independent, Non-executive Director Bneid AlQar, Zayd AlQathem Street, Block 1, PACI number 20605859, Kuwait |

Mr Mario P. Galea and Mr Ahmed Yousri A. Noureldin Helmy are considered as independent Directors since they are free of any business, family or other relationship with the Issuer, its controlling shareholders or the management of either, that could create a conflict of interest such as to impair their judgement. In assessing Mr Mario P. Galea's and Mr Ahmed Yousri A. Noureldin Helmy's independence due notice has been taken of Rule 5.119 of the Capital Markets Rules.

The business address of Mr Alfred Pisani, Mr Joseph Pisani, Mr Alfred Camilleri and Mr Mario P. Galea is 22, Europa Centre, Floriana FRN 1400, Malta.

The business address of Mr Ahmed B. A. A. Wahedi, Mr Faisal J. S. Alessa and Mr Ahmed Yousri A. Noureldin Helmy is Kuwait City, Sharq, Al-Shuhada Street, Al-Hamra Tower, 58th floor, P.O.Box 22644, Safat 13087, Kuwait.

The Company Secretary of the Issuer is Mr Stephen Bajada, holder of Maltese identity card number 207570M.

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

Name: **Alfred Pisani**; Executive Director and Chairman

Alfred Pisani is the founder of the Corinthia Group and has been the Chairman and Chief Executive Officer since the inception of Corinthia in 1962. He was responsible for the construction of the Corinthia Group's first hotel, the Corinthia Palace Hotel in Attard. He has led the Corinthia Group from a one hotel company to a diversified group having significant interests, both locally and internationally. Mr Pisani is also the Executive Chairman of IHI and Chairman and Chief Executive Officer of the Guarantor.

Name: **Ahmed B. A. A. Wahedi**; Non-executive Director and Deputy Chairman

Ahmed Wahedi is the chief executive officer of NREC Capital, a division of the National Real Estate Company (NREC) headquartered in Kuwait. He is responsible for the Group's asset management initiatives. Prior to joining NREC, Mr Wahedi was the Managing Director of the Real Estate Division at Boubyan Capital where he assembled a \$100 million diversified portfolio of income generating properties in Kuwait and launched a highly successful \$50 million Real Estate Investment Trust. Prior to Boubyan Capital, Mr Wahedi was a Corporate Development Manager at Agility where he was involved with executing several mergers and acquisitions. Mr Wahedi holds an MBA from the Wharton School of Business and a BSc in Civil Engineering, BSc in Electrical & Computer Engineering, and a BSc in Economics from Carnegie Mellon University.

Name: **Alfred Camilleri**; Non-executive Director

Alfred Camilleri holds a BA (Hons) Public Administration and M.Sc (Economics) and has a long and varied career in statistics and in national and international financial, budgetary and economic affairs. He was active in national and European economic and financial policy circles. Additionally, Mr Camilleri is a visiting lecturer at the University of Malta.



Name: **Joseph Pisani**; Non-executive Director

Joseph Pisani, besides being a founder director of CPHCL as from 1966, is also a director of IHI with effect from 22 December 2014, as well as acting as a director on a number of boards of other Subsidiary companies of the Corinthia Group. Since 2000 he has served as Chairman of the Monitoring Committee of CPHCL and IHI from 2000 to 2014. He was educated at St Edward's College and the University of Malta. He has ever since been intimately involved in the growth and evolution of the Corinthia Group.

Name: **Faisal J. S. Alessa**; Non-executive Director

Faisal J.S. Alessa currently holds the position of Vice Chairman and Chief Executive Officer of Kuwait based NREC. Before becoming Chairman, Mr Alessa served NREC by leading its business development function and as a board member, Chairman and Managing Director of various subsidiary organisations. Prior to joining NREC, he was the chairman of United Capital Group, a company registered in Kuwait with over US\$700 million in assets under management. Mr Alessa is a graduate of Barry University in Miami, Florida, USA. Besides holding office as a non-executive Director of the Issuer, Mr Alessa also serves as a member of the board of directors of Kuwait Agricultural Company and Kuwait Agro for General Trading and Contracting.

Name: **Mario P. Galea**; Independent, Non-executive Director

Mario P. Galea was the founder, managing partner and Chairman of Ernst & Young Malta until he retired in 2012. Currently he serves on a number of boards of directors, finance committees and audit committees in various companies. Mr Galea is a certified public accountant and auditor, a Fellow of the Association of Chartered Certified Accountants and a Fellow of the Malta Institute of Accountants. He has served as President of the Malta Institute of Accountants and held various other positions in the Institute, Federation des Comptables Européens (FEE) and the Accountancy Board, which is the regulator of the accountancy profession in Malta. Mr Galea is the independent non-executive Director competent in accounting and auditing matters and acts as the Chairman of the Audit Committee of the Issuer. Furthermore, Mr Galea is a director of the following public limited liability companies: CPHCL Finance plc, Santumas Shareholdings plc, BNF Bank plc, Merkanti Holding plc, Exalco Finance plc, Hal Mann Vella Group plc, Klikk Finance plc, Phoenicia Finance Company plc and Best Deal Properties Holding plc.

Name: **Ahmed Yousri A. Noureldin Helmy**; Independent, Non-executive Director

Ahmed Yousri A. Noureldin Helmy is an accomplished executive with an outstanding track record in spearheading transformational programs, including debt restructuring, organisational streamlining and digital implementation, delivering cost efficiencies and driving shareholders' value. He has ventured into major business acquisitions with proven abilities in business modelling and analysis. Mr Yousri Helmy is the current group CFO of NREC. Prior to joining NREC, Mr Yousri Helmy was the CEO of Invest Group and CFO at the Sultan Centre Group where he played an integral part in the continual growth and success of the group, driving operational, commercial and financial activities. Mr Yousri Helmy holds a Master of Business Administration from American University of Beirut in Lebanon and is a certified public accountant registered with the California Board of Accountancy.

4.2 Directors of the Guarantor

As at the date of this Registration Document, the board of directors of CPHCL is constituted by the following six (6) persons:

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| Alfred Pisani ID No. 126839M | Executive director and Chairman Fiorita, Triq Giorgio Locano, Iklin, Malta |
| Joseph Pisani ID No. 672637M | Executive director 8, Richmond, Park Towers, Main Street, St Julians, Malta |
| Victor Pisani ID No. 493541M | Executive director Blue Harbour, Frobisher, Block B, Flat 13, Ix-Xatt Ta' Xbiex, Ta' Xbiex, Malta |
| Abdulrahman A. M. Dibiba Passport No. AB946666 | Non-executive director V5RQ+2QW, Flat 6, Dahra Building, Dahra Street, Tripoli, Libya |
| Emhemmed A. B. Ghula Passport No. AB997770 | Non-executive director 00443, Abu Aqrab Street, Souq al Giurma, Tripoli, Libya |
| Khaled A. M. R. Algonsel Passport No. K99Y26G2 | Non-executive director Serrag, Tripoli, Libya |

The business address of the directors of the Guarantor is 22, Europa Centre, Floriana FRN 1400, Malta.

The Company Secretary of the Guarantor is Mr Alfred Fabri, holder of Maltese identity card number 0475049M.

The following are the respective *curriculum vitae* of the directors of the Guarantor:

Name: **Alfred Pisani**; Executive director and Chairman

The *curriculum vitae* of Mr Alfred Pisani is set out in sub-section 4.1 above.



Name: **Joseph Pisani**; Executive director

The *curriculum vitae* of Mr Joseph Pisani is set out in sub-section 4.1 above.

Name: **Victor Pisani**; Executive director

Victor Pisani is a founder director and member of the main board of CPHCL since 1966 and is a director on a number of its Subsidiaries within the Corinthia Group. He was formerly a board member and Chairman of Pisani Flour Mills Limited (C 3949).

Name: **Abdulrahman A. M. Dibiba**; Non-executive director

Abdulrahman Dibiba graduated in architecture and urban design from the University of Misurata. He has been active in the private sector, mainly on development projects and has also been involved in the furniture and interior design business for eight years and in the retail sector. Recently Mr Dibiba has been engaged on green architecture initiatives.

Name: **Emhemmed A. B. Ghula**; Non-executive director

Emhemmed Ghula has a Bachelor's degree in civil engineering from Alliant International University in the United States and a Master's degree in construction technology and management from Loughborough University in the United Kingdom. Mr Ghula has 30 years' experience in various fields as a board member of a number of companies mainly in the Middle East and Africa, including being Chairman of Lafico in Sudan, Chairman of Oya Real Estate and Tourism Investment Company and Chairman of Saving and Real Estate Bank in Libya.

Name: **Khaled A. M. R. Algonsel**; Non-executive director

Mr Algonsel joined LAFICO in 1993. He was Manager of the Treasury and Financial Planning Department and was appointed Managing Director in 2012. He is Chairman of Libya Investment Company, Egypt since 2013 and Vice Chairman of Arab Petroleum Investments Corporation, Saudi Arabia since 2012. He has a bachelor's degree in financial accounting from Gharian Accounting College, a master's degree in financial accounting from The Libyan Academy in Tripoli and a master's degree in banking and finance from The European University.

4.3 Senior management of the Issuer

As at the date of the Prospectus the Issuer does not have any employees of its own and is reliant on the resources which are made available to it by the Guarantor pursuant to the MSS Agreement, including, in particular, the services of Mr Reuben Xuereb, who is the Chief Executive Officer of MIH, Ms Rachel Stilon, who is the Chief Financial Officer of MIH, and Mr Stephen Bajada who acts as the Company Secretary of MIH.

The following are the respective *curriculum vitae* of the key members of the Group's executive team:

Name: **Reuben Xuereb**; Chief Executive Officer of MIH

Reuben Xuereb joined the Corinthia Group in January 2005 in a senior executive role and has since been heading the real estate investments and operations in Libya. Having worked in the Middle East with one of the largest finance houses and investment groups based in Bahrain, he has specialised in real estate investment structures and is responsible for corporate strategy and business development of MIH. Prior to that, Mr Xuereb was the Chief Financial Officer of FIMBank - an international trade finance bank headquartered in Malta for six years. Mr Xuereb is also the CEO of MTJSC, Chairman and CEO of PCL, Executive Chairman and CEO of QPM Limited and Chairman of Corinthia Caterers Limited.

Name: **Rachel Stilon**; Chief Financial Officer of MIH

Rachel Stilon graduated with a B.A. (Hons) Accountancy from the University of Malta in 1996. She worked for PricewaterhouseCoopers before joining the internal audit department of Corinthia Group in 1998. In 2000 she moved into corporate finance as financial controller of CPHCL. Since then she has held various corporate finance related positions, including financial controller of CPHCL Finance plc. She has held the position of CFO of the Company since 2017. Ms Stilon is a certified public accountant and auditor, is a member of the Malta Institute of Accountants, is a director on the board of CPHCL Finance plc and serves as Chairperson of Federated Mills plc.

Name: **Stephen Bajada**; Company Secretary of MIH

Stephen Bajada joined the Corinthia Group in 1998 after having spent a number of years as senior manager with the National Tourism Organisation Malta, responsible for research and development. Since joining the Corinthia Group he has occupied a number of senior positions ranging from administration, overall responsibility of the insurance requirements of the Corinthia Group, as well as company secretary for a number of Corinthia Group companies ranging from hospitality management, catering, events and project management in various jurisdictions. Mr Bajada has served as Company Secretary to MIH, PCL and PWL since 2012. He is a graduate in business management from the University of Malta.

The Directors believe that the Group's present management organisational structures are adequate for the current activities of the Issuer and the Group generally. The Directors will maintain these structures under continuous review to ensure that they meet the changing demands of the Group's business and to strengthen the checks and balances necessary for optimum corporate governance and maximum operational efficiency.



4.4 Advisers to the Issuer

Legal Counsel

Name: VB Advocates
Address: 52, St Christopher Street, Valletta VLT 1462, Malta

Sponsoring Stockbroker

Name: M.Z. Investment Services Limited
Address: 61, M.Z. House, St Rita Street, Rabat RBT 1523, Malta

Financial Advisers

Name: Grant Thornton Malta
Address: Fort Business Centre, Triq l-Intornjatur, Zone 1, Central Business District, Birkirkara CBD 1050, Malta

Registrar & Manager

Name: Bank of Valletta plc
Address: 58, Zachary Street, Valletta VLT 1130, Malta

As at the date of the Prospectus none of the advisers named under this sub-heading have any beneficial interest in the share capital of the Issuer or the Guarantor. Additionally, save for the terms of engagement relative to their respective services provided in connection with the preparation of the Prospectus and save for the deeds and ancillary documentation entered into between the Guarantor and the Registrar & Manager in connection with the bank borrowings referred to in sub-section 6.7 of the Securities Note, no material transactions have been entered into by the Issuer or the Guarantor with any of the advisers referred to above.

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

4.5 Issuer's auditors

Name: Grant Thornton Malta
Address: Fort Business Centre, Triq l-Intornjatur, Zone 1, Central Business District, Birkirkara CBD 1050, Malta

The annual statutory consolidated financial statements of the Issuer for the financial years ended 31 December 2021 and 2022 have been audited by Grant Thornton Malta. Grant Thornton Malta (accountancy board registration number AB/26/84/22) is a firm registered as a partnership of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979, Chapter 281 of the laws of Malta.

4.6 Guarantor's auditors

Name: PricewaterhouseCoopers
Address: 78, Mill Street, Qormi QRM 3101, Malta

The annual statutory financial statements of the Guarantor for the financial years ended 31 December 2021 and 2022 have been audited by PricewaterhouseCoopers. PricewaterhouseCoopers (accountancy board registration number AB/26/84/38) is a firm registered as a partnership of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979, Chapter 281 of the laws of Malta.

5 INFORMATION ABOUT THE ISSUER AND THE GUARANTOR

5.1 Historical development of the Issuer

5.1.1 Introduction

Full legal and commercial name of the Issuer: Mediterranean Investments Holding plc
Registered address: 22, Europa Centre, Floriana FRN 1400, Malta
Place of registration and domicile: Malta
Registration number: C 37513
Date of registration: 12 December 2005
Legal form: The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act
Legal Entity Identifier: 213800BEHWHFJ6UYZR18
Telephone number: +356 2123 3141
E-mail address: info@mihplc.com
Website*: www.mihplc.com

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



The principal objects of the Issuer, which objects are limited to activities outside Malta and to such other activities as are or may be necessary for its operations from Malta, are to directly or indirectly acquire, develop and operate real estate opportunities in North Africa, including, without limitation, opportunities with respect to retail outlets, shopping malls, office and commercial buildings, residential gated compounds, housing, hotels, build-operate-transfer (BOT) agreements and other governmental projects and conference centres. The issue of bonds falls within the objects of the Issuer.

The Issuer was set up on 12 December 2005 as a private limited liability company and was subsequently converted into a public limited liability company on 6 November 2007. MIH has an authorised share capital of €100,000,000 divided into 50,000,000 ordinary 'A' shares of a nominal value of €1 each and 50,000,000 ordinary 'B' shares of a nominal value of €1 each. The issued share capital of MIH is €48,002,000 divided into 24,001,000 ordinary 'A' shares of €1 each and 24,001,000 ordinary 'B' shares of €1 each, all of which have been fully paid. Each of CPHCL and NREC (directly or indirectly) hold 50% of the Issuer's share capital. Of the 50% share owned by NREC, 10% is held by its Subsidiary LPTACC, a fully-owned Subsidiary of NPHC which, in turn, is 99.8% owned by NREC. In terms of the Memorandum and Articles of Association of the Issuer, CPHCL, as the holder of ordinary 'A' shares, has the right to appoint three Directors to the Board and NREC and LPTACC, as the holders of ordinary 'B' shares, jointly have the right to appoint three Directors to the Board, with the seventh Director jointly appointed by CPHCL, NREC and LPTACC. Further details concerning the manner in which the shares in MIH are subscribed to are set out in sub-section 8.1 of this Registration Document.

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

MIH, which has issued multiple listed and unlisted debt securities since its incorporation, currently has two bonds which are listed and trading on the Official List of the Malta Stock Exchange, details of which are set out below:

In July 2020, MIH issued €20,000,000 5.5% unsecured bonds due in 2023 having a nominal value of €100 each and issued at par pursuant to a prospectus dated 1 July 2020. The maturity date of the bonds in question falls due on 31 July 2023 and interest on the bonds is payable annually in arrears on 31 July of each year between and including each of the years 2021 and 2023. The net proceeds from said July 2020 bond issue were used by MIH to finance the redemption of the outstanding amount of €18,407,800 5.5% unsecured bonds 2020 which had been previously issued by MIH in July 2015. As at the date of this Registration Document the amount of €20,000,000 of the said July 2020 bonds remains outstanding and it is the Issuer's intention to repay said outstanding amount from the proceeds raised from this Bond Issue as set out in sub-section 5.1 of the Securities Note, less the amount attributable to expenses of the Bond Issue as detailed in sub-section 5.2 of the Securities Note; the remaining balance of outstanding July 2020 bonds will be repaid from the Issuer's own funds.

In May 2022, MIH issued €30,000,000 5.25% unsecured bonds due in 2027 having a nominal value of €100 each and issued at par pursuant to a prospectus dated 31 May 2022. The maturity date of the bonds in question falls due on 6 July 2027 and interest on the bonds is payable annually in arrears on 6 July of each year between and including each of the years 2023 and 2027. The net proceeds from said May 2022 bond issue were used by MIH to finance the redemption of part of the outstanding amount of €40,000,000 5% unsecured bonds 2022 which had been previously issued by MIH in May 2017. As at the date of this Registration Document the amount of €30,000,000 of the said May 2022 bonds remains outstanding.

In September 2020, MIH also issued €11,000,000 6% unsecured and unlisted notes due 2023 - 2025 having a nominal value of €1,000 each and issued at par pursuant to a prospectus dated 18 September 2020. The maturity date of the notes in question falls due on 3 October 2025 (subject to the Issuer's option to redeem early on any interest payment date falling in the years 2023 and 2024) and interest on the notes is payable annually in arrears on 3 October of each year between and including each of the years 2021 and 2025. As at the date of this Registration Document the amount of €11,000,000 of the said September 2020 unlisted notes issue remains outstanding.

5.1.2 Overview of the Group's business

Palm City Residences

Since incorporation, the Issuer has been primarily involved, through PCL, in the development and operation of the Palm City Residences. This oceanfront gated complex, located in Janzour, Libya, consists of 413 residential units, ranging from one-bedroom apartments to four-bedroom fully detached villas with private pools, constructed on a plot of land measuring 171,000m² and enjoying a 1.3km shorefront (including beach area). The village-type complex offers a host of amenities and leisure facilities that include a piazza, supermarket, a variety of retail shops, a laundry, a health clinic and several catering outlets and cafes. The development also features numerous indoor and outdoor sports facilities, including a fully equipped gym, squash court, tennis courts, an indoor pool, water sports facilities and an outdoor swimming pool.

By virtue of an agreement dated 5 July 2006, CPHCL holds legal title under Libyan law to the land on which Palm City Residences are built. Such agreement is for a term of 99 years. With effect from 6 July 2006 PCL entered into a build-operate-transfer agreement with CPHCL, whereby CPHCL engaged PCL to complete the construction of the Palm City Residences and to operate the said complex thereafter for a 65-year term. Upon the expiry of this 65-year term, PCL is bound to transfer the operation back to CPHCL.

The Group has been in the process of registering a joint stock company in Libya, to be owned as to 90% of its share capital by PCL (CPHCL and NREC to hold the remaining 10% in equal proportions between them). Subject to approval by the competent authority in Libya, the Libyan Investment Board, title to the land underlying the Palm City Residences will be transferred by CPHCL to such company. Upon such title transfer taking effect, the build-operate-transfer (BOT) agreement between PCL and CPHCL will be terminated, resulting in PCL no longer being bound to return the operation of the Palm City Residences to CPHCL upon the lapse of the said 65-year term. This registration process has been on hold since 2015 pending the resolution of the current unrest in the country.

The Palm City Residences project was completed in late 2009 and by 2010 all the residences were operational. The Issuer's principal objective remains focused on the management and operations of Palm City Residences through its Subsidiary PCL and on securing medium to long-term lease contracts with a view to achieving a steady and secure occupancy rate. The occupancy rate and revenue



generation may have varied in the initial years of operation as Libya passed through a number of political changes, however the rate has continued to strengthen and show resilience over recent years.

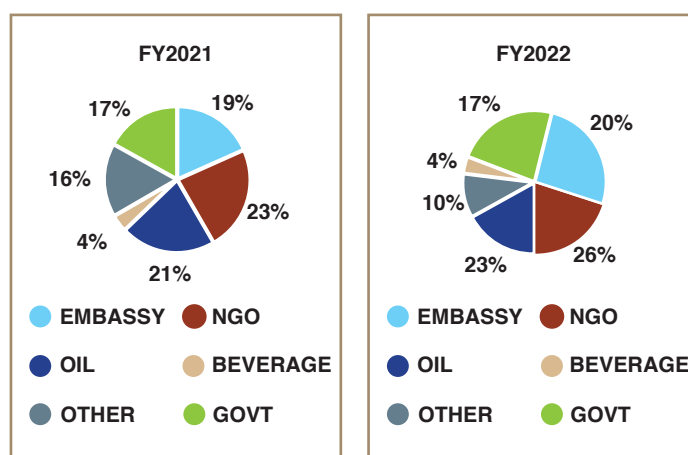
In 2022, total revenue amounted to €25.0 million, an increase of 4.25% compared to 2021's revenue of €24.0 million, with such increase being driven by higher average rates. Operating and other expenses for the year under review were retained at relatively low levels. Segment operating profit amounted to €18.3 million, which was €0.6 million lower than the previous year, although in 2021, there was an exceptional amount of €2.1 million recorded as other income.

The average rate per unit type increased from €8,365 in 2021 to €8,907 per unit per month in 2022. Throughout the year under review, occupancy at Palm City residences remained relatively stable, so that occupancy for the year averaged at 51.6%. Management continued to receive enquiries for the leasing of units at Palm City and remained in touch with potential client leads.

Palm City Residences - Client Mix

As per recent years, the client mix continued to consist mainly of Oil & Gas companies, NGOs, international security providers and embassies.

During the two-year period under review, occupancy remained constant at an average of 51.7% in 2021 and 51.6% for 2022. This even though for over half of this period the COVID-19 pandemic was still ongoing.



Looking at the percentage occupancy by industry, one notes an increase in share of the core client base, being Oil & Gas, NGOs and Embassies. The increase from the oil and gas sector is especially encouraging and more interest is expected from this sector this year.

It is also pertinent to point out that over the last two years, accommodation contracts for the long-term (2-5 years) has increased considerably to 55% in 2022, with short to medium-term leases averaging 45% of total leases. This means that of all active contracts, 81% are for 1 year and over, thus confirming an increasingly positive medium to long-term customer outlook on their continued stay at Palm City Residences.

Medina Tower

In 2010, MTJSC was set up for the purpose of owning and developing the Medina Tower. The shareholders of MTJSC are MIH, IHI, AUCC and AHCT, having a shareholding of 25% each. The parcel of land over which this project will be developed measures *circa* 13,000m² and is situated in Tripoli's main high street. The architectural concept stems from a 4-storey podium that will include a mix of residential, retail, commercial and conference space. A curved tower rises from the sixth level and peaks at the 40th level, where a double height restaurant will complete the property. The development will comprise a total gross floor area of *circa* 199,000m².

The project designs of the Medina Tower are complete and all development approvals have been obtained from the relevant authorities. As to the financing of the project, the equity contribution for the first phase of this project is already fully paid up and will comprise 40% of the capital requirements of the said project. The remaining 60% of funding will be derived from a Libyan financial institution in terms of a sanction letter that has been approved and signed, but now needs to be reactivated. Whilst Libya is stable, political uncertainty continues to persist, however notwithstanding the fact that the project is still formally on hold management has re-engaged with the relevant authorities in anticipation of its prospects improving.

Palm Waterfront

PWL is a wholly owned Subsidiary of MIH and will be primarily engaged in the development and operation of the Palm Waterfront site which is located in Shuhada Sidi Abuljalil, Janzour, Libya, adjacent to the Palm City Residences pursuant to a Build-Operate-Transfer Agreement entered into with CPHCL in December 2013. The arrangement gives PWL the right to develop the Palm Waterfront site. Furthermore, PWL is entitled to manage and operate the Palm Waterfront for a period of 80 years from 5 December 2013.

Palm Waterfront will be constructed on a total site area of 64,000m². The development will comprise a lifestyle address with various uses and facilities, including (i) a 150-room 4-star hotel with food and beverage and health and leisure facilities; (ii) 332 different sized residential apartments all overlooking the marina and open sea; (iii) 3,400m² of office space; (iv) 4,000m² of commercial and entertainment facilities; and (v) a 117-berth yacht marina with facilities.



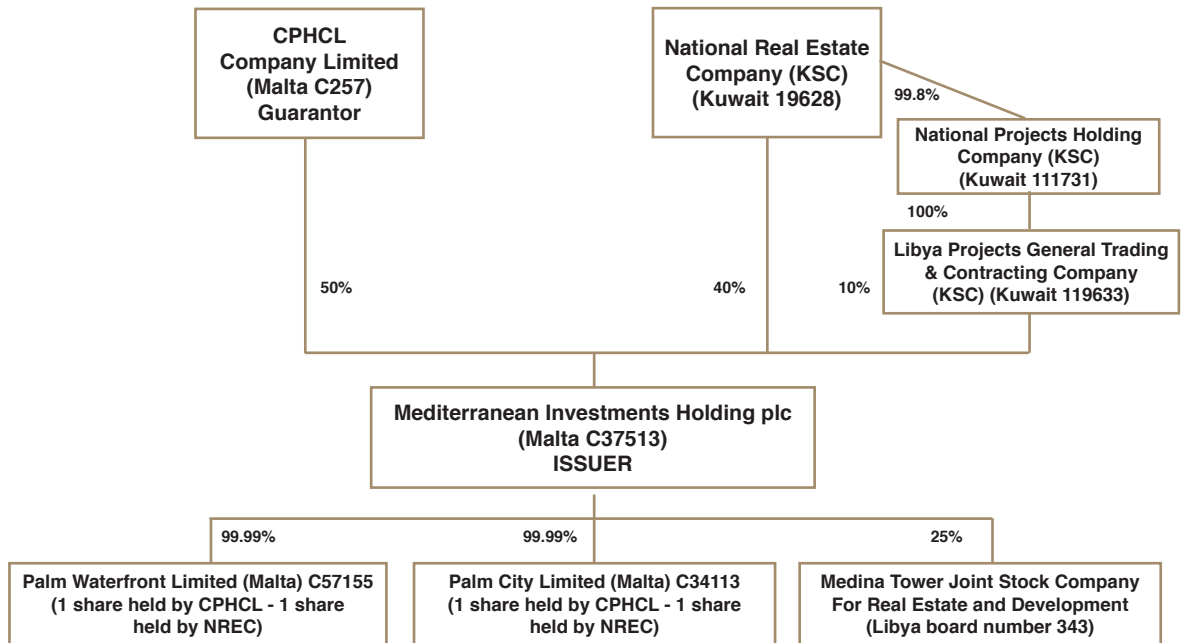
MIH is currently engaged with the competent authority in Libya to apply for and obtain a permit to construct the project, following which, once the situation on the ground improves, it will issue the respective tender packages for works to commence on site.

This project has been temporarily placed on hold in view of the prevailing situation in Libya.

5.1.3 Organisational structure

The Issuer is the parent company of the Group and, accordingly, is ultimately dependent upon the operations and performance of its Subsidiaries.

The organisational structure of the Group as at the date of the Prospectus is illustrated in the diagram below:



MIH

The principal activity of the Issuer is to, directly or indirectly, acquire, develop and operate real estate projects in Libya and invest in any related trade or business venture. The Issuer is party to a management and support services agreement (the "MSS Agreement") with CPHCL in connection with the provision of management services at the strategic level of the Issuer's business, enabling the Issuer to benefit from the experience and expertise of CPHCL in the operation of its business and the implementation of a highly efficient and cost-effective operation and construction programme which is expected to be reflected in a substantial increase in the market value of the Group's real estate properties.

The MSS Agreement also ensures that at the top executive and central administrative level, the Issuer has continued and guaranteed access to the top executive staff and support personnel of the Corinthia Group. In terms of the current agreement, in consideration for the support services afforded by CPHCL, the Issuer shall pay CPHCL a fixed annual fee of €465,843 for 2023, adjusted thereafter for inflation at 5% per annum. The Directors believe that this is a reasonable charge to the Issuer, particularly in light of the benefits enjoyed by the Issuer pursuant to the MSS Agreement, which include:

- the commitment of an executive team with over 45 years' experience of successfully operating in Libya;
- an experienced, motivated, proven and loyal local and foreign senior management team of international calibre with an average of over 28 years' service;
- a team of well-qualified and dynamic young professionals, fuelling the potential for future growth;
- an effective monitoring system assuring controls on standards and performance;
- a long experience in developing and managing properties planned and built to exacting standards with equally high standards demanded on maintenance, resulting in high quality, well-maintained assets; and
- corporate strength through a long-term policy of diversification into construction, project management and other service ventures.

PCL

Palm City Ltd is a private limited liability company incorporated and registered in Malta on 10 June 2004. It has an authorised share capital of €250,000,000 divided into 250,000,000 ordinary shares of €1 each and an issued share capital of €140,500,000 divided into 140,500,000 ordinary shares of €1 each, fully paid up, held as to 140,499,998 ordinary shares of €1 each by the Issuer, one ordinary share of €1 by CPHCL and one ordinary share of €1 by NREC. PCL is effectively a wholly owned Subsidiary of the Issuer. Pursuant to a build-operate-transfer agreement dated 6 July 2006 entered into by and between CPHCL and PCL, CPHCL engaged PCL to finalise the construction of Palm City Residences and operate the complex for a period of 65 years. Palm City Residences was completed at a cost of *circa* €160 million and commenced full operations in 2010.



MTJSC

By virtue of a Memorandum of Incorporation dated 20 May 2010 and registered under law no. 343 at the investment register in Tripoli, Libya on 7 August 2010, the Issuer subscribed to a 25% equity participation in a joint venture company, Medina Tower Joint Stock Company for Real Estate Investment and Development. This joint venture was set up together by IHI and EDREICO (the latter now AHCT and AUCC, two Libyan investment companies). MIH, IHI, AHCT and AUCC hold a 25% equity participation respectively. MTJSC was set up to construct the Medina Tower.

PWL

Palm Waterfront Ltd is a private limited liability company incorporated and registered in Malta on 3 August 2012. It has an authorised share capital of €100,000,000 divided into 100,000,000 ordinary shares of €1 each and an issued share capital of €2,000 divided into 2,000 ordinary shares of €1 each, fully paid up, held as to 1,998 ordinary shares of €1 each by the Issuer, one ordinary share of €1 by CPHCL and one ordinary share of €1 by NREC. PWL is effectively a wholly owned Subsidiary of the Issuer. On 5 December 2013, the company entered into a build-operate-transfer agreement with CPHCL which gives PWL the right to develop a site adjoining Palm City Residences on the West, located in Shuhada Sidi Abuljalil, Janzour in Libya. It also gives it the right to construct, implement, manage and operate the project to be developed on said site at its discretion. The term of the build-operate-transfer agreement is for a period of 80 years from signing date of the said agreement.

5.2 Historical development of the Guarantor

5.2.1 Introduction

| | |
|---|--|
| Full legal and commercial name of the Guarantor: | CPHCL Company Limited |
| Registered address: | 22, Europa Centre, Floriana FRN 1400, Malta |
| Place of registration and domicile: | Malta |
| Registration number: | C 257 |
| Date of registration: | 21 June 1966 |
| Legal form: | The Guarantor is lawfully existing and registered as a private limited liability company in terms of the Act |
| Legal Entity Identifier: | 529900HIX50FN8L8JK88 |
| Telephone number: | +356 2123 3141 |
| E-mail address: | info@corinthia.com |
| Website*: | www.cphcl.com |

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

5.2.2 Overview of CPHCL's business

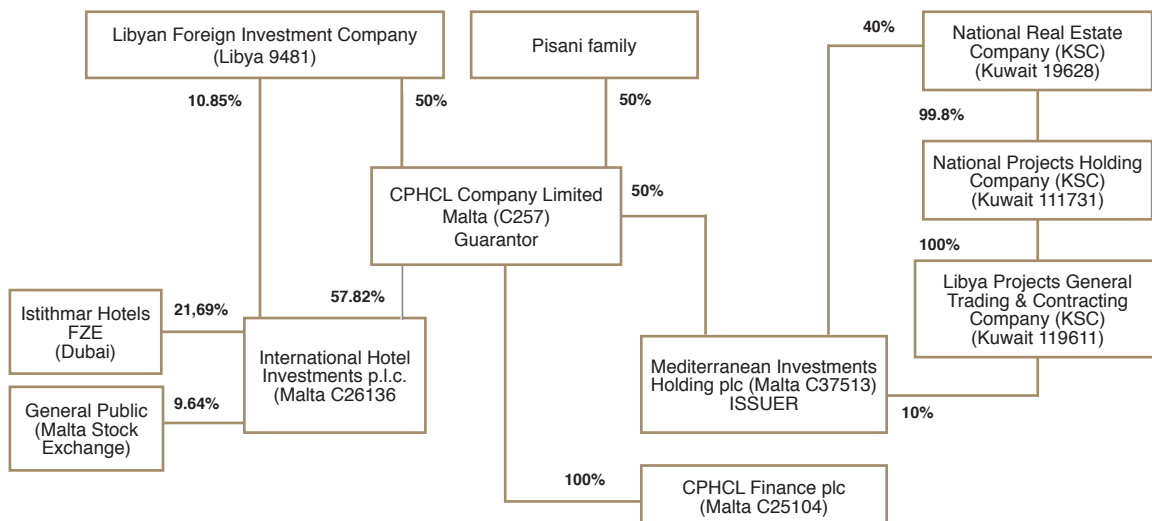
The Guarantor is the parent company of the Corinthia Group and is principally engaged, directly or through Subsidiaries and/or associated entities, in investments that are predominantly focused on the ownership, development and operation of mixed-use real estate developments that consist mainly of hotels, residences, offices, retail and commercial areas, as well as industrial and event catering, in various countries.

These business areas of CPHCL are organized as follows:

- (a) **IHI:** IHI is CPHCL's largest Subsidiary company and has the objective of investing, acquiring, developing and operating real estate projects, either directly through wholly-owned Subsidiaries or with third parties, with a principal focus on mixed-use hotel assets;
- (b) **MIH:** The Issuer is 50% owned by CPHCL and is focused on investing, acquiring and developing luxury residential complexes and commercial centres in Northern Africa; and
- (c) **CPHCL** holds other properties and investments either directly in its own name or through Subsidiaries, including CPHCL Investments (UK) Limited, being a wholly-owned Subsidiary of CPHCL registered in the United Kingdom and holding the Corinthia Group's interests in one four star hotel in Turkey (the Gulluk), one four star hotel in Portugal (the Santarem), one four star hotel in Hungary (the Aquincum Hotel in Budapest) and one four star hotel in Tunisia (the Ramada Plaza Hotel). CPHCL also owns six small hotels in the Czech Republic. On the industrial side, CPHCL fully owns Swan Laundry and Dry Cleaning Company Limited and MFCC with the latter having a leasehold title to a significant plot of land in Ta' Qali. It also holds a majority shareholding in the Danish Bakery in Bulebel and a significant plot of land in Marsa. On the human resources side, CPHCL fully owns RQT, a recruitment company specialised in staffing and recruitment established with the scope of providing the Malta hotels and business subsidiaries with personalised recruitment and head-hunting solutions for all levels of operation with the goal of providing a talent pool of resources within the Corinthia Group.

As the holding company of the Corinthia Group, the Guarantor is ultimately dependent upon the operations and performance of its Subsidiaries and associated entities. The diagram below illustrates the principal Subsidiaries and associates within the organisational structure of the Corinthia Group as at the date of this Registration Document:





The following table provides a list of the operations and the principal assets owned by the respective Corinthia Group companies as at the date of this Registration Document:

Principal assets and operations

| Name | Location | Description | % ownership |
|---|----------------|--------------------------------------|-------------|
| CPHCL Company Limited (Direct holdings) | | | |
| Aquicum Hotel Budapest | Hungary | Property owner | 100 |
| Ramada Plaza | Tunisia | Property owner | 100 |
| CPHCL Investments (UK) Limited | United Kingdom | Investment company | 100 |
| Swan Laundry and Dry Cleaning Company Limited | Malta | Laundry & dry cleaning | 100 |
| Danish Bakery Limited | Malta | Industrial bakery | 65 |
| Malta Fairs and Conventions Centre Ltd | Malta | Events & exhibitions centre | 100 |
| Recruitment & Quality Talent Limited | Malta | Recruitment | 100 |
| International Hotel Investments plc (Subsidiary) | | | |
| Corinthia Hotel Budapest | Hungary | Property owner | 100 |
| Corinthia Hotel Lisbon | Portugal | Property owner | 100 |
| Corinthia Hotel Prague | Czech Republic | Property owner | 100 |
| Corinthia Hotel Tripoli | Libya | Property owner | 100 |
| Commercial Property Tripoli | Libya | Property owner | 100 |
| Corinthia Hotel St George's Bay | Malta | Property owner | 100 |
| Marina Hotel St George's | Malta | Property owner | 100 |
| Corinthia Hotel St. Petersburg | Russia | Property owner | 100 |
| Commercial Property St. Petersburg | Russia | Property owner | 100 |
| Corinthia Hotel & Residences London | United Kingdom | Property owner | 50* |
| Corinthia Hotel Brussels | Belgium | Property owner | 50* |
| | | (estimated opening April 2024) | |
| Craven House | London | Property owner | 100 |
| Corinthia Palace Hotel & Spa | Malta | Property owner | 100 |
| Corinthia Hotels Limited | Malta | Hotel management | 100 |
| QPM Limited | Malta | Project management | 100 |
| Corinthia Developments International Limited | Malta | Project development | 100 |
| Radisson Blu Resort St Julians | Malta | Property owner | 100 |
| Radisson Blu Resort & Spa Golden Sands | Malta | Property owner | 100 |
| Corinthia Oasis (formerly known as Hal Ferh Complex) | Malta | Property development | 100 |
| | | (estimated opening Q2 2026) | |
| Corinthia Catering | Malta | Event catering | 100 |
| Costa Coffee | Malta | Retail catering | 100 |
| Corinthia Caterers Limited | Malta | Event & retail catering | 100 |
| CaterMax Limited | Malta | Event & retail catering | 100 |
| Mediterranean Investments Holdings plc (Associate) | | | |
| Palm City Residences | Libya | Gated residence complex | 100 |
| Medina Tower | Libya | Mixed-use property (to be developed) | 25 |

* under control and management of IHI



IHI, a company listed on the Malta Stock Exchange, is principally engaged in the acquisition, ownership, development and operation of hotels and ancillary real estate in Europe and North Africa.

To date, IHI has acquired luxury five-star hotels in Prague (Czech Republic), Tripoli (Libya), Lisbon (Portugal), Budapest (Hungary), St. Petersburg (Russia) and St. George's Bay (Malta). It has a 50% share in a hotel and residential property in London (United Kingdom) and has development projects in Mellieha (Malta), Brussels (Belgium), Rome (Italy), Riyadh (Saudi Arabia), Bucharest (Romania), New York City (US) and Doha (Qatar), the latter four being on a management agreement basis, as well as a joint venture agreement for the development of a hotel in Benghazi (Libya). IHI also fully owns Corinthia Hotels Limited, the main objective of which is to provide hotel management services to hotel properties owned by IHI, CPHCL and third-party hotel owners. It is the beneficial owner of the Corinthia® Brand. IHI acquired all the intellectual property associated with the Corinthia® brand for hotel and property operations from CPHCL in October 2010, which, in turn, was transferred to CHL in June 2019. Whilst CPHCL holds 57.82% of the share capital in IHI, Istithmar Hotels FZE of Dubai acts as a strategic investor in the company with a 21.69% holding in IHI. LAFICO is another strategic investor in IHI and owns 10.85% of its equity (half of this 10.85% is subject to a call-option in favour of CPHCL). The remaining shares are held by the general investing public. IHI also holds 100% of the share capital in CaterMax Limited and Corinthia Caterers Limited, both of which entities are incorporated in Malta and provide events catering in Malta and RQT, a human resources recruitment company. IHI also holds 100% of the franchising business rights in the Costa Coffee outlets in Malta. IHI holds 100% of the share capital in QPM Limited specialising in the construction and the provision of project management services both locally and overseas. In 2016, IHI launched CDI, a fully owned development company with a remit to plan and execute acquisitions and developments in the hotel and real estate sector, whether for IHI, CPHCL or third parties.

Revenue and earnings are derived primarily from the operation of owned and third-party owned hotels. A secondary source of income and earnings is generated through rental income of residential and commercial premises, particularly in St. Petersburg, Tripoli and Budapest. Additional revenue streams include fees earned by CHL, a wholly owned Subsidiary of IHI, from hotels owned by IHI itself or managed pursuant to management contracts with CPHCL owned properties and third-party owned properties. As at the date of this Registration Document, CHL manages eleven hotels on behalf of IHI (two of which are fifty per cent owned by IHI) and another two hotels on behalf of CPHCL, one hotel on behalf of third-party owners and another five hotels currently under development, one of which will be managed on behalf of IHI whilst the other four will be managed on behalf of third-party owners.

5.2.3 Investments

The most recent principal investments of the Corinthia Group, through IHI, are described hereunder:

(a) Corinthia Hotel Lisbon

A renovation programme is nearing completion at the Corinthia Hotel Lisbon, estimated at a cost of €15 million. The refurbishment started in November 2016 and all 518 rooms are expected to be completed by the third quarter of 2023. The complete refurbishment of all room stock will result in an upgrade to the product, including the changing of bathrooms, increasing the size and upgrading the fit-out to the rooms. The refurbishment is being carried out in phases, sealing off two to three floors at a time without causing any disturbance to the on-going operation of the hotel, which continues to operate normally. Works on 479 rooms on the first 21 floors have already been completed and the finished product has been received well by the market. Due to the pandemic, the completion date has been extended by an additional 24 months, as reflected above, to better manage cash flow and demand for the newly refurbished rooms.

(b) Corinthia Hotel Budapest

The renovation program at the 437-room five-star Corinthia Hotel located in Budapest, Hungary nears completion. These renovations include the refurbishment of its corridors and of the 406 bathrooms forming part of the hotel. The project commenced in April 2018 and in March 2023 was 73% complete. €4.4 million have been allocated towards the refurbishment of these areas, in keeping with the hotel's unique features. The funding for this project has been sourced internally through the cash flows generated by the Corinthia Hotel Budapest and is targeted for completion by February 2024.

(c) Corinthia San Gorg

This five-star property occupies a prime waterfront location and was originally opened in 1995. Over the years, the hotel has established itself among the leading five-star hotels in the area, targeting all sectors, including leisure tourism, conferences and corporate travelling. Plans and design work is underway to cover a soft refurbishment of the hotel's public areas and bedrooms.

(d) Corinthia Oasis Project (formerly known as the Hal Ferh Project)

IHI, through a wholly owned Subsidiary Corinthia Oasis Company Limited (C 48380), acquired in 2009 a perpetual emphyteusis to an 85,000m² plot of land at Hal Ferh, Mellieha, Malta situated adjacent to the Radisson Blu Resort & Spa, Golden Sands, Malta. The Hal-Ferh site was acquired by IHGH in 2009 under title of perpetual emphyteusis. The perpetual utile dominium over the site was subsequently acquired by Corinthia Oasis. In 2020, the said company acquired the perpetual directum dominium from the Government of Malta and redeemed the ground-rent to which the site was subject, resulting in the site being held on a freehold basis. In terms of the deed of emphyteusis, the site may be used for tourism development, which includes accommodation, ancillary and supporting facilities. Said deed permitted the continued use of the site for hospitality and, furthermore, included a mechanism for the owner to convert a portion of the area to other uses, including allowance for a partial change in land-use in order to include a pre-determined volume of residences, whilst retaining tourism as the principal use.

In July 2021, IHI submitted a revised planning application to the Planning Authority (PA/5420/21), for the development of a resort at the Hal-Ferh site. The regeneration project will include a low-rise 162-key resort hotel, supported by a top-tier wellness centre, food and beverage outlets, as well as 25 detached hotel-serviced villas and bungalows and a host of ancillary resort amenities. The total development volume amounts to 25,000m², of which 16,000m² is allocated to the resort and 9,000m² to the residential component.



As part of the project, IHI completed in 2022 an adjacent 330-space public car park for use by the local community, administered by the Scouts Association. The Oasis Resort's own parking requirements will be catered for via an underground carpark located within the site itself.

Demolition works related to current structures, site clearance, carting away and dumping of material in line with planning authority permit requirements have been completed, as originally issued under permit number PA/03134/19. Such preparatory works are also included in the above-mentioned PA/5420/21.

Design is at an advanced stage and a permit is expected to be in hand by end of 2023.

IHI has approved a pre-contract programme of works for the Corinthia Oasis Project over approximately a 2.5 year term with a target completion date for the project in Q2 2026. It is estimated that in the next 12 to 24 months IHI will incur approximately €30-35 million on the project depending on the speed with which the project evolves.

(e) Corinthia Hotel London

In March 2023, it was decided to mandate interior designers David Collins Studio to reinvent the existing hotel lounge and arrival lobbies at the heart of the hotel in order to offer guests an informal space where to spend time. The relevant space covers an area of 762 square metres and comprises the main entrance area, reception, concierge, lift lobby and arcade, tea lounge, colonnade, wine room, hotel secondary entrance and some external works. The area will be redesigned so that guests can choose to eat outside of the main restaurant, have an informal gathering or unwind into the night with live entertainment. Both hotel arrival lobbies will be refreshed, including with new lighting fixtures and furniture. Construction and property consultant Gardiner & Theobald has been mandated to prepare a cost plan to cost out the works to be carried out. As soon as a commencement date is decided on, the works are expected to be carried out over a 3-month period commencing without any need to interrupt the general operation of the hotel. Indicatively, just under £5 million will be allocated toward this project.

(f) Brussels Project

The Grand Hotel Astoria was built in 1910 by a Belgian aristocratic family and by the time it was acquired by its last owners in 2007 it was being operated as a 145-room hotel. Upon its acquisition by the hotel's former owners in 2007, it was closed with a view to carrying out extensive refurbishment. In 2016 IHI, with its partners, acquired the building and set its sights on re-developing the building into a 126-bedroom property with a reconfigured bedroom inventory, to ensure that all bedrooms are larger than 45m², of which 30% will be junior suites or suites.

A planning permit was issued in December 2017 for the restoration of the historic ground floor and façade of the original hotel, as well as the reconstruction of all upper floors, adjoining land and town houses. The permit is a major gain in additional volumes and floors, for a total built up area of 16,000m². All non-historic, dangerous structures and areas have since been carefully demolished in close collaboration with the local authorities and agreement has been reached on a methodology for the rebuilding of the property and renovation of all historic areas of the ground floor and the imposing, listed façade. A local contractor was appointed for the main construction contract in December 2020 and has since set up the super structure having been appointed for all the construction works. QPM is charged with project management, whilst the corporate resources of IHI, CHL and CDI are collectively providing services as owner's representatives and operators, handling all matters of financing, contracting, oversight, value engineering and design signoffs.

Once completed, it is expected that the new hotel will offer unrivalled amenities for the city of Brussels, including a fully restored grand ballroom, an 850m² spa, various dining venues, boutique meeting facilities and high-end retail shops.

In November 2021 IHI drew up a revised cost estimate for the full refurbishment project, at a fixed lump sum capped at €65 million, inclusive of all costs, fees and contingencies, exclusive of any variations to the project. The refurbishment of the Grand Hotel Astoria will add another key destination to the Corinthia Brand's growing portfolio. Works have expected to be completed with an opening as the Corinthia Brussels in April 2024.

(g) Moscow Project

In February 2019, IHI acquired a 10% minority share for US\$5.5 million in a joint venture company formed with a consortium of local investors to acquire the Russian company that owns a landmark property at 10, Tverskaya Street, Moscow. The acquisition has been made with a view to developing the site, having a development gross area of 43,000m², into a mixed-use real estate project including a luxury boutique 42-room Corinthia hotel, 109 upmarket residential serviced apartments for re-sale, high-end retail and commercial outlets and underground parking. Given the onset of political events and the ensuing Ukrainian crisis, this project has been put on hold until further notice.

(h) Radisson Blu Resort & Spa Golden Sands

The Radisson Blu Resort & Spa Golden Sands commenced operations in October 2005 and is located on a cliff's edge overlooking Golden Bay beach on the Northern coast of Malta. IHI fully owns the Golden Sands resort, having increased its holding from 50% to 100% in February 2021. Title to the site is in the form of temporary utile dominium which expires in 2114. The five-star resort comprises a total of 338 keys, various food and beverage outlets and is equipped with a 1,000m² spa and leisure centre, four pools, a tennis court and a private sandy beach.

In FY2020, the Radisson Blu Resort & Spa Golden Sands ceased the vacation ownership sales operations and placed the Azure Resorts Group into liquidation. Existing timeshare members will continue to enjoy their entitlement until the end of the term in 2045.

(i) Corinthia Hotel Rome

By virtue of a binding preliminary lease agreement signed in October 2019 with Reuben Brothers (a prominent private equity, real estate investment and development and debt financing entity), Reuben Brothers undertook to lease a building to CHL following its development into a 60-room ultra-luxury hotel in central Rome upon the completion of the development of the building into a hotel and the issue of the relevant permits to operate the hotel. The property is situated in the former seat of the Central Bank of Italy in Parliament Square. The 7,000m² property will be converted into a luxury destination, featuring several suites and top of the range



bedrooms. Two restaurants, bars, lounges, a spa and other amenities will wrap around a central garden forming part of the property. The lease of the hotel has been successfully concluded and is for a period of 25 years with a potential extension of a further five years. The rent payable by CHL is fixed with a reference to a percentage of revenue, with a guaranteed minimum of €6.1 million per annum as of the fifth year of operation.

CDI, by virtue of a development management agreement entered into with the owners of the property, Reuben Brothers, has assumed responsibility for the management of the development of the hotel in return for a fee. Internal strip out, asbestos removal and demolitions were completed in 2022 and a main contractor was engaged in the same year. CHL has recruited a general manager for the hotel in anticipation of its opening and has embarked on a recruitment programme in anticipation of its opening in 2024.

The estimated cost for the development of the project is approximately €50 million, which amount will be incurred by Reuben Brothers as owners of the property. In 2022 the lease arrangements were revised to the extent that the owner decided to take on responsibility for all cost overruns on the project in exchange for revising the minimum guarantee on rent. As a result CHL's capital contribution has since been pushed out to the opening date and expects to incur approximately €9 million in costs as lessee of the property, which will be used to finance: (i) the pre-opening budget costs, including the recruitment of personnel, marketing and concessions; (ii) the acquisition of supplies and operating equipment; and (iii) a capital expenditure contribution towards the general cost of works for the development of the hotel.

(j) The Corinthia Hotel New York: an investment in the Corinthia Brand

A Subsidiary of CHL incorporated in Delaware (CHL NYC Inc.) has entered into a 25-year hotel management agreement with the owner of a luxury Upper East Side hotel in New York City. The building was acquired by the private equity firm Reuben Brothers in 2020 and is to undergo extensive refurbishment to reopen in December 2024 as a Corinthia Hotel. Once renovated, the hotel will have 97 guest rooms, including food and beverage facilities, a spa and gym and 12 luxury residences. By virtue of the management agreement, CHL is appointed as the sole and exclusive manager of the hotel to provide management services and to supervise, direct and control the management and the marketing of the hotel. The management agreement provides for an initial term of 25 years from commencement of operation subject to an extension.

In terms of the management agreement, CHL is required to make a payment of a premium of USD 10.5 million (equivalent to approximately €8.5 million). USD 0.5 million (equivalent to approximately €0.4 million) was paid on the signing of the management agreement in April 2021. The amount of USD 10 million (equivalent to approximately €8 million) is payable when the hotel opens in 2024.

(k) Craven House

As part of IHI's drive for growth and continued requirement to find office space for its growing corporate team in London, currently standing at *circa* 40 employees, in August 2022, CHL completed the acquisition of a central London office block, Craven House, for a purchase price of £9,500,000. CHL had been renting space within the building for the past 5 years prior to the acquisition. The property is located across the road from the Corinthia Hotel London and lies at the eastern end of Northumberland Avenue, occupying a prominent position, at the junction of Craven Street and Northumberland Avenue. It benefits from good transport links, with Charing Cross and Embankment Stations within proximity and Waterloo station within a short walking distance. The property is also within short walking distance to Covent Garden, providing leisure, retail, restaurants and theatres.

The property, which although not listed falls within the Trafalgar Conservation Area, occupies a prominent corner site with dual aspect and is comprised of basement, ground (lower and upper), first to sixth floors, with access to all floors provided either by the main stairs, or a four-passenger lift. The offices are a mixture of open plan, meeting rooms or cellular in configuration, over a total floor area of 9,431 square feet. The property is a freehold building.

Corinthia Group currently occupies the top three floors whilst the rest of the building is vacant. Corinthia Group intends to carry out an entire refurbishment of the offices and CHL is currently seeking quotes for these works.

Save for the above, the Corinthia Group is not party to any other principal investments and has not entered into or committed for any principal investments subsequent to 31 December 2022, being the date of the latest audited financial statements of the Guarantor.

5.2.4 Management contracts under the Corinthia Brand

Corinthia Hotels Limited is a full-service management company with in-house skills and capabilities supporting the Corinthia Brand and operations. It has a track record of driving performance improvements across the Corinthia Group's existing assets, those of CPHCL and of third parties. It ensures consistent service levels and performance across the properties and is scaled to support future growth of Corinthia. CHL currently manages 17 hotels (11 hotels on behalf of IHI (two of which are 50% owned by IHI), two hotels on behalf of CPHCL, one hotel on behalf of third-party owners and another seven hotels currently under development, two of which will be managed on behalf of IHI while five others will be managed on behalf of third-party owners). CHL's management contracts are entered into and structured for a 20 to 25-year periods, usually with one or two 5-year period extensions, with key commercial terms including management fees, marketing and reservation fees and incentive fees. It is an efficient use of capital and resource with no capital outlay required for each new management contract and a cost-effective way to gain in-depth knowledge of various markets.

The most recent management contracts of the Corinthia Group, through IHI, are described hereunder:

(a) Doha, Qatar

In October 2020, CHL entered into an agreement with United Development Company (UDC), the Qatari owner and master developer of The Pearl in Doha, an offshore collection of reclaimed islands on which a spectacular city comprising commercial, yachting, hospitality, social and residential developments are now largely complete and occupied, save for one island, the Gewan Island, to be managed and operated as a luxury Corinthia hotel resort. CHL has been entrusted to guide the design development and eventually manage a series of properties on Gewan, including a Corinthia Hotel, Golf Club, Beach Club, Yacht Club, residential villas for sale and more recently, on the main island of The Pearl, a serviced residential tower to be built comprising 150 units of varying sizes for sale and lease. The Corinthia Hotel resort will be built on a site having an area of 13,000m². The development will also include luxury branded villas, a



golf course, and a beach and yacht club, all of which will be managed by CHL. CHL has a team on the ground including a General Manager and is of late focused on the Yacht Club, which opened its doors in October 2022. Throughout the year under review, CHL also supported and brokered deals to bring international brands to the development including Solymer beach club of Mykonos, Kai restaurant of Mayfair, London, La Mome of Cannes and the Monaco Yacht Club under whose patronage the Corinthia Yacht Club has been awarded “La Belle Classe” status.

(b) Bucharest, Romania

In March 2018, CHL entered into a management agreement with the owners of the property formerly known as the Grand Hotel du Boulevard to manage, once redeveloped, as the Corinthia Hotel Bucharest. Pursuant to the above signing, QPM has since been engaged by the property owners to manage the development in all technical aspects. Design development of the regeneration of this listed property has commenced, a sample suite has been completed for review and snagging by the owner and works are expected to be completed in December 2023. The new hotel will feature 33 suites, as well as the fully restored Grand Ballroom and various dining and leisure venues.

(c) Riyadh, Saudi Arabia

In October 2022, CHL entered into a technical and pre-opening services agreement and a 20-year hotel management agreement with Diriyah Gate Company Limited (“DGCL”), a company incorporated under the laws of the Kingdom of Saudi Arabia and committed to delivering the Diriyah Gate development project. Diriyah Gate is a US\$20 billion heritage and tourism project spearheaded by Diriyah Gate Development Authority. The development will be home to 100,000 people and aims to attract 25 million visitors annually. It will comprise museums, shopping, restaurants and hotels and will be a world-class hub for education, recreation, culture, retail and hospitality. DGCL is fully owned by the Saudi Arabia Public Investment Fund (“PIF”), the government of Saudi Arabia’s sovereign wealth fund, which has made a commitment to inject into DGCL funds to ensure that DGCL can fulfil its commitments and obligations, including the Diriyah Gate development, which, amongst other hotel developments, includes the Corinthia Hotel Diriyah. The Corinthia Hotel will be an ultra-luxury venue, located on the main luxury shopping street of the newly redeveloped historic city and surrounded by several other luxury hotels. The Corinthia property will have a built-up area of 28,662m² spread across three basements and three floors above ground level and which will comprise approximately 80 hotel rooms and suites and approximately 10 residences which will have access to hotel services. Under the hotel management agreement the owner has undertaken to open by October 2026.

(d) Maldives, Indian Ocean

In May 2023, CHL entered into a technical and pre-opening services agreement and a 20-year hotel management agreement with Maarah Pvt Ltd, a Maldivian entity, forming part of Niro Investment Group, a Romanian investment company having operations in Romania, the Middle East and South Asia. Maarah exclusively holds the head lease to the plot of lagoon known as Lagoon 19 located in Kaafu Atoll, Maldives. Works on the first phase of the reclamation of the development of the resort have been completed. The resort, to be known as the Corinthia Maldives, will feature a 73-key resort structured as an island resort extending on a main island of *circa* 124,000m² and a second exclusive island of *circa* 15,000m² being reclaimed over a submerged atoll, in proximity to Male. CHL is retained to advise on the technical and pre-opening services prior to opening. Under the technical services agreement, the owner has undertaken to open by December 2025 when the resort will open to the public managed and operated as a luxury Corinthia hotel resort. The resort consists of an aquatic-inspired architecture designed by global firm HKS with the main pavilion and independent water-edge villas on the main island and wellness facilities on the smaller island. The resort will include multiple restaurants operated with internationally renowned brands, water sports and jetty access, staff accommodation and full ancillary supporting facilities.

5.2.5 Business development strategy

The Corinthia Group’s business strategy focuses on achieving positive and sustainable financial results, and appreciation in the value of the Corinthia Group properties. In the execution of the Corinthia Group’s strategy, management aims to provide a high-quality service at each hotel and treat customers to a unique hospitality experience. Through the provision of better-quality offerings, the brand value is further enhanced and leads management to achieve its objective of improving occupancy levels and average room rates. Moreover, it enables the Corinthia Group to target higher-yielding customers, particularly, from the leisure and conference & event segments.

Electronic booking portals have, in recent times, gained importance in generating room reservations. In this respect, the Corinthia Group is continuously optimising its website ‘Corinthia.com’, developing further its online reservation system and investing in online marketing.

From a cost perspective, better results are being achieved through the implementation of cost-control and energy-efficient measures at Corinthia Group hotels.

The Corinthia Group’s strategy focuses on the operation of hotels that are principally in the five-star category. In this respect, the Corinthia Group has identified several assets, including four and three-star hotels, which are either earmarked for redevelopment or no longer fit its long-term strategy. Such non-core assets will be disposed of at the opportune moment in the near to medium term. As to core assets, ongoing investment in their upkeep is given due importance to preserve their attractiveness and incremental value.

In addition to the afore-mentioned strategy for internal growth, the Corinthia Group aims to grow its business externally by further expanding the portfolio of hotels and mixed-use properties and venturing into other businesses through hotel management agreements, acquisitions, joint ventures and developments. The Corinthia Group maintains an active pipeline of prospective projects under negotiation that are intended to be converted into definitive agreements upon the conclusion of those discussions.



6 TREND INFORMATION AND FINANCIAL PERFORMANCE

6.1 Trend information of the Issuer

The following is an overview of the most significant recent trends affecting the Issuer and the market in which it operates:

Libya

The delay of national elections originally scheduled for December 2021, with no agreement on the new dates nor on the legal and constitutional basis for these proposed elections, has brought a return to political division in Libya. The confirmation of a new government cabinet by the eastern-based House of Representatives in February 2022 has returned Libya to a state of institutional division with two parallel government administrations in the East and West. Competition between rival governments led to the blockade and shutdowns of oil facilities and armed clashes in the capital.

Political and security tensions could hinder the economic rebound registered in 2021. Oil production in the second quarter of 2022 averaged 0.88 million barrels per day, 33% less than during the first quarter. Soaring international oil prices improved the fiscal surplus during the first eight months of 2022 to 13% of 2021 GDP, excluding spending of the National Oil Corporation, compared to 7% during the same period in 2021. The trade balance surplus grew by 72% in nominal USD terms during the first five months of 2022 compared to the same period in 2021. Foregone oil revenues due to the blockade of oil facilities amounted to around USD4 billion. At the beginning of the third quarter of 2022, oil production resumed at 1 million barrels per day.

Political uncertainty in Libya and the ongoing war in Ukraine will likely slow down Libya's economic recovery. If the country could sustain current levels of oil production and exports, it will benefit from increasing global oil prices, translating into higher fiscal revenues and more significant inflows of hard currency. This will positively impact its growth and its fiscal and external balances. Transparent and accountable management of Libya's oil revenues and public spending will be critical to ensure that the country's wealth benefits the population. However, positive economic performances depend on the improvement of political and security conditions. Other shocks to the global economy, or shocks to global commodity prices, would adversely affect Libya's economic activity and household welfare.¹

In view of the above, the Directors expect Palm City to increase occupancy from the average of 51.6% in 2022 (FY2021: 51.7%) to an average of 64.6% for 2023. The average rental rate is projected to reach €9,513 per month per unit, compared to €8,907 in 2022.

Group management is currently re-engaging with the authorities to obtain full development and operational permits for Palm Waterfront in anticipation of further developments on the ground enabling the Company to commence with works as and when prospects become viable and opportune to do so.

Meanwhile, management is currently updating the feasibility studies for both Palm Waterfront and Medina Tower in anticipation of re-engaging negotiations with local banks for the application of project funding when it would be accordingly appropriate.

Save for the matters disclosed in this Registration Document, there has been no material adverse change in the prospects or in the financial or trading position of the Issuer since the date of its last published audited consolidated financial statements dated 31 December 2022.

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

6.2 Trend information of the Guarantor

There has been no material adverse change in the prospects or in the financial or trading position of CPHCL since the date of its last published audited financial statements dated 31 December 2022.

The following is an overview of the most significant recent trends affecting the Guarantor and the markets in which it operates:

Europe (excluding Russia)

European travel recovery persisted in the third quarter of 2022, held up by a strong pent-up demand that could have extended the summer season due to excess savings during the pandemic. Moreover, an unusually warm winter allowed households to reduce gas consumption, which favoured maintaining stocks in most European countries and drove down gas prices to pre-Ukraine war levels.

Risks, however, remain skewed to the downside due to the ongoing war in Ukraine, the geopolitics-induced energy crisis, high and persistent inflation showing little signs of abating and a looming economic recession. Despite less favourable conditions, European tourism managed to weather the storm, with the latest data (Q4 2022) indicating a recovery of 75% of 2019 travel volumes in 2022. Looking forward, international travel to Europe is still forecast to achieve pre-pandemic levels in 2025, while domestic travel should do so in 2024.

Data for 2022 shows that almost one in two reporting European destinations have recovered more than 80% of their pre-pandemic foreign arrivals. Southern Mediterranean destinations posted the fastest recovery as the year ended. High prices spurred the attractiveness of more affordable destinations, with holidaymakers flocking to Turkey (-2%) to benefit from a weaker lira. Serbia (-6%) and Portugal (-7%) also approached 2019 levels, the former supported by more relaxed entry rules attracting mostly Indian and Russian arrivals. Croatia (-11%), Monaco and Montenegro (each -12%) also saw a strong comeback. The heaviest drag to recovery in Eastern Europe continues to be the war in Ukraine and thus the lack of Russian visitors to destinations heavily reliant on this market. Sharpest declines were observed in Finland (-38%), Lithuania, Latvia and Romania (each -42%).

¹<https://www.worldbank.org/en/country/libya/overview#1>



Travel demand from Asia/Pacific to Europe is poised to rebound in 2023 as the region broadly reopened over the second half of 2022. The reopening of China could boost economic growth globally and support travel recovery in terms of volumes and expenditure. However, fears that the reopening could result in a rise in inflation and COVID-19 cases emerged, with some EU destinations implementing testing and other requirements on travellers from China.

The US continues to lead the recovery of long-haul travel to Europe owing to short-lived and fewer travel restrictions and the strength of the dollar. Based on 2022 data, almost one in four of reporting destinations saw US arrivals exceed 2019 levels. Arrivals from this market to Europe reached 25% below 2019 levels in 2022 and are expected to recover 82% of 2019 volumes in 2023. Growth, however, might slow as the economic outlook points to a mild recession due to challenges associated with inflation, labour markets and consumer and business confidence, among others.

Russia

Russia's invasion of Ukraine has led many countries to impose sanctions against Russia, including the issuance of airspace bans. As such, most European countries have become off limits to Russian travellers, while inbound tourism has been adversely impacted by lack of flights and raised safety concerns.

In 2022, Russia's GDP dropped by 2.5% according to official data, which is lower than most forecasts. Russia has so far weathered the economic impact of war and sanctions, mainly on account of high prices for Russian energy which ensured a huge trade surplus and high budget revenues. In addition, both exporters and importers redirected trade flows through countries that did not join the sanctions regime, primarily China, India and Turkey.

Russia's economy may continue to shrink in 2023. Its GDP is forecast to decline by 5.6% in the worst-case scenario (OECD) or by 3.3% according to the World Bank. The IMF expects slight growth in 2023 of 0.3%.¹

Libya

A review of the Libyan market is provided in sub-section 6.1 above.

Tunisia

Tunisia's economic performance decelerated after the 2011 revolution, resulting in a lost decade of growth, exacerbated by the COVID-19 pandemic, which hit in 2020. GDP growth declined to 1.7% on average between 2011 and 2019. A significant decline in productivity growth was observed as a result of excessive regulation of economic activity, reduced trade orientation, low investment and limited innovation.

With worsening growth and job outcomes, Tunisia increasingly relied on the welfare state to meet citizens' aspirations for better livelihoods. This expanding role of the state has resulted in the rapid growth of public debt, increasing from 40.7% of GDP in 2010 to 84.5% in 2021. The COVID-19 pandemic and more recently the war in Ukraine have exacerbated socio-economic vulnerabilities. Rising commodity prices have pushed the trade deficit to widen by 61% in the first eight months of 2022, reaching 11.6% of GDP. Lower oil and gas production and increased demand for energy and agricultural products have aggravated the vulnerability of the trade balance to the vagaries of international markets.

Inflationary pressures increased significantly, mainly from global markets and higher administered prices. In August 2022, the inflation rate increased for the twelfth consecutive month to 8.6% (from 6.7% in January 2022 and 6.16% in August 2021). This is the highest rate since September 1991. Rising inflation pushed the Central Bank to raise its policy rate by 0.75 basis points in May 2022, the first increase since October 2020, while the adverse terms of trade had only a mild impact on economic activity through the first semester of 2022. The recovery in travel and business and the strong performance of mining and manufacturing boosted economic growth. The growth rate reached 2.8% in the year's first half, which could improve the unemployment rate. The latter returned close to pre-pandemic levels (15.3% in the second quarter of 2022 versus 15.1% in the second quarter of 2019).²

Securing an IMF deal for a USD1.9 billion rescue package will be key to underpinning investor confidence and supporting the recovery.³

6.3 Future investments

Pursuant to the build-operate-transfer agreement entered into on 5 December 2013 by and between CPHCL and PWL, the latter is committed, subject to the issuance of the required permits and raising the necessary financing by way of equity investment in PWL and/or bank financing, to construct the Palm Waterfront.

Furthermore, pursuant to the Issuer's 25% shareholding in MTJSC and the shareholding of the other shareholders in MTJSC, MTJSC has the equity contribution required for the first phase of the Medina Tower project and a signed term sheet with a Libyan financial institution for the debt portion of this project. The said term sheet provides for a moratorium on capital repayments for the anticipated 48-month works' period required for the completion of the development.

Save for the above, the Issuer and the Group generally is not party to any other principal investments and has not entered into or committed for any principal investments subsequent to 31 December 2022, being the date of the latest audited consolidated financial statements of the Issuer.

¹ <https://www.consilium.europa.eu/en/infographics/impact-sanctions-russian-economy/>

² <https://www.worldbank.org/en/country/tunisia/overview>

³ <https://www.focus-economics.com/countries/tunisia>



7 MANAGEMENT AND ADMINISTRATION

7.1 The Issuer

7.1.1 The Board of Directors of the Issuer

In terms of its Memorandum and Articles of Association, the Issuer is managed by a Board of seven (7) Directors entrusted with the overall direction and management thereof.

The Issuer's Memorandum and Articles of Association further provide that:

- CPHCL, as the holder of ordinary 'A' shares, shall have the right to appoint three (3) Directors to the Board;
- NREC and LPTACC, as the holders of ordinary 'B' shares, shall have the right to appoint three (3) Directors to the Board; and
- CPHCL, NREC and LPTACC, as the holders of ordinary 'A' shares and ordinary 'B' shares, respectively, shall have the right to jointly appoint the seventh Director to the Board.

As at the date of the Prospectus, the Board of the Issuer is composed of the individuals listed in sub-section 4.1 of this Registration Document. The Directors are entrusted with the overall direction of the Company, including the establishment of strategies for future development. Its responsibilities include the oversight of the Issuer's internal control procedures and financial performance, and the review of the Issuer's business risks, thus ensuring such risks are adequately identified, evaluated, managed, and minimised. All the Directors have access to independent professional advice at the expense of the Issuer, should they so require. Furthermore, in line with generally accepted principles of sound corporate governance, at least 1 of the Directors shall be a person independent of the Group.

During the first three-year term of the Issuer, the right to nominate the Chairman of the Board vested with CPHCL. Following the lapse of the said first three-year term, the right to appoint the Chairman of the Board vested jointly in NREC and LPTACC. Save for any amendments to the Memorandum and Articles of Association of the Issuer that may, from time to time, be made to such effect, the three-year term rotation policy will be maintained throughout the period that the Issuer is validly constituted.

The Board is responsible for the identification and execution of new investment opportunities and the funding of the Issuer's acquisitions. All proposed acquisitions of the Issuer are brought to the Board for approval. The Board is also responsible for ensuring the establishment of the appropriate management contracts of the Issuer's properties in the case of operational properties, and the negotiating and awarding of project contracts in the case of the development of new properties.

The executive Director of the Issuer is entrusted with the company's day-to-day management and is also a director of other companies within the Corinthia Group. The executive Director of the Issuer is Alfred Pisani.

The main functions of the remaining six non-executive Directors comprising the Board, two of whom are also independent of the Issuer, are to monitor the operations of the executive Director and his performance, as well as to review any proposals tabled by the executive Director. The non-executive Directors are Alfred Camilleri, Ahmed B. A. A. Wahedi, Faisal J. S. Alessa, Joseph Pisani, Mario P. Galea and Ahmed Yousri A. Nouredin Helmy, with the latter two also being independent of the Issuer.

None of the Directors or members of management referred to in this Registration Document have, in the last five (5) years:

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

The Directors believe that the Issuer's current organisational structure is adequate for its present activities. The Directors will maintain this structure 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.

The Memorandum and Articles of Association of the Issuer otherwise regulate matters customarily dealt with therein, including matters such as voting rights and restrictions thereof, and the appointment and powers of Directors, as detailed above in this Registration Document.

A copy of the Memorandum and Articles of Association of the Issuer may be inspected during the lifetime of this Registration Document at the registered office of the Issuer as set out in section 16 of this Registration Document and at the Malta Business Registry during the lifetime of the Company.

7.1.2 Directors' service contracts and remuneration

None of the Directors have a service contract with the Issuer.

In accordance with the Issuer's Articles of Association, the Directors shall be paid such amount of remuneration as may be so agreed by an extraordinary resolution of the shareholders of the Issuer. Since the date of the Issuer's formation, no extraordinary resolution has been taken for this purpose. The remuneration of Directors is a fixed amount per annum and does not include any variable component relating to profit sharing, share options or pension benefits.



7.1.3 Conflicts of interest at Group level

As at the date of this Registration Document, in addition to being Directors of the Issuer, Alfred Pisani and Joseph Pisani are also directors of CPHCL and Alfred Pisani is also a director of MTJSC, whereas Mario P. Galea, Ahmed Helmy and Ahmed Wahedi are also directors of PCL and PWL, and Faisal Alessa is also a director of PCL.

Considering the foregoing, given that Alfred Pisani, Joseph Pisani, Mario P. Galea, Ahmed Helmy and Ahmed Wahedi are directors of Subsidiaries forming part of the Group, including the parent, such directors are susceptible to conflicts between the potentially diverging interests of the different entities comprising the Group.

In assessing Mario P. Galea and Ahmed Helmy's independence, due notice has been taken of Rule 5.119 of the Capital Markets Rules.

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 the Directors are handled in the best interest of the Issuer and according to law. The fact that the Audit Committee is constituted in its majority by independent, non-executive Directors provides an effective measure to ensure that transactions vetted by the Audit Committee are determined on an arms-length basis. As regards related party transactions generally, the Audit Committee operates within the remit of the applicable terms of Chapter 5 of the Capital Markets Rules regulating the role of the audit committee with respect to related party transactions.

Furthermore, the Directors are fully aware that the close association of the Issuer with CPHCL and its other Subsidiaries is central to the attainment by the Issuer of its investment objectives and the implementation of its strategies. The Audit Committee ensures that transactions entered into between related parties are carried out on an arm's length basis and are for the benefit of the Issuer, and that the Issuer accurately reports all related party transactions in the notes to the Company's financial statements.

No private interests or duties unrelated to the Issuer or the Group, as the case may be, have been disclosed by the general management team which may or are likely to place any of them in conflict with any interests in, or duties towards, the Issuer.

Senior management do not hold any shares in the Issuer or the Guarantor.

To the extent known or potentially known to the Issuer as at the date of this Registration Document, other than the information contained and disclosed herein, there are no other conflicts of interest between any duties of the Directors and of executive officers of the Issuer and their respective private interests and/or their duties which require disclosure in terms of the Prospectus Regulation.

7.1.4 Loans to Directors

There are no loans outstanding by the Issuer to any of its Directors, nor any guarantees issued for their benefit by the Issuer.

7.1.5 Removal of Directors

A Director may, unless he resigns, be removed by the shareholder appointing him or by an ordinary resolution of the shareholders as provided in Article 140 of the Act. The Directors currently in office are expected to remain in office at least until the next Annual General Meeting of the Company.

7.1.6 Powers of Directors

By virtue of the provisions of the Articles of Association of the Issuer, the Directors are empowered to transact all business which is not by the Articles expressly reserved for the shareholders in general meeting.

The Directors are vested with the management of the Issuer and their powers of management and administration emanate directly from the Memorandum and Articles of Association and the law. The Directors are empowered to act on behalf of the Issuer and, in this respect, have the authority to enter into contracts, sue and be sued in representation of the Issuer.

In accordance with the Issuer's Articles of Association, the Board of the Issuer may exercise all the powers of the Issuer to borrow money and to hypothecate or charge its undertaking, property and uncalled capital or any part thereof, and to issue bonds and other securities, on such terms, in such manner and for such consideration as they may deem fit, whether outright or as security for any debt, liability or obligation of the company or of any third party, subject to the limit established in the Articles of Association and the overriding authority of the shareholders in general meeting to change, amend, restrict and/or otherwise modify such limit and the Directors' borrowing powers.

7.1.7 Employees

As at the date of the Prospectus the Issuer does not have any employees of its own and is reliant on the resources which are made available to it by CPHCL pursuant to the MSS Agreement, including, in particular, the services of Mr Reuben Xuereb, who is the Chief Executive Officer of MIH, Ms Rachel Stilon, who is the Chief Financial Officer of MIH, and Mr Stephen Bajada who acts as the Company Secretary of MIH.

During 2022 the Group employed 97 full-time members of staff, 67 of whom work in operations and the remaining 30 in administration.

The Issuer's objective remains to manage the operation of the Palm City Residences efficiently and to ensure that payroll and other operating costs continue to be met.



7.1.8 Working capital

At the end of 2022, the Group reported a working capital deficiency of €21.0 million, €20.0 million of which related to the Maturing Bonds. In addition to the Maturing Bonds, there is an amount of €1.0 million dividends payable included in current liabilities, which will only be settled cashflow permitting. Without the Maturing Bonds and the dividend payable, the Group would have reported a neutral working capital position.

7.2 The Guarantor

7.2.1 The board of directors of the Guarantor

The Memorandum of Association of the Guarantor provides that the board of directors shall be composed of six (6) directors. As at the date of the Prospectus, the board of directors of the Guarantor is constituted by the individuals set out in sub-section 4.2 of this Registration Document.

The memorandum and articles of association of the Guarantor otherwise regulate matters customarily dealt with therein, including matters such as voting rights and restrictions thereof, and the appointment and powers of directors.

A copy of the memorandum and articles of association of the Guarantor may be inspected during the lifetime of this Registration Document at the registered office of the Issuer as set out in section 16 of this Registration Document and at the Malta Business Registry during the lifetime of the company.

7.2.2 Directors' service contracts

None of the directors of the Guarantor have a service contract with the company.

7.2.3 Loans to directors

There are no loans outstanding by the Guarantor to any of its directors, nor any guarantees issued for their benefit by the Guarantor.

7.2.4 Non-executive directors

The non-executive directors' main functions are to monitor the operations of the executive directors and their performance, as well as to review any investment opportunities that are proposed by the executive directors. All proposed investments by the Guarantor are brought to the board of directors for approval.

7.2.5 Boards of CPHCL's Subsidiary companies

Each Corinthia property is owned through a Subsidiary company registered in the jurisdiction where that property is located and such Subsidiary company is required to comply with all the laws and regulations of that jurisdiction. Accordingly, a board of directors is entrusted with the responsibility of the direction and management of each Subsidiary within the strategic parameters established by the Guarantor's board of directors. In some jurisdictions the Guarantor has adopted the structure of a dual board in line with the requirements of legislation prevalent under those jurisdictions. These involve the concept of a board of directors that is entrusted with setting the policies and strategies of each respective Subsidiary to be implemented by management in the day-to-day operations and executive decisions, and a supervisory board that is entrusted with monitoring the policy implementation within that Subsidiary by management.

The board of directors of each Subsidiary is, within the strategic parameters established by the board of directors of the Guarantor, autonomous in the determination of the appropriate policies for the respective property and, in the case of hotels, is entrusted with handling the relations with the hotel operating company, as applicable. Each property, in turn, has its own management structure and employees that have the function of implementing the policies and directions of the Subsidiary boards.

8 MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

8.1 Major shareholders of the Issuer

CPHCL currently owns 50% of the share capital of the Issuer, NREC holds 40% of the share capital, whereas LPTACC holds the remaining 10%. LPTACC is a fully owned Subsidiary of NPHC, which, in turn, is 99.8% owned by NREC.

Specifically, the Issuer has an authorised share capital of €100,000,000 divided into 50,000,000 ordinary 'A' shares of €1 each and 50,000,000 ordinary 'B' shares of €1 each. The Issuer has an issued share capital of €48,002,000 divided into 24,001,000 ordinary 'A' shares of €1 each and 24,001,000 ordinary 'B' shares of €1 each, which are subscribed to and allotted as fully paid-up shares as follows:

| Name of Shareholder | Number of shares held |
|---|---|
| CPHCL Company Limited (C 257) | 24,001,000 ordinary 'A' shares of €1 each (50%) |
| National Real Estate Company KSCP (19628) | 19,200,800 ordinary 'B' shares of €1 each (40%) |
| Libya Projects General Trading And Contracting Company (119633) | 4,800,200 ordinary 'B' shares of €1 each (10%) |

As far as the Issuer is aware, no person holds an indirect shareholding in excess of 5% of the Company's total issued share capital.

The shares of the Issuer are not listed on the Exchange. An application has not been filed for the shares of the Issuer to be quoted on the Official List of the Exchange. There is no capital of the Issuer which has been issued to the public during the 2 years immediately preceding the publication of the Prospectus.



It is not expected that the Issuer will issue any shares during the financial year ending 31 December 2023, whether fully or partly paid up, in consideration for cash or otherwise.

There is no capital of the Issuer which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Issuer is to be put under option. Furthermore, to the best of the Issuer's knowledge there are no arrangements in place as at the date of the Prospectus the operation of which may at a subsequent date result in a change in control of the Issuer.

The Issuer adopts measures in line with the Code of Principles of Good Corporate Governance forming part of the Capital Markets Rules (the "Code") with a view to ensuring that the relationship with its major shareholders is retained at arm's length, including adherence to rules on related party transactions requiring the sanction of the Audit Committee, which is constituted in its majority by independent, non-executive Directors, of which one, in the person of Mr Mario P. Galea, also acts as Chairman. The Audit Committee has the task of ensuring that any potential abuse is managed, controlled and resolved in the best interests of the Issuer. The composition of the Board, including the presence of an independent, non-executive Director not appointed by either of the major shareholders of the Issuer, effectively minimises the possibility of any abuse of control by any major shareholder.

8.2 Major shareholders of the Guarantor

The authorised and issued share capital of CPHCL is €20,000,000 divided into 20,000,000 ordinary shares of a nominal value of €1 each. The share capital has been fully issued, subscribed and fully paid-up, as follows:

| Name of Shareholder | Number of shares held |
|--|---|
| 1 A. & A. Pisani and Co. Ltd (C 6430) | 1,666,667 ordinary shares of €1 each (8.333%) |
| 2 J & H Pisani Company Limited (C 6817) | 1,666,667 ordinary shares of €1 each (8.333%) |
| 3 PAKA Limited (C 6969) | 1,666,667 ordinary shares of €1 each (8.333%) |
| 4 VAC Company Limited (C 6818) | 1,666,667 ordinary shares of €1 each (8.333%) |
| 5 Geranium Holdings Limited (C 66582) | 1,666,666 ordinary shares of €1 each (8.333%) |
| 6 Intakur Limited (C 7038) | 1,666,666 ordinary shares of €1 each (8.333%) |
| 7 Libyan Foreign Investment Company (LAFICO) | 10,000,000 ordinary shares of €1 each (50%) |

At present, in terms of the Memorandum and Articles of Association of the Guarantor, the Board of CPHCL consists of 6 directors. A shareholder or a number of members who individually or between them hold 16.66% plus one share of the issued share capital of CPHCL shall be entitled to appoint one director. In practice, the Pisani family is collectively (represented through the shareholders numbered 1 to 6 above) entitled to appoint 3 directors and LAFICO (numbered 7 above) is entitled to appoint the other 3. All issues arising at Board of directors' meetings are to be decided by a majority of votes and in the case of equality of votes the Chairman shall not have a second or casting vote.

There is no capital of the Guarantor which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Guarantor is to be put under option. To the best of the Guarantor's knowledge, there are no arrangements in place as at the date of the Prospectus the operation of which may, at a subsequent date, result in a change in control of the Guarantor.

8.3 Commissions

There were no commissions, discounts, brokerages or other special terms granted during the 2 years immediately preceding the publication of the Prospectus in connection with the issue or sale of any capital of the Issuer or the Guarantor.

9 AUDIT COMMITTEE PRACTICES

9.1 The Issuer

9.1.1 Audit Committee

The Audit Committee's objective is to assist the Board in fulfilling its supervisory and monitoring responsibilities according to terms of reference that reflect the requirements of the Capital Markets Rules, as well as current good corporate governance best practices. 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 are invited to attend Audit Committee meetings.

The terms of reference of the Audit Committee include support to the Board of Directors of the Issuer in its responsibilities in dealing with issues of risk, control and governance, and associated assurance. The Board has set formal terms of establishment and the terms of reference of the Audit Committee 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. The Board reserved the right to change the Audit Committee's terms of reference from time to time. The Audit Committee reports directly to the Board of Directors.



The primary purpose of the Audit Committee is to assist the Directors in conducting their role effectively so that the Issuer's decision-making capability and the accuracy of its reporting and financial results are always maintained at a high level. The main responsibilities of the Audit Committee include, but are not limited to, the following:

- a) monitoring the financial reporting process and submitting recommendations or proposals to ensure its integrity;
- b) monitoring of the effectiveness of the Issuer's internal quality control and risk management system and its internal audit regarding the financial reporting of the Issuer;
- c) making recommendations to the Board in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor, following appointment by the shareholders during the Issuer's Annual General Meeting;
- d) reviewing and monitoring the external auditor's independence;
- e) assessing any potential conflicts of interest between the duties of the Directors and their respective private interests or duties unrelated to the Issuer; and
- f) evaluating the arm's length nature of any proposed transactions to be entered into by the Issuer and a related party, to ensure that the execution of such transaction is at arm's length, conducted on a sound commercial basis and in the best interests of the Issuer.

The Audit Committee has the task of ensuring that any potential conflicts of interest that may arise at any moment pursuant to the different roles held by the Directors are handled in the best interest of the Issuer. Additionally, the Audit Committee has a crucial role in monitoring the activities and conduct of business of the Group's Subsidiaries, limitedly insofar as these may affect the ability of the Issuer to fulfil its Bond Obligations. The Audit Committee is also responsible for the overview of the internal audit function, details of which are set out immediately below in sub-section 9.1.2.

As the Company's internal control system, the Audit Committee is designed to ensure proper quarterly and annual reporting implementation, implementation of the four-eyes principle to mitigate risks and compliance with local and international laws and regulations.

A majority of the Directors sitting on the Audit Committee are of an independent, non-executive capacity. The Audit Committee is presently composed of the following 3 non-executive Directors: Mario P. Galea who acts as chairman (independent, non-executive Director), Joseph Pisani (non-executive Director) and Ahmed Yousri A. Nouredin Helmy (independent, non-executive Director) who act as members. In compliance with the Capital Markets Rules, Mario P. Galea is the independent, non-executive Director who is competent in accounting and/or auditing matters in view of his considerable experience at a senior level in the audit and advisory fields. The Issuer considers that the members of the Audit Committee have the necessary experience, independence and standing to hold office as members thereof and the Audit Committee is deemed to have relevant competence in the sector the Company operates in. The CVs of the said Directors may be found in sub-section 4.1 above.

9.1.2 Internal audit

The internal audit function is conducted by CPHCL in terms of the MSS Agreement. The role of the internal audit team is to carry out systematic risk-based reviews and appraisals of the operations of the Issuer (as well as of its Subsidiaries and associates, from time to time) for the purpose of advising management and the Board, through the Audit Committee, on the efficiency and effectiveness of internal management policies, practices and controls. The function is expected to promote the application of best practices within the Issuer's organisational structure.

The internal audit unit reports directly to the Audit Committee.

9.2 The Guarantor

9.2.1 Compliance with the Corporate Governance regime

Whilst it is not a requirement on the Guarantor to adopt the Code, it has set out of its own accord chosen to introduce disciplines that are recommended in the Code, including the setting up of an Audit Committee as indicated below.

9.2.2 Audit Committee of CPHCL

The primary objective of CPHCL's Audit Committee is to assist the board of directors in fulfilling its oversight responsibilities over the financial reporting processes, financial policies and internal control structure. The committee oversees the conduct of the internal and external audit and acts to facilitate communication between the board of directors, management, the external auditors and the internal audit team. The internal and external auditors are invited to attend CPHCL's Audit Committee meetings. The Audit Committee of CPHCL reports directly to the board of directors of the said company.

The terms of reference of CPHCL's Audit Committee have been formally set out in a separate charter. Joseph F.X. Zahra acts as Chairman and Joseph J. Vella and Mario P. Galea as members, whilst Alfred Fabri performs the duties of secretary to the Audit Committee.

The Audit Committee's role includes responsibility for monitoring the performance of the entities borrowing funds from the company and also carrying out the oversight of related party transactions to ensure that these are carried out on an arm's length basis.

9.2.3 Internal audit

The role of the internal auditor is to carry out systematic risk-based reviews and appraisals of the operations of the Guarantor (as well as of the Subsidiaries and associates of the Corinthia Group) for the purpose of advising management and the board of directors, through the Audit Committee of CPHCL, on the efficiency and effectiveness of internal management policies, practices and controls. This function is expected to promote the application of best practices within the organisation. The internal auditor reports directly to CPHCL's Audit Committee.



9.2.4 Hotel operations

Day-to-day management of hotel operations are the responsibility of CHL, the Corinthia Group's hotel operating company that directs each Subsidiary's management and staff in day-to-day operations. The responsibility of the operational performance of each hotel is that of the operating company, whose performance is monitored and evaluated on a regular basis by the board of each Subsidiary, which, in turn, reports on performance and operations to IHI's or CPHCL's board of directors, or third-party owners, as the case may be.

9.2.5 Property audit

Regular property audits are carried out by QPM with respect to the Corinthia Group's properties. These audits, which are unannounced, comprise a full review of each property once a year when a physical inspection of the building and the assets is undertaken by experienced engineers. A detailed report is submitted to the owners, including a review of the maintenance systems and quality of the maintenance works with recommendations on the replacement of plant and equipment.

9.3 Related party transactions concerning CPHCL

CPHCL regularly enters into trading transactions with fellow Subsidiaries and associates within the Corinthia Group in its normal course of business. Trading transactions between these companies include items which are normally encountered in a group context and include rental charges, management fees, recharging of expenses and financing charges. These transactions are subject to the regular scrutiny of the Audit Committees of both the Issuer and of CPHCL to ensure that they are made on an arm's length basis and that there is no abuse of power by the Issuer or CPHCL in the context of related party transactions. In this regard, the Audit Committees of both the Issuer and of CPHCL meet as and when necessary for the purpose of discussing formal reports submitted by the internal audit team on any transactions or circumstances which may potentially give rise to such conflict or abuse.

10 COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

The Issuer is subject to, and continues to support, the Code and the Board has taken such measures as were considered necessary for the Issuer to comply with the requirements of the Code to the extent that these were deemed appropriate and complementary to the size, nature and operations of the Issuer. Save for the instances of non-adherence to the Code which are explained immediately below, the Board is of the opinion that during the financial year ended 31 December 2022 the Issuer was in compliance with the Code:

Principle 7:

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

Principle 8:

The Board of Directors considers that the size and operation of the Issuer does not warrant the setting up of a nomination and remuneration committee. Given that the Issuer does not have any employees of its own (its senior executive team providing services to the Issuer pursuant to the MSS Agreement), and any remuneration to the Board of Directors is determined by the shareholders of the Issuer in accordance with its Memorandum and Articles of Association, it is not considered necessary for the Issuer to maintain a remuneration committee. Also, the Issuer will not be incorporating a nomination committee. Appointments to the Board of Directors are determined by the shareholders of the Issuer in accordance with its Memorandum and Articles of Association.

Principle 10:

This principle is not applicable to the Company since the Company is privately held and does not have any institutional shareholders.

As required by the Act and the Capital Markets Rules, the Issuer's financial statements are subject to annual audit by the Issuer's external auditors. Moreover, the non-executive Directors have direct access to the external auditors of the Issuer who attend at Board meetings at which the Company's financial statements are approved. Directors are entitled to seek independent professional advice at any time on any aspect of their duties and responsibilities, at the Issuer's expense.

In view of the reporting structure adopted by the Code, the Issuer, on an annual basis in its annual report, details the level of the Issuer's compliance with the principles of the Code, explaining the reasons for non-compliance, as applicable.

11 HISTORICAL FINANCIAL INFORMATION

The Issuer's historical financial information for the financial years ended 31 December 2021 and 2022, as audited by Grant Thornton Malta and the auditor's reports thereon, are set out in the applicable audited consolidated financial statements of the Issuer. The Guarantor's historical financial information for the financial years ended 31 December 2021 and 2022, as audited by PricewaterhouseCoopers and the auditor's reports thereon, are set out in the applicable audited financial statements of the Guarantor. Audited consolidated financial statements of the Issuer and the audited financial statements of the Guarantor are available for inspection as set out in section 16 below, are incorporated by reference and may be accessed on the Issuer's website www.mihplc.com.



Mediterranean Investments Holding Plc
Statement of Comprehensive Income
For the year ended 31 December

| | 2022 Actual (€'000) | 2021 Actual (€'000) |
|--|------------------------------------|------------------------------------|
| Revenue | 24,996 | 23,978 |
| Net operating expenses | (5,085) | (4,369) |
| Gross Profit | 19,911 | 19,609 |
| Administration & marketing expenses | (2,413) | (2,834) |
| Other income | - | 2,083 |
| Results from operating activities | 17,498 | 18,858 |
| Share of results of equity accounted investments | (50) | 2,712 |
| Net finance costs | (4,695) | (8,371) |
| Profit before tax | 12,752 | 13,199 |
| Taxation | (2,001) | (2,525) |
| Profit for the year | 10,751 | 10,674 |
| Other comprehensive income: | | |
| Difference on exchange | 112 | (6,875) |
| Taxation | (39) | 3,185 |
| | 72 | (3,690) |
| Total comprehensive income for the year | 10,823 | 6,984 |

Mediterranean Investments Holding Plc
Statement of Financial Position
For the year ended 31 December

| | 2022 Actual (€'000) | 2021 Actual (€'000) |
|---|------------------------------------|------------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Intangible assets | 2 | 2 |
| Investment property | 272,568 | 272,568 |
| Property, plant and equipment | 10,426 | 9,540 |
| Investments accounted for using the equity method | 8,084 | 8,023 |
| | 291,080 | 290,133 |
| Current assets | | |
| Inventories | 1,521 | 1,196 |
| Trade and other receivables | 5,921 | 7,710 |
| Taxation | 556 | 1,020 |
| Cash and cash equivalents | 6,892 | 10,886 |
| | 14,890 | 20,812 |
| Total assets | 305,970 | 310,945 |
| EQUITY | | |
| Share capital | 48,002 | 48,002 |
| Retained earnings | 151,472 | 140,649 |
| | 199,474 | 188,651 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Borrowings and bonds | 40,535 | 30,741 |
| Shareholders' loans | 5,203 | 5,203 |
| Other non-current liabilities | 3,541 | 4,822 |
| Deferred tax liability | 21,479 | 21,636 |
| | 70,758 | 62,402 |
| Current Liabilities | | |
| Bank balance overdrawn | 4 | 4 |
| Borrowings and bonds | 19,910 | 44,930 |
| Trade and other payables | 12,514 | 11,958 |
| Dividend payable | 1,000 | 3,000 |
| Other current liabilities | 2,310 | - |
| | 35,738 | 59,892 |
| Total Liabilities | 106,496 | 122,294 |
| Total equity and liabilities | 305,970 | 310,945 |



Mediterranean Investments Holding Plc
Statement of Cash Flows
For the year ended 31 December

| | 2022 Actual (€'000) | 2021 Actual (€'000) |
|--|--|--|
| Net cash from operating activities | 18,126 | 13,649 |
| Net cash used in investing activities | (183) | (85) |
| Net cash used in financing activities | (21,731) | (23,923) |
| Net movement in cash and cash equivalents | (3,788) | (10,359) |
| Cash and cash equivalents at beginning of year | 10,882 | 25,632 |
| Effect of foreign exchange rate changes | (206) | (4,391) |
| Cash and cash equivalents at end of year | 6,888 | 10,882 |

In FY2022, revenue increased by €1.0 million (+4.25%) from the prior year to €25.0 million, mainly on account of higher achieved average rates. Occupancy level was broadly unchanged at 51.6% (FY2021: 51.7%). Operating profit amounted to €17.5 million, which was lower by €1.4 million when compared to the previous year, though FY2021 operating profit included a one-off gain on the reversal of accrued interest amounting to €2.1 million.

During 2022, the share of results of equity accounted investments amounted to a loss of €50,500 compared to a profit of €2.7 million in 2021, the latter reflecting an uplift in the fair value of the land earmarked for the development of the Medina Towers.

Finance costs decreased substantially from €8.5 million in 2021 to €4.7 million in 2022. In the prior year, the Group was negatively impacted by a one-time loss on exchange of €3.6 million which arose from the devaluation of the Libyan Dinar. Furthermore, a reduction of €10 million in outstanding bonds and €5 million of other borrowings during 2022 also contributed to a decrease in interest costs.

Profit before tax of €10.8 million was recorded for 2022 compared to the profit of €10.7 million in 2021. The Issuer reported total comprehensive income for 2022 of €10.8 million compared to €7.0 million in the previous financial year.

As at the end of 2022, the Group's assets amounted to €306.0 million, down from €310.9 million as at the end of 2021 primarily as a result of the decrease in current assets, notably cash and cash equivalents and debtor balances.

In parallel with the above, included in liabilities, bond indebtedness decreased by €10.0 million and the loan of €5.0 million payable to LAFICO was settled in full in February 2022. The Group also settled the amount of €2 million in dividends to its shareholders. Total liabilities decreased from €122.3 million to €106.5 million by the end of 2022.

| | Information incorporated by reference in this Registration Document | Financial year ended 31 December 2021 <i>(Page number in Annual Report)</i> | Financial year ended 31 December 2022 <i>(Page number in Annual Report)</i> |
|------------------|--|---|---|
| ISSUER | Statements of Comprehensive Income | N/A | N/A |
| | Statements of Financial Position | N/A | N/A |
| | Statements of Cash Flows | N/A | N/A |
| | Notes to the Financial Statements | N/A | N/A |
| | Independent Auditor's Report | N/A | N/A |
| GUARANTOR | Statements of Comprehensive Income | 12 - 13 | 11 - 12 |
| | Statements of Financial Position | 14 - 16 | 13 - 15 |
| | Statements of Cash Flows | 19 - 20 | 18 - 19 |
| | Notes to the Financial Statements | 21 - 130 | 20 - 132 |
| | Independent Auditor's Report | 6 - 11 | 5 - 10 |

There have been no significant adverse changes to the financial or trading position of the Issuer and/or the Guarantor since the end of the financial period to which their respective afore-mentioned last audited financial statements relate. Furthermore, the Issuer and the Guarantor hereby confirm that there has been no material change or recent development which could adversely affect potential investors' assessments in respect of the Bonds, other than the information contained and disclosed in the Prospectus.

12 LITIGATION PROCEEDINGS

There have been no governmental, legal or arbitration proceedings involving the Issuer (including any such proceedings which are pending or threatened 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 financial position or profitability of the Issuer and/or the Group, taken as a whole.

13 MATERIAL CONTRACTS

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



14 DISCLOSURES UNDER MARKET ABUSE REGULATION

No information has been disclosed by the Issuer over the last 12 months which is relevant as at the date of the Prospectus under Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

15 THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Save for the Financial Analysis Summary reproduced in Annex III of the Securities Note, the Prospectus does not contain any statement or report attributed to any person as an expert. The Financial Analysis Summary dated 1 June 2023 has been included in Annex III of the Securities Note in the form and context in which it appears with the authorisation of M.Z. Investment Services Limited 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 said report herein. M.Z. Investment Services Limited does not have any beneficial interest in the Issuer or the Guarantor. The Issuer has received confirmation from M.Z. Investment Services Limited that the Financial Analysis Summary has been accurately reproduced in the Prospectus and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

16 DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or certified copies thereof, where applicable, are available for inspection at the registered office of the Issuer at 22, Europa Centre, Floriana FRN 1400, Malta during the term of the Bond Issue during office hours:

- i. the Memorandum and Articles of Association of the Issuer;
- ii. the Memorandum and Articles of Association of the Guarantor;
- iii. the audited consolidated financial statements of the Issuer for the years ended 31 December 2021 and 2022;
- iv. the audited consolidated financial statements of the Guarantor for the years ended 31 December 2021 and 2022;
- v. the Financial Analysis Summary; and
- vi. the Guarantee.

The documents listed in (i) to (v) above, both included, are also available for inspection in electronic form on the Issuer's website www.mihplc.com



SECURITIES NOTE

Dated 1 June 2023

This document is a Securities Note issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules published by the Malta Financial Services Authority and of the Prospectus Regulation. This Securities Note is issued pursuant to the requirements of Rule 4.14 of the Capital Markets Rules and contains information about the Bonds. Application has been made for the admission to listing of the Bonds on the Official List of the Malta Stock Exchange. This Securities Note should be read in conjunction with the most updated Registration Document issued from time to time containing information about the Issuer.

**In respect of an issue of €20,000,000 5.85% Unsecured Bonds 2028
of a nominal value of €100 per Bond issued at par by**



MEDITERRANEAN INVESTMENTS HOLDING PLC
a public limited liability company registered in Malta
with company registration number C 37513

GUARANTEED* BY CPHCL COMPANY LIMITED
a private limited liability company registered in Malta
with company registration number C 257

ISIN: MT0000371311

** Prospective investors are to refer to the Guarantee contained in Annex I of this Securities Note forming part of the Prospectus for a description of the scope, nature and terms of the Guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in the Prospectus for a discussion of certain risk factors which should be considered by prospective investors in connection with the Bonds and the Guarantee provided by the Guarantor.*

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

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

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN FINANCIAL ADVISER.

Approved by the Directors

A blue ink signature of Alfred Pisani, consisting of a series of horizontal and diagonal strokes.

Alfred Pisani

A blue ink signature of Alfred Camilleri, featuring a prominent, stylized initial 'A' followed by several loops.

Alfred Camilleri

in their capacity as Directors and for and on behalf of
Ahmed B. A. A. Wahed, Joseph Pisani, Faisal J. S. Alessa, Mario P. Galea and Ahmed Yousri A. Nouredin Helmy

Legal Counsel



Sponsor



Registrar & Manager



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IMPORTANT INFORMATION

THIS SECURITIES NOTE CONSTITUTES PART OF THE PROSPECTUS DATED 1 JUNE 2023 AND CONTAINS INFORMATION ABOUT MEDITERRANEAN INVESTMENTS HOLDING PLC IN ITS CAPACITY AS ISSUER, ABOUT CPHCL COMPANY LIMITED IN ITS CAPACITY AS GUARANTOR AND ABOUT THE BONDS IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES ISSUED BY THE MALTA FINANCIAL SERVICES AUTHORITY, THE COMPANIES ACT AND THE PROSPECTUS REGULATION, AND SHOULD BE READ IN CONJUNCTION WITH THE REGISTRATION DOCUMENT ISSUED BY THE ISSUER.

THIS SECURITIES NOTE SETS OUT THE CONTRACTUAL TERMS UNDER WHICH THE BONDS ARE ISSUED BY THE ISSUER AND ACQUIRED BY A BONDHOLDER, WHICH TERMS SHALL REMAIN BINDING UNTIL THE REDEMPTION DATE OF THE BONDS, UNLESS THEY ARE OTHERWISE CHANGED IN ACCORDANCE WITH SUB-SECTION 6.18 OF THIS SECURITIES NOTE.

THE INFORMATION CONTAINED HEREIN IS BEING MADE AVAILABLE IN CONNECTION WITH AN ISSUE BY THE COMPANY OF A MAXIMUM OF €20 MILLION UNSECURED BONDS 2028 OF A NOMINAL VALUE OF €100 EACH. THE BONDS SHALL BE ISSUED AT PAR AND BEAR INTEREST AT THE RATE OF 5.85% PER ANNUM PAYABLE ANNUALLY IN ARREARS ON 31 JULY OF EACH YEAR UNTIL THE REDEMPTION DATE, WITH THE FIRST INTEREST PAYMENT FALLING DUE ON 31 JULY 2024. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON 31 JULY 2028. THE BOND ISSUE IS GUARANTEED BY THE GUARANTOR.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR OR THEIR RESPECTIVE DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF SECURITIES OF THE ISSUER, OTHER THAN THOSE CONTAINED IN THIS 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, THE GUARANTOR OR THEIR RESPECTIVE DIRECTORS OR ADVISERS.

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

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER BY ANY PERSON IN ANY JURISDICTION: (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED; OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

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

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN PROFESSIONAL ADVISERS AS TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE BONDS AND THE PROSPECTUS.

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

SAVE FOR THE PUBLIC OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE SECURITIES DESCRIBED IN THIS SECURITIES NOTE OR THE DISTRIBUTION OF THE PROSPECTUS, OR ANY PART THEREOF, OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA, OTHER THAN MALTA, THE BONDS CAN ONLY BE OFFERED TO "QUALIFIED INVESTORS" (AS DEFINED IN THE PROSPECTUS REGULATION), AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS REGULATION.

THE BONDS HAVE NOT BEEN, NOR WILL THEY BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933 AS AMENDED, OR UNDER ANY FEDERAL OR STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, OR ANY AREA SUBJECT TO ITS JURISDICTION (THE "U.S.") OR TO OR FOR THE BENEFIT OF, DIRECTLY OR INDIRECTLY, ANY U.S. PERSON, AS DEFINED IN REGULATION "S" OF THE SAID ACT. FURTHERMORE, THE ISSUER WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT, 1940 AS AMENDED AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS SET OUT THEREIN.

A COPY OF THE PROSPECTUS HAS BEEN SUBMITTED TO THE MALTA FINANCIAL SERVICES AUTHORITY IN SATISFACTION OF THE CAPITAL MARKETS RULES, TO THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH THE COMPANIES ACT.



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

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

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

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

ALL THE ADVISERS TO THE ISSUER NAMED IN SUB-SECTION 4.4 OF THE REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

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



1. DEFINITIONS

Words, expressions and capitalized 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 capitalized terms as indicated in the Registration Document forming part of the Prospectus. In this Securities Note the following words and expressions shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

| | |
|-----------------------------------|---|
| “Applicant/s” | any person or persons, natural or legal, who subscribes for the Bonds; |
| “Application/s” | the application to subscribe for Bonds made by an Applicant/s by completing an Application Form/s and delivering same to any of the Authorised Intermediaries (which include the Sponsor and the Registrar & Manager) in accordance with the terms of this Securities Note; |
| “Application Form/s” | the forms of application for subscription of Bonds, specimens of which are contained in Annex II of this Securities Note; |
| “Bond Issue Price” | the price of €100 per Bond; |
| “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; |
| “CET” | Central European Time; |
| “CSD” | the Central Securities Depository of the Malta Stock Exchange authorised in terms of Part IV of the Financial Markets Act (Chapter 345 of the laws of Malta), having its address at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta; |
| “Cut-off Date” | close of business on 1 June 2023 (trading session of 30 May 2023); |
| “Existing MIH Bondholders” | holders of the Existing MIH Bonds (as defined immediately below) appearing on the applicable register held at the CSD as at the Cut-Off Date; |
| “Existing MIH Bonds” | the 5.25% unsecured bonds 2027 with ISIN code MT0000371303, due to mature on 6 July 2027, amounting as at the date of the Prospectus to €30,000,000, issued by the Issuer pursuant to a prospectus dated 31 May 2022, which are currently listed and traded on the Official List; |
| “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; |
| “Interest Payment Date” | 31 July of each year between and including each of the years 2024 and the year 2028, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day; |
| “Intermediaries’ Offer” | an offer for subscription of Bonds made by the Issuer to the Authorised Intermediaries through subscription agreements as further detailed in sub-section 6.4 of this Securities Note; |
| “Issue Date” | expected on 28 July 2023; |
| “Issue Period” | the period between 08:30 hours CET on 14 June 2023 and 12:00 hours CET on 7 July 2023 during which the Bonds are available for subscription; |
| “Maturing Bond Transfer” | the subscription for Bonds by a Maturing Bondholder settled, after submitting the pre-printed Application Form A (received by mail directly from the Issuer), by the transfer to the Issuer of all or part of the Maturing Bonds held by such Maturing Bondholder as at the Cut-off Date; |
| “Maturing Bondholder” | a holder of Maturing Bonds as at the Cut-off Date; |
| “MiFIR” | Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments; |
| “Redemption Value” | the nominal value of each Bond, being €100 per Bond; and |
| “Terms and Conditions” | the terms and conditions of the Bonds, set out in sub-section 5.3 (<i>‘Issue Statistics’</i>), section 6 (<i>‘Information concerning the Bonds’</i>) and section 8 (<i>‘Terms and Conditions of the Bond Issue’</i>) of this Securities Note. |

All references in the Prospectus to “Malta” are to the “Republic of Malta”.

Unless it appears otherwise from the context:

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



2. RISK FACTORS

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

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

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS, INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN PROFESSIONAL ADVISERS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS INTENDED TO BE INDICATIVE OF THE ORDER OF PRIORITY AND OF THE EXTENT OF THEIR CONSEQUENCES. PROSPECTIVE INVESTORS ARE HEREBY CAUTIONED THAT THE OCCURRENCE OF ANY ONE OR MORE OF THE RISKS SET OUT BELOW COULD HAVE A MATERIAL ADVERSE EFFECT ON THE GROUP'S BUSINESS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION AND COULD, THEREBY, NEGATIVELY AFFECT THE ABILITY OF THE ISSUER TO MEET ITS OBLIGATIONS IN CONNECTION WITH THE PAYMENT OF INTEREST ON THE BONDS AND REPAYMENT OF PRINCIPAL WHEN DUE AND OF THE GUARANTOR TO HONOUR ITS OBLIGATIONS UNDER THE GUARANTEE.

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

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

2.1 FORWARD-LOOKING STATEMENTS

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

2.2 GENERAL

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

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference to the Prospectus or any applicable supplement;
- (ii) has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency;
- (iii) understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets;
- (iv) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect his/her/its investment and his/her/its ability to bear the applicable risks; and
- (v) is able to assess as to whether an investment in the Bonds shall achieve his/her/its investment objective.

2.3 RISKS RELATING TO THE BONDS

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

- The existence of an orderly and liquid market for the Bonds depends on a number of factors including, but not limited to, the presence of willing buyers and sellers of the Issuer's bonds at any given time. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market in which the Bonds are traded, over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price, or at all.
- Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. Investors should also be aware that the price of fixed rate bonds should, theoretically, move adversely to changes in interest rates. When prevailing market interest rates are rising their prices decline and, conversely, if market interest rates are declining, the prices of fixed rate bonds rise. This is called market risk since it arises only if a Bondholder decides to sell the Bonds before maturity on the secondary market.



- In view of the current inflationary environment, investment in the Bonds involves the risk that rising inflation on real rates of return in relation to coupon payments as well as secondary market prices may have an adverse impact on the value of the Bonds, such that increasing rates of inflation could have an adverse effect on the return on the Bonds in real terms.
- Even after the Bonds are admitted to trading on the Official List of the MSE, the Issuer is required to remain in compliance with certain requirements relating, *inter alia*, to the free transferability, clearance and settlement of the Bonds in order to remain a listed company in good standing. Moreover, the Malta Financial Services Authority has the authority to suspend trading or listing of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The Malta Financial Services Authority may discontinue the listing of the Bonds on the Official List. Any such trading suspensions or listing revocations / discontinuations could have a material adverse effect on the liquidity and value of the Bonds.
- In the event that the Issuer wishes to amend any of the Terms and Conditions of the Bonds it shall call a meeting of Bondholders in accordance with the provisions of sub-section 6.18 of this Securities Note. These provisions permit defined majorities to bind all Bondholders, including Bondholders who do not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority. Furthermore, in terms of the Guarantee, the Guarantor has the power to veto a decision by the Bondholders, taken at a Bondholders' meeting duly convened and held, to amend or waive the Terms and Conditions of the Bonds which are issued with the benefit of its Guarantee, in cases in which such amendment or waiver may give rise to changes in: (i) the amount payable by the Guarantor under the Guarantee; (ii) the term and/or frequency of such payments; (iii) the Events of Default listed in sub-section 6.15 of this Securities Note; and/or (iv) any other term which may otherwise increase the exposure of the Guarantor to the enforcement of the Guarantee. In the event that the Guarantor were to exercise such right of veto, the proposed amendment to, or waiver of, the Terms and Conditions would not be put into effect.
- The Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under said Bonds by the Guarantor. The Bonds shall, at all times, rank *pari passu* without any priority or preference among themselves and with other outstanding and unsecured debt of each of the Issuer and the Guarantor, present and future, if any, save for such exceptions as may be provided by applicable law. Furthermore, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect, which registration may further impede the ability of the Bondholders to recover their investment upon enforcement of such security interests, whether in full or in part.
- A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different. Any adverse fluctuations may impair the return of investment of the Bondholder in real terms after taking into account the relevant exchange rate.
- No prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time. If such changes take place, they could have an adverse effect on the market price for the Bonds.
- The Bonds and the Terms and Conditions of the Bond Issue are based on the requirements of the Capital Markets Rules, the Companies Act and the Prospectus Regulation in effect as at the date of the Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of the Prospectus.

2.4 RISKS RELATING TO THE GUARANTEE

In view of the fact that the Bonds are being guaranteed by the Guarantor on a joint and several basis, the Bondholders shall be entitled to request the Guarantor to pay both the interest due and the principal amount under said Bonds if the Issuer fails to meet any amount when due in terms of the Prospectus. The Guarantee also entitles the Bondholders to take action against the Guarantor without having to first take action against the Issuer, if the Issuer fails to pay any sum payable by it to Bondholders pursuant to the Terms and Conditions of the said Bonds. The strength of this undertaking on the part of the Guarantor and, therefore, the level of recoverability by the Bondholders from the Guarantor of any amounts due under any of the Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantor.

3. PERSONS RESPONSIBLE

This Securities Note has been drawn up as part of a simplified prospectus in accordance with Article 14 of the Prospectus Regulation. It includes information given in compliance with the Capital Markets Rules for the purpose of providing prospective investors with information with regard to the Issuer, the Guarantor and the Bonds. Alfred Pisani, Alfred Camilleri, Ahmed B. A. A. Wahedi, Joseph Pisani, Faisal J. S. Alessa, Mario P. Galea and Ahmed Yousri A. Nouredin Helmy, being all of the Directors of the Issuer as further detailed in sub-section 4.1 of the Registration Document, accept responsibility for the information contained in the Prospectus.

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



4. CONSENT FOR USE OF THE PROSPECTUS & AUTHORISATION STATEMENT

4.1 CONSENT REQUIRED IN CONNECTION WITH USE OF THE PROSPECTUS BY AUTHORISED INTERMEDIARIES

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

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

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

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

Neither the Issuer nor the Guarantor or any of their respective advisers accept any responsibility for any actions of any Authorised Intermediary, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to a resale, placement or other offering of Bonds.

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

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

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

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

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

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

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

4.2 STATEMENT OF AUTHORISATION

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



5. KEY INFORMATION

5.1 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 €19,600,000, will be used by the Issuer for the redemption of the outstanding amount of the Maturing Bonds remaining in issue as at 31 July 2023, being the date of redemption of the Maturing Bonds as determined by the Issuer and duly notified to Maturing Bondholders. As at the date of the Prospectus, the aggregate value of Maturing Bonds in issue stands at €20,000,000.

The residual amount required by the Issuer for the purpose of the use specified in this sub-section 5.1, that is, the redemption of the balance of the outstanding amount of the Maturing Bonds, which shall not be raised through the Bond Issue shall be financed from the Group's own funds.

In the event that the Bond Issue is not fully subscribed, the Issuer will proceed with the listing of the amount of Bonds subscribed for and the proceeds from the Bond Issue shall be applied for the purpose set out above.

5.2 ESTIMATED EXPENSES AND PROCEEDS OF THE ISSUE

The Issue will involve expenses, including professional fees and costs related to publicity, advertising, printing, listing, registration, sponsor, management, selling commission and other miscellaneous costs incurred in connection with the Bond Issue. Such expenses, which shall be borne by the Issuer, are estimated not to exceed approximately €400,000, with approximately €250,000 being attributed to selling commissions and approximately €150,000 to professional, MSE, regulatory and ancillary fees. The amount of the expenses will be deducted from the proceeds of the Issue, which, accordingly, will bring the net proceeds from the Bond Issue to approximately €19,600,000. There is no particular order of priority with respect to such expenses.

5.3 ISSUE STATISTICS

| | |
|---|--|
| Amount: | €20 million; |
| Application Forms mailed to Maturing Bondholders and to Existing MIH Bondholders: | 9 June 2023; |
| Bond Issue Price: | at par, that is €100 per Bond; |
| Closing date for Applications to be received from Maturing Bondholders and Existing MIH Bondholders: | 7 July 2023 at 12:00 hours CET; |
| Denomination: | Euro (€); |
| Events of Default: | the events listed in sub-section 6.15 of this Securities Note; |
| Form: | the Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD; |
| Governing law and jurisdiction: | the Prospectus and the Bonds are governed by and shall be construed in accordance with Maltese law. The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Prospectus and/or the Bonds; |
| Interest: | the Bonds shall bear interest from and including 31 July 2023 at the rate of five point eight five per cent (5.85%) per annum payable annually in arrears on the Interest Payment Dates; |
| Interest Payment Date: | annually on 31 July of each year between and including each of the years 2024 and 2028, as from 31 July 2024, being the first interest payment date, provided that any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day; |
| Intermediaries' Offer: | in the event that following closing of the Issue Period there are Bonds which remain unallocated, such Bonds shall form part of an Intermediaries' Offer as set out in sub-section 6.4 of this Securities Note. In the event that the Intermediaries' Offer takes place and the aggregate of subscriptions received from Authorised Intermediaries pursuant to subscription agreements in terms of the Intermediaries' Offer is in excess of the amount of Bonds available for subscription, the Issuer, acting through the Registrar & Manager, shall scale down each subscription agreement received from Authorised Intermediaries in accordance with the allocation policy to be issued in terms of sub-section 6.6 of this Securities Note; |
| ISIN: | MT0000371311; |
| Bond Issue: | the issue of a maximum of €20 million unsecured Bonds due in 2028 denominated in Euro and having a nominal value of €100 each, which will be issued by the Issuer at par and shall bear interest at the rate of 5.85% per annum, redeemable on 31 July 2028; |
| Issue Period: | the period between 08:30 hours CET on 14 June 2023 and 12:00 hours CET on 7 July 2023 during which the Bonds are available for subscription; |
| Listing: | the Malta Financial Services Authority has approved the Bonds for admissibility to listing and subsequent trading on the Official List. Application has been made to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List; |



| | |
|--|--|
| Minimum amount per Application: | two thousand Euro (€2,000) in nominal value of Bonds and in multiples of one hundred Euro (€100) thereafter per individual Bondholder; |
| Plan of distribution: | the Bonds are open for subscription by: Maturing Bondholders; Existing MIH Bondholders; and Authorised Intermediaries pursuant to the Intermediaries' Offer in respect of any balance of the Bonds not subscribed to by Maturing Bondholders and/or by Existing MIH Bondholders, as the case may be, as aforesaid; |
| Preferred allocations: | <p>(i) Maturing Bondholders applying for Bonds may elect to settle all or part of the amount due on the Bonds applied for by the transfer to the Issuer of Maturing Bonds at par value, subject to a minimum Application of €2,000 in Bonds. Any Maturing Bondholders whose holding in Maturing Bonds is less than €2,000 shall be required to pay the difference together with the submission of their Application Form A ("Cash Top-Up").</p> <p>Maturing Bondholders electing to subscribe for Bonds through a Maturing Bond Transfer, including any Cash Top-Up necessary as stated above, shall be allocated Bonds for the corresponding nominal value of Maturing Bonds transferred to the Issuer, including Cash Top-Up, where applicable. The transfer of Maturing Bonds to the Issuer in consideration for the subscription for Bonds shall cause the obligations of the Issuer with respect to such Maturing Bonds to be extinguished and shall give rise to obligations on the part of the Issuer under the Bonds.</p> <p>Bonds applied for by Maturing Bondholders by way of Maturing Bond Transfer as described above shall be allocated prior to any other allocation of Bonds.</p> <p>In the event that the aggregate value of the Applications received from Maturing Bondholders transferring all or part of the Maturing Bonds held by them as at the Cut-off Date through Maturing Bond Transfer, including Cash Top-Up, where applicable, is in excess of €20,000,000, the Issuer (acting through the Registrar & Manager) shall scale down each Application to a minimum amount equivalent to the Maturing Bonds held by Maturing Bondholders and the Cash Top-Up portion shall be subject to an allocation policy to be determined in terms of sub-section 6.6 of this Securities Note.</p> <p>A Maturing Bondholder wishing to apply for a number of Bonds exceeding in value the aggregate nominal value of Maturing Bonds held by him/her/it as at the Cut-off Date, including Cash Top-Up, where applicable, may subscribe for such additional Bonds in terms of sub-section 6.2.5 below;</p> <p>(ii) the balance of the Bonds not subscribed for by Maturing Bondholders limitedly by means of a Maturing Bond Transfer, if any, shall be made available for subscription: (A) to Maturing Bondholders in respect of any number of additional Bonds applied for other than by Maturing Bond Transfer exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-Off Date (including any Cash Top-Up); and (B) to Existing MIH Bondholders, without any priority or preference between them. Accordingly, in the event that the aggregate value of the Applications received from Maturing Bondholders transferring all or part of the Maturing Bonds held by them as at the Cut-off Date through Maturing Bond Transfer, including Cash Top-Up, where applicable, is equal to or in excess of €20,000,000, (i) Maturing Bondholders applying for additional Bonds; and (ii) Existing MIH Bondholders shall not get any allocation of Bonds;</p> |
| Redemption Date: | 31 July 2028; |
| Redemption Value: | at par, that is €100 per Bond; |
| Status 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 be guaranteed jointly and severally by the Guarantor in respect of both the interest due and the principal amount under said Bonds. The Bonds shall at all times rank <i>pari passu</i> , without any priority or preference among themselves and with other outstanding and unsecured debt of each of the Issuer and the Guarantor, present and future, save for such exceptions as may be provided by applicable law; |
| Underwriting: | the Bond Issue is not underwritten. |



5.4 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for the possible subscription for Bonds by Authorised Intermediaries (which include the Sponsor and the Registrar & Manager) and any fees payable to M.Z. Investment Services Limited as Sponsor and to Bank of Valletta plc as Registrar & Manager in connection with the Bond Issue, so far as the Issuer is aware no person involved in the Issue has an interest material to the Bond Issue.

5.5 EXPECTED TIMETABLE OF PRINCIPAL EVENTS

| | | |
|---|--|--------------|
| 1 | Application Forms mailed to Maturing Bondholders and Existing MIH Bondholders | 9 June 2023 |
| 2 | Closing date for Applications to be received from Maturing Bondholders and from Existing MIH Bondholders | 7 July 2023 |
| 3 | Intermediaries' Offer* | 18 July 2023 |
| 4 | Announcement of basis of acceptance through a company announcement | 21 July 2023 |
| 5 | Refunds of unallocated monies, if any | 21 July 2023 |
| 6 | Dispatch of allotment letters | 28 July 2023 |
| 7 | Expected date of admission of the Bonds to listing | 28 July 2023 |
| 8 | Expected date of commencement of trading in the Bonds | 31 July 2023 |
| 9 | Commencement of interest | 31 July 2023 |

* In the event that the total value of Applications received from Maturing Bondholders and/or Existing MIH Bondholders, as the case may be, exceeds €20,000,000, the Intermediaries' Offer will not take place.

6. INFORMATION CONCERNING THE BONDS

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

6.1 GENERAL

- 6.1.1 Each Bond forms part of a duly authorised issue of 5.85% unsecured bonds 2028 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €20,000,000 (except as otherwise provided under sub-section 6.17 "Further Issues" below). The Issue Date of the Bonds is expected to be 28 July 2023. The Bond Issue is guaranteed by CPHCL.
- 6.1.2 The currency of the Bonds is Euro (€).
- 6.1.3 The Bonds shall bear interest at the rate of 5.85 % per annum payable annually in arrears on 31 July of each year, with the first interest payment falling due on 31 July 2024 and covering the period between 31 July 2023 and 30 July 2024. 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.
- 6.1.4 Subject to admission to listing of the Bonds to the Official List, the Bonds are expected to be assigned ISIN: MT0000371311.
- 6.1.5 The Bonds are expected to be listed on the Official List on or about 28 July 2023 and dealing can be expected to commence thereafter. Dealing may commence prior to notification of the amount allotted being issued to Applicants.
- 6.1.6 All outstanding Bonds not previously purchased and cancelled shall be redeemed by the Issuer at par, together with accrued interest up to (but excluding) the date fixed for redemption, on the Redemption Date.
- 6.1.7 In the event that Maturing Bondholders applying for additional Bonds and/or Existing MIH Bondholders applying for Bonds, as applicable, have not been allocated any Bonds or have been allocated a number of Bonds which is less than the number applied for, the Applicant shall receive a full refund or, as the case may be, the balance of the price of the Bonds applied for but not allocated, without interest by direct credit into the Applicant's bank account as indicated by the Applicant on the respective Application Form by latest 21 July 2023. Neither the Issuer nor the Registrar will be responsible for any loss or delay in transmission of such refunds or any charges in connection therewith. In this regard, any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act, 1994, Chapter 373 of the laws of Malta, and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.
- 6.1.8 There are no special rights attached to the Bonds other than the right of the Bondholders to payment of interest and capital, as detailed in sub-section 6.13 below, seeking recourse from the Guarantor pursuant to the Guarantee in case of failure by the Issuer to pay any sum payable by it to Bondholders pursuant to the Terms and Conditions of the Bonds detailed in this Securities Note, and in accordance with the ranking specified in sub-section 6.7 of this Securities Note.
- 6.1.9 The minimum subscription amount of Bonds that can be subscribed for by Applicants upon subscription is €2,000, and in multiples of €100 thereafter.
- 6.1.10 Any balance of the Bonds not subscribed to by Maturing Bondholders and/or by Existing MIH Bondholders, as the case may be, shall be offered for subscription to Authorised Intermediaries participating through an Intermediaries' Offer. In this eventuality, Authorised Intermediaries need to submit completed subscription agreements indicating the number of Bonds they are interested to subscribe for by latest 18 July 2023 at 12:00 hours CET. The Issuer, acting through the Registrar, will communicate the number of Bonds each Authorised Intermediary has been allocated in terms of the respective subscription agreement by latest 12:00 hours CET on 20 July 2023.



- 6.1.11** The results of the Bond Issue will be announced through a company announcement by latest 21 July 2023. It is expected that allotment letters will be dispatched to Bondholders by latest 28 July 2023.
- 6.1.12** The issue of the Bonds is made in accordance with the requirements of the Capital Markets Rules, the Act and the Prospectus Regulation.
- 6.1.13** The Bond Issue is not underwritten. In the event that the Bond Issue is not fully subscribed, the Issuer will proceed with the listing of the amount of Bonds subscribed for as further detailed in section 5.1 above.
- 6.1.14** All Applications shall be subject to the Terms and Conditions of the Bond Issue as set out in section 8 hereunder, the terms of which shall form an integral part hereof.

6.2 Applications by Maturing Bondholders by surrendering their Maturing Bonds

- 6.2.1** The consideration payable by Maturing Bondholders applying for Bonds may be settled by the transfer to the Issuer of all or part of the Maturing Bonds held by such Applicant as at the Cut-off Date, subject to a minimum application of €2,000, which transfer shall be affected at the par value of the Maturing Bonds. Any Maturing Bondholders whose holding in Maturing Bonds is less than €2,000 shall be required to pay the difference (the “**Cash Top-Up**”).

Maturing Bondholders electing to subscribe for Bonds through Maturing Bond Transfer shall be allocated Bonds for the corresponding nominal value of Maturing Bonds transferred to the Issuer, including Cash Top-Up, where applicable. The transfer of Maturing Bonds to the Issuer in consideration for the subscription for Bonds shall cause the obligations of the Issuer with respect to such Maturing Bonds to be extinguished and shall give rise to obligations on the part of the Issuer under the Bonds.

Bonds applied for by Maturing Bondholders by way of Maturing Bond Transfer shall be allocated prior to any other allocation of Bonds.

In the event that the aggregate value of the Applications received from Maturing Bondholders transferring all or part of the Maturing Bonds held by them as at the Cut-off Date through Maturing Bond Transfer, including Cash Top-Up, where applicable, is in excess of €20,000,000, the Issuer (acting through the Registrar & Manager) shall scale down each Application to a minimum amount equivalent to the Maturing Bonds held by Maturing Bondholders and the Cash Top-Up portion shall be subject to an allocation policy to be determined in terms of sub-section 6.6 of this Securities Note.

A Maturing Bond Transfer shall be without prejudice to the rights of Maturing Bondholders to receive interest on the Maturing Bonds up to but excluding 31 July 2023. The Maturing Bonds shall be redeemed on 31 July 2023 as determined by the Issuer and duly notified to Maturing Bondholders.

All Applications for the subscription of Bonds by Maturing Bondholders by means of Maturing Bond Transfer must be submitted to any Authorised Intermediary (which include the Sponsor and the Registrar & Manager) by 12:00 hours CET of 7 July 2023.

- 6.2.2** Payment by Applicants of the Cash Top-Up referred to in sub-section 6.2.1 above, and the full price of the additional Bonds applied for referred to in sub-section 6.2.5 below, shall be made in Euro and in cleared funds at the Bond Issue Price, through a method of payment as accepted by the respective Authorised Intermediary.

- 6.2.3** Maturing Bondholders subscribing for Bonds by means of Maturing Bond Transfer are, in virtue of such subscription, confirming:

- i. that all or part, as the case may be, of the Maturing Bonds held by the Applicant on the Cut-off Date are being transferred to the Issuer, together with the payment due in respect of any Cash Top-Up, as and if applicable;
- ii. that the Application Form A constitutes the Applicant’s irrevocable mandate to the Issuer to:
 - a. cause the transfer of the said Maturing 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 Maturing Bonds in the Issuer and fully and effectively vest title in the appropriate number of Bonds in the Applicant;
- iii. that in respect of the payment of the Cash Top-Up in terms of sub-section 6.2.1 above and/or the exercise of the option to subscribe to additional Bonds set out in sub-section 6.2.5 below, the Applicant’s remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer acting through the Registrar & Manager reserves the right to invalidate the relative Application. Furthermore, the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders, unless the Applicant makes payment in cleared funds and such consideration is accepted by the Issuer, acting through the Registrar & Manager, which acceptance shall be made in the Issuer’s absolute discretion and may be on the basis that the Applicant indemnifies the Issuer against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant’s remittance to be honoured on first presentation.

- 6.2.4** Where the Applicant is the holder of Maturing Bonds which as at the Cut-off Date are held subject to usufruct, the signatures of both the bare owner and the usufructuary will be required in the Application Form A.

- 6.2.5** In addition to the aforesaid, Maturing Bondholders transferring all of the Maturing Bonds held by them as at the Cut-off Date pursuant to sub-section 6.2.1 above may apply for an amount of Bonds in excess of the amount of Maturing Bonds being transferred by Maturing Bond Transfer, including Cash Top-Up, where applicable. In such case Maturing Bondholders may subscribe for additional Bonds, in multiples of €100, by completing the appropriate section of Application Form A.



Maturing Bondholders shall have priority in the allocation of Bonds solely with respect to that number of Bonds for which payment is being made by means of a Maturing Bond Transfer, subject to a Cash Top-Up, as and if applicable.

In the event that Maturing Bondholders apply for additional Bonds other than by Maturing Bond Transfer, no guarantee of allocation shall arise with respect to the excess Bonds applied for but such excess Bonds shall, together with Applications received from Existing MIH Bondholders as set out in sub-section 6.3 below, be subject to an allocation policy, without priority or preference between them, as shall be determined by the Issuer in accordance with sub-section 6.6 of this Securities Note.

6.2.6 Maturing Bondholders who do not elect to avail themselves of the possibility to exchange their investment in terms of the procedure outlined in this sub-section 6.2 shall receive all capital and accrued interest up to but excluding 31 July 2023 on 31 July 2023.

6.3 APPLICATIONS BY EXISTING MIH BONDHOLDERS

The balance of the Bonds not subscribed for by Maturing Bondholders limitedly by means of a Maturing Bond Transfer, including Cash Top-Up, as contemplated in sub-section 6.2.1 above shall be made available for subscription to: (A) Maturing Bondholders in respect of any number of additional Bonds applied for other than by Maturing Bond Transfer exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-Off Date, including Cash Top-Up (where applicable), as outlined in sub-section 6.2.5 above, and (B) Existing MIH Bondholders; *pari passu* without priority or preference between them.

Applications for subscription of Bonds by Existing MIH Bondholders shall be made by completing Application Form B.

6.4 INTERMEDIARIES' OFFER

Any balance of the Bonds not subscribed to by Maturing Bondholders and/or by Existing MIH Bondholders, as the case may be, shall be offered for subscription by Authorised Intermediaries participating in the Intermediaries' Offer. Any subscriptions received during the Intermediaries' Offer shall be subject to the same terms and conditions as those applicable to Applications by Maturing Bondholders and/or by Existing MIH Bondholders, but limited to any remaining balance of Bonds after fully allocating the Bonds applied for under Application Forms A and B, respectively, as detailed in sub-sections 6.2 and 6.3 above.

In this regard, the Issuer shall enter into conditional subscription agreements with Authorised Intermediaries for the subscription of the resultant balance of Bonds, whereby it will bind itself to allocate Bonds thereto up to any such amount as may not be taken up by Maturing Bondholders and/or by Existing MIH Bondholders as aforesaid.

In terms of each subscription agreement entered into with an Authorised Intermediary, the Issuer will be conditionally bound to issue, and each Authorised Intermediary will bind itself to subscribe for, up to the total amount of Bonds as indicated therein, subject to the Bonds being admitted to trading on the Official List. The subscription agreements, which will be subject to the Terms and Conditions of the Prospectus, will become binding on each of the Issuer and the respective Authorised Intermediaries upon delivery, provided that these intermediaries would have paid to the Registrar all subscription proceeds in cleared funds on delivery of the subscription agreement.

In terms of the subscription agreements, Authorised Intermediaries may subscribe for the Bonds either for their own account or for the account of underlying customers, including retail customers. The minimum amount which each Authorised Intermediary may apply for in terms of the applicable subscription agreement is €2,000 and in multiples of €100 thereafter and such minimum and multiples shall also apply to each underlying Applicant.

Completed subscription agreements, together with evidence of payment, are to reach the Registrar by 12:00 hours CET on 18 July 2023. The Issuer, acting through the Registrar, shall communicate the amount allocated under each subscription agreement by 12:00 hours CET on 20 July 2023. Any amounts unallocated in terms of the subscription agreements shall be returned to the respective Authorised Intermediary by direct credit to the account indicated in the respective subscription agreement by latest close of business on 21 July 2023.

6.5 PLAN OF DISTRIBUTION AND ALLOTMENT

The Bonds are open for subscription by all categories of investors, as follows:

- i. Maturing Bondholders up to the amount of Maturing Bonds held as at the Cut-off Date and subject to any Cash Top-Up, as and if applicable;
- ii. Maturing Bondholders in respect of any number of additional Bonds applied for other than by Maturing Bond Transfer exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-off Date, including Cash Top-Up, as and if applicable, as well as Existing MIH Bondholders, without priority or preference between either of them; and
- iii. Authorised Intermediaries through an Intermediaries' Offer in respect of any balance of the Bonds not subscribed to by Maturing Bondholders and/or by Existing MIH Bondholders pursuant to (i) and (ii) above, as the case may be, as aforesaid.

Applications for subscriptions to the Bonds may be made through the Authorised Intermediaries, which include the Sponsor and the Registrar & Manager, subject to a minimum Application of €2,000 and in multiples of €100 thereafter.

It is expected that an allotment letter will be issued by the Issuer to Applicants by latest 28 July 2023. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance or surrender of the Maturing Bonds, as the case may be, 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 will not bear interest while retained as aforesaid.

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



6.6 ALLOCATION POLICY

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

- i. first to Maturing Bondholders applying for Bonds by way of Maturing Bond Transfer, and subject to any Cash Top-Up as and if applicable, in accordance with sub-section 6.2 above, and subject to a minimum application of €2,000. In the event that the aggregate value of the Applications received from Maturing Bondholders transferring all or part of the Maturing Bonds held by them as at the Cut-off Date through Maturing Bond Transfer, including Cash Top-Up, where applicable, is in excess of €20,000,000, the Issuer acting through the Registrar & Manager shall scale down each Application to a minimum amount equivalent to the Maturing Bonds held by Maturing Bondholders and the Cash Top-Up portion shall be subject to an allocation policy as determined by the Issuer;
- ii. the balance of the Bonds not subscribed for by Maturing Bondholders limitedly by means of a Maturing Bond Transfer, and subject to any Cash Top-Up as and if applicable, if any, shall be made available for subscription to: (A) Maturing Bondholders in respect of any additional Bonds applied for other than by Maturing Bond Transfer exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-off Date including Cash Top-Up; and (B) Existing MIH Bondholders, *pari passu*, without priority or preference between them. Accordingly, in the event that the aggregate value of the Applications received from Maturing Bondholders transferring all or part of the Maturing Bonds held by them as at the Cut-off Date through Maturing Bond Transfer, including Cash Top-Up, where applicable, is equal to or in excess of €20,000,000; (i) Maturing Bondholders applying for additional Bonds; and (ii) Existing MIH Bondholders shall not get any allocation of Bonds; and
- iii. in the event that following the allocations made pursuant to paragraphs (i) and (ii) above there shall still remain unallocated Bonds, the Issuer shall offer such remaining Bonds to Authorised Intermediaries through an Intermediaries' Offer as detailed in sub-section 6.4 above. Subscription agreements received from Authorised Intermediaries through an Intermediaries' Offer, if any, shall be allocated without priority or preference and in accordance with the allocation policy as determined by the Issuer, acting through the Registrar, which will be communicated by latest 12:00 hours CET on 20 July 2023. Any amounts unallocated in terms of the subscription agreements shall be returned to the respective Authorised Intermediary by direct credit to the account indicated in the respective subscription agreement by latest close of business on 21 July 2023.

In the event that the Bond Issue is subscribed for in full by Maturing Bondholders and/or by Existing MIH Bondholders, as the case may be, in terms of paragraphs (i) and (ii) above, the Intermediaries' Offer shall not take place.

The Issuer shall announce the result of the Bond Issue and the basis of acceptance of all Applications and the allocation policy to be adopted through a company announcement by latest 21 July 2023.

6.7 RANKING OF THE BONDS

The Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed jointly and severally by the Guarantor, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other outstanding and unsecured debt of each of the Issuer and the Guarantor, present and future, if any, save for such exceptions as may be provided by applicable law. Furthermore, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.

The following sets out a summary of the Group's indebtedness which as at 31 December 2022 amounted in aggregate to *circa* €66,203,000 and includes corporate bonds, other borrowings and shareholders' loans. The Bonds would rank after any future debts which may be secured by a cause of preference such as a privilege and/or a hypothec.

| Mediterranean Investments Holding plc Group borrowings and bonds | 31 Dec 2021 €'000 | 31 Dec 2022 €'000 |
|---|------------------------------------|------------------------------------|
| Bonds* | 71,000 | 61,000 |
| Other Borrowings | 5,000 | - |
| Shareholders' Loans | 5,203 | 5,203 |
| Total borrowings and bonds | 81,203 | 66,203 |

* Bonds are shown gross of bond amortisation expenses.

Further details on the aforesaid indebtedness are found in the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2022, which have been published on the Issuer's website (www.mihplc.com) and are available for inspection at its registered office during office hours for the term of the Bonds.

6.8 RIGHTS ATTACHING TO THE BONDS

This Securities Note incorporates the Terms and Conditions of the Bond Issue and, in its entirety, creates the contract between the Issuer and a Bondholder.

A Bondholder shall have such rights as are, pursuant to this Securities Note, attached to the Bonds, including:

- i. the payment of interest;
- ii. the repayment of capital;
- iii. ranking with respect to other indebtedness of the Issuer and the Guarantor in accordance with the provisions of sub-section 6.7 above;



- iv. seeking recourse from the Guarantor pursuant to the Guarantee, in case of failure by the Issuer to pay any sum payable by it to Bondholders pursuant to the Terms and Conditions of the Bonds detailed in this Securities Note;
- v. the right to attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and
- vi. the right to enjoy all such other rights attached to the Bonds emanating from the Prospectus.

6.9 INTEREST

- 6.9.1 The Bonds shall bear interest from and including 31 July 2023 at the rate of 5.85% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 31 July 2024, covering the period 31 July 2023 up to and including 30 July 2024. Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. Each Bond will cease to bear interest from and including its due date for redemption, unless payment of the principal amount in respect of the Bond is improperly withheld or refused or unless default is otherwise made in respect of payment, in any of which events interest shall continue to accrue at the rate specified above plus one per cent (1%), but in any event not in excess of the maximum rate of interest allowed by Maltese law. In terms of article 2156 of the Civil Code (Chapter 16 of the laws of Malta), the right of Bondholders to bring claims for payment of interest and repayment of the principal on the Bonds is barred by the lapse of five (5) years.
- 6.9.2 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 three hundred and sixty (360) day year consisting of twelve (12) months of thirty (30) days each, and in the case of an incomplete month, the number of days elapsed.

6.10 YIELD

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date is 5.85% per annum.

6.11 REGISTRATION, FORM, DENOMINATION AND TITLE

- 6.11.1 Certificates will not be delivered to Bondholders in respect of the Bonds in virtue of the fact that the entitlement to Bonds will be represented in an uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. There will be entered in such electronic register the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies) and MSE account numbers of the Bondholders and particulars of the Bonds held by them respectively, and the Bondholders shall have, at all reasonable times during business hours, access to the register of Bondholders held at the CSD for the purpose of inspecting information held on their respective account.
- 6.11.2 The CSD will issue, upon a request by a Bondholder, a statement of holdings to such Bondholder evidencing his/her/its entitlement to Bonds held in the register kept by the CSD.
- 6.11.3 Upon submission of an Application Form, Bondholders who opt to subscribe for the online e-portfolio account with the CSD, by marking the appropriate box on the Application Form, will be registered by the CSD for the online e-portfolio facility and will receive by mail at their registered address a handle code to activate the new e-portfolio login. A Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept at the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further detail on the e-portfolio is found on <https://eportfolio.borzamalta.com.mt/Help>.
- 6.11.4 The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100 provided that on subscription, the Bonds will be issued for a minimum of €2,000 per individual Bondholder. Authorised Intermediaries subscribing for Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client.
- 6.11.5 Any person in whose name a Bond is registered may, to the fullest extent permitted by applicable law, be deemed and treated at all times, by all persons and for all purposes, including the making of any payments, as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading "Transferability of the Bonds" in sub-section 6.16 of this Securities Note.

6.12 PRICING

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

6.13 PAYMENTS

- 6.13.1 Payment of the principal amount of a Bond will be made in Euro by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account is denominated in Euro. Such payment shall be effected within seven (7) days of the Redemption Date. The Issuer shall not be responsible for any loss or delay in transmission or any charges in connection therewith. 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.



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

6.13.3 All payments with respect to the Bonds are subject in all cases to any pledge, duly constituted, and to any applicable fiscal or other laws and regulations prevailing in Malta from time to time. 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.

6.13.4 No commissions or expenses shall be charged by the Issuer to the Bondholders in respect of payments made in accordance with this sub-section 6.13. The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer.

6.14 REDEMPTION AND PURCHASE

6.14.1 The Issuer hereby irrevocably covenants in favour of each Bondholder that, unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value, together with accrued interest up to the date fixed for redemption, on 31 July 2028. 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.

6.14.2 Subject to the provisions of this sub-section 6.14, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike.

6.14.3 All Bonds so redeemed or re-purchased will be cancelled forthwith and may not be re-issued or re-sold.

6.15 EVENTS OF DEFAULT

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

- i. if the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder, unless remedied by the Guarantor before the expiry of such 60 days; and/or
- ii. if the Issuer shall fail to pay the principal amount of a Bond on the date fixed for its redemption and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder, unless remedied by the Guarantor before the expiry of such 60 days; and/or
- iii. if the Issuer shall fail to perform or shall otherwise be in breach of any other material obligation contained in the Terms and Conditions and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder, unless remedied by the Guarantor before the expiry of such 60 days, where applicable; and/or
- iv. if any representation or warranty made or deemed to be made or repeated by or in respect of the Issuer or the Guarantor is or proves to have been incorrect in any material respect; and/or
- v. if 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; and/or
- vi. if the Issuer stops or suspends payments, whether of principal or interest, with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; and/or
- vii. if the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; and/or
- viii. if in terms of section 214(5) of the Act, a Court order or other judicial process is levied or enforced upon or sued out against any part of the property of the Issuer and is not paid out, withdrawn or discharged within one (1) month; and/or
- ix. if a judicial or provisional administrator is appointed upon the whole or any material part of the property of the Issuer; and/or
- x. if 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 three million Euro (€3,000,000) or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed; and/or
- xi. any default of a payment obligation which occurs and continues for ninety (90) days under any contract or document relating to any Financial Indebtedness (as defined below) of the Issuer in excess of three million Euro (€3,000,000) or its equivalent at any time.

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



For the purpose of this sub-section 6.15, "Financial Indebtedness" means any indebtedness in respect of: (A) monies borrowed; (B) any debenture, bond, note, loan, stock or other security; (C) any acceptance credit; (D) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment is arranged primarily as a method of raising finance for the acquisition of that asset; (E) leases entered into primarily as a method of raising finance for the acquisition of the asset leased; (F) amounts raised under any other transaction having the commercial effect of borrowing or raising of money; (G) any guarantee, indemnity or similar assurance against financial loss of any person.

6.16 TRANSFERABILITY OF THE BONDS

- 6.16.1** The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole, in multiples of €100, in accordance with the rules and regulations of the MSE applicable from time to time. The minimum subscription amount of €2,000 shall only apply during the Issue Period and the Intermediaries' Offer, if it takes place. As such, no minimum holding requirement shall be applicable once the Bonds are admitted to listing on the Official List and commence trading thereafter, subject to trading in multiples of €100.
- 6.16.2** 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/herself/itself as holder of the Bond or to have some person nominated by him/her/it registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself/herself/itself, he/she/it shall deliver or send to the CSD a notice in writing signed by him/her/it stating that he/she/it so elects. If he/she/it shall elect to have another person registered he/she/it shall testify his/her/its election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person. Provided always that if a Bond is transmitted in furtherance of this paragraph 6.16.2, a person will not be registered as a Bondholder unless such transmission is made in multiples of €100.
- 6.16.3** All transfers and transmissions are subject in all cases to any pledge, duly constituted, of the Bonds and to any applicable laws and regulations.
- 6.16.4** The costs and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the person to whom the transfer / transmission has been made.
- 6.16.5** The Issuer will not register the transfer or transmission of Bonds for a period of fifteen (15) days preceding the due date for any payment of interest on the Bonds or the due date for redemption.

6.17 FURTHER ISSUES

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further debentures, debenture stock, bonds, loan notes, or any other debt securities, either having the same terms and conditions as any outstanding debt securities of any series, including the Bonds, and so that such further issue shall be consolidated and form a single series with the outstanding debt securities of the relevant series, including the Bonds, or upon such terms as the Issuer may determine at the time of their issue.

6.18 MEETINGS OF BONDHOLDERS

- 6.18.1** The Issuer may, from time to time, call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which in terms of the Prospectus require the approval of a Bondholders' meeting and to affect any change to the applicable Terms and Conditions of the Bonds.
- 6.18.2** A meeting of Bondholders shall be called by the Directors by giving: (i) all Bondholders listed on the register of Bondholders as at a date being not more than thirty (30) days preceding the date scheduled for the meeting; and (ii) the Guarantor, not less than fourteen (14) days' notice in writing. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the Prospectus that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders. Following a meeting of Bondholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Bondholders and the Guarantor whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Bondholders in accordance with the provisions of this sub-section 6.18 at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.
- 6.18.3** No change or amendment to, or waiver of, any of the applicable Terms and Conditions of the Bonds may be made unless such decision is taken at a meeting of Bondholders duly convened and held for that purpose in accordance with the terms hereof.
- 6.18.4** A meeting of Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose, at least two (2) Bondholders present, in person or by proxy, representing not less than 50% in nominal value of the Bonds then outstanding, shall constitute a quorum. If a quorum is not present within thirty (30) minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Bondholders present at that meeting and to the Guarantor. The Issuer shall within two (2) days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven (7) days, and not later than fifteen (15) days, following the original meeting. At an adjourned meeting the number of Bondholders present at the commencement of the meeting, in person or by proxy, shall constitute a quorum; and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at and decided upon during, the adjourned meeting.



- 6.18.5** Any person who in accordance with the Memorandum and Articles of Association of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of Bondholders.
- 6.18.6** Once a quorum is declared present by the chairperson of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting the Directors or their representative shall present to the Bondholders and the Guarantor 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.
- 6.18.7** The voting process shall be managed by the Issuer's company secretary under the supervision and scrutiny of the auditors of the Issuer.
- 6.18.8** The proposal placed before a meeting of Bondholders shall only be considered approved if at least sixty per cent (60%) in nominal value of the Bondholders present at the meeting, or at any adjourned meeting, as the case may be, at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.

In terms of the Guarantee, the Guarantor has the power to veto a decision by the Bondholders, taken at a Bondholders' meeting duly convened and held, to amend or waive the Terms and Conditions of the Bonds which are issued with the benefit of its Guarantee, in cases in which such amendment or waiver may give rise to changes in: (i) the amount payable by the Guarantor under the Guarantee; (ii) the term and/or frequency of such payments; (iii) the Events of Default listed in sub-section 6.15 of this Securities Note; and/or (iv) any other term which may otherwise increase the exposure of the Guarantor to the enforcement of the Guarantee. In the event that the Guarantor were to exercise such right of veto, the proposed amendment to, or waiver of, the Terms and Conditions would not be put into effect.

- 6.18.9** Save for the above, the rules generally applicable to proceedings at general meetings of shareholders of the Issuer shall *mutatis mutandis* apply to meetings of Bondholders.

6.19 AUTHORISATIONS AND APPROVALS

The Directors of the Issuer authorised the Bond Issue and the publication of the Prospectus pursuant to a Board of Directors' resolution passed on 24 April 2023. The Guarantee being given by the Guarantor in respect of the Bonds has been authorised by a resolution of the board of directors of the Guarantor dated 3 April 2023.

6.20 ADMISSION TO TRADING

- 6.20.1** The Malta Financial Services Authority has authorised the Bonds as admissible to listing pursuant to the Capital Markets Rules by virtue of a letter dated 1 June 2023.
- 6.20.2** Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on its Official List.
- 6.20.3** The Bonds are expected to be admitted to the Official List with effect from 28 July 2023 and trading is expected to commence on 31 July 2023. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

6.21 REPRESENTATIONS AND WARRANTIES

- 6.21.1** The Issuer represents and warrants to Bondholders, who shall be entitled to rely on such representations and warranties, that:
- i. it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business as it is now being conducted and to hold its property and other assets under legal title; and
 - ii. it has the power to execute, deliver and perform its obligations under the Prospectus and that all necessary corporate, shareholder and other actions have been duly taken to authorise the execution, delivery and performance of the same, and further that no limitation on its power to borrow or guarantee shall be exceeded as a result of the Terms and Conditions of the Prospectus.
- 6.21.2** To the best of the Directors' knowledge, the Prospectus contains all relevant material information with respect to the Issuer, the Guarantor and the Bonds and all information contained in the Prospectus is in every material respect true and accurate and not misleading, and there are no other facts in relation to the Issuer and/or the Guarantor, their respective businesses and financial position, the omission of which would, in the context of issue of the Bonds, make any statement in the Prospectus misleading or inaccurate in any material respect.

6.22 BONDS HELD JOINTLY

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



6.23 BONDS HELD SUBJECT TO USUFRUCT

In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed *vis-a-vis* the Issuer to be the holder of the Bonds so held and shall have the right to receive interest on the Bonds and to vote at meetings of the Bondholders but shall not, during the existence of the Bonds, have the right to dispose of the Bonds so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Bonds, which shall be due to the bare owner.

6.24 GOVERNING LAW AND JURISDICTION

6.24.1 The Bonds are governed by and shall be construed in accordance with Maltese law.

6.24.2 Any legal action, suit or proceedings against the Issuer and/or the Guarantor arising out of or in connection with the Bonds and/or the Prospectus shall be brought exclusively before the Maltese courts.

6.25 NOTICES

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

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 the acquisition, holding and disposal of Bonds, as well as any interest payments made by the Issuer. The following is a summary of the anticipated tax treatment applicable to the Bonds and to Bondholders in so far as taxation in Malta is concerned. This information, that does not constitute legal or tax advice and does not purport to be exhaustive, refers only to Bondholders who do not deal in securities in the course of their normal trading activity.

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

This information is being given solely for the general information of investors who do not deal in the acquisition and disposal of securities in the course of their normal trading activities. The precise implications for investors will depend, among other things, on their particular circumstances and on the classification of the Bonds from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

7.2 MALTA TAX ON INTEREST

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

This withholding tax is considered as a final tax and a Maltese resident individual Bondholder is not obliged to declare the interest so received in his/her income tax return, to the extent that the interest is paid net of tax. No person, whether corporate or non-corporate, shall be charged to further tax in Malta in respect of such income and the tax deducted shall not be available as a credit against the recipient's tax liability or available as a refund, as the case may be.

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

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

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



7.3 EXCHANGE OF INFORMATION

In terms of applicable Maltese legislation, the Issuer and/or its agent are required to collect and forward certain information, including, but not limited to, information regarding payments made to Bondholders, to the Maltese 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. Please note that this does not constitute tax advice and Applicants are to consult their own tax advisors in case of doubt.

7.4 MALTESE 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 income tax on capital gains should be chargeable in respect of a transfer of the Bonds.

7.5 DUTY ON DOCUMENTS AND TRANSFERS

In terms of the Duty on Documents and Transfers Act (Chapter 364 of the laws of Malta), duty is chargeable *inter alia* on the transfer or transmission *causa mortis* of marketable securities. A marketable security is defined in the said legislation as “a holding of share capital in any company and any document representing the same”.

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

Furthermore, even if the Bonds are considered to be marketable securities for the purposes of the Duty on Documents and Transfers Act, in terms of article 50 of the Financial Markets Act (Chapter 345 of the laws of Malta), in view of the fact that the Bonds constitute financial instruments of a company quoted on a regulated market exchange, as is the Official List, redemptions and transfers of the Bonds should in any case be exempt from Maltese duty.

8. TERMS AND CONDITIONS OF THE BOND ISSUE

- 8.1 The following Terms and Conditions shall be read in conjunction with all the other terms and conditions relative to and regulating the contractual relationship created between the Issuer and the Guarantor on the one hand and the Bondholders on the other.
- 8.2 The issue and allotment of the Bonds is conditional upon the Bonds being admitted to trading on the Official List. In the event that the Bonds are not admitted to the Official List, no Maturing Bond Transfers (see section 6.2.1 above) shall take effect and any application monies received by the Issuer from all Applicants will be returned without interest by direct credit into the Applicant’s bank account indicated by the Applicant/Authorised Intermediary on the relative Application Form/subscription agreement.
- 8.3 In view of the fact that the proceeds of the Bond Issue are intended to be applied to the redemption of the outstanding amount of the Maturing Bonds, the Issuer has not established an aggregate minimum subscription level for the Bond Issue.
- 8.4 Application for the Bonds may be lodged with any Authorised Intermediary (which include the Sponsor and the Registrar & Manager) by not later than 12:00 hours (CET) on 7 July 2023. Applications must be accompanied by the full price of the Bonds applied for, in Euro through a method of payment as accepted by the respective Authorised Intermediary. In any case, acceptance of payment shall be made at the Authorised Intermediary’s sole and absolute discretion and may be on the basis that the Applicant indemnifies the Authorised Intermediary against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant’s remittance to be honoured on first presentation, and that, at any time prior to unconditional acceptance by the Authorised Intermediary of such late payment in respect of such Bonds, the Authorised Intermediary may, without prejudice to other rights, treat the agreement to allocate such Bonds as void, in which case the Applicant will not be entitled to any refund or payment in respect of such Bonds (other than return of such late payment).
- 8.5 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.
- 8.6 The contract created by the Issuer’s acceptance of an Application filed by a prospective bondholder shall be subject to all the Terms and Conditions set out in this Securities Note.
- 8.7 If an Application Form is signed on behalf of another party or on behalf of a corporation or corporate entity or association of persons, the person signing will be deemed to have duly bound his/her principal, or the relative corporation, corporate entity, or association of persons, and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions on their behalf. Such representative may be requested to submit the relative power of attorney/resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Issuer acting through the Registrar, but it shall not be the duty or responsibility of the Registrar or the Issuer to ascertain that such representative is duly authorised to appear on the Application Form and bind the Applicant.
- 8.8 Applications in the name of a corporation or corporate entity or association of persons need to include a valid Legal Entity Identifier (“LEI”) which needs to be unexpired in the space provided on the Application Form. Failure to include a valid LEI code will result in the Application being cancelled by the Issuer, acting through the Registrar, and subscription monies will be returned to the Applicant in accordance with the terms set out herein.



- 8.9** In the event that an Applicant fails to submit full information and/or documentation required with respect to an Application, the Applicant shall receive a full refund, without interest, by direct credit transfer to such account indicated in the Application Form at any time before the Bonds are admitted to listing on the Official List. Neither the Issuer nor the Registrar shall be responsible for any loss or delay arising in connection with such credit transfer or charges in connection therewith.
- 8.10** In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each of the joint Applicants, and liability therefor is joint and several.
- 8.11** Applications in the name and for the benefit of minors shall be allowed provided that the Applicant already holds an account with the MSE. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.
- 8.12** 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.
- 8.13** No person receiving a copy of the Prospectus or an Application Form in any territory other than Malta may treat the same as constituting an invitation or offer to such person, nor should such person in any event use such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or such Application Form could lawfully be used without contravention of any regulation or other legal requirements. Having considered the circumstances, the Issuer has formed the view - due to the onerous requirements involved in the registration of the Prospectus in any territory other than Malta and/or compliance with the relevant legal or regulatory requirements - not to send Application Forms to Maturing Bondholders and Existing MIH Bondholders having their address as included in the register of bondholders outside Malta, except where, *inter alia*, in the absolute discretion of the Issuer, it is satisfied that such action would not result in a contravention of any applicable legal or regulatory requirement in the relevant jurisdiction.
- 8.14** It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself/herself/itself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- 8.15** Subject to all other Terms and Conditions set out in the Prospectus, the Issuer reserves the right to reject, in whole or in part, or to scale down, any Application, and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application which in the opinion of the Issuer, acting through the Registrar, is not properly completed in all respects in accordance with the relative instructions or is not accompanied by the required documents.
- 8.16** Save where the context requires otherwise or where otherwise defined therein, terms defined in the Prospectus bear the same meaning when used in these Terms and Conditions, in the Application Forms, in any of the annexes and in any other document issued pursuant to the Prospectus.
- 8.17** The Issuer has not sought assessment of the Bonds by an independent credit rating agency.
- 8.18** Subject to all other Terms and Conditions set out in the Prospectus, the Issuer reserves the right to revoke the Bond Issue at any time before the closing of the Issue Period and/or the Intermediaries' Offer, if it takes place. The circumstances in which such revocation might occur are expected to be exceptional, for example where a significant change in market conditions occurs.
- 8.19** The Bonds will be issued in multiples of €100. The minimum subscription amount of Bonds that can be subscribed for by all Applicants is €2,000.
- 8.20** For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Subsidiary Legislation 373.01), as may be amended from time to time, all appointed Authorised Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in articles 1.2(d) and 2.4 of the "Members' Code of Conduct" appended as Appendix 3.6 to Chapter 3 of the MSE Bye-Laws, irrespective of whether the said appointed Authorised Intermediaries are Malta Stock Exchange members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the General Data Protection Regulation (EU) 2016/679 (GDPR) and the Data Protection Act (Chapter 586 of the laws of Malta) for the purposes and within the terms of the Malta Stock Exchange Data Protection Policy as published from time to time.
- 8.21** It shall be incumbent on the respective Authorised Intermediaries to ascertain that all other applicable regulatory requirements relating to subscription of Bonds by an Applicant are complied with, including without limitation the obligation to comply with all applicable MiFIR requirements as well as applicable MFSA Rules for investment services providers, all applicable Anti-Money Laundering and Counter Terrorist Financing rules and regulations, as well as the applicable MFSA Conduct of Business Rules.
- 8.22** By completing and delivering an Application Form, the Applicant:
- i. agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the Guarantor and the issue of the Bonds contained therein;
 - ii. warrants that the information submitted by the Applicant in the Application Form is true and correct in all respects. All Applications need to include a valid MSE account number in the name of the Applicant/s. Failure to include an MSE account number will result in the Application being cancelled by the Issuer (acting through the Registrar) and subscription monies will be returned to the Applicant. In the event of a discrepancy between the personal details (including name and surname and the Applicant's address) appearing on the Application Form and those held by the MSE in relation to the MSE account number indicated on the Application Form, the details held by the MSE shall be deemed to be the correct details of the Applicant;



- iii. authorises the Registrar and the MSE to include his/her/its name or, in the case of joint Applications the first named Applicant, in the register of securities of the Issuer in respect of the Bonds allocated to such Applicant and further authorises the Issuer, the Registrar, the respective Authorised Intermediary and the MSE to process the personal data that the Applicant provides in the Application Form, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the General Data Protection Regulation (EU) 2016/679 (GDPR) and the Data Protection Act (Chapter 586 of the laws of Malta). The Applicant has the right to request access to and rectification of the personal data relating to him/her/it as processed by the Issuer and/or the MSE. Any such requests must be made in writing and sent to the CSD. The requests must be signed by the Applicant to whom the personal data relates;
- iv. confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer, the Guarantor or the issue of the Bonds other than what is contained in the Prospectus and, accordingly, agree/s that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;
- v. agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her/its remittance or surrender of the Maturing Bonds, as the case may be, and any verification of identity as required by the Prevention of Money Laundering Act (Chapter 373 of the laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
- vi. agrees to provide the Issuer acting through the Registrar, with any information which it/they may request in connection with the Application;
- vii. warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his/her/its Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bonds or his/her/its Application;
- viii. warrants that all applicable exchange control or other regulations, including those relating to external transactions, have been duly and fully complied with;
- ix. represents that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) and that he/she/it is not accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
- x. agrees that unless such Application is made with M.Z. Investment Services Limited as an Authorised Intermediary, M.Z. Investment Services Limited will not, in its capacity of Sponsor, treat the Applicant as its customer by virtue of such Applicant making an Application for the Bonds, and that M.Z. Investment Services Limited will owe the Applicant no duties or responsibilities concerning the price of the Bonds or their appropriateness and suitability for the Applicant;
- xi. agrees that all documents in connection with the issue of the Bonds and any returned monies, including refunds of unapplied Application monies, if any, will be sent at the Applicant's own risk and may be sent, in the case of documents, by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as set out in the Application Form and in the case of monies by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form;
- xii. 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;
- xiii. irrevocably offers to purchase the number of Bonds specified in his/her/its Application Form, or any smaller number for which the Application is accepted, at the Bond Issue Price subject to the Prospectus and the Terms and Conditions thereof;
- xiv. warrants that his/her/its remittance will be honoured on first presentation and agrees that if such remittance is not so honoured on its first presentation, the Issuer acting through the Registrar reserves the right to invalidate the relative Application. Furthermore, the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders or to enjoy or receive any rights in respect of such Bonds, unless the Applicant makes payment in cleared funds and such consideration is accepted by the respective Authorised Intermediary. Such acceptance shall be made in the Authorised Intermediary's sole and absolute discretion and may be on the basis that the Applicant indemnifies the Authorised Intermediary against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation, and that, at any time prior to unconditional acceptance by the Authorised Intermediary of such late payment in respect of such Bonds, the Authorised Intermediary may, without prejudice to other rights, treat the agreement to allocate such Bonds as void and may allocate such Bonds to some other person, in which case the Applicant will not be entitled to any refund or payment in respect of such Bonds, other than return of such late payment;
- xv. agrees that all Applications, acceptances of applications and contracts resulting therefrom will be governed by, and construed in accordance with, Maltese law and that he/she/it submits to the exclusive jurisdiction of the Maltese Courts and agrees that nothing shall limit the right of the Issuer to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of applications and contracts in any other manner permitted by law in any court of competent jurisdiction;
- xvi. warrants that if he/she signs the Application Form on behalf of another party or on behalf of a corporation or corporate entity or association of persons, he/she has due authority to do so and such person, corporation, corporate entity or association of persons will also be bound accordingly, and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions;
- xvii. warrants that he/she is not under the age of eighteen (18) years or if he/she is lodging an Application in the name and for the benefit of a minor, warrants that he/she is the parent or legal guardian of the minor;



- xviii. confirms that, in the case of a joint Application entered into in joint names, the first named Applicant shall be deemed the holder of the Bonds; and
- xix. agrees that, in all cases, any refund of unallocated Application monies, if any, will be sent to the Applicant by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form. No interest shall be due on refunds. The Issuer shall not be responsible for any loss or delay in transmission or any charges in connection therewith.

9. ADDITIONAL INFORMATION

Save for the Financial Analysis Summary reproduced in Annex III of this Securities Note, the Prospectus does not contain any statement or report attributed to any person as an expert. The Financial Analysis Summary dated 1 June 2023 has been included in Annex III of this Securities Note in the form and context in which it appears with the authorisation of M.Z. Investment Services Limited 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 said report herein. M.Z. Investment Services Limited does not have any beneficial interest in the Issuer or the Guarantor. The Issuer has received confirmation from M.Z. Investment Services Limited that the Financial Analysis Summary has been accurately reproduced in the Prospectus and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.



CPHCL COMPANY LIMITED - C 257
(the “Guarantor”)

To All Bondholders:

Reference is made to the issue of up to €20 million 5.85% Unsecured Bonds 2028 by Mediterranean Investments Holding plc, a company registered in Malta bearing company registration number C 37513 (the “**Issuer**”), pursuant to and subject to the Terms and Conditions contained in the Securities Note forming part of the Prospectus dated 1 June 2023.

Now, therefore, by virtue hereof, CPHCL Company Limited (C 257) hereby stands surety jointly and severally with the Issuer and irrevocably and unconditionally guarantees the due and punctual performance of all the obligations undertaken by the Issuer under the Bonds and, without prejudice to the generality of the foregoing, undertakes to pay all amounts of principal and interest which become due and payable by the Issuer to Bondholders under the Bonds, within sixty (60) days from the date such amount falls due and remains unpaid by the Issuer.

This Guarantee shall be governed by the laws of Malta.

Signed and executed on this the 1st day of June 2023, after approval of the board of directors of CPHCL Company Limited.

Interpretation

In this Guarantee, unless the context otherwise requires:

- (a) terms and expressions defined in or construed for the purposes of the Prospectus shall have the same meanings or be construed in the same manner when used in this Guarantee, unless defined otherwise in this Guarantee;
- (b) “**Indebtedness**” means any and all monies, obligations and liabilities now or hereafter due, owing or incurred by the Issuer under the Bonds to the Bondholders, whether alone and/or with others, in terms of the Prospectus and in any and all cases whether for principal, interest, capitalised interest, charges, disbursements or otherwise and whether for actual or contingent liability; and
- (c) “**writing**” or “**in writing**” shall mean any method of visual representation and shall include e-mails and other such electronic methods.

Nature, scope and terms of the Guarantee:

1. NATURE OF THE GUARANTEE

The offering of Bonds that will be made by the Issuer pursuant to the Prospectus will be made with the benefit of the joint and several corporate Guarantee of the Guarantor, the full terms of which are set out in clause 3 below.

2. INFORMATION ABOUT THE GUARANTOR

The information about the Guarantor required pursuant to the Capital Markets Rules and the Prospectus Regulation may be found in the Registration Document forming part of the Prospectus.

3. TERMS OF THE GUARANTEE

3.1 Covenant to pay

For the purposes of the Guarantee, the Guarantor, as primary obligor, hereby jointly and severally with the Issuer irrevocably and unconditionally guarantees to each Bondholder that if for any reason the Issuer fails to pay any sum payable by it to such Bondholder pursuant to the Terms and Conditions of the Bonds detailed in the Securities Note as and when the same shall become due under any of the foregoing, the Guarantor will pay to such Bondholder on written demand the amount payable by the Issuer to such Bondholder. All demands shall be sent to the address stated below in clause 3.11 as the same may be changed by company announcement issued by the Issuer from time to time.

Such payment shall be made in the currency in force in Malta at the time the payment falls due.



All payments shall be made to Bondholders without any withholding for taxes and, in so far as this obligation exists under any law, the payment shall be grossed up by the amount of withholding, and without set-off for any amounts which may be then owing to the Guarantor by the Issuer.

This Guarantee shall apply to all Bonds issued on or about 28 July 2023 in accordance with the terms of the Securities Note.

3.2 Guarantor as joint and several surety

The Guarantor will be liable under this Guarantee as joint and several surety with the Issuer.

3.3 Maximum liability

This is a continuing Guarantee for the whole amount due or owing under the Bonds or which may hereafter at any time become due or owing under the Bonds by the Issuer, but the amount due by the Guarantor to the Bondholders under this Guarantee shall be up to and shall not be in excess of €20,000,000 (twenty million Euro), apart from interest due up to the date of payment and costs and expenses relating to the protection, preservation, collection or enforcement of the Bondholders' rights against the Issuer and/or the Guarantor, which shall be additional to the maximum sum herein stated.

3.4 Continuing and unconditional liability

The liability of the Guarantor under this Guarantee shall be continuing until such time as the Indebtedness is fully repaid and shall in no way be prejudiced or affected, nor shall it in any way be discharged or reduced, by reason of:

- a. the bankruptcy, insolvency or winding up of the Issuer; or
- b. the incapacity or disability of the Issuer; or
- c. any change in the name, style, constitution, any amalgamation or reconstruction of either the Issuer or the Guarantor; or
- d. a Bondholder conceding any time or indulgence, or compounding with, discharging, releasing or varying the liability of the Issuer or renewing, determining, reducing, varying or increasing any accommodation or transaction or otherwise dealing with the same in any manner whatsoever or concurring in, accepting or in any way varying any compromise, composition, arrangement or settlement or omitting to claim or enforce or extract payment from the Issuer; or
- e. any event, act or omission that might operate to exonerate the Guarantor without settlement in full of the Indebtedness towards the relevant Bondholder.

3.5 Indemnity

As a separate and alternative stipulation, the Guarantor unconditionally and irrevocably agrees that any Indebtedness to be payable by the Issuer but which is for any reason, whether or not now known or becoming known to the Issuer, the Guarantor or any Bondholder, not recoverable from the Guarantor, will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid by it to the Bondholder on demand. This indemnity constitutes a separate and independent obligation from the other obligations in this Guarantee and gives rise to a separate and independent cause of action.

3.6 Representations and warranties

3.6.1 The Guarantor represents and warrants:

- (i) that it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business;
- (ii) that it has power to grant this Guarantee and that this Guarantee is duly authorised and all corporate action has been taken by the Guarantor in accordance with its deed of constitution and the laws of its incorporation and regulation;
- (iii) that this Guarantee constitutes and contains valid and legally binding obligations of the Guarantor enforceable in accordance with its terms;



- (iv) that this Guarantee does not and will not constitute default with respect to or run counter to any law, by-law, articles of incorporation, statute, rule, regulation, judgement, decree or permit to which the Guarantor is or may be subject, or any agreement or other instrument to which the Guarantor is a party or is subject or by which it or any of its property is bound;
- (v) that this Guarantee shall not result in or cause the creation or imposition of, or oblige the Guarantor to create, any encumbrance on the Guarantor's undertakings, assets, rights or revenues;
- (vi) that it is in no way engaged in any litigation, arbitration or administrative proceeding of a material nature (which for the purposes of this Guarantee shall mean proceedings relative to a claim amounting to at least €3,000,000) and nor is it threatened with any such procedures;
- (vii) that the obligations of the Guarantor under this Guarantee constitute general, direct and unsecured obligations of the Guarantor and rank equally with all its other existing and future unsecured obligations, except for any debts for the time being preferred by law;
- (viii) that it is not in material breach of or in default under any agreement relating to indebtedness to which it is a party or by which it may be bound, nor has any default occurred in its regard; and
- (ix) that all the information, verbal or otherwise, tendered in connection with the negotiation and preparation of this Guarantee is accurate and true and there has been no omission of any material facts.

3.6.2 As from the date of this Guarantee, until such time as the Indebtedness is paid in full to the Bondholders, and for as long as this Guarantee shall remain in force, the Guarantor shall hold true, good and valid all the representations and warranties given under this clause.

3.7 Deposit and production of the Guarantee

The original instrument creating this Guarantee shall be deposited with and be held by the Issuer at its registered address for the benefit of the Bondholders until all obligations of the Guarantor have been discharged in full, and until such time the Guarantor acknowledges the right of every Bondholder to obtain a copy of the instrument creating the Guarantee.

3.8 Subrogation

Until all amounts which may be payable under the terms of the Bonds have been irrevocably paid in full, the Guarantor shall not by virtue of this Guarantee be subrogated to any rights of any Bondholder or claim in competition with the Bondholders against the Issuer.

3.9 Benefit of the Guarantee and no assignment

This Guarantee is to be immediately binding upon the Guarantor for the benefit of the Bondholders. The Guarantor shall not be entitled to assign or transfer any of its obligations under this same Guarantee.

3.10 Amendments

The Guarantor has the power to veto any changes to the Terms and Conditions of the Bonds which are issued with the benefit of this Guarantee, limitedly in cases in which such amendments may give rise to changes in: (i) the amount payable by the Guarantor under this Guarantee; (ii) the term and/or frequency of such payments; (iii) the Events of Default listed in sub-section 6.15 of the Securities Note; and/or (iv) any other term which may otherwise increase the exposure of the Guarantor to the enforcement of this Guarantee.



3.11 Notices

For notification purposes in connection with this Guarantee, the proper address and telephone number of the Guarantor is:

CPHCL Company Limited

Address: 22, Europa Centre, Floriana FRN 1400, Malta

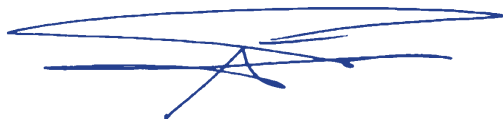
Telephone number: +356 2123 3141

Contact person: The Company Secretary

3.12 Governing law and jurisdiction

This Guarantee is governed by and shall be construed in accordance with Maltese law.

Any dispute, controversy or claim arising out of or relating to this Guarantee or as to the interpretation, validity, performance or breach thereof shall be brought exclusively before the Maltese courts.



Alfred Pisani
Director
CPHCL Company Limited
(C 257)



Joseph Pisani
Director
CPHCL Company Limited
(C 257)



ANNEX II – SPECIMEN APPLICATION FORMS



MIH P.L.C.

MEDITERRANEAN INVESTMENTS HOLDING P.L.C.
 €20,000,000 5.85% UNSECURED BONDS 2028
 GUARANTEED BY CPHCL COMPANY LIMITED
 APPLICATION FORM 'A' - MATURING BONDHOLDERS

This Application Form is not transferable and entitles you to subscribe for Mediterranean Investments Holding p.l.c. 5.85% Unsecured Bonds 2028 as a Maturing Bondholder as defined in the Prospectus dated 1 June 2023. 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. |
| DOCUMENT TYPE | COUNTRY OF ISSUE | DATE OF BIRTH | NATIONALITY |
| LEI (Legal Entity Identifier) (if applicant is NOT an Individual) | | PLEASE REGISTER ME FOR E-PORTFOLIO <input type="checkbox"/> | MOBILE NO. (mandatory for e-portfolio) |
| B 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 Maturing Bonds | | MATURED AMOUNT | BOX 1 |
| BOX 2 - Amount of Bonds applied for in addition to the nominal holding in the Maturing 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 1 June 2023 (the "Prospectus") (minimum €2,000 and in multiples of €100 thereafter). | | AMOUNT ADDED IN FIGURES | BOX 2 |
| | | € | |
| AMOUNT IN WORDS | | TOTAL AMOUNT IN FIGURES | BOX 3 |
| | | € | |
| E RESIDENT - FINAL WITHHOLDING TAX ("FWT") DECLARATION (see notes 10) (to be completed ONLY if the Applicant is a resident of Malta) | | | |
| <input type="checkbox"/> I/We elect to receive interest NET of FWT | | <input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without FWT) | |
| 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 | |
| <input type="checkbox"/> NOT resident in Malta but resident in the European Union | | <input type="checkbox"/> NOT resident in Malta and NOT resident in the European Union | |
| G INTEREST, REFUND AND REDEMPTION MANDATE (see notes 12 & 13) (completion of this panel is MANDATORY) | | | |
| BANK | IBAN | | |
| <p>I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions of the Bonds as contained therein which I/we fully accept.</p> <p>I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the Bonds in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MiFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.</p> | | | |
| Signature/s of Applicant/s | | Date | |
| <small>(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)</small> | | | |
| AUTHORISED INTERMEDIARY'S STAMP | AUTHORISED 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 1 June 2023 regulating the Bond Issue

This Application Form is not transferable and entitles you to a preferential treatment as holder of the 5.5% Mediterranean Investments Holding p.l.c. 2023 (the "Maturing Bonds") and is to be submitted as a method of payment where the Applicant selects to apply for the 5.85% Mediterranean Investments Holding p.l.c. Unsecured Bonds 2028 (the "Bonds") so as to transfer to the Issuer all or part of the holding in the Maturing 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, Maturing Bondholders shall be deemed to:

- i. cause the transfer of the said Maturing 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 Maturing 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 8 of the Securities Note dated 1 June 2023 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 Maturing Bondholders, has been preprinted in Panel A and reflects the MSE account number on the bond register of the Maturing Bonds held at the CSD as at 1 June 2023 (trading session of the 30 May 2023). 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 of minors shall be allotted Bonds in their name as Bondholders, with interest and redemption proceeds payable to the account specified in Panel G, which should be in the name of the parent/s 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. MATURING BONDHOLDERS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF. A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE, WILL HAVE TO BE EFFECTED.
 7. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "decision maker") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in Panel C.
 8. Where an MSE account number is held subject to usufruct, Panel C needs to be completed and both the bare owner/s and the usufructuary/ies are to sign this Application Form.
 9. The amount set out in Box 3 of Panel D overleaf must be for a minimum of €2,000 and in multiples of €100. Where the Applicant wishes to acquire a number of Bonds having an aggregate value which exceeds the nominal value of the number of Maturing 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 Maturing 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 Issue Period will open at 08:30 hours on 14 June 2023 and will close at 12:00 hours on 7 July 2023. Application for Bonds may be lodged with any Authorised Intermediary listed in Annex IV of the Securities Note during normal office hours. Applications remitted by post will be accepted at the respective Authorised Intermediary's discretion. 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.





**MEDITERRANEAN INVESTMENTS HOLDING P.L.C.
€20,000,000 5.85% UNSECURED BONDS 2028
GUARANTEED BY CPHCL COMPANY LIMITED
APPLICATION FORM B - EXISTING MIH BONDHOLDERS**

This Application Form is not transferable and entitles you to subscribe for Mediterranean Investments Holding p.l.c. 5.85% Unsecured Bonds 2028 as an Existing MIH Bondholder as defined in the Prospectus dated 1 June 2023. 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. |
| DOCUMENT TYPE | COUNTRY OF ISSUE | DATE OF BIRTH | NATIONALITY |
| LEI (Legal Entity Identifier) (if applicant is NOT an Individual) | | PLEASE REGISTER ME FOR E-PORTFOLIO <input type="checkbox"/> | MOBILE NO. (mandatory for e-portfolio) |
| B 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): | | | |
| AMOUNT IN FIGURES € | | AMOUNT IN WORDS | |
| Mediterranean Investments Holding p.l.c. 5.85% Unsecured Bonds 2028 (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 1 June 2023 (the "Prospectus"), payable in full upon application under the Terms and Conditions of the Bonds as set out in the Prospectus. | | | |
| E RESIDENT - FINAL WITHHOLDING TAX ("FWT") DECLARATION (see notes 10 & 11) (to be completed ONLY if the Applicant is a resident of Malta) | | | |
| <input type="checkbox"/> I/We elect to receive interest NET of FWT | | <input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without FWT) | |
| 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 | |
| <input type="checkbox"/> NOT resident in Malta but resident in the European Union | | <input type="checkbox"/> NOT resident in Malta and NOT resident in the European Union | |
| G INTEREST, REFUND AND REDEMPTION MANDATE (see notes 12 & 13) (completion of this panel is MANDATORY) | | | |
| BANK | | IBAN | |
| <p>I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions of the Bonds as contained therein which I/we fully accept.</p> <p>I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the Bonds in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MiFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.</p> | | | |
| Signature/s of Applicant/s <small>(Parents 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)</small> | | | Date |
| AUTHORISED INTERMEDIARY'S STAMP | AUTHORISED 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 1 June 2023 regulating the Bond Issue

1. This Application is governed by the Terms and Conditions of the Bond Issue contained in Section 8 of the Securities Note dated 1 June 2023 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 MIH Bondholders, has been preprinted in Panel A and reflects the MSE account number on the respective register held at the CSD as at 1 June 2023 (trading session of the 30 May 2023). 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 of minors shall be allotted Bonds in their name as Bondholders, with interest and redemption proceeds payable to the account specified in Panel G, which should be in the name of the parent/s 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 MIH 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. 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 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 Issue Period will open at 08:30 hours on 14 June 2023 and will close at 12:00 hours on 7 July 2023. Application for Bonds may be lodged with any Authorised Intermediary listed in Annex IV 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.



Financial Analysis Summary

1 June 2023

ISSUER

MEDITERRANEAN INVESTMENTS HOLDING P.L.C. (C 37513)

GUARANTOR

CPHCL COMPANY LIMITED (C 257)

prepared by



MZ INVESTMENTS



M Z I N V E S T M E N T S E R V I C E S

The Directors
Mediterranean Investments Holding p.l.c.
22, Europa Centre
Floriana FRN 1400
Malta

1 June 2023

Dear Board Members,

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 (the "**Analysis**") set out in the following pages and which is being forwarded to you together with this letter.

The purpose of this Analysis is that of summarising key financial data appertaining to Mediterranean Investments Holding p.l.c. (the "**Company**", "**Issuer**", "**Group**", or "**MIH**"). The data is derived from various sources, including our own computations, as follows:

- (a) Historical financial data has been extracted from the audited annual financial statements of the Issuer for the financial years ended 31 December 2020, 31 December 2021, and 31 December 2022.
- (b) The forecast data for the financial years ending 31 December 2023 and 31 December 2024 has been provided by the Issuer.
- (c) Our commentary on the financial performance, cash flows, and financial position of the Issuer is based on the explanations provided to us by the Company.
- (d) The ratios quoted in this Analysis have been computed by us applying the definitions set out in Part 5 – 'Explanatory Definitions' of this report.
- (e) Relevant financial data in respect of the companies included in Part 4 – 'Comparative Analysis' of this report has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Registrar of Companies, as well as other sources providing financial data.

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

Yours faithfully,

Evan Mohnani
Head Corporate Finance Services

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





MZ INVESTMENT SERVICES

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M Z I N V E S T M E N T S E R V I C E S

DEFINITIONS

| | |
|---------------------------------------|--|
| AHCT | Alinmaa Holding Company for Tourism & Real Estate Investments, a company registered under the laws of Libya and having its registered office at Al-Hamamat St., Al Madina Alsiahya, Tripoli, Libya. |
| AUCC | Arab Union Contracting Company, a company registered under the laws of Libya and having its registered office at Level 21, General Department, Tripoli Tower, Tower 1, Tripoli, Libya. |
| Company, Issuer, Group, or MIH | Mediterranean Investments Holding plc, a public company registered under the laws of Malta with company registration number C 37513 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta. |
| Corinthia Group or Guarantor | CPHCL (as defined below) and the companies in which CPHCL has a controlling interest. |
| CPHCL | CPHCL Company Limited (formerly Corinthia Palace Hotel Company Limited), a private limited liability company registered under the laws of Malta with company registration number C 257 and having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta. CPHCL is the parent company of the Corinthia Group and is acting as Guarantor of the Bonds in terms of the Guarantee. |
| IHI | International Hotel Investments plc, a company registered under the laws of Malta with company registration number C 26136 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta. |
| LAFICO | Libyan Foreign Investment Company, a company registered under the laws of Libya with company registration number 9481 and having its registered office at Baghdad Street, Al Dahra Area, Libya. |
| MTJSC | Medina Tower Joint Stock Company for Real Estate and Development, a joint stock investment company registered under the commercial laws of Libya in accordance with Law No. 5 (1997) as amended by Law No. 7 (2004) and Law No. 9 L(2010), having its registered office at Tripoli Tower, Suite 107, Tower 2, Level 10, Tripoli, Libya, and bearing privatisation and investment board number 343. |
| NREC | National Real Estate Company KSCP, a company registered under the laws of Kuwait with company registration number 19628 and having its registered office at P.O. Box 64585, Shuwaikh, B 70456, Kuwait. |
| PCL | Palm City Ltd, a company registered under the laws of Malta with company registration number C 34113 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta. |
| PWL | Palm Waterfront Ltd, a company registered under the laws of Malta with company registration number C 57155 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta. |





M Z I N V E S T M E N T S E R V I C E S

PART 1 – INFORMATION ABOUT THE ISSUER AND THE GUARANTOR

1. KEY ACTIVITIES

Mediterranean Investments Holding p.l.c. is principally engaged in the acquisition, development, and operation of real estate projects outside Malta, particularly in North Africa, including without limitation, residential gated villages, build-operate-transfer (“**BOT**”) projects, office and commercial buildings, retail outlets, shopping malls, housing, conference centres, and other governmental projects.

At present, MIH operates the Palm City Residences located in Janzour, Libya, through a BOT Agreement with CPHCL. In addition, the Issuer owns 25% of the share capital of MTJSC, a company incorporated to construct the Medina Tower, and is also responsible for the development of the Palm Waterfront project pursuant to a BOT Agreement with CPHCL.

2. DIRECTORS AND MANAGEMENT OF THE ISSUER

The Issuer is managed by a Board comprising seven directors who are entrusted with the overall direction and management of the Company. The Board of Directors is composed of the following individuals:

| | |
|---------------------------------|--|
| Alfred Pisani | Executive Director and Chairman |
| Ahmed B. A. A. Wahedi | Non-Executive Director and Deputy Chairman |
| Alfred Camilleri | Non-Executive Director |
| Joseph Pisani | Non-Executive Director |
| Faisal J. S. Alessa | Non-Executive Director |
| Mario P. Galea | Independent, Non-Executive Director |
| Ahmed Yousri A. Noureldin Helmy | Independent, Non-Executive Director |

The Issuer does not have any employees of its own and is reliant on the resources made available to it by CPHCL pursuant to a management and support services agreement (“**MSS Agreement**”). Through the MSS Agreement, Reuben Xuereb provides his services as Chief Executive Officer, Rachel Stilon as Chief Financial Officer, and Stephen Bajada as Company Secretary.

The MSS Agreement also ensures that at the top executive and central administrative level, the Issuer has continued and guaranteed access to the top executive staff and support personnel of the Corinthia Group, specifically but not limitedly and exclusively, support on financial matters, corporate finance, insurance matters, internal control function, in-house legal services, as well as corporate governance.

The average number of employees engaged by the Group during FY2022 was 97 (FY2021: 92), of which, 30 performed administrative duties whilst the remaining employees (totalling 67) delivered operational tasks.

3. KEY ACTIVITIES OF THE GUARANTOR

CPHCL is the parent company of the Corinthia Group and is principally engaged, directly or through subsidiaries and associated entities, in investments that are predominantly focused on the ownership, development, and operation of international mixed-use real estate that mainly comprise hotels, residences, offices, retail and commercial areas, as well as project management, event catering, and other industrial operations.





M Z INVESTMENT SERVICES

4. DIRECTORS OF THE GUARANTOR

The Guarantor is managed by a Board consisting of six directors entrusted with the overall direction and management of CPHCL, including the establishment of strategies for future development. In the execution of the strategic direction, investment, and management oversight of the Corinthia Group, the Board of Directors is assisted by the Chief Executive Officer and the Senior Management team of the operating business entities within the Corinthia Group.

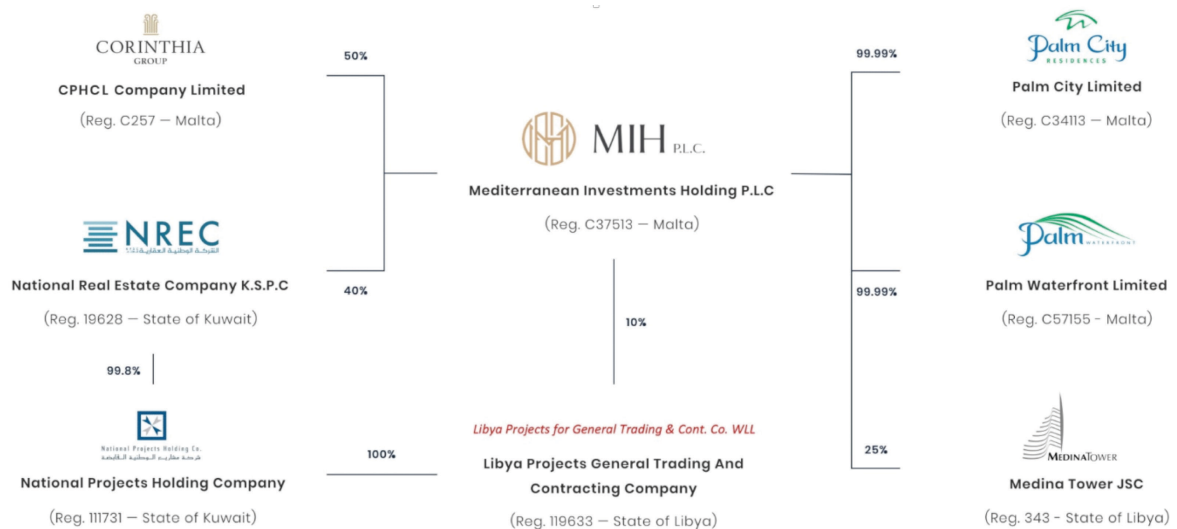
The Board of Directors of the Guarantor is composed of the following individuals:

| | |
|--------------------------|---------------------------------|
| Alfred Pisani | Executive Director and Chairman |
| Joseph Pisani | Executive Director |
| Victor Pisani | Executive Director |
| Abdulrahman A. M. Dibiba | Non-Executive Director |
| Emhemmed A.B. Ghula | Non-Executive Director |
| Khaled Amr Algonseil | Non-Executive Director |

The weekly average number of employees engaged with the companies forming part of the Corinthia Group during FY2022 amounted to 2,774 persons (FY2021: 2,293).

5. ORGANISATIONAL STRUCTURE

The organisational structure of the Group is illustrated hereunder:



CPHCL and NREC each own, directly or indirectly, 50% of the share capital of the Issuer. In terms of the Memorandum and Articles of Association of MIH, the two shareholders are entitled to appoint three Directors each, and jointly have the right to appoint the seventh Director as an independent and non-executive individual.

A description and analysis of the operational activities of the Guarantor is included in the Financial Analysis Summary relating to the Corinthia Group. This report has been published and made available on the Guarantor's website – www.cphcl.com.





MZ INVESTMENT SERVICES

6. ASSETS

Mediterranean Investments Holding p.l.c.

Major Assets

| as at 31 December | 2020 €'000 | 2021 €'000 | 2022 €'000 |
|---|----------------|----------------|----------------|
| Palm City Residences <i>(build-operate-transfer agreement expiring 2071)</i> | 272,568 | 272,568 | 272,568 |
| Palm Waterfront <i>(build-operate-transfer agreement expiring 2093)</i> | 8,898 | 8,944 | 8,976 |
| Medina Tower* <i>(25% shareholding in MTJSC)</i> | 12,186 | 8,023 | 8,084 |
| | 293,652 | 289,535 | 289,628 |

* The equity contribution that MIH has in Medina Tower is denominated in Libyan Dinars (LYD). MIH's investment in Medina Tower did not change between FY2020 and FY2022, and the differences in the value of such investment as reported above relate to foreign exchange differences (unrealised) relating to the EUR/LYD rates prevailing as at year-end.

MIH's equity investment in Medina Tower is denominated in Libyan Dinars (LYD). At the start of 2021, the value of this investment was adversely impacted by the devaluation of the Libyan Dinar which resulted in a difference on exchange loss of €6.9 million when translated into euro which is the reporting currency of MIH. This loss was partly offset by the recognition of an uplift in the fair value of Medina Tower amounting to €2.7 million arising from a revaluation of the land.

6.1 PALM CITY RESIDENCES

Palm City Limited is a wholly owned subsidiary of the Issuer and operates the Palm City Residences which is located in Janzour, Libya, and comprise a gated village of 413 units ranging from one-bedroom apartments to four-bedroom semi-detached villas. In aggregate, the site has a footprint measuring 171,000 sqm (out of which the built-up area is 141,000 sqm) and a shorefront of *circa* 1.3 km. The Complex offers a host of amenities and leisure facilities including a piazza, a supermarket, a variety of retail shops, a laundry, a health clinic, and several catering outlets and cafeterias. The development also features numerous indoor and outdoor sports facilities, including a fully equipped gym, a squash court, tennis courts, an indoor pool, water sports facilities, and an outdoor swimming pool.

CPHCL holds legal title to the land on which the Palm City Residences is constructed by virtue of a 99-year lease agreement dated 5 July 2006. Pursuant to a BOT Agreement entered into by and between CPHCL and PCL, PCL was engaged by CPHCL to undertake the construction and operations of the Complex. Under the BOT Agreement, PCL will operate the residences at its own risk and for its own benefit until 2071. Upon expiry of this agreement, PCL will be required to transfer the operations back to CPHCL for the remaining useful life of the lease until 2105. Notwithstanding, PCL and CPHCL have applied to the competent authority in Libya, the Libyan Investment Board, for approval of the assignment of the 99-year lease, which expires on 4 July 2105, from CPHCL to PCL. Both parties have agreed that once approval is granted, the BOT Agreement will be terminated.





M Z I N V E S T M E N T S E R V I C E S

The following table provides an analysis of the revenues generated by the Palm City Residences for the three financial years up to 31 December 2022:

| Palm City Residences | | | |
|--|---------------|---------------|---------------|
| Revenue | | | |
| for the financial year 31 December | 2020 | 2021 | 2022 |
| | €'000 | €'000 | €'000 |
| Income from residential leases | 22,988 | 21,416 | 22,782 |
| Income from commercial leases | 871 | 969 | 992 |
| Income from food & beverage operations | 914 | 469 | 435 |
| Other income | 822 | 1,124 | 787 |
| | 25,595 | 23,978 | 24,996 |
| Average occupancy (%) | 51.7 | 51.7 | 51.6 |
| Average rental rate per residential unit per month (€) | 8,993 | 8,365 | 8,907 |

During the period under review, Palm City Residences remained the only operational asset of the Group. Although Libya continued to be mired in conflict, the financial performance of MIH between FY2020 and FY2022 was stable and profitable. Indeed, total revenues stayed close to the €25 million level whilst average occupancy was virtually unchanged at just under 52%. Furthermore, following the 7% drop in the average rental rate per residential unit to €8,365 per month in FY2021 (reflecting the devaluation of the Libyan Dinar which had a negative impact on revenues from leases contracted in the Libyan Dinar), the monthly rate per unit charged by MIH rebounded by 6.5% to €8,907 in FY2022 as the Company continued to receive enquiries for the lease of units at Palm City and also remained in touch with potential client leads.

| Palm City Residences | | | |
|---|-------------|-------------|-------------|
| Occupancy mix | | | |
| for the financial year 31 December | 2020 | 2021 | 2022 |
| | % | % | % |
| NGOs | 30 | 23 | 26 |
| Energy companies | 20 | 21 | 23 |
| Embassies | 15 | 19 | 20 |
| Government-related entities | 17 | 17 | 17 |
| Other | 18 | 20 | 14 |

The units within Palm City Residences have historically been leased to non-governmental organisations (“NGOs”), energy (oil and gas) companies, embassies, as well as government-related entities which, in aggregate, represented an average of 82% of all leased units during the period under review. Meanwhile, accommodation contracts for the long-term (from 2 to 5 years) increased considerably to 55% in FY2022 whilst short to medium-term leases represented 45% of total leases. Effectively this means that of all active contracts, 81% were for 1 year and over, thus confirming an increasingly positive medium to long-term customer outlook on their continued stay at Palm City Residences.





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Palm City Residences

Lease contract term

for the financial year 31 December

| | 2020 | 2021 | 2022 |
|--------------------------|------|------|------|
| | % | % | % |
| Short term (< 1 year) | 23 | 23 | 19 |
| Medium term (1 year) | 44 | 47 | 26 |
| Long term (2 to 5 years) | 33 | 30 | 55 |

The competitive edge that Palm City Residences has over other similar residential compounds in Libya has always been its location and high operating standards and security as although it is in proximity to Tripoli, on the other hand it is also secluded. Despite some indirect competition from smaller scale entrepreneurs, including security companies who might offer inhouse accommodation to their clients as part of a security service package, it is evident that no other similar compound offers the same level of lifestyle, top-quality service, security, and extent of facilities, both leisure and commercial, to its residents as those enjoyed at Palm City Residences.

For this reason, the Group believes that it enjoys a dominant market position and although Palm City Residences has been operating at below maximum capacity for a number of years as a result of the socio-political conflict in Libya, the Complex has remained operational at all times and in pristine condition.

6.2 PALM WATERFRONT

Palm Waterfront Ltd is a wholly owned subsidiary of MIH and is responsible for the future development and operation of the Palm Waterfront project pursuant to a BOT Agreement entered into with CPHCL in December 2013. The Palm Waterfront site is located in Shuhada Sidi Abuljalil, Janzour, Libya, adjacent to the Palm City Residences.

The site has a footprint of *circa* 64,000 sqm and the planned development will include a 150 room 4-star hotel, 332 residential units for lease or sale, 3,400 sqm of office space, 4,000 sqm of commercial and entertainment facilities, as well as a 117-berth yacht marina with facilities. The execution of this project is currently on hold.

6.3 MEDINA TOWER

In 2010, MTJSC was set up for the purpose of owning and developing the Medina Tower project. The shareholders of MTJSC are MIH, IHI, AUCC, and AHCT, with each having a 25% shareholding interest. The parcel of land over which this project will be developed measures approximately 13,000 sqm and is situated in Tripoli's main high street. The architectural concept of the project stems from a 4-storey podium that will include a mix of residential, retail, commercial and conference space. A curved tower rises from the sixth level and peaks at the fortieth level which will include a double height restaurant. The development is expected to create *circa* 199,000 sqm of total gross floor area.

The project designs of the Medina Tower are complete, and all development approvals have been obtained from relevant authorities. As to the financing of the project, the equity contribution for the first phase of this project is already fully paid up and will comprise 40% of the capital requirements of the said project. The remaining 60% of funding will be derived from a Libyan financial institution in terms of a sanction letter that has been approved and signed, but that now needs to be reactivated. The execution of this project is currently on hold.

7. COUNTRY OVERVIEW

The delay of national elections originally scheduled for December 2021, with no agreement on the new dates nor on the legal and constitutional basis for these proposed elections, has brought a return to political division in Libya. The confirmation of a new government cabinet by the eastern-based House of Representatives in February 2022 has returned Libya to a state of institutional division with two parallel government administrations in the East and West. Competition between rival governments led to the blockade and shutdowns of oil facilities and armed clashes in the capital.





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Political and security tensions could hinder the economic rebound registered in 2021. Oil production in the second quarter of 2022 averaged 0.88 million barrels per day, 33% less than during the first quarter. Soaring international oil prices improved the fiscal surplus during the first eight months of 2022 to 13% of 2021 GDP, excluding spending of the National Oil Corporation, compared to 7% during the same period in 2021. The trade balance surplus grew by 72% in nominal USD terms during the first five months of 2022 compared to the same period in 2021. Foregone oil revenues due to the blockade of oil facilities amounted to around USD4 billion. At the beginning of the third quarter of 2022, oil production resumed at 1 million barrels per day.

Political uncertainty in Libya and the ongoing war in Ukraine will likely slow down Libya's economic recovery. If the country could sustain current levels of oil production and exports, it will benefit from increasing global oil prices, translating into higher fiscal revenues and more significant inflows of hard currency. This will positively impact its growth and its fiscal and external balances. Transparent and accountable management of Libya's oil revenues and public spending will be critical to ensure that the country's wealth benefits the population. However, positive economic performances depend on the improvement of political and security conditions. Other shocks to the global economy, or shocks to global commodity prices, would adversely affect Libya's economic activity and household welfare.¹

PART 2 – PERFORMANCE REVIEW

8. FINANCIAL HIGHLIGHTS

The financial information provided hereunder is extracted from the audited annual financial statements of MIH for the financial years ended 31 December 2020, 31 December 2021, and 31 December 2022. The forecast financial information for the years ending 31 December 2023 and 31 December 2024 has been provided by the Company and relates to events which might take place in the future. Moreover, the forecast financial information is based on assumptions which the Group believes are reasonable, although outcomes may be adversely affected by unforeseen situations especially in view of the prevailing socio-political situation in Libya which is highly unstable and uncertain.

In this context, given the contractual agreements that the Group has with its tenants which in their majority are for the medium to long term, coupled with the fact that MIH's client base has significant vested interests in Libya, the Company remains confident that its business model continues to be resilient. Indeed, the relatively calm environment which prevailed in Libya in FY2021 and FY2022 resulted in a slow but steady return of interest in the leasing of units at Palm City, although the uncertainty surrounding the country's elections delayed the indicated growth that was being expected from the level of enquiries received.

| Mediterranean Investments Holding p.l.c. | | | | | |
|---|---------------|---------------|---------------|-----------------|-------------------|
| Income Statement | | | | | |
| for the financial year 31 December | 2020 | 2021 | 2022 | 2023 | 2024 |
| | Actual | Actual | Actual | Forecast | Projection |
| | €'000 | €'000 | €'000 | €'000 | €'000 |
| Revenue | 25,595 | 23,978 | 24,996 | 32,795 | 40,375 |
| Net operating expenses | (4,912) | (4,296) | (4,784) | (6,847) | (7,003) |
| Administrative & marketing expenses | (2,747) | (2,834) | (2,413) | (3,679) | (3,712) |
| EBITDA | 17,936 | 16,848 | 17,799 | 22,269 | 29,660 |
| Other income | 579 | 2,083 | - | - | - |
| Depreciation | (181) | (73) | (301) | (663) | (598) |
| Operating profit | 18,334 | 18,858 | 17,498 | 21,606 | 29,062 |
| Share of results of equity accounted investment | 3 | 2,712 | (51) | - | - |
| Net finance costs | (4,523) | (8,371) | (4,695) | (3,527) | (3,251) |
| Profit before tax | 13,814 | 13,199 | 12,752 | 18,079 | 25,811 |
| Taxation | 11,191 | (2,525) | (2,001) | (3,257) | (4,905) |
| Profit for the year | 25,005 | 10,674 | 10,751 | 14,822 | 20,906 |

¹<https://www.worldbank.org/en/country/libya/overview#1>





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| Key Financial Ratios | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--|--------|--------|--------|----------|------------|
| | Actual | Actual | Actual | Forecast | Projection |
| EBITDA margin (%) <i>(EBITDA / revenue)</i> | 70.08 | 70.27 | 71.21 | 67.90 | 73.46 |
| Operating profit margin (%) <i>(Operating profit / revenue)</i> | 71.63 | 78.65 | 70.00 | 65.88 | 71.98 |
| Net profit margin (%) <i>(Profit after tax / revenue)</i> | 97.69 | 44.52 | 43.01 | 45.20 | 51.78 |
| Return on equity (%) <i>(Profit after tax / average equity)</i> | 14.32 | 5.76 | 5.54 | 7.16 | 9.43 |
| Return on assets (%) <i>(Profit after tax / average assets)</i> | 7.79 | 3.35 | 3.49 | 4.77 | 6.57 |
| Return on invested capital (%) <i>(Operating profit / average equity and net)</i> | 7.37 | 7.44 | 6.77 | 8.34 | 11.21 |
| Interest cover (<i>times</i>) <i>(EBITDA / net finance costs)</i> | 3.97 | 2.01 | 3.79 | 6.31 | 9.12 |

Notwithstanding the adverse operating environment, MIH continued to register positive performance during the period under review. In **FY2021**, revenues and EBITDA dropped by around 6% to €24 million (FY2020: €25.6 million) and €16.9 million (FY2020: €17.9 million) respectively, largely reflecting the impact of the devaluation of the Libyan Dinar at the start of the year. In contrast, operating profit increased by 2.9% to €18.9 million (FY2020: €18.3 million) on the back of an increase in other income which related to a one-off €1.53 million reversal of over-estimated accrued interest on bank loan balances.

The Group's financial performance in FY2021 was boosted by a €2.71 million uplift in the fair value of the land earmarked for the development of the Medina Towers. On the other hand, net finance costs increased substantially to €8.37 million (FY2020: €4.52 million) reflecting a one-time loss on exchange of €3.61 million arising upon the conversion of monetary assets and liabilities denominated in Libyan Dinars to the euro currency. For this reason, the interest cover dropped to 2.01 times from 3.97 times in the previous comparable period.

Overall, the Group reported a 4.5% drop in pre-tax profit to €13.2 million from €13.8 million in the 2020 financial year. Furthermore, the profit for the year declined markedly to €10.7 million (FY2020: €25 million) reflecting the non-recurrence of a one-time tax income which was accounted for in the 2020 financial year.

In **FY2022**, revenues increased by 4.2% to just under €25 million as the Group managed to command higher average rates for the lease of its units at Palm City. Similarly, EBITDA grew by 5.6% to €17.8 million (FY2021: €16.9 million) which, in turn, translated into an EBITDA margin of 71.2% (FY2021: 70.3%).

In view of the one-time income of €1.53 million recorded in FY2021 in relation to accrued interest on bank loan balances which was not repeated in FY2022, operating profit dropped by 7.2% to €17.5 million (FY2021: €18.9 million). As a result, the operating profit margin eased to 70% from 78.7% in the previous comparable period.

MIH reported a marginal loss of €0.05 million from its investment in Medina Tower in FY2022 compared to the profit of €2.71 million recorded in the prior financial year. Conversely, net finance costs contracted to €4.7 million reflecting the non-recurrence of the material loss on exchange which was accounted for in the 2021 financial year, as well as the continued reduction in overall indebtedness. Accordingly, the interest cover rebounded to 3.79 times (FY2021: 2.01 times) which is also in line with the interest cover of 3.97 times achieved in FY2020.

After accounting for a tax charge of €2 million, MIH reported a net profit of €10.8 million (FY2021: €10.7 million) which translated into a return on equity of 5.54% (FY2021: 5.76%) and a return on assets of 3.49% (FY2021: 3.35%).

For the current financial year ending 31 December **2023**, MIH is expecting revenues to surge by 31.2% to €32.8 million on the back of the anticipated substantial rise in demand for the lease of the units within Palm City Residences which





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is estimated to lift the occupancy rate to 64.6% (FY2022: 51.6%) and the average rental rate per residential unit to €9,513 per month (FY2022: €8,907 per month). In the respect, the Issuer is currently experiencing a level of enquiries from companies, organisations, embassies, and government-related entities that have not been present in Libya for a number of years.

As a result, the Company is expecting to register a 25.1% growth in EBITDA in FY2023 to €22.3 million (FY2022: €17.8 million) which would translate into an EBITDA margin of 67.9%. Moreover, the forecasted operating profit of €21.6 million (FY2022: €17.5 million) would translate into an operating profit margin of 65.9% and a return on invested capital of 8.34% (FY2022: 6.77%).

Net finance costs are anticipated to drop by 24.9% to €3.53 million (FY2022: €4.7 million) reflecting the reduction in overall indebtedness. Coupled with the expected strong increase in EBITDA, the interest cover is estimated to strengthen to 6.31 times from 3.79 times in FY2022.

After accounting for a tax charge of €3.26 million, MIH is expecting to post a net profit of €14.8 million in FY2023 (FY2022: €10.8 million) which would translate into a return on equity of 7.16% (FY2022: 5.54%) and a return on assets of 4.77% (FY2022: 3.49%).

For **FY2024**, the Group is projecting further improvement in the occupancy rate at Palm City Residences to 77.7% as well as a stronger average rental rate per residential unit at around €9,800 per month. As a result, revenues are expected to exceed the €40 million mark (+23.1% over the forecasted figure of €32.8 million for the 2023 financial year) which would filter into an EBITDA of nearly €30 million (translating into an EBITDA margin of 73.5%) and an operating profit of just over €29 million. The latter would translate into an operating profit margin of 72% and a return on invested capital of 11.2%.

Net finance costs are anticipated to decline by 7.8% to €3.25 million reflecting the reduction in total borrowings. Coupled with the growth in EBITDA, the interest cover is projected to exceed 9 times.

After accounting for a tax charge of €4.91 million, MIH is estimating to generate a net profit of €20.9 million which would translate into a return on equity of 9.43% and a return on assets of 6.57%.

| Mediterranean Investments Holding p.l.c. | | | | | |
|--|---------------|-----------------|----------------|-----------------|-------------------|
| Cash Flow Statement | | | | | |
| for the financial year 31 December | | | | | |
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| | Actual | Actual | Actual | Forecast | Projection |
| | €'000 | €'000 | €'000 | €'000 | €'000 |
| Net cash from operating activities | 19,524 | 13,649 | 18,126 | 18,703 | 26,373 |
| Net cash used in investing activities | (200) | (85) | (183) | (829) | (159) |
| Net cash used in financing activities | (6,845) | (23,923) | (21,731) | (10,219) | (20,568) |
| Net movement in cash and cash equivalents | 12,479 | (10,359) | (3,788) | 7,655 | 5,646 |
| Cash and cash equivalents at beginning of year | 13,078 | 25,632 | 10,882 | 6,888 | 14,543 |
| Effect of foreign exchange rate changes | 75 | (4,391) | (206) | - | - |
| Cash and cash equivalents at end of year | 25,632 | 10,882 | 6,888 | 14,543 | 20,189 |

The Company generates cash flows from the lease of its Palm City Residences. In FY2021, these dropped by 30.1% (or -€5.9 million) to €13.6 million (FY2020: €19.5 million) reflecting adverse net changes in working capital. Furthermore, in view of the substantial amount of cash used for the repayment of borrowings, the Issuer ended the 2021 financial year with a cash balance of €10.9 million (after taking into account movements in foreign exchange) compared to €25.6 million as at the end of 2020.

In **FY2022**, the amount of net cash flows generated from operating activities increased by €4.48 million (or +32.8%) to €18.1 million largely on the back of the positive net changes in working capital in particular those relating to the year-on-year change in trade and other receivables. The Company used these operating cash flows to support its financing activities as MIH paid €2 million in dividends and €4.23 million in interest, and also reduced its total borrowings by €15.5 million. Overall, the Group's balance of cash and cash equivalents contracted by almost €4 million (when including the effect of foreign exchange rate changes) to €6.89 million compared to €10.9 million as at the end of 2021.





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For **FY2023**, the Group is anticipating to generate €18.7 million in net cash flows from operating activities which would be 3.2% higher than the prior year. Despite the expected significant growth in business, net cash flows from operating activities are anticipated to be adversely affected by a negative movement in working capital as well as a higher tax payment.

In relation to its financing activities, MIH is forecasting a net cash outflow of €10.2 million largely reflecting the payment of shareholders' loans, interest, as well as the settlement of previously declared but unpaid dividends. Nonetheless, the Group is still expecting to end the 2023 financial year with a much higher cash balance of €14.5 million compared to €6.89 million as at 31 December 2022. This is then projected to surge by 38.8% by the end of **FY2024** to €20.2 million reflecting the strong net cash flows of €26.4 million to be generated from operating activities which would only be partly offset by a net cash outflow of €20.7 million. The latter largely reflects the Group's intention to redeem the €11 million 6.00% unlisted unsecured notes 2023-2025, the payment of a dividend, as well as the yearly interest payment on outstanding debt.

| Mediterranean Investments Holding p.l.c. | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Statement of Financial Position | | | | | |
| as at 31 December | | | | | |
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| | Actual | Actual | Actual | Forecast | Projection |
| | €'000 | €'000 | €'000 | €'000 | €'000 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Intangible assets | 2 | 2 | 2 | 2 | 2 |
| Investment property | 272,568 | 272,568 | 272,568 | 272,693 | 272,703 |
| Property, plant and equipment | 9,528 | 9,540 | 10,426 | 10,692 | 10,421 |
| Investments accounted for using the equity method | 12,186 | 8,023 | 8,084 | 8,084 | 8,084 |
| | <u>294,284</u> | <u>290,133</u> | <u>291,080</u> | <u>291,471</u> | <u>291,210</u> |
| Current assets | | | | | |
| Inventories | 1,112 | 1,196 | 1,521 | 1,567 | 1,614 |
| Trade and other receivables | 4,780 | 7,710 | 5,921 | 7,621 | 8,427 |
| Taxation | 774 | 1,020 | 556 | - | - |
| Cash and cash equivalents | 25,700 | 10,886 | 6,892 | 14,543 | 20,190 |
| | <u>32,366</u> | <u>20,812</u> | <u>14,890</u> | <u>23,731</u> | <u>30,230</u> |
| Total assets | <u>326,650</u> | <u>310,945</u> | <u>305,970</u> | <u>315,202</u> | <u>321,440</u> |
| EQUITY | | | | | |
| Share capital | 48,002 | 48,002 | 48,002 | 48,002 | 48,002 |
| Retained earnings | 133,664 | 140,649 | 151,472 | 166,295 | 181,202 |
| | <u>181,666</u> | <u>188,651</u> | <u>199,474</u> | <u>214,297</u> | <u>229,204</u> |
| LIABILITIES | | | | | |
| Non-current liabilities | | | | | |
| Borrowings and bonds | 75,383 | 30,741 | 40,535 | 49,269 | 49,446 |
| Shareholders' loan | 5,203 | 5,203 | 5,203 | - | - |
| Other non-current liabilities | 3,374 | 4,822 | 3,541 | 4,070 | 4,894 |
| Deferred tax liability | 24,823 | 21,636 | 21,479 | 21,479 | 21,479 |
| | <u>108,783</u> | <u>62,402</u> | <u>70,758</u> | <u>74,818</u> | <u>75,820</u> |
| Current liabilities | | | | | |
| Borrowings and bonds | 12,018 | 44,934 | 19,914 | 11,000 | - |
| Trade and other payables | 14,026 | 11,958 | 12,514 | 12,241 | 12,216 |
| Dividend payable | 10,000 | 3,000 | 1,000 | - | - |
| Other current liabilities | 157 | - | 2,310 | 2,846 | 4,200 |
| | <u>36,201</u> | <u>59,892</u> | <u>35,738</u> | <u>26,087</u> | <u>16,416</u> |
| | <u>144,984</u> | <u>122,294</u> | <u>106,496</u> | <u>100,905</u> | <u>92,236</u> |
| Total equity and liabilities | <u>326,650</u> | <u>310,945</u> | <u>305,970</u> | <u>315,202</u> | <u>321,440</u> |
| <i>Total debt</i> | <i>92,604</i> | <i>80,878</i> | <i>65,652</i> | <i>60,269</i> | <i>49,446</i> |
| <i>Net debt</i> | <i>66,904</i> | <i>69,992</i> | <i>58,760</i> | <i>45,726</i> | <i>29,256</i> |
| <i>Invested capital (total equity plus net debt)</i> | <i>248,570</i> | <i>258,643</i> | <i>258,234</i> | <i>260,023</i> | <i>258,460</i> |





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| Key Financial Ratios | FY2020 Actual | FY2021 Actual | FY2022 Actual | FY2023 Forecast | FY2024 Projection |
|---|------------------|------------------|------------------|--------------------|----------------------|
| Net debt-to-EBITDA (<i>times</i>) <i>(Net debt / EBITDA)</i> | 3.73 | 4.15 | 3.30 | 2.05 | 0.99 |
| Net debt-to-equity (<i>times</i>) <i>(Net debt / total equity)</i> | 0.37 | 0.37 | 0.29 | 0.21 | 0.13 |
| Net gearing (%) <i>(Net debt / net debt and total equity)</i> | 26.92 | 27.06 | 22.75 | 17.59 | 11.32 |
| Debt-to-asset (<i>times</i>) <i>(Total debt / total assets)</i> | 0.28 | 0.26 | 0.21 | 0.19 | 0.15 |
| Leverage (<i>times</i>) <i>(Total assets / total equity)</i> | 1.80 | 1.65 | 1.53 | 1.47 | 1.40 |
| Current ratio (<i>times</i>) <i>(Current assets / current liabilities)</i> | 0.89 | 0.35 | 0.42 | 0.91 | 1.84 |

During the period under review, the Group's equity base expanded from €181.7 million as at 31 December 2020 to €199.5 million as at the end of 2022. Although total assets dropped to just under €306 million as at 31 December 2022 compared to €326.7 million as at 31 December 2020 (mostly due to the reduction in cash balances), the amount of total liabilities contracted at a faster pace to €106.5 million from €145 million as at the end of 2020.

The significant drop in total liabilities during the period under review largely took place as MIH reduced its total indebtedness by €27 million (or -29.1%) to €65.7 million as at 31 December 2022 compared to €92.6 million as at the end of 2020. As a result, the Group's debt ratios improved considerably over this period as MIH's net gearing position eased to 22.8% as at 31 December 2022 compared to 26.9% as at the end of 2020. Similarly, the Company's net debt-to-equity and debt-to-asset ratios strengthened to 0.29 times (31 December 2020: 0.37 times) and 0.21 times (31 December 2020: 0.28 times) respectively, indicating that MIH has a prudent capital structure supporting its business.

In terms of its liquidity position, the Company's current ratio dropped from 0.89 times as at 31 December 2020 to 0.35 times as at the end of 2021 before improving to 0.42 times as at 31 December 2022. In FY2021, the Company's €40 million 5% bond was classified as current liability, of which €30 million were refinanced through the issuance of new bonds whilst the remaining €10 million were redeemed upon maturity. Similarly, the Company's €20 million 5.5% bond was classified as a current liability in FY2022 in view of its redemption on 31 July 2023.

The Group's asset base is expected to grow by 5% in aggregate during **FY2023** and **FY2024** to €321.4 million as at 31 December 2024, largely due to the anticipated strong increase in cash balances. This will also have a significant impact on the Company's current ratio which is projected to increase to 1.84 times as at the end of 2024.

On the other hand, total liabilities are expected to contract by 13.4% to €92.2 million by 31 December 2024 compared to €106.5 million as at the end of 2022. This reflects the anticipated reduction in overall indebtedness by nearly 25% to €49.4 million (31 December 2022: €65.7 million) which will significantly boost all the Group's key credit metrics. Indeed, MIH is projecting a net gearing ratio of 11.3% as at the end of 2024 (which also shows the further strengthening of MIH's equity base to €229.2 million through higher levels of retained earnings) whilst the Company's net-debt-to-EBITDA multiple for FY2024 is anticipated to be less than 1 times.





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9. VARIANCE ANALYSIS

The following analysis examines the variance between the forecast financial information for the financial year ended 31 December 2022 (as provided in the Analysis dated 31 May 2022) and the audited annual financial statements for the financial year ended 31 December 2022.

| Mediterranean Investments Holding p.l.c. | | | |
|---|---------------|-----------------|-----------------|
| Income Statement | | | |
| for the financial year 31 December | | | |
| | 2022 | 2022 | Variance |
| | Actual | Forecast | |
| | €'000 | €'000 | €'000 |
| Revenue | 24,996 | 27,496 | (2,500) |
| Net operating expenses | (4,784) | (5,453) | 669 |
| Administrative & marketing expenses | (2,413) | (2,684) | 271 |
| EBITDA | 17,799 | 19,359 | (1,560) |
| Depreciation | (301) | (428) | 127 |
| Results from operating activities | 17,498 | 18,931 | (1,433) |
| Share of results of equity accounted investment | (51) | - | (51) |
| Net finance costs | (4,695) | (3,805) | (890) |
| Profit before tax | 12,752 | 15,126 | (2,374) |
| Taxation | (2,001) | (3,178) | 1,177 |
| Profit for the year | 10,751 | 11,948 | (1,197) |

The performance achieved by MIH in the 2022 financial year was below expectations as the lower level of revenues (-9.1%) and the higher amount of net finance costs (+23.4%) outweighed the lower level of operating costs, depreciation, and tax charges. As a result, the Group reported a net profit of €10.8 million compared to the forecasted figure of €11.9 million.

| Mediterranean Investments Holding p.l.c. | | | |
|--|----------------|-----------------|-----------------|
| Cash Flow Statement | | | |
| for the financial year 31 December | | | |
| | 2022 | 2022 | Variance |
| | Actual | Forecast | |
| | €'000 | €'000 | €'000 |
| Net cash from operating activities | 18,126 | 19,391 | (1,265) |
| Net cash used in investing activities | (183) | (806) | 623 |
| Net cash used in financing activities | (21,731) | (22,743) | 1,012 |
| Net movement in cash and cash equivalents | (3,788) | (4,158) | 370 |
| Cash and cash equivalents at beginning of year | 10,882 | 10,882 | - |
| Effect of foreign exchange rate changes | (206) | - | (206) |
| Cash and cash equivalents at end of year | 6,888 | 6,724 | 164 |

The actual adverse net movement in cash and cash equivalents was lower than forecasted by €0.37 million as the lower amounts of net cash used in investing and financing activities (-€1.64 million) outweighed the lower level of net cash flows generated from operating activities (-€1.27 million).





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| Mediterranean Investments Holding p.l.c. | | | |
|--|-----------------------|-----------------------|-----------------------|
| Statement of Financial Position | | | |
| for the financial year 31 December | | | |
| | 2022 | 2022 | Variance |
| | Actual | Forecast | |
| | €'000 | €'000 | €'000 |
| ASSETS | | | |
| Non-current assets | | | |
| Intangible assets | 2 | 2 | - |
| Investment property | 272,568 | 273,771 | (1,203) |
| Property, plant and equipment | 10,426 | 9,969 | 457 |
| Investments accounted for using the equity method | 8,084 | 8,023 | 61 |
| | <u>291,080</u> | <u>291,765</u> | <u>(685)</u> |
| Current assets | | | |
| Inventories | 1,521 | 1,196 | 325 |
| Trade and other receivables | 5,921 | 8,280 | (2,359) |
| Taxation | 556 | 556 | - |
| Cash and cash equivalents | 6,892 | 6,724 | 168 |
| | <u>14,890</u> | <u>16,756</u> | <u>(1,866)</u> |
| Total assets | <u>305,970</u> | <u>308,521</u> | <u>(2,551)</u> |
| EQUITY | | | |
| Share capital | 48,002 | 48,002 | - |
| Retained earnings | 151,472 | 152,482 | (1,010) |
| | <u>199,474</u> | <u>200,484</u> | <u>(1,010)</u> |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Borrowings and bonds | 40,535 | 40,439 | 96 |
| Shareholders' loan | 5,203 | 5,203 | - |
| Other non-current liabilities | 3,541 | 8,000 | (4,459) |
| Deferred tax liability | 21,479 | 21,636 | (157) |
| | <u>70,758</u> | <u>75,278</u> | <u>(4,520)</u> |
| Current liabilities | | | |
| Borrowings and bonds | 19,914 | 20,000 | (86) |
| Trade and other payables | 12,514 | 12,759 | (245) |
| Dividend payable | 1,000 | - | 1,000 |
| Other current liabilities | 2,310 | - | 2,310 |
| | <u>35,738</u> | <u>32,759</u> | <u>2,979</u> |
| | <u>106,496</u> | <u>108,037</u> | <u>(1,541)</u> |
| Total equity and liabilities | <u>305,970</u> | <u>308,521</u> | <u>(2,551)</u> |
| <i>Total debt</i> | <i>65,652</i> | <i>65,642</i> | <i>10</i> |
| <i>Net debt</i> | <i>58,760</i> | <i>58,918</i> | <i>(158)</i> |
| <i>Invested capital (total equity plus net debt)</i> | <i>258,234</i> | <i>259,402</i> | <i>(1,168)</i> |





M Z I N V E S T M E N T S E R V I C E S

The material variances between the actual and forecast statement of financial position for the 2022 financial year are as follows:

- (1) The lower amount of trade and other receivables reflects the Company's more efficient management of amounts that it is due by its tenants.
- (2) The lower amount of retained earnings reflects the lower level of profitability reported by MIH for the year.
- (3) The lower amount of 'Other liabilities' (both current and non-current) is largely due to a decrease in the provision for tax payable in Libya.
- (4) The balance of €1 million in 'Dividend payable' was not paid during the year and instead is expected to be distributed in the 2023 financial year.

PART 3 – DEBT SECURITIES IN ISSUE

Debt Securities issued by MIH

MIH has issued various listed and unlisted debt securities since its incorporation in 2005. Currently, the Company has two bonds which are listed and traded on the Official List of the Malta Stock Exchange, details of which are as follows:

| Security ISIN | Amount Outstanding | Security |
|---------------|---------------------|---|
| MT0000371295 | € 20,000,000 | 5.50% Mediterranean Investments Holding plc Unsecured Bonds 2023 |
| MT0000371303 | € 30,000,000 | 5.25% Mediterranean Investments Holding plc Unsecured Bonds 2027 |
| n/a | € 11,000,000 | 6.00% Mediterranean Investments Holding plc Unsecured Notes 2023-2025 (<i>unlisted</i>) |
| | € 61,000,000 | |

In July 2020, MIH issued €20 million 5.50% unsecured bonds which are due for repayment on 31 July 2023. The net proceeds from this bond issue were used by the Company to finance the redemption of the outstanding amount of €18.4 million 5.50% unsecured bonds 2020 which had been previously issued by MIH in July 2015.

In May 2022, MIH issued €30 million 5.25% unsecured bonds which are due for repayment on 6 July 2027. The net proceeds from this bond issue were used by the Company to finance the redemption of part of the outstanding amount of the €40 million 5.00% unsecured bonds 2022 which had been previously issued by MIH in May 2017.

In September 2020, MIH also issued €11 million 6.00% unsecured and unlisted notes which are due for repayment on 3 October 2025 subject to the Issuer's option to redeem early on any interest payment date falling in the years 2023 and 2024.

Debt Securities issued by Related Parties

Below is a list of the debt securities issued by the Group's related parties and which are also listed and traded on the Official List of the Malta Stock Exchange:

| Security ISIN | Amount Listed | Security Name |
|---------------|----------------------|--|
| MT0000101262 | € 40,000,000 | 4.25% CPHCL Finance plc Unsecured Bonds 2026 |
| MT0000111287 | € 10,000,000 | 5.80% International Hotel Investments plc Unsecured Bonds 2023 |
| MT0000481227 | € 35,000,000 | 6.00% International Hotel Investments plc Unsecured Bonds 2024 |
| MT0000111295 | € 45,000,000 | 5.75% International Hotel Investments plc Unsecured Bonds 2025 |
| MT0000111303 | € 55,000,000 | 4.00% International Hotel Investments plc Secured Bonds 2026 |
| MT0000111311 | € 60,000,000 | 4.00% International Hotel Investments plc Unsecured Bonds 2026 |
| MT0000111337 | € 80,000,000 | 3.65% International Hotel Investments plc Unsecured Bonds 2031 |
| | € 325,000,000 | |





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PART 4 – COMPARATIVE ANALYSIS

The table below provides a comparison between the Group and its bonds with other debt issuers listed on the Malta Stock Exchange and their respective debt securities. Although there are significant variances between the activities of MIH 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 serves as an indication of the financial performance and strength of the Group.

| Comparative Analysis* | Amount Issued (€'000) | Yield-to-Maturity (%) | Interest Cover (times) | Net Debt-to-EBITDA (times) | Net Gearing (%) | Debt-to-Assets (times) |
|---|--------------------------|--------------------------|---------------------------|-------------------------------|--------------------|---------------------------|
| 6.00% AX Investments plc Unsecured & Guaranteed 2024 | 40,000 | 7.21 | 1.75 | 14.74 | 30.01 | 0.28 |
| 6.00% International Hotel Investments plc Unsecured 2024 | 35,000 | 5.07 | 1.87 | 11.42 | 41.92 | 0.40 |
| 5.30% Mariner Finance plc Unsecured 2024 | 17,684 | 5.02 | 4.68 | 5.94 | 49.88 | 0.49 |
| 5.00% Hal Mann Vella Group plc Secured 2024 | 30,000 | 4.59 | 2.42 | 9.45 | 51.80 | 0.44 |
| 5.10% 1923 Investments plc Unsecured 2024 | 36,000 | 4.74 | 4.81 | 2.94 | 47.79 | 0.40 |
| 4.25% Best Deal Properties Holding plc Secured & Guaranteed 2024 | 6,465 | 2.62 | 13.29 | 4.71 | 63.61 | 0.65 |
| 5.75% International Hotel Investments plc Unsecured 2025 | 45,000 | 4.69 | 1.87 | 11.42 | 41.92 | 0.40 |
| 5.10% GPM Holdings plc Unsecured 2025 | 13,000 | 5.09 | 10.95 | 0.38 | 11.16 | 0.17 |
| 4.50% Hili Properties plc Unsecured & Guaranteed 2025 | 37,000 | 4.27 | 1.80 | 12.53 | 45.87 | 0.46 |
| 3.70% GAP Group plc Secured & Guaranteed 2023/2025 | 16,618 | 5.34 | 33.21 | 4.85 | 56.20 | 0.69 |
| 4.35% Hudson Malta plc Unsecured & Guaranteed 2026 | 12,000 | 4.35 | 6.11 | 4.89 | 71.67 | 0.57 |
| 4.25% CPHCL Finance plc Unsecured & Guaranteed 2026 | 40,000 | 4.25 | 1.66 | 12.42 | 42.46 | 0.40 |
| 4.00% International Hotel Investments plc Secured 2026 | 55,000 | 3.74 | 1.87 | 11.42 | 41.92 | 0.40 |
| 5.00% Dizz Finance plc Unsecured & Guaranteed 2026 | 8,000 | 4.99 | 0.56 | 36.59 | 79.93 | 0.59 |
| 3.75% Premier Capital plc Unsecured 2026 | 65,000 | 4.37 | 11.25 | 2.09 | 61.67 | 0.56 |
| 4.00% International Hotel Investments plc Unsecured 2026 | 60,000 | 4.45 | 1.87 | 11.42 | 41.92 | 0.40 |
| 3.25% AX Group plc Unsecured 2026 | 15,000 | 3.55 | 1.75 | 14.74 | 30.01 | 0.28 |
| 3.90% GAP Group plc Secured & Guaranteed 2024/2026 | 21,000 | 3.89 | 33.21 | 4.85 | 56.20 | 0.69 |
| 4.00% Hili Finance Company plc Unsecured & Guaranteed 2027 | 50,000 | 4.43 | 4.53 | 4.61 | 71.75 | 0.65 |
| 4.35% SD Finance plc Unsecured & Guaranteed 2027 | 65,000 | 4.35 | 4.60 | 2.66 | 27.22 | 0.27 |
| 4.00% Eden Finance plc Unsecured & Guaranteed 2027 | 40,000 | 4.39 | 4.24 | 5.37 | 25.33 | 0.23 |
| 5.25% Mediterranean Investments Holding plc Unsecured & Guaranteed 2027 | 30,000 | 5.25 | 3.79 | 3.30 | 22.75 | 0.21 |
| 4.00% Stivala Group Finance plc Secured & Guaranteed 2027 | 45,000 | 4.00 | 4.84 | 5.58 | 28.97 | 0.26 |
| 4.75% Best Deal Properties Holding Plc Secured & Guaranteed 2025/2027 | 15,000 | 4.74 | 13.29 | 4.71 | 63.61 | 0.65 |
| 4.75% Gap Group plc Secured & Guaranteed 2025/2027 | 23,000 | 4.48 | 33.21 | 4.85 | 56.20 | 0.69 |
| 3.85% Hili Finance Company plc Unsecured & Guaranteed 2028 | 40,000 | 4.73 | 4.53 | 4.61 | 71.75 | 0.65 |
| 5.85% Mediterranean Investments Holding plc Unsecured & Guaranteed 2028 | 20,000 | 5.85 | 3.79 | 3.30 | 22.75 | 0.21 |
| 3.65% Stivala Group Finance plc Secured & Guaranteed 2029 | 15,000 | 4.59 | 4.84 | 5.58 | 28.97 | 0.26 |
| 3.80% Hili Finance Company plc Unsecured & Guaranteed 2029 | 80,000 | 4.54 | 4.53 | 4.61 | 71.75 | 0.65 |
| 3.75% AX Group plc Unsecured 2029 | 10,000 | 4.14 | 1.75 | 14.74 | 30.01 | 0.28 |
| 6.25% GPH Malta Finance plc Unsecured & Guaranteed 2030 | 18,144 | 5.79 | 1.56 | 11.27 | 94.67 | 0.83 |
| 3.65% International Hotel Investments plc Unsecured 2031 | 80,000 | 4.00 | 1.87 | 11.42 | 41.92 | 0.40 |
| 3.50% AX Real Estate plc Unsecured 2032 | 40,000 | 4.21 | 2.31 | 13.83 | 42.36 | 0.41 |
| 5.00% Mariner Finance plc Unsecured 2032 | 36,930 | 5.00 | 4.68 | 5.94 | 49.88 | 0.49 |
| 4.50% The Ona plc Secured & Guaranteed 2028/2034 | 16,000 | 4.73 | 32.26 | 9.77 | 64.11 | 0.59 |

*As at 04 May 2023

Sources: Malta Stock Exchange

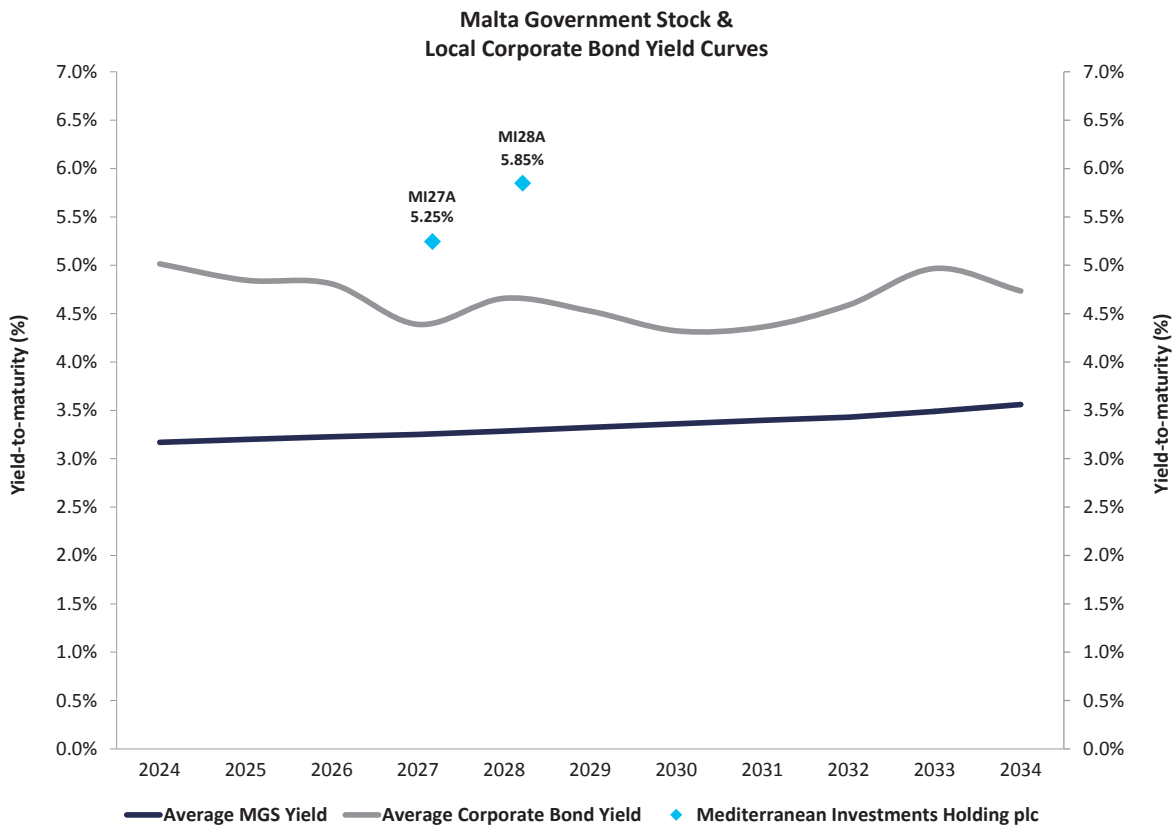
M.Z. Investment Services Limited

Most recent audited annual financial statements except for GPH Malta Finance plc (FY2022/23 - forecast).





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The MIH 5.25% 2027 bonds are currently trading at a yield-to-maturity (“YTM”) of 5.25% which is 86 basis points higher than the average YTM of other local, corporate bonds maturing in the same year. The premium over the corresponding Malta Government Stock yield of equivalent maturity is 200 basis points.

The new MIH 5.85% 2028 bonds have been priced at 119 basis points above the average YTM of other local, corporate bonds maturing in the same year. The premium over the corresponding Malta Government Stock yield of equivalent maturity is 256 basis points.





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PART 5 - EXPLANATORY DEFINITIONS

INCOME STATEMENT

| | |
|--|--|
| <i>Revenue</i> | Total income generated from business activities. |
| <i>EBITDA</i> | Earnings before interest, taxes, depreciation, and amortisation. It is a metric used for gauging a company's operating performance, excluding the impact of its capital structure, and is usually interpreted as a loose proxy for operating cash flow generation. |
| <i>Operating profit</i> | Profit from operating activities including movements in the fair value of investment property but excluding the share of results of associated undertakings, net finance costs, and taxation. |
| <i>Share of results of equity accounted investment</i> | Share of profit from the entity in which the Issuer has a minority shareholding interest (i.e. less than 50% plus one). |
| <i>Profit after tax</i> | Net profit generated from all business activities. |

KEY PERFORMANCE INDICATORS

| | |
|---|---|
| <i>Average occupancy</i> | The level of occupancy of all available units over a period of time. It is calculated by dividing the number of units leased by the total number of available units. |
| <i>Average rental rate per residential unit per month</i> | Measures the average price at which each unit is leased per month. It is calculated by dividing the income received from residential leases by the total number of available units multiplied by the average occupancy level. |

PROFITABILITY RATIOS

| | |
|-----------------------------------|---|
| <i>EBITDA margin</i> | EBITDA as a percentage of revenue. |
| <i>Operating profit margin</i> | Adjusted operating profit as a percentage of total revenue. |
| <i>Net profit margin</i> | Profit after tax as a percentage of total revenue. |
| <i>Return on equity</i> | Measures the rate of return on the company's net assets and is computed by dividing the net profit by average equity. |
| <i>Return on assets</i> | Measures the rate of return on the company's assets and is computed by dividing the net profit by average assets. |
| <i>Return on invested capital</i> | Measures the rate of return from core operations and is computed by dividing operating profit by the average amount of equity and net debt. |

CASH FLOW STATEMENT

| | |
|--|--|
| <i>Net cash flow from / (used in) operating activities</i> | The amount of cash generated (or consumed) from the normal conduct of business |
| <i>Cash flow from / (used in) investing activities</i> | The amount of cash generated (or consumed) from activities related to the acquisition, disposal, and/or development of long-term assets and other investments. |
| <i>Cash flow from / (used in) financing activities</i> | The amount of cash generated (or consumed) that have an impact on the company's capital structure and thus result in changes to share capital and borrowings.. |





M Z I N V E S T M E N T S E R V I C E S

STATEMENT OF FINANCIAL POSITION

| | |
|--------------------------------|---|
| <i>Non-current assets</i> | These represent long-term investments which full value will not be realised within the next twelve months. Such assets, which typically include property, plant, equipment, and investment property, are capitalised rather than expensed, meaning that a company amortises 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 acquired. |
| <i>Current assets</i> | All assets which could be realisable within a twelve-month period from the balance sheet date. Such amounts may include development stock, accounts receivable, cash and bank balances. |
| <i>Non-current liabilities</i> | These represent long-term financial obligations which are not due within the next twelve months, and typically include long-term borrowings and debt securities. |
| <i>Current liabilities</i> | Liabilities which fall due within the next twelve months from the balance sheet date, and typically include accounts payable and short-term debt. |
| <i>Total equity</i> | Represents the residual value of the business (assets minus liabilities) and typically includes the share capital, reserves, as well as retained earnings. |

FINANCIAL STRENGTH/CREDIT RATIOS

| | |
|---------------------------|--|
| <i>Interest cover</i> | Measures the extent of how many times a company can pay its net finance costs from EBITDA. |
| <i>Net debt-to-EBITDA</i> | Measures how many years it will take a company to pay off its net interest-bearing liabilities (including lease liabilities) from its EBITDA generation capabilities, assuming that net debt and EBITDA are held constant. |
| <i>Net debt-to-equity</i> | Shows the proportion of net debt (including lease liabilities) to the amount of equity. |
| <i>Net gearing</i> | Shows the proportion of equity and net debt used to finance a company's business and is calculated by dividing a company's net debt by net debt plus equity. |
| <i>Debt-to-asset</i> | Shows the degree to which a company's assets are funded by debt and is calculated by dividing all interest-bearing liabilities by total assets. |
| <i>Leverage</i> | Shows how much equity a company is using to finance its assets. |
| <i>Current ratio</i> | Measures whether or not a company has enough resources to pay its short-term liabilities from its short-term assets. |



ANNEX IV – AUTHORISED INTERMEDIARIES

| NAME | ADDRESS | TELEPHONE |
|---|---|-----------|
| APS Bank p.l.c. | APS Centre, Tower Street, Birkirkara BKR 4012 | 2560 3000 |
| Bank of Valletta p.l.c. | Premium Banking Centre, 475, Triq il-Kbira San Guzepp, St Venera SVR 1011 | 2275 1732 |
| Calamatta Cuschieri Investment Services Ltd | Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034 | 2568 8688 |
| CiliaFormosa Financial Advisors Ltd | Triq id-Delu, Mosta MST 3355 | 2226 0220 |
| Curmi & Partners Ltd | Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102 | 2134 7331 |
| FINCO Treasury Management Ltd | The Bastions, Office No 2, Emvin Cremona Street, Floriana FRN 1281 | 2122 0002 |
| GlobalCapital Financial Management Ltd | LifeStar Building, Testaferrata Street, Ta' Xbiex XBX 1403 | 2134 2342 |
| Hogg Capital Investments Ltd | NuBis Centre, Mosta Road, Lija LJA 9012 | 2132 2872 |
| Jesmond Mizzi Financial Advisors Ltd | 67 Level 3, South Street, Valletta VLT 1105 | 2122 4410 |
| Lombard Bank Malta p.l.c. | 67, Republic Street, Valletta VLT 1117 | 2558 1112 |
| Medirect Bank (Malta) plc | The Centre, Tigne' Point, Sliema TPO 0001 | 2557 4400 |
| Michael Grech Financial Investment Services Ltd | The Brokerage, Level 0 A, St Marta Street, Victoria, Gozo VCT 2551 | 2258 7000 |
| MZ Investment Services Ltd | 61, St Rita Street, Rabat RBT 1523 | 2145 3739 |
| Rizzo, Farrugia & Co (Stockbrokers) Ltd | Airways House, Fourth Floor, High Street, Sliema SLM 1551 | 2258 3000 |
| Timberland Invest Ltd | Aragon House, Business Centre, Dragonara Road, St Julians STJ 3140 | 2090 8100 |

