

Securities Note

Dated 9 November 2022

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

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



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

ISIN: MT0000311259

Sponsor



Registrar & Manager



Legal Counsel



Security Trustee



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

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

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

Approved by the Directors

A handwritten signature in black ink, appearing to read "Anthony S. Diacono".

Mr Anthony S. Diacono

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

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1.0 Important Information

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

THIS SECURITIES NOTE SETS OUT THE CONTRACTUAL TERMS UNDER WHICH THE BONDS ARE ISSUED BY THE ISSUER AND ACQUIRED BY A BONDHOLDER, WHICH TERMS SHALL REMAIN BINDING UNTIL THE REDEMPTION DATE OF THE BONDS, UNLESS THEY ARE OTHERWISE CHANGED IN ACCORDANCE WITH SUB-SECTION 9.18 OF THIS SECURITIES NOTE.

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

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

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

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

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

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

SAVE FOR THE PUBLIC OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE SECURITIES DESCRIBED IN THIS SECURITIES NOTE OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) THE BONDS CAN ONLY BE OFFERED TO "QUALIFIED INVESTORS" (AS DEFINED IN THE PROSPECTUS REGULATION), AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS REGULATION.

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

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

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

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

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

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

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

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

2.0 Definitions

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

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

Applicant/s	any person or persons, natural or legal, who subscribe 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 in accordance with the terms of this Securities Note;
Application Form/s	the form of application for subscription of Bonds, specimen of which is contained in Annex 1 of this Securities Note;
Authorised Intermediaries	the licensed financial intermediaries whose details are listed in Annex 3 of this Securities Note;
Bond Issue Price	the price of €100 per Bond, being the nominal value per Bond;
Bonds	the €13,000,000 secured bonds due 2029 of a nominal value of €100 per bond payable in full upon subscription and redeemable at their Redemption Value on the Redemption Date, bearing interest at the rate of 5% <i>per annum</i> ;
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;
Callable Bond Security	the security granted in favour of the Callable Bondholders over the Medserv Site to secure the performance of the Issuer's obligations under the Callable Bonds;
Callable Bond Transfer	the subscription for Bonds by a Callable Bondholder settled, after submitting the pre-printed Application Form (received by mail directly from the Issuer), by the transfer to the Issuer of all or part of the Callable Bonds held by such Callable Bondholder as at the Cut-Off Date;
Callable Bondholders	holders of the Callable Bonds (as defined immediately below) appearing on the applicable register held at the CSD as at the Cut-Off Date;
Callable Bonds	the €13,000,600 6% secured bonds issued pursuant to the base prospectus dated 12 August 2013 to be redeemed early pursuant to an early redemption option to be announced by the Issuer between the date of issuance of this Prospectus and the issuance of the Bonds;
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 (Cap 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 9 November 2022 (corresponding to the last trading session of the Malta Stock Exchange on the 7 November 2022);
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	20 December of each year between and including each of the years 2023 and the year 2029, provided that if any such day is not a Business Day, such Interest Payment Date will be carried over to the next following day that is a Business Day;
Intermediaries' Offer	an offer for subscription of any remaining Bonds not subscribed for by Callable Bondholders made by the Issuer to the Authorised Intermediaries through subscription agreements as further detailed in sub-section 9.3 of this Securities Note;
Issue Date	on or around the 20 December 2022;
Issue Period	the period between 08:30 hours CET on 21 November 2022 and 12:00 hours CET on 2 December 2022 during which the Bonds are available for subscription by Callable Bondholders;
MiFIR	Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments;
Redemption Date	20 December 2029;
Redemption Value	the nominal value of each Bond, that is, €100 per Bond;
Secured Creditors	the creditors set out in section 9.7 of this Securities Note having prior ranking security comprising special privileges, general hypothecs and/or special hypothecs over the Medserv Site;
Securities Note	this document in its entirety;
Security	the general hypothec and the special hypothec granted by MedOps over its emphyteutical rights over the Medserv Site as security for the punctual performance of the Issuer's payment obligations under the Bonds, subject to the terms and conditions contained in the Security Trust Deed and as the same is held on trust for the benefit of the Bondholders by the Security Trustee;

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

2.1 Unless it appears otherwise from the context:

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

3.0 Risk Factors

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

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

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

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

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

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

3.1 Forward-looking statements

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

3.2 General

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

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference to the Prospectus or any applicable supplement;
- (ii) has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency;
- (iii) understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets;

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

3.3 Risks Relating to the Bonds

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

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

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

- (h) Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. Investors should also be aware that the price of fixed rate bonds should, theoretically, move adversely to changes in interest rates. When prevailing market interest rates are rising their prices decline and, conversely, if market interest rates are declining, the prices of fixed rate bonds rise. This is called market risk since it arises only if a Bondholder decides to sell the Bonds before maturity on the secondary market.
- (i) The Bonds are being issued with a fixed coupon rate and hence have a fixed rate of return. As such, subsequent changes in market interest rates, which are affected by a number of variables including the rate of inflation, may have an impact on the market value of the Bonds which typically moves inversely to movements in interest rates. Therefore, when market interest rates rise (currently market rates are experiencing an upward trend largely fuelled by the elevated levels of inflation), the price of the Bonds tends to decline and as a result the investor might not be able to recoup all of the capital invested if the Bonds are sold before maturity. On the other hand, when market interest rates decline, the price of the Bonds tends to increase. The extent of the change in the market value of the Bonds is also dependent upon the remaining term to maturity whereby the longer the term to maturity, the higher the impact. Moreover, given that the coupon rate is fixed, as inflation rises, the real rate of return on the Bonds declines as inflation reduces the value of the remaining coupon payments. The extent of the impact on the real rate of return depends on the changes in the level of inflation (higher inflation, lower real return) as well as the remaining years to maturity whereby the longer the term to maturity, the higher the impact on real returns.
- (j) Even after the Bonds are admitted to trading on the Official List of the MSE, the Issuer is required to remain in compliance with certain requirements relating, *inter alia*, to the free transferability, clearance and settlement of the Bonds in order to remain a listed company in good standing. Moreover, the Malta Financial Services Authority has the authority to suspend trading or listing of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The Malta Financial Services Authority may discontinue the listing of the Bonds on the MSE. Any such trading suspensions or listing revocations/discontinuations could have a material adverse effect on the liquidity and value of the Bonds.
- (k) In the event that the Issuer wishes to amend any of the Terms and Conditions of the Bonds it shall call a meeting of Bondholders in accordance with the provisions of sub-section 9.18 of this Securities Note. These provisions permit defined majorities to bind all Bondholders, including Bondholders who do not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority.
- (l) A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different. Any adverse fluctuations may impair the return of investment of the Bondholder in real terms after taking into account the relevant exchange rate.
- (m) The Bonds and the Terms and Conditions of the Bond Issue are based on the requirements of the Capital Markets Rules, the Companies Act and the Prospectus Regulation in effect as at the date of the Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of the Prospectus.

4.0 Persons Responsible

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

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

5.0 Authorisation Statement

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

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

6.0 Consent

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

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

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

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

The Issuer and its advisers do not accept any responsibility for any actions of any Authorised Intermediary, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to a resale, placement or other offering of Bonds.

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

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

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

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

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

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

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

7.0 Key Information

7.1 Reasons for the Issue and Use of Proceeds

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

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

7.2 Estimated Expenses

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

7.3 Issue Statistics

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

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

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

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

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

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

7.4 Interests of Natural and Legal Persons involved in the Issue

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

8.0 Expected Timetable

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

9.0 Terms and Conditions of the Bonds

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

9.1 General

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

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

9.2 Applications by Callable Bondholders by surrendering their Callable Bonds

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

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

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

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

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

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

9.3 Intermediaries' Offer

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

9.4 Plan of distribution and allotment

- (a) The Bonds are open for subscription by:
 - (i) Callable Bondholders up to the amount of Callable Bonds held as at the Cut-Off Date and subject to any Cash Top-Up, as and if applicable;
 - (ii) Callable Bondholders in respect of any number of additional Bonds applied for other than by Callable Bond Transfer exceeding in value the aggregate nominal value of Callable Bonds held by them as at the Cut-Off Date (including Cash Top-Up, as and if applicable); and
 - (iii) Authorised Intermediaries through an Intermediaries' Offer in respect of any balance of the Bonds not subscribed to by Callable Bondholders, as aforesaid.
- (b) Applications for subscriptions to the Bonds may be made through the Authorised Intermediaries (which include the Sponsor and the Registrar & Manager) subject to a minimum Application of €2,000 and in multiples of €100 thereafter.
- (c) It is expected that an allotment letter will be issued by the Issuer to Applicants by 20 December 2022. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance or surrender of the Callable Bonds, as the case may be, and any verification of identity as required by the Prevention of Money Laundering Act (Cap 373 of the laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.
- (d) Dealings in the Bonds shall not commence prior to the Bonds being admitted to the Official List.

9.5 Allocation policy

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

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

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

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

9.6 Security

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

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

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

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

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

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

9.7 Ranking of the Bonds

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

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

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

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

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

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

9.8 Rights Attached to the Bonds

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

9.9 Interest

- (a) The Bonds shall bear interest from and including 20 December 2022 at the rate of 5% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 20 December 2023 (covering the period 20 December 2022 up to and including 19 December 2023). Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. Each Bond will cease to bear interest from and including its due date for redemption, unless payment of the principal amount in respect of the Bond is improperly withheld or refused or unless default is otherwise made in respect of payment, in any of which events interest shall continue to accrue at the rate specified above plus 1%, but in any event not in excess of the maximum rate of interest allowed by Maltese law. In terms of article 2156 of the Civil Code (Cap 16 of the laws of Malta), the right of Bondholders to bring claims for payment of interest and repayment of the principal on the Bonds is barred by the lapse of five (5) years.
- (b) When interest is required to be calculated for any period of less than a full year, it shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each, and in the case of an incomplete month, the number of days elapsed.

9.10 Yield

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

9.11 Registration Form, denomination and title

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

The CSD will issue, upon a request by a Bondholder, a statement of holdings to such Bondholder evidencing his/her/its entitlement to Bonds held in the register kept by the CSD. Upon submission of an Application Form, Bondholders who opt to subscribe for the online e-portfolio account with the CSD, by marking the appropriate box on the Application Form, will be registered by the CSD for the online e-portfolio facility and will receive by mail at their registered address a handle code to activate the new e-portfolio login. A Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept at the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further detail on the e-portfolio is found on <https://eportfolio.borzamalta.com.mt/Help>.

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

Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading '*Transferability of the Bonds*' in sub-section 6 of this Securities Note.

9.12 Pricing

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

9.13 Payments

Payment of the principal amount of a Bond will be made in Euro by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account is denominated in Euro and held with any licensed financial institution (net of bank transfer charges). Such payment shall be effected within seven (7) days of the Redemption Date. The Issuer shall not be responsible for any loss or delay in transmission or any charges in connection therewith. For as long as the Bondholder does not provide details of a Euro denominated account, the Issuer shall retain the interest payment for the benefit of the Bondholder until such time as a valid IBAN is provided by the Bondholder.

Upon payment of the Redemption Value, the Bonds shall be redeemed and the appropriate entry made in the electronic register of the Bonds at the CSD.

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

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

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

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

9.14 Redemption & Purchase

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

9.15 Events of Default

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

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

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

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

9.16 Transferability of the Bonds

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

listing on the Official List of the MSE and commence trading thereafter, subject to trading in multiples of €100.

- (b) Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may, from time to time, properly be required by the Issuer or the CSD, elect either to be registered in their name as holder of the Bond or to have some person nominated by them registered as the transferee thereof. If the person so becoming entitled shall elect to be registered, that person shall deliver or send to the CSD a signed notice in writing confirming such election. If a person elects to have another person registered, such election shall be testified by transferring the Bond, or procuring the transfer of the Bond, in favour of that person. Provided always that if a Bond is transmitted in furtherance of this paragraph, a person will not be registered as a Bondholder unless such transmission is made in multiples of €100.
- (c) All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.
- (d) The costs and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the person to whom the transfer / transmission has been made.
- (e) The Issuer will not register the transfer or transmission of Bonds for a period of 15 days preceding the due date for any payment of interest on the Bonds or the due date for redemption.

9.17 Further Issues

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

9.18 Meeting of Bondholders

- (a) The Issuer may, from time to time, call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which in terms of the Prospectus require the approval of a Bondholders' meeting and to affect any change to the applicable Terms and Conditions of the Bonds.
- (b) A meeting of Bondholders shall be called by the Directors or the Security Trustee by giving all Bondholders listed on the register of Bondholders as at a date being not more than 30 days preceding the date scheduled for the meeting, not less than 14 days' notice in writing. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the Prospectus that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders. Following a meeting of Bondholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Bondholders whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Bondholders in accordance with the provisions of this sub-section at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.
- (c) Upon request made at any time by Bondholders holding at least 10% of the outstanding value of the Bonds, the Security Trustee shall call a meeting of the Bondholders. Additionally, the Security Trustee at any time and at the cost of the Issuer prior to exercising any power or discretion under the Security Trust Deed.
- (d) No change or amendment to, or waiver of, any of the applicable Terms and Conditions of the Bonds may be made unless such decision is made at a meeting of Bondholders duly convened and held for that purpose in accordance with the terms hereof.
- (e) A meeting of Bondholders shall only validly and properly proceed to business if there is a *quorum* present at the commencement of the meeting. For this purpose, at least two (2) Bondholders present, in person or by proxy, representing not less than 50% in nominal value of the Bonds then outstanding, shall constitute a *quorum*. If

a *quorum* is not present within 30 minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Bondholders present at that meeting. The Issuer shall within two (2) days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven (7) days, and not later than 15 days, following the original meeting. At an adjourned meeting the number of Bondholders present at the commencement of the meeting, in person or by proxy, shall constitute a *quorum*; and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at and decided upon during, the adjourned meeting.

- (f) Any person who in accordance with the Memorandum and Articles of Association of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of Bondholders.
- (g) Once a *quorum* is declared present by the chairperson of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting the Directors or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a *quorum* who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.
- (h) The voting process shall be managed by the Issuer's company secretary under the supervision and scrutiny of the auditors of the Issuer.
- (i) The proposal placed before a meeting of Bondholders shall only be considered approved if at least 60% in nominal value of the Bondholders present at the meeting, or at any adjourned meeting, as the case may be, at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.
- (j) Save for the above, the rules generally applicable to proceedings at general meetings of shareholders of the Issuer shall *mutatis mutandis* apply to meetings of Bondholders.

9.19 Authorisations and Approvals

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

9.20 Admission to Trading

- (a) The Malta Financial Services Authority has authorised the Bonds as admissible to Listing pursuant to the Capital Markets Rules by virtue of a letter dated 9 November 2022.
- (b) Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on its Official List.
- (c) The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 20 December 2022 and trading is expected to commence thereafter. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

9.21 Representations and Warranties

The Issuer represents and warrants to Bondholders, who shall be entitled to rely on such representations and warranties, that:

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

9.22 Bonds Held Jointly

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

9.23 Bonds Held Subject to Usufruct

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

9.24 Governing Law and Jurisdiction

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

9.25 Notices

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

10.0 Taxation

10.1 General

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

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

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

10.2 Maltese Income Tax arising upon acquisition of Bonds

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

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

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

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

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

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

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

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

10.4 Exchange of Information

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

Relevant legislation includes, but is not limited to:

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

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

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

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

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

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

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

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

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

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

10.5 Maltese Income Tax on capital gains on transfer of the Bonds

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

10.6 Duty on documents and transfers on transfer of the Bonds

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

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

11.0 Terms and Conditions of Application For the Bonds

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

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

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

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

- (a) agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;
- (b) warrants that the information submitted by the Applicant in the Application Form is true and correct in all respects. All Applications need to include a valid MSE account number in the name of the Applicant/s. Failure to include an MSE account number will result in the Application being cancelled by the Issuer (acting through the Registrar) and subscription monies will be returned to the Applicant. In the event of a discrepancy between the personal details (including name and surname and the Applicant's address) appearing on the Application Form and those held by the MSE in relation to the MSE account number indicated on the Application Form, the details held by the MSE shall be deemed to be the correct details of the Applicant;
- (c) authorises the Registrar and the MSE to include his/her/its name or, in the case of joint Applications the first named Applicant, in the register of debentures of the Issuer in respect of the Bonds allocated to such Applicant and further authorises the Issuer, the Registrar, the respective Authorised Intermediary and the MSE to process the personal data that the Applicant provides in the Application Form, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the General Data Protection Regulation (EU) 2016/679 (GDPR) and the Data Protection Act (Cap 586 of the laws of Malta). The Applicant has the right to request access to and rectification of the personal data relating to them as processed by the Issuer and/or the MSE. Any such requests must be made in writing and sent to the CSD. The requests must further be signed by the Applicant to whom the personal data relates;
- (d) confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer or the issue of the Bonds other than what is contained in the Prospectus and, accordingly, agree/s that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;
- (e) agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her/its remittance or surrender of the Callable Bonds, as the case may be, and any verification of identity as required by the Prevention of Money Laundering Act (Cap 373 of the laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
- (f) agrees to provide the Issuer acting through the Registrar, with any information which they may request in connection with the Application;
- (g) warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with their Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bonds or his/her/ its Application;
- (h) warrants that all applicable exchange control or other regulations (including those relating to external transactions) have been duly and fully complied with;
- (i) represents that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) and that they are not accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the **"United States"**) or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
- (j) agrees that unless such Application is made with Rizzo, Farrugia & Co (Stockbrokers) Ltd as an Authorised Intermediary, Rizzo, Farrugia & Co (Stockbrokers) Ltd will not, in its capacity of Sponsor, treat the Applicant as its customer by virtue of such Applicant making an Application for the Bonds, and that Rizzo, Farrugia & Co (Stockbrokers) Ltd will owe the Applicant no duties or responsibilities concerning the price of the Bonds or their appropriateness and suitability for the Applicant;

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

12.0 Statements of Experts

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

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

Annex 1 - Specimen Application Form



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

You are invited to subscribe for MedservRegis p.l.c. 5% Secured Bonds 2029 as a Callable Bondholder as defined in the prospectus dated 9 November 2022 (the "Prospectus"). 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.
		E-MAIL ADDRESS	
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
LEI (Legal Entity Identifier) (If applicant is NOT an Individual)		PLEASE REGISTER ME FOR E-PORTFOLIO <input type="checkbox"/>	MOBILE NO. (mandatory for e-portfolio)
B 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 Callable Bonds BOX 2 - Amount of Bonds applied for in addition to the nominal holding in the Callable Bonds payable in full upon application under the Terms and Conditions of the Bonds set out in the Prospectus. BOX 3 - I/We wish to purchase and acquire the amount set out in BOX 3 in Bonds at the Bond Issue Price (at par) pursuant to the Prospectus (minimum €2,000 and in multiples of €100 thereafter).		CALLABLE BOND AMOUNT BOX 1 €	
		AMOUNT ADDED IN FIGURES BOX 2 €	
AMOUNT IN WORDS		TOTAL AMOUNT IN FIGURES BOX 3 €	
E RESIDENT - FINAL WITHHOLDING TAX ("FWT") DECLARATION (see notes 10) (to be completed ONLY if the Applicant is a resident of Malta)			
<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		
I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions of the Bonds as contained therein which I/we fully accept. I/We hereby authorise the Issuer to forward the details to the Malta Stock Exchange for the purposes of registering the Bonds in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MiFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Issuer may require additional information for Transaction Reporting purposes and agree that such information will be provided.			
Signature/s of Applicant/s		Date	
(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)			
AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE	APPLICATION NUMBER	

Notes on how to complete this Application Form and other information

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

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

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

1. This Application is governed by the Terms and Conditions of the Bond Issue contained in Section 11 of the Securities Note dated 9 November 2022 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. The Application Form is to be completed in BLOCK LETTERS. For applicants who are non-residents in Malta for tax purposes, the relative box in Panel F must be completed.

3. The MSE account number pertaining to the Callable Bondholders, has been preprinted in Panel A and reflects the MSE account number on the bond register of the Callable Bonds held at the CSD as at 9 November 2022 (trading session of the 7 November 2022). If an MSE account pertains to more than one person (including husband and wife), the full details of all individuals must be given in Panels A and B but the first named bondholder shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 6 below). Applications by more than two persons are to use the Addendum to the Application Form.

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

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

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

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

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

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

9. **The amount set out in Box 3 of Panel D overleaf must be for a minimum of €2,000 and in multiples of €100.** Where the Applicant wishes to acquire a number of Bonds having an aggregate value which exceeds the nominal value of the number of Callable Bonds set out in Box 1 of Panel D, the Applicant may do so by including such higher amount in Box 3 in Panel D. In such case, the Applicant must ensure that the relative Application Form is accompanied by payment of the difference between the full price of the amount of Bonds applied for and the nominal value of Callable Bonds being transferred as set out in Box 2.

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

In terms of Section 10.3 of the Securities Note, unless the Issuer is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act (Cap. 123 of the laws of Malta), interest shall be paid to such person net of final withholding tax, (currently 15%) of the gross amount of interest, pursuant to article 33 of the Income Tax Act (Cap. 123 of the laws of Malta).

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

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

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

13. The Issue Period will open at 08:30 hours on 21 November 2022 and will close at 12:00 hours on 2 December 2022. Application for Bonds may be lodged with any Authorised Intermediary listed in Annex 3 of the Securities Note during normal office hours. **Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists.** If any Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies equivalent to the number of Bonds not being accepted will be returned by direct credit into the IBAN specified in panel G.

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

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

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

Annex 2 - Financial Analysis Summary



Rizzo, Farrugia & Co (Stockbrokers) Ltd
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The Board of Directors
MedservRegis p.l.c.
Malta Freeport,
Port of Marsaxlokk,
Birzebbugia, BBG3011
Malta

9 November 2022

Dear Sirs,

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

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

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

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

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

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

Yours sincerely,

Vincent E Rizzo
Director



FINANCIAL ANALYSIS SUMMARY

9 November 2022

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





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LIST OF ABBREVIATIONS

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



IMPORTANT INFORMATION

PURPOSE OF THE DOCUMENT

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

SOURCES OF INFORMATION

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

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

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

PREVIOUS FAS ISSUED

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

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



1 UPDATE ON THE OIL AND GAS INDUSTRY

The global oil and gas industry has undergone significant changes in the past few years, mainly driven by a period of rebalancing in inventories, a pandemic-fuelled economic recession, and a marked shift across the globe towards the increased use of sustainable, renewable, and more environment-friendly sources of energy. In 2021, the International Energy Agency (“IEA”) published a detailed report which describes the changes in energy demand and energy mix if the world is to achieve net-zero emissions by 2050, including the eventual halt to new oil and gas exploration projects¹. The forecasted changes in demand combined with the complex and changing political situation in the Middle East and North Africa, makes the oil and gas sector an extremely challenging business for every company that is dependent on it.

The Organisation of Petroleum Exporting Countries (“OPEC”) is composed of 13 member countries, which together hold an estimated 80.4% of the world’s proven oil reserves². Along with some of their industry allies such as Russia, Azerbaijan and Oman, they are collectively referred to as OPEC+. The OPEC+ countries represent the majority of the world oil production, which was about 57% in 2016 and declined to 51% in 2020. OPEC+ market share is expected to recover to above 52% by 2026 and continue to increase thereafter as non-OPEC+ countries shift to other energy sources.

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

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

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

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

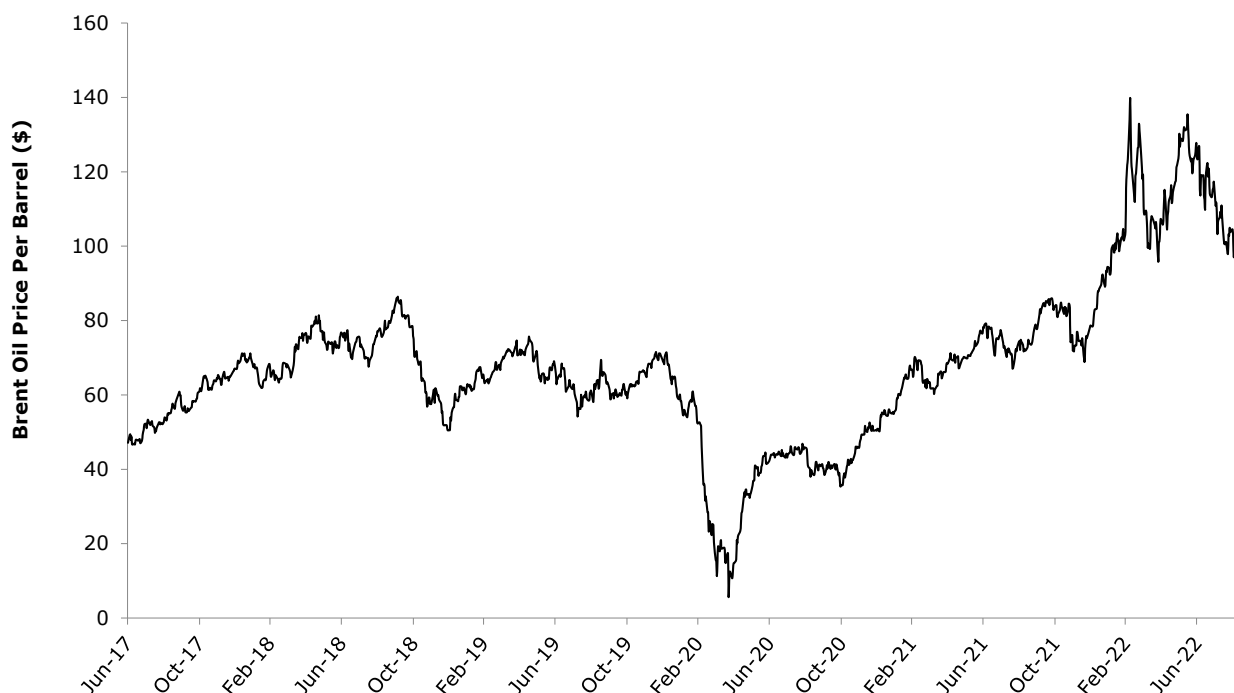
¹ IEA, *Net Zero by 2050, May 2021*

² OPEC share of world crude oil reserves, 2021: https://www.opec.org/opec_web/en/data_graphs/330.htm



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

Brent Oil Price Movements *June 2017 to September 2022*



Source: Refinitiv Eikon

2 COVID-19

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

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



3 KEY RECENT DEVELOPMENTS AND OUTLOOK FOR 2022 AND 2023

TRANSACTION WITH REGIS HOLDINGS LIMITED

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

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

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

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

MEDITERRANEAN OPERATIONS

MALTA OPERATIONS (INCLUDING LIBYA BRANCH)

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



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

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

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

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

CYPRUS OPERATIONS

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

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



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

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

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

EGYPT OPERATIONS

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

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

BP Egypt Contracts

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

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



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

MIDDLE EAST OPERATIONS

OMAN OPERATIONS

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

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

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

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

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

UNITED ARAB EMIRATES OPERATIONS

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



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

IRAQ OPERATIONS

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

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

AFRICAN OPERATIONS

ANGOLA OPERATIONS

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

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

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



MOZAMBIQUE OPERATIONS

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

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

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

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

UGANDA OPERATIONS

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

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

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

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



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

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

4 KEY CLIENTS AND CONTRACTS

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

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

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

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



5 GOVERNANCE & MANAGEMENT

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

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

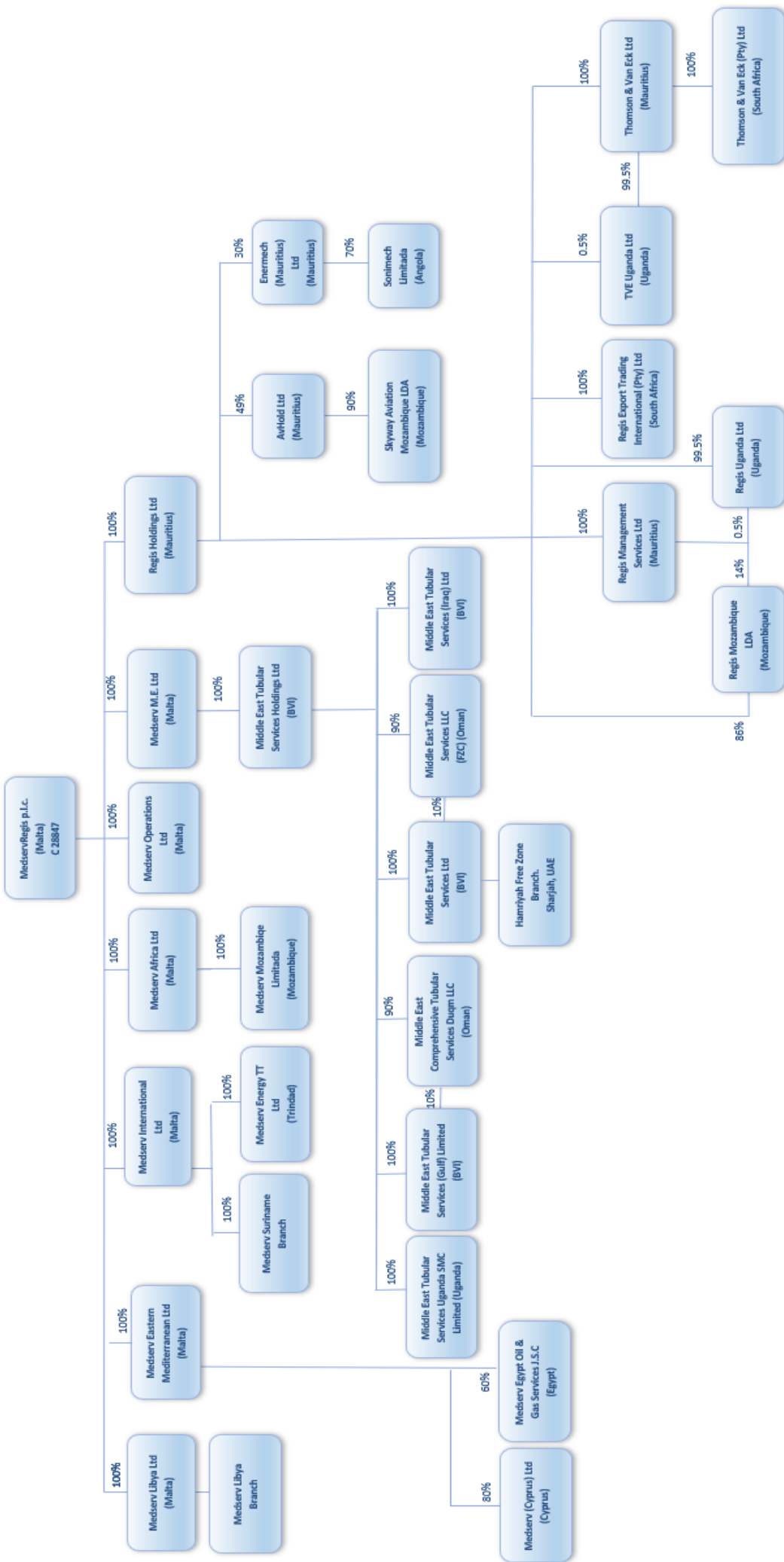
On 25 June 2021, pursuant to the completion of the share for share transfer, Mr Anthony J. Duncan, Mr Etienne Borg Cardona and Mr Kevin Rapinett resigned from their position of directors of the Company. Mr David O'Connor, Mr Olivier Bernard and Mr Keith Grunow were appointed in their stead.

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

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

6 GROUP STRUCTURE

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





7 MAJOR ASSETS

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

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

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

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

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



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

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

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



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

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

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

8 ISSUER PERFORMANCE & FINANCIAL POSITION OVERVIEW

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

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

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

Note: The analysis for FY2021 was presented in an FAS published by the Company on 26 July 2022⁴. No changes have been made thereto in this FAS.

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



8.1 INCOME STATEMENT

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

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

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

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



FY2021 REVIEW

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

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

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

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

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

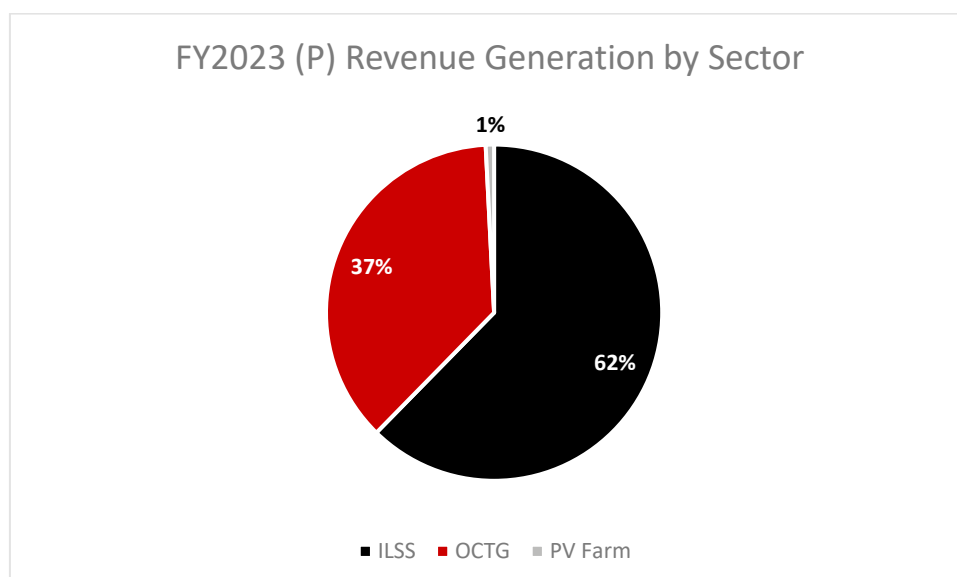
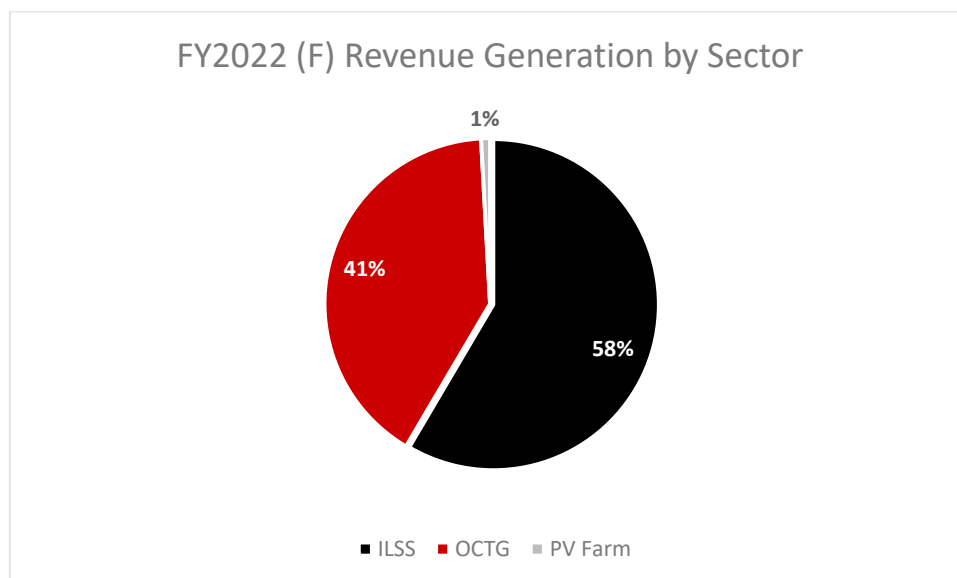
Overall, the Group registered a pre-tax loss of €7.4 million and a net loss of €7.2 million.

UPDATED FORECASTS FOR FY2022 & PROJECTIONS FOR FY2023

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

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

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



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

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

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



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

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

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

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



8.2 STATEMENT OF CASH FLOWS

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

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

FY2021 REVIEW

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

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

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

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



UPDATED FORECASTS FOR FY2022 & PROJECTIONS FOR FY2023

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

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

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

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

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



8.3 STATEMENT OF FINANCIAL POSITION

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

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



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

FY2021 REVIEW

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

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



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

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

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

UPDATED FORECASTS FOR FY2022 & PROJECTIONS FOR FY2023

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

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

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

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



8.4 RATIO ANALYSIS

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

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

PROFITABILITY RATIOS

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

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

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



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

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

LIQUIDITY RATIOS

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

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

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

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



SOLVENCY RATIOS

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

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

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

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

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

ADDITIONAL RATIOS

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



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

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



8.5 VARIATIONS IN THE ISSUER'S FORECASTS FOR FY2022

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

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

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

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

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



PART C

LISTED SECURITIES

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

ISIN: MT0000310103

Issued Shares: 101,637,634 ordinary shares

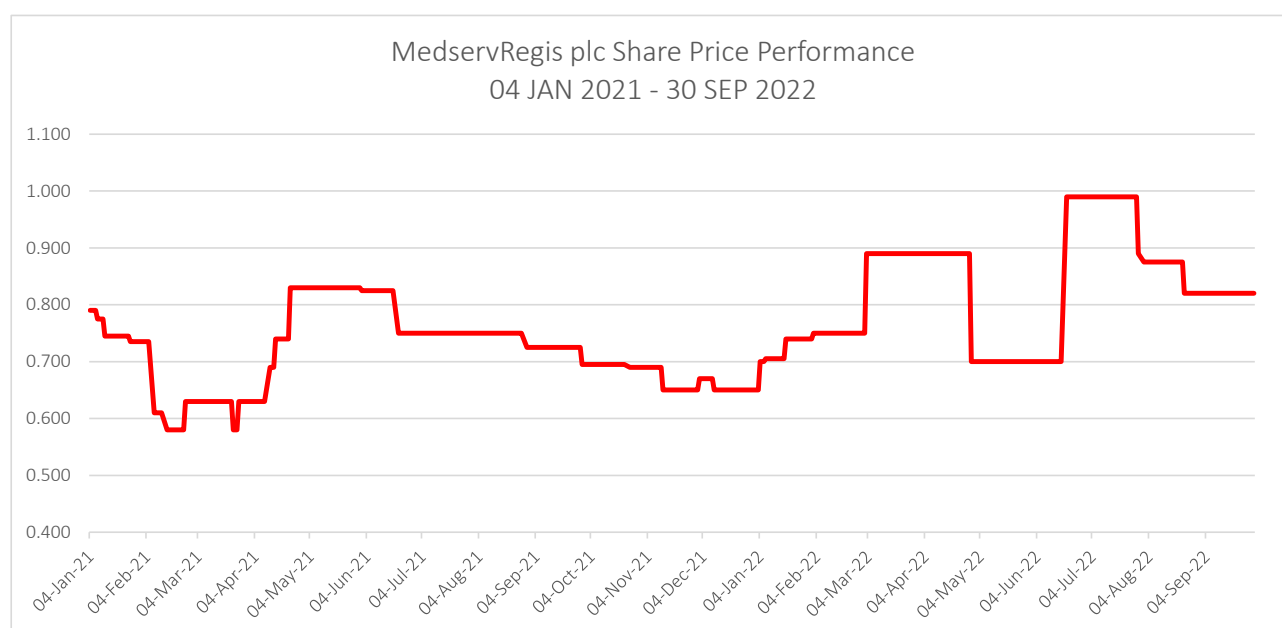
Nominal Value: €0.10

2021 Year-End Price: €0.650

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

Enterprise Value⁶: €141.37 million

Price to Earnings Ratio: n/a



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



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

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

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



PART D

COMPARATIVES

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

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

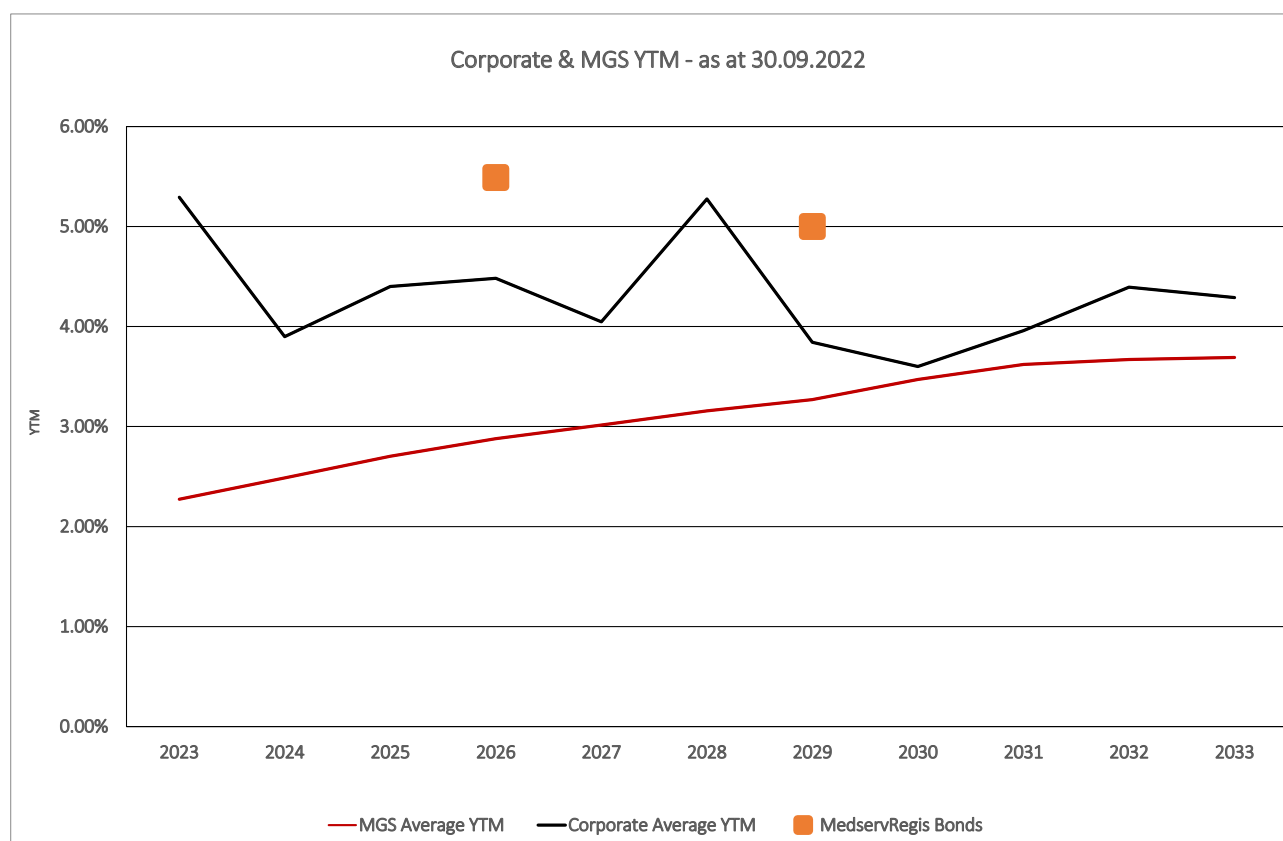
Source: Malta Stock Exchange, Audited Accounts of Listed Companies, Rizzo, Farrugia & Co (Stockbrokers) Ltd

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



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

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



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

**INCOME STATEMENT EXPLANATORY DEFINITIONS**

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

CASH FLOW STATEMENT EXPLANATORY DEFINITIONS

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



STATEMENT OF FINANCIAL POSITION EXPLANATORY DEFINITIONS

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

PROFITABILITY RATIOS

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



LIQUIDITY RATIOS

Current Ratio The current ratio is a financial ratio that measures whether a company has enough resources to pay its debts over the next 12 months. It compares a company's current assets to its current liabilities.

Cash Ratio Cash ratio is the ratio of cash and cash equivalents of a company to its current liabilities. It measures the ability of a business to repay its current liabilities by only using its cash and cash equivalents and nothing else.

SOLVENCY RATIOS

Interest Coverage Ratio This is calculated by dividing a company's EBITDA of one period by the company's net finance costs of the same period.

Gearing Ratio The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance a company's assets.

Net Debt to EBITDA This is the measurement of leverage calculated by dividing a company's interest-bearing borrowings net of any cash or cash equivalents by its EBITDA.

OTHER DEFINITIONS

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

Earnings per Share (EPS) EPS is calculated by dividing the company's profit by the number of shares in issue.

Dividend Cover Dividend cover is calculated by dividing the EPS by the dividend per share.

Enterprise Value (EV) EV measures the company's total value comprising its market capitalisation and net debt.

Price to Earnings (P/E) The P/E ratio is a valuation multiple used to compare the company's share price with its EPS.



Prepared by:
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Annex 3 - Authorised Intermediaries

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