REGISTRATION DOCUMENT

Dated 28 November 2022

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

DEVELOPMENT | HOTELS | OFFICES | RETAIL

CF ESTATES FINANCE P.L.C.

a public limited liability company duly incorporated under the Laws of Malta with company registration number C 102839

Sponsor & Co-Manager	Registrar and Co-Manager	Security Trustee	Legal Counsel
Calamatta Cuschieri	BOV Bank of Valletta	CSB trustees& fiduciaries ltd	salibastafrace LEGAL

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

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 ISSUED BY THE ISSUER.

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

APPROVED BY THE DIRECTORS

Francis Agius

in his capacity as director of the Issuer and for and on behalf of
Stephen Muscat, Joseph Portelli, Peter Portelli and Mario Vella

IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON CF ESTATES FINANCE P.L.C. IN ITS CAPACITY AS ISSUER AND CF ESTATES LTD. AS GUARANTOR, IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES, THE COMPANIES ACT (CAP. 386 OF THE LAWS OF MALTA) AND THE PROSPECTUS REGULATION.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR OR THEIR RESPECTIVE DIRECTORS, TO PUBLISH OR ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE ISSUER, THE GUARANTOR AND/OR THE SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THE PROSPECTUS AND IN THE DOCUMENTS REFERRED TO THEREIN, AND IF PUBLISHED, ISSUED, GIVEN OR MADE, SUCH ADVERTISEMENT, INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR OR THEIR RESPECTIVE DIRECTORS OR ADVISORS.

ALL THE ADVISORS TO THE ISSUER NAMED UNDER THE HEADING "ADVISORS" IN SECTION 3.4 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THE PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

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

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

THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT 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 APPLICANTS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH SECURITIES AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE 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 THE 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. ACCORDINGLY, NO SECURITIES MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THE PROSPECTUS NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL

MAY BE DISTRIBUTED OR PUBLISHED IN ANY JURISDICTION, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE POSSESSION THE PROSPECTUS OR ANY SECURITIES MAY COME MUST INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS ON THE DISTRIBUTION OF THE PROSPECTUS AND THE OFFERING AND SALE OF SECURITIES.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE MALTA FINANCIAL SERVICES AUTHORITY IN SATISFACTION OF THE CAPITAL MARKETS RULES, 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 ACT.

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

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

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

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

THE VALUE OF INVESTMENTS CAN FALL AS WELL AS RISE, AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISORS.

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1. DEFINITIONS

In this Registration Document the following words and expressions shall bear the following meanings except where otherwise expressly stated or where the context otherwise requires:

7 Dwarfs Ltd	7 Dwarfs Ltd, a limited liability company registered under the laws of Malta, with company registration number C 94667, having its registered office at White Rose, Hompesch Road, Zurrieq ZRQ2503, Malta;
Act	The Companies Act, 1995, Cap. 386, Laws of Malta;
Bank Security Interests	The security interests, consisting of first special hypothecs and special privileges currently encumbering the Security Property or parts thereof registered in favour of and to secure the Relevant Bank Loans due respectively by Ratcon Ltd to BNF Bank plc (C 41030) and by Mistral Hotel Ltd and Haven Centre Ltd to MeDirect Bank (Malta) plc (C 34125), as referred to in paragraphs (i) to (iii) under the sub-heading 'Bank loans' under the heading 'Financing through bank and other loans' under Section 6.2 of this Registration Document;
Bondholders	The holders of the Bonds, each a **"Bondholder";**
Bond Issue	The issue of Bonds;
Bonds or **Secured Bonds**	The €30,000,000 secured bonds due 2027-2032 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% *per annum*, as set out in the Securities Note;
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;
CF Business Centre	The building named "CF Business Centre", having its main entrance abutting onto Triq Sant'Andrija – Triq Gort c/w Triq Gdida fi Trejqet San Gorg, Paceville, St. Julians, Malta, consisting of commercial offices and catering outlets;
CF Contracting Ltd.	CF Contracting Ltd., a limited liability company registered under the laws of Malta, with company registration number C 96370, having its registered office at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta;
CF Developers Ltd.	CF Developers Ltd., a limited liability company registered under the laws of Malta, with company registration number C 96073, having its registered office at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta;
CF Hotels Ltd.	CF Hotels Ltd., a limited liability company registered under the laws of Malta, with company registration number C 97986, having its registered office at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta;
Capital Markets Rules	The capital markets rules issued by the Malta Financial Services Authority in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta);
Collateral	The following security to be granted in favour of the Security Trustee for the benefit of Bondholders: a) the Special Hypothec over the Security Property to be granted by Ratcon Ltd, Mistral Hotel Ltd and Haven Centre Ltd respectively; and b) the Guarantee;

Conditions Precedent	The conditions set out under paragraph (a) of Section 8.2 of the Securities Note, to which the issue and final allotment of the Bonds is subject, namely the following events, in the chronological order set out below: (1) the Collateral being constituted in favour of the Security Trustee, in accordance with the provisions of the Security Trust Deed, within 12 Business Days of the close of the Offer Period; and (2) the Bonds being admitted to the Official List;
Conversion Amount Adjustment Cash Payment	Where the aggregate redemption value of Existing Secured Notes subject to an Existing Secured Notes Conversion, based on a redemption value of €103 per Existing Secured Note, is not an integral multiple of €100, the amount representing the difference between such aggregate redemption value and such part of such aggregate redemption value which constitutes the greatest possible integral multiple of €100, which amount representing such difference shall be paid in cash by the Issuer to the relevant Existing Noteholder exercising the Existing Secured Notes Conversion and is herein referred to as the Conversion Amount Adjustment Cash Payment, unless the said Existing Noteholder elects to top up the conversion amount to an integral multiple of €100 by a payment in cash made by such Existing Noteholder, as provided in Section 8.2 of the Securities Note;
Cut-Off Date	The day immediately preceding the date of commencement of the Offer Period;
Deed of Hypothec	A notarial deed to be entered into by and between the Issuer, the Guarantor, Ratcon Ltd, Mistral Hotel Ltd, Haven Centre Ltd, the Security Trustee, BNF Bank plc and MeDirect Bank (Malta) plc whereby *inter alia* Ratcon Ltd, Mistral Hotel Ltd, Haven Centre Ltd shall constitute in favour of the Security Trustee that part of the Collateral over the Security Property respectively owned by them which according to law requires the execution of a notarial deed;
Designated Early Redemption Date	Any date falling between 6 January 2028 and 6 January 2033, at the sole option of the Issuer, on which the Issuer shall be entitled to redeem all or part of the Bonds and prepay the Redemption Value thereof and all interests accrued up to the date of prepayment, by giving not less than 30 days' notice to the Bondholders and the term **"Early Redemption"** shall be construed accordingly;
Directors or **Board**	The directors of the Issuer whose names are set out under the heading "Identity of the Directors, Advisors and Auditors" in Section 3 of this Registration Document;
Euro or **€**	The official currency of the member States of the European Union that form part of the Euro-zone, including Malta;
Existing Noteholders	The holders of Existing Secured Notes registered on the register of debentures of the Issuer as at the Cut-Off Date;
Existing Secured Notes	The zero-coupon secured unlisted notes of a face value of €100 per note, amounting in aggregate as at the date of the Prospectus to €3,500,000, currently issued by the Issuer in terms of the Offering Memorandum, which are to be redeemed and finally repaid at a redemption value of €103 per secured note on 23 March 2023, subject to early redemption by and at the discretion of the Issuer at any time from 23 October 2022, which notes shall however be convertible, at the choice of the relevant holders of the notes, into Bonds to be issued pursuant to the Prospectus, as provided and in accordance with the Offering Memorandum and the Prospectus;
Existing Secured Notes Conversion	The conversion of any Existing Secured Notes held by any Existing Noteholder into Bonds, at the discretion and choice of the relevant Existing Noteholder, which conversion shall take place as of the Issue Date by the redemption of the relevant Existing Secured Notes

	held (which shall consequently be cancelled by the Issuer) in consideration for the simultaneous issue by the Issuer of a number of Bonds having an aggregate nominal value equal to the total redemption value of Existing Secured Notes (i.e. €103 per Existing Secured Note) held by the relevant Existing Noteholder and being converted as aforesaid, as and subject to what is provided in Sections 5 and 8.2 of the Securities Note;
Finish Furnish Limited	Finish Furnish Limited, a limited liability company registered under the laws of Malta, with company registration number C 76264, having its registered office at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta;
Full Term Redemption Date	6 January 2033;
Group or **CF Group**	The Guarantor and its direct or indirect Subsidiaries, including the Issuer, and the term **"Group Company"** shall mean any one of the companies forming part of the Group;
Guarantee	The joint and several guarantee dated 28 November 2022 granted by the Guarantor as security for the punctual performance of the Issuer's payment obligations under the Bond Issue, 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. A copy of the Guarantee, which contains a description of the nature and scope and the terms of the Guarantee, is appended to the Securities Note as Annex II thereto;
Guarantor	CF Estates Ltd., a limited liability company registered under the laws of Malta with company registration number C 102632 and having its registered office at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan, STJ 9023, Malta;
Haven Centre Ltd.	Haven Centre Ltd, a limited liability company registered under the laws of Malta, with company registration number C 95327, having its registered office at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta;
Issuer or **Company**	CF Estates Finance p.l.c., a limited liability company registered under the laws of Malta with company registration number C 102839 and having its registered office at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan, STJ 9023, Malta;
Issuer-Guarantor Loan	The loan facility between the Issuer, as lender, and the Guarantor, as borrower, referred to in Section 4.2 of the Securities Note, by virtue of which the proceeds of the Bond Issue will be made available by the Issuer to the Guarantor;
JDC Contracting Limited	JDC Contracting Limited, a limited liability company registered under the laws of Malta, with company registration number C 92792, having its registered office at Office 6, Bohemia Crt., Vjal Indipendenza, Mosta MST 9024, Malta;
JDC Projects Limited	JDC Projects Limited, a limited liability company registered under the laws of Malta, with company registration number C 88087, having its registered office at Office 6, Bohemia Crt., Vjal Indipendenza, Mosta MST 9024, Malta;
Levante Hotel	The hotel being developed by Ratcon Ltd on a site measuring approximately 95 sq.m. in Triq Gort, Paceville, St. Julians, which will consist of 19 rooms and will be organized on 11 floors, including recessed floor, above the lower street level and a basement, which hotel and respective facilities are intended to be subsequently operated by Ratcon Ltd under the name 'Levante Hotel, Affiliated by Melia' through the hotel operation and management services to be provided by Meliá Hotels International S.A. and Prodigios Interactivos S.A. pursuant to a hotel management agreement with them;

Malta Financial Services Authority or **MFSA**	The Malta Financial Services Authority, established in terms of Article 3 of the Malta Financial Services Authority Act (Cap. 330 of the Laws of Malta), and which has been appointed by the Financial Markets Act (Cap. 345 of the Laws of Malta) as the competent authority to approve prospectuses of any offer of securities to the public in Malta;
Malta Stock Exchange or **Exchange** or **MSE**	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Memorandum and Articles of Association or **Articles**	The memorandum and articles of association of the Issuer in force at the time of publication of this Registration Document;
Mistral Hotel	The hotel being developed by Mistral Hotel Ltd on a site measuring approximately 178 sq.m. in Triq Luigi Apap, Paceville, St. Julians, which will consist of 51 rooms and will be organized on 11 floors, including recessed floor, above the lower street level and a lower intermediate level/basement, which hotel and respective facilities are intended to be subsequently operated by Mistral Hotel Ltd under the name 'Mistral Hotel, Affiliated by Melia' through the hotel operation and management services to be provided by Meliá Hotels International S.A. and Prodigios Interactivos S.A. pursuant to a hotel management agreement with them;
Mistral Hotel Ltd	Mistral Hotel Ltd, a limited liability company registered under the laws of Malta, with company registration number C 88387, having its registered office at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta;
Offer Period	The period commencing at 08:00 hours on 30 November 2022 and ending at 12:00 hours on 28 December 2022, both days included, during which the Bonds are on offer;
Offering Memorandum	The offering memorandum dated the 22 August 2022, issued by the Issuer in connection with the issue of the Existing Secured Notes, as approved by the Board by resolutions taken on 17 August 2022;
Official List	The list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;
Other Subsidiaries	The Subsidiaries within the Group, namely the Subsidiaries of the Guarantor, other than the Issuer;
Prospectus	Collectively, this Registration Document, the Securities Note and the Summary;
Prospectus Regulation	Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as may be amended and/or supplemented from time to time;
Ratcon Ltd	Ratcon Ltd, a limited liability company registered under the laws of Malta, with company registration number C 91834, having its registered office at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta;
Redemption Date	The Full Term Redemption Date or a Designated Early Redemption Date, whichever is the earlier;
Redemption Value	The redemption amount to be paid to a Bondholder in respect of the redemption of a Bond on the Redemption Date, apart from any interests accrued up to such date, which shall be:

(i) If the Redemption Date occurs at any time between, and including, 6 January 2028 and 5 January 2029, the amount of €102.50 per Bond, being the nominal value of such Bond, namely €100 per Bond, plus a premium of 2.5%;

(ii) If the Redemption Date occurs at any time between, and including, 6 January 2029 and 5 January 2030, the amount of €101.25 per Bond, being the nominal value of such Bond, namely €100 per Bond, plus a premium of 1.25%; and

(iii) If the Redemption Date occurs at any time after 6 January 2030, the amount of €100 per Bond, being the nominal value of such Bond;

Registrar or **Registrar and Co-Manager**	Bank of Valletta p.l.c., a public limited liability company registered under the laws of Malta, with company registration number C 2833, having its registered office at 58, Zachary Street, Valletta VLT 1130, Malta;
Relevant Bank Loans	The existing bank loans due by Ratcon Ltd to BNF Bank plc and by each of Mistral Hotels Ltd. and Haven Centre Ltd to MeDirect Bank (Malta) plc, as referred to in the rows marked 'Hotels' and 'CF Business Centre' in Table A under the sub-heading 'Bank loans' under the heading 'Financing through bank and other loans' under Section 6.2 of this Registration Document, which at the date of this Registration Document are secured *inter alia* by the Bank Security Interests, and which are intended to be re-financed using part of the proceeds of the Bond Issue as explained in Section 4.2 of the Securities Note;
Registration Document	This document in its entirety, forming part of the Prospectus;
Scirocco Hotel	The hotel being developed by Ratcon Ltd on a site measuring approximately 145 sq.m. in Triq Ross, Paceville, St. Julians, which will consist of 37 rooms and will be organized on 11 floors, including recessed floor, above the lower street level and a basement, which hotel and respective facilities are intended to be subsequently operated by Ratcon Ltd under the name 'Scirocco Hotel, Affiliated by Melia' through the hotel operation and management services to be provided by Meliá Hotels International S.A. and Prodigios Interactivos S.A. pursuant to a hotel management agreement with them;
SDF Limited	SDF Limited, a limited liability company registered under the laws of Malta, with company registration number C 59236, having its registered office at White Rose, Triq Hompesch, Zurrieq, Malta;
Securities Note	The securities note issued by the Issuer dated 28 November 2022, forming part of the Prospectus;
Security Property	The following immovable property: i. The Levante Hotel, including any further completion works, finishing and improvements thereto as may be made from time to time and including also the airspace thereof, currently owned by Ratcon Ltd; ii. The Scirocco Hotel, including any further completion works, finishing and improvements thereto as may be made from time to time and including also the airspace thereof, currently owned by Ratcon Ltd; iii. The Mistral Hotel, including any further completion works, finishing and improvements thereto as may be made from time to time and including also the airspace thereof, currently owned by Mistral Hotel Ltd; and iv. The CF Business Centre, including also the airspace thereof, currently owned by Haven Centre Ltd;

Security Trust Deed or **Trust Deed**	The security trust deed entered into in respect of the Bond Issue between the Security Trustee, the Issuer, the Guarantor, Ratcon Ltd, Mistral Hotel Ltd and Haven Centre Ltd dated 28 November 2022;
Security Trustee	CSB Trustees & Fiduciaries Limited, a private limited liability company duly registered and validly existing under the laws of Malta, with company registration number C 40390 and having its registered office at Level 3, Tower Business Centre, Tower Street, Swatar, Birkirkara 4013, Malta, duly authorized 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);
Shareholders	The shareholders of the Guarantor and ultimate beneficial owners of the Group, namely Joseph Portelli, Duncan Micallef, Clifton Cassar, Francis Agius and Stephen Falzon;
Special Hypothec	The first ranking special hypothec over the Security Property to be granted by Ratcon Ltd, Mistral Hotel Ltd and Haven Centre Ltd in respect of such of the Security Property owned by them respectively in favour of the Security Trustee, for the benefit of Bondholders, to secure the claim of the Security Trustee, for the benefit and in the interest of Bondholders, for the repayment of the Redemption Value and interest under the Bonds by the Issuer, as set out in Section 6.2 of this Registration Document;
Sponsor or **Sponsor & Co-Manager**	Calamatta Cuschieri Investment Services Limited, a private limited liability company registered under the laws of Malta having its registered office at Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta and bearing company registration number C 13729. Calamatta Cuschieri Investment Services Limited is authorised to conduct investment services by the Malta Financial Services Authority in terms of the Investment Services Act (Cap. 370 of the laws of Malta) and is a member of the MSE;
Subsidiary	When such term used in respect of an undertaking, namely a parent undertaking, it means an undertaking which is such parent undertaking's direct or indirect "subsidiary undertaking", as such latter term is defined in Article 2(2)(c) of the Act, and for such purpose the term "parent undertaking" shall have the meaning assigned to it in Article 2(2)(a) of the Act, and "Subsidiaries" shall be construed accordingly; and
Summary	The summary issued by the Issuer dated 28 November 2022, forming part of the Prospectus.

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

Unless it appears otherwise from the context:

(a) words importing the singular shall include the plural and *vice-versa*;
(b) words importing the masculine gender shall include also 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 references to a person includes natural persons, firms, partnerships, companies, corporations, associations, organizations, governments, states, foundations or trusts;
(e) any phrase introduced by the term "including", "include", "in particular" or any similar expression is illustrative only and does not limit the sense of the words preceding the term; and
(f) any references to a law, legislative act and/or other legislation shall mean that particular law, legislative act and/or legislation as in force at the time of issue of this Registration Document.

2. RISK FACTORS

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

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 RISK FACTORS BELOW HAVE BEEN CATEGORISED UNDER TWO MAIN CATEGORIES, ACCORDING TO WHETHER THE RISK FACTORS RELATE TO: (I) THE ISSUER; OR (II) THE GUARANTOR AND THE GROUP, WITH THE LATTER CATEGORY BEING DIVIDED INTO FURTHER SUB-CATEGORIES. THE RISK FACTOR FIRST APPEARING UNDER EACH SUB-CATEGORY CONSTITUTES THAT RISK FACTOR WHICH THE DIRECTORS HAVE ASSESSED TO BE THE MOST MATERIAL RISK FACTOR UNDER SUCH SUB-CATEGORY AS AT THE DATE OF THIS REGISTRATION DOCUMENT. IN MAKING THIS ASSESSMENT OF MATERIALITY, THE DIRECTORS HAVE EVALUATED THE COMBINATION OF: (I) THE PROBABILITY THAT THE RISK FACTOR OCCURS; AND (II) THE EXPECTED MAGNITUDE OF THE ADVERSE EFFECT ON THE FINANCIAL CONDITION AND PERFORMANCE OF THE ISSUER, THE GUARANTOR OR THE GROUP, IF THE RISK FACTOR WERE TO MATERIALISE.

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

NEITHER THE PROSPECTUS NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH SECURITIES ISSUED BY THE ISSUER: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION OR (II) IS OR SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE DIRECTORS, ANY OF THE ADVISORS LISTED IN SECTION 3 BELOW, THE SPONSOR OR ANY OF THE AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE ISSUER. PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT AND IN OTHER DOCUMENTS COMPRISED IN THE PROSPECTUS.

Forward-looking Statements

The Prospectus and the documents incorporated therein by reference or annexed thereto contain statements that are, or may be deemed to be, forward-looking statements. Forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believe", "estimate", "forecast", "project", "plan", "anticipate", "expects", "envisage", "intend", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places within the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and, or the Directors concerning, amongst other things, the Issuer's or the Guarantor's strategy and business plans, financial condition and performance, results of operations, liquidity, prospects, investments, and the markets in which it operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may, or may not occur, in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer's and/or the Guarantor's actual operational results, financial condition and performance, and trading prospects may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the operational results, financial condition and performance, and trading prospects of the Issuer or the Guarantor are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, those factors identified under this section and elsewhere in the Prospectus.

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

2.1 Risks relating to the Issuer

Risks relating to the Issuer's Business and its reliance on the Group

The Issuer was incorporated on 26 July 2022 and, accordingly, has no trading record or history of operations. Furthermore, as stated in Section 5.1, the Issuer does not undertake any trading activities itself and its sole purpose is that of acting as the finance arm of the Group, principally by raising finance and advancing same to members of the Group. The Issuer itself therefore does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company solely for the needs of the Group and, as such, its assets are intended to consist primarily of loans issued to Group companies, including the proposed Issuer-Guarantor Loan.

The Issuer is economically dependent principally on the operational results, financial condition and performance of its borrower Group companies, principally the Guarantor, which will in turn economically depend on the results and performance of its Subsidiaries from which it expects to receive dividends and/or payments of shareholders' loans, as applicable.

Therefore, the risks intrinsic in the business and operations of Group companies have an effect on the ability of the Issuer and the Guarantor to meet their respective obligations in connection with the payment of interest on the Bonds and repayment of the Redemption Value when due including, in the case of the Guarantor, any payments that it may be required to make under the Guarantee. Accordingly, the risks of the Issuer are indirectly those of the Group, in particular the Guarantor and, in turn, all risks relating to the Group are the risks relevant to the Guarantor.

2.2 Risks relating to the Guarantor and the Group

As noted in Sections 2.1, 4.3 and 6.2, the Guarantor, being the holding company of the Group, is ultimately dependent financially on the results and performance of its Subsidiaries from which it expects to receive payments of and under any shareholders' loans made to them to finance their respective projects and/or operations and from which it expects to receive dividends from time to time, which loan payments and dividends will be used *inter alia* to finance payments under the Issuer-Guarantor Loan by the Guarantor to the Issuer. The various Subsidiaries in turn depend on the viability, profitability and success of their respective projects, business and operations, for their continued liquidity, financial soundness and growth and their ability to make payments to the Guarantor as aforesaid and also to banks and other third parties providing them with finance. The respective business and operations of the Subsidiaries and therefore the financial performance of the Group as a whole will be subject to certain risks.

Economic and financial risks

Risks arising from war and/or conflict

Wars and conflicts which may from time to time occur in various parts of the world, including the Russia – Ukraine armed conflict as at the date of this Registration Document, may present new risks or exacerbate certain risks to which the operations of the Group are subject, including shortage of and/or increase in prices and delay in importation and delivery of building material and supplies needed for the development projects, apart from the negative effects these conflicts may have on the economy as a whole and on particular economic drivers, such as tourism and possibly also sale of property.

Risks relating to COVID-19

The global COVID-19 pandemic, which broke out since 2020, has affected the economy as a whole, resulting in a shrinking of the GDP and economic decline around the globe. This has changed the business environment for many undertakings in various parts of the world, including Malta. It has led *inter alia* to disruptions in supply chains, rising costs, less mobility and decreased spending, all of which have strained the economies of various countries. The virus has resulted in government authorities in many countries taking various measures, including extreme measures and restrictions, to arrest or delay the spread of the virus including the declaration of states of emergency, restrictions on movement, border controls, travel bans and the closure of offices, schools and other public amenities, all of which measures and restrictions have added challenges, given the rapid pace of change and significant operational demands. These events have had and are expected to continue to have over a period of time, the duration whereof cannot be accurately predicted as at the date hereof, a material adverse effect on general global economic conditions and market liquidity. A health crisis could also affect the global economy in ways that cannot necessarily be foreseen at the present time, and may also exacerbate other pre-existing political, social and economic risks. The economic strains that the pandemic has caused are expected to be felt even more at a micro level now that the various economic incentives and schemes and other measures taken by governments, including the Government of Malta, to mitigate the implications of the pandemic have been or are being phased out.

The COVID-19 pandemic and possible future outbreaks, and the macroeconomic effects thereof, may have direct and indirect adverse effects on the current and/or future business and financial performance of the Group, including but not limited to disruption of the business operations of the Group's contractors and suppliers, through delays in importation and delivery of materials, or a potential spread of disease among the employees of the Group or of its contractors and suppliers and resulting quarantine measures, further increase in costs or materials and shipping costs, as well as potential imposed restrictions on or natural aversion to travelling, or the natural aversion towards unnecessary spending, or long-term changes to working processes, environments and logistics leading to a decrease in demand for office spaces, all of which may negatively affect the project development, tourism, office leasing and trading sectors in which the Group is involved, and thus the anticipated future operations and revenues of the Group.

Risks relating to financing of the Group

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

As at the date of this Registration Document, various companies within the Group have bank debt. Whilst some of these bank facilities will be repaid through the proceeds of issue of the Bonds, the Group's overall financial gearing levels will further increase pursuant to the Bond Issue. This may also increase as a result of further indebtedness which may from time to time in future be obtained by the Group to fund the Subsidiaries' respective existing and new projects from time to time, or for the maintenance or to refinance existing indebtedness or otherwise for their respective business purposes. The increase in the level of financial gearing gives rise to all risks typically associated with higher leverage, including lower asset cover and lower debt service cover levels.

As a result of such indebtedness as aforesaid a substantial portion of the Group's generated cash flows may need to be used to service the same. Should the Guarantor or its Subsidiaries significantly increase their debt obligations, this may have an adverse effect on the profitability of the Guarantor or its Subsidiaries.

There can be no assurance that the Group will have access to such further debt financing as may be required from time to time at reasonable interest rates and at reasonable terms. Furthermore, any borrowings under bank credit facilities will likely be at variable interest rates, which could cause the Group to be vulnerable to increases in interest rates.

Risks relating to liquidity strains

Some business sectors in which the Group is involved, particularly that relating to real estate development, is of such nature that it goes through different liquidity cycles, from the moment of acquisition and planning of the projects through the construction, completion and sale thereof, depending on the size and other characteristics of the project but also on the payment structures adopted under the respective sales contracts, apart from factors which may affect the development and/or the sales. The above may subject the Group and/or the relevant Group company/ies to periods of liquidity strains. If such liquidity risks are not adequately catered for at Group level, also through a proper maturity management exercise and the appropriate planning of the timing of the different projects and their respective various phases of development and relative expenditure, the expected dates of receipt of sales proceeds thereunder, and the due dates for payments under the various financings in place, including bank loans and the Bonds, they may lead the Group into liquidity shortage and have an adverse effect on the ability of the Group to honour its payment obligations in a timely manner. The Group will adopt certain control procedures to ensure the adequate management of such liquidity risks, and the Guarantor will also undertake to the Issuer, under the Deed of Hypothec pursuant to which the Issuer-Guarantor Loan will be made, to ensure that real estate development projects undertaken by the Group satisfy certain parameters and conditions intended *inter alia* to avoid a situation of inability to make payments when due. There is however no assurance that such control procedures will always be effective.

Risks relating to inflation

As at the date of this Registration Document, inflation is on the rise. Inflation may negatively affect the future financial performance of the Group, including through the consequent increase in the prices of goods and services and the cost of new opportunities, higher borrowing costs, and the overall decrease in purchasing power.

Business and operational risks

The Group depends on third parties in connection with its business, giving rise to counter-party risks

The Group is subject to various counter-party risks.

The Group relies upon third party or related service providers such as architects, project managers, building contractors, subcontractors, suppliers, hotel operators and others, as well as on certain key officers and members of staff, for the construction and completion and, where applicable, subsequent operation of its property developments. This gives rise to counter-party risks in those instances where such third parties do not perform in line with the Group's expectations and in accordance with their contractual obligations.

Furthermore, the Group also relies on permits and other action being taken by the relevant competent authorities in connection with its proposed developments and any delays or inaction by such authorities in this respect will affect the timely completion of such developments.

If the above-mentioned risks were to materialise, the resulting development cost overruns or delays in completion or loss of revenue could have an adverse impact on the Group's business, and its financial condition, results of operations and prospects, and may also expose the respective Group company to complaints, claims or litigation by property buyers, owners of neighboring tenements and other third parties for contractual default or for damages.

Prospective purchasers of properties may default on their obligations under preliminary agreements of sale with CF Developers Ltd., in particular by failing to appear on the final deed of sale and/or pay the outstanding amounts of the price when due, and tenants of the offices and commercial outlets may default on their rental payment obligations towards Haven Centre Ltd or other Group companies as applicable, thus causing potential liquidity shortages for the Group, including, indirectly, the Issuer.

Material risks relating to real estate acquisition, development and sale

A number of factors commonly affect the real estate development industry, which could adversely affect the financial performance of the Group and the value of the immovable properties under development within the portfolio of the Group. Such factors, which are typically outside the Group's control, include:

- inability to secure the necessary planning permits in a timely manner or at all, and costs of addressing oppositions to applications for such permits;
- changes in local market conditions, such as an oversupply of similar properties, a reduction in demand for real estate or change of local preferences and tastes;
- increased competition in the market segment in which the Group operates which may lead to an oversupply of residential or commercial properties in such markets, resulting in a lowering of prices and rental rates and a corresponding reduction in revenue for the Group;
- shortages and/or price increases in raw materials, services or other construction inputs, such as, among others, cement, steel, energy and other utilities, leading to cost overruns;
- insufficiency or unavailability of resources to complete the projects, as a result of sudden and unexpected events, such as outbreaks of contagious diseases, wars or civil conflicts;
- sales or rental of properties not being made at the prices and/or at the timings envisaged resulting in a liquidity strain or even potential penalties or litigation;
- possible structural problems;
- potential environmental related issues, restrictions and litigation;
- acts of God and other force majeure events, such as earthquakes and floods and other natural disasters, that may damage any of the properties or delay development thereof; and
- the health and safety risks inherent to property development, including the risk of serious injury or even fatality, and the claims and litigations that may arise therefrom.

Any of the factors described above could have a material adverse effect on the Group's business and financial condition.

Real estate investments are illiquid

The potential lack of liquidity and alternative uses of real estate investments could significantly limit the Group's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely manner and at satisfactory prices to respond to adverse changes in the performance of its properties or in economic, real estate, market and other conditions, thereby potentially harming its financial condition.
The real estate market is affected by many factors, such as general economic conditions, availability of financing, interest rates and other factors, including supply and demand, that are beyond the Guarantor's and the Group's control.

Risks relating to the hospitality industry

The hotel operations and the hospitality industry in general are exposed to a number of external factors and risks, including, without limitation:

- changes in travel patterns and customer trends;
- the seasonality and cyclical nature of the tourism industry
- the impact of outbreaks of contagious diseases, wars and possibly of other unexpected calamities on patterns and/or volume of travel;

- the introduction of new laws or more restrictive laws and requirements related to the hospitality industry;
- increases in operating costs and increased taxes;
- the strong and increasing local and global competition in the tourism sector;
- the increased availability and popularity of alternative hospitality solutions and alternative accommodation which represent a competitive threat to hotels.

Any of these factors or a combination thereof may adversely impact room rates and occupancy levels at the hotels operated by the Group, or otherwise cause a reduction in the Group's revenue from hospitality services, which could have a material adverse effect on the Group's business, financial condition and operational results.

Risks relating to the rental business of the Group

Haven Centre Ltd and possibly other Group companies will or may lease the CF Business Centre and possibly other properties owned or to be owned and retained by them to third parties as offices or, as the case may be, for commercial operation, including food and beverage outlets. The health of the office and commercial rental market may be affected by a number of factors, including national economy, political developments, government regulations, changes in planning or tax laws, interest rate fluctuations, inflation and other economic, political and social factors. An increase in the supply of offices, commercial retail and catering space could impact negatively upon capital values and income streams of the Group's properties, and the Group's ability to source new lessees upon termination or non-renewal of the then current leases.

Moreover, the business, revenue and projected profits of the Group would be negatively impacted if lessees fail to honour their respective lease obligations, which failure may be due to several reasons which are beyond the Group's control, including the insolvency and lack of liquidity of the lessees.

The Group is also subject to the risk that lessees may terminate or elect not to renew their respective lease, either due to the expiration of the lease term or due to an early termination of the lease. In cases of early termination by lessees prior to the expiration of the lease term, there is a risk of loss of rental income if the lessee is not replaced in a timely manner.

Furthermore, the Group may be subject to increases in operating and other expenses with respect to the said properties, which expenses may not necessarily be recoverable from the third party tenants.

Risks relating to tiling, furnishings and furniture trading business

The business of trading in tiling, sanitaryware, furnishings and furniture is also subject to various risks, including the increasing competition in the market, the continuously changing appetites and trends of interior designers and customers, increasing warehousing rent, shipping and other costs, delays in shipping and potential loss of sole agency, distributorship or franchise arrangements. These risks may have a material adverse impact on the revenues of the Group.

Risks inherent in property valuations

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

The Group's key senior personnel and management have been and remain material to its growth

The Group believes that its growth is largely attributable to the efforts and abilities of the directors and members of its executive management team and other key personnel. If the services of one or more of the members of this team were to become unavailable, the Group might not be able to replace them within the short term, which could have a material adverse effect on the Group's business and operations.

Legal and regulatory risks

Risks relative to changes in laws and new industry standards and practices

The Group companies and their respective current and future operations are subject to laws and regulatory requirements applicable to property development, hospitality and other respective business sectors within which they operate. These include laws and regulations relating to planning, construction and development, health and safety, environment, accommodation, bribery and corruption, data privacy and information protection, financial matters, accounting and tax. Furthermore, the regulatory environment in which the Group operates is constantly evolving, with the introduction of new rules, regulations and policies, or the amendment of existing ones, including new initiatives at European or other regional and/or local level which may result in the imposition of new requirements for the Group in terms of sustainability factors and other matters. As with any business, the Group is at risk in relation to changes in laws and regulations to which it is subject and the timing and effects thereof, including changes in the interpretation thereof, and in administrative practices, which cannot be predicted and which can negatively affect the business and operations of Group companies, apart from the additional costs of compliance which these may entail. The Guarantor or one of its Subsidiaries may be unable to anticipate the implications of legal and regulatory changes in a given sector, which necessitate a re-evaluation of processes from both a fiscal and operational perspective. This may result in a loss of revenue for the respective sector and the profitability of the Group.

Risks relating to health and safety

As owners of various properties which are still under construction, the Guarantor and its Subsidiaries must comply and ensure compliance with, and can be exposed to claims relating to, health and safety at work, and may also be exposed to claims for injury or even death at the workplace, all of which could have a detrimental effect on their operations and profits. As regards completed and operational properties retained by the Group, the respective Group companies owning or operating the same will be required to ensure compliance with applicable health and safety standards and practices in the relevant sectors in which they will operate, including the hospitality, food and beverage, office administration business, and failure to comply with such standards or practices could expose such Group companies to third party claims which could in turn have a material adverse effect on their business, profitability and reputation.

Litigation risk

The real estate development industry as well as the other business sectors in which the Group is involved and/or operating, are subject to legal claims, with or without merit. Defense and settlement costs can be substantial. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute will not have a material adverse effect on the Group's results of operations, financial condition or reputation.

Risks relating to failure to incorporate expected sustainability standards in business model

Expectations for undertakings to incorporate environmental, social and governance ("ESG") sustainability factors into their business strategies are growing across the globe and throughout various business sectors, including those relating to property development, tourism, office rentals and trading in which the Group is involved. The implementation of such factors in the Group's business model is likely to become under increased scrutiny by investors, regulators, and the public at large. The Group's businesses may face an increased demand to increase consciousness and address ESG considerations relating to *inter alia* energy and resource efficiency and use, energy performance, use of renewables, waste management, health and safety at work or at the work place and other social and employment considerations. Failure by the Group to achieve such ESG sustainability expectations may have a negative impact on its reputation in the various business sectors in which it is involved, and consequently an adverse impact on the Group's business activities, revenues, financial condition, and operations.

3. IDENTITY OF THE DIRECTORS, ADVISORS AND AUDITORS

3.1 *Directors of the Issuer and the Guarantor*

Directors of the Issuer

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

Name and Identity Card number	Office Designation
Joseph Portelli (497193M)	Chairman and executive Director
Francis Agius (225774M)	Executive Director
Stephen Muscat (460561M)	Independent non-executive Director
Mario Vella (672753M)	Independent non-executive Director
Peter Portelli (364666M)	Independent non-executive Director

Joseph Portelli and Francis Agius are executive Directors and occupy senior executive positions within the Group. The other three Directors, Stephen Muscat, Mario Vella and Peter Portelli serve on the Board of the Issuer in a non-executive capacity. They are considered as independent Directors since they are free of any significant business, family or other relationship with the Issuer, its controlling shareholders or the management of either, that could create a conflict of interest such as to impair their judgement. In assessing the said directors' independence due notice has been taken of Rule 5.119 of the Capital Markets Rules.

The business address of the Directors is at the registered office of the Issuer.

Reference is made to Section 9 titled "Administrative, Management and Supervisory Bodies" for a short *curriculum vitae* of the Directors, description of principal activities, if any, performed by them outside the Issuer, their potential conflicts of interest and other information relevant to such Directors.

Directors of the Guarantor

As at the date of this Registration Document, the board of directors of the Guarantor is constituted by the following persons:

Name and Identity Card number	Office Designation
Joseph Portelli (497193M)	Executive Director
Clifton Cassar (145483M)	Executive Director
Duncan Micallef (52477M)	Executive Director
Francis Agius (225774M)	Executive Director
Stephen Falzon (117782M)	Executive Director

3.2 *Company Secretaries of the Issuer and the Guarantor*

Dr Joseph Saliba whose business address is at 9/4, Britannia House, Old Bakery Street Valletta VLT 1450, Malta, holder of Identity Card number 49574M is the company secretary of the Issuer.

Dr Nicole' Ann Demicoli whose business address is at 9/4, Britannia House, Old Bakery Street Valletta VLT 1450, Malta, holder of Identity Card number 497485M is the company secretary of the Guarantor.

3.3 Responsibility and Authorisation Statement

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

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

3.4 Advisors

The persons listed hereunder have advised and assisted the Directors in the drafting and compilation of the Prospectus

Sponsor & Co-Manager

Name:	Calamatta Cuschieri Investment Services Limited
Address:	Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta
Company Registration number:	C 13729

Registrar & Co-Manager

Name:	Bank of Valletta p.l.c.
Address:	58, Zachary Street, Valletta VLT 1130, Malta
Company Registration number:	C 2833

Financial Advisors

Name:	Grant Thornton (Malta)
Address:	Fort Business Centre, Level 2, Triq L-Intornjatur, Zone 1, Central Business District, Birkirkara CBD 1050, Malta

Legal Counsel

Name:	Saliba Stafrace Legal
Address:	9/4, Britannia House, Old Bakery Street, Valletta VLT1450, Malta

3.5 Auditors of the Issuer and the Guarantor

As at the date of the Prospectus, the statutory auditors of the Issuer are:

Name:	Grant Thornton (Malta)
Address:	Fort Business Centre, Level 2, Mriehel Bypass, Birkirkara BKR 3000

Grant Thornton (Malta) is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the Laws of Malta). The Accountancy Board registration number of Grant Thornton (Malta) is AB/26/84/22.

As at the date of the Prospectus, the statutory auditors of the Guarantor are also Grant Thornton (Malta).

No audited financial statements of the Issuer and of the Guarantor have been prepared since their respective incorporation to the date of this Registration Document.

3.6 *Security Trustee*

Name:	CSB Trustees & Fiduciaries Limited
Registered Office:	Level 3, Tower Business Centre, Tower Street, Swatar, Birkirkara 4013, Malta
Company Registration number:	C 40390

4. INFORMATION ABOUT THE ISSUER AND THE GROUP

4.1 *History and Development of the Issuer*

Full legal and commercial name of the Issuer:	**CF Estates Finance p.l.c.**
Registered address:	**CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan, STJ 9023, Malta**
Place of registration and domicile:	**Malta**
Registration number:	**C 102839**
Legal Entity Identifier ('LEI')	**391200TP055LTCBL9P32**
Date of registration:	**26 July 2022**
Legal Form:	**A public limited liability company duly registered in terms of the Act**
Telephone number:	**+356 21411000**
Email:	**info@cf.com.mt**
Website:	**www.cf.com.mt***

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

4.2 *History and Development of the Guarantor*

Full legal and commercial name of the Guarantor:	**CF Estates Ltd.**
Registered address:	**CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan, STJ 9023, Malta**
Place of registration and domicile:	**Malta**
Registration number:	**C 102632**
Legal Entity Identifier ('LEI')	**3912000P4VJJ2FYN8497**
Date of registration:	**30 June 2022**
Legal Form:	**A private limited liability company duly registered in terms of the Act**
Telephone number:	**+356 21411000**
Email:	**info@cf.com.mt**
Website:	**www.cf.com.mt***

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

4.3 *Organisational Structure of the Group*

The Issuer has been very recently incorporated and is, except for one (1) share which is held by Mr Joseph Portelli, a fully-owned subsidiary of the Guarantor, which latter entity is the parent company of the Group.

The Group currently consists of the following entities:

i. The Guarantor, being the parent company, which has been recently set up, is essentially a holding company and holds the totality of the issued share capital in each of its Subsidiaries mentioned below, save for one (1) share in the Issuer which is held by Mr Joseph Portelli, and such Guarantor is owned by the shareholders and beneficial owners referred to in Section 11 titled "Major Shareholders";

ii. Haven Centre Ltd, a private limited liability company, incorporated under the laws of Malta on 2 April 2020 with registration number C 95327 and with its registered office situated at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta, which owns the CF Business Centre;

iii. Mistral Hotel Ltd, a private limited liability company, incorporated under the laws of Malta on 19 September 2018 with registration number C 88387 and with its registered office situated at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta, which owns the existing constructions of, and is intended to continue to develop and finish and thereafter operate, the Mistral Hotel;

iv. Ratcon Ltd, a private limited liability company, incorporated under the laws of Malta on 16 May 2019 with registration number C 91834 and with its registered office situated at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta, which owns the existing constructions of, and is intended to continue to develop and finish and thereafter operate, the Levante Hotel and the Scirocco Hotel;

v. Finish Furnish Limited, a private limited liability company, incorporated under the laws of Malta on 4 July 2016 with registration number C 76264 and with its registered office situated at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta, which carries on the business of importation, supply, wholesale, retail sales, installation, fixing, assembly and otherwise dealing in and providing services in respect of tiles, sanitaryware, furnishings, fittings and furniture for residential and commercial buildings;

vi. CF Contracting Ltd., a private limited liability company, incorporated under the laws of Malta on 13 August 2020 with registration number C 96370 and with its registered office situated at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta, which carries on the business of property contractors;

vii. CF Developers Ltd., a private limited liability company, incorporated under the laws of Malta on 8 July 2020 with registration number C 96073 and with its registered office situated at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta, which carries on the business of property developers of various residential, commercial and other projects, including the property developments specifically mentioned in Section 5.2 under the heading 'Sale of real estate projects', some of which are intended to be partly financed out of the use of proceeds of the Bonds;

viii. CF Hotels Ltd., a private limited liability company, incorporated under the laws of Malta on 26 January 2021 with registration number C 97986 and with its registered office situated at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan STJ 9023, Malta, which on the date hereof is not an actively operating company; and

ix. The Issuer, which does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company for the Group, and intended to serve as a vehicle through which the Group will continue to finance its existing and future projects, including the projects referred to in Section 4.2 of the Securities Note, and potentially other projects that may be undertaken from time to time in future by the Group and/or enabling the Group to seize new opportunities arising in the market.

The Group, in its existing form, has been constituted recently following the incorporation of the Guarantor, as parent, and a corporate restructuring process involving a series of share transfers and share exchanges and other corporate transactions leading to the other companies becoming Subsidiaries of the Guarantor, apart from the incorporation of the Issuer as a Subsidiary itself of the said Guarantor.

Historically, the shareholders of the Guarantor and beneficial owners of the Group (the Shareholders), namely Joseph Portelli, Duncan Micallef, Clifton Cassar, Francis Agius and Stephen Falzon, operated in their own name or under separate companies, whereby:

(i) Stephen Falzon, Duncan Micallef, and Francis Agius developed real estate projects through a company named SDF Limited, which was incorporated in 2013;

(ii) Stephen Falzon, Duncan Micallef, Francis Agius and Joseph Portelli developed real estate projects through a company named 7 Dwarfs Ltd, which was incorporated in 2020;

(iii) Stephen Falzon, Duncan Micallef, and Francis Agius jointly through FMG Global Holdings Ltd (C 57894), together with Joseph Portelli, set up Finish Furnish Limited in 2016, which operates the 'Casafini' showroom in Balzan;

(iv) Joseph Portelli, Duncan Micallef, and Clifton Cassar developed real estate projects through JDC Projects Limited and JDC Contracting Limited, which were incorporated in 2018 and 2019 respectively. Together Joseph Portelli, Duncan Micallef and Clifton Cassar also acquired and developed the Scirocco Hotel and Levante Hotel through Ratcon Ltd, Mistral Hotel through Mistral Hotel Ltd, and the CF Business Centre initially in their personal names and later through, and by transferring the same to, Haven Centre Ltd.

In 2020, the Shareholders commenced discussions to merge their business so as to consolidate the business to create synergies in order to expand their future operations. The companies involved in such merger of operations were Haven Centre Ltd, Mistral Hotel Ltd, Ratcon Ltd and Finish Furnish Limited. The Shareholders agreed that any developments being developed by SDF Limited and JDC Projects Limited and 7 Dwarfs Ltd, being currently in progress, would be completed by these entities. They agreed however that going forward all new developments would be developed through CF Developers Ltd and CF Contracting Ltd., two new companies set up by the shareholders in 2020, and owned directly by them. Furthermore, another new company, CF Hotels Ltd. was incorporated at the beginning of 2021 and also owned directly by the same Shareholders.

The merger of operations then followed in 2022, through a restructuring involving a series of share transfers and share exchanges and other corporate transactions. Such merger of operations was intended to result in all Shareholders retaining substantially the same value of their existing shareholdings at the time in the merged entity/ies, after some adjustments through compensation by some Shareholders to others.
Prior to such restructuring:

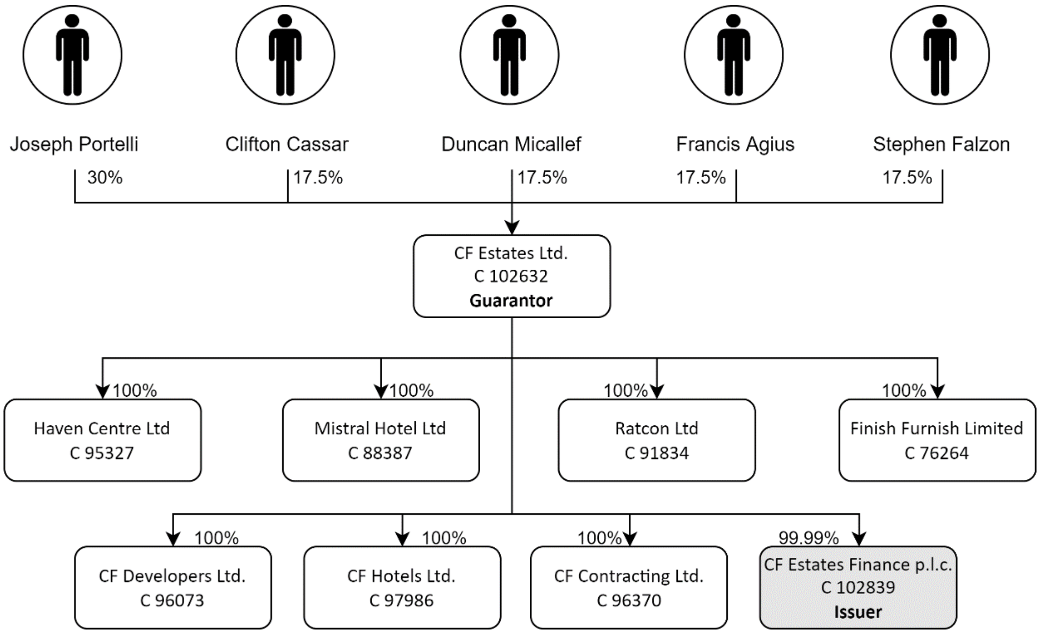
(i) each of Haven Centre Ltd, Mistral Hotel Ltd and Ratcon Ltd were owned directly by Joseph Portelli, Clifton Cassar and Duncan Micallef in the proportions of 40%, 30% and 30% respectively;

(ii) Finish Furnish Limited was owned as to 40% by Joseph Portelli and as to the remaining 60% by FMG Global Holdings Ltd (C 57894) which was in turn owned by Duncan Micallef, Francis Agius and Stephen Falzon in equal proportions between them (33.3% each); and

(iii) CF Contracting Ltd., CF Developers Ltd. and CF Hotels Ltd. were incorporated by and directly owned by Joseph Portelli, Duncan Micallef, Clifton Cassar, Francis Agius and Stephen Falzon in the proportions of 30%, 22%, 16%, 16% and 16% respectively.

Following such restructuring and constitution of the Group as aforesaid, the Guarantor is now directly owned by, and each of the above-mentioned Subsidiaries is indirectly beneficially owned by, Joseph Portelli, Duncan Micallef, Clifton Cassar, Francis Agius and Stephen Falzon in the proportions of 30%, 17.5%, 17.5%, 17.5% and 17.5% respectively.

The organisational structure of the Group, as at the date of this Registration Document, is illustrated in the following diagram:



<u>Dependence of Issuer and Guarantor on the Group</u>

As previously stated, the Issuer is, essentially, a special purpose vehicle set up to act as a financing company for the needs of the Group and, as such, it is dependent on the business prospects and operating results of the Group, particularly the Guarantor. More specifically, the Issuer is principally dependent, including for the purpose of servicing interest payments on the Bonds and the repayment of the Redemption Value on redemption, on the receipt of interest payments and loan repayment from the Guarantor to which the proceeds of the Bond Issue will be advanced by way of loan under the Issuer-Guarantor Loan.

As the holding company of the Group, the Guarantor is ultimately dependent on the results and performance of its Subsidiaries from which it expects to receive payments under any shareholders' loans made to them to finance their respective projects and/or operations and from which it expects to receive dividends from time to time, which loan payments and dividends will be used to finance payments under the Issuer-Guarantor Loan by the Guarantor to the Issuer.

5. BUSINESS OVERVIEW OF THE GROUP AND INVESTMENTS

5.1 *Principal Activities and Markets*

The Issuer does not undertake any trading activities itself and its sole purpose is that of acting as the finance arm of the Group, principally by raising finance and advancing same to members of the Group. Accordingly, the Issuer is economically dependent principally on the operational results, financial condition and performance of its borrower Group companies.

Subject to the successful issue and allocation of the Bonds, the Issuer will grant the Issuer-Guarantor Loan to the Guarantor, by virtue of which the proceeds of the Bond Issue will be made available to such Guarantor as set out in more detail in Section 4 of the Securities Note.

The Group, through the various Subsidiaries comprised therein, is involved in a mixed range of business activities and sectors, including in particular:

(i) <u>hospitality and tourism</u> – principally the acquisition and/or development and operation of hotels;
(ii) <u>office rentals</u> – principally the acquisition and/or development of office spaces and their rental to third parties;
(iii) <u>tiles, furnishings and furniture trading</u> – principally the importation, supply, wholesale, retail sales, installation, fixing, assembly and dealing in tiles and sanitaryware, furnishings, fittings and furniture; and
(iv) <u>real estate</u> – principally the identification, acquisition, design, development and resale of residential and commercial real estate developments of various sizes.

A more detailed explanation of these main lines of business of the Group is provided below in Section 5.2.

Whilst the Group and most of the companies comprising the same have a limited operational history and are of relatively recent origin in varying degrees between the different Group companies, the ultimate beneficial owners of the Group have been respectively involved in various combinations of the business activities described above for a substantial number of years and have a long trading history in the said respective business sectors.

5.2 Business overview of the Group

As noted under Section 5.1 above, the main business activities of the Group are expected to be the resale of residential and commercial immovable projects, the development and retention of other immovables particularly hotels and office spaces and facilities for long-term investment to generate rental and operational income therefrom, as well as trading in tiling, furnishings and furniture.

Retention and operation of hotels

The Group, principally through Ratcon Ltd and Mistral Hotel Ltd, currently owns three hotels in St. Julian's, Malta, which are in the course of being completed, namely:

A. Levante Hotel – Paceville, St. Julians

This is the smallest of the said 3 hotels. It is being developed by Ratcon Ltd on a site owned by it, measuring approximately 95 sq.m. in Triq Gort, Paceville, St. Julians, which was acquired by Ratcon Ltd on 31 July, 2019.

It will consist of 19 rooms, a reception area, a pool deck area, a restaurant and kitchen, all organized on 11 floors, including recessed floor, above the lower street level and a basement and the roof.

The development has been approved on 24 June 2019 by virtue of planning permit PA/05714/18.

As set out in Section 6.2 of this Registration Document, the total development costs, including site acquisition costs, of this hotel were partly financed through bank financing and partly through shareholder loans as well as inter-company loans from CF Developers Ltd. These costs are proposed to be partly financed or refinanced, including by way of refinancing of such bank loans, through the use of proceeds of the Bond Issue, as set out in Section 4 of the Securities Note.

B. Scirocco Hotel – Paceville, St. Julians

This is another hotel being developed by Ratcon Ltd on a site measuring approximately 145 sq.m. in Triq Ross, Paceville, St. Julians, which was acquired by Ratcon Ltd on 1 July 2019.

It will consist of 37 rooms, a lobby area, piano area, office, gym, breakfast room, and a pool deck area with bar, all organized on 11 floors, including recessed floor, above the lower street level and a basement and the roof.

The development has been approved on 21 February 2019 by virtue of planning permit PA/03756/18.

As mentioned in Section 6.2 of this Registration Document, the total development costs, including site acquisition costs, of this hotel were also partly financed through bank financing and partly through shareholder loans as well as inter-company loans from CF Developers Ltd. These costs are proposed to be partly financed or refinanced, including by way of refinancing of such bank loans, through the use of proceeds of the Bond Issue, as set out in Section 4 of the Securities Note.

C. Mistral Hotel – Pacevile, St. Julians

This hotel is being developed by Mistral Hotel Ltd on a site measuring approximately 178 sq.m. in Triq Luigi Apap, Paceville, St. Julians, which was acquired by the said Mistral Hotel Ltd on 30 October, 2018.

It will consist of 51 rooms, a lobby area, restaurants and a pool deck area, all organized on 11 floors, including recessed floor, above the lower street level and a lower intermediate level/basement and the roof.

The development has been approved on 9 January, 2018 by virtue of planning permit PA/05335/17.

Even in this case, and as shown in Section 6.2 of this Registration Document, the total development costs, including site acquisition costs, of this hotel were partly financed through bank financing and partly through shareholder loans as well as inter-company loans from CF Developers Ltd. These costs are proposed to be partly financed or refinanced, including by way of refinancing of such bank loans, through the use of proceeds of the Bond Issue, as set out in Section 4 of the Securities Note.

Operation of hotels

The above-mentioned three hotels are all fully completed in shell form and are currently undergoing finishing works which are expected to be completed by end of March 2023, and operations are expected to commence in April 2023. As at 30 June 2022, the total remaining (not yet paid) costs for completion of these three hotels amounted to approximately €2,854,000.

The said three hotels are to be operated as 3-star hotels.

Initially it was the intention that the said three hotels were to be operated by CF Hotels Ltd. through the hotel operation and management services of Meliá Hotels International S.A. (www.meliahotelsinternational.com/en) and Prodigios Interactivos S.A., and that CF Hotels Ltd. would accordingly enter into lease agreements with each of Ratcon Ltd and Mistral Hotel Ltd whereby the latter would grant the hotel/s respectively owned by them on lease to the said CF Hotels Ltd.

On the basis of such original intentions, CF Hotels Ltd. had entered into a hotel management agreement with Meliá Hotels International S.A., as manager, and Prodigios Interactivos S.A., as provider, dated 23 March 2021 as amended from time to time, for the provision of hotel operation and management services by the said Meliá Hotels International S.A. and Prodigios Interactivos S.A. in respect of the hotels and respective facilities.

In terms of such hotel management agreement the said Meliá Hotels International S.A. and Prodigios Interactivos S.A. have agreed to manage and operate the hotels under the affiliation brand name of 'Meliá', in accordance with the parameters and under the conditions agreed to between the parties. The parties have agreed on a management consideration payable to Meliá Hotels International S.A. and Prodigios Interactivos S.A. calculated in accordance with a formula essentially based on a percentage of operating revenue and gross operating profit, with the remaining operational revenue being retained by CF Hotels Ltd. The term of the agreement is expected to be of 15 years with effect from the date when the handover requirements as set out in the agreement are met and a protocol to this effect is executed between the parties, as the same may be extended by agreement between the parties.

More recently, however, the Group decided that it was more commercially sensible and financially feasible to have the hotels operated by the Group companies respectively owning the same, namely Levante Hotel and Scirocco Hotel being operated by Ratcon Ltd and Mistral Hotel being operated by Mistral Hotel Ltd. Accordingly, as at the date of this Registration Document, the Group is in the process of updating its contractual relationships with Meliá Hotels International S.A. and Prodigios Interactivos S.A. such that a hotel management agreement is entered into directly with each of Ratcon Ltd and Mistral Hotel Ltd in respect of the hotel/s respectively owned by them, and this in substitution of, but essentially on the same terms and conditions of, the existing agreement with CF Hotels Ltd.

All the hotels are in walking distance from the Mercury Project and Hotel owned by the Mercury Group which is beneficially owned by Mr Joseph Portelli. As at the date of this Registration Document, discussions are taking place between the Group and the said Mercury Group such that the above-mentioned hotels of the Group and the Mercury Hotel will be inter-linked in terms of shared facilities. Consequently, the tourists staying at these hotels will be able to use the Mercury Hotel's facilities, throughout the year or at particular periods during the year. Furthermore, it is the intention that any weddings or meetings, incentives, conferences and exhibitions (MICE) events taking place at Mercury Hotel will offer accommodation either at the Mercury Hotel or in one of these 3-star hotels of the Group. As at the date of this Registration Document, however, discussions and negotiations are still ongoing and no definitive agreement has yet been reached on the terms and conditions for the said inter-linking of operations and facilities. In concluding any such agreement, the Group will ensure to take the necessary measures to control any conflicts of interest which may arise from the involvement of Mr Joseph Portelli in the Mercury Project and Hotel and the need to achieve an arm's length arrangement.

Other possible products and services in the hospitality sector

The Group is also considering to offer in future other products and services in the hospitality sector apart from the operation of hotels, including the development and/or operation of short-let apartments, and is on the date of this Registration Document in the process of identifying and assessing some potential projects in this respect.

Retention and letting of offices

The Group, through Haven Centre Ltd, currently owns the CF Business Centre, a luxurious and spacious work environment which boasts of high-quality facilities and modern design. It is a completed and finished complex of offices, having its main entrance abutting onto Triq Sant'Andrija – Triq Gort c/w Triq Gdida fi Trejqet San Gorg, Paceville, St. Julian's, Malta. It is built on a site measuring approximately 351 sq.m.

It was acquired in shell form by the Haven Centre Ltd on 18 January 2021.
The complex consists of eight floors of commercial offices, from levels 1 to level 8. Within the same building there are also ancillary storage facilities at basement level -1 and commercial outlets/catering outlets situated and reception/lobby area at the ground floor (level 0).
The development has been approved on 12 March 2018 by virtue of planning permit PA/04056/17.

Haven Centre Ltd's main business model is to let the office space as well as the commercial/catering outlets to third parties, including other members of the Group and/or related parties, thus generating rental income for the company. As at the date of this Registration Document, a substantial part of the office space and catering outlet space available for rent within the CF Business Centre, which totals approximately 3,241 sq.m. including 278 sq.m of storage at level -1, is subject to lease contracts, except for the office space in level 7 and one of the outlets at ground floor, which are currently unreserved.

All existing rental agreements have a duration of ten years, six di fermo and four di rispetto, except for two, whereby the contracted term is of 5 years and 7 years, starting mid-2022.

As set out in Section 6.2 of this Registration Document, the total development costs, including site acquisition costs, of the CF Business Centre were partly financed through bank financing and partly through shareholder loans as well as inter-company loans from CF Developers Ltd. These costs are proposed to be partly financed or refinanced, including by way of refinancing of such bank loans, through the use of proceeds of the Bond Issue, as set out in Section 4 of the Securities Note.

Tile, furnishings and furniture trading

The Group, through Finish Furnish Limited, carries out an important and growing tiles, furniture and furnishings trading business, under the trade name of 'Casafini'. Finish Furnish Limited operates a modern state-of-the-art showroom at 146, Balzan Valley, Balzan BZN 1403, Malta.

The business has over the initial years evolved into a business of importation, supply, wholesale, retail sales, installation, fixing, assembly and otherwise dealing in and providing services in respect of furniture and furnishings for kitchens, living rooms, bedrooms and other living spaces, floor and bathroom tiles, sanitaryware fittings, mixers and accessories, and other furnishings, fittings and movable items within residential and commercial buildings. The company holds sole agency of a number of brands. New brands and products are added to the list of offerings from time to time.

The Group has supplied and continues to supply important real estate projects, both within the Group and outside of the Group.

Sale of real estate projects

The Group, principally through CF Developers Ltd., currently owns or is in the process of concluding the acquisition of various sites of various sizes and in various localities which it is in the process of developing into residential and/or residential and commercial complexes or buildings for eventual resale. Some of these projects have already secured a planning permit whilst others are in the process of obtaining the relative permit. In most cases the processing of the relevant planning permit application is in its final stages and the relative permit is expected to be issued shortly.

These on-going projects include the following:

A. Projects covered by planning permission and to be partly financed through the use of proceeds of the Bond Issue

The Group is involved in developing the following on-going real estate projects, which are already covered by planning permission as at the date of this Registration Document, and the development costs, including acquisition costs, of which are proposed to be partly financed through the use of proceeds of the Bond Issue, as set out in Section 4 of the Securities Note:

1. Mayfair Residences - Attard

This major development will be located in Attard, in close vicinity to San Anton Gardens, and with a view over beautiful landscaped gardens. It will span over a site of a superficial area of approximately 1678 sq.m., situated on land known as "Ta' Dardu" in Triq Lorenzo Manche, Attard, which was acquired by CF Developers Ltd. from various sellers on 17 May 2022.

The development will consist of 34 two to three-bedroom apartments, including 4 penthouses, and 9 maisonettes and 44 garages being constructed over 5 floors and 2 basement levels, and arranged into 5 residential blocks. Some of the penthouses and maisonettes feature private terraces and private lift entry.

The development was approved on 16 November 2021 by virtue of planning permit PA/03873/21.

CF Developers Ltd. is currently in the process of constructing the shell structure and the development is anticipated to be completed in shell form by the year 2023.

The total development costs of this project are proposed to be partly financed through the use of proceeds of the Bond Issue, as set out in Section 4 of the Securities Note. As set out in Section 6.2 of this Registration Document, CF Developers Ltd. also has a bank sanction letter for a loan of €6,500,000 to develop this property.

2. Macael Apartments

This development will be located in Paola, over a site of a superficial area of approximately 1,155 sq.m.. The said site consisted of House numbered 147 named 'El Prado', Triq il-Foss Paola; House numbered 149 named 'Werribee', Triq il-Foss Paola; House numbered 151,with garage at Triq il-Foss, Paola; House numbered 155 named 'Nid d'Amour', at Triq il-Foss, Poala and House number 2, named 'Massabielle' with garage in Triq Athlone, Paola. Such site was acquired by CF Developers Ltd. from various sellers on 4 August 2022.

The development will consist of 45 apartments including penthouses, including jacuzzi/pool, and 18 garages, to be constructed over 5 floors and a basement level.

The development was approved on 15 December 2021 by virtue of planning permit PA/01895/21.

Works on the development are expected to commence soon. The development is anticipated to be completed in shell form by the year 2023.

The total development costs of this project are proposed to be partly financed through the use of proceeds of the Bond Issue, as set out in Section 4 of the Securities Note. As set out in Section 6.2 of this Registration Document, CF Developers Ltd. also has a bank sanction letter for a loan of €2,750,000 to develop this property.

3. Sunrise Corner

This development will be located in Swatar, over a site of a superficial area of approximately 167 sq.m. and with a developable area of approximately 105 sq.m. situated at Triq Olaf Gollcher, corner with Triq it-Torri, Swatar, limits of Birkirkara, which was acquired by CF Developers Ltd. from various sellers on 3 June 2022.

The development will consist of 8 apartments, including two duplexes with pool, 1 office and 1 garage, to be constructed over 5 floors, including elevated ground floor, and a semi-basement level.

The development was approved on 20 December 2021 by virtue of planning permit PA/7062/21.

Works on the development have recently commenced and the development is anticipated to be completed in shell form by the year 2022.

The total development costs of this project are proposed to be partly financed through the use of proceeds of the Bond Issue, as set out in Section 4 of the Securities Note. As set out in Section 6.2 of this Registration Document, CF Developers Ltd. also has a bank sanction letter for a loan of €557,800 to develop this property.

4. <u>Vermont Court</u>

This development will be located in Pieta', over a site of a superficial area of approximately 435 sq.m. The said site was acquired from various sellers on 27 July 2022 and consisted of the house at 89 named ''Villino Muscat'', Triq Qrejten, Pieta; block of apartment at 33 in Triq John Borg, Gwardamangia, Pieta and showroom at 31 in Triq John Borg, Gwardamangia, Pieta.

The development will consist of 38 apartments, 4 maisonettes, 1 retail shop / office and 9 garages, to be constructed over 7 floors, including recessed level along with proposed pools at recessed level, and a basement level.

The development was approved on 25 March 2022 by virtue of planning permit PA/08738/21.

Works on the development have recently commenced and the development is anticipated to be completed in shell form by the year 2024.

The total development costs of this project are proposed to be partly financed through the use of proceeds of the Bond Issue, as set out in Section 4 of the Securities Note. As set out in Section 6.2 of this Registration Document, CF Developers Ltd. also has a bank sanction letter for a loan of €2,730,000 to develop this property.

B. Other ongoing projects

The Group, through CF Developers Ltd., is also involved in other on-going real estate projects, which are fully implemented or quite advanced in terms of the process of acquisition of the relevant site and the relevant design and planning permits and, in some cases, also in terms of development thereof. The largest of such projects currently are the Park Lane residences in Balzan and Artemis and Hestia in Qrendi:

1. <u>Park Lane residences - Balzan</u>

This is a major residential real estate property development to be situated in Balzan. This project will attempt to create a safe living haven epitomising contemporary living within a community. The development will span over a site of a superficial area of approximately 3,997 sq.m. The said site is the subject of a preliminary agreement entered into by CF Developers Ltd. with the relevant vendors on 3 August 2020, as subsequently amended by various addenda, to acquire the building named "Dolphin Centre" in Triq Wied Hal Balzan corner with Triq il-Kbira, limits of Hal Balzan.

The development is proposed to consist of approximately 88 two to three-bedroom residences, some of which offer private pools, sauna and/or steam rooms, and approximately 150 garages / parking spaces. The development will be constructed over 5 floors and 2 basement levels. Apart from the residences, Park Lane project will also offer retail outlets, a swimming pool, gym and an array of amenities in the same vicinity.

The development was approved on 6 September 2022 by virtue of planning permit PA/08693/20. This permit was appealed by some individuals and entities through a joint appeal dated 18 October 2022. CF Developers Ltd. believes that the permit is fully compliant with the relevant policies regulating the site in question and will challenge such appeal on that basis.

Works on the development are expected to commence in 2022 and the development is anticipated to be completed in shell form by the year 2024. CF Developers Ltd. has a bank sanction letter for a loan of €17,300,000 to develop this property.

2. ***Artemis and Hestia - Qrendi***

This is another major development. It consists of Artemis, a development which was approved by the planning authorities pursuant to application PA/08753/21 and Hestia, a development which was approved by the planning authorities pursuant to application PA/08754/21. These two developments will be constructed over two sites, namely a site of a superficial area of approximately 1,670 sq.m. which was acquired by CF Developers Ltd. from various sellers on 3 October 2022, and another site of a superficial area of approximately 490 sq.m. which was acquired by CF Developers Ltd. from various sellers on 3 October 2022. Artemis development will consist of approximately 56 residential units including penthouses, including jacuzzi and pools, and 51 garages/car spaces; and Hestia development will consist of approximately 11 residential units including penthouses, including pools, and 8 garages/car spaces. Artemis and Hestia will be connected to each other and will in practice be developed and sold as one composite development.

Furthermore, there are two other on-going development projects undertaken by CF Developers Ltd. which, together with Artemis and Hestia in Qrendi, Mayfair Residences in Balzan, Sunrise Corner in Swatar, Vermont Court in Pieta' and Macael Apartments in Paola, were partly financed by the proceeds of issue of the Existing Secured Notes as set out in Section 6.2 below, namely Gardenia Apartments in Birkirkara and Greenwood Court in Marsaxlokk:

i. ***Gardenia Apartments – Birkirkara***

This development has been approved by the planning authorities by virtue of planning permit PA/08899/20. It is being constructed over a site of a superficial area of approximately 300 sq.m. acquired by CF Developers Ltd. on 6 December 2021. The development will consist of approximately 17 residential and/or commercial units.

ii. ***Greenwood Court – Marsaxlokk***

This development has been approved by the planning authorities by virtue of planning permit PA/07532/21. It is being constructed over a site of a superficial area of approximately 325 sq.m. acquired by CF Developers Ltd. on 9 May 2022. The development will consist of approximately 10 residential units and 3 garages/car spaces.

There are other such but smaller projects, situated in various localities around Malta and Gozo.

C. Future projects

As at the date of this Registration Document there are other real estate projects which are being considered, negotiated and/or planned by CF Developers Ltd., and in some cases the said company has already entered into conditional preliminary agreements for the acquisition of the respective site. Furthermore, the Group is always seeking new opportunities for profitable residential or residential and commercial developments.

Resale of real estate projects

As mentioned earlier, these real estate development projects undertaken by the Group as mentioned above are typically intended for resale to third parties. CF Developers Ltd. typically purchases the respective sites for development and then contracts various contractors for the various works involved in developing the same.

In the normal course, CF Developers Ltd. transfers the residential units in shell form but with apertures installed and with the obligation to finish the common parts, in which case the relevant promise of sale agreement is typically between CF Developers Ltd. and the relevant buyer/s, whilst CF Developers Ltd. may then separately contract CF Contracting Ltd. and/or other contractors for the finishing works to the common parts and for the apertures. In some cases, however, the buyers may choose to buy the units as internally finished as well, in which case CF Contracting Ltd. typically enters into a contract of works with the relevant buyer/s and undertakes the said internal finishing works.

Having said the above, there are also cases where CF Developers Ltd. enters into the relevant promise of sale agreement with the respective buyer/s for the sale of the airspace where the respective unit will be constructed, and a contract of works agreement is simultaneously entered into between CF Contracting Ltd. and the buyer/s for the construction of the unit in shell form or in a finished state, as requested by the buyer/s, in which case CF Developers Ltd. is not liable towards the buyer for defects in construction or otherwise for the works.

As at 30 June 2022, the expected total sales value of all the ongoing residential developments referred to in Sub-section A above and of the largest ongoing developments referred to in Sub-section B above, namely, Park Lane, Artemis and Hestia, was of approximately €81 million, out of which a total of approximately €40.5 million in sales value of property had already been allocated to, and formed the subject of binding preliminary agreements with, third parties.

6. FINANCING AND SOLVENCY

6.1 Solvency and credit ratings

There are no recent events particular to the Issuer or the Guarantor which are to a material extent relevant to an evaluation of their respective solvency.

No credit ratings have been assigned to the Issuer or the Guarantor at the request or cooperation of the said Issuer or, as the case may be, the Guarantor in the rating process.

6.2 Financing and funding structure of the Issuer and the Group

Since incorporation, the Issuer has raised finance through the issue of the Existing Secured Notes, as explained in more detail under the heading 'Issue of Existing Secured Notes' below in this Section 6.2. Save as aforesaid, there are no material changes in the Issuer's borrowing and funding structure since the last financial year, also in view of the fact that the Issuer has been recently incorporated and registered.

The Directors expect the Issuer's and the Group's working capital and funding requirements to be met by a combination of the following sources of finance: (i) on a short-term basis, and to the extent these are not converted into Bonds, the financing raised by the issue of Existing Secured Notes; (ii) cash flow from profits generated by the Group's operations; (iii) external bank credit and loan facilities; and (iv) the proceeds from the Bonds.

Issue of Existing Secured Notes

As noted earlier, the Issuer does not undertake any trading activities itself and its sole purpose is that of raising finance and advancing same to members of the Group. Its sole finance raising activity since the date of its incorporation to date has been the issue of the Existing Secured Notes, namely the issue of an aggregate of €3,500,000 zero-coupon secured unlisted notes of a face value of €100 per note, in terms of the Offering Memorandum dated 22 August 2022. These Existing Secured Notes are not listed and were placed through the Sponsor, acting as a placement agent to such issue.

The said Existing Secured Notes do not pay interest but are repayable at a redemption value of €103 per Existing Secured Note. These have been issued as short-term finance for the Group, and are in fact redeemable on 23 March 2023, subject to early redemption by and at the discretion of the Issuer at any time from 23 October 2022. The Existing Secured Notes are however convertible into Bonds at the choice of the relevant holders pursuant to the Existing Secured Notes Conversion, as and subject to what is provided in Sections 5 and 8.2 of the Securities Note.

The Issuer's payment obligations in respect of the Existing Secured Notes are secured by a joint and several guarantee by the Guarantor dated 22 August 2022, as well as by a first ranking pledge by the Shareholders over the totality of their shares in the Guarantor through a pledge agreement dated 31 August 2022. Such guarantee and pledge have been granted to, and the respective guarantee agreement and pledge agreement have been entered into with, the Security Trustee, who has been appointed and acts as security trustee in respect of the security created in respect of such Existing Secured Notes, for the benefits of the holders of such Existing Secured Notes.

The proceeds from the Existing Secured Notes were made available by the Issuer to the Guarantor through a loan, pursuant to a loan agreement dated 31 August 2022, for the purposes of, and were used, as to the amount of €2,000,000, to finance part of the development costs in respect of certain real estate developments undertaken by CF Developers Ltd., namely Artemis and Hestia in Qrendi, Mayfair in Balzan, Gardenia in Birkirkara, Sunrise Corner in Swatar, Greenwood Court in Marsaxlokk, Vermont Court in Pieta' and Macael Apartments in Paola, and as to the remaining €1,500,000, for general corporate funding purposes of the Group.

Such loan between the Issuer and the Guarantor bears interest at the rate of 6.5% per annum payable on the repayment date of the loan. The loan is repayable on 15 March 2023, but is subject to earlier repayment in case the Existing Secured Notes are redeemed earlier than their full maturity date, or in case of an event of default under the loan agreement or in case of an event as a result of which the repayment of the Existing Secured Notes otherwise becomes due and payable: provided that in such case interest shall still be paid at the rate of 6.5% per annum calculated over the whole period until 15 March 2023, as if the loan were only repaid on 15 March 2023.

The said loan agreement also provides that where any Existing Noteholders exercise their right to convert any of their Existing Secured Notes into Bonds as provided in the Offering Memorandum and in the Prospectus, then an amount equivalent to the conversion amount of the converted Existing Secured Notes shall automatically be deemed to be repaid under the indebtedness outstanding under the said loan agreement and by virtue of the issue of the relevant Bonds, and the nominal value of the relevant Bonds issued pursuant to such conversion shall for all intents and purposes be and be treated as part of the proceeds of the Bonds and shall form part of the Issuer-Guarantor Loan to be made by the Issuer to the Guarantor out of the proceeds of issue of the Bonds.

Any Existing Secured Notes which are not converted into Bonds as aforesaid shall be redeemed upon the redemption date or early redemption date of such Existing Secured Notes in terms of the Offering Memorandum and shall thereafter be cancelled.

To the extent that any Existing Noteholders choose not to convert any of their Existing Secured Notes into Bonds as provided in the Offering Memorandum and in the Prospectus, such remaining Existing Secured Notes shall continue to be secured by (i) the pledge over the Shareholders' shares in the Guarantor which pledge shall remain first ranking according to law and (ii) the joint and several guarantee by the Guarantor which, by its very nature, will continue to rank *pari passu* with all the other unsecured and unsubordinated obligations of the Guarantor.

Financing of operations and of payment obligations under bank borrowings and the Bonds through the Group's operations

The various business lines within the Group are expected to generate operational profits for the respective Group companies, principally, but not limitedly, in the form of revenues generated from the sale of residential and commercial immovable properties by CF Developers Ltd., the hotel operational revenues to be generated by Ratcon Ltd and Mistral Hotel Ltd in respect of the hotels owned by the Group, the office and commercial rental income to be generated by Haven Centre Ltd and the trading profits to be made by Finish Furnish Limited, as well as other operational revenues to be generated from any other business activities from time to time by the Group and the companies forming part thereof.

The above-mentioned operational revenues will be used to finance investments, acquisitions and expenses involved in the business operations and growth of the various Group companies. They are also expected to finance payments under bank borrowings obtained by the various Group companies as well as payments of dividends and/or payments of shareholders' loans or other payments to the Guarantor by the various Group companies, including those to which the proceeds of the Bond Issue would be made available by the Guarantor, thus financing the payments due under the Bonds.

Financing through bank and other loans

Bank loans

As at 30 June 2022, the Group had bank loan facilities available and total bank borrowings, comprising bank loans and overdrafts, based on sanction letters in place as at such date, as shown in the following Table A:

Table A

Borrower Group company	Development/ Purpose of borrowing	Bank	Total Facility Amount	Balance as at 30/06/2022	Interest per annum as at 30/06/2022	Repayment
Hotels						
Ratcon Ltd	Levante Hotel and Scirocco Hotel	BNF Bank plc	Loans 1 to 3: Total of €2,046,000 in relation to Scirocco Hotel; Loans 4 to 6: Total of €1,425,000 in relation to Levante Hotel	€1,911,000	5.25%	Loan 1, 2, 4 and 5: 15 years from first drawdown including 3 years moratorium; Loan 3 and 6: 8 years from first drawdown
Mistral Hotel Ltd	Mistral Hotel	MeDirect Bank (Malta) plc	Loan of €2,825,000	€1,341,073	4.75%	12 years from first drawdown including 2 years moratorium
CF Business Centre						
Haven Centre Ltd	CF Business Centre	MeDirect Bank (Malta) plc	Loans 1 to 3: Total of €8,300,000	€7,763,634	4.75%	12 years including 1 year Moratorium
Real Estate Developments						
CF Developers Ltd.	Mayfair Residence	FCM Bank Limited	Loans 1 and 2: Total of €6,500,000	€4,725,000	4.25%	Loans to be settled within 48 months from first drawdown
CF Developers Ltd.	Macael, Sunrise Corner and Le Soleil development	MeDirect Bank (Malta) plc	Loans 3 and 4: Total of €2,750,000 in relation to Macael; Loans 5 and 6: Total of €557,800 in relation to Sunrise Corner; Loans 7 and 8: Total of €756,400 in relation to Le Soleil	€455,094	4.25%	Loans 3 and 4: 3 years from the date of first drawdown; Loans 5 to 8: 4 years from date of first drawdown
CF Developers Ltd.	Regent	Lombard Bank Malta plc	€1,700,000	€1,695,687	4.00%	Full repayment of capital to be effected by not later than 30 April 2024
CF Developers Ltd.	Vermont, Artemis and Hestia	MeDirect Bank (Malta) plc	Loans 9 and 10: Total of €2,730,000 in relation to Vermont; Loans 11 and 12: Total of €6,380,000 in relation to Artemis and Hestia	€1,954,000	4.25%	4 years from first drawdown
Casafini						
Finish Furnish Limited	Casafini showroom	Bank of Valletta plc	Overdraft facility of €50,000, currently temporarily increased to €400,000; Loan of €200,000	Overdraft: €314,769; Loan: €50,916	5.65%	Overdraft repayable on demand; Bank loan repayable by March 2023

The bank loans and facilities set out under the rows marked 'Hotels' and 'CF Business Centre' are herein referred to as **"Relevant Bank Loans".**

The bank borrowings and facilities mentioned above are secured through various security interests granted over assets of the Group or otherwise granted by the Group, including in some cases over assets of third parties or entities outside the Group. Such security interests typically include, without limitation, a general hypothec by the relevant borrowing Group company over all its present and future assets, a first special hypothec and/or privilege over the property owned by the relevant borrowing Group company the development whereof constitutes the purpose or one of the purposes of the relevant loan or facility (where applicable), a pledge on insurance proceeds under various insurance policies of the relevant borrowing Group company and/or the shareholders/beneficial owners of the Group, as applicable, personal guarantees by the shareholders/beneficial owners, as well as a series of covenants and undertakings by the relevant borrowing Group company and/or the shareholders/beneficial owners, including undertakings that no declaration and payment of dividends, repayments of shareholders' or related party loans, and no change in the shareholding structure are to be made by or in respect of the relevant borrowing Group company without the relevant bank's prior consent.

Without prejudice to the generality of the foregoing, the Relevant Bank Loans are *inter alia* secured by the following security interests encumbering the Security Property or parts thereof (herein referred to as the **"Bank Security Interests"**):

(i) the first special hypothec for €3,471,000 and special privilege for the maximum allowed by law over the house and its airspace bearing the name Ratton, Ross Street, St. Julian's, Malta, which is now being developed into the Scirocco Hotel, and over the property and its airspace bearing the name Constance, St. Andrew's Street, St. Julian's, Malta, which is now being developed into the Levante Hotel, granted by Ratcon Ltd to BNF Bank plc, which have been inscribed and registered with the Public Registry under Notes numbers: I. 15491/19, I.19246/19, I.19247/19 and I.19481/21;

(ii) the first special hypothec for €2,825,000 over the property named Mistral situated at Triq L. Apap, St. Julian's and the property as eventually developed over the site, and a first special privilege for the maximum allowed by law over the immovable property constructed or reconstructed, whether completed or not, which shall be built over the property described above, which is now being developed into the Mistral Hotel, granted by Mistral Hotel Ltd to MeDirect Bank (Malta) plc which have been inscribed and registered with the Public Registry under Notes number: I.23195/2018;

(iii) the first special hypothec for €8,300,000 over the Property defined therein, namely the property known as 'Haven Lodge' situated in Triq Gort c/w Triq Gdida in Trejqet San Gorg in St. Julians, being the CF Business Centre, and a first special privilege for the maximum allowed by law over the immovable property constructed or reconstructed, whether completed or not, as described above, granted by Haven Centre Ltd to MeDirect Bank (Malta) plc which have been inscribed and registered with the Public Registry under Notes number: I. 3634/21.

The above-mentioned Relevant Bank Loans are intended to be refinanced through part of the proceeds of the Bond Issue, as set out in Section 4.2 of the Securities Note, whereupon the Bank Security Interests over the Security Property or parts thereof securing the said Relevant Bank Loans shall be cancelled as provided below under the heading 'Closing dynamics' in this Section 6.2 of this Registration Document.

The Group may from time to time seek further financing from banks as well as from other sources for various projects or operations.

Inter-company loans

Various developments and operations within the Group are currently partly financed by inter-company loans between companies within the Group, including the following unsecured interest-free loans made by CF Developers Ltd. to the Group companies mentioned below *inter alia* to partially finance the development costs of the hotels within the Group, namely the Levante Hotel, the Scirocco Hotel and the Mistral Hotel, and the CF Business Centre:

(a) a loan made by CF Developers Ltd. to Ratcon Ltd which as of 30 June, 2022 had an outstanding of a principal amount of €950,512;

(b) a loan made by CF Developers Ltd. to Mistral Hotel Ltd which as of 30 June, 2022 had an outstanding of a principal amount of €615,644;

(c) a loan made by CF Developers Ltd. to Haven Centre Ltd which as of 30 June, 2022 had an outstanding of a principal amount of €2,249,093; and

(d) a loan made by CF Developers Ltd. to CF Contracting Ltd. which as of 30 June, 2022 had an outstanding of a principal amount of €308,785.

Further financing through the Bonds

The Group intends to obtain further financing for certain projects and operations through the issue of the Bonds, by virtue of which the Issuer intends to raise €30,000,000 and to make the proceeds from the Bond Issue available to the Group.

The Bonds will be due in ten (10) years, namely in 2033 subject to the Issuer being entitled to redeem the Bonds on any date falling between 6 January 2028 and 6 January 2033, and will pay a coupon of 5% per annum. The Bonds will be listed on the Official List of the MSE and admitted to trading on such regulated market.

The proceeds of the Bonds will be made available by the Issuer to the Guarantor by way of loan under the Issuer-Guarantor Loan, a substantial part of which will be used to finance part of the development costs and/or bank borrowings obtained in respect of the various hotels, the CF Business Centre and various residential projects and other corporate funding requirements, all as set out in Section 4.2 of the Securities Note.

Collateral for Bonds

The Issuer’s obligations under the Bonds will be secured by the Collateral to be granted or provided by the Guarantor, Ratcon Ltd, Mistral Hotel Ltd and Haven Centre Ltd, as applicable, in favour of the Security Trustee for the benefit of Bondholders, as provided below.

Pursuant to the Security Trust Deed, the Guarantor agrees to jointly and severally guarantee the punctual performance by the Issuer of its payment obligations under the Bonds by entering into the Guarantee, as part of the Collateral.

Security will also be given, *inter alia*, by way of Collateral in the form of a first ranking special hypothec over the Security Property (the Special Hypothec), as described in the following table:

	Security Property	Valuation based on open market value of property in its existing state as at 22 November 2022, as per the Architect's Valuation Report* - (€)	Estimated capital value at current prices and on the basis of current market conditions, after development has been completed, where applicable, as per the Architect's Valuation Report* - (€)	Estimated capital value at current prices and on the basis of current market conditions, after development has been completed and the property let, where applicable, as per the Architect's Valuation Report* - (€)
i.	the Levante Hotel, including any further completion works, finishing and improvements thereto as may be made from time to time and including also the airspace thereof, currently owned by Ratcon Ltd;	€2,550,000	€3,500,000	€3,500,000
ii.	the Scirocco Hotel, including any further completion works, finishing and improvements thereto as may be made from time to time and including also the airspace thereof, currently owned by Ratcon Ltd;	€4,280,000	€5,700,000	€5,700,000
iii.	the Mistral Hotel, including any further completion works, finishing and improvements thereto as may be made from time to time and including also the airspace thereof, currently owned by Mistral Hotel Ltd;	€6,115,000	€7,700,000	€7,700,000
iv.	the CF Business Centre, including also the airspace thereof, currently owned by Haven Centre Ltd.	€15,400,000	€15,400,000	€15,400,000
	Totals	**€28,345,000**	**€32,300,000**	**€32,300,000**

**These valuations are based on the Architect's Valuation Report dated 22 November 2022, which is accessible on the Issuer's website at the following hyperlink:* https://cf.com.mt/investor-relations *and is deemed to be incorporated by reference in the Prospectus.*

It is intended to utilise part of the Bond Issue proceeds to re-finance the Relevant Bank Loans due by Ratcon Ltd to BNF Bank plc and those due by Mistral Hotel Ltd and Haven Centre Ltd respectively to MeDirect Bank (Malta) plc.

As stated above, the said Relevant Bank Loans are secured *inter alia* by the Bank Security Interests over the Security Property or parts thereof. These will be released once the outstanding amounts under the said Relevant Bank Loans are settled, to be replaced, as applicable, by the Special Hypothec thereon forming part of the Collateral being created in favour of the Security Trustee for the benefit of Bondholders.

In relation to the Security Property as encumbered by the Bank Security Interests in terms of the abovementioned Relevant Bank Loans, the Issuer, the Guarantor, Ratcon Ltd, Mistral Hotel Ltd, Haven Centre Ltd, the Security Trustee, BNF Bank plc and MeDirect Bank (Malta) plc shall appear on a notarial deed (the Deed of Hypothec) to effect payment to the said banks which provided the original finance. Pursuant to such Deed of Hypothec, the

Security Trustee shall obtain the first ranking Special Hypothec over the Security Property forming part of the Collateral, and the Issuer shall agree to make the Issuer-Guarantor Loan to the Guarantor.

The said Special Hypothec will secure the claim of the Security Trustee, for the benefit and in the interest of Bondholders, for the repayment of the Redemption Value and interest under the Bonds by a preferred claim over the Security Property. Accordingly, upon the issue of the Bonds and application of the Bond Issue proceeds in accordance with the terms of the Securities Note, the Security Trustee will have the benefit of a first ranking special hypothec over the Security Property for the full Redemption Value of the Bonds issued and interests thereon.

In its existing state, the Security Property has been valued for a total amount which is less than, and which is not sufficient to cover, the full Redemption Value of the Bonds and interest thereon, as shown in the table above. However, as mentioned under the heading 'Closing dynamics' below and under Section 4.2 of the Securities Note, the proceeds of the Bond Issue intended to be used for the completion and finishing of the hotels comprised in the Security Property as referred to in paragraph (iv) of Section 4.2 of the Securities Note, although they will constitute a loan by the Issuer to the Guarantor under the Issuer-Guarantor Loan from inception, they will not be transferred to such Guarantor but will be retained in cash by the Security Trustee under trust, who will be irrevocably authorised by the Guarantor (by way of security for the benefit of the Security Trustee and the Bondholders) to retain the same in cash, and to release and pay the same only to the relevant contractors against invoices for works on the said hotels comprised within the Security Property. As noted in the table above, the estimated value of such Security Property after completion of works will increase, and should be sufficient to cover payment obligations under the Bonds. With respect to the other portions of the proceeds of the Bond Issue to be used for the purposes set out in Section 4.2 of the Securities Note, these will be forwarded to the banks, the Guarantor and the Issuer, as provided under the heading 'Closing Dynamics' below and under Section 4.2 of the Securities Note, but the value of the Security Property in its existing state, as professionally valued, adequately covers such portions of the proceeds of the Bond Issue.

Closing dynamics

The issue and final allotment of the Bonds is conditional upon the following events, in the chronological order set out below: (1) the Collateral being constituted in favour of the Security Trustee in accordance with the provisions of the Security Trust Deed within 12 Business Days from the closing of the Offer Period; and (2) the Bonds being admitted to the Official List. In the event that any of the aforesaid Conditions Precedent is not satisfied, the Bond Issue proceeds shall be returned to the investors, as provided in Sections 4.2 and 8.2 of the Securities Note.

Accordingly, following the Bond Issue, proceeds from the Bond Issue net of bond issue expenses, which are expected to amount to approximately €600,000, and net of the proceeds of the Bond Issue representing the conversion amount of converted Existing Secured Notes, shall be forwarded by the Registrar to and shall be held by the Security Trustee who shall, save for the payment of the Relevant Bank Loans to BNF Bank plc and MeDirect Bank (Malta) plc on the Deed of Hypothec, as provided in the immediately following paragraph, retain all remaining net Bond Issue proceeds until (i) it receives appropriate assurance that publication and registration of the Deed of Hypothec and the Special Hypothec constituted thereunder will be effected and (ii) confirmation that the Bonds will be admitted to the Official List of the Malta Stock Exchange by no later than 16 January 2023 is communicated to the Security Trustee. Indeed, the Bonds shall not be admitted to the Official List of the Malta Stock Exchange unless all security has been duly perfected, in accordance with the provisions of the Security Trust Deed.

It is expected that within 12 Business Days from the closing of the Offer Period, the Issuer, the Guarantor, Ratcon Ltd, Mistral Hotel Ltd, Haven Centre Ltd, the Security Trustee, BNF Bank plc and MeDirect Bank (Malta) plc shall appear on the Deed of Hypothec to repay the Relevant Bank Loans to BNF Bank plc and MeDirect Bank (Malta) plc and consequently obtain the cancellation of the Bank Security Interests over the Security Property or parts thereof securing the said Relevant Bank Loans. Pursuant to such Deed of Hypothec, the Security Trustee will concurrently obtain from Ratcon Ltd, Mistral Hotel Ltd and Haven Centre Ltd the Special Hypothec over the Security Property respectively owned by them, and the Issuer will agree to make the Issuer-Guarantor Loan to the Guarantor, namely to make available a loan facility in the total amount equal to the proceeds from the Bond Issue. The said loan facility shall be drawn down as follows:

(a) the amount used to repay the Relevant Bank Loans to BNF Bank plc and MeDirect Bank (Malta) plc will be deemed immediately drawn down upon execution of the said Deed of Hypothec creating the Issuer-Guarantor Loan;

(b) an amount equivalent to the conversion amount of the Existing Secured Notes subject to an Existing Secured Notes Conversion, namely the redemption value of €103 per converted Existing Secured Note less any Conversion Amount Adjustment Cash Payment, shall automatically, by virtue of the issue of the relevant Bonds (at their nominal value) pursuant to such conversion, be deemed and treated as part of the proceeds of the Bonds and be deemed and treated to form part of the Issuer-Guarantor Loan and to have been drawn down upon such issue of the relevant Bonds, and a corresponding amount shall automatically be deemed and be treated to be repaid under the indebtedness outstanding under the loan agreement between the Issuer and the Guarantor dated 31 August 2022 by virtue of which the Issuer made the proceeds of the Existing Secured Notes available by way of loan to the Guarantor;

(c) an amount equivalent to the difference between €3,605,000 and the amount referred to in paragraph (b) above shall be advanced by the Security Trustee to the Issuer upon request, and shall be held by the Issuer as security for the eventual repayment by the Guarantor of any outstanding indebtedness under the loan agreement between the Issuer and the Guarantor dated 31 August 2022 by virtue of which the Issuer made the proceeds of the Existing Secured Notes available by way of loan to the Guarantor, so as to enable the Issuer to eventually finance the redemption, on the due date of redemption, of the Existing Secured Notes which were not subject to an Existing Secured Notes Conversion;

(d) the amount of such loan facility which is intended to be used to finance the completion and finishing of the hotels comprised within the Security Property as referred to in paragraph (iv) of Section 4.2 of the Securities Note, which will be held by the Security Trustee, will be drawn down in one or more subsequent drawdowns following a request by the Guarantor, in order to pay invoices for completion and finishing works on the said hotels owned by the respective Group companies, as such invoices are received from the relevant contractors of such works and against presentation of such invoices, provided that the Guarantor shall have the right to make an initial drawdown request, at any time after the execution of the Deed of Hypothec creating the Issuer-Guarantor Loan, for the full or any part of the amounts for works on the hotels within the Security Property already invoiced by but not yet paid to the relevant contractors at any time up to the execution of the said Deed of Hypothec. The said drawdowns will not be paid by the Security Trustee to the Guarantor, but will be paid by the Security Trustee directly to the respective contractors in satisfaction of the relevant invoices. The drawdown requests and payments so made to satisfy invoices for works on the hotels comprised within the Security Property as aforesaid will for all intents and purposes constitute and be deemed to constitute, as between the Issuer and the Guarantor, loans made by the Issuer to the Guarantor under the Issuer-Guarantor Loan, and the payment of the relevant invoices to the contractors will be considered as payments made by the Guarantor in the name and for the discharge of the relevant Group company which incurred the costs and expenses under the relevant invoice;

(e) the balance, less those funds required to fund the expenses of the Bond Issue, will be advanced in one or more subsequent drawdowns following a request by the Guarantor to the Issuer, whereupon the Security Trustee shall be requested and directed to release the respective amount/s to or to the order of the Guarantor;

(f) such part of the loan facility which is required by the Guarantor to fund the expenses of the Bond Issue, which the Guarantor has agreed to bear itself, which are expected to amount to approximately €600,000 and which will be retained by the Registrar and will not be forwarded to the Security Trustee, shall be forwarded by the Registrar to or to the order of the Issuer upon request.

The Issuer-Guarantor Loan will bear interest at 6% per annum payable on 2 January of each year, and the principal amount thereof shall be repayable by not later than 2 January 2033: provided that where the Issuer exercises its discretion to redeem the Bonds earlier than the Full Term Redemption Date, on a Designated Early Redemption Date at any time from or after 6 January 2028, by giving at least thirty (30) days' notice to the Bondholders as provided in Section 6.7 of the Securities Note, then the Issuer-Guarantor Loan shall become repayable in full upon request in writing made by the Issuer to the Guarantor at the relevant time by giving not less than twenty (20) days' notice to the said Guarantor. Interest shall be payable as aforesaid on the full amount of the loan from inception, notwithstanding the date/s when this is drawn down. The payments becoming due under such Issuer-Guarantor Loan and the timings thereof are such as to enable the payments due under the Bonds, including interest and repayment of capital due on maturity, to be financed through such payments to be received by the Issuer from the Guarantor under such Issuer-Guarantor Loan, leaving also a residual amount for the Issuer to finance its corporate funding requirements.

The Issuer-Guarantor Loan will be made *inter alia* on the condition, as contained in the Deed of Hypothec, that the Guarantor, in its capacity as parent company of the Group, must ensure that no new real estate development projects shall be undertaken by the Group and by any single Group company from time to time whilst the Issuer-Guarantor Loan is outstanding if in the reasonable opinion of the Guarantor the execution thereof and the projected revenue flow therefrom and the timing thereof are likely to jeopardise the timely payments under the Bonds; and also the condition that the Guarantor ensures, and the Guarantor shall undertake to ensure, that any such new real estate development projects so undertaken from time to time whilst the Issuer-Guarantor Loan is outstanding shall satisfy certain parameters and conditions mainly intended to ensure the necessary liquidity within the Group to be able to satisfy its payment obligations arising from time to time, including payment obligations under the Bonds, and the Guarantor shall be required to seek and obtain the prior approval of the Issuer in respect of, and before the Group unconditionally commits to, any proposed new project which is expected not to meet the said parameters and conditions.

7. TREND INFORMATION

***Economic Update*[1]**

The Central Bank of Malta's Business Conditions Index ("BCI") indicates that annual growth in business activity is very close to its long-term average estimated since January 2000. The European Commission survey shows that in August, economic sentiment in Malta edged down from a month earlier, standing below its long-term average, which is estimated since November 2002.

When compared with July, sentiment deteriorated strongly in the retail sector and, to a lesser extent, in industry and among consumers. By contrast, it improved in the services and construction sectors. Additional survey information shows that price expectations declined in industry and construction but rose in the remaining sectors. The largest increase was recorded in the services sector. In August, the European Commission's Economic Uncertainty Indicator ("EUI") for Malta increased when compared with July.

Higher uncertainty was notably driven by developments in the services sector. In July, industrial production increased in annual terms, following a contraction in the previous month. The volume of retail trade increased in year-on-year terms. The unemployment rate stood at 2.9% in July, unchanged from a month earlier, and the lowest rate on record. Commercial permits fell in July relative to their year-ago level, as did residential permits.

In August, both the number of promise-of-sale agreements and final deeds of sale increased on a year-on year basis but stood lower than in July. The annual inflation rate based on the Harmonised Index of Consumer Prices ("HICP") stood at 7.0% in August, up from 6.8% in the previous month. Inflation based on the Retail Price Index ("RPI") also rose, reaching 7.0% in August from 6.8% a month earlier.

Maltese residents' deposits expanded at an annual rate of 7.8% in July, following an increase of 9.5% in the previous month, while annual growth in credit to Maltese residents stood at 7.2%, marginally above the rate of 7.0% recorded a month earlier. In July 2022, the deficit on the Consolidated Fund narrowed slightly when compared with a year earlier as government revenue rose marginally while government expenditure declined.

***Economic Outlook*[2]**

[1] Central Bank of Malta – Economic Update: Issue 09/2022

[2] Central Bank of Malta – Economic Projections 2022-2024

The Central Bank of Malta expects Malta's Gross Domestic Product ("GDP") to grow by 5.2% in 2022, 4.5% in 2023 and 3.7% in 2024. Compared to the previous projections, the Bank's latest forecast represents downward revisions of 0.2% in 2022, 0.4% in 2023, and of 0.1% in 2024. The downward revisions reflect the strong pick-up in inflationary pressures as well as a further deterioration in the international economic environment due to the recent cuts in gas supplies to European countries.

Net exports are expected to be the main driver of growth in 2022, reflecting the correction in import-intensive investment outlays from the exceptionally high levels reached in 2021. The contribution of domestic demand is expected to be positive but significantly lower compared to that of 2021, as growth in activity normalises following the strong rebound last year. In the following years, domestic demand is expected to lead the expansion in economic activity, especially from private consumption. The contribution of net exports is projected to ease over the projection horizon, reflecting the gradual normalisation of tourism exports and decelerating growth in foreign demand more generally.

Employment growth in 2022 is expected to reach 3.5% from 2.8% in 2021. It is set to moderate to just above 2% by 2024. The unemployment rate is projected to decline to 3.1% this year, from 3.5% last year and it is expected to hover within this range over the outlook period. In view of the expected increase in inflation this year, wage growth is projected to be relatively strong. Nevertheless, nominal wage growth is projected to remain below that of inflation due to some lag in the transmission from prices to wages. In the following years, wage pressures are expected to moderate as the labour market becomes less tight.

Annual inflation based on the Harmonised Index of Consumer Prices is projected to pick-up sharply in 2022 and remain high in 2023. Indeed, it is envisaged to accelerate to 5.9% in 2022, from 0.7% in 2021. The sharp pick-up in inflation reflects a broad-based increase across all sub-components of HICP except for energy inflation. Import price pressures are expected to moderate somewhat by the beginning of next year, although these are envisaged to remain high by historical standards. Hence, HICP inflation is expected to moderate to 3.8% by 2023, driven by lower contributions from all subcomponents except for energy inflation. Inflation is set to ease further in 2024 to 2.1%.

The general government deficit is projected to recede to 5.6% of GDP in 2022, from 7.9% in 2021. It is expected to narrow further to 4.0% in 2023, and to 3.2% in 2024. This profile is driven by the unwinding of COVID-19 support measures in 2022, which offset outlays on price mitigation measures. The latter are set to remain in place but assumed to diminish over the projection horizon. The general government debt-to-GDP ratio is projected to stand at 58.8% of GDP in 2024.

On balance, risks to economic activity are tilted to the downside, especially for 2023 though uncertainty even during 2022 remains high. The main downside risks relate to the evolution of energy supply from Russia to Europe. This could lead to severe shortages of energy supplies going into the winter, which could in turn adversely affect production abroad and amplify supply bottlenecks. Foreign demand could also be weaker than expected if monetary policy in advanced economies continues to tighten more forcibly than assumed in this projection round. These downside risks are mitigated somewhat by domestic fiscal policy which is cushioning partly the impact of imported inflation. In addition, the savings ratio could fall faster than is being assumed in this projection, while upward surprises in tourism could further boost net exports and GDP growth.

Risks to inflation are on the upside during the entire projection horizon. Indeed, further escalation in cuts in gas supplies could trigger a stronger than envisaged rise in commodity prices, which would put further upward pressures on the prices of imported goods and freight costs. In addition, the EU policy to sharply reduce dependence on Russian fossil fuels could also lead to stronger than expected increases in import costs, particularly in the short-run. The risk of second-round effects from wages and mark-ups grows if high inflation persists for longer.

On the fiscal side, risks mainly relate to a larger deficit in 2022 and 2023. These mostly reflect the likelihood of additional Government support to mitigate rising commodity prices and the likelihood of state aid to the national airline.

Residential Property Development[3]

The property market in Malta has experienced steady periods of growth. Whilst significant growth has resulted over the past decade, the property market in Malta has steadily increased over the past forty years at a compound annual growth rate ("CAGR") of c. 6%. Recently however, the property market exceeded the CAGR of 6%, because the demand for residential property is increasing at higher rate than the supply of houses being built on the Maltese Islands.

The increase in house prices is driven by the demand for housing which has been steadily increasing year-on-year, but turned negative for the first time in 2020 as there was a drop from foreign residents. In 2021, incremental demand turned positive driven by first time buyers and a partial recovery in tourism. Of this incremental demand, it is noted that 2,000 units are requested by Maltese citizens annually, which mainly comprise first time buyers who request residential units in the rural villages of Malta. For this reason, the majority of the Guarantor's property developments are situated in rural villages, and in fact, the three key property developments are situated in Balzan, Attard and Qrendi.

Pre-pandemic, the number of final deeds of sale involving individual buyers steadily increased from 12,108 transactions in 2018, to 12,870 transactions in 2019. However, following the onset of the pandemic, the number of final deeds of sale decreased to 10,158 only to increase by 30% in 2021, exceeding pre-pandemic levels.

Furthermore, in terms of promise of sale agreements involving individual buyers, in 2018, promise of sale agreements amounted to 13,676 and decreased by around 3,000 in the following years. However, promise of sale agreements reached an all-time high in 2021 at 14,225, partly reflecting the sales brought forward due to the anticipated expiry of the stamp duty exemption that the Government had introduced during the year. This is also evidenced by the Guarantor, and in fact *circa* 50% of the sales value of Park Lane, Artemis and Hestia was sold by 30 June 2022.

To meet the increase in house prices, the housing stock in Malta has been increasing year on year. Such supply is initially granted through permits issued by the Planning Authority ("PA"). In 2021, PA approved 7,578 permits for new housing units. These are expected to add 6,400 units to the housing stock over the next 5 years. The additional housing stock in 2021 amounted to 9,487 units, reflecting the large number of permits approved by the PA in 2018 and 2020 that typically come onto the market with a three-year time lag.

The outlook based on a pre-COVID-19 scenario foresaw supply catching up with the continued growth in demand. This was expected to ease upward pressure on house prices. In 2020 and 2021, additional housing supply by far outstripped additional demand (which slowed down because of COVID-19), thereby putting downward pressure on prices. A slowdown in additional housing supply and recovering demand for housing in the period 2022-2024 is expected to ease but not eliminate the downward pressure on prices especially because of the accumulated housing stock. Furthermore, Eurozone interest rate rises in response to high rates of inflation may put additional downward pressure on house prices as it translates into higher borrowing rates for both first-time buyers and investors, which implies lack of housing affordability on consumers. Whilst this effect is not expected to be immediate, should house prices decrease, corroborated by increasing construction costs and/or increasing interest rates, this may have an adverse effect on the profitability of the Group.

Hospitality[4]

The tourism sector in Malta has been on a consistent upward trend since 2010, rising especially in the later years from 2017. The Maltese tourism industry has, in recent years, been renowned for its unabated growth, with each

[3] National Statistics Office – News Release – 163/2021

[4] National Statistics Office – News Release – 019/2022

passing year yielding new record highs of inbound tourists visiting the island. Indeed, the tourism industry is considered to be a crucial pillar of the economy as it is estimated to account for 15.8% of Malta's GDP and 52,800 jobs, or 21.1% of total employment[5].

The consistent performance in the tourism sector observed over the past few years has persisted year-on-year in terms of inbound tourists. NSO data for 2019, revealed that the influx for the year stood at 2.7m tourists – representing an increase of 5.2% over the previous year. Between 2013 and 2019 there has been an average increase of 11.3% per annum. According to the NSO, this improvement was mostly driven by an increase in the number of leisure tourists. The below diagram illustrates the development of the Maltese tourism industry over the past years, showing both percentage growth as well as growth in absolute terms.

Naturally, 2020 experienced a significant drop in inbound tourists due to the COVID19 pandemic, whereby the Government of Malta introduced travel restrictions and border closure during the period April to June 2020. Consequently, the number of tourists visiting Malta decreased significantly to 0.7 million, but increased to 1 million in 2021, following easing of restrictions. This trend can also be seen when one examines the total number of tourist nights. Likewise, a corresponding decrease in number of tourist nights resulted in 2020 but started to increase again in 2021. Nonetheless, the future presents a better outlook for the tourism industry. The Central Bank of Malta estimates that tourism expenditure should increase to 75% of 2019 levels in 2022 and 90% of 2019 levels in 2023. In view of this, HVS[6] report predicts that the European hotel sector is expected to re-establish its RevPAR 2019 performance by 2024.

The number of tourists visiting Malta peaks between April and September (two thirds of inbound tourists arrive during this period), due to the fact that Malta is principally perceived by tourists as a 'sun and culture' destination. Furthermore, repeat tourism also flourished between January and December 2019, with 25% of inbound tourists being repeat tourists. Moreover, the peak months of July and August attracted a lower percentage of repeat tourists than the average for the period, indicating that a higher percentage of inbound tourists returned to Malta during the shoulder months to spend more time exploring what the Maltese islands have to offer.

Along with the substantial increase in tourist head count over recent years came a complimentary increase in the aggregate level of tourist expenditure in each year. According to NSO statistics, total expenditure in Malta in 2019 reached €2.2 billion, representing an increase of 5.3% over the total expenditure in 2018. However, the expenditure per capita (which consists of air/sea fares, accommodation and other expenditure) has gradually decreased over time. This is mainly attributable to a number of factors including decreases in the average length of stays, reductions in air/sea fares as well as the increasing number of tourists opting to visit Malta for shorter stays.

8. FINANCIAL INFORMATION

CF Estates Finance p.l.c. was registered as a public limited liability company in terms of the Act on 26 July 2022. The Company is a finance company and does not intend to conduct any trading activities itself. Accordingly, it is

[5] WTTC 2020 Economic Impact report for Malta

[6] HVS: The Impact of COVID-19 on the European Hotel Sector

economically dependent on the financial and operating performance of the Group, composed of CF Estates Ltd. (the Guarantor) as the holding company and its Subsidiaries.

The tables and narrative included in this sub-section contain certain alternative performance measures (as defined by the European Securities and Markets Authority (ESMA)), including earnings before interest, tax, depreciation and amortization (EBITDA), that the Group's management and other competitors in the industry use. These non-International Financial Reporting Standards financial measures are presented as supplemental information as: (i) they represent measures that the Directors believe may be relevant for certain investors, securities analysts and other parties in assessing the Group's operating and financial performance and may contribute to a fuller understanding of the Group's cash generation capacity and the growth of the combined business; and (ii) they may be used by the Group's management as a basis for strategic planning and forecasting.

8.1 Financial information for the financial year ended 31 December 2021

Until June 2022, the Other Subsidiaries were owned directly by the Shareholders. However, following a restructuring exercise, upon incorporation, CF Estates Ltd. (or the Guarantor) acquired all the share capital of the Other Subsidiaries, which excludes the Issuer given that the Issuer was incorporated at a later date, in exchange for the issue of 6.3 million ordinary shares having a nominal value of €1.00 each in favour of CF Estates Ltd. (the **"Restructuring"**). Further detail is set out in Section 4.3 titled "Organisational Structure of the Group". Given that CF Estates Ltd. was set up as the holding company of the Group, it does not intend to conduct any trading activities itself.

The financial statements set out in this section include the pro forma consolidated financial statements of the Group for the year ended 31 December 2021. The pro forma information described in this Section, and as more fully set out in Annex I of this Registration Document, presents what the consolidated financial statements of the Group would have been had the Other Subsidiaries been owned by the Guarantor with the shareholding and with all its current constituent components, for the entire period covered by the said pro forma information. An Accountant's Report on the pro forma financial information included in this document has been prepared by Grant Thornton (Malta) in compliance with the requirements of the Capital Markets Rules. The Accountant's Report is attached as Annex II to this Registration Document.

The pro forma financial information for the year ending 31 December 2021 included in the Prospectus is therefore the Directors' best estimate of what the consolidated statutory financial statements would have represented had they been prepared and issued by the Guarantor for FY2021, and therefore constitute a hypothetical scenario.

The financial year end of the Guarantor and its Subsidiaries is 31 December. The historical financial information set out in the Prospectus of the Guarantor and the Subsidiaries as a whole, a summary of which is reproduced below, represents the pro forma consolidated data based on the audited financial statements of the Other Subsidiaries for the year ended 31 December 2021.

No adjustments to the results and financial position of the Other Subsidiaries were necessary for the purposes of arriving at the pro forma consolidated financial statements except solely to reflect the entries necessary in any process of accounting consolidation; and to reflect what the consolidated equity of the Guarantor would have amounted to had the transactions that led to the formation of the Guarantor and its Other Subsidiaries been executed on 1 January 2021.

The report on the pro forma financial information prepared independently by the auditors of the Group, including a statement of the adjustments to equity made in arriving at the pro forma consolidated statement of financial position, is appended to this Registration Document as Annex I.

The financial information of Haven Centre Ltd, Mistral Hotel Ltd, Ratcon Ltd, Finish Furnish Limited, CF Developers Ltd., CF Hotels Ltd. and CF Contracting Ltd., which financial information was used in the preparation of the pro forma financial information is available for inspection as set out in section 17 of this Registration Document, is incorporated by reference, and may be accessed on the Issuer's website www.cf.com.mt/investor-relations.

	Page number in Annual Report Financial year ended 31 December 2021				
	Independent Auditors' Report	**Statement of Financial Position**	**Statement of Comprehensive Income**	**Statement of Cash Flows**	**Notes to Financial Statements**
Haven Centre Ltd	*4-7*	*8*	*9*	*11*	*12-23*
Mistral Hotel Ltd	*4-7*	*8*	*9*	*11*	*12-23*
Ratcon Ltd	*4-7*	*8*	*9*	*11*	*12-23*
Finish Furnish Limited	*4-7*	*8-9*	*10*	*12*	*13-31*
CF Developers Ltd.	*4-7*	*8*	*9*	*11*	*12-25*
CF Hotels Ltd.	*4-7*	*8*	*9*	*11*	*12-21*
CF Contracting Ltd.	*4-7*	*8*	*9*	*11*	*12-22*

As at the date of the Prospectus, there has been no material adverse change in the prospects of the Issuer since the date of incorporation of the Issuer, nor has there been a significant change in the financial or trading position of the Group since 31 December 2021 except for the completion of the CF Business Centre and operation thereof, as well as acquisition and development of real estate projects and subsequent sale of residential units.

The following is a description of the pro forma adjustment made to the consolidated results and financial position of the Other Subsidiaries for the financial year ended 31 December 2021 being the entries required to reflect the effect of the Restructuring implemented on 30 June 2022 as at 1 January 2022 (the **"Reference Date"**). The consolidated statement of financial position of the Other Subsidiaries includes the following adjustments:

(a) the incorporation of the Guarantor, which newly formed entity has acquired the Subsidiaries from its shareholders for a consideration of €6.3 million which value was derived as the higher of (i) Other Subsidiaries' share capital and (ii) net asset value of the Other Subsidiaries' including shareholder loans. The consideration was settled through an issue of 6.3 million ordinary shares having a nominal value of €1.00 each in favour of CF Estates Ltd.;

(b) adjustments required to reflect the entries necessary in any process of accounting consolidation, these being the elimination of the investment in Subsidiaries, and accounting for goodwill arising on the acquisition of the Other Subsidiaries; and

(c) adjustments relating to the inter-company loans.

The entries relating to the Restructuring do not impact the consolidated income statement or consolidated cash flows as at the Reference Date.

The following is a summary of the pro forma financial information of the Guarantor and its Other Subsidiaries covering FY2021 which ended 31 December 2021.

CF Estates Ltd.

Summary consolidated pro-forma statement of comprehensive income for the year ended 31 December 2021

€000	Combined	Pro forma adjustments	Pro forma
Revenue	3,420	-	3,420

Cost of sales	(2,352)	-	(2,352)
Gross profit	**1,067**	**-**	**1,067**
Other income	158	-	158
Administrative expenses	(2,171)	-	(2,171)
EBITDA	**(945)**	**-**	**(945)**
Depreciation	(281)	-	(281)
Operating profit	**(1,227)**	**-**	**(1,227)**
Finance costs	(72)	-	(72)
Loss before tax	**(1,299)**	**-**	**(1,299)**
Tax expense	(11)	-	(11)
Loss for the year	**(1,310)**	**-**	**(1,310)**

CF Estates Ltd.

Summary consolidated pro forma statement of financial position as at 31 December 2021

€000	Aggregation net of cons adjustments	Step 1: NAV 2021	Step 2: Shareholders' loans	Step 3: Issue of shares	Pro-forma consolidation as at 31 Dec 2021
Assets					
Non-current assets					
Property, plant and equipment	18,500	-	-	-	18,500
Goodwill	-	-	-	1,072	1,072
Right of use asset	157	-	-	-	157
Deferred tax assets	341	-	-	-	341
Total non-current assets	**18,998**	**-**	**-**	**1,072**	**20,070**
Current assets					
Inventories	5,243	-	-	-	5,243
Trade and other receivables	2,583	-	(16)	-	2,567
Cash and cash equivalents	1,529	-	-	-	1,529
Total current assets	**9,355**	**-**	**(16)**	**-**	**9,339**
Total assets	**28,353**	**-**	**(16)**	**1,072**	**29,409**
Equity and liabilities					
Equity					
Share capital	504	(504)	-	6,308	6,308
Retained earnings/(losses)	(2,735)	2,735	-	-	-
Total equity	**(2,231)**	**2,231**	**-**	**6,308**	**6,308**
Non-current liabilities					
Borrowings	12,758	-	-	-	12,758
Minimum lease payments	35	-	-	-	35
Total non-current liabilities	**12,793**	**-**	**-**	**-**	**12,793**
Current liabilities					
Borrowings	1,306	-	-	-	1,306
Minimum lease payments	104	-	-	-	104
Trade and other payables	16,380	-	(7,483)	-	8,897
Total current liabilities	**17,790**	**-**	**(7,483)**	**-**	**10,307**
Total liabilities	**30,582**	**-**	**(7,483)**	**-**	**23,099**
Total equity and liabilities	**28,352**	**2,231**	**(7,483)**	**6,308**	**29,408**

During FY2021, the main revenue contributor was Finish Furnish Limited, through the sale of tiles, bathrooms and furniture since Ratcon Ltd, Mistral Hotel Ltd, Haven Centre Ltd and CF Hotels Ltd. were non-operational as the assets were still under development. Revenue of Finish Furnish Limited has increased significantly over the past three years, from €0.6 million in FY2019 to €3.2 million in FY2021, which revenue is derived principally from sales to related parties and to a lesser extent, walk-ins.

Although as at 31 December 2021, CF Developers Ltd. had concluded promise of sales agreements with a sales value of €31.3 million, it could only recognise revenue of €0.2 million from the sale of an apartment and a garage within Azalea Apartments located in St. Julian's, given that in line with IFRS15, revenue is recognised in the income statement once the contract of sale is signed.

Cost of sales consist of direct costs relating to finished product sold by Finish Furnish Limited and the development costs in relation to the Azalea sale of apartment and garage which includes the cost of land, including stamp duty and professional fees, to acquire the site, excavation and construction costs to develop the apartment. In FY2021, gross profit margin stood at 33.3%.

Administration expenses primarily consist of wages and salaries, rent, marketing costs, professional fees, insurance, bank charges and water and electricity.

Finance costs consist of the interest on bank borrowings primarily in relation to Haven Centre Ltd and Finish Furnish Limited, as well as the interest expense as a result of IFRS 16 accounting, given that all other interest incurred by the Group is capitalised.

Non-current assets in the pro forma statement of financial position as at 31 December 2021 amounted to €20.1 million, which principally consists of property, plant and equipment of €18.5 million, being made up of the book value of Scirocco Hotel, Levante Hotel, Mistral Hotel and the CF Business Centre being developed by Haven Centre Ltd.

Current assets as per the pro forma statement of financial position as at 31 December 2021 amounted to €9.3 million and primarily include inventory, trade receivables and cash balances. Current liabilities amounted to €10.3 million, made up of borrowings as to €1.3 million and trade and other payables of €8.9 million, as at the same date.

Non-current liabilities as per the pro forma statement of financial position at 31 December 2021 amounted to €12.8 million primarily consisting of bank borrowings.

The pro forma equity value of CF Estates Ltd. as at 31 December 2021 totaled €6.3 million.

Specific matters relating to accounts of certain Subsidiaries

The audit report in the financial statements of each of Ratcon Ltd, Mistral Hotel Ltd and Haven Centre Ltd for the financial year ended 31 December 2021 contain an emphasis of matter by the respective auditor as follows:

"Without qualifying my opinion, I draw attention to point 1.1 in the financial statements which indicates that the company's accumulated losses exceeded the paid-up share capital. As at the same date, current liabilities exceeded current assets. This condition, along with other matters as set forth in Note 1.1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern".

Whilst a material uncertainty may have applied during the year ending 31 December 2021, the properties owned by the said 3 companies, namely the CF Business Centre, Mistral Hotel, Scirocco Hotel and Levante Hotel were not operational during the year 2021 and were still under construction. As a result, these assets were still in the process of being developed and hence did not generate any income or profits. Hence, the respective losses of each of these Subsidiaries exceeded its share capital, and its current liabilities exceeded the current assets. On 30 June 2022, the Group has undergone a restructuring exercise, whereby 6 million shares have been issued to the Shareholders, in return for the shares in Haven Centre Ltd, Mistral Hotel Ltd and Ratcon Ltd, amongst other companies, which became Subsidiaries of the Guarantor as a result of such restructuring. Following the restructuring exercise, where the capital base of the Group has increased to €6.3 million, and on the basis of expected rental and operational revenue from the above-mentioned assets (the CF Business Centre and the hotels), it is expected that the reasons for the emphasis of matter mentioned in the audit report of these 3 Subsidiaries will no longer be applicable.

The audit report in the financial statements of Finish Furnish Limited for the financial years ended 31 December 2020 and 31 December 2021 contain a qualification referring to the inability of the auditor to perform audit procedures on inventory due to his appointment post financial year end. This states:

"The auditors did not observe the counting of the physical inventory at the beginning and at the end of the audited year and were unable to obtain sufficient appropriate audit evidence regarding the opening balances and the balances of inventory at year-end. The possible effects of the inability to obtain sufficient appropriate audit evidence regarding the opening balances and the balances of inventory at year-end are deemed to be material but not pervasive to the company's financial performance and cash flows. We were unable to determine whether any adjustments to these amounts were necessary."

The auditors were appointed during the year 2022 so they could not attend the physical stock take performed at year end for financial years 2020 and 2021. Furthermore, it was deemed impractical to perform alternative testing on year-end inventories.

8.2 Financial information for the interim period ended 30 June 2022

On 30 June 2022, the Guarantor was incorporated, and at the same date, it acquired all the share capital of the Other Subsidiaries, which excludes the Issuer given that the Issuer was incorporated at a later date, in exchange for the issue of 6.3 million ordinary shares having a nominal value of €1.00 each in favour of CF Estates Ltd. Hence on this date, CF Estates Ltd. accounted for the acquisition of the Other Subsidiaries through Acquisition Accounting as required under International Financial Reporting Standards IFRS 3, Business Combinations. Given that the acquisition took place on 30 June 2022, the consolidated Statement of Comprehensive Income is nil, whilst the Statement of Financial Position presented below reflects the Restructuring as extracted from the consolidated management accounts of the Guarantor.

CF Estates Ltd.
Summary consolidated statement of financial position as at 30 June 2022

€000	
Assets	
Non-current assets	
Property, plant and equipment	19,306
Goodwill	2,338
Deferred tax assets	341
Total non-current assets	**21,985**
Current assets	
Inventories	12,381
Trade and other receivables	2,396
Cash and cash equivalents	871
Total current assets	**15,648**
Total assets	**37,633**
Equity and liabilities	
Equity	
Share capital	6,308
Total equity/(deficiency)	**6,308**
Non-current liabilities	
Borrowings	17,884
Total non-current liabilities	**17,884**
Current liabilities	
Borrowings	320
Trade and other payables	13,121
Total current liabilities	**13,441**
Total liabilities	**31,325**
Total equity and liabilities	**37,633**

Non-current assets as at 30 June 2022 amounted to €22.0 million, which principally consists of property, plant and equipment of €19.3 million, being made up of the book value of Scirocco Hotel, Levante Hotel, Mistral Hotel and the CF Business Centre being developed by Haven Centre Ltd. Given that the Other Subsidiaries had further losses between 1 January 2022 and 30 June 2022, goodwill increased to €2.4 million upon acquisition.

Current assets as at 30 June 2022 amounted to €15.6 million. The increase in current assets from 31 December 2022 reflects the construction works carried out in this six-month period on the property developments, given that such residential units have not yet been sold.

Non-current liabilities as at 30 June 2022 amounted to €17.9 million consisting of bank borrowings. Further draw downs were made in the six-month period ending 30 June 2022, to finance the increase in inventory.

The equity value of CF Estates Ltd. as at 30 June 2022 totaled €6.3 million.

Combined statement of comprehensive income

Given that CF Estates Ltd. accounted for the acquisition of the Other Subsidiaries through Acquisition Accounting, the consolidated Statement of Comprehensive Income is nil as at 30 June 2022. For completeness, presented below is a summary combined statement of comprehensive income of the Other Subsidiaries for the six months ended 30 June 2022.

CF Estates Ltd.
Summary combined statement of comprehensive income for the period ended 30 June 2022

€000	
Revenue	2,179
Cost of sales	(1,472)
Gross profit	**706**
Other income	9
Administrative expenses	(1,288)
EBITDA	**(573)**
Depreciation	(230)
Operating profit	**(803)**
Finance costs	(195)
Loss before tax	(999)
Tax expense	(41)
Loss for the period	**(1,040)**

The Other Subsidiaries generated €2.2 million revenue during the six-month period ending 30 June 2022. This consisted of €1.2 million revenue generated from Finish Furnish Limited and €0.8 million generated from CF Developers Ltd following the completion of Azalea development and sale of the residential units.

Cost of sales consist of direct costs relating to finished product sold by Finish Furnish Limited and the development costs in relation to the Azalea sale of residential units.

Administration expenses primarily consist of wages and salaries, rent, marketing costs, professional fees, insurance, bank charges and water and electricity.

Finance costs consist of the interest on bank borrowings.

9. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

9.1 *Board of Directors of the Issuer*

The Issuer is currently managed by a Board consisting of five Directors entrusted with its overall direction and management. As at the date of this Registration Document, the Board of the Issuer is composed of the individuals listed in Section 3.1 of this Registration Document.

The Board of Directors of the Issuer currently consists of two executive Directors and three non-executive Directors.

Mr Joseph Portelli, executive director, is also an executive director on the board of the Guarantor. Mr Francis Agius is the other executive director of the Issuer and is also an executive director on the board of the Guarantor and of all other existing Group companies. Together with the Group's executive team, including the other executive directors on the Guarantor as are mentioned in Section 9.2 below, the executive Directors of the Issuer are responsible for acquisitions, development, sales and operations and are entrusted with the Group's day-to-day management.

The non-executive Directors' main functions are to monitor the operations of the executive Director/s and their performance, as well as to review any proposals tabled by the executive Director/s, bringing to the Board the added value of independent judgment, and also to provide specialist support to the executive Director/s. In line with generally accepted principles of sound corporate governance, a majority of the non-executive Directors, who should constitute at least a third of the Board, shall be a person/s independent of the Group. Currently, the Issuer has 3 non-executive Directors, namely Mr Stephen Muscat, Mr Mario Vella and Mr Peter Portelli. These are all deemed independent, as set out in Section 3.1 of this Registration Document, in that they are free from business, family or other relationships with the Issuer, its controlling shareholder or the management of either that create a conflict of interest such as to jeopardize exercise of their free judgment.

The *curriculum vitae* of the directors of the Issuer are set out in Section 9.3 below.

9.2 *Board of directors of the Guarantor*

As at the date of this Registration Document, the board of directors of the Guarantor is composed of five directors, being Mr Joseph Portelli, Mr Clifton Cassar, Mr Duncan Micallef, Mr Francis Agius and Mr Stephen Falzon.

The *curriculum vitae* of the directors of the Guarantor are set out in Section 9.3 below.

9.3 *Curriculum vitae of directors of the Issuer and the Guarantor*

Stephen Muscat (Non-executive Director of the Issuer)

Stephen Muscat is a Certified Public Accountant and a graduate of the University of Malta with a BA (Honours) Accountancy degree, a fellow of the Malta Institute of Accountants, the Malta Institute of Taxation and the Institute of Directors (UK). He is the former CEO and Director of Maltacom p.l.c., today GO p.l.c. (C 22334).

Stephen is an authorised Company Service Provider serving as a Non-executive Director of holding and trading companies. He is also a Director of locally licensed financial institutions and a bank. Currently he is a member of the Board of Directors and chairs the Audit Committee of public bond issuers trading on the Malta Stock Exchange namely Mercury Projects Finance p.l.c. (C 89117), SD Finance p.l.c. (C 79193), JD Capital plc (C 82098) and Agriholdings plc (C 57008).

Apart from being a Director, Stephen is also a member and Chairman of the Audit Committee of the Issuer.

Mario Vella (Non-executive Director of the Issuer)

Mario Vella joined Barclays Bank in Malta in 1969 and has occupied several positions within the bank concluding his career with HSBC in 2013 in the role of Head of Corporate Banking in which position he was responsible for the major share of the Bank's lending portfolio and its largest corporate customers. He has been involved in driving through major changes in banking strategies especially on Mid-Med Bank's take-over by HSBC. Over the years Mario has arranged finance for a significant number of high-profile projects including via a mix of bank / syndicated lending and capital markets.

In 2013, after 43 years in banking, Mario moved to KPMG as Director, Deal Advisory. In this role he has served as consultant to several companies. He helped clients restructure and refinance their trading activities and raise financing for new ventures. He has participated in putting together high-profile mergers and other significant business deals.

Mario retired from KPMG in August 2017 but continues to provide consultancy services to various businesses. He presently also sits as Non-executive Director on Boards of companies with securities listed on the Malta Stock Exchange.

Apart from being a Director, Mario is also a member of the Audit Committee of the Issuer.

Peter Portelli (Non-executive Director of the Issuer)
Peter Portelli obtained a degree of BA (Hons) Public Administration from the University of Malta in 1990 and a Masters in Business Administration from Henley Management College (UK) in 1997.

Between 1990 and 1998, he held various middle management and senior positions within the Ministry of Tourism and the Office of the Prime Minister, Malta. From 1998 to 2004 he was Private Secretary to the Prime Minister, and later Private Secretary to His Excellency, the President of Malta for a short period between April to December 2004. From January 2005 to June 2013, Peter acted as Permanent Secretary within the Maltese Public Service, heading the Ministry responsible for Tourism, with a portfolio that also included Culture and the Environment. Since July 2013 he is an Officer in Grade 2, Malta Public Service. Since 2015, he has held the position of Executive Secretary of The Strickland Foundation.

Peter presently sits as Non-executive Director on a number of corporate Boards, including the Board of Mercury Projects Finance p.l.c. (C 89117) which has securities listed on the Malta Stock Exchange.

Apart from being a Director, Peter is also a member of the Audit Committee of the Issuer.

Joseph Portelli (Executive Director and Chairman of the Issuer and director of the Guarantor)
Joseph Portelli is a self-made businessman. Starting his business in the year 1996, Joseph Portelli has been involved in a number of successful property development projects within the real estate market in Malta and Gozo, which include the acquisition, development and sale or operation of all types of residential and commercial properties, including Mercury Towers Project in St. Julians, Villagg San Guzepp in Gozo, Forum Residences in St. Andrews, Hal Saghtrija Complex in Zebbug, Gozo as well as a foray into the hospitality sector with Quaint Boutique Hotels in Gozo.

Joseph is also a shareholder and/or beneficial owner and/or director of various other companies involved in property development and real estate / hospitality projects. Amongst others he is the sole shareholder and beneficial owner of Mercury Group which is developing the Mercury Project in St. Julian's.

In 2022, he joined forces with Francis Agius, Duncan Micallef, Stephen Falzon and Clifton Cassar and had various companies in which he was involved merging operations into the CF Group through a restructuring exercise.
Apart from overseeing the day-to-day operations of the Group, his current main responsibilities today are main administration and business development.

Francis Agius (Executive Director of the Issuer, director of the Guarantor and of CF Developers Ltd., CF Hotels Ltd., CF Contracting Ltd., Ratcon Ltd, Mistral Hotel Ltd, Haven Centre Ltd and Finish Furnish Limited)
After completing his education at St. Edwards College, Malta in 1990, Francis Agius joined his father to help run a shopping outlet, whilst furthering his studies. His willingness to adapt and aptitude for hard work helped Francis gain the knowledge and experience needed to enable him to manage an outlet.

As a result, in 1995 Francis opened his first retail outlet focusing on clothing, shoes and cosmetics. He then expanded the business by opening two outlets whereby he rented videos and DVDs and sold mobile phones, electronics and white goods. In 1999, Francis joined Melita as a reseller for 13 outlets, while also supplying mobile phones and repairs for their customers.

In 2011 Francis ventured into property development through a partnership with Duncan Micallef and Stephen Falzon, and has since been involved in various property developments around Malta and Gozo.

In 2016, Francis, Duncan and Stephen, together with Joseph Portelli took over Finish Furnish Limited, which led to the inauguration of the Casafini showroom in Balzan. They were then involved in the restructuring of the different companies owned by the separate Shareholders into the CF Group in 2022.
Francis' main responsibilities within the Group are those of account keeping, co-ordination and reconciliation of payments and main administration.

Clifton Cassar (Director of the Guarantor and of CF Developers Ltd. and CF Contracting Ltd.)
Clifton commenced his career in 2005 by opening an outlet in Mosta selling mobile services, as a GO authorised reseller, devices and accessories. The business expanded throughout the years, and now he owns and manages three outlets across Malta.

Clifton inherited his passion for property development and design from his father and today Clifton is recognised as one of the top property developers locally. As a result, he began venturing into property development whereby his leadership skills and eye for detail enable him to ensure that all projects are completed in a timely manner and in line with budget and quality standards. Nowadays Clifton has a vast experience in property construction and property finishings, including the development and finishing of three hotels, a business centre and over 30 residential projects.

Clifton's current main responsibilities within the Group consist of management and oversight of property development.

Duncan Micallef (Director of the Guarantor and of CF Hotels Ltd., Haven Centre Ltd, Ratcon Ltd, Mistral Hotel Ltd and Finish Furnish Limited)
Duncan commenced his career in 1993 as a freight clerk with Wings Cargo Floriana. In 1999 he started working with Gollcher Co. Ltd. as an Alitalia Cargo Coordinator, whereby he held this post until 2005.

During this period he began venturing into property development, mostly by acquiring and reselling various residential units, whilst also operating a mobile phone business despite a turbulent entry to the market by leveraging on trusted suppliers from Hong Kong. The business expanded over time, and by 2005, he commenced working on these ventures on a full time basis whilst also supplying around 50% of the mobile phone retail shops in Malta. In 2007, Duncan opened his first property company, DD
Properties Ltd, whilst in 2010, Duncan opened Totalnet which traded overseas successfully, however in 2015, he opted to close this latter outlet in order to focus on the property business.

In 2013, Duncan, together with Stephen Falzon and Francis Agius, incorporated SDF Ltd which was aimed at acquiring and developing residential properties throughout Malta.

Following an acquisition of a project to build a hotel in Rabat with Joseph Portelli and Clifton Cassar in 2016, these three shareholders opened JDC Projects Ltd which then continued to acquire and develop more projects, including CF Business Centre and three hotels, Scirocco Hotel, Levante Hotel, and Mistral Hotel.

In 2016, Francis, Duncan, and Stephen, together with Joseph Portelli took over Finish Furnish Limited, which led to the inauguration of the Casafini showroom.

The different companies owned by the separate Shareholders were restructured into the CF Group in 2022.

Duncan's current main responsibilities within the Group are business development and hotel operations overview.

Stephen Falzon (Director of the Guarantor)
Stephen commenced his career in 2003 whereby he sold electronic components to retailers.

He then ventured into property development with Duncan Micallef and Francis Agius through a company called SDF Limited. One of their initial projects was the acquisition and reselling of the Forum Residences in Swieqi, and since they have been involved in various property development focusing primarily on apartments around Malta and Gozo.

In 2016, Francis, Duncan and Stephen, together with Joseph Portelli took over Finish Furnish Limited, which led to the inauguration of the Casafini showroom. In 2020, Stephen, Duncan, Francis and Joseph formed 7 Dwarfs Limited and together acquired and developed property around Malta.

The different companies owned by the separate Shareholders were restructured into the CF Group in 2022.

Stephen's current main responsibilities within the Group relate to sales.

9.4 Management structure and management team

The Issuer is the finance arm of the Group. Its business is managed by its Board of Directors and it does not separately employ any senior management. The Directors believe that the current organisational structures are adequate for the current activities of the Issuer, and that the Issuer does not require an elaborate management structure. The Directors will maintain these existing structures under continuous review to ensure that they meet the changing demands of the business and to strengthen the checks and balances necessary for better corporate governance.

The key members of the Group's management team are the executive directors of the Issuer and the directors of the Guarantor, each of whom also serves as director with executive functions on various Subsidiaries within the Group, as indicated in Section 9.3 above. The said directors are also supported by a number of executive staff, the most senior of which are the following:

i. Daniel Galea, who is Head of Operations; and

ii. Fabien Vella, a veteran in the local hospitality sector, who acts as General Manager responsible for the operation of the hotels within the Group.

9.5 Conflicts of interest

As at the date of the Prospectus, the executive Directors of the Issuer, namely Mr Joseph Portelli and Mr Francis Agius, are directors and shareholders of the parent company, namely the Guarantor, and also beneficial owners and/or director/s of various other Group companies, as mentioned in Section 9.3 above. The other directors of the Guarnator are also themselves beneficial owners and/or directors of various Subsidiaries within the Group. This makes the said Directors of the Issuer and directors of the Guranator susceptible to potential conflicts between the potentially diverging interests of the different members of the Group, including the Issuer-Guarantor Loan to be advanced by the Issuer to the Guarantor out of the proceeds of the Bond Issue.

The said executive Directors of the Issuer and directors of the Guarantor, or any of them, are or may in future be involved, as shareholders, beneficial owners, directors, officers or otherwise in business or in entities outside the Group carrying out business which may be similar to or even competing with the business of the Group, including property development, or in entities supplying works, goods or services to or otherwise carrying out transactions with any Group company. Such involvements of such Directors of the Issuer and directors of the Guarantor may create conflicts between the potentially diverging interests of the Guarantor and/or any of its Subsidiaries on the one hand and the private interests of the said directors and/or the interests of the entities outside the Group in which such directors are or may be involved as aforesaid.

A situation of such conflict may arise in the context of the eventual conclusion and operation of any inter-linking arrangement between the hotels of the Group and the Mercury Hotel in St. Julians, as mentioned under the heading "Operation of hotels" under Section 5.2 of this Registration Document, and this in view of the involvement of Mr Joseph Portelli, director and shareholder of the Issuer and of the Guarantor and one of the beneficial owners of the Group, in Mercury Project and Hotel, as director and beneficial owner thereof.

In situations of conflict of interests involving the Issuer, the Directors shall act in accordance with the majority decision of the Directors and in line with the advice of outside legal counsel.

The Audit Committee of the Issuer has the task of ensuring that any potential conflicts of interest that may arise at any moment pursuant to the different involvements of the Directors are handled according to law. The fact that the Audit Committee is constituted solely by independent, non-executive Directors provides an effective measure to ensure that transactions vetted by the Audit Committee are determined on an arms-length basis and in the interests of the Issuer. Additionally, the Audit Committee has, pursuant to the relative terms of reference, been granted express powers to be given access to the financial position of the Issuer, the Guarantor and other Group companies on a quarterly basis. To this effect, the Issuer and other Group companies are to submit to the Audit Committee quarterly accounts.

The presence of independent non-executive directors on the Board of the Issuer also aims to minimise the possibility of any abuse of control by its major shareholders and/or beneficial owners.

To the extent known or potentially known to the Issuer as at the date of the Prospectus, there are no other potential conflicts of interest, save for those mentioned above, between any duties of the Directors of the Issuer and/or of the Guarantor, as the case may be, and their respective private interests and/or their other duties, which require disclosure in terms of the Prospectus Regulation.

10. BOARD PRACTICES

10.1 Audit Committee

The terms of reference of the Audit Committee of the Issuer consist of *inter alia* its support to the Board in its responsibilities in dealing with issues of risk, control and governance. The terms of reference of the Audit Committee, as adopted by the Board, establish its composition, role and functions, the parameters of its remit, as well as the basis for the processes that it is required to comply with. The Audit Committee, which meets at least once every quarter, is a committee of the Board and is directly responsible and accountable to the Board. The Board reserved the right to change the Committee's terms of reference from time to time.

Briefly, the Audit Committee is expected to deal with and advise the Board on its monitoring responsibility over the financial reporting processes, financial policies and internal control structures; maintaining communications on such matters between the Board, management and the independent auditors; facilitating the independence of the external audit process and addressing issues arising from the audit process; and preserving the Issuer's assets by understanding the Issuer's risk environment and determining how to deal with those risks.

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

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

All of the Directors sitting on the Audit Committee are non-executives and also independent. The Audit Committee is presently composed of Stephen Muscat, Mario Vella and Peter Portelli, all three members being non-executive Directors and all of them also being independent of the Issuer. The Audit Committee is chaired by Stephen Muscat. In compliance with the Capital Markets Rules, Mr Stephen Muscat and Mr Mario Vella are the independent, non-executive Directors who are competent in accounting and/or auditing matters. The Audit Committee or its Chairman holds meetings with the executive Directors as necessary to review the Issuer's accounts and operations. The Issuer considers that the members of the Audit Committee have the necessary experience, independence and standing to hold office as members thereof. The CVs of the said Directors may be found in Section 9.3 above.

The Guarantor is not bound by the Capital Markets Rules to set up an Audit Committee.

10.2 Compliance with corporate governance requirements

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

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

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

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

The Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board's performance is evaluated on an ongoing basis by, and is subject to the constant scrutiny of, the Board itself, the majority of which is composed by independent non-executive Directors, the Audit Committee in so far as conflicting situations are concerned, the Company's shareholders, the market and the rules by which the Issuer is regulated as a listed company.

B. Principle 8 "Committees"

The Issuer does not have a Remuneration Committee nor a Nomination Committee, as recommended in Principle 8.

The Board considers that the size and operations of the Issuer do not warrant the setting up of such committees. In particular:

(i) the Issuer does not believe it necessary to establish a remuneration committee, given that the remuneration of the directors is required by the Memorandum and Articles of Association of the Issuer to be determined by the company in general meeting. Furthermore, the executive Directors of the Issuer, Mr. Joseph Portelli and Mr Francis Agius, who are directors of the shareholder of the Issuer, namely the Guarantor, and ultimate beneficial owners of the Group, and can in such capacity influence the general meeting's decision on remuneration of Directors (although there are other directors of the Guarantor and ultimate beneficial owners of the Group, apart from them), have waived and do not receive Directors' fees;

(ii) the Issuer does not believe it is necessary to establish a nomination committee as appointments to the Board of Directors are determined by the shareholders of the Company, with the possibility of prior nomination by the shareholders or by the directors or a committee appointed by them, in accordance with the Memorandum and Articles of Association of the Issuer. The Issuer considers that the current members of the Board provide the required level of skill, knowledge and experience expected in terms of the Code.

C. Principle 9 "Relations with Shareholders and with the Market"

There is currently no established mechanism disclosed in the Memorandum and Articles of Association of the Issuer to trigger arbitration in the case of conflict between the minority shareholders and the controlling shareholders. The Issuer's shares are all held by the Guarantor, except for one share which is held by Mr Joseph Portelli. The Issuer is thus of the view that there is currently no need to establish such mechanism.

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

11. MAJOR SHAREHOLDERS

11.1 The Issuer

The Issuer has an authorised and issued share capital of €250,000 divided into 249,999 ordinary A shares of a nominal value of €1.00 each and 1 ordinary B share of a nominal value of €1.00, which are subscribed to and allotted as fully paid up shares as follows:

Name of shareholder	Number of shares held
CF Estates Ltd. CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan, STJ 9023, Malta Company Registration number C 102632	249,000 ordinary A shares of a nominal value of €1.00 each, fully paid up.
Joseph Portelli Eagle, Triq ta' Grunju, Nadur, Gozo Identity Card number 497193M	1 ordinary B share of a nominal value of €1.00, fully paid up.

Whilst ordinary A shares entitle their holders to voting rights at general meetings, with 1 vote for every share held, and the right to participate in and receive dividend distributions and distribution of assets upon winding up, ordinary B shares only have the right to receive notice of general meetings of the Company but do not have voting rights or rights to participate in dividend distributions and distribution of assets upon winding up. The legal and judicial representation of the Guarantor is vested in Mr Joseph Portelli and Mr Francis Agius, acting jointly, without prejudice to the authrity of the Board of Directors, by resolution, to delegate such representation to any person or persons in a particular case or cases or classes of cases.

Mr Joseph Portelli, Mr Duncan Micallef, Mr Clifton Cassar, Mr Francis Agius and Mr Stephen Falzon in turn own and collectively control CF Estates Ltd., as set out in Section 11.2 below, and indirectly therefore also the Issuer.

To the best of the Issuer's knowledge there are no arrangements in place as at the date of this Registration Document the operation of which may at a subsequent date result in a change in control of the Issuer.

The Issuer adopts measures in line with the Code of Principles of Good Corporate Governance forming part of the Capital Markets Rules with a view to ensuring that the relationship with its major shareholders is retained at arm's length, including adherence to rules on related party transactions set out in Chapter 5 of the Capital Markets Rules requiring the vetting and approval of any related party transaction by the Audit Committee, which is constituted by independent, non-executive Directors. The Audit Committee has the task of ensuring that any potential abuse is managed, controlled and resolved in the best interests of the Issuer. The composition of the Board, including the presence of three independent, non-executive Directors, effectively minimises the possibility of any abuse of control by any major shareholder.

11.2 The Guarantor

The Guarantor has an authorised share capital of €7,000,000 divided into 2,100,000 ordinary Class A shares, 1,225,000 ordinary Class B shares, 1,225,000 ordinary Class C shares, 1,225,000 ordinary Class D shares, and 1,225,000 ordinary Class E shares, having a nominal value of €1 each.

The issued share capital of the Guarantor as at the date of this Registration Document is €6,308,200, divided into 1,892,460 ordinary Class A shares, 1,103,935 ordinary Class B shares, 1,103,935 ordinary Class C shares, 1,103,935 ordinary Class D shares, and 1,103,935 ordinary Class E shares, having a nominal value of €1 each, which are subscribed to and allotted as fully paid up shares as follows:

Name of shareholder	Number of shares held
Joseph Portelli Eagle, Triq ta' Grunju, Nadur, Gozo Identity Card Number 497193M	1,892,460 ordinary Class A shares of a nominal value of €1 each, fully paid up.
Francis Agius Pearl, Triq Manwel Bonnici, Burmarrad, St Paul's Bay, Malta Identity Card Number 225774M	1,103,935 ordinary Class B shares of a nominal value of €1 each, fully paid up.
Clifton Cassar 52, Anfield, Triq Salvu Dimech, Mosta, Malta Identity Card Number 145483M	1,103,935 ordinary Class C shares of a nominal value of €1 each, fully paid up.
Duncan Micallef Mimosa, Triq Wied Ghollieqa, Kappara, San Gwann, Malta Identity Card Number 52477M	1,103,935 ordinary Class D shares of a nominal value of €1 each, fully paid up.
Stephen Falzon White Rose, Triq Hompesch, Bubaqra, Zurrieq, Malta Identity Card Number 117782M	1,103,935 ordinary Class E shares of a nominal value of €1 each, fully paid up.

The Guarantor is therefore directly owned by, and each of the Group's Subsidiaries, including the Issuer, is indirectly beneficially owned by, Joseph Portelli, Francis Agius, Clifton Cassar, Duncan Micallef and Stephen Falzon in the proportions of 30%, 17.5%, 17.5%, 17.5% and 17.5% respectively. No individual Shareholder on his own controls the Guarantor.

Save as otherwise expressly provided in the Memorandum and Articles of Association of the Guarantor, the different classes of ordinary shares in the Guarantor essentially have equal rights and rank *pari passu* in all respects. The holders of each of these classes are entitled to nominate and appoint one (1) director each to the Board of Directors of the Guarantor. The legal and judicial representation of the Guarantor is vested in Mr Clifton Cassar and Mr Francis Agius, acting jointly, without prejudice to the authority of the Board of Directors, by resolution, to delegate such representation to any person or persons in a particular case or cases or classes of cases.

Any shares before they are issued are to be offered to the existing holders of all classes of ordinary shares in the Company in proportion as nearly as may be to the number of ordinary shares held by each such holder of classes of ordinary shares at a price and upon terms determined by the Board of Directors of the Guarantor. Upon the transfer of shares by a shareholder, pre-emption rights apply in favour of the remaining shareholders in proportion as nearly as may be to the number of ordinary shares held by each, except in specified cases set out in the Memorandum and Articles of Association of the Guarantor. The said provisions are intended to maintain as much as possible the existing shareholding proportion between the Shareholders of the Guarantor and to safeguard same in case of new issues or transfers of shares.

Extraordinary resolutions at general meetings of the Guarantor require the votes of members representing at least 4 out of the 5 classes of Ordinary shares in the Guarantor. Furthermore, any decision of the Board of Directors of the Guarantor shall be deemed as valid if 4 of the 5 directors making up the Board of Directors, vote and agree to such a decision.

The existing shareholding proportions between the Shareholders of the Guarantor, which reflect the beneficial ownership proportions of the Group, as well as various provisions included in the Memorandum and Articles of Association of the Guarantor, including those referred to above, ensure as much as possible that no single

Shareholder of the Guarantor and no single beneficial owner of the Group is able on his own to control the Guarantor or the Group, which is itself an important measure to safeguard against potential abuse of such control.

12. LITIGATION

There have been no governmental, legal or arbitration proceedings, including any such proceedings which are pending or threatened of which the Issuer is aware, during the period covering twelve months prior to the date of this Registration Document which may have, or have had in the recent past significant effects on the financial position or profitability of the Issuer, the Guarantor and/or the Group, taken as a whole.

13. ADDITIONAL INFORMATION

13.1 Share Capital of the Issuer

The authorised and issued share capital of the Issuer is €250,000 divided into 249,999 ordinary A shares of a nominal value of €1.00 each, fully paid up and subscribed by the Guarantor and 1 ordinary B share of a nominal value of €1.00, fully paid up and subscribed by Mr Joseph Portelli.

The different classes of shares in the capital of the Issuer have the rights and restrictions and characteristics set out in the Memorandum and Articles of Association of the Issuer, as briefly described in Section 11.1 above. The shares of the Issuer are not listed on the Malta Stock Exchange and no application for such listing has been made to date.

There is no capital of the Issuer which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Issuer is to be put under option.

13.2 Memorandum and Articles of Association of the Issuer

The Memorandum and Articles of Association of the Issuer are registered with the Registrar of Companies at the Malta Business Registry.

The principal objects of the Issuer are set out in clause 3 of the Issuer's Memorandum and Articles of Association. These include, but are not limited to, the carrying on the business of a finance and investment company and in particular but without prejudice to the generality of the foregoing the financing or re-financing of the funding requirements of the business of the group of companies of which the Issuer forms part, to borrow and raise money for the purpose of its business and to secure the repayment of the money borrowed by hypothecation or other charge upon the whole or part of the movable and immovable assets or property of the company present and future, and to issue bonds, commercial paper or other instruments creating or acknowledging indebtedness and the sale or offer thereof to the public.

A copy of the Memorandum and Articles of Association of the Issuer may be inspected during the lifetime of this Registration Document at the registered office of the Issuer and as set out in Section 17 of this Registration Document and at the Malta Business Registry during the lifetime of the Issuer.

13.3 Share Capital of the Guarantor

The Guarantor has an authorised share capital of €7,000,000 divided into 2,100,000 ordinary Class A shares, 1,225,000 ordinary Class B shares, 1,225,000 ordinary Class C shares, 1,225,000 ordinary Class D shares, and 1,225,000 ordinary Class E shares, having a nominal value of €1 each.

The issued share capital of the Guarantor as at the date of this Registration Document is €6,308,200, divided into:

(i) 1,892,460 ordinary Class A shares of a nominal value of €1 each, fully paid up and subscribed by Mr Joseph Portelli;

(ii) 1,103,935 ordinary Class B shares of a nominal value of €1 each, fully paid up and subscribed by Mr Francis Agius;
(iii) 1,103,935 ordinary Class C shares of a nominal value of €1 each, fully paid up and subscribed by Mr Clifton Cassar;
(iv) 1,103,935 ordinary Class D shares of a nominal value of €1 each, fully paid up and subscribed by Mr Duncan Micallef; and
(v) 1,103,935 ordinary Class E shares of a nominal value of €1 each, fully paid up and subscribed by Mr Stephen Falzon.

The different classes of shares in the capital of the Guarantor have the rights and restrictions and characteristics set out in the Memorandum and Articles of Association of the Guarantor, as briefly described in Section 11.2 above The shares of the Gurantor are not listed on the Malta Stock Exchange and no application for such listing has been made to date.

There is no capital of the Guarantor which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Guarantor is to be put under option.

13.4 Memorandum and Articles of Association of the Guarantor

The Memorandum and Articles of Association of the Guarantor are registered with the Registrar of Companies at the Malta Business Registry.

The principal objects of the Guarantor are set out in clause 3 of the Guarantor's Memorandum and Articles of Association. These include that of acting as a holding company, namely to subscribe for, acquire, hold, manage, administer, dispose of or otherwise deal with, directly or indirectly, any shares, stock, debentures, debenture stock, bonds notes, options, interests in or securities of all kinds of any company, corporation, entity, partnership or other body of persons, only in the name of and on behalf of the Guarantor. The Guarantor's objects additionally include *inter alia*:

(i) to guarantee the performance of obligations on the payment of money by any person and to mortgage or charge the Guarantor' assets for that purpose;

(ii) to borrow, or in any manner raise money, without any limit, for the purpose of or in connection with the Guarantor's business; to secure the repayment of any monies borrowed or any other obligations by giving hypothecary or other security upon the whole or part of the movable and immovable property of the Guarantor; and

(iii) to lend or advance money, with or without security, to corporate bodies engaged in activities similar or ancillary to those performed by the Guarantor or to corporate entities in which the Guarantor shall acquire participations or similar holdings, only where necessary and in relation to the business of the Guarantor.

A copy of the Memorandum and Articles of Association of the Guarantor may be inspected during the lifetime of this Registration Document at the registered office of the Issuer and as set out in Section 17 of this Registration Document and at the Malta Business Registry during the lifetime of the Guarantor.

14. MATERIAL CONTRACTS

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

15. PROPERTY VALUATION REPORT

The Issuer commissioned Architect Edwin Mintoff to issue a property valuation report in relation to the Security Property. The business address of Architect Mintoff is 119, Sliema Road, Gzira, Malta, GZR1635, Malta.

Capital Markets Rule 7.4.3 provides that property valuations to be included in a prospectus must not be dated or be effective from more than 60 days prior to the date of publication of the prospectus. The valuation report is dated 22 November 2022.

A copy of the report compiled by Architect Edwin Mintoff, is accessible on the Issuer's website at the following hyperlink: https://cf.com.mt/investor-relations and is deemed to be incorporated by reference in the Prospectus. A copy thereof shall also be available for inspection at the registered address of the Issuer for the duration period of this Registration Document.

16. THIRD PARTY INFORMATION STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Save for the Property Valuation Report prepared in relation to the Group properties and the financial analysis summary which are incorporated by reference in the Prospectus and the Accountant's Report to the pro forma financial statements of the Group as at 31 December 2021 which is attached as Annex II to this Registration Document, the Prospectus does not contain any statement or report attributed to any person as an expert.

The valuation report, the financial analysis summary and the Accountant's Report in the pro forma statement have been included in the form and context in which they appear with the authorisation of, respectively, Architect Edwin Mintoff, with qualifications: B.E.&A. (Hons). Ph.D. (Newcastle) A.& C.E., of 119, Sliema Road, Gzira, Malta, GZR1635, Malta operating under warrant number 0163, Calamatta Cuschieri Investment Services Limited of Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta (C 13729), and Grant Thornton (Malta) of Fort Business Centre, Level 2, Triq L-Intornjatur, Zone 1, Central Business District, Birkirkara CBD 1050, Malta (Accountancy Board registration number AB/26/84/22) respectively, that have given and have not withdrawn their consent to the inclusion of their respective reports herein.

Architect Edwin Mintoff, Calamatta Cuschieri Investment Services Limited and Grant Thornton (Malta) do not have any material interest in the Issuer, save for their respective appointments and engagements as property valuer, Sponsor and Co-Manager of the Bond Issue and financial advisors and Auditors. The Issuer confirms that the valuation report, the financial analysis summary and the Accountant's Report have been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from the information contained therein, no facts have been omitted which render the reproduced information inaccurate or misleading.

The sourced information contained in Section 7 of this Registration Document has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the published information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

17. DOCUMENTS AVAILABLE FOR INSPECTION

For the duration period of this Registration Document the following documents shall be available for inspection at the registered address of the Issuer and also on the Issuer's website, on the following hyperlink https://cf.com.mt, and are incorporated by reference in the Prospectus:

(a) Memorandum and Articles of Association of the Issuer and of the Guarantor;

(b) The pro forma statement of financial position of the Issuer as at 31 December 2021;

(c) Audited financial statements of the Other Subsidiaries for the year ended 31 December 2021, together with the Auditor's Report thereon;

(c) Property Valuation Report dated 22 November 2022 and prepared at the Issuer's request in respect of the Security Property;

(d) Financial Analysis Summary dated 28 November 2022 and prepared by Calamatta Cuschieri Investment Services Limited;

(e) The original Guarantee; and

(f) The Security Trust Deed.

ANNEX I - PRO-FORMA FINANCIAL INFORMATION

CF Estates Ltd. was incorporated on 30 June 2022. Simultaneously with its incorporation, the Guarantor acquired all the share capital of the Other Subsidiaries, excluding the Issuer which was not yet incorporated, in exchange for the issue of 6.3 million ordinary shares having a nominal value of €1.00 each in favour of CF Estates Ltd.

The pro forma financial information has been prepared for illustrative purposes only, to show how the consolidated financial statements of the Other Subsidiaries including the Guarantor, would have been impacted should the Restructuring implemented as of 30 June 2022, have been hypothetically carried out as at 1 January 2022. The pro forma financial statements for the year ended 31 December 2021 are based on the audited financial statements of the Other Subsidiaries for the year ended 31 December 2021 and reflect the consolidated unaudited position of the Guarantor, together with its Other Subsidiaries, for the year ended 31 December 2021 as if the Guarantor and its Other Subsidiaries had been constituted as at 1 January 2022. The hypothetical financial position or results included in the pro forma financial information may differ from the entity's actual financial position or results.

The pro forma financial information comprises a pro forma consolidated income statement and statement of financial position for the financial year ended 31 December 2021. The pro forma financial information has been prepared by reference to the consolidated financial statements of the Other Subsidiaries as at the Reference Date, and superimposing the entries necessary to reflect the Restructuring that was implemented as at 31 December 2021. Because of its nature, the pro forma financial information does not represent the Company's actual financial position. The pro forma financial information is not intended to, and does not, provide all the information and disclosures necessary to give a true and fair view of the results of the operations and the financial position of the Company in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The pro forma financial information has been compiled on the basis of the accounting policies adopted by the Company taking into account the requirements of building block 3 of Annex 20 of the Prospectus Regulation.

CF Estates Ltd.
Consolidated statement of comprehensive income for the year ended 31 December 2021

€000	Pro forma FY2021
Revenue	3,420
Cost of sales	(2,352)
Gross profit	**1,067**
Other income	158
Administrative expenses	(2,171)
Fair value gains	-
EBITDA	**(945)**
Depreciation	(281)
Operating profit	**(1,227)**
Finance costs	(72)
Loss before tax	**(1,299)**
Tax expense	(11)
Loss for the year	**(1,310)**

CF Estates Ltd.
Consolidated statement of financial position as at 31 December 2021

€000	Pro forma 31 Dec 2021
Assets	
Non-current assets	
Property, plant and equipment	18,500
Goodwill	1,072
Investment property	-
Right of use asset	157
Deferred tax assets	341
Total non-current assets	**20,070**
Current assets	
Inventories	5,242
Trade and other receivables	2,567
Cash and cash equivalents	1,529
Total current assets	**9,338**
Total assets	**29,408**
Equity and liabilities	
Equity	
Share capital	6,308
Revaluation reserve	-
Retained earnings/(losses)	-
Total equity	**6,308**
Non-current liabilities	
Borrowings	12,758
Minimum lease payments	35
Total non-current liabilities	**12,793**
Current liabilities	
Borrowings	1,306
Minimum lease payments	104
Trade and other payables	8,897
Taxation payable	-
Total current liabilities	**10,307**
Total liabilities	**23,099**
Total equity and liabilities	**29,408**

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7 November 2022

Independent accountant's assurance report on the compilation of pro forma financial information

Dear Members of the Board,

Report on the compilation of pro forma financial information included in a prospectus

We have completed our assurance engagement to report on the compilation of pro forma financial information of CF Estates Ltd. (the 'Guarantor' and together with its fellow subsidiaries the 'CF Group') as prepared by the directors of the Issuer (the 'Directors'). The pro forma financial information consists of the CF Group's pro forma Consolidated Income Statement and the Consolidated Statement of Financial Position as at 31 December 2021 as set out in Annex I of the Issuer's prospectus (the 'Prospectus'). The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are specified in Annex 20 of EC Regulation 2019/980 (the 'Regulation') and described in the 'Basis of Preparation' section included in Annex I of the Prospectus (the 'Applicable Criteria').

The Guarantor was incorporated on 30 June 2022 and on this date acquired full ownership of the Subsidiaries (as defined in the Registration Document), except for the Issuer which was set up on 26 July 2022 and CF Developers Ltd which was acquired on 10 August 2022. This acquisition was implemented through the intra group corporate restructuring (the 'Restructuring') outlined in Section 4.3 of the Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate how the consolidated financial position and consolidated income statements of the Other Subsidiaries would have been impacted should the Restructuring implemented as of 30 June 2022, have been hypothetically carried out as at 1 January 2021.

The pro forma financial information comprises a pro forma consolidated income statement, and statement of financial position for the financial year ended 31 December 2021. In preparing the pro forma financial information, the Directors have extracted information about the CF Group's results and financial position from the consolidated financial statements of the Other Subsidiaries that have been prepared for the financial year ended 31 December 2021.

Directors' responsibility for the pro forma financial information

The Directors are responsible for compiling the pro forma financial information on the basis of the Applicable Criteria.

Our responsibilities

Our responsibility is to express an opinion, as required by Annex 20 of the EC Regulation 2019/980, about whether the pro forma financial information has been compiled, in all material respects, by the Directors on the basis of the Group's accounting policies as described in the consolidated financial statements of the Other Subsidiaries for the year ended 31 December 2021 and the basis of preparation set out in Annex I of the Prospectus, and accordingly on the basis of the Applicable Criteria.

Basis of opinion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance engagements to report on the compilation of pro forma financial information included in a prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner complies with ethical requirements and plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the pro forma financial information on the basis of the Applicable Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction as at 31 December 2021, would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the accountant's judgment, having regard to the accountant's understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- the pro forma financial information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of the Other Subsidiaries.

Yours faithfully

Oriana Abela

Partner