

SECURITIES NOTE

Dated 1 June 2023

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

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



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

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

ISIN: MT0000371311

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

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

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

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

Approved by the Directors

A blue ink signature of Alfred Pisani, consisting of several horizontal strokes and a vertical line at the end.

Alfred Pisani

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

Alfred Camilleri

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

Legal Counsel



Sponsor



Registrar & Manager



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IMPORTANT INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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



1. DEFINITIONS

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

“Applicant/s”	any person or persons, natural or legal, who subscribes for the Bonds;
“Application/s”	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form/s and delivering same to any of the Authorised Intermediaries (which include the Sponsor and the Registrar & Manager) in accordance with the terms of this Securities Note;
“Application Form/s”	the forms of application for subscription of Bonds, specimens of which are contained in Annex II of this Securities Note;
“Bond Issue Price”	the price of €100 per Bond;
“Business Day”	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
“CET”	Central European Time;
“CSD”	the Central Securities Depository of the Malta Stock Exchange authorised in terms of Part IV of the Financial Markets Act (Chapter 345 of the laws of Malta), having its address at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
“Cut-off Date”	close of business on 1 June 2023 (trading session of 30 May 2023);
“Existing MIH Bondholders”	holders of the Existing MIH Bonds (as defined immediately below) appearing on the applicable register held at the CSD as at the Cut-Off Date;
“Existing MIH Bonds”	the 5.25% unsecured bonds 2027 with ISIN code MT0000371303, due to mature on 6 July 2027, amounting as at the date of the Prospectus to €30,000,000, issued by the Issuer pursuant to a prospectus dated 31 May 2022, which are currently listed and traded on the Official List;
“GDPR”	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC;
“Interest Payment Date”	31 July of each year between and including each of the years 2024 and the year 2028, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
“Intermediaries’ Offer”	an offer for subscription of Bonds made by the Issuer to the Authorised Intermediaries through subscription agreements as further detailed in sub-section 6.4 of this Securities Note;
“Issue Date”	expected on 28 July 2023;
“Issue Period”	the period between 08:30 hours CET on 14 June 2023 and 12:00 hours CET on 7 July 2023 during which the Bonds are available for subscription;
“Maturing Bond Transfer”	the subscription for Bonds by a Maturing Bondholder settled, after submitting the pre-printed Application Form A (received by mail directly from the Issuer), by the transfer to the Issuer of all or part of the Maturing Bonds held by such Maturing Bondholder as at the Cut-off Date;
“Maturing Bondholder”	a holder of Maturing Bonds as at the Cut-off Date;
“MiFIR”	Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments;
“Redemption Value”	the nominal value of each Bond, being €100 per Bond; and
“Terms and Conditions”	the terms and conditions of the Bonds, set out in sub-section 5.3 (<i>‘Issue Statistics’</i>), section 6 (<i>‘Information concerning the Bonds’</i>) and section 8 (<i>‘Terms and Conditions of the Bond Issue’</i>) of this Securities Note.

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

Unless it appears otherwise from the context:

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



2. RISK FACTORS

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

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

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

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

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

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

2.1 FORWARD-LOOKING STATEMENTS

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

2.2 GENERAL

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

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

2.3 RISKS RELATING TO THE BONDS

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

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



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

2.4 RISKS RELATING TO THE GUARANTEE

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

3. PERSONS RESPONSIBLE

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

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



4. CONSENT FOR USE OF THE PROSPECTUS & AUTHORISATION STATEMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

4.2 STATEMENT OF AUTHORISATION

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



5. KEY INFORMATION

5.1 REASONS FOR THE ISSUE AND USE OF PROCEEDS

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

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

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

5.2 ESTIMATED EXPENSES AND PROCEEDS OF THE ISSUE

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

5.3 ISSUE STATISTICS

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



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



5.4 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

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

5.5 EXPECTED TIMETABLE OF PRINCIPAL EVENTS

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

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

6. INFORMATION CONCERNING THE BONDS

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

6.1 GENERAL

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



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

6.2 Applications by Maturing Bondholders by surrendering their Maturing Bonds

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

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

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

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

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

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

- 6.2.2** Payment by Applicants of the Cash Top-Up referred to in sub-section 6.2.1 above, and the full price of the additional Bonds applied for referred to in sub-section 6.2.5 below, shall be made in Euro and in cleared funds at the Bond Issue Price, through a method of payment as accepted by the respective Authorised Intermediary.
- 6.2.3** Maturing Bondholders subscribing for Bonds by means of Maturing Bond Transfer are, in virtue of such subscription, confirming:
- i. that all or part, as the case may be, of the Maturing Bonds held by the Applicant on the Cut-off Date are being transferred to the Issuer, together with the payment due in respect of any Cash Top-Up, as and if applicable;
 - ii. that the Application Form A constitutes the Applicant’s irrevocable mandate to the Issuer to:
 - a. cause the transfer of the said Maturing Bonds in the Issuer’s name in consideration of the issue of Bonds; and
 - b. engage, at the Issuer’s cost, the services of such brokers or intermediaries as may be necessary to fully and effectively vest title in the said Maturing Bonds in the Issuer and fully and effectively vest title in the appropriate number of Bonds in the Applicant;
 - iii. that in respect of the payment of the Cash Top-Up in terms of sub-section 6.2.1 above and/or the exercise of the option to subscribe to additional Bonds set out in sub-section 6.2.5 below, the Applicant’s remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer acting through the Registrar & Manager reserves the right to invalidate the relative Application. Furthermore, the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders, unless the Applicant makes payment in cleared funds and such consideration is accepted by the Issuer, acting through the Registrar & Manager, which acceptance shall be made in the Issuer’s absolute discretion and may be on the basis that the Applicant indemnifies the Issuer against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant’s remittance to be honoured on first presentation.
- 6.2.4** Where the Applicant is the holder of Maturing Bonds which as at the Cut-off Date are held subject to usufruct, the signatures of both the bare owner and the usufructuary will be required in the Application Form A.
- 6.2.5** In addition to the aforesaid, Maturing Bondholders transferring all of the Maturing Bonds held by them as at the Cut-off Date pursuant to sub-section 6.2.1 above may apply for an amount of Bonds in excess of the amount of Maturing Bonds being transferred by Maturing Bond Transfer, including Cash Top-Up, where applicable. In such case Maturing Bondholders may subscribe for additional Bonds, in multiples of €100, by completing the appropriate section of Application Form A.



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

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

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

6.3 APPLICATIONS BY EXISTING MIH BONDHOLDERS

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

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

6.4 INTERMEDIARIES' OFFER

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

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

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

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

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

6.5 PLAN OF DISTRIBUTION AND ALLOTMENT

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

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

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

It is expected that an allotment letter will be issued by the Issuer to Applicants by latest 28 July 2023. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance or surrender of the Maturing Bonds, as the case may be, and any verification of identity as required by the Prevention of Money Laundering Act, Chapter 373 of the laws of Malta, and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

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



6.6 ALLOCATION POLICY

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

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

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

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

6.7 RANKING OF THE BONDS

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

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

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

* Bonds are shown gross of bond amortisation expenses.

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

6.8 RIGHTS ATTACHING TO THE BONDS

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

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

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



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

6.9 INTEREST

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

6.10 YIELD

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

6.11 REGISTRATION, FORM, DENOMINATION AND TITLE

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

6.12 PRICING

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

6.13 PAYMENTS

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

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



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

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

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

6.14 REDEMPTION AND PURCHASE

6.14.1 The Issuer hereby irrevocably covenants in favour of each Bondholder that, unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value, together with accrued interest up to the date fixed for redemption, on 31 July 2028. In such a case the Issuer shall be discharged of any and all payment obligations under the Bonds upon payment made net of any withholding or other taxes due or which may be due under Maltese law and which are payable by the Bondholders.

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

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

6.15 EVENTS OF DEFAULT

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

- i. if the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder, unless remedied by the Guarantor before the expiry of such 60 days; and/or
- ii. if the Issuer shall fail to pay the principal amount of a Bond on the date fixed for its redemption and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder, unless remedied by the Guarantor before the expiry of such 60 days; and/or
- iii. if the Issuer shall fail to perform or shall otherwise be in breach of any other material obligation contained in the Terms and Conditions and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder, unless remedied by the Guarantor before the expiry of such 60 days, where applicable; and/or
- iv. if any representation or warranty made or deemed to be made or repeated by or in respect of the Issuer or the Guarantor is or proves to have been incorrect in any material respect; and/or
- v. if an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer; and/or
- vi. if the Issuer stops or suspends payments, whether of principal or interest, with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; and/or
- vii. if the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; and/or
- viii. if in terms of section 214(5) of the Act, a Court order or other judicial process is levied or enforced upon or sued out against any part of the property of the Issuer and is not paid out, withdrawn or discharged within one (1) month; and/or
- ix. if a judicial or provisional administrator is appointed upon the whole or any material part of the property of the Issuer; and/or
- x. if there shall have been entered against the Issuer a final judgment by a court of competent jurisdiction from which no appeal may be or is made for the payment of money in excess of three million Euro (€3,000,000) or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed; and/or
- xi. any default of a payment obligation which occurs and continues for ninety (90) days under any contract or document relating to any Financial Indebtedness (as defined below) of the Issuer in excess of three million Euro (€3,000,000) or its equivalent at any time.

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



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

6.16 TRANSFERABILITY OF THE BONDS

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

6.17 FURTHER ISSUES

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

6.18 MEETINGS OF BONDHOLDERS

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



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

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

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

6.19 AUTHORISATIONS AND APPROVALS

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

6.20 ADMISSION TO TRADING

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

6.21 REPRESENTATIONS AND WARRANTIES

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

6.22 BONDS HELD JOINTLY

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



6.23 BONDS HELD SUBJECT TO USUFRUCT

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

6.24 GOVERNING LAW AND JURISDICTION

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

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

6.25 NOTICES

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

7. TAXATION

7.1 GENERAL

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

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

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

7.2 MALTA TAX ON INTEREST

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

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

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

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

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



7.3 EXCHANGE OF INFORMATION

In terms of applicable Maltese legislation, the Issuer and/or its agent are required to collect and forward certain information, including, but not limited to, information regarding payments made to Bondholders, to the Maltese Commissioner for Revenue. The Commissioner for Revenue will or may, in turn, automatically or on request, forward the information to other relevant tax authorities subject to certain conditions. Please note that this does not constitute tax advice and Applicants are to consult their own tax advisors in case of doubt.

7.4 MALTESE TAXATION ON CAPITAL GAINS ON TRANSFER OF THE BONDS

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

7.5 DUTY ON DOCUMENTS AND TRANSFERS

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

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

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

8. TERMS AND CONDITIONS OF THE BOND ISSUE

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



- 8.9** In the event that an Applicant fails to submit full information and/or documentation required with respect to an Application, the Applicant shall receive a full refund, without interest, by direct credit transfer to such account indicated in the Application Form at any time before the Bonds are admitted to listing on the Official List. Neither the Issuer nor the Registrar shall be responsible for any loss or delay arising in connection with such credit transfer or charges in connection therewith.
- 8.10** In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each of the joint Applicants, and liability therefor is joint and several.
- 8.11** Applications in the name and for the benefit of minors shall be allowed provided that the Applicant already holds an account with the MSE. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.
- 8.12** The Bonds have not been and will not be registered under the Securities Act of 1933 of the United States of America and, accordingly, may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.
- 8.13** No person receiving a copy of the Prospectus or an Application Form in any territory other than Malta may treat the same as constituting an invitation or offer to such person, nor should such person in any event use such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or such Application Form could lawfully be used without contravention of any regulation or other legal requirements. Having considered the circumstances, the Issuer has formed the view - due to the onerous requirements involved in the registration of the Prospectus in any territory other than Malta and/or compliance with the relevant legal or regulatory requirements - not to send Application Forms to Maturing Bondholders and Existing MIH Bondholders having their address as included in the register of bondholders outside Malta, except where, *inter alia*, in the absolute discretion of the Issuer, it is satisfied that such action would not result in a contravention of any applicable legal or regulatory requirement in the relevant jurisdiction.
- 8.14** It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself/herself/itself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- 8.15** Subject to all other Terms and Conditions set out in the Prospectus, the Issuer reserves the right to reject, in whole or in part, or to scale down, any Application, and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application which in the opinion of the Issuer, acting through the Registrar, is not properly completed in all respects in accordance with the relative instructions or is not accompanied by the required documents.
- 8.16** Save where the context requires otherwise or where otherwise defined therein, terms defined in the Prospectus bear the same meaning when used in these Terms and Conditions, in the Application Forms, in any of the annexes and in any other document issued pursuant to the Prospectus.
- 8.17** The Issuer has not sought assessment of the Bonds by an independent credit rating agency.
- 8.18** Subject to all other Terms and Conditions set out in the Prospectus, the Issuer reserves the right to revoke the Bond Issue at any time before the closing of the Issue Period and/or the Intermediaries' Offer, if it takes place. The circumstances in which such revocation might occur are expected to be exceptional, for example where a significant change in market conditions occurs.
- 8.19** The Bonds will be issued in multiples of €100. The minimum subscription amount of Bonds that can be subscribed for by all Applicants is €2,000.
- 8.20** For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Subsidiary Legislation 373.01), as may be amended from time to time, all appointed Authorised Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in articles 1.2(d) and 2.4 of the "Members' Code of Conduct" appended as Appendix 3.6 to Chapter 3 of the MSE Bye-Laws, irrespective of whether the said appointed Authorised Intermediaries are Malta Stock Exchange members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the General Data Protection Regulation (EU) 2016/679 (GDPR) and the Data Protection Act (Chapter 586 of the laws of Malta) for the purposes and within the terms of the Malta Stock Exchange Data Protection Policy as published from time to time.
- 8.21** It shall be incumbent on the respective Authorised Intermediaries to ascertain that all other applicable regulatory requirements relating to subscription of Bonds by an Applicant are complied with, including without limitation the obligation to comply with all applicable MiFIR requirements as well as applicable MFSA Rules for investment services providers, all applicable Anti-Money Laundering and Counter Terrorist Financing rules and regulations, as well as the applicable MFSA Conduct of Business Rules.
- 8.22** By completing and delivering an Application Form, the Applicant:
- i. agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the Guarantor and the issue of the Bonds contained therein;
 - ii. warrants that the information submitted by the Applicant in the Application Form is true and correct in all respects. All Applications need to include a valid MSE account number in the name of the Applicant/s. Failure to include an MSE account number will result in the Application being cancelled by the Issuer (acting through the Registrar) and subscription monies will be returned to the Applicant. In the event of a discrepancy between the personal details (including name and surname and the Applicant's address) appearing on the Application Form and those held by the MSE in relation to the MSE account number indicated on the Application Form, the details held by the MSE shall be deemed to be the correct details of the Applicant;



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



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

9. ADDITIONAL INFORMATION

Save for the Financial Analysis Summary reproduced in Annex III of this Securities Note, the Prospectus does not contain any statement or report attributed to any person as an expert. The Financial Analysis Summary dated 1 June 2023 has been included in Annex III of this Securities Note in the form and context in which it appears with the authorisation of M.Z. Investment Services Limited of 61, M.Z. House, St Rita Street, Rabat RBT 1523, Malta, which has given and has not withdrawn its consent to the inclusion of said report herein. M.Z. Investment Services Limited does not have any beneficial interest in the Issuer or the Guarantor. The Issuer has received confirmation from M.Z. Investment Services Limited that the Financial Analysis Summary has been accurately reproduced in the Prospectus and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.



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

To All Bondholders:

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

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

This Guarantee shall be governed by the laws of Malta.

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

Interpretation

In this Guarantee, unless the context otherwise requires:

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

Nature, scope and terms of the Guarantee:

1. NATURE OF THE GUARANTEE

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

2. INFORMATION ABOUT THE GUARANTOR

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

3. TERMS OF THE GUARANTEE

3.1 Covenant to pay

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

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



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

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

3.2 Guarantor as joint and several surety

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

3.3 Maximum liability

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

3.4 Continuing and unconditional liability

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

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

3.5 Indemnity

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

3.6 Representations and warranties

3.6.1 The Guarantor represents and warrants:

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



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

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

3.7 Deposit and production of the Guarantee

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

3.8 Subrogation

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

3.9 Benefit of the Guarantee and no assignment

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

3.10 Amendments

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



3.11 Notices

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

CPHCL Company Limited

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

Telephone number: +356 2123 3141

Contact person: The Company Secretary

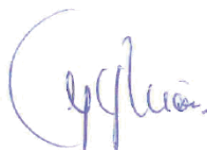
3.12 Governing law and jurisdiction

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

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



Alfred Pisani
Director
CPHCL Company Limited
(C 257)



Joseph Pisani
Director
CPHCL Company Limited
(C 257)



ANNEX II – SPECIMEN APPLICATION FORMS



MIH P.L.C.

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

This Application Form is not transferable and entitles you to subscribe for Mediterranean Investments Holding p.l.c. 5.85% Unsecured Bonds 2028 as a Maturing Bondholder as defined in the Prospectus dated 1 June 2023. Please read the notes overleaf before completing this Application Form. Mark 'X' where applicable.

A APPLICANT (see notes 2 to 8)			
		I.D. CARD / PASSPORT	MSE A/C NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
LEI (Legal Entity Identifier) (If applicant is NOT an Individual)		PLEASE REGISTER ME FOR E-PORTFOLIO <input type="checkbox"/>	MOBILE NO. (mandatory for e-portfolio)
B ADDITIONAL (JOINT) APPLICANTS (see note 3) (please use Addendum to Application Form if space is not sufficient)			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
C DECISION MAKER/MINOR'S PARENTS / LEGAL GUARDIAN(S) / USUFRUCTUARY/IES (see notes 4, 7 & 8) (to be completed ONLY if applicable)			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
D I/WE APPLY TO PURCHASE AND ACQUIRE (see note 9):			
BOX 1 - Nominal Value of Maturing Bonds		MATURED AMOUNT	BOX 1
BOX 2 - Amount of Bonds applied for in addition to the nominal holding in the Maturing Bonds payable in full upon application under the Terms and Conditions of the Bonds set out in the Prospectus.		€	
BOX 3 - I/We wish to purchase and acquire the amount set out in BOX 3 in Bonds at the Bond Issue Price (at par) pursuant to the Prospectus dated 1 June 2023 (the "Prospectus") (minimum €2,000 and in multiples of €100 thereafter).		AMOUNT ADDED IN FIGURES	BOX 2
		€	
AMOUNT IN WORDS		TOTAL AMOUNT IN FIGURES	BOX 3
		€	
E RESIDENT - FINAL WITHHOLDING TAX ("FWT") DECLARATION (see notes 10) (to be completed ONLY if the Applicant is a resident of Malta)			
<input type="checkbox"/> I/We elect to receive interest NET of FWT		<input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without FWT)	
F NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see notes 2 & 11) (to be completed ONLY if the Applicant is a non-resident)			
TAX COUNTRY		CITY OF BIRTH	
T.I.N. (Tax Identification Number)		COUNTRY OF BIRTH	
<input type="checkbox"/> NOT resident in Malta but resident in the European Union		<input type="checkbox"/> NOT resident in Malta and NOT resident in the European Union	
G INTEREST, REFUND AND REDEMPTION MANDATE (see notes 12 & 13) (completion of this panel is MANDATORY)			
BANK	IBAN		
<p>I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions of the Bonds as contained therein which I/we fully accept.</p> <p>I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the Bonds in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MiFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.</p>			
Signature/s of Applicant/s		Date	
<small>(Parent/s or legal guardian/s are/is to sign if Applicant is a minor) (All parties are to sign in the case of a joint Application) (Bare owner/s and usufructuary/ies to sign in the case of holdings of Bonds that are subject to usufruct)</small>			
AUTHORISED INTERMEDIARY'S STAMP	AUTHORISED INTERMEDIARY'S CODE	APPLICATION NUMBER	



Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 1 June 2023 regulating the Bond Issue

This Application Form is not transferable and entitles you to a preferential treatment as holder of the 5.5% Mediterranean Investments Holding p.l.c. 2023 (the "Maturing Bonds") and is to be submitted as a method of payment where the Applicant selects to apply for the 5.85% Mediterranean Investments Holding p.l.c. Unsecured Bonds 2028 (the "Bonds") so as to transfer to the Issuer all or part of the holding in the Maturing Bond held by the Applicant as at the Cut-Off Date, the nominal value of which is set out in Box 1 of Panel D. By submitting this signed Application Form, Maturing Bondholders shall be deemed to:

- i. cause the transfer of the said Maturing Bonds in the Issuer's name in consideration of the issue of Bonds; and
 - ii. engage, at the Issuer's cost, the services of such brokers or intermediaries as may be necessary to fully and effectively vest title in the said Maturing Bonds in the Issuer and fully and effectively vest title in the appropriate number of Bonds in the Applicant.
1. This Application is governed by the Terms and Conditions of the Bond Issue contained in Section 8 of the Securities Note dated 1 June 2023 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
 2. This Application Form is to be completed in BLOCK LETTERS. For applicants who are non-residents in Malta for tax purposes, the relative box in Panel F must be completed.
 3. The MSE account number pertaining to the Maturing Bondholders, has been preprinted in Panel A and reflects the MSE account number on the bond register of the Maturing Bonds held at the CSD as at 1 June 2023 (trading session of the 30 May 2023). If an MSE account pertains to more than one person (including husband and wife), the full details of all individuals must be given in Panels A and B but the first named bondholder shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 6 below). Applications by more than two persons are to use the Addendum to the Application Form. Upon submission of an Application Form, Bondholders who opt to have an online e-portfolio facility (by marking the relative box in Panel A), will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for the e-Portfolio facility requires a mobile number to be provided on the Application Form. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further detail on the e-portfolio may be found on <https://eportfolio.borzamalta.com.mt/Help>.
 4. Applications in the name of minors shall be allotted Bonds in their name as Bondholders, with interest and redemption proceeds payable to the account specified in Panel G, which should be in the name of the parent/s or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Company has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. Panel C must be inserted with full details of the parents/legal guardians.
 5. In the case of a body corporate, a valid Legal Entity Identifier ("LEI") needs to be inserted in Panel A. Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
 6. MATURING BONDHOLDERS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF. A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE, WILL HAVE TO BE EFFECTED.
 7. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "decision maker") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in Panel C.
 8. Where an MSE account number is held subject to usufruct, Panel C needs to be completed and both the bare owner/s and the usufructuary/ies are to sign this Application Form.
 9. The amount set out in Box 3 of Panel D overleaf must be for a minimum of €2,000 and in multiples of €100. Where the Applicant wishes to acquire a number of Bonds having an aggregate value which exceeds the nominal value of the number of Maturing Bonds set out in Box 1 of Panel D, the Applicant may do so by including such higher amount in Box 3 in Panel D. In such case, the Applicant must ensure that the relative Application Form is accompanied by payment of the difference between the full price of the amount of Bonds applied for and the nominal value of Maturing Bonds being transferred as set out in Box 2.
 10. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will be obliged to declare interest so received in the tax return. The Company will render an account to the Maltese Commissioner for Revenue of all interest paid, all amounts of tax deducted by the payor in respect of the interest paid and of the identity of all such recipients. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a prescribed fund will have final withholding tax (currently 10%), deducted from interest payments.
In terms of Section 7.2 of the Securities Note, unless the Company is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act (Cap. 123 of the laws of Malta), interest shall be paid to such person net of final withholding tax, (currently 15%) of the gross amount of interest, pursuant to article 33 of the Income Tax Act (Cap. 123 of the laws of Malta).
 11. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.
The contents of Notes 10 and 11 above do not constitute tax advice by the Company and Applicants are to consult their own independent tax advisors in case of doubt.
 12. Interest, refund and redemption proceeds will be credited to the account indicated in Panel G or as otherwise amended by the Bondholder/s during the term of the Bond.
 13. The Issue Period will open at 08:30 hours on 14 June 2023 and will close at 12:00 hours on 7 July 2023. Application for Bonds may be lodged with any Authorised Intermediary listed in Annex IV of the Securities Note during normal office hours. Applications remitted by post will be accepted at the respective Authorised Intermediary's discretion. If any Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies equivalent to the number of Bonds not being accepted will be returned by direct credit into the IBAN specified in panel G.
 14. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
 - a. the Company or its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR) (EU) 2016/679 as amended from time to time;
 - b. the Company may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Company.

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

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





MIH P.L.C.

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

This Application Form is not transferable and entitles you to subscribe for Mediterranean Investments Holding p.l.c. 5.85% Unsecured Bonds 2028 as an Existing MIH Bondholder as defined in the Prospectus dated 1 June 2023. Please read the notes overleaf before completing this Application Form. Mark 'X' where applicable.

A APPLICANT (see notes 2 to 8)			
		I.D. CARD / PASSPORT	MSE A/C NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
LEI (Legal Entity Identifier) (if applicant is NOT an Individual)		PLEASE REGISTER ME FOR E-PORTFOLIO <input type="checkbox"/>	MOBILE NO. (mandatory for e-portfolio)
B ADDITIONAL (JOINT) APPLICANTS (see note 3) (please use Addendum to Application Form if space is not sufficient)			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
C Decision maker/MINOR'S PARENTS / LEGAL GUARDIAN(S) / USUFRUCTUARY/IES (see notes 4, 7 & 8) (to be completed ONLY if applicable)			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
D I/WE APPLY TO PURCHASE AND ACQUIRE (see note 9):			
AMOUNT IN FIGURES €		AMOUNT IN WORDS	
Mediterranean Investments Holding p.l.c. 5.85% Unsecured Bonds 2028 (the "Bonds") (minimum subscription of €2,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 1 June 2023 (the "Prospectus"), payable in full upon application under the Terms and Conditions of the Bonds as set out in the Prospectus.			
E RESIDENT - FINAL WITHHOLDING TAX ("FWT") DECLARATION (see notes 10 & 11) (to be completed ONLY if the Applicant is a resident of Malta)			
<input type="checkbox"/> I/We elect to receive interest NET of FWT		<input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without FWT)	
F NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see notes 2 & 11) (to be completed ONLY if the Applicant is a non-resident)			
TAX COUNTRY		CITY OF BIRTH	
T.I.N. (Tax Identification Number)		COUNTRY OF BIRTH	
<input type="checkbox"/> NOT resident in Malta but resident in the European Union		<input type="checkbox"/> NOT resident in Malta and NOT resident in the European Union	
G INTEREST, REFUND AND REDEMPTION MANDATE (see notes 12 & 13) (completion of this panel is MANDATORY)			
BANK		IBAN	
I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions of the Bonds as contained therein which I/we fully accept. I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the Bonds in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MiFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.			
Signature/s of Applicant/s <small>(Parents or legal guardian/s are/is to sign if Applicant is a minor) (All parties are to sign in the case of a joint Application) (Bare owner/s and usufructuary/ies to sign in the case of holdings of Bonds that are subject to usufruct)</small>			Date
AUTHORISED INTERMEDIARY'S STAMP	AUTHORISED INTERMEDIARY'S CODE	APPLICATION NUMBER	



Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 1 June 2023 regulating the Bond Issue

1. This Application is governed by the Terms and Conditions of the Bond Issue contained in Section 8 of the Securities Note dated 1 June 2023 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. This Application Form is to be completed in BLOCK LETTERS. For applicants who are non-residents in Malta for tax purposes, the relative box in Panel F must be completed.
3. The MSE account number pertaining to the Existing MIH Bondholders, has been preprinted in Panel A and reflects the MSE account number on the respective register held at the CSD as at 1 June 2023 (trading session of the 30 May 2023). If an MSE account pertains to more than one person (including husband and wife), the full details of all individuals must be given in Panels A and B but the first named bondholder shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 6 below). Applications by more than two persons are to use the Addendum to the Application Form.

Upon submission of an Application Form, Bondholders who opt to have an online e-portfolio facility (by marking the relative box in Panel A), will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for the e-Portfolio facility requires a mobile number to be provided on the Application Form. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further detail on the e-portfolio may be found on <https://eportfolio.borzamalta.com.mt/Help>.
4. Applications in the name of minors shall be allotted Bonds in their name as Bondholders, with interest and redemption proceeds payable to the account specified in Panel G, which should be in the name of the parent/s or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Company has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. Panel C must be inserted with full details of the parents/legal guardians.
5. In the case of a body corporate, a valid Legal Entity Identifier ("LEI") needs to be inserted in Panel A. Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
6. EXISTING MIH BONDHOLDERS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF. A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE, WILL HAVE TO BE EFFECTED.
7. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "decision maker") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in Panel C.
8. Where an MSE account number is held subject to usufruct, Panel C needs to be completed and both the bare owner/s and the usufructuary/ies are to sign this Application Form.
9. Applications must be for a minimum subscription of €2,000 and thereafter in multiples of €100 and must be accompanied by the relevant subscription amount in Euro.
10. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will be obliged to declare interest so received in the tax return. The Company will render an account to the Maltese Commissioner for Revenue of all interest paid, all amounts of tax deducted by the payor in respect of the interest paid and of the identity of all such recipients. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a prescribed fund will have final withholding tax (currently 10%), deducted from interest payments.

In terms of Section 7.2 of the Securities Note, unless the Company is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act (Cap. 123 of the laws of Malta), interest shall be paid to such person net of final withholding tax, (currently 15%) of the gross amount of interest, pursuant to article 33 of the Income Tax Act (Cap. 123 of the laws of Malta).
11. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.

The contents of Notes 10 and 11 above do not constitute tax advice by the Company and Applicants are to consult their own independent tax advisors in case of doubt.
12. Interest, refund and redemption proceeds will be credited to the account indicated in Panel G or as otherwise amended by the Bondholder/s during the term of the Bond.
13. The Issue Period will open at 08:30 hours on 14 June 2023 and will close at 12:00 hours on 7 July 2023. Application for Bonds may be lodged with any Authorised Intermediary listed in Annex IV of the Securities Note during normal office hours. Remittances by post are made at the risk of the Applicant and the Company disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists. If any Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies equivalent to the number of Bonds not being accepted will be returned by direct credit into the IBAN specified in panel G.
14. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
 - a. the Company or its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR) (EU) 2016/679 as amended from time to time;
 - b. the Company may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Company.

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

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



Financial Analysis Summary

1 June 2023

ISSUER

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

GUARANTOR

CPHCL COMPANY LIMITED (C 257)

prepared by



MZ INVESTMENTS



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

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

1 June 2023

Dear Board Members,

Financial Analysis Summary

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

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

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

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

Yours faithfully,

Evan Mohnani
Head Corporate Finance Services

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





MZ INVESTMENT SERVICES

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

DEFINITIONS

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





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

PART 1 – INFORMATION ABOUT THE ISSUER AND THE GUARANTOR

1. KEY ACTIVITIES

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

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

2. DIRECTORS AND MANAGEMENT OF THE ISSUER

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

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

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

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

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

3. KEY ACTIVITIES OF THE GUARANTOR

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





M Z INVESTMENT SERVICES

4. DIRECTORS OF THE GUARANTOR

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

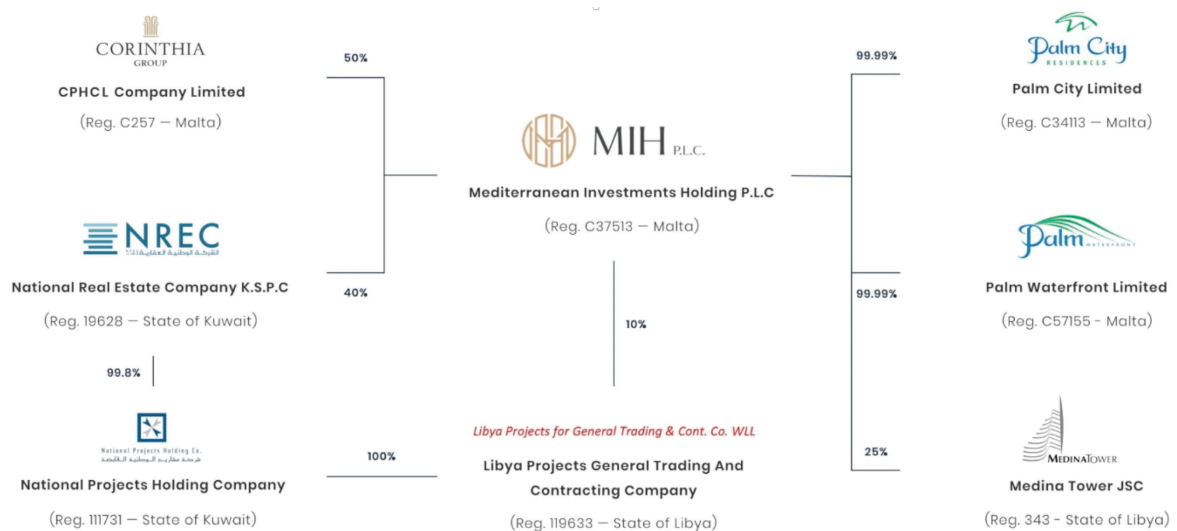
The Board of Directors of the Guarantor is composed of the following individuals:

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

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

5. ORGANISATIONAL STRUCTURE

The organisational structure of the Group is illustrated hereunder:



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

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





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6. ASSETS

Mediterranean Investments Holding p.l.c.

Major Assets

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

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

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

6.1 PALM CITY RESIDENCES

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

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





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

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

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

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

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





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Palm City Residences

Lease contract term

for the financial year 31 December

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

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

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

6.2 PALM WATERFRONT

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

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

6.3 MEDINA TOWER

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

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

7. COUNTRY OVERVIEW

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





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

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

PART 2 – PERFORMANCE REVIEW

8. FINANCIAL HIGHLIGHTS

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

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

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

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





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

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

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

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

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

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

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

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

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





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

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

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

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

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

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

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

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

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

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





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

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

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





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

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

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

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

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

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





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9. VARIANCE ANALYSIS

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

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

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

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

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





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





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

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

PART 3 – DEBT SECURITIES IN ISSUE

Debt Securities issued by MIH

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

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

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

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

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

Debt Securities issued by Related Parties

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

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





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PART 4 – COMPARATIVE ANALYSIS

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

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

*As at 04 May 2023

Sources: Malta Stock Exchange

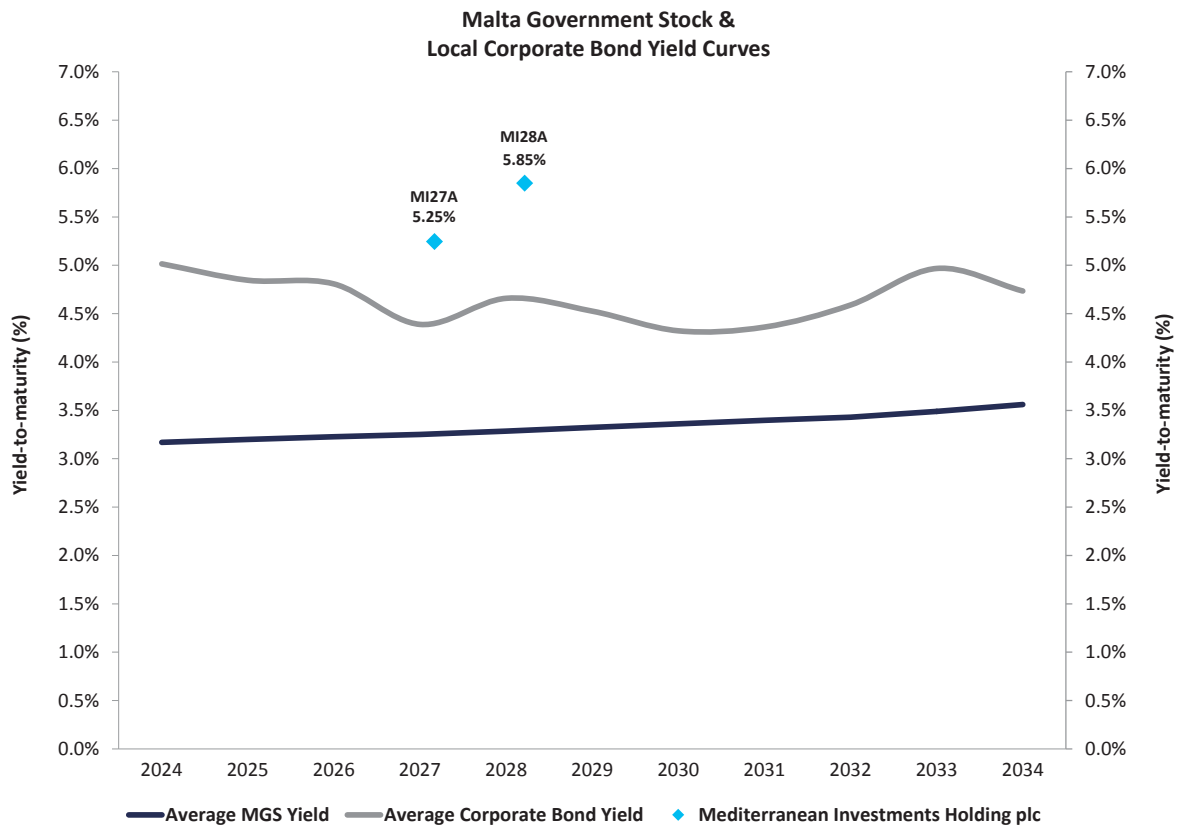
M.Z. Investment Services Limited

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





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

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





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PART 5 - EXPLANATORY DEFINITIONS

INCOME STATEMENT

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

KEY PERFORMANCE INDICATORS

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

PROFITABILITY RATIOS

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

CASH FLOW STATEMENT

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





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STATEMENT OF FINANCIAL POSITION

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

FINANCIAL STRENGTH/CREDIT RATIOS

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



ANNEX IV – AUTHORISED INTERMEDIARIES

NAME	ADDRESS	TELEPHONE
APS Bank p.l.c.	APS Centre, Tower Street, Birkirkara BKR 4012	2560 3000
Bank of Valletta p.l.c.	Premium Banking Centre, 475, Triq il-Kbira San Guzepp, St Venera SVR 1011	2275 1732
Calamatta Cuschieri Investment Services Ltd	Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034	2568 8688
Curmi & Partners Ltd	Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	2134 7331
FINCO Treasury Management Ltd	The Bastions, Office No 2, Emvin Cremona Street, Floriana FRN 1281	2122 0002
Jesmond Mizzi Financial Advisors Ltd	67 Level 3, South Street, Valletta VLT 1105	2122 4410
Lombard Bank Malta p.l.c.	67, Republic Street, Valletta VLT 1117	2558 1806
Medirect Bank (Malta) plc	The Centre, Tigne' Point, Sliema TPO 0001	2557 4400
Michael Grech Financial Investment Services Ltd	The Brokerage, Level 0 A, St Marta Street, Victoria, Gozo VCT 2551	2258 7000
MZ Investment Services Ltd	61, St Rita Street, Rabat RBT 1523	2145 3739
Rizzo, Farrugia & Co (Stockbrokers) Ltd	Airways House, Fourth Floor, High Street, Sliema SLM 1551	2258 3000

