

## SUMMARY

Dated 20 July 2023

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

In respect of an issue of up to  
€25,000,000 4.25% unsecured Bonds 2033  
of a nominal value of €100 per Bond issued at par  
and redeemable at the Redemption Value  
ISIN: MT0002751205 by:



**CLEARFLOWPLUS P.L.C.**

**with the joint and several Guarantee of Water Services Corporation**

Sponsor, Manager & Registrar



Accredited External  
Reviewer



Legal Counsel



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

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

APPROVED BY THE DIRECTORS

A blue ink signature of Karl Cilia, consisting of a stylized, cursive script.

Karl Cilia

A blue ink signature of Matthew Costa, consisting of a stylized, cursive script.

Matthew Costa

in their capacity as Directors, and on behalf of Vince Micallef, David Sacco, Angela Azzopardi, Luke Cann, Abigail Cutajar and Katrina Cuschieri.

**This Summary is prepared in accordance with the requirements of the Prospectus Regulation and the delegated acts issued thereunder. This Summary contains key information which investors require in order to understand the nature and the risks of the Issuer and the Bonds. Except where the context otherwise requires, the capitalised words and expressions used in this Summary shall bear the meanings assigned to them in the Registration Document and the Securities Note, as the case may be.**

## 01 INTRODUCTION AND WARNINGS

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

<b>Issuer</b>	ClearFlowPlus p.l.c., a public limited liability company registered in Malta, with company registration number C 38895 and legal entity identifier (LEI) number 9845001FE9M574159235.
<b>Address</b>	Water Services Corporation, Triq Hal Qormi, Luqa LQA 9043, Malta
<b>Telephone number</b>	+356 80076400
<b>Issuer Website</b>	www.clearflowplus.com
<b>Competent authority approving the Prospectus</b>	The MFSA, established in terms of the Financial Markets Act (Cap. 345 of the laws of Malta)
<b>Address</b>	Malta Financial Services Authority, Triq I-Imdina, Zone 1, Central Business District, Birkirkara, Malta, CBD 1010.
<b>Telephone number</b>	+ 356 2144 1155
<b>MFSA Website</b>	<a href="https://www.mfsa.mt/">https://www.mfsa.mt/</a>
<b>Name of the securities</b>	4.25% Unsecured Bonds due 2033
<b>ISIN of Bonds</b>	MT0002751205
<b>Prospectus approval date</b>	20 July 2023

### Prospective investors are hereby warned that:

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

## 02 KEY INFORMATION ON THE ISSUER

### 2.1 Who is the Issuer of the Bonds?

#### Domicile and legal form, its LEI and country of incorporation

The Issuer is ClearFlowPlus p.l.c., a public limited liability company registered in Malta in terms of the Companies Act (Cap. 386 of the laws of Malta). The Issuer was incorporated and is domiciled in Malta and with legal entity identifier (LEI) number 9845001FE9M574159235.

#### Principal activities of the Issuer

Apart from acting as issuer of the Bonds with a view to finance certain operations of the Group and mainly those of the Guarantor, the Issuer is also currently involved in the principal activities of consultancy services and supplies in connection with reverse osmosis plants, related after sales services, desalination, sewage treatment facilities, laboratory analysis, information technology services and sale of parts.

#### Organisational structure of the Group

The Issuer is fully owned by Water Services Corporation, which is the Guarantor of the Bond Issue, except for one (1) share which is held by Malta Government Investments Limited (C 10175). Apart from the Issuer, the Guarantor has other subsidiaries, each of which is involved in one or more business sectors of the Group. Such subsidiaries include MaltaEnergy Limited (C 79698), which is 51% owned by the Guarantor, Malta Developers Green Energy Ltd. (C 83927), which is 51% owned by the Guarantor, and WSC International Limited (C 78356), which is fully owned by the Guarantor except for one (1) share which is owned by the Issuer, and which company is currently in dissolution.

#### Major shareholders of the Issuer

The Issuer's majority shareholder is the Guarantor which holds all of the issued shares except for one (1) share (namely 107,325 ordinary shares of a nominal value of €2.329373 each), whereas the 1 remaining share (namely 1 ordinary share of €2.329373) is held by Malta Government Investments Limited. The Guarantor is not a company but is instead a corporation constituted by law, and has no share capital. In terms of the said Act The Guarantor is controlled through the appointment of its directors by the Government of Malta.

**Key managing directors**

The board of directors of the Issuer is composed of the following persons: Dr. Vince Micallef (Chairman and non-executive Director), Mr. Karl Cilia (Vice-Chairman and executive Director), Mr. Matthew Costa (executive Director), Ing. David Sacco (executive Director), Ms. Angela Azzopardi (independent non-executive Director), Mr. Luke Cann (independent non-executive Director), Ing. Abigail Cutajar (independent non-executive Director) and Ms. Katrina Cuschieri (independent non-executive Director).

**Statutory Auditors**

The auditors of the Issuer as of the date of this Summary are GCS Assurance Malta Limited of 115A, Floor 4, Msida Valley Road, Birkirkara BKR 9024, Malta. The Accountancy Board registration number of GCS Assurance Malta Limited is AB/2/17/14.

**2.2 What is the key financial information regarding the Issuer?**

The key financial information regarding the Issuer is set out below (presented in thousands):

**ClearFlowPlus p.l.c.****Statement of profit or loss for the year ending 31 December**

	FY2022A	FY2021A	FY2020A
Revenue	2,299	1,313	1,000
Profit for the year	718	278	294

**ClearFlowPlus p.l.c.****Statement of financial position as at 31 December**

	FY2022A	FY2021A	FY2020A
Total assets	3,802	4,801	2,928

**ClearFlowPlus p.l.c.****Statement of cash flows for the period ending 31 December**

	FY2022A	FY2021A	FY2020A
Net cash generated from / (used in) operating activities	(1,277)	752	560
Net cash generated from / (used in) investing activities	(161)	(366)	-
Net cash generated from / (used in) financing activities	12	1	-

**2.3 What are the key risks that are specific to the Issuer?**

The most material risk factor specific to the Issuer is the following:

**Risks relating to the Issuer's business and its reliance on the Guarantor**

With respect to the sourcing of engagements for, and the actual performance of, a material part of its services, the Issuer is dependent on the Guarantor, its business contacts and operations, as well as on the know-how and expertise developed by the Guarantor, and also on the human resources of the Guarantor. A negative impact on these resources of the Guarantor through the materialization of reputation or competition risks, risks of outdated through technological and operational advancements or other operational, market or financial risks, may therefore negatively affect the service engagements and business of the Issuer and its financial condition. Furthermore, after the issue of the Bonds, the main asset of the Issuer will become the proposed Issuer-Guarantor Loan to be provided by the Issuer to the Guarantor out of the proceeds of the Bond Issue. The Issuer's profits generated from its business operations will not be sufficient to finance payments due by the Issuer to Bondholders. In this respect the Issuer is principally dependent on the receipt of interest payments and loan repayment from the Guarantor under the Issuer-Guarantor Loan. In this respect, therefore, the Issuer is dependent on the business prospects and operating results of the Guarantor, and the risks intrinsic in the business and operations of the Guarantor may have an adverse effect on the ability of the Issuer to meet its obligations under the Bonds.

**03 KEY INFORMATION ON THE SECURITIES****3.1 What are the main features of the securities?**

The Bonds are being issued in an aggregate amount of up to €25,000,000 with a nominal value of €100 per Bond issued at par and redeemable at the Redemption Value, namely at par, on the Redemption Date, namely 25 August 2033. The Bonds bear interest at the rate of 4.25% per annum on the nominal value of the Bonds, payable on 25 August of each year, with the first interest payment being due on 25 August 2024 and the last interest payment being due on Redemption Date.

The Bonds shall 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. On admission to trading the Bonds shall have the following ISIN: MT0002751205. The Bonds shall be freely transferable.

The Bonds constitute the general, direct, unsecured and unconditional obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, shall rank *pari passu* with all other unsecured and unsubordinated obligations of the Issuer. The Bonds shall be jointly and

severally guaranteed in respect of both the interest and the Redemption Value due under said Bonds by the Guarantor in terms of the Guarantee.

There are no special rights attached to the Bonds other than the right of the Bondholders to (i) repayment of capital and payment of interest on the due dates; (ii) the benefit of the Collateral (namely the Guarantee); (iii) attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and (iv) such other rights attached to the Bonds emanating from the Prospectus.

### 3.2 Where will the securities be traded?

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

### 3.3 Is there a guarantee attached to the securities?

#### The Guarantee

The Bonds will be secured through the joint and several guarantee of the Guarantor in terms of the Guarantee dated 20 July 2023. Accordingly, 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. The Guarantee also entitles the Bondholders to take action against the Guarantor without having to first take action against the Issuer. The Guarantee constitutes a direct and unconditional obligation of the Guarantor and, save for such exceptions as may be provided by applicable law, the Guarantor's obligations under the Guarantee shall rank *pari passu* with all its other unsecured and unsubordinated obligations.

#### The Guarantor

The Guarantor is Water Services Corporation, a corporation established in Malta by statute and namely by virtue of the Water Services Act (Cap. 355 of the Laws of Malta). The legal entity identifier (LEI) number of the Guarantor is 98450039A59A6DB9S607. The Guarantor is the parent undertaking of the Group and of the Issuer. The Guarantor has its constitution, composition, activities, functions, and responsibilities set out in the said Water Services Act. It is responsible for and can manage potable water and wastewater services in the Maltese islands and its principal activities are to acquire, produce, distribute and sell water for domestic, industrial and commercial use, to treat and dispose or re-use wastewater and also to further reduce the energy costs related to the production of water using renewable energy sources.

#### Key financial information regarding the Guarantor

The key financial information regarding the Guarantor is set out below (presented in thousands):

##### Water Services Corporation

##### Statement of profit or loss and other comprehensive income for the year ending 31 December

	FY2022A	FY2021A	FY2020A
Revenue	82,300	77,921	76,053
Profit for the year	11,522	7,375	10,882

##### Water Services Corporation

##### Statement of financial position as at 31 December

	FY2022A	FY2021A	FY2020A
Total assets	453,906	450,529	441,350

##### Water Services Corporation

##### Statement of cash flows for the period ending 31 December

	FY2022A	FY2021A	FY2020A
Net cash generated from / (used in) operating activities	29,841	32,761	35,867
Net cash generated from / (used in) investing activities	(36,824)	(36,485)	(31,430)
Net cash generated from / (used in) financing activities	(6,692)	(4,175)	876

### 3.4 Key risks relating to the Guarantor and the Group and the Guarantee

#### Legal and regulatory risks

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

The water industry and the Group's businesses are subject to extensive and increasingly stringent environmental protection, public health and safety and other relevant legal and regulatory obligations and controls, and the Guarantor and the other companies within the Group as a whole must comply with all applicable laws, regulations and regulatory standards, both at national level and also at EU level, which are applicable to their respective business and operations. There are risks that result from the vagueness of some regulatory provisions which may result in inconsistent application or enforcement, which can also result in suspension or revocation of permits, fines or penalties, institution of proceedings or other enforcement measures being taken against the Guarantor or other members of the Group, which could negatively and materially affect the Group's financial position, operations and/or reputation. Furthermore, the Group is subject to the risks of continuous introduction and changes in

these laws and regulations which affect the operations of the Group within a constantly evolving regulatory framework, including the increasing climate change regulations and other sustainability related new regulations and policies. The Group is at risk in relation to these changes and the timing and effects thereof, and changes in the interpretation thereof, which cannot be predicted and which can negatively affect the business and operations of Group companies, apart from the additional costs of compliance which these may entail.

## **Economic and financial risks**

### **Risks relating to price controls**

In terms of the Water Services Corporation Act, the prices to be charged by the Guarantor for any service or facility provided by it under the Act shall be in accordance with such tariffs as may, from time to time, be prescribed by the Guarantor following the written approval by the Regulator for Energy and Water Services set up under the Regulator for Energy and Water Services Act (Cap. 545 of the Laws of Malta). In setting the tariffs, therefore, the Guarantor relies on the written approval of the said Regulator, and whilst the said Regulator should be expected to act reasonably, it has no statutory duty to ensure the continued solvency or financial viability of the Guarantor in all circumstances. The Regulator may effectively use such approval mechanism to control prices of water and other relevant services, which may also lead to lowering of prices which may have a negative or undesired impact on profitability of the Guarantor. Furthermore, whilst lowering of prices are usually influenced by Government policy, and when they occurred in the past 10 years these were covered by subventions and grants made available by the Government to the Guarantor, there is no obligation on Government and no assurance that it will necessarily so compensate the Guarantor fully for such price reductions.

### **Risks relating to price increases of energy and other commodities**

The Group's, and in particular the Guarantor's, activities relating to production, treatment and distribution of water, both potable water and wastewater, use energy and commodities, including chemicals to varying degrees, and thus such activities are exposed to any fluctuations in their prices. The increase in prices of energy and commodities are often due to political, economic or other factors over which the Group has no control, including the Covid-19 pandemic which increased demand and pushed up the prices on raw and secondary materials, as well as political conflicts such as the current Ukraine war which negatively affected the supply chain and the energy market. These factors and the consequent increase in energy prices can negatively affect the financial performance and earnings of the Group, which the Group may not necessarily be in a position to sensibly compensate for through an increase in prices of water which is a very sensitive political and social issue on a national level.

### **Risks arising from war and/or conflict**

Wars and conflicts which may from time to time occur in various parts of the world, including the current Russia – Ukraine armed conflict, may present new risks or exacerbate certain risks to which the operations of the Group are subject, including shortage of and/or increase in prices and delay in importation and delivery of supplies needed for the business operations, apart from the negative effects these may have on the economy as a whole.

## **Business and operational risks**

### **Risks relating to security of water supply**

Water is the fundamental commodity around which the Guarantor's and the Group's business and operations revolve. It is a natural resource, which cannot be guaranteed in terms of continuity of supply in the quantity and quality needed by the Group to carry out its activities. It is subject to risks which may be accidentally caused by the Guarantor itself in the course of the production process, but it is primarily exposed to various external risks and factors which are beyond the control of the Group. These include: climate change which is leading to increased drought; increasing scarcity of water resources due to increased demand, also as a result of demographic and metropolitanisation pressures; the over-abstraction of groundwater, which may endanger the future availability of such water; the disposal, seeping or intrusion of substances and pollutants into the groundwater, through fraudulent or accidental causes; and the fact that whilst reverse osmosis water desalination could technically address and solve the groundwater shortage problem, this is more energy-intensive and thus less sustainable and less cost-efficient than groundwater, apart from the fact that this could also be subject to external risks which endanger its security of supply, including oil spills or other contamination of the sea area where the sea water abstraction boreholes are situated.

### **Risks relating to quality of water**

Risk related to water and product quality is a core focus for the Group and its ability to provide essential services to its customers in compliance with required quality standards and specifications. The Group is exposed to various risk factors in this respect, including: fraudulent or accidental pollution of the groundwater, or its over abstraction leading to higher level of chlorides therein; fraudulent or accidental pollution of sea areas where reverse osmosis extraction boreholes are situated; and factors affecting the distribution infrastructure, principally the mains and pipeline network, which reduce the quality of water during the distribution up to its point of destination in consumers' taps, including the length of the distribution pipes, the age or poor condition of the pipelines, and contamination which could infiltrate through leakage points or which could be generated through deposits accumulated in the pipelines over the years. These risks also lead to increased costs involved in increased infrastructure replacement and maintenance, which may have a material adverse effect on the Group's financial resources.

### **Environmental, industrial and health and safety risks**

The operations of the Group carry risks to the surrounding environment (air, water, soil, habitat and biodiversity) and may pose risks to the health of consumers, local residents, employees, or even subcontractors. This presents various health and environmental risks to the Group which increase the Group's vulnerability in relation to its activities, including the risk of changing and introduction of more regulations with regard to environmental responsibility and liabilities, the handling or generation of hazardous products or by-products by the Group in the course of its activities which could be toxic or infectious and which could pollute the environment, the reputational risk and risk of enforcement and consequent sanctions as a result of non-compliance with the relevant standards which are always increasing, exposure to claims relating to health and safety at work or claims for health hazards, injury or even death at the workplace. The amounts provisioned or covered by the Group's employers' liability and group personal accident and civil liability insurance as well as environmental risk self-insurance may be insufficient if the Group incurs health and safety and environmental liability, given the difficulty and uncertainties involved in forecasting expenses and liabilities related to health, safety and the environment. The above could have a material negative impact on the Group's public image, operations, financial position and earnings.

### **Non-revenue water risks**

The Group, in particular the Guarantor, is continuously faced with and assiduously addressing the risks of non-revenue water, consisting mainly of real losses generated through leakages and overflows in the distribution infrastructure and apparent losses resulting essentially from theft of water, meter errors and other billing inefficiencies. Apart from the loss of revenue, these risks also give rise to various social and reputational challenges, particularly in view of the loss of opportunity of using the relevant potential revenue in further investment in and improvement of the service infrastructure for the benefit of the Group and consumers, the creation of social injustice created through theft or other apparent losses by having some consumers using water free of charge whilst other consumers paying for it and also by depriving the latter of potentially benefitting from lower rates if no revenue were lost, as well as the negative impact on public image and the great deal of public criticism that such non-revenue water incidences manage to generate and attract against the Group.

### **Risks relating to the Guarantee**

The strength of the undertakings on the part of the Guarantor under the Guarantee and therefore, the level of recoverability by the Bondholders from the Guarantor of any amounts due under any of the Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantor, which will be affected by the level of indebtedness and liabilities incurred by such Guarantor, as well as by other factors which may negatively impact such financial position and solvency.

## **3.5 What are the key risks that are specific to the securities?**

### **Suitability of the Bonds**

An investment in the Bonds may not be suitable for all recipients of the Prospectus and prospective investors are urged to read and understand the Prospectus in full and to consult an investment advisor before making an investment decision with a view to ascertain that s/he has sufficient knowledge and understanding of the Bonds and the merits and risks of investing in the Bonds, and that s/he has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds. Otherwise there is a risk that such investor may acquire an investment which is not suitable for his/her risk profile.

### **Risks relating to Green Bonds**

The use of proceeds of the Issuer Green Bonds may not be suitable for the investment criteria of a Bondholder. No assurance is given by the Issuer or its advisors that the use of an amount equal to the proceeds of the Issuer Green Bonds for any Eligible Green Projects identified in the Prospectus will satisfy, in whole or in part, any present or future investor expectations or requirements regarding any investment criteria or guidelines with which such investor or its investments are required to comply, in particular with respect to any direct or indirect environmental, social, governance or other sustainability impact of any projects or uses. The definition (legal, regulatory or otherwise) of a "green" or equivalently labelled project, as well as the market consensus for a particular project to be defined as such, is currently under development, including under the regime of the Taxonomy Regulation ((EU) 2020/852), and is subject to changing criteria, requirements and standards. Moreover, whilst it is the intention that an amount equal to the proceeds of the Issuer Green Bonds is applied in the manner described in Section 4.2 of this Summary and to ensure that the Issuer Green Bonds are aligned with the Green Bond Principles and as further described in the Green Bond Framework, the Eligible Green Projects identified in such Section 4.2 may not be capable of being implemented in or substantially in such manner and/or within any indicated timing schedule and that accordingly such proceeds may not be fully disbursed for the indicated Eligible Green Projects. Moreover, the Eligible Green Projects so indicated may, for various reasons, not be completed within any indicated period or at all or may not be completed with the results or outcome as originally expected or anticipated by the Issuer or the Guarantor. This may also lead to a withdrawal or reversal of any verification, opinion, certification or report previously obtained from or produced by the Accredited External Reviewer or any other third party in connection with the issue of the Issuer Green Bonds. Any such event or failure by the Issuer or the Guarantor or withdrawal or reversal of any relevant verification, opinion, certification or report will not constitute an Event of Default under the Bonds or a default of the Issuer or the Guarantor for any purpose, notwithstanding that it may have a material adverse effect on the value and marketability of the Bonds and/or may not meet the investment expectations or requirements of Bondholders.

### **Trading and liquidity risks**

There can be no assurance that an active secondary market for the Bonds will develop or, if it develops, that it will continue. Nor can there be any assurance that an investor will be able to re-sell his/her Bonds at or above the Bond Issue Price or at all. A trading market having the desired characteristics of depth, liquidity and orderliness depends on a number of factors, which are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer has no control. The outbreak of the COVID-19 pandemic in 2020, has resulted in a highly volatile economy. This volatility may also increase as a result of wars or conflicts between countries, including the current Russia – Ukraine conflict. Continued or increased volatility and disruption in the capital markets may impair the saleability of the Bonds.

### **Interest rate risk**

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. Currently, interest rates have gone through a gradual increase and are expected to continue rising to some extent. Generally, if interest rates rise, the prices that market participants will generally be willing to pay for the Bonds can be expected to decline. Moreover, price risks for longer maturity bonds tend to be higher than for shorter maturity bonds.

### **Risks relating to inflation**

Inflation remains at elevated levels when compared to the past decades. This can have two negative impacts on those who invest in bonds. Inflation typically leads to a rise in short-term interest rates, and intermediate and longer-term rates also tend to go up as a consequence. This rise in interest rates will lead to a fall in the prices of bonds. Furthermore, inflation can wipe away the yields generated by a bond, in view of the loss of purchasing power brought about by inflation.

## 04 KEY INFORMATION ON THE OFFER OF THE SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

### 4.1 Under which conditions and timetable can I invest in this security?

#### Application for the Bonds

Preferred Applicants who wish to subscribe for the Preferred Amount of Bonds on a preferential basis to other investors may do so by completing an Application Form A and submitting the same to an Authorised Financial Intermediary during the Preferred Applicants' Offer Period and by not later than 12:00 hours on 31 July 2023. Application Forms A will be made available to Preferred Applicants by the Issuer as from 26 July 2023.

Members of the general public who wish to subscribe for Bonds, other than Preferred Applicants in respect of the subscription for the Preferred Amount, are to contact any of the Authorised Financial Intermediaries through whom they may participate in the Bond Issue by submitting to it a duly completed Application Form B during the General Public Offer Period and by not later than 12:00 hours on 18 August 2023 or such earlier date as may be determined by the Issuer in case of over-subscription. Application Forms B will be available from the Authorised Financial Intermediaries as from 26 July 2023.

All Applications are subject to a minimum subscription amount of €5,000 in nominal value of Bonds and in multiples of €100 thereafter: provided that the subscription amount to be applied for on a preferential basis by Preferred Applicants by using Application Form A shall be fixed at €5,000.

#### Expected timetable

1	Application Forms available:	26 July 2023
2	Offer Period, which includes the Preferred Applicants' Offer Period in 2a below and the General Public Offer Period in 2b below (may close earlier as determined by the Issuer)*:	26 July 2023 to 18 August 2023
2a	Preferred Applicants' Offer Period (fixed and will not close earlier)	26 July 2023 to 31 July 2023
2b	General Public Offer Period (may close earlier as determined by the Issuer)*	1 August 2023 to 18 August 2023
3	Commencement of interest:	25 August 2023
4	Announcement of basis of acceptance:	25 August 2023
5	Refunds of unallocated monies (if any):	1 September 2023
6	Dispatch of allotment letters:	1 September 2023
7	Expected date of admission of Bonds to listing:	1 September 2023
8	Expected date of commencement of trading in the Bonds:	4 September 2023

\*The Issuer reserves the right to close the General Public Offer Period and thus the Offer Period earlier in the event of over-subscription, in which case the remaining events set out in steps 3 onwards may be brought forward and will take place in the same chronological order as set out above. The Preferred Applicants' Offer Period will be fixed for the period indicated above and may not be closed earlier.

#### Plan of distribution and allotment and allocation policy

The Bonds will be available for subscription by all categories of investors.

Applications shall be made through any of the Authorised Financial Intermediaries at any time during the Offer Period.

The Issuer has reserved an amount in nominal value of Bonds equal to the Preferred Amount multiplied by the number of Preferred Applicants as of the date of this Summary, which shall be approximately €5.4 million, for subscription by Preferred Applicants on a preferential basis over other Applicants. The remaining amount of Bonds plus any amount reserved for Preferred Applicants as aforesaid but not taken up by such Preferred Applicants, shall be made available for subscription by any investors, including Preferred Applicants if and to the extent that they wish to apply for subscription of Bonds in excess of the Preferred Amount or otherwise on a non-preferential basis.

Bonds applied for on a preferential basis by Preferred Applicants for the Preferred Amount on the basis of an Application Form A shall be allocated by the Issuer to such Preferred Applicants. Other Bonds shall be allocated in accordance with an allocation policy to be announced by the Issuer at the time of announcement of the result of the Bond Issue. The Issuer shall announce the result of the Bond Issue through an announcement to be uploaded on the Issuer's website, namely [www.clearflowplus.com](http://www.clearflowplus.com).

It is expected that Applicants will be notified of the amount of Bonds allocated to them respectively by means of an allotment letter to be sent within five (5) Business Days of the announcement of the result of the Bond Issue and of the allocation policy to be adopted.

The issue and final allotment of the Bonds is conditional upon the Bonds being admitted to the Green Bond List of the MSE. In the event that this Condition Precedent is not satisfied within fifteen (15) Business Days from the closing of the Offer Period, any Application monies received by the Issuer will be returned without interest by direct credit into the Applicant's bank account.

#### Total estimated expenses

The total estimated expenses of the Bond Issue are estimated not to exceed €500,000. These have been agreed to be borne by the Guarantor.

## 4.2 Why is this Prospectus being issued?

### Use and estimated amount of proceeds

The proceeds from the Bond Issue, will be used by the Issuer to provide a loan facility to the Guarantor, namely the Issuer-Guarantor Loan, to be used as provided below. The Issuer-Guarantor Loan will bear interest at 4.75% per annum payable on 10 August of each year, and the principal amount thereof shall be repayable by not later than 10 August 2033.

In turn, the Issuer-Guarantor Loan will be used by the Guarantor for the following purposes, in the amounts and order of priority set out below:

- (i) PV panels project: an amount of up to €6,000,000 will be used to finance the expected capital expenditure involved in procuring, installing and commissioning the new photovoltaic plants by the installation of photovoltaic panels on the reservoirs and other locations situated in various regions of Malta, namely the Luqa reservoir, the Guarantor's Luqa headquarters and lab offices, the Pembroke reverse osmosis plant, the Lapsi reverse osmosis plant, the Naxxar reservoir, the Barkat sewerage treatment plant, the Bulebel new warehouse and the Cirkewwa reverse osmosis plant;
- (ii) Re-financing of part of Hondoq reverse osmosis plant project: an amount of up to €1,700,000 will be used to re-finance part of the costs incurred in connection with the development and commissioning of Hondoq ir-Rummien reverse osmosis plant, through the repayment of a portion of the outstanding overdraft facility due by the Guarantor to HSBC Bank Malta p.l.c. which has been used to pay contractors for works and services connected with such project;
- (iii) Ta' Barkat wastewater treatment plant aeration project: an amount of up to €2,000,000 will be used to finance the expected costs involved in upgrading the airblowers and the aeration system within Ta' Barkat wastewater treatment plant;
- (iv) Investment in reducing non-revenue water and improving billing efficiencies projects: an amount of up to €7,900,000 will be used to finance investments in projects aimed to further reduce non-revenue water and improve billing efficiencies, in particular the costs in connection with the purchase and commissioning of the upgrade to the Guarantor's Enterprise Resource Planning (ERP) – SAP system and the algorithmic software within such system so as to enhance its effectiveness in detecting real losses and to a greater extent apparent losses; and
- (v) Investment in upgrading the water network and infrastructure projects: the remaining amount of €7,400,000 together with any residual amounts not utilised for the purposes identified in paragraphs (i) to (iv) above will be used to finance investments in continuing projects related to upgrading the water distribution network and infrastructure, in particular those connected with the repair, replacement, maintenance and where necessary rerouting or redesigning of such network and infrastructure.

The projects referred to in paragraphs (i) to (v) above have been evaluated, assessed and selected by the Issuer, with the assistance of the Sustainability Committee, as being, and are deemed by it to be, Eligible Green Projects and have been verified as such by the Accredited External Reviewer.

### Underwriting

The Bond Issue is not subject to an underwriting agreement on a firm commitment basis.

### Conflicts of interest

Without prejudice to the potential conflicts of interest of Directors disclosed in the Prospectus, save for the subscription for and/or sale of Bonds by the Authorised Financial Intermediaries (which include the Sponsor, Manager & Registrar), and any fees payable in connection with the Bond Issue to the Sponsor, Manager & Registrar, so far as the Issuer is aware no person involved in the Bond Issue has any material conflicts of interest pertaining to the offer of Bonds or their admission to trading.