



SUMMARY

Dated 24 September 2021

In respect of an Issue of:

€21,000,000 4% Unsecured Bonds 2033

of a nominal value of €100 per Bond issued at par
(due 10 November 2033, subject to early redemption at the option of the Issuer on any Early Redemption Date)

ISIN: MT0000881236

CENTRAL BUSINESS CENTRES PLC

A public limited liability company registered in Malta with company registration number C 65702

Legal Counsel



Mamo TCV Advocates

Sponsor, Manager & Registrar



Calamatta Cuschieri
Investment Services Limited

Approved by the Directors

Joseph Cortis

in his capacity as Director of the Company

and for and on behalf of: Petramay Attard Cortis, Adriana Cutajar, Joseph M Formosa and Alfred Sladden

A. Introduction and Warnings

This summary should be read as an introduction to the Prospectus. Any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole by the investor. An investor investing in the Bonds could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only where this summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Bonds.

You are about to purchase a product that is not simple and may be difficult to understand.

Details of the Issuer and the Bonds are as follows:

Legal name of Company:	Central Business Centres p.l.c.
Registered Address:	Cortis Group, Cortis Buildings, Mdina Road, Zebbug ZBG 4211, Malta
Registration Number:	C 65702
Legal Entity Identifier:	4851000XBTV88TUBKA79
Email Address:	info@centralbusinesscentres.com
ISIN of the Bonds:	MT0000881236

The Prospectus has been approved by the Malta Financial Services Authority as the competent authority under the Prospectus Regulation on the 24 September 2021. 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 Issuer.

Details of the Malta Financial Services Authority:

Address: Malta Financial Services Authority, Triq l-Imdina, Zone 1, Central Business District, Birkirkara CBD 1010, Malta.
Telephone: +356 21441155
Website: www.mfsa.mt

B. Key Information on the Issuer

Who is the issuer of the securities?

General

The Issuer's legal and commercial name is Central Business Centres p.l.c., a public limited liability company incorporated and operating under Maltese law with LEI 4851000XBTV88TUBKA79.

Principal Activities

The principal activity of the Company is to act as a finance, investment and property holding company.

Shares and Ownership

As at the date of the Prospectus, the Company has no shareholders which hold more than 10% of the its issued ordinary shares.

Key Managing Directors and Statutory Auditors

The members of the Board of Directors are Joseph Cortis, Petramay Attard Cortis, Adriana Cutajar, Joseph M Formosa and Alfred Sladden.

The Company's statutory auditors are RSM Malta, a firm registered as a partnership of certified public accountants holding a practising certificate to act as auditors in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta).

What is the key financial information regarding the Issuer?

The Company's historical audited financial statements for the years ended 31 December 2018, 2019 and 2020 and the interim financial statements for the period 01 January 2021 to 30 June 2021 are available on the Company's website and at the registered office of the Company. The audit reports of these three financial years do not contain any qualification, modification of opinion, disclaimers or emphasis of matter.

There has been no significant change in the Company's financial or trading position since 31 December 2020.

Key figures extracted from the said financial reports are being presented below:

	Financial year ended 31/12/2020 Audited	Financial year ended 31/12/2019 Audited	Financial year ended 31/12/2018 Audited	6-month period ended 30/06/2021 Unaudited	6-month period ended 30/06/2020 Unaudited
Revenue (€'000)	1,252	1,086	356	870	512
EBITDA (€'000)	1,138	888	103	805	441
Fair value movement relating to investment property (€'000)	4,843	-	-	-	-
Net income	3,663	495	(119)	481	278
Growth in revenue	15.3%	205.1%	8.2%	69.9%	(13.3%)
EBITDA margin	90.9%	81.8%	28.9%	92.5%	86.2%
Net margin	292.7%	45.6%	(33.4%)	55.3%	54.2%
Earnings per share	€14.65	€1.98	(€0.47)	€1.93	€1.11

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

- the Issuer is dependent on the revenues it generates and expects to generate from the lease of units forming part of its property portfolio.
- the core business of the Issuer is the acquisition and subsequent rental of immovable property and is therefore subject to market and economic conditions in this sphere.
- both the COVID-19 pandemic and the recent Financial Action Task Force (FATF) grey listing have the potential to hinder the Company's operations, particularly the ability to lease out units forming part of its property portfolio.
- Changes to the regulatory environment in which the Company operates may adversely affect the business of the Issuer.

C. Key Information on the Securities

What are the main features of the securities?

The Bonds are being issued in an aggregate amount of up to €21,000,000 with a nominal value of €100 per Bond. 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. There are no special rights attached to the Bonds other than the right of the Bondholders to: (i) attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bonds; (ii) payment of capital and interest in accordance with the ranking of the Bonds; and (iii) such other rights attached to the Bonds emanating from the Securities Note.

The ISIN of the Bonds is MT0000881236. Unless previously re-purchased and cancelled or redeemed in whole or in part on any one or more of the Early Redemption Dates, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 10 November 2033. The Bonds shall bear interest from and including 10 November 2021 at the rate of 4% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 10 November 2022 (covering the period 10 November 2021 to 9 November 2022). The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt of the Issuer present and future, if any. Third party security interests may be registered by the Issuer 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 Bonds are freely transferable and have been created in accordance with Maltese law.

Where will the securities be traded?

Application has been made for the Bonds to be admitted to trading on the Official List of the MSE.

What are the key risks that are specific to the securities?

- Secured or privileged debts of the Issuer shall rank at all times ahead of the obligations of the Issuer under the Bonds.
- The impact of COVID-19 may impact the orderly and liquidity of capital markets and therefore, the Bonds.
- The Bonds may be redeemed. In the event that the Issuer exercises the option to redeem the Bonds, the Bondholders might suffer a lower than expected yield and might not be able to reinvest the funds on the same terms. This optional redemption feature may also have a negative impact on the market value of the Bonds.
- The terms and conditions of the Bonds permit majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.
- Failure of the Company to comply with the applicable law in Malta may result in the suspension or discontinuation of listing of the Bonds.

D. Key Information on the Offer of Securities to the Public and/or the Admission to Trading on a Regulated Market

Why is the Prospectus being produced?

The Company has produced and published the Prospectus in satisfaction of the Capital Markets Rules and Prospectus Regulation applicable to bond issues and their admission to trading on the Official List of the MSE.

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €20,700,000, will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

- a. the amount of *circa* €17.5 million will be used to purchase the Property;
- b. the amount of *circa* €3 million will be used to repay the 2014 Bonds; and
- c. the amount of *circa* €200,000 will be used for general corporate funding purposes

The Bond Issue is conditional upon: (a) 67% of the Bond Issue being fully subscribed and (b) the Bonds being admitted to the Official List.

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

Conflicts of interest in relation to the Bond Issue

Mr Joseph Cortis is a Director and a director on SMW Cortis Limited (C 6728) and Lapsi Court Limited (C 896). Accordingly, conflicts of interest could potentially arise in relation to transactions involving the Issuer, SMW Cortis and Lapsi Court Limited (C 896).

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

General Terms and Conditions

The Bonds are open for subscription to all categories of investors, provided that the Authorised Financial Intermediaries shall be required to carry out an Appropriateness Test in respect of each Applicant for the purpose of assessing such Applicant's level of knowledge and experience prior to investing in the Bonds.

The Issuer shall allocate the entirety of the Bonds to Authorised Intermediaries participating in the Intermediaries' Offer as described above, without priority or preference and in accordance with the allocation policy determined by the Issuer and the Sponsor. Subscription amounts shall be in multiples of €100, subject to a minimum initial subscription of €2,000. The allotment of Bonds in favour of successful Applicants is conditional upon 67% of the Bond Issue being fully subscribed and the Bonds being admitted to the Official List of the MSE. In the event that the Bonds are not admitted to the Official list of the MSE, any application monies received by the Issuer will be returned, without interest, by direct credit into the Applicant's bank account indicated by the Applicant on Application.

Expected timetable of the Offer

1. Application Forms available	1 October 2021
2. Opening and closing of subscription lists relative to the Offer Period	6 October 2021 to 27 October 2021, both days included
3. Commencement of interest on the Bonds	10 November 2021
4. Expected date of announcement of basis of acceptance	10 November 2021
5. Refunds of unallocated monies (if any)	10 November 2021
6. Expected dispatch of allotment advices	10 November 2021
7. Expected date of admission of the securities to listing	10 November 2021
8. Expected date of commencement of trading in the securities	11 November 2021

Admission to trading on a regulated market and plan for distribution

Subject to admission to listing of the Bonds to the Official List of the MSE, the Bonds will be assigned ISIN MT0000881236. The Bonds will be allotted by the Company in accordance with its allocation policy.

Expenses

The total expenses of the Bond Issue are estimated to be *circa* €300,000 and shall be borne by the Company. No expenses will be specifically charged by the Company to any Applicant who subscribes for Bonds.



REGISTRATION DOCUMENT

Dated 24 September 2021

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

CENTRAL BUSINESS CENTRES PLC

A public limited liability company registered in Malta with company registration number C 65702

Legal Counsel



Mamo TCV Advocates

Sponsor, Manager & Registrar



**Calamatta Cuschieri
Investment Services Limited**

THIS REGISTRATION DOCUMENT HAS BEEN DRAWN UP AS PART OF A SIMPLIFIED PROSPECTUS IN ACCORDANCE WITH ARTICLE 14 OF THE PROSPECTUS REGULATION AND HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY, AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MALTA FINANCIAL SERVICES AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE MALTA FINANCIAL SERVICES AUTHORITY HAS APPROVED THIS REGISTRATION DOCUMENT AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY AS PRESCRIBED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT HOWEVER BE CONSIDERED AS AN ENDORSEMENT OF THE COMPANY THAT IS THE SUBJECT OF THIS REGISTRATION DOCUMENT. IN PROVIDING THIS AUTHORISATION, THE MALTA FINANCIAL SERVICES AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENTS.

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

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

Approved by the Directors

Joseph Cortis

in his capacity as Director of the Company

and for and on behalf of: Petramay Attard Cortis, Adriana Cutajar, Joseph M Formosa and Alfred Sladden

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IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON THE COMPANY ITS BUSINESS IN ACCORDANCE WITH THE REQUIREMENTS OF THE ACT, THE CAPITAL MARKETS RULES AND THE PROSPECTUS REGULATION.

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

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

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THE PROSPECTUS AND ANY PERSON WISHING TO ACQUIRE 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 OF THE COMPANY ADMITTED TO TRADING ON THE MSE 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.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE MALTA FINANCIAL SERVICES AUTHORITY IN SATISFACTION OF THE CAPITAL MARKETS RULES AND TO THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS.

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

ALL THE ADVISORS TO THE COMPANY NAMED IN THIS REGISTRATION DOCUMENT UNDER THE HEADING “*ADVISERS AND STATUTORY AUDITORS*” IN SECTION 4 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE COMPANY IN RELATION TO THE PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE INFORMATION ON THE ISSUER’S WEBSITE DOES NOT FORM PART OF THE PROSPECTUS UNLESS THAT INFORMATION IS INCORPORATED BY REFERENCE INTO THE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE SECURITIES.

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

1. DEFINITIONS

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

2014 Bond Issuance Programme	the bond issuance programme pursuant to which the 2014 Existing Bonds were issued under a Base Prospectus dated 5 December 2014, as supplemented by a supplement dated 4 December 2015 and the Final Terms regulating each series dated 22 December 2014 and 4 December 2015 respectively;
2017 Bond Issuance Programme	the bond issuance programme pursuant to which the 2017 Existing Bonds were issued under a Base Prospectus dated 29 May 2017 and the Final Terms regulating a series dated 12 June 2017;
2014 Existing Bonds	the six million Euro (€6,000,000) unsecured bonds issued pursuant to the 2014 Bond Issuance Programme;
2017 Existing Bonds	the six million Euro (€6,000,000) unsecured bonds issued pursuant to the 2017 Bond Issuance Programme;
2014 Existing Bondholders	the holders of 2014 Existing Bonds;
2017 Existing Bondholders	the holders of 2017 Existing Bonds;
2017 Prospectus	the prospectus dated 29 May 2017 issued by the Company in relation to the 2017 Bond Issuance Programme;
2014 Subordinated Loan Agreements	(i) the subordinated loan agreement dated 20 November 2014 between the Issuer and SMW Cortis for the loan amount of €8,050,000; (ii) the subordinated loan agreement dated 20 November 2014 between the Issuer and Lapsi Court Limited (C 896) for the loan amount of €2,000,000; and (iii) the subordinated loan agreement dated 20 November 2014 between the Issuer and SMW Cortis for the loan amount of €400,000 of which €250,000 has been utilised (the subordinated loan agreement for the loan amount of €400,000 (the “ 400K Loan Agreement ”));
2017 Subordinated Loan Agreement	the subordinated loan agreement dated 15 May 2017 between the Issuer and SMW Cortis for the loan amount of €5,800,000;
2021 Subordinated Loan Agreement	the subordinated loan agreement dated 15 September 2021 between the Issuer and SMW Cortis for the loan amount of €500,000 granted for the purpose of general corporate funding;
Act	the Companies Act (Cap 386 of the laws of Malta);
Amendment Agreement	the agreement through which the 400K Loan Agreement was subordinated to any and all monetary obligations of the Issuer toward the Bondholders under this Bond Issue;
Bond Issue or Offer	the issue of the Bonds;
Bonds	the €21,000,000 4% unsecured bonds 2033 issued by the Company pursuant to the Prospectus;
Bondholder/s	a holder of the Bonds;
Business Premises Zebbug	the property serving as a commercial development situated at Mdina Road corner with Attard Road, Zebbug;
Capital Markets Rules	the Capital Markets Rules of the Malta Financial Services Authority, as may be amended from time to time;
CBC Gudja	the property serving as a business centre situated at Tarxien Road, Gudja, Malta;

CBC St. Julian's	the property serving as a business centre collectively with Villa Fieres situated at Spinola Bay, St. Julian's, Malta;
CBC Zebbug	the property serving as a business centre situated at Mdina Road, Zebbug, Malta having no official number and named 'Central Business Centre';
Company or Issuer or CBC	Central Business Centres plc, a public limited liability company registered under the laws of Malta bearing company registration number C 65702 and having its registered office at Cortis Group, Cortis Buildings, Mdina Road, Zebbug ZBG 4211, Malta;
Current Properties	CBC St. Julian's, CBC Gudja, CBC Zebbug and the Zebbug Business Premises;
Directors or Board	the directors of the Company whose names are set out in sub-section 10.1 under the heading " <i>The Board</i> ";
Euro or €	the lawful currency of Malta;
Malta Financial Services Authority	the Board of Governors of the MFSA acting as the Malta Financial Services Authority for the purposes of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta), which Malta Financial Services Authority is established in terms of the Financial Markets Act (Cap. 345 of the laws of Malta);
Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Memorandum and Articles of Association or M&A	the memorandum and articles of association of the Company in force at the time of publication of the Prospectus. The terms " Memorandum " and " Articles " shall be construed accordingly;
MFSA	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta);
Promise of Sale Agreement	the promise of sale agreement dated 05 May 2021 entered into between the Issuer and Calthon Limited (C5061) relating to the acquisition of the Property by the Issuer and included as Annex II of this Registration Document;
Property	the property known as the 'Savoy Shopping Complex' 267 Republic St, Valletta VLT 1112 as better described in the Valuation Report;
Property A	the building consisting of a showroom and factory at ground floor level and wedding hall at first floor level named "St. Mary Hall", without official number and named "S.M.W. Cortis" together with an adjacent undeveloped portion of land, all accessible from Triq L-Mdina in Zebbug Malta, which building and adjacent portion of land together have a total superficial area of approximately 4,533 square metres;
Property B	the divided portion of land at Zebbug, Malta, having a superficial area of approximately 4,500 square metres, bounded on the south by Property A, on the north by an unnamed public road and on the west in part by the aforesaid unnamed public road and in part by the road known as Triq il Qadima ta' H'Attard;
Prospectus	collectively, the Summary, this Registration Document and the Securities Note, all dated 24 September 2021, as may be supplemented from time to time;
Prospectus Regulation	Commission Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as may be amended and/or supplemented from time to time;
Registration Document	this registration document issued by the Company dated 24 September 2021, forming part of the Prospectus;
Securities Note	the securities note issued by the Company dated 24 September 2021, forming part of the Prospectus;

SMW Cortis	S.M.W. Cortis Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 6728 and having its registered office at Cortis Group, Cortis Buildings, Mdina Road, Zebbug ZBG 4211, Malta;
Summary	the summary issued by the Company dated 24 September 2021, forming part of the Prospectus;
Termination Agreement	the agreement dated 15 September 2021 through which the loan amounts owing under the 2014 Subordination Agreements (with the exception of the 400K Loan Agreement which shall remain in place) and the 2017 Subordination Agreements were waived and cancelled;
Valuation Report	the report dated 02 September 2021 issued by Arch Joe Cassar of C.E. House, 2nd Floor, Dun Karm Street, B’Kara By Pass, Birkirkara BKR 9033 Malta, in terms of Chapter 7 of the Capital Markets Rules and included as Annex I of this Registration Document;
Villa Fieres	the property situated at Spinola, St. Julian’s, Malta covering a total area of 1,977 square metres comprising of the fully detached building known as ‘Villa Fieres’, its adjoining gardens and its airspace and underlying terrain; and
Zebbug Business Premises	the business centre situated in Zebbug, Malta, having a superficial area of approximately 7,453 square metres acquired from SMW Cortis in 2017, part of the purchase price satisfied from the proceeds of the 2017 Bond issuance programme.

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

Unless it appears otherwise from the context:

- a. words importing the singular shall include the plural and *vice-versa*;
- b. words importing the masculine gender shall include also the feminine gender and *vice-versa*;
- c. the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative; and
- d. the word “person” shall refer to both natural and legal persons.

2. RISK FACTORS

2.1 INTRODUCTION

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE COMPANY. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE COMPANY 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.

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

THIS REGISTRATION DOCUMENT IS NOT INTENDED TO CONSTITUTE, AND SHOULD NOT BE CONSTRUED AS CONSTITUTING, A RECOMMENDATION BY THE COMPANY, THE ADVISERS LISTED IN SECTION 4 OR ANY FINANCIAL INTERMEDIARY TO PURCHASE THE BONDS. PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS OF THE PROSPECTUS.

Forward-Looking Statements

The Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places within the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company and/or the Directors concerning, amongst other things, the Company's strategy and business plans, results of operations, financial condition, liquidity, prospects, dividend policy of the Company and the market in which it operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Company's actual results of operations, financial condition, liquidity, dividend policy and the development of its strategy may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the results of operations, financial condition, liquidity and dividend policy of the Company are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, changes in economic conditions, legislative and regulatory developments, changes in fiscal regimes and the availability of suitable financing.

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

2.2 RISK FACTORS

The Company's principal activities are better outlined in section 6 of this Registration Document. The Property is already operational and therefore the risks applicable to the Property and the Current Property are similar in nature, in that the Company will aim to maintain and/or improve current occupancy rates at the Property and the Current Properties. The individual risks making up each category are listed in order of probability of occurrence and then materiality upon occurrence, whilst the categories themselves are listed in order of the collective probability of occurrence and materiality of the individual risks contained within.

A. The Property

- (a) Acquisition: the terms of the purchase and acquisition of the Property are set out in the Promise of Sale Agreement. The acquisition and purchase by the Issuer of the Property is subject to the successful conclusion of the final deed of sale and is the primary purpose of the Bond Issue. The financial model used to test the success of the Bond Issue is dependent on the aforementioned acquisition and should the conditions set out in the Promise of Sale Agreement, for whatever reason, not be fulfilled or should the vendor fail to appear on the deed of sale, the Issuer will (i) not be in a position to acquire the Property and (ii) benefit from the revenue expected to be generated from the lease of units pertaining thereto and this could have an impact on the Company's ability to make good on its obligations under the Bond Issue.

B. Operational Risks

- (a) Lease reliance: the Issuer relies on the revenues it generates and expects to generate from the lease of units forming part of its property portfolio. There can be no guarantee that the Issuer will find suitable tenants for the units on the terms it seeks. In addition, the financial stability of the tenants may change over time. Defaults by tenants could result in a reduction in rental revenues, which could require the Issuer to contribute additional capital or obtain alternative financing. In addition, the Issuer may incur costs in enforcing rights under the lease of a defaulting tenant, including eviction and re-leasing costs (including renovation costs). Any adverse changes in tenants' financial condition may negatively affect cash flows generated by the tenants. Furthermore, if the tenants decide not to renew their leases upon expiration, the Issuer may not be able to re-let their space on terms as favourable as the original terms, if at all. Any of the foregoing factors may adversely affect the business, financial condition and results of operations of the Issuer.
- (b) Market and economic conditions: the core business of the Issuer is the acquisition and subsequent rental of immovable property and is therefore subject to market and economic conditions in this sphere. These include general factors such as the health of the local property market, inflation and fluctuations in interest rates, exchange rates, property prices and other economic and social factors affecting demand for real estate generally, but also, the more specific factors relating to the COVID-19 pandemic and Malta's recent FATF grey listing. These are better described in part C of this Section 3.2. An oversupply in commercial property could have a negative impact upon the Company's income streams and ultimately, capital values which could in turn have an adverse impact on the financial condition of the Issuer and its ability to meet its obligations under the Bonds.
- (c) Planning Approval: modifications may be envisaged by the Issuer to the Property and such modification will require the approval of the relevant authorities. Whilst this is not currently anticipated, the Property may carry development potential. Failure by the Issuer to obtain any such approvals which, if approved, could enhance the Issuer's financial position and increase the financial viability of the Property could result in the inability of the Company to obtain the maximum potential from the property resulting in a loss of operating revenue from the same Property.

C. COVID-19 and Financial Action Task Force (FATF) grey listing Risks:

- (a) Both the COVID-19 pandemic and the recent Financial Action Task Force (FATF) grey listing have the potential to accelerate and/or amplify the operational risks better described in in part B of section 2.2. The pandemic has seen an increase in containment measures as well as a global push to incentivise working from home. Companies have experienced the benefits of implementing such measures and it is anticipated that certain companies will maintain these measures post pandemic in a bit to offer more flexibility to their employees as well as reduce office costs and the need to continually expand in terms of office space. The exact impact of the grey listing is unknown; however, it is anticipated that this will impact Malta's attractiveness as a jurisdiction with the knock-on effect that less companies will seek to establish themselves in Malta. These risks, both individually and/or collectively could result in an oversupply of commercial property for lease resulting in the Company offering reduced rental rates and/or less favourable conditions.

D. Property Valuation Risks

- (a) Market Value: the valuation referred to in the Prospectus is prepared by an independent qualified architect in accordance with the Kamra tal-Periti Valuation Standards (2012), which are aligned with The European Group of Valuers' Associations European Valuation Standards. In providing a market value of the Property, the independent architect has made certain assumptions which ultimately may cause the actual value to be materially different from any future value that may be expressed or implied by such forward looking statements or anticipated on the basis of historical trends as reality may not match the assumptions. There can therefore be no assurance that such property valuation will reflect actual market values.

- (b) Real Estate investment are illiquid: The Issuer is a property-holding company. Property is a relatively illiquid asset and such illiquidity may impact the Issuer's ability to vary its portfolio or dispose of, or liquidate part of its portfolio in a timely manner and at satisfactory prices in response to changes in economic, real estate, market and other conditions. The real estate market is affected by several factors which include general economic conditions, availability of financing, interest rates and other factors, such as supply and demand that are beyond the Issuer's control. These factors could have an adverse effect on the Issuer's financial position and results.

3. PERSONS RESPONSIBLE AND AUTHORISATION STATEMENT

3.1 PERSONS RESPONSIBLE

The Directors of the Company, whose names appear in sub-section 9.1 under the heading "*The Board*", are the persons responsible for the information contained in this Registration Document. To the best of the knowledge and belief of the Directors (who have all taken reasonable care to ensure such is the case), the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

3.2 AUTHORISATION STATEMENT

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

4. ADVISORS AND STATUTORY AUDITORS

4.1 ADVISORS

The persons listed under this sub-section have advised and assisted the Directors in the drafting and compilation of the Prospectus.

Legal Counsel

Name: Mamo TCV Advocates
Address: 103, Palazzo Pietro Stiges, Strait Street,
Valletta VLT 1436, Malta

Financial Advisers

Name: KPMG
Address: Portico Building, Marina Street,
Pietà, PTA 9044, Malta

Sponsor, Manager & Registrar

Name: Calamatta Cuschieri Investment Services Limited,
Address: Ewropa Business Centre, Triq Dun Karm,
Birkirkara BKR 9034, Malta

4.2 AUDITORS

Name: RSM Malta
Address: Mdina Road,
Zebbug, ZBG 9015, Malta

The annual financial statements of the Company for the years ended 31 December 2018 and 31 December 2019 have been audited by PwC Malta, whilst those for year ended 31 December 2020 have been audited by RSM Malta, a firm registered as a partnership of certified public accountants holding a practising certificate to act as auditors in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta).

5. INFORMATION ABOUT THE COMPANY AND THE GROUP

5.1 THE COMPANY

Legal name of Company:	Central Business Centres p.l.c.
Registered address:	Cortis Group, Cortis Buildings, Mdina Road, Zebbug ZBG 4211, Malta
Place of registration and domicile:	Malta
Registration number:	C 65702
Date of registration:	20 June 2014
Legal form:	Public limited liability company in terms of the Act
Telephone number:	+356 2146 1758
Email address:	info@centralbusinesscentres.com
Website:	http://www.centralbusinesscentres.com *
Legal Entity Identifier (LEI):	485100XBTV88TUBKA79

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

The Articles of the Company are registered with the Registry of Companies. A full list of the objects for which the Company is established is provided in Article 3 of the Memorandum. These objects include, *inter alia*, to carry on the business of property that includes, but is not limited to, the acquisition, development, sale, letting, dealing and project management, in the residential, office/business, retail, tourism, leisure/recreational and any other sector identified as beneficial to and in the best interests of the Company.

5.2 MAJOR SHAREHOLDERS

As at the date of this Prospectus, the Company has no shareholders which hold more than 10% of its issued ordinary shares, thereby being regarded as substantial shareholders in terms of the Capital Markets Rules.

In addition to the fact that the Company is not directly or indirectly controlled:

- the Directors are appointed by means of an ordinary resolution of the shareholders of the Company in general meeting;
- all the ordinary shares in the Company rank *pari passu* in all respects and each ordinary share is entitled to one (1) vote at general meetings;
- a Director shall not vote at a meeting of Directors in respect of any contract, arrangement or proposal in which he has a material interest; and
- the audit committee is tasked with the review of transactions and arrangements between the Company and a related party, which includes the shareholders.

In addition to there being no major shareholder in place, the Company also believes that the above measures further ensure that no abuse by any of the shareholders can take place.

In terms of certain agreements, the Company may, in its sole discretion, exercise the option to settle the consideration or debt owing (as applicable) or any part thereof through the issue and allotment of ordinary shares in the Company to the lender:

- a. the 400K Loan Agreement; and
- b. the 2021 Subordinated Loan Agreement.

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

5.3 FINANCING AND FINANCIAL SOLVENCY

The Issuer has previously raised finance as follows:

- six million Euro (€6,000,000) through a bond programme in 2014, pursuant to which two separate issues of bonds were issued as follows:
 - o three million Euro (€3,000,000) seven-year bonds (maturing in 2021) having a coupon of 5.75% issued on the 22 December 2014 (the “2014 Bonds”);
 - o three million Euro (€3,000,000) ten-year bonds (maturing in 2025) having a coupon of 5.25% issued on the 4 December 2015; and
- six million Euro (€6,000,000) through a bond programme in 2017, pursuant to which there was a single issue of ten-year bonds (maturing in 2027) having a coupon of 4.4% issued on the 7 July 2017.

Each issue is unsecured and listed on the Official List of the MSE and has been admitted to trading on the regulated market in Malta.

Part of the proceeds from the Bond Issue (*circa* €3 million) will be utilised to repay the 2014 Bonds.

In addition to the above, the Issuer has previously obtained finance through the following financing arrangements:

- a. the 2014 Subordinated Loan Agreements;
- b. the 2017 Subordinated Loan Agreement; and
- c. the 2021 Subordinated Loan Agreement.

Please see section 5.4 of this Registration Document with respect to the termination of the 2014 Subordinated Loan Agreements and 2017 Subordinated Loan Agreements.

The main terms of the 400K Loan Agreement are available for viewing at the registered office of the Company for the lifetime of the 2017 Bond Issuance Programme. The main terms of the 2021 Subordinated Loan Agreement are contained below.

Repayment date: the repayment of principal and interest (if applicable) under the 2021 Subordinated Loan Agreement must be made by the 25th anniversary of the date of execution of the final deed of sale and purchase of the Property or under such other terms as may be agreed to by the parties in writing from time to time;

Repayment of principal and any interest is subordinated to the rights of bond holders: the repayment of principal and interest (if applicable) under the 2021 Subordinated Loan Agreement is subordinated to any and all monetary obligations of the Issuer toward the 2014 Existing Bondholders under the 2014 Bond Issuance Programme, toward the 2017 Existing Bondholders under the 2017 Bond Issuance Programme and toward the Bondholders. This refers but is not limited to the obligation of the Issuer to pay principal and interest and any other payment obligations under the 2014 Bond Issuance Programme, the 2017 Bond Issuance Programme and under this Bond Issue. Accordingly, no repayment of the principal and interest (if applicable) under the 2021 Subordinated Loan Agreement shall be affected by the Issuer, and no claim for such payment shall be made by SMW Cortis as lender until such time as all amounts due on the Bonds and on the 2014 Existing Bonds and the 2017 Existing Bonds shall have been repaid in full by the Issuer to the Bondholders and to the 2014 Existing Bondholders and the 2017 Existing Bondholders;

Modes of repayment: the repayment of principal and interest (if applicable) by the Issuer under the 2021 Subordinated Loan Agreement may be made in cash or, at the sole discretion of the Issuer, by way of the issue of shares in the Issuer in favour of SMW Cortis or in favour of any other party indicated by SMW Cortis at par value; and

Interest payments: interest-free unless otherwise agreed from time to time in writing, provided that: a two year moratorium from the date of the 2021 Subordinated Loan Agreement shall apply in all cases; any interest charge that may be agreed to shall in no case be in excess of 5% per annum; and any interest accruing as a result of the parties agreeing to apply interest following the lapse of the said two-year moratorium shall not become payable by the Issuer until such time as all principal and interest on the 2014 Existing Bonds and the 2017 Existing Bonds shall have been repaid in full by the Issuer in accordance with the terms of the 2014 Bond Issuance Programme and the 2017 Bond Issuance Programme respectively.

5.4 TERMINATION AGREEMENT

By virtue of the Termination Agreement, each of the loans due by the Issuer to SMW Cortis Limited and Lapsi Court Limited in terms of the 2014 Subordinated Loan Agreements (with the exception of the 400K Loan Agreement which shall remain in place) and the 2017 Subordinated Loan Agreements have been cancelled and waived.

6. BUSINESS OVERVIEW

6.1 PRINCIPAL ACTIVITIES OF THE COMPANY

The Issuer's key objects and activities are set out in its Memorandum of Association, and include, but are not limited to the carrying on the business of a finance, investment, property development and property-owning company and the financing or re-financing of the funding requirements of the business of its subsidiaries and/or associated companies.

In recent years, the Issuer has purchased, developed and operated various business centres. On the date of the Prospectus:

- i. CBC Zebbug enjoys a 100% occupancy of available office space and car park facilities;
- ii. CBC Gudja enjoys a 100% occupancy of available office space and car park facilities;
- iii. CBC St. Julian's enjoys a 57% occupancy of available office space and car park facilities, and
- iv. Zebbug Business Premises enjoys a 100% occupancy of proposed areas and parking facilities.

Following planning approval and in accordance with permit number PA/1707/19 Villa Fieres is currently undergoing restoration, renovation and upgrading works on the basis of a change in use of the residential villa into a restaurant. It is expected to be complete toward the end of Q4 2021. Once complete, the Issuer will seek to secure a tenant to operate a Class 4D licence (food and drink establishment) at the site.

The valuation reports pertaining to the Current Properties dated 02 September 2021 issued by Arch. Joseph Cassar are set out in Annex I of this Registration Document.

As also described in the 2017 Prospectus, on the 16 February 2017, the Issuer and SMW Cortis entered into a lease in relation to the lease of Property B pursuant to which SMW Cortis granted Property B on lease to the Issuer. Property B is to be used to provide access to the basement levels under Property A. Pursuant to a letter dated 3 November 2016, the Government Property Division (Joint Office) alleged that SMW Cortis had failed to observe two conditions found in the Property B Deed, namely: (i) that Property B is to be used as an extension to the existing factory in accordance with a plan attached to the same deed, the failure to use the property as such, resulting in the recession of the deed; and (ii) that improvements having a value of not less than €46,588 (equivalent to Lm 20,000) had to be erected on the site within two years from the date of the emphyteutical concession.

SMW Cortis has officially rebutted these allegations on the basis that Property B has been used as a timber yard annexed to the existing factory and that works having a value which is higher than the amount stipulated in the emphyteutical concession had been carried out on the site. SMW Cortis believes that it will successfully rebut these allegations. The unsuccessful rebuttal of the claims could result in Government Property Division (Joint Office) attempting to attack the validity of the aforementioned lease. Following this rebuttal, there has been no update with respect to the claim made by Government Property Division (Joint Office).

The Issuer operates exclusively in and from Malta.

6.2 THE PROPERTY

The Issuer has identified the Property, which it intends to acquire and operate in accordance with its current operational use. The Property currently enjoys just under 50% occupancy and is better described in the Valuation Report. As on the date of this Prospectus, CBC has entered into the Promise of Sale agreement with Calthon Limited (C 5061) for the purchase and acquisition of the Property which is expected to take place following receipt of the proceeds from the Bond Issue.

The Issuer expects that following the acquisition of the Property, it will be managed and operated in a manner similar to the Current Properties. Therefore, the Issuer intends to enter into an arrangement with SMW Cortis for the provision of support in the form of staff manning the day to day operations of the Properties. This would encompass negotiations with current and prospective tenants and thereafter acting as liaison officer between the Issuer and the tenants.

7. TREND INFORMATION AND FINANCIAL PERFORMANCE

There has been no material adverse change in the prospects of the Issuer since the date of publication of its latest audited financial statements. At the time of publication of this Prospectus, the Issuer considers that it is generally subject to the normal business risks associated with the real estate market and barring unforeseen circumstances, does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on its upcoming prospects, for at least the current financial year.

The Directors are of the view that there is still an active demand for the rental of commercial property generally, particularly because Malta's economy is largely based on the services sector, rendering quality commercial space increasingly attractive to employers wishing to enhance their professional image.

The Directors are satisfied that their targets of renting out the commercial space available at the Zebbug CBC and the Gudja CBC have been achieved and will strive toward 100% occupancy at CBC St. Julian's and Villa Fieres. The Directors are confident of achieving high occupancy levels at the Property, firstly due to the fact that it is current 50% occupied and secondly, due to the location and current standing of the Property.

The Issuer has now garnered experience with respect to operations in the property development sector and the Issuer's strategy for the foreseeable future is to continue developing its assets with a view to realising and maximising their financial potential as well as exploring new opportunities on the local market.

8. FINANCIAL INFORMATION

8.1 HISTORICAL FINANCIAL INFORMATION

The Company's historical audited financial statements for the years ended 31 December 2018, 2019 and 2020 and the interim financial statements for the period 01 January 2021 to 30 June 2021, all of which are, in accordance with Article 19(1) of the Regulation, incorporated by reference in this Registration Document and also available on the Company's website and at the registered office of the Company as described in section 15 of this Registration Document. The audit reports of these three financial years do not contain any qualification, modification of opinion, disclaimers or emphasis of matter.

The following are a list of cross-references to specific items of information in the Company's audited financial statements (which are available on display as detailed in section 14) for financial years ended 31 December 2018, 31 December 2019 and 31 December 2020:

Page Number in Annual Financial Statements

	Financial year ended 31 December 2018	Financial year ended 31 December 2019	Financial year ended 31 December 2020
Independent Auditors' Report	9	9	12
Statement of Financial Position	16	16	19
Income Statement	17	17	18
Statement of Cash Flows	19	19	21
Notes to Financial Statements	20	20	22

The financial statements referred to in this section 8.1 can be accessed using the following link:

<http://www.centralbusinesscentres.com/Investors/AnnualReports.aspx>

8.2 SIGNIFICANT CHANGE IN THE COMPANY'S FINANCIAL POSITION

There has been no significant change in the financial position of the Company since 31 December 2020.

9. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

9.1 THE BOARD

The Company is currently managed by a Board of Directors consisting of five (5) directors who are entrusted with the overall direction, administration and management of the Company. As at the date of this Registration Document, the Board of Directors of the Company is constituted by the following persons:

Directors

Joseph Cortis
(Maltese ID Card No. 712056M)

Executive Director and Chairman

Petramay Attard Cortis Non-Executive Director
(Maltese ID Card No. 290085M)

Adriana Cutajar Non-Executive Director
(Maltese ID Card No. 18686M)

Joseph M Formosa Non-Executive Director
(Maltese I.D Card No. 362849M)

Alfred Sladden Non-Executive Director
(Maltese ID Card No. 589137M)

As per the Company's Corporate Governance – Statement of Compliance, Mr Joseph M. Formosa and Mr Alfred Sladden are considered independent.

The Company Secretary is Dr Desiree Cassar (Maltese ID Card No. 175178M).

The following is a *curriculum vitae* of each of the board members.

Joseph Cortis

Joseph Cortis has been involved in the management of Cortis Group since 1988, holding the position of Chairman and Chief Executive Officer. In his role as Chief Executive Officer, Joseph Cortis was responsible for the strategy of SMW Cortis group and its growth. He has actively participated as a member of various committees and councils such as the Federation of Industry Council, the Malta Chamber of Commerce, Enterprise and Industry, and the Malta Institute of Management.

He oversaw the management of Zebbug CBC from the development of the said property, throughout the rental of the commercial spaces forming part of the said property and is involved in overseeing its management to date.

Petramay Attard Cortis

Petramay Attard Cortis MD, DESA, MMed (Dundee) is a third-generation family member of Cortis group of companies. Has been an active member of the Cortis Group, Youth Family Council (YFC) since its inception in 2007. The YFC is involved with Succession Planning and the group's Corporate Social Responsibility Programme. Petramay has been the Chairperson of the YFC since 2017. Throughout the past fifteen years, was involved in various aspects of the business including marketing; sales; social media; event management; customer relations; and business strategy.

Currently employed in the public service as a specialist anaesthetist at Mater Dei Hospital, she has considerable experience with medical audit and quality improvement initiatives. Involved in course organization, course direction and teaching on the local and international level, with the University of Malta and the European Resuscitation Council, she has delivered lectures at international congresses and in 2016, won the prestigious Young Teaching Recognition Award awarded by the European Society of Anaesthesiology.

Adriana Cutajar

Adriana Cutajar B.Com. (Hons)(Melit.), M.B.A. (ARU) is a third-generation family member of the Cortis group and has been an active member of the Cortis Group, Youth Family Council (YFC) for eight years, holding the YFC Chairperson role for two of these. Adriana held the position of marketing executive for the Cortis Group of Companies for two years.

For these past ten years was employed at the University of Malta. Currently, a Manager at the Project Support Office which is responsible for externally funded projects. Has extensive experience in project implementation, monitoring budgets, mentoring and supervising large teams and liaising with auditors, legal advisors and national authorities. Adriana recently obtained a Diploma in EU Funds Management and is in possession of the PRINCE 2 Foundation Certificate in Project Management.

Joseph M Formosa

Joseph M Formosa has had a 35 years career with Bank of Valletta plc where he held various positions in financial control, asset and liability management, strategy, risk, marketing, mortgages and personal credit. He was Chairman of the bank's Card Services company which was mainly responsible for the successful international programme called "Malta Welcomes Visa"

He also held the position of General Manager of Lohombus Bank Ltd (a joint venture between Mid-Med Bank and Bank of Valletta that specialized in home loans). When acquired by HSBC, Joseph was responsible for restructuring.

Joseph is a Fellow of the Chartered Institute of Marketing-UK and a Fellow of the Chartered Management Institute, holds a certificate in Banking (Institute of Bankers-UK), Diploma in Insurance (The Chartered Insurance Institute-UK) as well as a Diploma course in Law and Administration (University of Malta), and other certificates in financial services and compliance as well as awards in anti-money laundering and financing of terrorism. Currently, practicing as a financial and management consultant also holding a number of non-executive positions on the board of directors of various companies and financial institutions in Malta.

Alfred Sladden

Alfred Sladden commenced his career at Barclays Bank, Malta, in 1954 until his appointment to senior training manager with Barclays Bank, London, in 1968. He held such office for three years until 1971. Throughout the years that followed, he continued to hold several posts with credit institutions, including manager of various branches of Barclays Bank, credit advisor of Bank of Valletta, head of internal audit at Mid-Med Bank, Assistant General Manager on administration, and Assistant General Manager of the international finance division as well as Deputy General Manager on corporate strategy at Mid-Med Bank.

In 1994, he was appointed General Manager of Investment Finance Bank and held such post until 1995 whilst also holding the post of director of Mid-Med Life Insurance until 1996. He also held the post of general manager of finance and operations at Mid-Med Bank between 1995 and 1998. Between 1998-1999, he was appointed chairman of Maltapost and the Foundation for Medical Services. For nine years, between 1999-2008, he held a part time post as Financial Adviser of the Eurochange Financial Services whilst simultaneously holding a part time post as Chairman of the VAT Appeals Board from 1999 until 2011. He was Executive Director of an affiliate company of the Corinthia Group of the Czech Republic between 2000 and 2010 and also held the post of financial adviser of Technoline Ltd between 2009-2013.

9.2 SENIOR MANAGEMENT OF THE COMPANY

The Issuer is party to an arrangement with SMW Cortis for the provision of management services relating to the day-to-day operation of the Current Properties (the “**Management Agreement**”).

The Directors are of the view that the smooth running of the day to day management of the Issuer’s business is guaranteed through this arrangement. The Management Agreement is valid for renewable periods of three years each. As from the 01 January 2022, the management fee payable in terms of the said Management Agreement is a rate of 2% of the aggregate monthly rental income received by the Issuer from the lease agreements with tenants leasing out units at the Current Properties and in respect of which the said management support services are provided.

Additionally, the Issuer has entered into a separate agreement with SMW Cortis in connection with the provision, by the latter company, of maintenance services at the Current Properties (the “**Maintenance Agreement**”). The Maintenance Agreement is valid for a renewable period of three years. As from the 01 January 2022, the maintenance fee payable in terms of the Maintenance Agreement is either 5% or 10% of the net monthly rental income received by the Issuer from the tenants (exclusive of tax) depending on the particular property.

9.3 CONFLICTS OF INTEREST

Mr. Joseph Cortis is a Director and a director on SMW Cortis and Lapsi Court Limited (C 896). Accordingly, conflicts of interest could potentially arise in relation to transactions involving the Issuer, SMW Cortis and Lapsi Court Limited (C 896).

However, any potential conflicts of interests are managed through the measures in place as better described in section 5.2 of this Registration Document.

Other than those disclosed above, the Directors are not aware of any potential conflicts of interest which could relate to their roles within the Company.

9.4 DECLARATION

None of the Directors, members of the Board committees or members of senior management referred to in this section 9 of this Registration Document have, in the last five years:

- been the subject of any convictions in relation to fraudulent offences;
- been associated with bankruptcies, receiverships or liquidations (other than voluntary) in respect of entities in respect of which they were members of administrative, management or supervisory bodies, partners with unlimited liability (in the case of a limited partnership with a share capital), founders or members of senior management;

- been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or
- been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

10.LEGAL AND ARBITRATION PROCEEDINGS

There are no governmental, legal or arbitration proceedings, either actual or threatened, during a period covering the previous twelve (12) months which may have or have had a significant effect on the Company's financial position or profitability.

11.MATERIAL CONTRACTS

There are no contracts that have been entered into outside the Company's ordinary course of business which could result in any group member being under an obligation or an entitlement that is material to the Company's ability to meet its obligations to security holders in respect of the securities being issued.

12.DISCLOSURE UNDER MARKET ABUSE REGULATIONS

There is no information that has been disclosed under Regulation (EU) No 596/2014 over the last 12 months which is relevant as at the date of the Prospectus.

13.INTEREST OF EXPERTS AND ADVISERS

Save for the property valuation report set out as Annex I to this Registration Document and the financial analysis summary set out as Annex II to the Securities Note, the Prospectus does not contain any statement or report attributed to any person as an expert.

The property valuation report has been included in the form and context in which it appears with the authorization of Architect Joe Cassar, who has given, and has not withdrawn, his consent to the inclusion of the said report herein. Architect Joe Cassar does not have any material interest in the Issuer. The Issuer confirms that the property valuation report 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.

The financial analysis summary has been included in the form and context in which they appear with the authorisation of Calamatta Cuschieri Investment Services Limited, which has given and has not withdrawn its consent to the inclusion of such reports herein. Calamatta Cuschieri Investment Services Limited does not have any material interest in the Company. The Company confirms that the financial analysis summary has been accurately reproduced in the Prospectus and that there are no facts of which the Company is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

14.DOCUMENTS ON DISPLAY

For the duration period of this Registration Document the following documents shall be available for inspection at the registered address of the Company during office hours:

- i. the Memorandum and Articles of Association of the Issuer;
- ii. the audited financial statements of the Issuer for the years ended 31 December 2018, 2019 and 2020;
- iii. the unaudited interim financial statements of the Issuer for the six-month period ended 30 June 2021;
- iv. the Financial Analysis Summary dated 24 September 2021 and prepared by Calamatta Cuschieri Investment Services Limited, as reproduced in Annex II of the Securities Note;
- v. property valuation report dated 02 September 2021 been prepared by Architect Joe Cassar, as reproduced in Annex I of this Registration Document; and



vi. the Promise of Sale Agreement.

The documents listed above are also available for inspection in electronic form on the Issuer's website:
<http://www.centralbusinesscentres.com>

ANNEX I – PROPERTY VALUATION REPORT

JOE CASSAR Architect and Civil Engineer

40, EBD
Triq il-Hgejjeg
San Gwann
SGN 3543
MALTA.

Tel: 21446734
E-Mail: perijosephcassar@gmail.com

The Board of Directors
Central Business Centre
Cortis Group
Cortis Buildings
Mdina Road
Zebbug, Malta

Savoy Shopping Complex Valletta

The Undersigned architect and civil engineer has been requested to prepare an evaluation of the property termed Savoy Shopping complex, Republic Street Corner with St. John Street, Valletta for the Report to be included with the prospectus, in accordance with Chapter 7 of the Capital Market Rules of the Malta Financial Services Authority.

The approach adopted is to evaluate the premises in its present state and layout without contemplating any development which is subject to both Planning Authority approval and third parties owning parts of the building.

After considering the location, finishes, potential rental market value of similar properties situated in the same locality, and all factors relevant for the purpose of this evaluation, I estimate Savoy shopping complex Valletta at **sixteen million five hundred thousand Euro (€16,500,000)** as a fair value in the open market.

I further confirm that this valuation has been carried out in accordance with the valuation standards set out by Royal Institution of Chartered Surveyors ('RICS') and the local Kamra tal-Periti.



JOE CASSAR A.&C.E.

40, Triq il-Hgejjeg, San Gwann

02-09-2021

Date

JOE CASSAR Architect and Civil Engineer

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- i. Introduction
- ii. Basis of Evaluation
- iii. Purpose of this evaluation
- iv. Data Consulted
- v. Inspections
- vi. Description of the Property
- vii. Planning Permits
- viii. Current agreements
- ix. Rental Value of Properties in Valletta
- x. Tenure
- xi. Evaluation

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- i. Plans, Elevations and Sections of the Building
- ii. Photographs of the premises
- iii. Plans Showing Property owned by Third Parties
- iv. Planning authority Permits and Enforcement Notices
- v. Sample of Commercial rental values in Valletta

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The Board of Directors
Central Business Centre
Cortis Group
Cortis Buildings
Mdina Road
Zebbug, Malta

2nd September 2021

Savoy Shopping Complex Valletta

i. Introduction

The undersigned architect and civil engineer have been instructed to prepare an evaluation of the property termed SAVOY SHOPPING COMPLEX, Republic street, Valletta hereinafter termed as 'the property'.

I have prepared this evaluation as an independent valuer. I confirm that there is no conflict of interest in preparing this evaluation report since neither I nor my practise will benefit from the evaluation exercise other than the valuation fee.

As a warranted Architect in terms of section 7(3) of the architecture and civil engineering professionals (Periti) Act 1996 I have been involved in numerous evaluations for public and private companies and for individual clients.

ii. Basis of Evaluation

The basis of this evaluation is to arrive at the open market value of the property in its present existing state.

The market value is the amount in monetary terms that the property is expected to realize when offered for sale on the open market by a willing seller who, after the proper marketing

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brings to the attention of a willing buyer the said property in an arm's length transaction wherein the parties had acted knowledgeably, prudently and without compulsion.

iii. Purpose of this Evaluation

The purpose of this report is for inclusion with the Prospectus, in accordance with Chapter 7 of the Capital Markets Rules of the Malta Financial Services Authority by arriving at the open market value of the property in its present existing state at the date of evaluation, the estimated present capital value at current prices and on the basis of current market condition, which valuation is to be accepted as the purchase price and the selling price binding both the buyers and the sellers after both the buyers and sellers mutually agree to the appointment of architect Joe Cassar to carry out this valuation.

iv. Data Consulted

This evaluation relies on information provided by the directors of Central Business Centres plc (CBC) as well as the following data:

- a. Property surveys provided by Architect Godwin Zammit
- b. Planning Permits
- c. Planning Policies
- d. Construction and finishing costs
- e. Expected revenue streams of letting prices
- f. Financial feasibility studies
- g. Phasing of the project and programme for development.

v. Inspections

For the purpose of this evaluation, site inspections were carried out on the 8th. May 2021 and 10th. July 2021.

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vi. **Description of the Property**

The property is a corner building centrally located in the urban conservation area of Valletta, precisely at Republic Street corner with St. John Street.

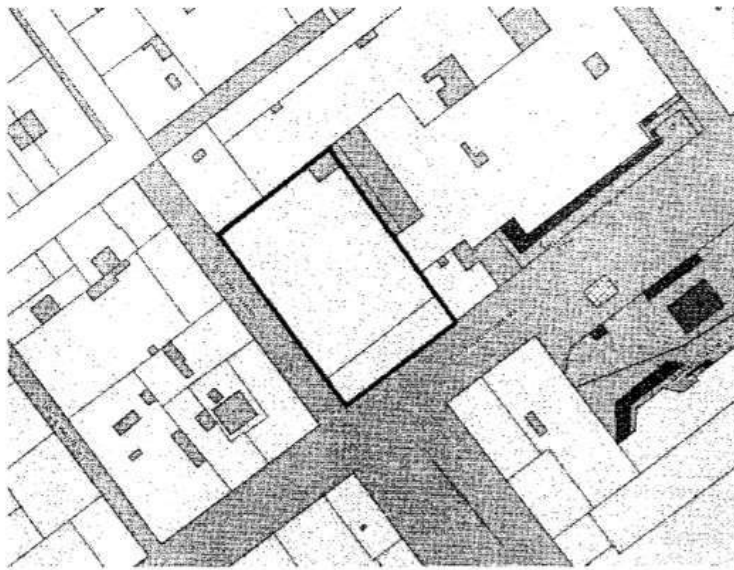


Fig 01 : Property location outlined in red

This office was supplied with drawings of the existing building by Architect Godwin Zammit who was architect of the latest additions and alterations affected to the building. In accordance with these drawings, the existing building is split up into seven levels measuring approximately:

Basement level -1 to level 5 : A small basement and intermediate floor together with Five floors of approximately 915sqm each (nine hundred fifteen square meters each) out of which approximately 400 sqm (four hundred square meters) are third party property and a

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net rentable area excluding all common areas is 2,240 Sqm (two thousand two hundred and twenty four square meters).

Level -1 is the ground floor on St. John Street while level 0 is ground floor on Republic Street.

Level 6 : 127 sqm floor space (one hundred and twenty seven square meters) out of which the net rentable area excluding common areas is 95sqm (ninety five square meters)

The building originally comprised a number of residential units. These were severely damaged during world war II and were later demolished to make way for a new development. Built in the 1950/54, the building is sixty-seven years old.

The site was subsequently developed into a cinema complex with a lower auditorium and upper auditorium. Being used as a cinema, the building was clear of central columns to allow for unobstructed views in the auditorium.

In the eighties the lower auditorium, namely the upper basement and ground floor was converted to retail shops. The large spans over the auditorium were shortened with the introduction of reinforced concrete columns. In the nineties, the upper auditorium was also converted to retail shops. The alterations and structural arrangements followed those adopted at the lower levels.

Currently, the property is specifically used as retail shopping outlets on all floors with the administrative offices on Level 6.

The present net annual income of the leased property amounts to three hundred thirteen thousand Euro (€313,000).

The premises are leased out, with low occupancy, as the current owners were intentionally not renewing rental agreements upon expiration and/or terminating existing rental agreements with the intention to carry out a significant refurbishment to the shopping

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complex and hence, the unoccupied space is not a result of lack of demand for retail, with the hereunder lease conditions:

- Sold areas, that have direct street access do not contribute to the common area upkeep, whilst sold areas, that do not have direct street access contribute to the common area upkeep;
- The current (€404 average, per square meter) rent payable quarterly in advance, with an increase of 10% every 4 to 5 years;
- The first 1 or 2 years of the lease period are "di fermo" (lessee's option) and the rest of the lease up to a total of, between 2 to 4 years remaining, with the exception of two leases up to a total of 25 years remaining;
- A maintenance fee of (€34 average, per square meter), payable with the rent that the Lessor uses for the common areas and the external;
- Utility costs are charges directly by the respective Corporation to the Lessee;
- Ordinary maintenance and upkeep of the internal and external of the retail outlet is at the Lessee's expense, while maintenance of an extraordinary nature is at the Lessor's expense.

vii. **Planning Permits**

Throughout the years a number of planning applications have been submitted and approved by the authorities concerned. A sample of the comparatively recent approved applications is being attached for ease of reference:

- PA/03991/94: To carry out internal alterations and additions to existing shopping complex – Approved on 14th. November 1994;
- EC/00095/95: Wall on façade without permit – Enforcement Notice Withdrawn;
- PA/01637/97: To convert existing offices at intermediate level 2a into three shops within a shopping arcade for sale of clothing and / or general retail goods – Approved on 16th. July 1997;
- PA/02199/97: To use the area at level 4 in the existing shopping arcade as a coffee shop – Approved on 3rd. September 1997;
- EC/01070/97: Air conditioning units on façade without permit – Owner removed the illegal development;

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- PA/04051/05: To relocation of existing air conditioning units in proposed iron balcony and the embellishments of the façade – Approved on 4th. February 2008;
- PA/07051/07: To Internal alterations, replacing of roof sheet with incorporated PV panels, embellishments and signage on facades – Approved on 20th. August 1997;
- PA/03792/08: To Embellishments to façade comprising of travertine facing to base of façade, refurbishing of entrance at St. Juiohn Street and renewing glazing to lower openings – Refused on 3rd. December 2008;
- PA/03793/08: Relocation of existing electricity sub-station from ground floor level garage to basement level – Approved on 24th. July 2009;

There is no active enforcement notice on the buildings.

viii. **Current tenants**

Over the many years in operations, an array of lease contracts are still in place. These lease contracts varies from, the very old to recent lease contracts. The very old lease contracts, with a low rent, will automatically expire in the year 2028 in accordance to the rent regulation legislation. The not so old lease have higher rental rates and with an end date. The current leases have current rental rates and an expiry date. - Reference is made to 7.4.1.8 - main terms of tennant's leases or sub-leases (including repairing obligations)

ix. **Rental Value of Properties in Valletta**

From records held by the undersigned, a fair rental rate for the rentable space within such a development in its current state would be €500/sqm. Furthermore, to substantiate the selected rate, an assessment was undertaken, based on information downloaded from the internet giving the current marketed rental value of various premises in Valletta.

The following table indicates the price per square metre arrived at from the information gathered.

Item	Area (m ²)	Rent (€)		Rent /m ² (€)
		Monthly	Yearly	
1	200	3,500	42,000	210

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2	21	2,000	24,000	1,140
3	89	5,000	60,000	674
4	20	2,100	25,200	1,260
5	1,000	19,500	234,000	234
6	65	2,433	29,196	449
7	25	160,000	1,920,000	76,800
8	300	4,000	48,000	160
9	67	4,563	54,750	86

Table 01 : Sample table for evaluation of rental value

Item 7 and 9 which exhibit the lowest and highest figures have been discarded as they appear to be out of the range. Taking the average of the remaining samples will result in a figure of €494.5/sqm (four hundred ninety four Euro Fifty Euro cents). This substantiates that the deduced sum of 500€/sqm is fair and reasonable.

This price per square metre is considered on the lower side bearing in mind the excellent location of the building. However, one has to consider the state of the building as is. On the other hand, if one were to develop the building by demolishing the existing premises, keeping the facade as is and constructing a state of the art commercial building then the rental value will be substantially different from the rental value quoted above.

However please note that this second scenario is difficult to implement as some parts of the existing complex belong to third parties and are therefore excluded from this evaluation.

x. **Tenure**

To my knowledge, there are no registered mortgages and privileges and other charges, real rights thereon emphyteutic concessions, easements and other burdens, except what is stated in this property description.

The property is free and unencumbered with the exception of about 400 square meters belongs to third parties.

xi. **Evaluation**

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Three different scenarios can be contemplated. The only assumption is that the common areas are kept in a good state of repair.

Scenario 01 : The building as is with minimum of alterations and upgrading in which case the rental value of €500/sqm should be applied

Scenario 02 : The building as is but requesting two additional floors. The finishes to be applied to the 2 new floors will be of a higher quality than exists at present. This would demand an upgrade of existing finishes.

Scenario 03 : The building is demolished from the inside keeping the existing facade, and construction of a state of the art multi-use commercial building having retail at ground floor and possibility at the upper basement level, two floors of office building with the remaining floors used as a boutique hotel with a restaurant and roof garden at roof level.

The granting of two additional floors is the prerogative of the planning authority. This is a site within the urban conservation area of Valletta and obtaining permission to build additional floors in such an area is definitely not a straightforward issue.

Scenario three with or without the two additional floors depends on agreements reached with third parties who are presently owners of part of this establishment.

A sensible approach to such an investment is to start using the premises more or less as is or with minimum interventions. This will generate money. In the meantime, talks are held with third parties to either buy them out or identify a way forward together. During this period talks are held with the planning authority to establish the possibility of having approval for additional floors. If and when the additional floors are approved, then tests should be carried out to ascertain the structural characteristics of the existing building and a solution put forward which will cater for the new demands at the minimum of costs.

Having said the above, it is obvious that Scenario 2 and 3 are coupled with a number of uncertainties and as such have been excluded from this valuation.

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To conclude scenario One will be considered.

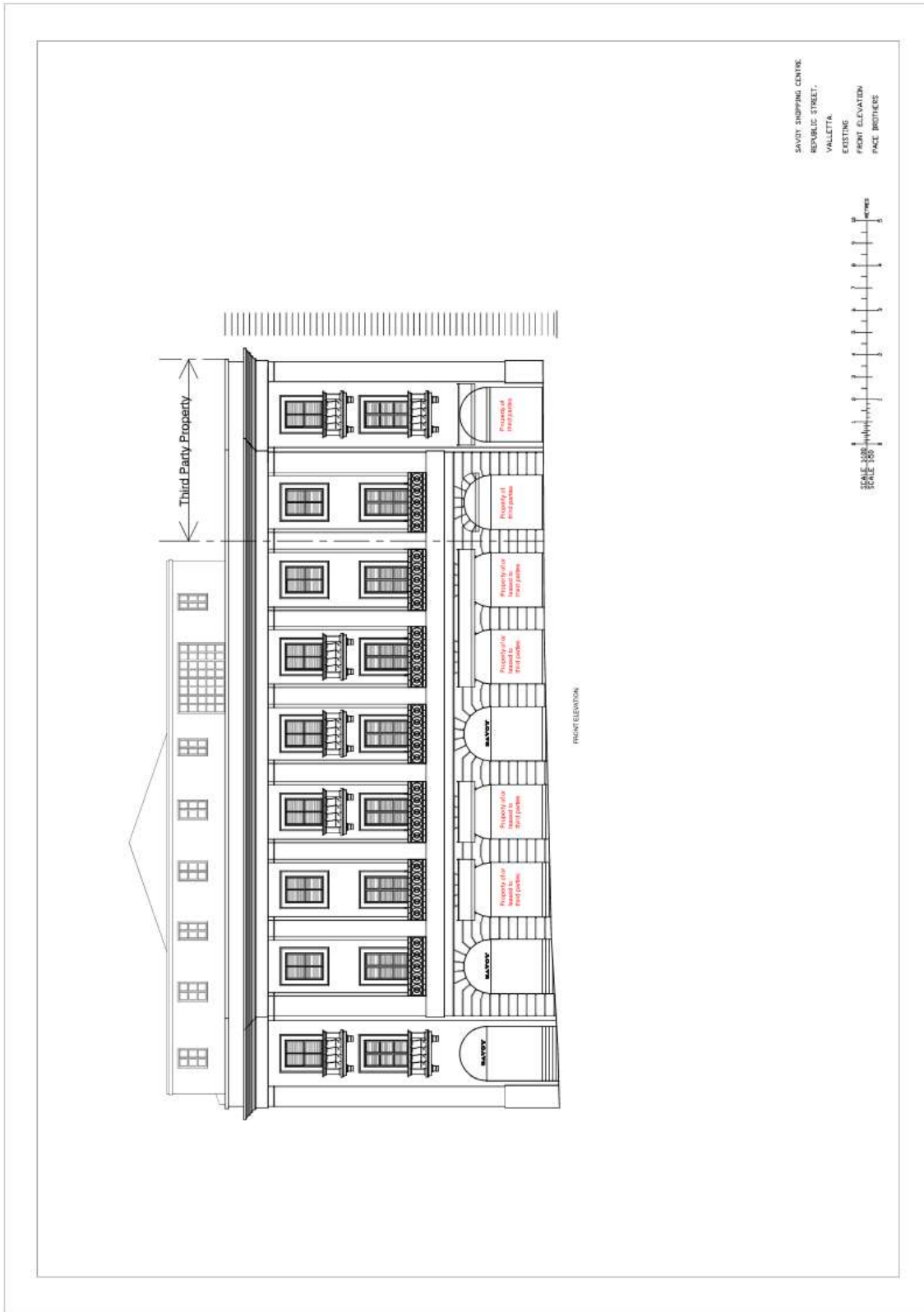
Taking into consideration there shall be no major expenses in infrastructural and refurbishment costs since the premises is assumed to be used as existing, the market value of the premises is taken on consideration of the capitalisation of the rental return potential of the property.

The rental rate for the net rentable area is taken across board at €500/sqm per annum applied for the net rentable floor space which amounts to 2,335 sqm (Two thousand three hundred and thirty five Euro per square metre). The established rate takes into account the prestigious location of the site whilst considering the floorspace lost to circulation area in case of subdivision or reduced rate in view of large floor space made available. The rate was also compared to other similar properties currently advertised on the open market. In calculating the re-sale value of the property, a capitalisation rate of 7% is taken into consideration as this is considered a typical yield on this kind of projects.

I hereby confirm that this valuation includes everything that needs to be included.

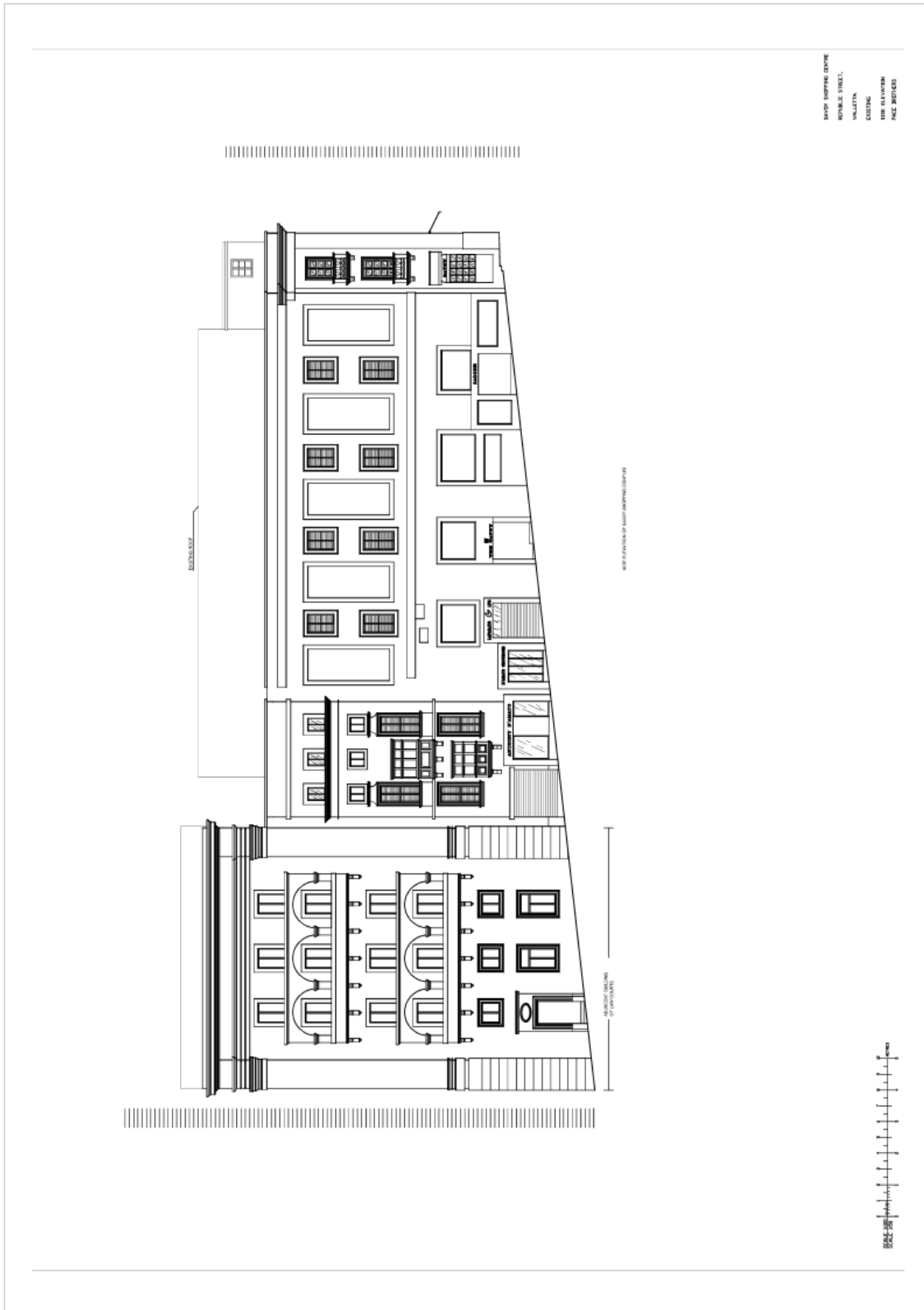
Appendices

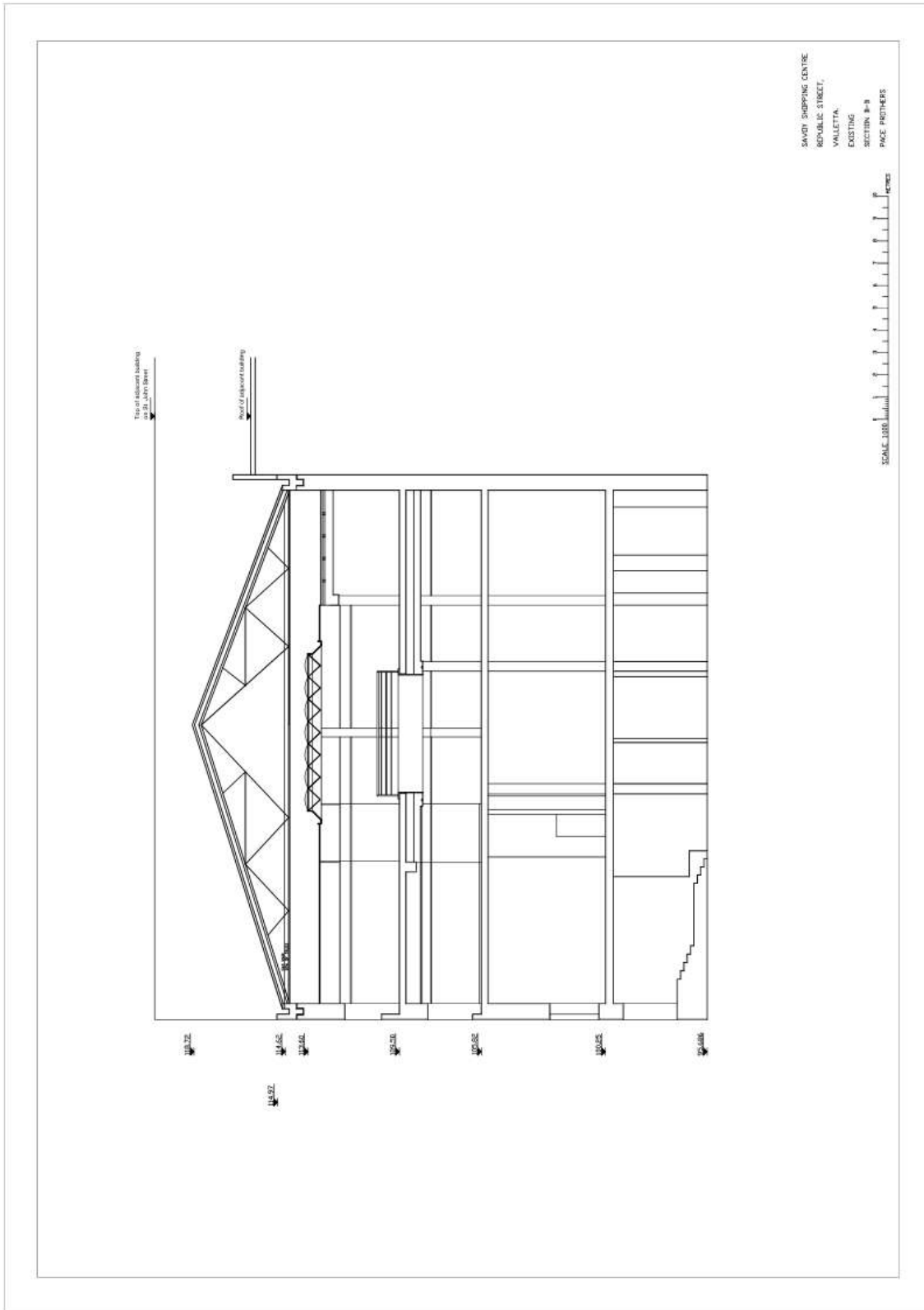
- i. Plans, Elevations Sections of the Building

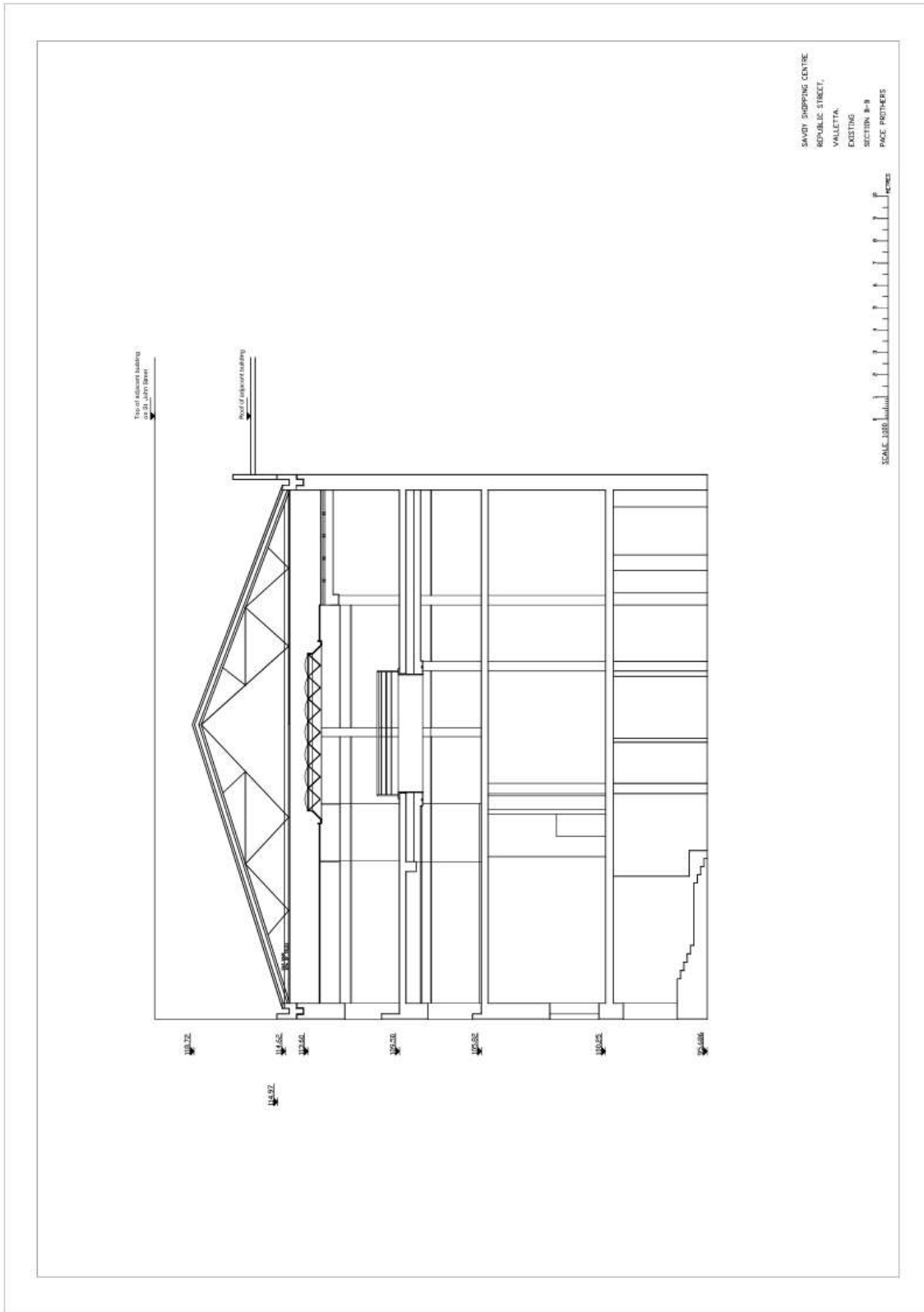


SAVOT SHOPPING CENTRE
 REPUBLIC STREET,
 VALLETTA
 EXISTING
 FRONT ELEVATION
 PAGE 10/10/2015

SCALE 1:50
 METRES

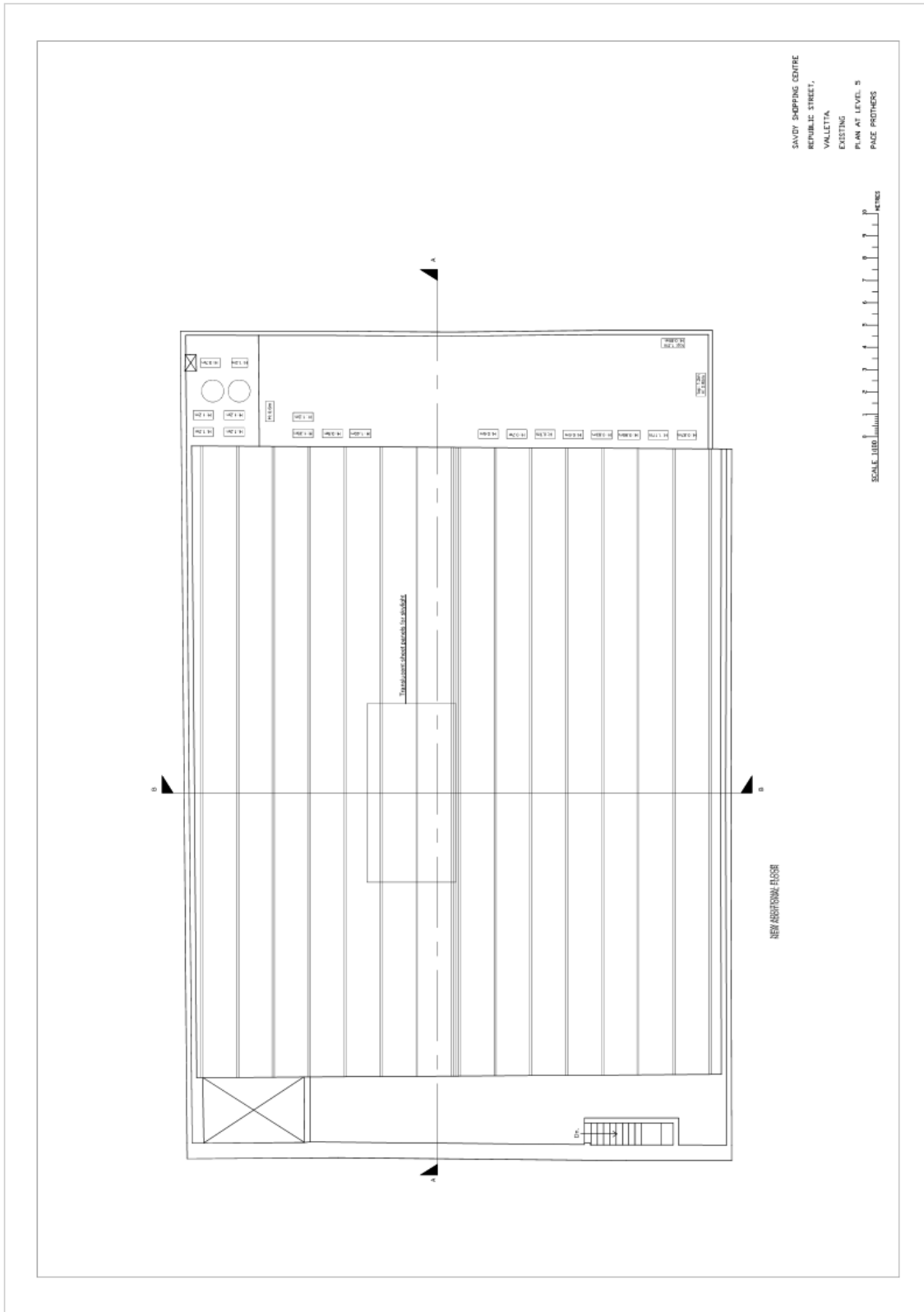


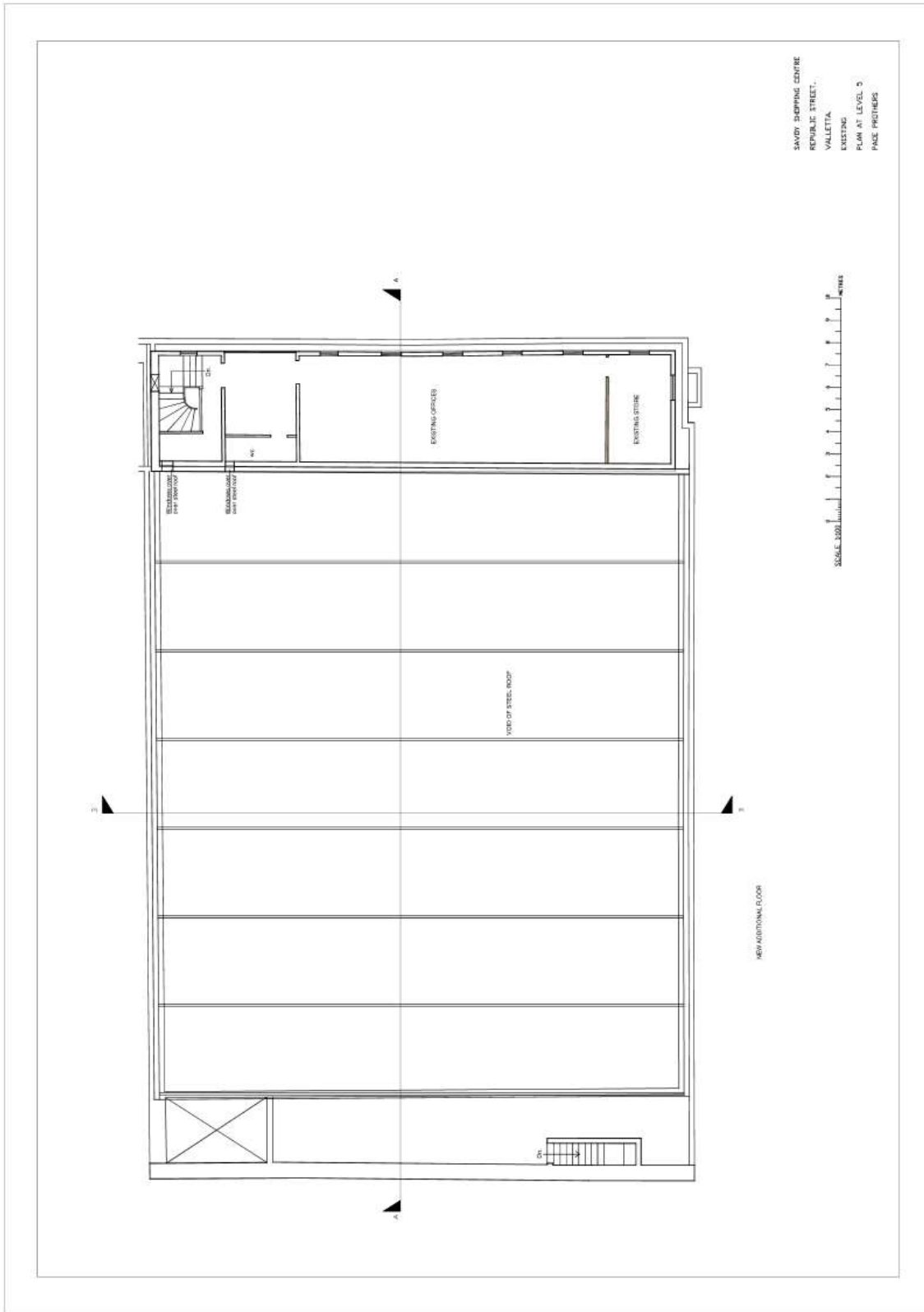


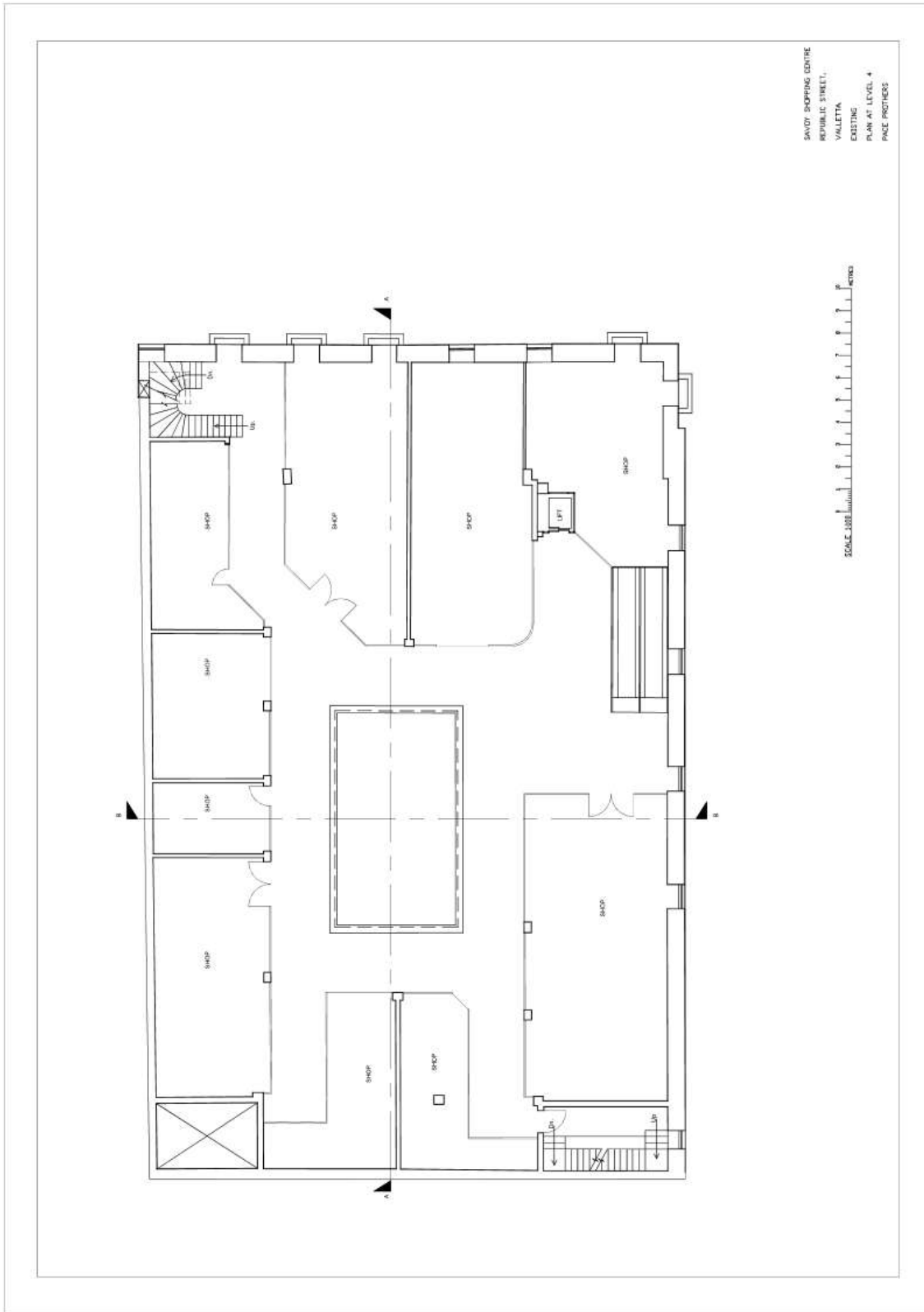


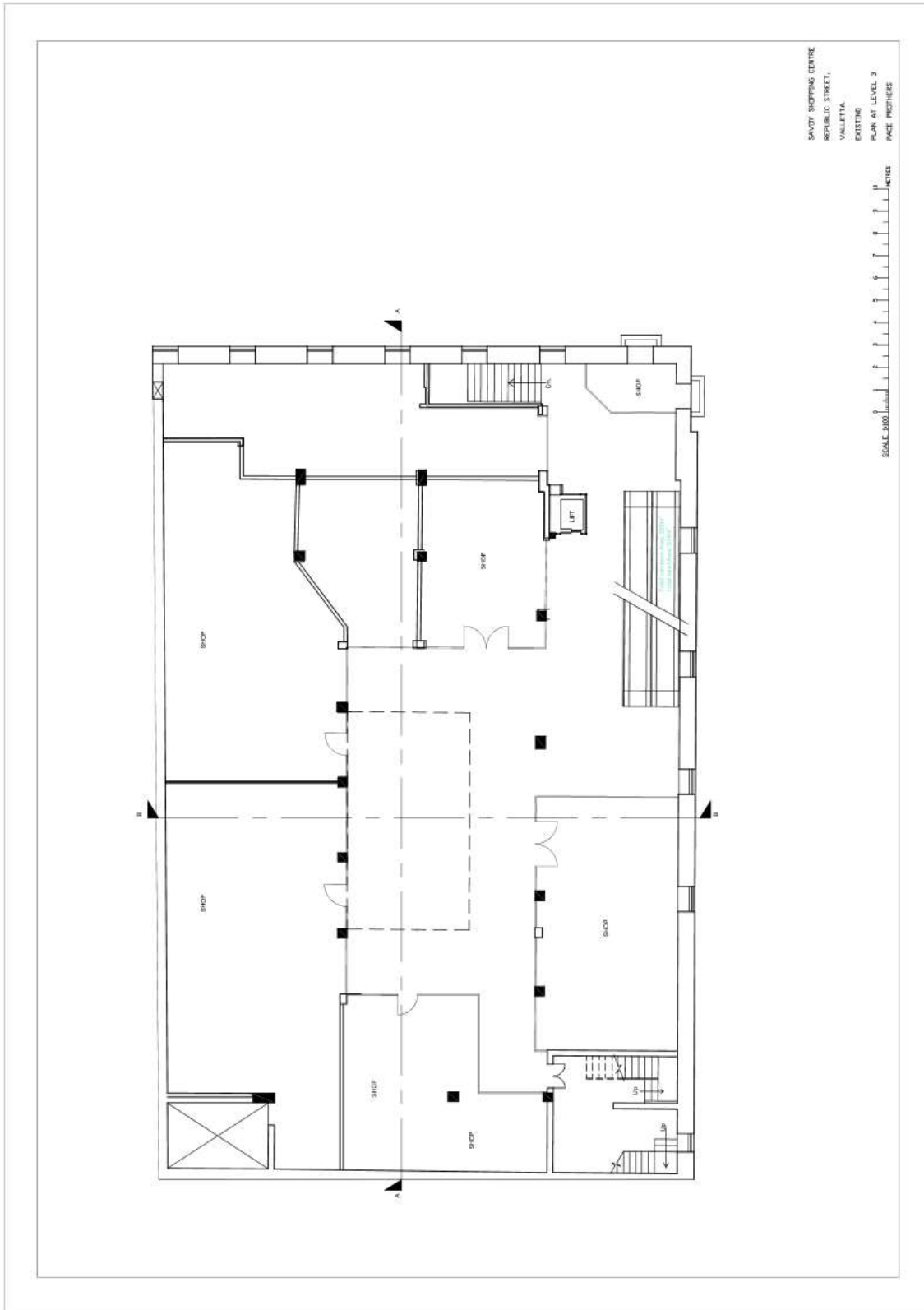
SAVOTY SHOPPING CENTRE
 REPUBLIC STREET,
 VALETTA,
 EXISTING
 SECTION 8-8
 PACE FRITHERS

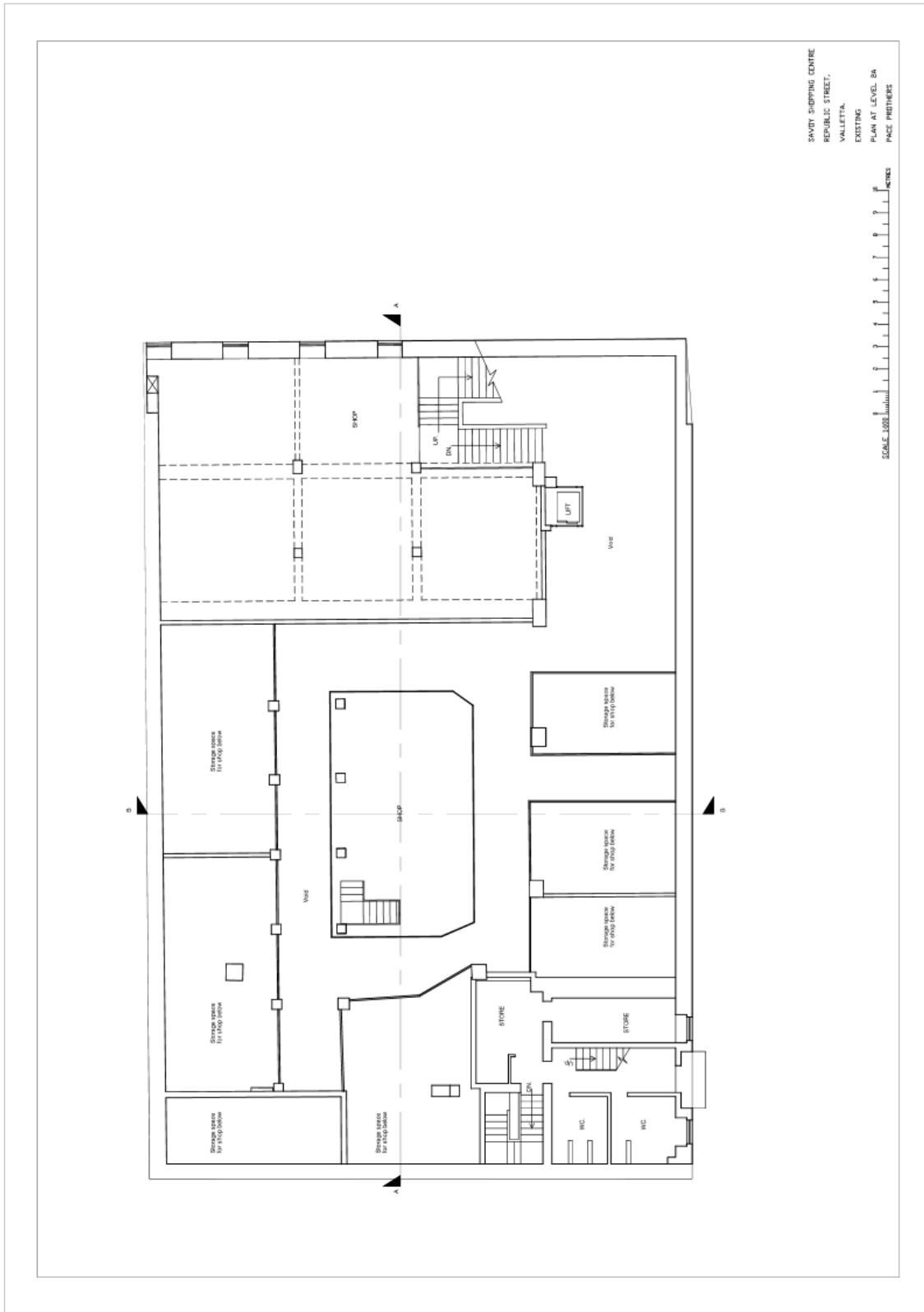


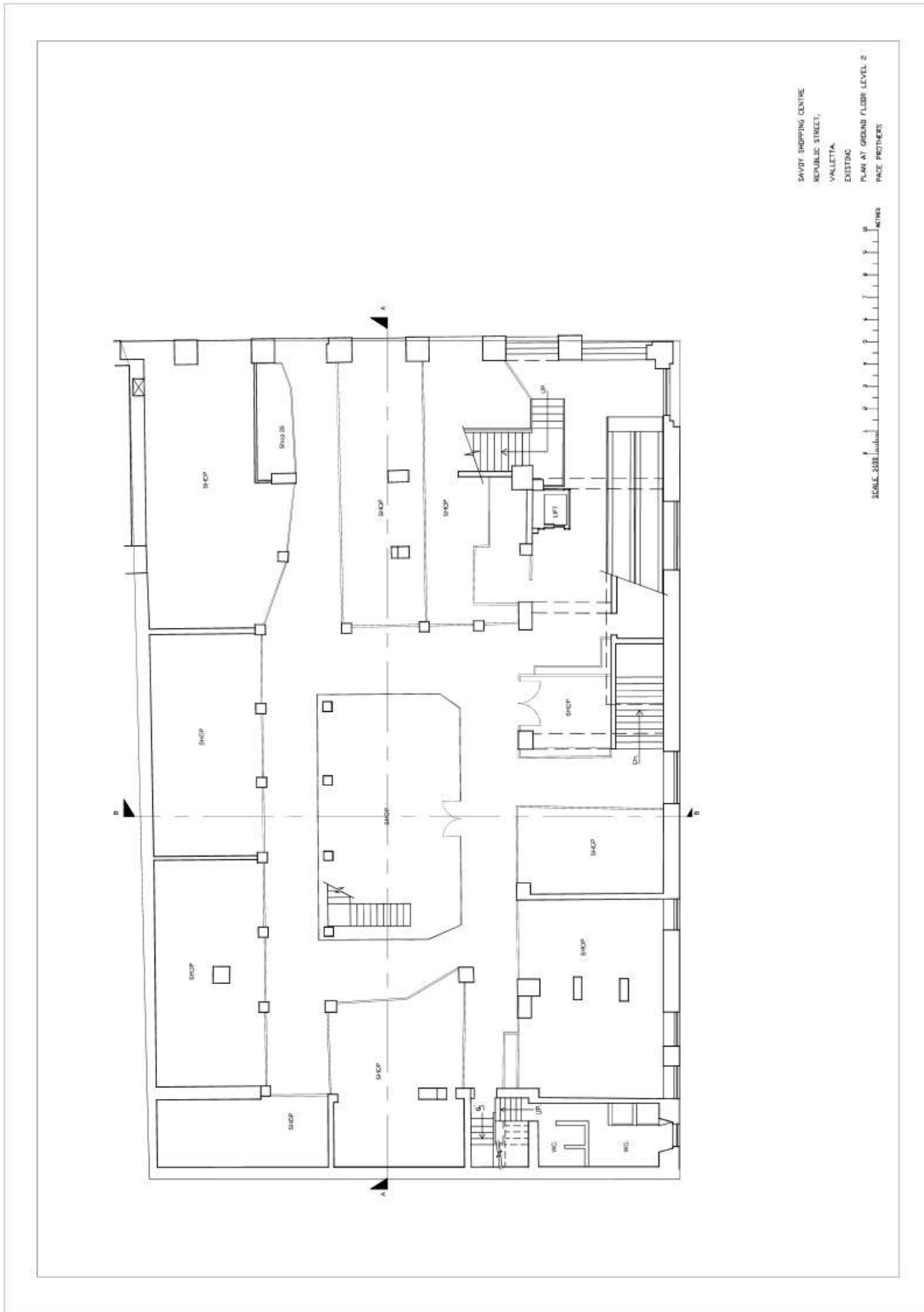


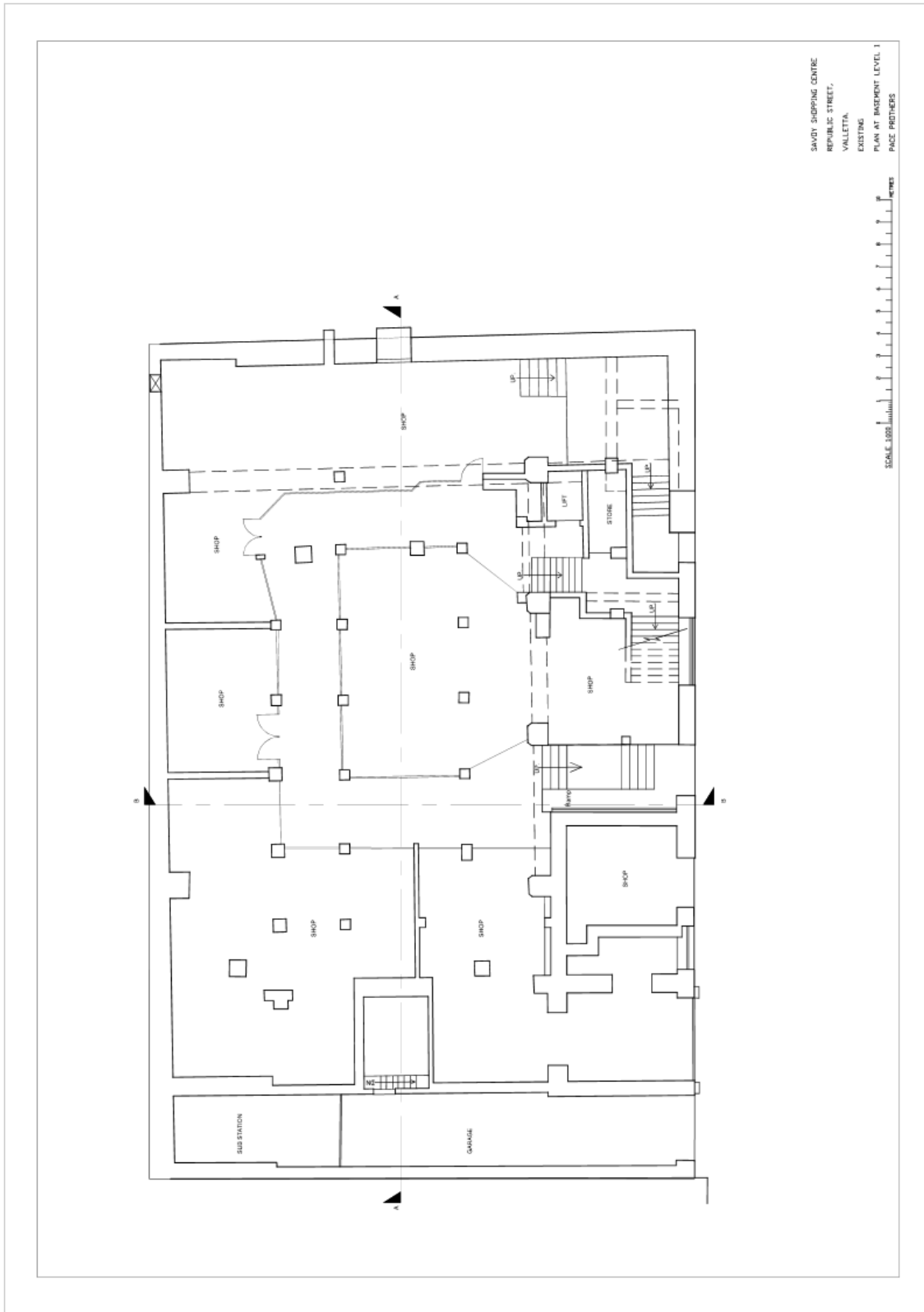


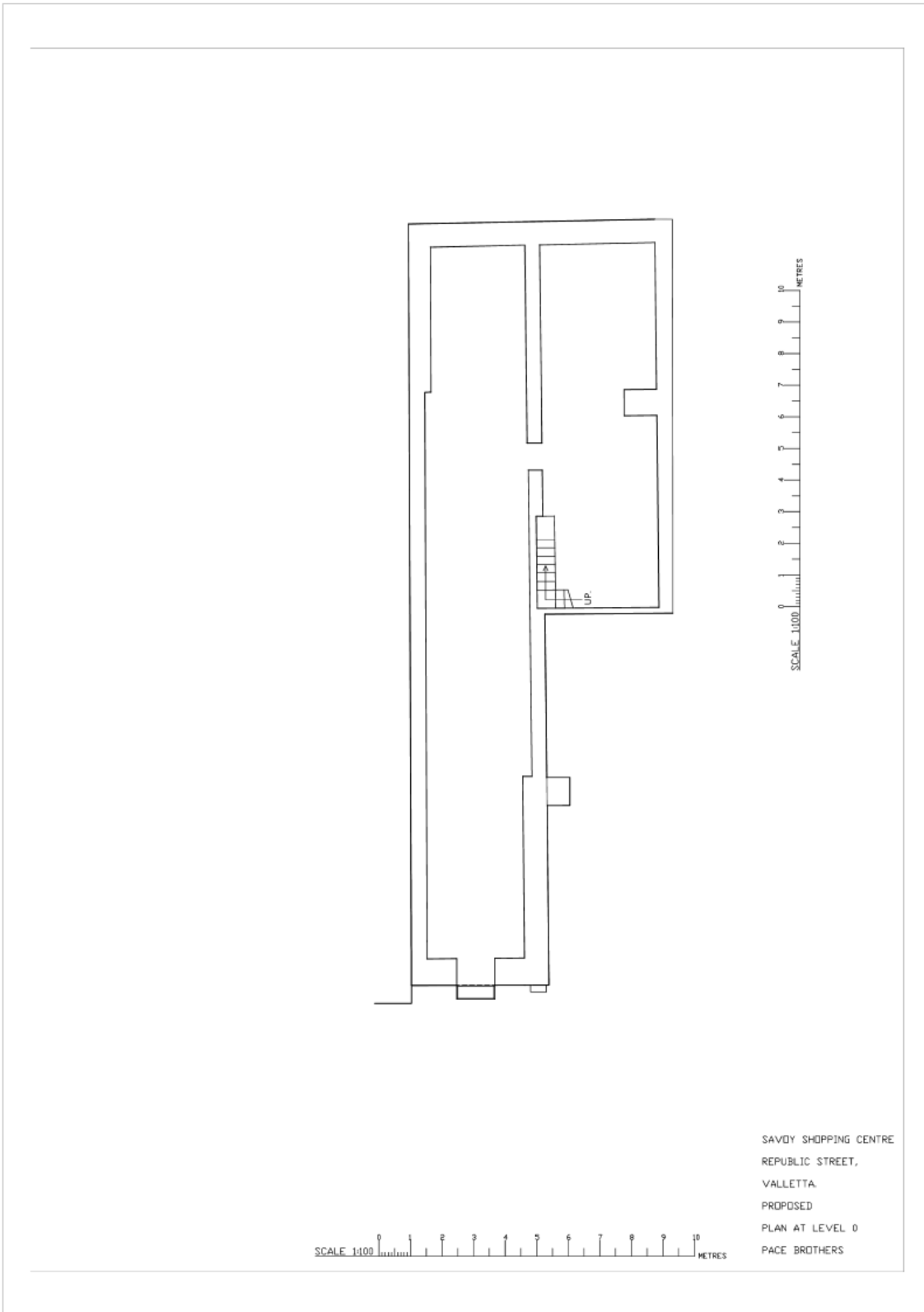












Appendices

- ii. Photographs of the premises



Pic 2. The footprint of the Savoy shopping complex in Valletta



Pic 3. The footprint of the Savoy shopping complex in Valletta



Pic 4. In red the apex of the steel roof structure



Pic 5. In red the apex of the steel roof structure



pic6 front facade from corner



pic 7 side facade



pic 8 front facade leading to the law courts



Pic 11 Rooftop & services



Pic 12 Roof top & services



Pic 13 Roof top



Pic 14 Rooftop adjacent to lawcourts



Pic 15 Outdoor terrace



Pic 16 Shaft



Pic 17 Internal shaft



Pic 18 Internal shaft



Pic 19 View from roof



Pic 20 Internal view of roofing structure



Pic 21 Internal view of roofing structure



Pic 22 Internal view of roofing structure



Pic 23 Internal view of roofing structure showing deterioration



Pic 24 Internal offices



Pic 25 Unfinished retail outlet



Pic 26 Unfinished retail outlet



Pic 27 Retail atrium



Pic 28 Retail atrium



Pic 29 Retail outlet



Pic 30 Retail outlet



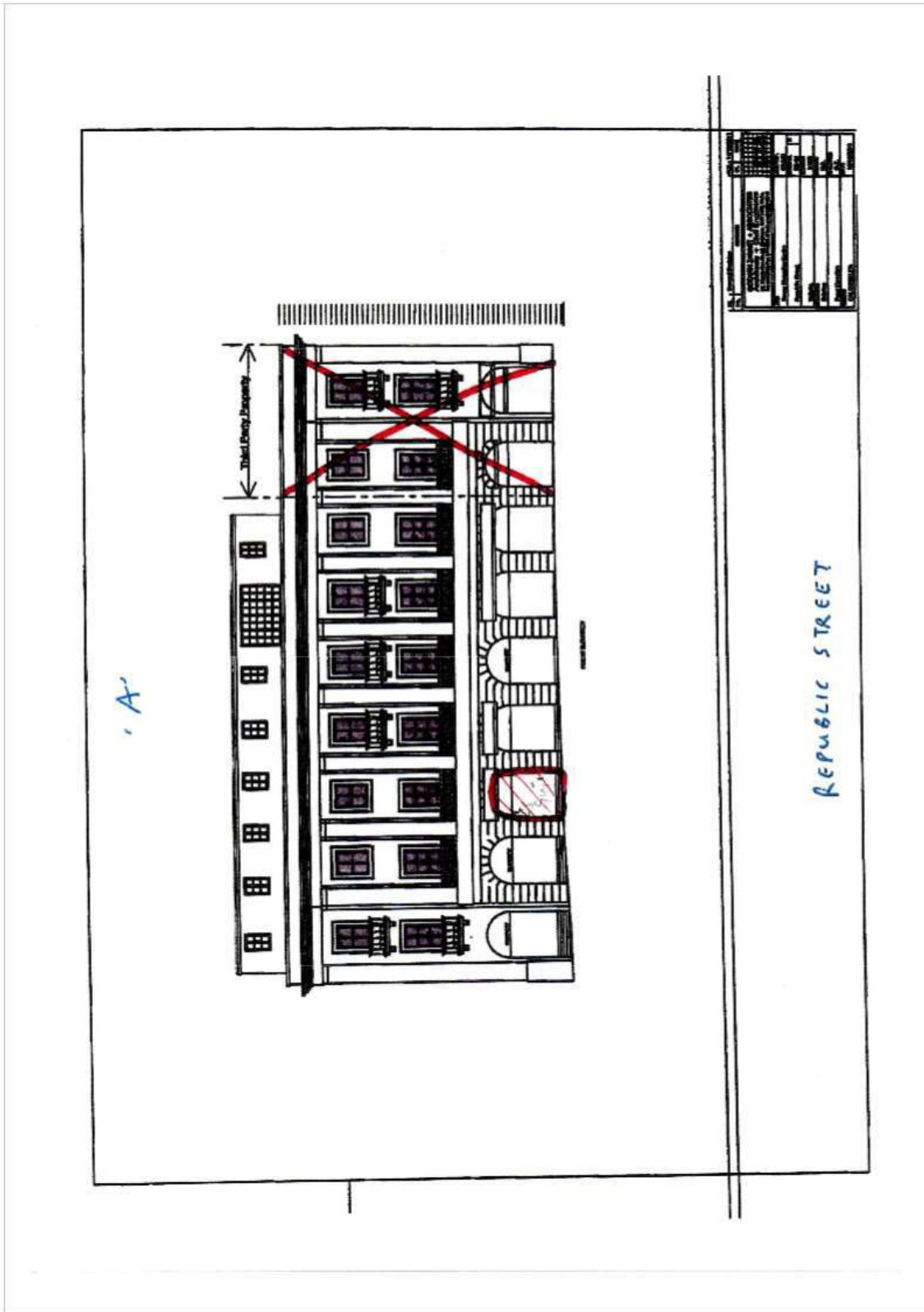
Pic 31 Underground area

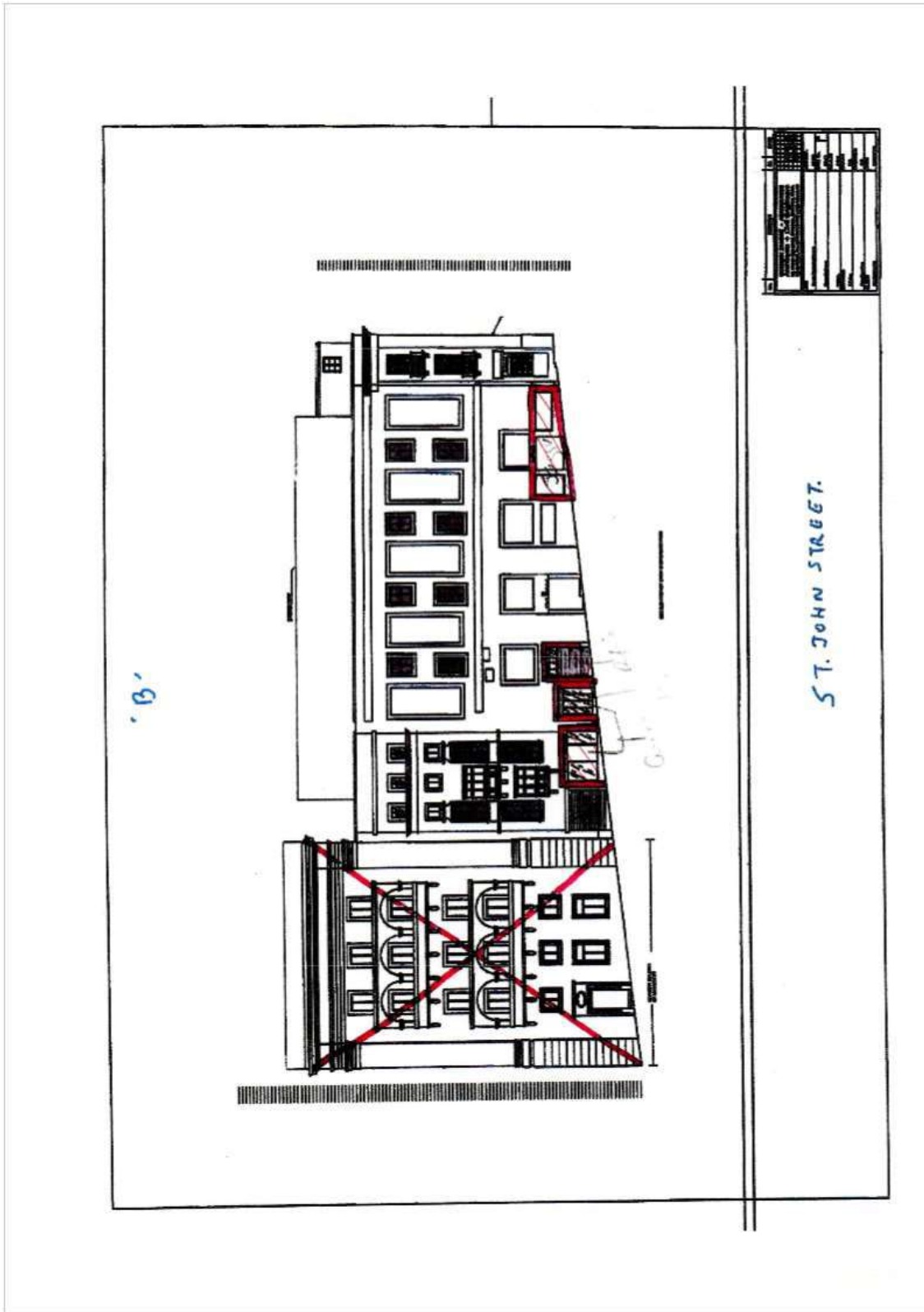


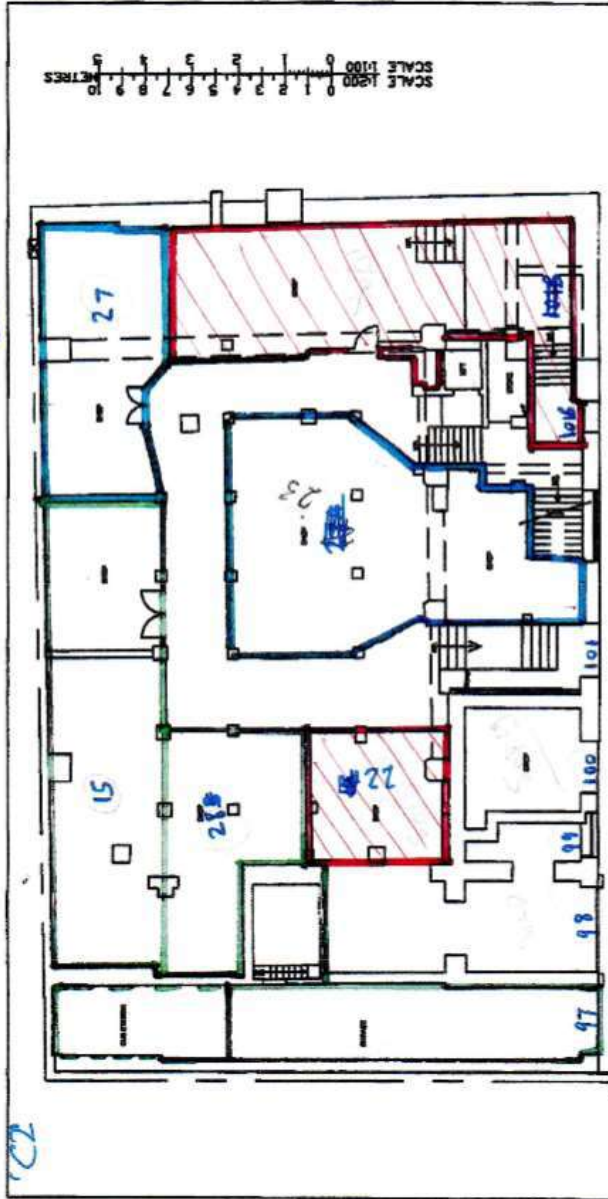
Pic 32 Underground area

Appendices

- iii. Plans Showing Property owned by Third Parties

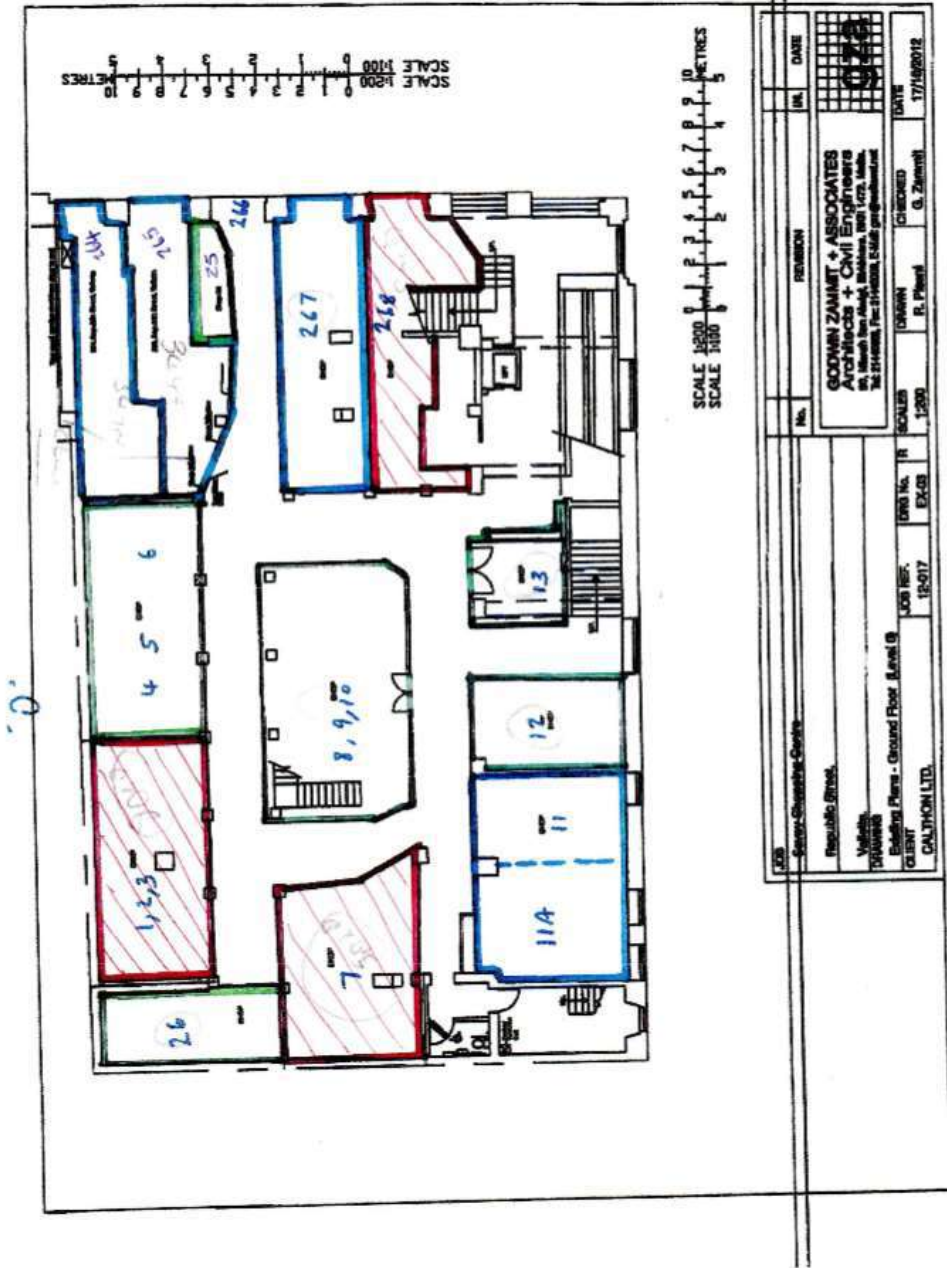






SCALE 1:200
SCALE 1:100 METRES

No.		REVISION		DATE	
<p>GOOWIN ZAMBATI + ASSOCIATES Architects + Civil Engineers No. 11, Jalan Sultan Abdul Halim, 10150, Kuala Lumpur, Malaysia. Tel: 603-2071-1111, Fax: 603-2071-1112, Email: goowin@goowin.com</p>					
No.		CHECKED		DATE	
1280		R. P. Phang		17/10/2012	
No.		CHECKED		DATE	
1280		R. P. Phang		17/10/2012	
<p>Project: Starz Shopping Centre Location: Penang, Malaysia Client: Starz Shopping Centre Design: Phase - Upper Basement & level 1 Date: 19-01-12 Scale: B5-C5</p>					
<p>ST. JOHN STREET</p>					



Appendices

- iv. Planning authority Permits and Enforcement Notices

PA Case Details

Planning Application Case Details

Result output on 05 July 2021

Disclaimer: The information below has been extracted from an on-line database and is meant only for your general guidance. The Planning Authority disclaims any responsibility for any inaccuracies there may be on this site. If you wish to verify the correctness of any information then you are advised to contact us directly. Furthermore, in the event of any discrepancies between the information contained on this site and official printed communication, then the latter is to prevail, in accordance with the Development Planning Act.

Application Status (Does not reflect any appeal decisions on the case)

Case Status: This application has been approved by Planning Board / Commission.

Application Details

Case Number: PA/03991/94

Location of development: Savoy Buildings, Triq Ir-Repubblika, Beit Valletta

Description of works: To carry out internal alterations and additions to existing shopping complex

Applicant: Mr Joseph Pace

Architect: Perit Mr. Ian Zammit

Reception date: 01 July 1994

Initial Processing

Validation Date: 01 July 1994

Target Date:

Application Type: Amended development permission

7/5/2021

Planning Authority


Case Category: Not applicable

Recommendation

Recommended

Decision: Grant Permission

Case Officer

Report:  [Purchase Case Officer Report \(pdfreport?cfr=PA/03991/94 &SystemKey=13161&PrintoutType=CDR\)](#)

Report Last

Updated: 14 November 1994

Decision


Decision: Grant Permission

Decision Date: 14 November 1994

Decision posted

date: 26 November 1994

Decision

Notice:  [Purchase Decision Notice \(pdfreport?cfr=PA/03991/94 &SystemKey=13161&PrintoutType=DCN\)](#)

Further Information

Board

Minutes:  [View Board Minutes \(pdfreport?cfr=PA/03991/94 &SystemKey=13161&PrintoutType=BMIN\)](#)

About Us

<https://www.pa.org.mt/pacasesdetails?CaseType=PA/03991/94>

2/4

7/5/2021

Planning Authority

EC Case Details

Planning Enforcement

Result output on 7/5/2021 8:43:06 AM

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Enforcement Status

Case Status: Case closed, Enforcement Notice withdrawn

Enforcement Details

Case Number: EC/00095/95

Location of Infringement: Savoy Buildings, Triq ir-Repubblika, Belt Valletta

Summary Of Infringement (In English): Wall on facade without permit

Infringement (In Maltese): Bnejl hajt fil-faccata minghajr permess

Overview

Enforcement Type: No Permission Sought

Case Category: Commercial-Int/Ext alterations/additions

Interested Parties

Name	Interest	Prime Contact
Mr Joseph Pace	Contravenor	Yes

<https://www.pa.org.mt/eccases/details?CaseType=EC-00095/95>

1/3

PA Case Details

Planning Application Case Details

Result output on 05 July 2021

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Application Status (Does not reflect any appeal decisions on the case)

Case Status: This application has been approved by Planning Board / Commission.

Application Details

Case Number: PA/01637/97

Location of development: Savoy Shopping Arcade, Triq ir-Repubblika, Belt Valetta

Description of works: To convert existing offices at intermediate level 2a into three shops within shopping arcade for sale of clothing and/or general retail goods.

Applicant: Ms Gloria Beacom

Architect: Perit Mr. Godwin Zammit

Reception date: 21 March 1997

Initial Processing

Validation Date: 13 May 1997

Target Date:

Application Type: Full development permission

7/5/2021

Planning Authority

Case Category: Not applicable


Recommendation

Recommended

Decision: Grant Permission

Case Officer

Report:

 [Purchase Case Officer Report \(pdfreport?cfr=PA/01637/97 &SystemKey=32352&PrintoutType=COR\)](#)

Report Last

Updated: 16 July 1997

Decision

Decision: Grant Permission


Decision Date: 16 July 1997

Decision posted

date: 28 July 1997

Decision


Notice:

 [Purchase Decision Notice \(pdfreport?cfr=PA/01637/97 &SystemKey=32352&PrintoutType=DCN\)](#)

Further Information

Board

Minutes:

 [View Board Minutes \(pdfreport?cfr=PA/01637/97 &SystemKey=32352&PrintoutType=BMIN\)](#)

About Us

<https://www.pa.org.mt/pwaredetails?CaseType=PA/01637/97>

2/4

PA Case Details

Planning Application Case Details

Result output on 05 July 2021

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Application Status (Does not reflect any appeal decisions on the case)

Case Status This application has been approved by Planning Board / Commission.

Application Details

Case Number: PA/02199/97

Location of development: Savoy Shopping Arcade, Triq ir-Repubblika, Belt Valletta

Description of works: To use area at level 4 in existing shopping arcade as a coffee shop.

Applicant: Mr Stephen Pace

Architect: Perik Mr. Godwin Zammit

Reception date: 14 April 1997

Initial Processing

Validation Date: 03 June 1997

Target Date:

Application Type: Full development permission

7/5/2021

Planning Authority

Case Category: Not applicable


Recommendation

Recommended

Decision: Grant Permission

Case Officer

Report:

 [Purchase Case Officer Report \(pdfreport?cfr=PA/02199/97 &SystemKey=32887&PrintoutType=COR\)](#)

Report Last

Updated: 20 August 1997

Decision

Decision: Grant Permission

Decision Date: 20 August 1997

Decision Press


date: 03 September 1997

Decision posted

date: 02 September 1997

Decision


Notice:

 [Purchase Decision Notice \(pdfreport?cfr=PA/02199/97 &SystemKey=32887&PrintoutType=DCN\)](#)

Further Information

Board

Minutes:

 [View Board Minutes \(pdfreport?cfr=PA/02199/97 &SystemKey=32887&PrintoutType=BMIN\)](#)

About Us

<https://www.pa.org.ni/pacasedetails?CaseType=PA/02199/97>

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7/5/2021

Planning Authority

EC Case Details

Planning Enforcement

Result output on 7/5/2021 8:43:15 AM

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Enforcement Status

Case Status: Case closed, Owner/Occupier removed the illegal development

Enforcement Details

Case Number: EC/01070/07

Location of Infringement: 34/4 Savoy Buildings, Triq Ir-Repubblika, Belt Valletta

Summary Of Infringement (In English): Air conditioning units on facade without permit

Infringement (In Maltese): Għandek żvilupp fi jikkorsisti fi twahhil ta' apparat ta' arja kundizzjonata mal-faccata minghajr permess

Overview

Enforcement Type: Breach of Conditions

Case Category: Air conditioning units

Interested Parties

Name	Interest	Prime Contact
Mr Stephen Pace	Contravenor	Yes
Mr Wilfred Spiteri	Contravenor	No

<https://www.pia.org.mt/oc/raec/details?CaseType=EC/01070/07>

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PA Case Details

Planning Application Case Details

Result output on 05 July 2021

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Application Status (Does not reflect any appeal decisions on the case)

Case Status: This application has been approved by Planning Board / Commission.

Application Details

Case Number: PA/04051/05

Location of development: Savoy Shopping Arcade, Republic Str, St. John's Street, Belt Valletta

Description of works: Relocation of existing air conditioning units in proposed iron balcony and the embellishments of the facade.

Applicant: Mr Martin Vella Pace

Architect: Perit Mr. Godwin Zammit

Reception date: 30 June 2005

Initial Processing

Validation Date: 05 July 2005

Target Date: 05 May 2008

Application Type: Full development permission

<https://www.pa.org.mt/pacasedetails?CaseType=PA0405105>

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7/5/2021

Planning Authority

Case Category: Within Development Zone

Publication

Site Notice Image:  ([/MultipleImaging/MultipleImaging.aspx?Index=92&Syskey=PA/04051/05](http://.../MultipleImaging/MultipleImaging.aspx?Index=92&Syskey=PA/04051/05))

Publication Date: 07 October 2006

Representation Expiry Date: 22 October 2006

Recommendation

Recommended Decision: Grant Permission

Case Officer Report:  [Purchase Case Officer Report: \(pdfreport?cfr=PA/04051/05 &SystemKey=98445&PrintoutType=COR\)](#)


Report Last Updated: 14 May 2007

Decision

Decision: Grant Permission

Decision Date: 04 February 2008

Further Information

Board Minutes:  [View Board Minutes \(pdfreport?cfr=PA/04051/05 &SystemKey=98445&PrintoutType=BMIN\)](#)

About Us

<https://www.pa.org.mt/pacasadetails?CaseType=PA/04051/05>

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PA Case Details

Planning Application Case Details

Result output on 05 July 2021

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Application Status (Does not reflect any appeal decisions on the case)

Case Status This application has been approved by Planning Board / Commission.

Application Details

Case Number: PA/07051/07

Location of development: Savoy Shopping Arcade, Republic Str, c/w, St. John's Street, Belt Valetta

Description of works: Internal alterations, replacement of roof sheet with incorporated PV panels, embellishments and signage on facades.

Applicant: Mr Martin Vella Pace

Architect: Perit Mr. Godwin Zammit

Reception date: 19 November 2007

Initial Processing

Validation Date: 22 February 2008

Target Date: 28 December 2011

Application Type: Full development permission

<https://www.pa.org.mt/planning/details?CaseType=PA/07051/07>

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7/5/2021

Planning Authority

Case Category: Within Development Zone

Publication

Site Notice Image:  [\[../MultipleImaging/MultipleImaging.aspx?Index=92&Syskey=PA/03793/08\]](#)

Publication Date: 08 November 2008

Representation Expiry Date: 23 November 2008

Recommendation

Recommended Decision: Refuse Permission

Case Officer Report:  [Purchase Case Officer Report \(pdfreport?cfr=PA/03793/08 &SystemKey=124031&PrintoutType=COR\)](#)


Report Last Updated: 15 December 2009

Decision


Decision: Grant Permission


Decision Date: 03 March 2010

Decision posted date: 18 March 2010

Decision Notice:  [Purchase Decision Notice \(pdfreport?cfr=PA/03793/08 &SystemKey=124031&PrintoutType=DCN\)](#)

Further information

Board Minutes:  [View Board Minutes \(pdfreport?cfr=PA/03793/08 &SystemKey=124031&PrintoutType=BMIN\)](#)

HAC (Cultural Panel) Minutes:  [View HAC \(Cultural Panel\) Minutes \(pdfreport?cfr=PA/03793/08 &SystemKey=124031&PrintoutType=HAC\)](#)

<https://www.pa.org.mk/pa/03793/08>

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PA Case Details

Planning Application Case Details

Result output on 05 July 2021

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Application Status (Does not reflect any appeal decisions on the case)

Case Status This application has been refused by Planning Board / Commission and a refusal notification has been sent.

Application Details

Case Number: PA/03792/08

Location of development: Savoy Shopping Arcade, Republic Street c/w, St. John's Street, Belt, Valletta

Description of works: Embellishments to facade comprising of travertine facing to base of facade, refurbishing of entrance at St. John Street and renewing glazing to lower openings.

Applicant: Mr Martin Vella Pace

Architect: Perit Mr. Godwin Zammit

Reception date: 30 July 2008

Initial Processing

Validation Date: 01 August 2008

Target Date: 10 January 2009

7/5/2021

Planning Authority

Application Type: Full development permission

Case Category: Within Development Zone

Publication

Site Notice Image:  [./Multipleimaging/Multipleimaging.aspx?Index=92&Syskey=PA/03792/08](#)

Publication Date: 16 August 2008

Representation Expiry Date: 31 August 2008

Recommendation

Recommended Decision: Refuse Permission

Case Officer Report:  [Purchase Case Officer Report \(pdfreport?cfr=PA/03792/08 &SystemKey=124030&PrintoutType=COR\)](#)

Report Last Updated: 17 November 2008

Decision

Decision: Refuse Permission


Decision Date: 03 December 2008


Decision Press date: 19 December 2008

Decision posted date: 17 December 2008

Decision Notice:  [Purchase Decision Notice \(pdfreport?cfr=PA/03792/08 &SystemKey=124030&PrintoutType=DCN\)](#)

Further Information

Board Minutes:  [View Board Minutes \(pdfreport?cfr=PA/03792/08 &SystemKey=124030&PrintoutType=BMIN\)](#)

HAC (Cultural Panel) Minutes:  [View HAC \(Cultural Panel\) Minutes \(pdfreport?cfr=PA/03792/08 &SystemKey=124030&PrintoutType=HAC\)](#)

<https://www.pa.org.uk/picasedetails?CaseType=PA/03792/08>

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7/5/2021

Planning Authority

Case Category: Within Development Zone

Publication


Site Notice Image:  [\(../MultipleImaging/MultipleImaging.aspx?Index=644&Syskey=PA/07051/07\)](#)

Publication Date: 16 July 2011

Representation Expiry Date: 05 August 2011

Recommendation

Recommended Decision: Grant Permission

Case Officer Report:  [Purchase Case Officer Report \(pdfreport?cfr=PA/07051/07 &SystemKey=119110&PrintoutType=COR\)](#)

Report Last Updated: 09 May 2012


Decision

Decision: Grant Permission

Decision Date: 16 May 2012


Decision Press date: 21 July 2012


Decision posted date: 16 July 2012

Decision Notice:  [Purchase Decision Notice \(pdfreport?cfr=PA/07051/07 &SystemKey=119110&PrintoutType=DCN\)](#)

Permit Expiry Date: 21 July 2017

Further Information

Board Minutes:  [View Board Minutes \(pdfreport?cfr=PA/07051/07 &SystemKey=119110&PrintoutType=BMIN\)](#)

HAC (Cultural Panel) Minutes:  [View HAC \(Cultural Panel\) Minutes \(pdfreport?cfr=PA/07051/07 &SystemKey=119110&PrintoutType=HAC\)](#)

<https://www.pa.org.mt/pacaadetails?CaseType=PA/07051/07>

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7/5/2021

Planning Authority

PA Case Details

Planning Application Case Details

Result output on 05 July 2021

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Application Status (Does not reflect any appeal decisions on the case)

Case Status: This application has been approved by Planning Board / Commission.

Application Details

Case Number: PA/03793/08

Location of development: Savoy Shopping Arcade, Republic Street c/w, St. John's Street, Belt Valletta

Description of works: Relocation of existing electricity sub-station from ground floor level garage to basement level.

Applicant: Mr. Martin Vella Pace

Architect: Perit Mr. Godwin Zammit

Reception date: 30 July 2008

Initial Processing

Validation Date: 27 October 2008

Target Date: 24 July 2009

Application Type: Full development permission

<https://www.pa.org.mt/pacasedetails?CaseType=PA/03793/08>

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Appendices

- v. Sample of Commercial rental values in Valletta

04/07/2021

Commercial Properties for sale in Valletta - From 30+ Estate Agents

Valletta, Commercial Propert Bedrooms

Min Price Max Price SEARCH

Commercial Properties for sale in Valletta

38 results

Most Recent Added any time



€7,500,000

Commercial Property For Sale in Valletta

A commercial opportunity featuring shops and offices in Republic Street close to the Casino Maltese and Cafe Cordina. Currently the property is operated as a shopping arcade at ground level and offices on the 4 levels above and storage at basement level. Originally this property was used as a theatre...

B Belair +35679490063

PROPERTY VALUE

LOCATION
MARKET
CONDITION
NEIGHBORHOOD
AGE

Thinking of selling your property?

Promoted

There is only one way to find out its true market value - getting a property valuation from an experienced estate agent.

[Request a free no obligation valuation today »](#)

For sale

€1,400,000

Commercial Property For Sale in Valletta

ENGEL & VÖLKERS
Catering space

This historical property located in the most attractive and sought after streets in Valletta for commercial use offers a nice good location and a typically Maltese touch the Maltas capital. Situated on three floors this property needs refurbishment, but once in place this is very well located and a ...

Printed: 10/10/2021

<https://www.propertymarket.com.mt/for-sale/commercial-properties-in-valletta/>

1/8

04/07/2021

Commercial Properties for sale in Valletta - From 30+ Estate Agents

ENGEL & VÖLKERS

+356 9949 4884



€6,000,000

Commercial Property For Sale in Valletta

Rare opportunity to purchase a corner site with potential of transforming it into a 35 bedroom hotel suite in the heart of our capital city. Property boasts several different entrances on both streets including commercial outlets and 3 separate blocks on 5 floors enjoying outstanding views of the ci...

PIERRE FALKE

+356 7979 7956



€225,000

Commercial Property For Sale in Valletta

A 32sqm shop plus basemnt ideal for a small store or hairdresser right in the heart of the town.



+356 9945 1255



1



€230,000

Commercial Property For Sale in Valletta

Located in the capital city with shops close by and passing trade, is this corner commercial property for sale comprising of a ground floor level and a basement level, both measuring approx. 34sqm. Commercial property is currently tenanted and being used as a hair salon. Freehold.

BENESTATES

+356 9999 9983



Price: From

<https://www.propertymarket.com.mt/for-sale/commercial-properties-in-valletta/>

2/8

04/07/2021

Commercial Properties for sale in Valletta - From 30+ Estate Agents



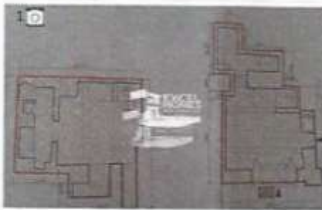
€210,000

Commercial Property For Sale in Valletta

BARGAIN - VALLETTA Office/Shop on ground floor level approx 20sqm, located in a very busy part of our historic Capital City of Valletta in a good commercial area with a high concentration of offices & Shops just off Merchants' Street and Republic Street, set in the upper part of Paul's Street few me...



+356 9945 1255



€230,000

Commercial Property For Sale in Valletta

Excellently located commercial corner property with a lot of passing trade, situated on street level and includes also a basement. This property have very typical original features with high arched ceilings, and also enjoys two entrances on two streets.



+356 9945 1255



€2,400,000

Commercial Property For Sale in Valletta

This really good located boutique hotel consists of a hallway, reception area, 18 bedrooms all ensuite, plus another 6 additional rooms to be used as the client wants. At basement level one also finds a 75sqm cellar/bar. Property is to be sold either in advanced shell form or finished at an addition...



+356 7979 7956

[Privacy](#) [Terms](#)

<https://www.propertymarket.com.mt/for-sale/commercial-properties-in-valletta/>

3/8

04/07/2021

Commercial Properties for sale in Valletta - From 30+ Estate Agents

1



€2,300,000

Commercial Property For Sale in Valletta

A Boutique Hotel, to be sold in shell form, comprising 18 licensed rooms, situated on one of the main streets of the City. Works are currently ongoing. Plans in hand and available for viewings. For more info please contact : 21580400(Qawra) 27580400 (Naxxar)



+356 7942 6227



€1,150,000

Commercial Property For Sale in Valletta

A retail outlet on a popular street in Valletta comprising of a 20ft frontage facade with a floor area of 31sqm on ground floor, 20sqm on an intermediate floor accessible through a spiral staircase and a 33sqm basement used as a store. Property is ready to move into. Highly recommended!



+356 7979 7956

1 2 3 4 > >>

Additional Categories

Commercial Propertie:

Filters

- Lift (4)
- Views (3)
- Terrace (1)

[Privacy](#) - [Terms](#)

<https://www.propertymarket.com.mt/for-sale/commercial-properties-in-valletta/>

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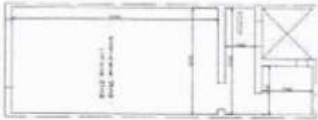
04/07/2021 Commercial Properties to rent in Valletta - From 30+ Estate Agents

Valletta, Commercial Property Bedrooms

Min Price Max Price SEARCH


Commercial Properties to rent in Valletta

48 results Most Recent Added any time



€150 per day
Commercial Property To Rent in Valletta
A ground floor shop with mezzanine, measuring 67 SQM, permits in place for a shop however one can apply for change of use, located in Valletta's most popular Bar streets and frequented by various visitors. Energy Performance Certificate - Owner yet to provide.

B Belair +35679060909



€3,500 per month
Commercial Property To Rent in Valletta
A lovely OFFICE with majestic views over Marsamxett Harbour. Large enough to take 10 people, this property is being rented unfurnished. This office is filled with natural light, thanks to a large terrace overlooking the harbour. A property worth viewing.

LUXFAIR +356 2728 3333

<https://www.propertymarket.com.mt/to-rent/commercial-properties-in-valletta/> 1/8

04/07/2021

Commercial Properties to rent in Valletta - From 30+ Estate Agents

1



€5,000 per month

Commercial Property To Rent in Valletta

We are pleased to offer this property in one of Valletta's most prominent streets. The property has an approximate area of 89sqm which currently has Catering Permits. Out door seating area available with a total Seating capacity of 80-90 covers.

LUXFAIR 9952 7777

4



€3,500 per month

Commercial Property To Rent in Valletta

Located in an excellent and prime location in Valletta with permits in hand for Class 4B shops having a total area of 200sqm.

+356 9924 7819

1

For rent



€2,000 per month

Commercial Property To Rent in Valletta

A finished SHOP measures 15ft depth x 15ft width. Ready to move into.

+356 9949 4884

1

For rent



€2,100 per month

Commercial Property To Rent in Valletta

Highly finished commercial shop now available for lease. Located right in the heart of the commercial district of Valletta, surrounded by constant passing trade, this property features shop floor measuring 20 sqm air conditioning Highly finished This premise is ideal for any business owner looking ...

Privacy - Terms

<https://www.propertymarket.com.mt/to-rent/commercial-properties-in-valletta/>

2/8

04/07/2021

Commercial Properties to rent in Valletta - From 30+ Estate Agents

ENGEL & VÖLKERS

+356 9949 4884



For rent



€19,500 per month

Commercial Property To Rent in Valletta

A rare business opportunity in the heart of Valletta, in the middle of one of Malta's most attractive retail areas. This large retail complex offers almost 1000 square meters of floor space including fully functional additions such as elevator, escalator and fully air conditioned. The property is se...

ENGEL & VÖLKERS

+356 7949 4884



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Get in touch today »



€80 per day

Commercial Property To Rent in Valletta

A 65 sqm commercial premises in the heart of Valletta on a very busy street with ample passing trade. Premises currently have a class 9 permit but permits can be applied for other uses. Exterior space for 4 tables.

B Belair

+35699502687




Photo - Terry

<https://www.propertymarket.com.mt/to-rent/commercial-properties-in-valletta/>



3/8

04/07/2021


Commercial Properties to rent in Valletta - From 30+ Estate Agents





€160,000 per month
Commercial Property To Rent in Valletta
Valletta retail outlet 25 sqms with cellar storage - Prime location - Class 4

 +356 9945 1255 

For rent



€1,450 per month
Commercial Property To Rent in Valletta
Fully Serviced Offices located in Valletta. The offices are housed in a beautiful Valletta building totalling 250m2 of floor space with 24/7 access and based on a central yet quiet street. There are both co working and private serviced offices of various sizes, so one can start small and expand as a...

 +356 79759055 

1 2 3 4 5 > >>

Additional Categories

Commercial Propertie: ▾

Filters

- Air Conditioning (14)
- Balconies (7)
- Views (6)
- Lift (3)
- Terrace (2)
- Garage (1)
- Price Reduced (1)
- Waterfront (1)

<https://www.propertymarket.com.mt/to-rent/commercial-properties-in-valletta/> 4/8

Office on Republic Street Valletta Consisting of 300Sqm

map icon | view icon

Location: Valletta

MONTHLY PRICE: €4,000



Request More Information

Print this page

Report to admin

Property Description

Ref No: 21250

Description

Spacious Office located in the Center of Valletta. The Office has several rooms, 2 bathrooms, plus a kitchen. The Property has ample light

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04/07/2021

Commercial Property For Sale in Valletta - CL7768

Commercial Property For Sale in Valletta

€6,000,000

Property description

Rare opportunity to purchase a corner site with potential of transforming it into a 35 bedroom hotel suite in the heart of our capital city. Property boasts several different entrances on both streets including commercial outlets and 3 separate blocks on 5 floors enjoying outstanding views of the city. A unique business opportunity.

Ref: CL7768 Bathrooms: 35

Features

- ✓ Sitting
- ✓ Living
- ✓ Yard
- ✓ Sea views
- ✓ Dining
- ✓ Laundry
- ✓ Basement
- ✓ Lift

Sponsored



Mortgage Calculator

€27,033.67 per month*

Amount (€) 5400000

Rate (%) 3.5

Term (Years) 25

CALCULATE

*value may vary depending on provider and your circumstances

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<https://www.propertymarket.com.mt/view/commercial-property-for-sale-valletta-4122532301898595395/>

1/7

JOE CASSAR
Architect and Civil Engineer

40, EBD
Triq il-Hgejjeg
San Gwann
SGN 3543
MALTA,

Tel: 21446734

E-Mail: peritjosephcassar@gmail.com

The Board of Directors

Central Business p.l.c

Cortis Group,

Cortis Buildings,

Mdina Road,

Zebbug, Malta

2nd September 2021

Gudja Business Centre

i. Introduction

The undersigned architect and civil engineer has been instructed to issue a valuation report drawn up with respect to the following property

GUDJA BUSINESS CENTRE, TRIQ HAL- TARXIEN GUDJA MALTA

I have prepared this valuation as an independent valuer. I confirm that there is no conflict of interest in preparing this valuation report, since I, or my practice will not benefit from the valuation exercise other than the valuation fee. As a warranted architect in terms of section 7 (3) of the architecture and civil engineering professionals (Periti) Act 1996, I have been involved in numerous valuations for public and private companies and for individual clients.

ii. Basis of Valuation

The basis of this evaluation is to arrive at the open market value of the Property in its present existing state.

The market value is the amount in monetary terms that the property is expected to realize when offered for sale on the open market by a willing seller, who after giving proper marketing, brings to the attention of a willing buyer, the said property in an arm's length transaction wherein the parties had acted knowledgeable, prudently and without compulsion.

iii. Purpose of this valuation

The purpose of this report is for inclusion with the Prospectus in accordance with chapter 7 of the Capital Markets Rules of the Malta Financial Services Authority.

iv. Data Consulted

This valuation relies on information provided by the directors of the Central Business Centres as well as the data which was collected at the time when the original evaluation was carried out. These included:

- a) Valuation carried out by Perit Anthony Fenech Vella together with all the information researched by the said Perit in arriving at his valuation. The said valuations were carried out during the period October/November 2014;
- b) Planning Permits which have been updated to-date.
- c) Construction and finishing costs;
- d) Annual maintenance costs;
- e) Anticipated long term replacement costs of worn out elements; and
- f) Expected letting streams of letting prices.

v. Inspections

For the purpose of this valuation a site inspection was carried out on the 23rd of August 2021.

vi. Description of the property

The property which comprises a showroom with overlying offices was constructed during 2010 at Triq Hal-Tarxien, Gudja. It forms part of an SME site as shown on the Gudja local plan. The property was acquired by Central Business Center plc in 2014.

The premises is leased out, with 100% occupancy with the hereunder standard lease conditions:

- A rent (€91 per square meter base) payable monthly/quarterly (lessee option) in advance with an increase of 5% every three years;
- The first 3 to 5 years of the lease period are "di fermo" (Lessee's option) and the rest of the lease up to a total of 15 years "di rispetto", renewable every year at Lessee's option;
- A maintenance fee of 10% of rents, payable with the rent that the Lessor uses for the common areas and the external façade upkeep;
- Utilities cost are invoiced to the Lessee on an as per use basis,
- Ordinary maintenance is at Lessee's expense, while maintenance of an extraordinary nature is at Lessor's expense.

There are no registered mortgages and privileges and other charges, emphyteutic concessions, easements and other burdens.

The site has been the subject of a number of planning requests as shown in the following table:

Date	PA No.	Request	Remarks
09/08/95	4790/95	Outline development to excavate basement and redesign shop/store system	Permit granted on 06/05/96
18/06/98	3901/98	Excavation of basement and redesign of shop/stores	Permit granted on 21/08/98
04/12/03	7277/03	To excavate basement & erect shop & stores with warehousing facilities as per PA3901/98 & PA4790/95. Works on site have commenced including demolition of existing structures including minor amendments	Permit granted on 09/03/04
16/03/09	1041/09	Renewal of PA7277/03. To excavate basement & erect shop & stores with warehousing facilities	Permit granted on 26/01/10
22/08/14	1422/15	To sanction the minor changes from the plans approved with PA 7277/03 as renewed with PA1041/09 on the developed part of the site, including slight change in configuration with increase in footprint, introduction of intermediate floor, changes to internal layout & improved underground parking facilities & a proposal for an amended façade treatment	Permit granted on 01/12/15
02/02/2017	2036/17	To sanction the change of use of part ground floor, and the intermediate floor from Class 4B showroom to Class 4A offices, and the introduction of partitioning on all floors, including the basement store	Permit Granted on 31/07/2017

The building on site is in accordance with planning regulations and largely follows the plans in PA/02036/17
The permit granted the sanctioning of the change of use from Class 4B showroom to Class 4A offices including internal partitioning and basement stores where subsidiary legislation 552.15 defines Classes 4A and 4B as:

Class 4A- Financial, Professional (including doctors, lawyers , dentists) and Other Offices of a comparable nature

Class 4B- Retail outlets, display for sale of goods excluding motor vehicles

There is no active enforcement notice on the building.

With reference to Capital Markets Rule 7.10 currently the premises at Gudja is 100% rented out (full occupancy) with a total net annual rental income of Eur 135,000.

The following table of areas is taken from the case officer report:

Level	As approved
Basement level	Storage (500sqm) & Parking
Ground level	Showroom (145 sqm), Offices (235sqm)
Intermediate Floor	Office (235sqm)
First floor	Offices (480 sqm)

On level -1 the 500 sqm is being divided into Storage (250 sqm) and Parking (17 car spaces) and on surface level 0, there are also 36 car spaces.

To conclude the approved plans consist of 2 levels whole development of commercial/office space, intermediate level and an underlying basement level which is reached through an independent ramp from the communal court yard, part of which is used for parking whilst the rest is dedicated to storage.

Premises have been in operation since December 2015.

Premises are freehold.

The property was acquired in 2014 by the company.

Finishes adopted are in line with tenant's requirements. The level of finishes is satisfactory.

The property is free and unencumbered from any debts and liabilities.

It is the practice of Central Business Centres plc, to complete the finishes in the common parts whilst the rest of the building is left in a semi-finished state. These will then be completed by the client according to his requirements once the premises are rented out. Currently 100% of the available space has been rented out.

The present annual income of the property amounts to one hundred and thirty five thousand Euro. (€135,000)

vii. Valuation

It is the considered opinion of the undersigned that after having taken all factors as demanded by my profession, I estimate the market value of the property Gudja Central Business Centre as is, at three million five hundred thousand Euro (€3,500,000) as at the date of this report.

There is not intra-Group lease on the property.

It is the considered opinion of the undersigned that there are no other matters which materially affect and considers relevant to the value of the property other than those taken into consideration in this evaluation.

Whilst I consider this valuation both reasonable and defensible, but may be different to what other valuers may propose, it is being submitted without prejudice to the party to whom it is being addressed and no responsibility is accepted or implied to third parties to whom it may be disclosed without my consent. In particular, I advise that no liability is accepted in contract, tort (including negligence or breach of statutory duty) restitution or otherwise, in respect of direct loss of profit, any indirect, special or consequential loss whatsoever, however caused including, without limitation, loss of profit, loss of business, loss of goodwill, loss of use of money and loss of opportunity.

Whilst I hereby give my consent for the disclosure of this condensed valuation report in the prospectus of Central Business Centre plc., neither the whole nor any part of this valuation, nor reference thereto, may be included in any other published document without my prior written approval for the context in which it may appear in conformity with standard practice.

This is to confirm that this valuation has been carried out in accordance with the guidelines of the "Valuation Standards for accredited Valuers" published by the Kamra tal-Periti and the Royal Institution of Chartered Surveyors ("RICS")

I hereby confirm that this valuation includes anything that needs to be included and that no assumptions were taken except those listed in this valuation.



JOE CASSAR BA (Arch) B. Arch (Hons) MSc A & CE

02/09/2021
Date

JOE CASSAR
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The Board of Directors

Central Business Centre p.l.c.

Cortis Groups,

Cortis Buildings,

Mdina Road,

Zebbug, Malta

2nd September 2021.

ST. Julian's Business Centre

1. Introduction

The undersigned architect and civil engineer has been instructed to issue a valuation report drawn up with respect to the following property:

ST. JULIAN'S CENTRAL BUSINESS CENTRE, IX-XATT TA SPINOLA, ST.JULIANS

I have prepared this valuation as an independent value. I confirm that there is no conflict of interest in preparing this valuation report, since I, or my practice will not benefit from the valuation exercise other than the valuation fee. As a warranted architect in terms of section 7 (3) of the architecture and civil engineering professionals (Periti) Act 1996, I have been involved in numerous valuations for public and private companies and for individual clients.

ii. Basis of Valuation

The basis of this evaluation is to arrive at the open market value of the Property in its present existing state.

The market value is the amount in monetary terms that the property is expected to realize when offered for sale on the open market by a willing seller, who after giving proper marketing, brings to the attention of a willing buyer, the said property in an arm's length transaction wherein the parties had acted knowledgeable, prudently and without compulsion.

iii. Purpose of this valuation

The purpose of this report is for inclusion with the Prospectus in accordance with chapter 7 of the Capital Markets Rules of the Malta Financial Services Authority.

iv. Data Consulted

This valuation relies on information provided by the directors of Central Business Centres plc as well as the data which has been collected at the time when the original valuation was carried out. These included :-

- a) Valuation carried out by Perit Anthony fenech Vella together with all the information researched by the said Perit in arriving at his valuation. The said valuations were carried out during the period October/November 2014;
- b) Planning Permits which have been updated to-date
- c) Construction and finishing costs;
- d) Annual maintenance costs;
- e) Anticipated long term replacement costs of worn out elements;
- f) Expected letting streams of letting prices;
- g) Phasing of the project.

v. **Inspections**

For the purpose of this valuation a site inspection was carried out on the 23rd of August 2021.

vi. **Description of the property**

The property was acquired by Central Business Centres plc in 2014.

The property under review is the scheduled Villa Fieres and its adjoining grounds. Part of the grounds have been converted into an office building and commercial outlets between 2014 and 2019. Works are ongoing on the restoration of Villa Fieres and effecting alterations to effect a change of use in the said villa from residential to a catering establishment.

Villa Fieres is a scheduled grade 2 level building constructed circa 1890. Its location is unique. The original grounds of the Villa Fieres site extend right to St. Julian's square. The site is also in close proximity to St. Julian's Parish church.

Originally to the north extent of the site, facing the piazza, there were a number of commercial outlets. Out of the original seven commercial outlets, three are still leased for a remaining period of seven (7) years. The commercial outlets which decided to remain on site immaterial of the ongoing construction activity were incorporated into the design.

The property is free and unencumbered from any debts and liabilities.

There are no registered mortgages and privileges and other charges, emphyteutic concessions, easements and other burdens.

Property is freehold.

The property was acquired in 2014 by the company and this valuation is being requested in view that the company is seeking further funding for new acquisitions as listed in the prospectus.

The office building is complete and is being leased out. Villa Fieres is still undergoing restoration works and is projected to be completed by third quarter 2021.

With reference to Capital Markets Rule 7.10 currently the premises at St Julians is 58% rented out and the net annual rent is six hundred forty five thousand Euro (€645,000) with a projected annual net rent of one million one hundred twelve thousand euro (€1,112,000) at full capacity.

With reference to Capital Markets Rule 7.4.1.8, the premises is leased out, with 58% occupancy with the hereunder standard lease conditions as confirmed by the directors of Cortis Business Centres Limited.

- An average rent (€345 per square meter base) payable monthly/quarterly (lessee option) in advance, with an increase of 2% every year;
- The first 1 to 2 years of the lease period are "di fermo" (Lessee's option) and the rest of the lease up to a total of 10 years "di rispetto", renewable every year at Lessee's option;
- A maintenance fee of 10% of rents, payable with the rent that the Lessor uses for the common areas and the external façade upkeep;
- Utilities cost are invoiced to the Lessee on an as per use basis;
- Ordinary maintenance is at Lessee's expense, while maintenance of an extraordinary nature is at Lessor's expense.

The planning history of the site in question is as follows:

Date	PA No.	Request	Remarks
26 th June 1995	4244/95	To demolish existing building and re-erect a multi-use complex.	Application withdrawn by Planning Directorate
16 th April 1999	1916/99	Construction of hotel	Application withdrawn at applicant's request. The then applicant was Mr. Noel Agius.
30 th Jan 2001	387/01	Development of complex to accommodate retail, catering and residential activities including the careful dismantling of Villa Fieres and the reconstruction of same villa over a structure to be developed following excavation works	Application was withdrawn by the then applicant Mr. Noel Agius obo Triangle Investments

13 th Feb 2002	856/02	Construction of a multi-purpose development (residential and commercial) and the restoration of Villa Fieres, including internal alterations, the construction of a lift and the re-instatement of dismantled portico.	Application was approved.
4 th Nov 2010	5567/10	Restoration of Villa Fieres including internal alterations, the construction of a lift and re-instatement of dismantled portico.	Application was withdrawn at the request of the applicant Mr. Joseph Cortis
14 th Nov 2014	3824/16	Amendments to approved permit PA856/02 to include change of use from residential to Class 4A offices and amendments to design to incorporate further parking spaces on site	Granted on 19/06/2018
9/11/2018	PA/08580/18	Renewal of PA/0856/02 Construction of multi purpose development (residential and commercial) and the restoration of Villa Fieres, including internal alterations, the construction of a lift and the reinstatement of dismantled portico.	Granted on 09-11-2018
9/09/2019	PA/00502/19	Proposed signage on façade including fascia sign over glazed apertures and digital signage as feature if façade.	Granted on 18-02-2020
06/03/2019	PA/1607/19	Proposed extension of penthouse level and construction of two additional office levels (class 4A0 in line with governing policies	Refused on 15-01-2020

06/03/2019	PA/01707/19	Proposed renovation/upgrading works to include as follows. Change of use of the existing residential use to Class 4D including change of use of the relative grounds to Class 4D to allow for outdoor seating areas. Construction of a Class 4D unit with level access to Ix-Xatt ta' Spinola. Construction of two levels of storage and kitchen facilities ancillary to the proposed class 4D uses on site. All new structures to be constructed beneath the ground floor level of the villa and to follow the existing contours of the site. Construction of a lightweight staircase structure and panoramic lift at the rear of the villa to render all levels accessible from street level.	Granted on 10/11/2020
06/07/2020	PA/07107/20	To sanction changes in facade (in detail and sizing/ location of apertures as built)	Granted on 04/12/2020

The property is in accordance with planning regulations and there is no active enforcement on the building.

vii. **Assumptions**

- This valuation assumes that all pending planning application submitted for the St. Julian's Business Centre shall eventually be approved.
- Construction costs to date have been obtained from actual expenditures incurred as provided by the directors of Central Business Centres plc

-
- Apart from other costs such as financial, letting commission and other ancillary costs, the assumed cost of construction for the remaining works have been taken at market rate.
 - There is no material contravention of statutory requirements.
 - Prices arrived at are based on the market trends since the original valuation was carried out.
 - Rental value of office space in Sliema Area has been taken at a conservative estimate of 250 Euro/sq. meter.

viii. Valuation

The estimated total cost on completion including, without limitation, the cost of financial carrying charges, letting commissions and other ancillary costs, its capital value at current prices and on the basis of the recorded income for 2020 of €555,000 at a 58% occupancy, I estimate the value at fifteen million Euro (€15,000,000). Once the Villa is completed, I estimate the value at twenty million Euro (€20,000,000).

There is no intra-Group lease on the property.


It is the considered opinion of the undersigned that there are no other matters which materially affect and considers relevant to the value of the property other than those taken into consideration in this evaluation.

Whilst I consider this valuation both reasonable and defensible, but may be different to what other valuers may propose, it is being submitted without prejudice to the party to whom it is being addressed and no responsibility is accepted or implied to third parties to whom it may be disclosed without my consent. In particular, I advise that no liability is accepted in contract, tort (including negligence or breach of statutory duty) restitution or otherwise, in respect of direct loss of profit, any indirect, special or consequential loss whatsoever, however caused including, without limitation, loss of profit, loss of business, loss of goodwill, loss of use of money and loss of opportunity.

Whilst I hereby give my consent for the disclosure of this valuation report in the prospectus of Central Business Centre plc, neither the whole nor any part of this valuation, nor reference thereto, may be included in any other published document without my prior written approval for the context in which it may appear in conformity with standard practice.

This is to confirm that this valuation has been carried out in accordance with the guidelines of the "Valuation Standards for accredited Valuers." published by the Kamra tal-Periti and the Royal Institution of Chartered Surveyors ("RICS")

I hereby confirm that this valuation includes anything that needs to be included and that no assumptions were taken except those listed in this valuation.



JOE CASSAR BA (Arch) B.Arch (Hons) MSc A & CE

02/09/2021
Date

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*The Board of Directors
Central Business Centre p.l.c.*

Cortis Group,

Cortis Buildings,

Mdina Road,

Zebbug, Malta

2nd September 2021.

Zebbug Central Business Centre

i. Introduction

The undersigned architect and civil engineer have been instructed to issue a valuation report drawn up with respect to the following property:

ZEBBUG CENTRAL BUSINESS CENTRE, MDINA ROAD, ZEBBUG

I have prepared this valuation as an independent value. I confirm that there is no conflict of interest in preparing this valuation report, since I, or my practice will not benefit from the valuation exercise other than the valuation fee. As a warranted architect in terms of section 7 (3) of the architecture and civil engineering professionals (Periti) Act 1996, I have been involved in numerous valuations for public and private companies and for individual clients.

ii. Basis of Valuation

The basis of this evaluation is to arrive at the open market value of the Property in its present existing state.

The market value is the amount in monetary terms that the property is expected to realize when offered for sale on the open market by a willing seller, who after giving proper marketing, brings to the attention of a willing buyer, the said property in an arm's length transaction wherein the parties had acted knowledgeable, prudently and without compulsion.

iii. Purpose of this valuation

The purpose of this report is for inclusion with the Prospectus in accordance with chapter 7 of the Capital Markets Rules of the Malta Financial Services Authority.

iv. Data Consulted

This valuation relies on information provided by the directors of Central Business Centres plc as well as the data which was collected at the time when the original evaluation was carried out. These included:

- a) Valuation carried out by Perit Anthony Fenech Vella together with all the information researched by the said Perit in arriving at his valuation. The said valuations were carried out during the period October/November 2014;
- b) Planning Permits, of which there are no new permits since the previous valuation;
- c) Construction and finishing costs;
- d) Annual maintenance costs;
- e) Anticipated long term replacement costs of worn out elements;
- f) Expected letting streams of letting prices.

v. Inspections

For the purpose of this valuation a site inspection was carried out on the 23rd of August 2021.

vi. Description of the property

The Zebbug Central Business Centre, constructed approximately 13 years ago, was acquired by Central Business Centres plc in 2014. It is located at Mdina Road c/w Triq Mikelang Sapiano Zebbug. It lies on a prominent site facing a major road and at the intersection with the road leading to Attard. The site covers a footprint of 586m² and is built on seven levels. The footprint of the various levels is indicated below.

Level -2 586m² (used as parking)

Level -1 586m² (used as parking)

Level 0 440m²

Intermediate level 263m²

Level 1 482m²

Level 2 482m²

Penthouse 282m²

Level 0, Intermediate, 1, 2 and penthouse level are all used as office spaces giving a gross floor area of approximately 1509m² (one thousand five hundred and nine square metres).

The present annual income of the leased property amounts to one hundred and seventy thousand Euro (€170,000).

The premises is leased out, with 100% occupancy with the hereunder standard lease conditions as confirmed by the directors of Central Business Centres Limited.

- A rent (€102 per square meter base) payable monthly/quarterly (lessee option) in advance, with an increase of 5% every three years;
- The existing contracts were drawn up such that the first 3-5 years bound the Lessee to pay the rent for the lease whether or not they used the premises ("di fermo"). The remaining number of years (up to a total of 15) are non-binding and the lessee may opt to stop renting the property after notifying the lessor 3 months in advance ("di rispetto"). Currently all lease contracts are in this secondary phase.

- A maintenance fee of 10% of rents, payable with the rent that the Lessor uses for the common areas and the external façade upkeep;
- Utilities cost are invoiced to the Lessee on an as per use basis;
- Ordinary maintenance is at Lessee's expense, while maintenance of an extraordinary nature is at Lessor's expense.

With reference to Capital Markets Rule 7.10 currently the premises at Zebbug is 100% rented out (full occupancy) with a total net annual rental income of Eur 170,000.

There are no registered mortgages and privileges and other charges, emphyteutic concessions, easements and other burdens except what is stated in this property description.

The site has been the subject of various planning applications.

Date	PA No.	Request	Remarks
15/02/94	655/94	Studio (timber structure) at 1 st floor and swimming pool in front garden	Application approved 03/10/94
10/03/99	1254/99	To demolish existing building and erect a mixed development including commercial and residential	Request granted at reconsideration stage on 03/12/01
15/10/02	5747/02	To demolish existing building and erect offices and showroom as per outline permit	Request for reconsideration granted overlooking the original decision on 20/01/04
25/08/05	5324/05	To erect additional floor PA5747/02 and carry out minor internal amendments to approved plans including lift, fire escape and parking layout.	Granted at reconsideration stage on 08/01/08
06/12/05	7728/05	To sanction commercial development as built including roofing over part of basement, internal alterations and higher floors at first & second floors	Granted at appeal stage on 25/07/08. https://www.eprt.org.mt/en/search-details?cno=00156&cyr=06
23/12/10	5501/10	To sanction an additional third floor level together with internal alterations especially around lift well which have been carried out during construction together with an	Approved on 05/06/12

		increase in parking spaces from 26 to 27 including 2 for disabled (a change of use to the second floor level is being vetted in PA 1045/11)	
08/07/11	1045/11	To carry out internal alterations to existing commercial building approved in PA7728/05 and PA5324/05 & change of use of part of second floor level office to training area in use of software	Approved on 05/06/12
05/02/15	1335/15	To sanction change of use of ground & intermediate floor levels from showroom to class 4A offices & fixing of illuminated sign in front garden.	Application approved on 23/10/2015

Building as existing is generally in line with PA1335/15. It has been in operation since June 2011. There is no active enforcement notice on the building.

Finishes are of a high standard and show very little sign of wear and tear. The façade is clad in a curvilinear curtain wall system providing an iconic feature to the building. Services include lift and utilities on each floor. Premises are accessible to all.

Property is freehold.

The property was acquired in 2014 by the company and this valuation is being requested in view that the company is seeking further funding for new acquisitions as listed in the prospectus.

The property is free and unencumbered from any debts and liabilities.

vii. **Valuation**

It is the considered opinion of the undersigned that after having taken all factors as demanded by my profession, I estimate the present capital value in its present state of the Zebbug Central Business Centre at the date of this report at four million Euro (€4,000,000).

There is not intra-Group lease on the property.


It is the considered opinion of the undersigned that there are no other matters which materially affect and considers relevant to the value of the property other than those taken into consideration in this evaluation.

Whilst I consider this valuation both reasonable and defensible, but may be different to what other valuers may propose, it is being submitted without prejudice to the party to whom it is being addressed and no responsibility is accepted or implied to third parties to whom it may be disclosed without my consent. In particular, I advise that no liability is accepted in contract, tort (including negligence or breach of statutory duty) restitution or otherwise, in respect of direct loss of profit, any indirect, special or consequential loss whatsoever, however caused including, without limitation, loss of profit, loss of business, loss of goodwill, loss of use of money and loss of opportunity.

Whilst I hereby give my consent for the disclosure of this valuation report in the prospectus of Central Business Centre's plc, neither the whole nor any part of this valuation, nor reference thereto, may be included in any other published document without my prior written approval for the context in which it may appear in conformity with standard practice.

This is to confirm that this valuation has been carried out in accordance with the guidelines of the "Valuation Standards for accredited Valuers." published by the Kamra tal-Periti and the Royal Institution of Chartered Surveyors ("RICS")

I hereby confirm that this valuation includes anything that needs to be included and that no assumptions were taken except those listed in this valuation.



JOE CASSAR BA (Arch) B.Arch (Hons) MSc A & CE

02/09/2021
Date

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*The Board of Directors
Central Business Centre p.l.c.
Cortis Groups,
Cortis Buildings,
Mdina Road,
Zebbug, Malta.*

2nd September 2021

Cortis Buildings, Mdina Road, Zebbug

i. Introduction

The undersigned architect and civil engineer have been instructed to prepare an evaluation of the Property termed "Cortis Building", Mdina Road, Zebbug hereafter termed "the Property".

I have prepared this evaluation as an independent valuer. I confirm that there is no conflict of interest in preparing this evaluation report, since I, or my practice will not benefit from the evaluation exercise other than the valuation fee. As a warranted architect in terms of section 7 (3) of the architecture and civil engineering professionals (Periti) Act 1996, I have been involved in numerous evaluations for public and private companies and for individual clients.

ii. Basis of Evaluation

The basis of this evaluation is to arrive at the open market value of the Property in its present existing state.

The market value is the amount in monetary terms that the Property is expected to realize when offered for sale on the open market by a willing seller, who after proper marketing, brings to the attention of a willing buyer the said Property in an arm's length transaction wherein the parties had acted knowledgeable, prudently and without compulsion.

iii. Purpose of this evaluation

The purpose of this evaluation is twofold;

1. The purpose of this report is for inclusion with the Prospectus in accordance with chapter 7 of the Capital Markets Rules of the Malta Financial Services Authority.
2. To arrive at the open market value of the property in its existing state at the date of valuation and the estimated present capital value at current prices and on the basis of current market conditions, which valuation is to be accepted as the purchase price and the selling price binding both the buyers and the sellers after both the buyers and sellers mutually agreed to the appointment of architect Joe Cassar to carry out this valuation.

iv. Data Consulted

This evaluation relies on information provided by the directors of Central Business Centres plc as well as the following data which was collected at the time when the original valuation was carried out. These included

- a) Deeds of title;
- b) Property surveys presented by Central Business Centres plc;
- c) Planning Permits have been brought up to-date;
- d) Construction and finishing costs;
- e) Annual maintenance costs;

- f) Anticipated long term replacement costs of worn out elements;
- g) Expected revenue streams of letting prices;
- h) Financial feasibility studies;
- i) Phasing of the project and programme for development

The Notary Public is Dr. Pierre Attard LLD.

v. **Inspections**

For the purpose of this evaluation a site inspection was conducted on the 23rd August 2021.

vi. **Description of the Property**

The Property being evaluated comprises a group of buildings with commercial and industrial uses located at Mdina Road, Zebbug. Mdina Road is one of the busiest arterial roads providing easy access from both the North and South areas of Malta. Being easily accessible and centrally located the premises offers a number of advantages.

The site on which the Property is situated is located outside the limits of development of Zebbug, within an area of Containment. The present building footprint is 2095m² which is approximately 14% site coverage.

The North and East areas around the site are characterized by agricultural land with irregular mixed ribbon development situated on Mdina Road. The site slopes down away from Mdina Road towards the Northern area.

An electricity sub-station also exists on the Southern periphery of the site, adjacent to the small car park and next to the existing showroom.

The total site area covers approximately seven thousand, four hundred and fifty three (7,453) square metres. For the purpose of this evaluation, the Property has been split up into three

areas namely Area A and Area C. Area B does not form part of this evaluation as it still belongs to SMW Cortis Ltd.

I have been informed by the directors of Central Business Centres plc that all hypothecs have been removed.

There is no material contravention of statutory requirements.

There is no intra-Group lease on the property.

It is the considered opinion of the undersigned that there are no other matters which materially affect and consider relevant to the value of the property other than those taken into consideration in this evaluation.

To my knowledge there are no registered mortgages and privileges and other charges, real right thereon emphyteutic concessions, easements and other burdens

There are no leases, sub-leases and/or repairing obligations related to the premises.

AREA A

The group of buildings presently existing on site are located in this area. The approximate age of the factory is 39 years and the showroom/hall 34 years.

The building fronting Mdina Road comprises a three storey building with one level beneath the level of Mdina road. Due to the topography of the site, this level is accessed directly from the back of the building site.

This Building comprises:

Level -1 – Store measuring approximately seven hundred and ten (710) square metres.

Ground floor – Split level showroom measuring approximately seven hundred and ten (710) square metres

1st Floor – Hall measuring seven hundred and ten (710) square metres originally used as a Wedding Hall

At the back of the above building lies what was originally a factory. This measures approximately one thousand, fifty nine (1059) square metres.

The above building and adjacent land sited on Area A measures approximately four thousand five hundred and thirty three (4533) square metres.

The land was originally acquired by SMW Cortis Ltd on the 16th May 1984 as per deed in the records of Notary John Bisazza and is subject to all the terms and conditions contained in the deed otherwise free and unencumbered, therefore this property is freehold.

Property is registered in the name of SMW Cortis Ltd with land registration title 10091 which replaced the original title 07001059.

Central Business Centres plc has, on the 14th July 2017, purchased the property from SMW Cortis Ltd described as Area A.

Area C

Property C measures approximately two thousand nine hundred and twenty square metres (2920m²).

It is bounded on the West by H'Attard Road, on the East by road known as Triq il-Qadima Attard and partly by a mill room property of unknown persons, on the South by Triq l-Imdina and on the North by an unnamed public road.

SMW Cortis Ltd. had originally acquired the temporary utile dominium of the remaining period of one hundred and fifty (150) years which commenced on the 7th day of December of the year one thousand nine hundred and ninety as acquired by the deed in the records of Notary John Bizazza of the seventh day of December of the year one thousand nine hundred and ninety. (07/12/1990).

Property is subject to a temporary ground rent of twenty three Euro and twenty nine cents (€23.29) per annum. This ground rent may be redeemed for the price of four hundred and sixty five Euro and eighty-seven Euro cents and thereby all conditions contained in the deed of acquisition shall be cancelled and the property will be free and unencumbered.

Property C is registered in the Land Registry in the name of SMW Cortis Ltd with Land Certificate Title 10092 which replaced the original title 07004126

The client is currently in discussions with the Lands department to redeem the emphyteusis on the site.

Central Business Centres plc has, on the 14th July 2017 purchased the property from SMW Cortis Ltd acquired the property described as Area C.

vii. Planning Permits

There has been no planning application other than those shown in the original estimate however for completeness sake they have been included in this evaluation.

The site has been included within the containment area outlined in plan AC3 of the South Malta Local Plan approved in August 2006. It is also covered by the following planning permissions.

REF	PERMIT	DESCRIPTION	APPROVED	VALID TO
1	PB 4449/81/3810/81	Erect workshop & offices	03/09/1981	03/09/1982
2	PB 3250/82/3810/81	Erect workshop, offices & showroom as per amended plans	08/07/1982	08/07/1983
3	PB 1889/87/87/3810/81	To erect first floor	24/04/1987	24/04/1987

4	PB 1889/87/87/3810/81	To erect boundary wall	22/11/1991	22/11/1993
5	PB 1889/87/87/3810/81	To erect boundary wall as per fresh Plans	05/11/1992	05/11/1994
6	PA 02523/92	To extend existing factory & warehouse – Appealed but refused	Refused	
7	PA 04232/93	Renewal to erect boundary wall	09/11/1997 by Appeal https://www.eprt.org.mt/en/search-details?cno=00511&cyr=97	09/11/2002
8	PA 06470/02	Outline 'To extend factory as per Appeals decision in PA2523/92' Non executable permit 'To extend existing factory to include 2 levels of parking. Present uses to be retained but existing rooms to be demolished Full development 'To	10/12/2007	14/03/2013

		extend factory as per Appeals decision in PA2523/92' Non executable permit 'To extend existing factory to include 2 levels of parking. Present uses to be retained but existing rooms to be demolished		
9	PA 00525/10	To extend existing factory to include two levels of storage extend parking segregated industrial loading/unloading area, improve access to site and re routed to Attard road and include landscaping. Present uses to be retained but existing rooms to be demolished.	02/10/2014	26/11/2019
10	PA 04039/16	Modifications to existing building & change its use	21/06/2017	05/07/2025

		from showroom with offices & wedding hall to Class 4A offices and apply design treatment to facade to improve aesthetic & increase energy efficiency		
11	PA 09720/19	Renewal of PA 00525/10 - To extend existing factory to include two levels of storage, extend parking-segregated industrial loading/unloading area. Present uses to be retained but existing rooms to be demolished.		Recommendation is to Grant
12	PA 01292/19	Demolition of all existing structures, excavation of basement level and reservoirs, and construction of basement mixed use	26/08/2021	TBA

		(Commercial 4B and Light Industry 5A), underground car park and surface parking, all with a different layout from that approved in permission PA/525/10 to include a ground floor supermarket.		
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On 27/10/15 PA/4039/16 was submitted and subsequently approved for "Modifications to existing building & change its use from showroom with offices & wedding hall to Class 4A offices and apply design treatment to facade to improve aesthetic & increase energy efficiency"

This permit has not been utilized and the client does not foresee that they will be utilizing it in the near future.

It is to be noted that permit No. PA525/10 includes a parcel of land located between Areas A and Area C. Central Business Centres plc or SMW Cortis Ltd intend submitting an application with the relevant authorities for a minor amendment to the approved development so as to limit development to Areas A and C only.

viii. **Proposed development**

The latest application is for the following: :

- i) Demolition of existing structures,
- ii) excavation of basement mixed use (Commercial 4B and light Industry 5A) underground car park and
- iii) surface parking.

iv) include a ground floor supermarket

With reference to Capital Markets Rule 7.7 the property is held for future development:

- Approved permit PA1292/19 for construction of basement mixed use (Commercial 4B and Light Industry 5A), underground car park and surface parking, all with a different layout from that approved in permission PA/525/10 to include a ground floor supermarket.
- Development is expected to commence November 2021;
- In terms of the cost of development Central Business centres plc will not be paying for the development as this will be undertaken by Lidl who are taking over the property.

Areas taken from DPA report

Permit 1292/19	
Floor Levels:	Proposed Uses:
Basement Level -2 (drawing 149B)	Reservoir (6000cu.m.) Fire reservoir (140cu.m.)
Basement Level -1 (drawing	92 car parking spaces (1 van space, 4 of which are accessible for all)

167A)

Paved circulation area for vehicles

Class 4A offices including sanitary facilities (ancillary to class 6A) – 143sqm

Class 4B area including sanitary facilities (ancillary to Class 6A) – 1281sqm

Class 5A workshop including sanitary facilities– 778sqm

Class 6A storage including sanitary facilities – 1245sqm

Un/loading bay – 64sqm

Fire escape route

Plant room – 55sqm

Store – 13sqm

Substation and switch room – 56sqm

Generator room – 46sqm

		2 staircases & lift	
Ground Floor Level (drawing PA 525/10/107D)	Retail (58sqm) Storage (1867sqm) Amenities (58sqm) Existing factory (1366sqm) Existing showroom (704sqm) 62 car parking spaces	Ground Floor Level (drawing 167B)	160 car parking spaces (1 van space and 4 of which are accessible for all) Fire escape route Supermarket – 2106sqm
First Floor Level (drawing PA 525/10/107E)	2 lift rooms staircase	Mezzanine Floor Level (drawing 167C)	Safe office/ Staff room/ Meeting room/ Changing rooms/ Sanitary facilities/ Server room/ Lift and staircase - 200sqm
		Roof Level (drawing 167C)	650 PV Panels – 2171sqm

ix. Assumptions

This evaluation assumes that:

1. A flexible method of construction is used for the proposed extension enabling the building to adapt to changing circumstances in the market.
2. Apart from other costs such as financial, letting commission and other ancillary costs, the assumed cost of construction as shown below:
 - *Construction in shell form* - 250 Euro/sq. metre
 - *Cost of internal finishing of storage areas/garage* - 100 Euro/sq. metre
 - *For other areas such as retail etc. cost of finishing including electrical & mechanical installation* - 700 Euro/sq. metre
 - *Landscaping area* - 100 Euro/sq. metre
3. Property is expected to take 24 months to be finished from commencement.
4. Prices arrived at are based on the market value of largely similar properties.

x. Evaluation

It is the considered opinion of the undersigned that after having taken all factors as demanded by my profession, I estimate the market value of the premises at seventeen million euro (€17,000,000)

With reference to Capital Markets rule 7.4.6 the above figure has been divided as follows:

Area A - €15,000,000 (Fifteen Million Euro) is the portion of the property which is freehold

Area C - €2,000,000 (Two Million Euro) has a ground rent which Central Business Centres Ltd is in discussions to have redeemed

It is the considered opinion of the undersigned that there are no other matters which materially affect the value of the property other than those taken into consideration in this evaluation.

Whilst I consider this evaluation both reasonable and defensible, but may be different to what other valuers may propose, it is being submitted without prejudice to the party to whom it is being addressed and no responsibility is accepted or implied to third parties to whom it may be disclosed without my consent. In particular, I advise that no liability is accepted in contract, tort (including negligence or breach of statutory duty) restitution or otherwise, in respect of direct loss of profit, any indirect, special or consequential loss whatsoever, however caused including, without limitation, loss of profit, loss of Business, loss of goodwill, loss of use of money and loss of opportunity.

Whilst I hereby give my consent for the disclosure of this evaluation report in the prospectus of Central Business Centre's plc, neither the whole nor any part of this evaluation, nor reference thereto, may be included in any other published document without my prior written approval for the context in which it may appear in conformity with standard practice.

This is to confirm that this valuation has been carried out in accordance with the guidelines of the "Valuation Standards for accredited Valuers." published by the Kamra tal-Periti and the Royal Institution of Chartered Surveyors ("RICS")

I hereby confirm that this valuation includes anything that needs to be included and that no assumptions were taken except those listed in this valuation.



JOE CASSAR BA (Arch) B.Arch (Hons) MSc A & CE

02/09/2021
Date

ANNEX II - PROMISE OF SALE

Promise of sale and purchase agreement entered into this the fifth day of May of the year two thousand and twenty one (05/05/2021) ("this Agreement"), between:

The Parties

Of the first part:

Martin Vella Pace, company director, <married/single>, son of Victor Joseph Vella and Doris nee Pace, born in Sliema on the 10/01/1971 and residing at Balzan, holder of identity card number 20671M and Gloria Beacom, company director, wife of Jonathan Beacom, daughter of Oscar Calleja Urry and Mary nee Pace, born in Sliema on the 17/04/1960 and residing at Zebbug, Malta, holder of identity card number 287360M who are together appearing on this Agreement in the name, for and on behalf of **CALTHON LIMITED**, a limited liability company registered in Malta with company registration number letter C five zero six one (C5061) and having its registered office at "Savoy Buildings", Republic Street, Valletta as duly authorised by virtue of the Memorandum and Articles of Association of the said Company; (in this Agreement **CALTHON LIMITED** is referred to as the "**Vendor**");
(Contact: 79223726 Email: savoymalta@gmail.com)

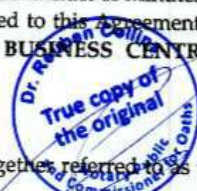
Of the second part:

Joseph Cortis, Chief Executive Officer, married, son of the late Emanuel Cortis and the late Maria nee' Ciantar, born in Zebbug, Malta on the 24/10/1956 and residing at Zebbug, Malta, holder of identity card number 712056M who is appearing on this Agreement in the name, for and on behalf of **CENTRAL BUSINESS CENTRES P.L.C** formerly called **CORTIS GROUP INVESTMENTS P.L.C**, a public limited liability company registered in Malta with company registration number letter C six five seven zero two (C65702) and having its registered office at Cortis Group, Cortis Buildings, Mdina Road, Zebbug, ZBG4211, Malta as duly authorised by virtue of a Certified Extract of Minutes of a Board Meeting of the Company which is being attached to this Agreement as document letter "AA" (in this Agreement **CENTRAL BUSINESS CENTRES P.L.C** is hereinafter referred to as the "**Purchaser**");
(Contact: 21466520 Email: jcortis@cortisgroup.com)

The Vendor and the Purchaser are in this Agreement together referred to as the "**Parties**".



1



Definitions

"Architect" means the architect appointed by the Purchaser.

"Plans" means the eleven (11) plans attached to this deed marked as documents letters "A", "B", "C1", "C2", "D", "E", "F", "G", "H", "I" and "J" which consist of;

Document A – the plan of the Façade when one looks at the Building from Republic Street, Valletta;

Document B– the plan of the Façade when one looks at the Building from Saint John Street, Valletta;

Document C1 – the floor layout plan of the Lower basement level of the Building situated at Level Minus Two (-2);

Document C2 – the floor layout plan of the Upper basement level of the Building situated at Level Minus One (-1);

Document D – the floor layout plan of the Ground Floor Level of the Building situated at Level Zero (0);

Document E – the floor layout plan of the Intermediate Floor Level of the Building;

Document F – the floor layout plan of the First Floor Level of the Building situated at Level One (1);

Document G – the floor layout plan of the Second Floor Level of the Building situated at Level Two (2);

Document H – the floor layout plan of the Third Floor Level of the Building situated at Level Three (3);

Document I – the front elevation plan of the Building from Republic Street;

Document J – the side front elevation plan of the Building from Saint John Street;

"Building" means the complex of buildings mainly named the "Savoy Shopping Arcade" in Republic Street corner with Saint John Street, Valletta as outlined on the Plans and as including all its underlying land and subsoil and all its overlying roofs and airspaces, which Building is bounded on the south east by Republic Street, on the north east by Saint John Street and on the East by the Law Courts of Malta.

"Tenement Two hundred and Sixty Four (264)" means the shop/commercial premises situated at ground floor level, at level zero (0) and as having its own entrance from official number two hundred and sixty four (264), in Republic Street, Valletta, as excluding its underlying property and excluding its overlying property as currently rented out to Nicholas Young and Marthese Young, a copy

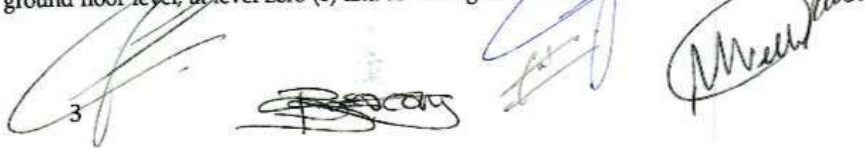
of the lease agreement attached to this Agreement marked as documents letter "S1". It is marked in blue and numbered two hundred and sixty four (264) on the plan attached to this deed marked as document "D".

"Tenement Two hundred and Sixty Five (265)" means the shop/commercial premises situated at ground floor level, at level zero (0) and as having its own entrance from official number two hundred and sixty five (265), in Republic Street, Valletta, and also from the common areas abutting onto number two hundred and sixty six (266), Republic Street and on the inside of the Building, as excluding its underling property and excluding its overlying property as currently rented out to Giovanni and Suzanne spouses Laurenti, a copy of the lease agreement attached to this Agreement marked as document letter "S2". It is marked in blue and numbered two hundred and sixty five (265) on the plan attached to this deed marked as document "D".

"Tenement Two hundred and Sixty Seven (267)" means the shop/commercial premises situated at ground floor level, at level zero (0) and as having its own entrance from official number two hundred and sixty seven (267), in Republic Street, Valletta, as well as having an entrance from the common areas abutting onto number two hundred and sixty six (266) Republic Street, Valletta, and on the inside of the Building, as excluding its underling property and excluding its overlying property as currently rented out to SAK Limited, a copy of the lease agreements attached to this Agreement marked as documents letter "S3" and "S4". It is marked in blue and numbered two hundred and sixty seven (267) on the plan attached to this deed marked as document "D".

"Tenement Eight (8), Nine (9) and Ten (10)" means the shop/commercial premises situated at ground floor level, at level zero (0) and as having its entrance from the common areas abutting onto number two hundred and sixty six (266), in Republic Street, Valletta, situated on the inside of the Building, as excluding its underling property and excluding its overlying property currently rented out to Melita Limited as per agreement attached to this Agreement marked "S5". It is marked in green and numbered eight (8), nine (9) and ten (10) on the plan attached to this deed marked as document "D". This Tenement eight (8), nine (9) and ten (10) also includes the tenement numbered eight (8), nine (9) and ten (10) on the intermediate level as marked on the plan attached to this Agreement marked as letter "E" and it also has its own interconnection from the ground floor to the intermediate floor.

"Tenement Twelve (12)" means the shop/commercial premises situated at ground floor level, at level zero (0) and as having its entrance from the common

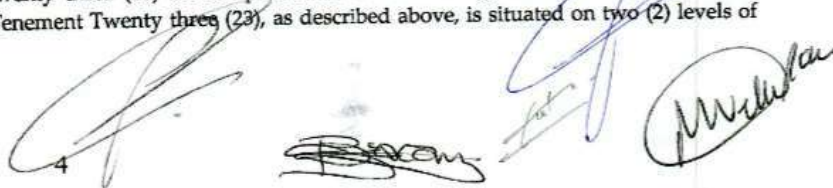
The image shows several handwritten signatures in black ink. On the left, there is a signature with the number '3' written below it. In the center, there is a signature that appears to be 'BACON'. To the right, there are two more signatures, one of which is a large, stylized signature that looks like 'M...'. There is also a circular stamp or mark near the bottom right signature.

areas abutting onto number two hundred and sixty six (266), in Republic Street, Valletta, situated on the inside of the Building, as excluding its underling property and excluding its overlying property as currently rented out to Anthony and Christine spouses Mac Kay as per agreement attached to this Agreement marked "S6". It is marked in green and numbered twelve (12) on the plan attached to this deed marked as document "D". This Tenement Twelve (12) also includes the tenement numbered twelve (12) on the intermediate level as marked on the plan attached to this Agreement marked as letter "E" and it also has its own interconnection from the groundfloor to the intermediate floor.

"Tenement Thirteen (13)" means the shop/commercial premises situated at ground floor level, at level zero (0) and as having its entrance from the common areas abutting onto number two hundred and sixty six (266), in Republic Street, Valletta, situated on the inside of the Building, as excluding its underling property and excluding its overlying property currently rented out to Melita Limited as per agreement attached to this Agreement marked "S5". It is marked in green and numbered thirteen (13) on the plan attached to this deed marked as document "D". For sake of clarity, it is being declared that Tenement Thirteen (13) at Intermediate floor level is not included in the lease agreement to Melita Limited.

"Tenement Fifteen (15)" means the shop/commercial premises situated at upper basement level, at level minus one (-1) and as having its entrance from the common areas abutting onto number one hundred and one (101), in Saint John Street, Valletta, situated on the inside of the Building in Valletta, as excluding its underlying land and overlying property, and is currently rented out to Britannia Services Limited as per agreement, a copy of which is being attached to this Agreement as document letter "S7". The said premises are marked in green and numbered fifteen (15) on the plan attached to this Agreement as "C2".

"Tenement Twenty Three (23)" means the shop/commercial premises situated at upper basement level, at level minus one (-1) including its underlying store/basement at level lower basement at level minus two (-2) and as having its entrance from the common areas abutting onto number one hundred and one (101), in Saint John Street, Valletta, as excluding its underlying land and overlying property, and is currently rented out to Alsons Limited as per agreements, a copy of which is being attached to this Agreement as documents letter "S8" and "S9". The said premises are marked in blue and numbered twenty three (23) on the plan attached to this Agreement as "C2". The said Tenement Twenty three (23), as described above, is situated on two (2) levels of



the Building, that is at level minus one (-1) and an interconnecting lower basement level at level minus two (-2).

"Tenement Twenty Five (25)" means the shop/commercial premises situated at ground floor level, at level zero (0) and as having its entrance from the common areas abutting onto number two hundred and sixty six (266), in Republic Street, Valletta, situated on the inside of the Building in Valletta, as excluding its underlying land and overlying property, and is currently rented out to Supreme Travel Ltd as per agreement, a copy of which is being attached to this Agreement as document letter "S10". The said premises are marked in green and numbered twenty five (25) on the plan attached to this Agreement as "D".

"Tenement Twenty Seven (27)" means the shop/commercial premises situated at upper basement level, at level minus one (-1) and as having its entrance from the common areas abutting onto number one hundred and one (101), in Saint John Street, Valletta, situated on the inside of the Building, as excluding its underlying land and overlying property, and is currently rented out to Cento Limited as per agreement, a copy of which is being attached to this Agreement as document letter "S11". The said premises are marked in blue and numbered twenty seven (27) on the plan attached to this Agreement as "C2".

"Tenement Twenty Eight (28)" means the shop/commercial premises situated at upper basement level, at level minus one (-1) and as having its entrance from the common areas abutting onto number one hundred and one (101), in Saint John Street, Valletta, situated on the inside of the Building in Valletta, as excluding its underlying land and overlying property, and is currently rented out to Cento Limited as per agreement, a copy of which is being attached to this Agreement as document letter "S12". The said premises are marked in green and numbered twenty eight (28) on the plan attached to this Agreement as "C2".

"Tenement Thirty One (31) and Thirty Two (32)" means the shop/commercial premises situated at level one (1) being the First Floor Level, and as having its entrance from the common areas abutting onto number two hundred and sixty six (266), Republic Street, Valletta, and on the inside of the Building, as excluding its underlying property and excluding its overlying property as currently rented out to Edwin and Roseanne spouses Mizzi according to the lease agreements, a copy attached to this Agreement marked as documents letter "S13" and "S14". It is marked in blue and numbered thirty one (31) and thirty two (32) on the plan attached to this Agreement marked as document letter "F".

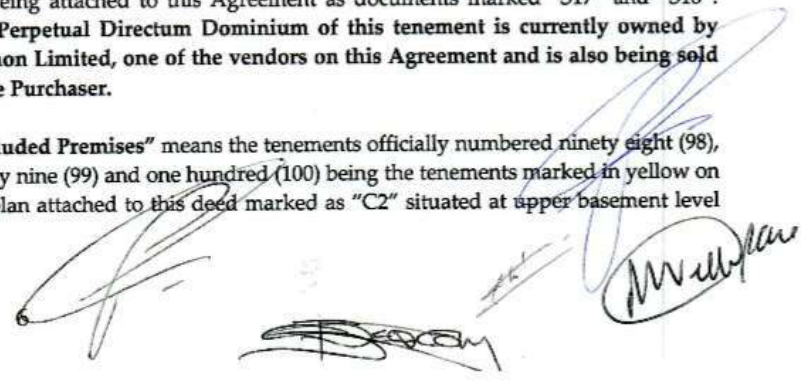


"**Tenement Ninety Seven (97)**" means the premises/garage situated at upper basement level, at level minus one (-1) and as having its entrance from Saint John Street, Valletta. This premises/garage also includes the substation situated within the said property. It is marked in green and numbered ninety seven (97) on the plan attached to this Agreement as "C2" and includes its underlying interconnected basement and the interconnected room at level minus one (-1) and also at level minus two (-2) accessible from a stairwell within the same property as outlined in plan attached to this Agreement marked as document "C1".

"**Tenement Twenty Two (22)**" means the shop/commercial premises situated at upper basement level, at level minus one (-1) and as having its entrance from the common areas abutting onto number one hundred and one (101), in Saint John Street, situated on the inside of the Building in Valletta, as excluding its overlying property and including its underlying land, and is marked in red and numbered twenty two (22) on the plan attached to this deed marked as document "C2". This Tenement Twenty Two (22) was transferred to D'Amato Bros Limited by virtue of two (2) deeds both in the Records of Notary Tonio Spiteri a copy of the deeds are being attached to this Agreement as documents "S15" and "S16".

"**Tenement one hundred and one letter "B" (101B)**" means the shop/commercial premises situated at upper basement level, at level minus one (-1) and as having its entrance onto Saint John Street (therein numbered one hundred and one letter "B" (101B)) and also from the common areas abutting onto number one hundred and one (101), in Saint John Street, and on the inside of the Building in Valletta, as excluding its overlying property and including its underlying land. The said premises are marked in red and numbered one hundred and one letter "B" (101B) on the plan attached to this Agreement as "C2". This tenement one hundred and one letter "B" (101B) was transferred to Cento Company Limited by virtue of two (2) deeds of perpetual emphyteusis in the Records of Notary Peter Fleri Soler and Notary Joseph Henry Saydon which copies of such deeds are being attached to this Agreement as documents marked "S17" and "S18". **The Perpetual Directum Dominium of this tenement is currently owned by Calthon Limited, one of the vendors on this Agreement and is also being sold to the Purchaser.**

"**Excluded Premises**" means the tenements officially numbered ninety eight (98), ninety nine (99) and one hundred (100) being the tenements marked in yellow on the plan attached to this deed marked as "C2" situated at upper basement level

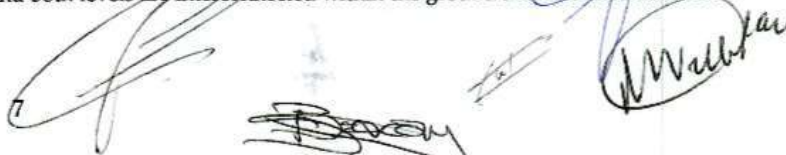


minus one (-1), these are excluded from the sale subject to this Agreement. These three (3) premises have their own separate entrances abutting onto Saint John Street, Valletta. These premises underlie the Building property of the Vendors and they include their underlying land and are property of third parties, and therefore are excluded from this sale. The Vendors declare that they have never owned these properties.

"Tenement Two hundred and Sixty Eight (268)" means the shop/commercial premises situated at ground floor level, at level zero (0) and as having its own entrance from official number two hundred and sixty eight (268), in Republic Street, Valletta, and also from the common areas abutting onto number two hundred and sixty six (266), Republic Street and on the inside of the Building, as excluding its underling property and excluding its overlying property. It is marked in red and numbered two hundred and sixty eight (268) on the plan attached to this Agreement marked as document letter "D". Tenement Two hundred and Sixty Eight (268) is excluded from this sale as it was transferred to Esquire limited by virtue of three (3) deeds in the Records of Notary Tonio Spiteri, a copy of these deeds are being attached to this Agreement as documents letter "S19", "S20" and "S21".

"Tenement Seven (7)" means the shop/commercial premises situated at ground floor level, at level zero (0) and the level above being the intermediate level and as having its entrance from the common areas abutting onto number two hundred and sixty six (266), Republic Street and on the inside of the Building, as excluding its underling property and excluding its overlying property. It is marked in red and numbered seven (7) on the plans attached to this Agreement marked as documents letter "D" and "E" and both levels are interconnected within the ground and intermediate floor levels. Tenement Seven (7) is excluded from this sale as it was transferred to Ages limited by virtue of three (3) deeds in the Records of Notary Tonio Spiteri, Notary Joseph Brincat and Notary John Patrick Hayman, a copy of these deeds are being attached to this Agreement as documents letter "S22", "S23" and "S24", and "S27".

"Tenement One (1), Two (2) and Three (3)" means the shop/commercial premises situated at ground floor level, at level zero (0) and the level above being the intermediate level and as having its entrance from the common areas abutting onto number two hundred and sixty six (266), Republic Street and on the inside of the Building, as excluding its underling property and excluding its overlying property. It is marked in red and numbered one (1), two (2) and three (3) on the plans attached to this Agreement marked as documents letter "D" and "E" and both levels are interconnected within the ground and intermediate floor

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levels. Tenement One (1), Two (2) and Three (3) is excluded from this sale as it was transferred to Marlex limited by virtue of two (2) deeds in the Records of Notary Tonio Spiteri and Pierre Cassar, a copy of these deeds are being attached to this Agreement as documents letter "S25" and "S26".

All the tenements abovementioned are as better described including all rights and obligations in the documents attached to this Agreement.

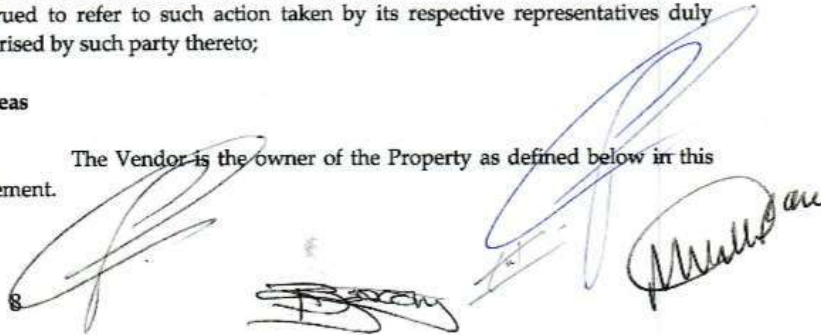
Interpretation

Unless the context of this Agreement otherwise requires, the following rules of interpretation shall apply to this Agreement;

- a. words in the singular shall be construed to include the plural, and words in the plural shall be construed to include the singular;
- b. words of any gender shall include the other gender;
- c. any reference to any law, statute, regulation, notification or statutory provision shall include any amendment, modification, supplement, consolidation, replacement or re-enactment thereof (as the case may be, whether before or after the date hereof), of any regulations promulgated thereunder from time to time, and of any interpretations thereof from time to time by any regulatory or administrative authority;
- d. any reference to any agreement, instrument, contract or other document shall include any amendment, and restatement, supplement or other modification thereto from time to time;
- e. any reference to any person shall include such persons successors and permitted assignees under any agreement, instrument, contract or other document;
- f. where an action is required by any party, reference to such party shall be construed to refer to such action taken by its respective representatives duly authorised by such party thereto;

Whereas

- 1. The Vendor is the owner of the Property as defined below in this Agreement.

The image shows four handwritten signatures in black ink. The first signature on the left is large and stylized. The second signature is smaller and more compact. The third signature is also large and stylized, overlapping the second. The fourth signature is smaller and appears to be a name written in a cursive script.

2. The Property excludes the following properties;
- a. The Excluded Premises;
 - b. Tenement Twenty Two (22);
 - c. Tenement One Hundred and One letter "B" (101B);
 - d. Tenement Two Hundred and Sixty Eight (268);
 - e. Tenement Seven (7);
 - f. Tenement One (1), Two (2) and three (3);and
 - g. **The Land underlying the Tenement Twenty Two (22), Tenement One Hundred and one letter "B" (101B) and the Excluded Premises.**

3. **The "Property" subject to this sale in accordance with this Agreement means the following:**

- a. Tenement Ninety Seven (97);
- b. Tenement Eight (8), Nine (9) and Ten (10);
- c. Tenement Twelve (12);
- d. Tenement Thirteen (13);
- e. Tenement Fifteen (15);
- f. Tenement Twenty Three (23);
- g. Tenement Twenty Five (25);
- h. Tenement Twenty Seven (27);
- i. Tenement Twenty Eight (28);
- j. Tenement Thirty One (31) and Thirty Two (32);
- k. Tenement Two Hundred and Sixty Four (264);
- l. Tenement Two Hundred and Sixty Five (265);
- m. Tenement Two Hundred and Sixty Seven (267);

n. All the underlying land (save for what is stated above) and all the overlying airspaces of the Building; and all other properties at all levels within the Building, including but not limited to all the common areas and all other areas within Level Minus One (-1), Level Zero (0), Intermediate Level, Level One (1), Level Two (2), Level Three (3), the roofs and airspaces. In that the areas included in the sale and in the definition of Property herein transferred are marked in yellow on the plans attached to this Agreement marked as documents "P1", "P2", "P3", "P4", "P5", "P6" and "P7". The areas marked in orange on these plans are excluded from this sale as defined above.

o. The Perpetual Directum Dominium of the Tenement one hundred and one letter "B" (101B) as marked in red on the plan attached to this

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Mr. M. J. Pace

Agreement marked "C2" as imposed by the deeds in the Records of Notary Peter Fleri Soler and Notary Joseph Henry Saydon hereinafter in this Agreement attached as documents marked "S17" and "S18".

4. The Vendor is willing to sell the Property to the Purchaser as defined in clause three (3) above, and the Purchaser is willing to purchase the Property as subject to this Agreement particularly as subject to clauses two (2) and three (3) above.

Promise of Sale and Purchase

1. Now therefore, by virtue of this Agreement the Vendor hereby promises and binds itself to sell and transfer to the Purchaser, which accepts and promises and binds itself to purchase and acquire the Property as subject to clause Two (2) and Three (3) above.

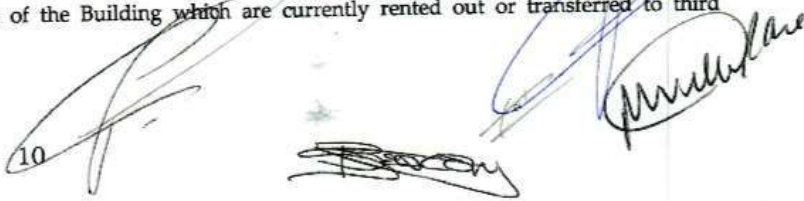
1.1 The Property includes all the properties that are listed in clause Three (3) above;

1.2 The Property shall be sold as free and unencumbered with all its rights, obligations and appurtenances;

1.3 The Property is subject to all the agreements/deeds attached to this Agreement marked as documents "S1" to "S26" both inclusive; and also document letter S number twenty seven "S27"

1.4 The Property is to be transferred as *talé quale* in the state and condition it is to be found today with all its rights and appurtenances;

1.5 Save as otherwise stated in this Agreement and/or in the documents attached to this Agreement, the Property shall be sold and purchased by the Purchaser as free and unencumbered, free from any burdens, ground-rents, easements, liabilities, servitudes, hypothecs, privileges, charges, cautions, free from third party rights, whether real or personal and of whatever type or nature, requisition orders, possession and use or any other form of expropriation, any rights in favour of the Government or any other public authority, enforcement orders and litigation and, save as otherwise stated in this Agreement, with immediate vacant possession in favour of the Purchaser on the final Deed of sale save for what is stated in this Agreement including the divided parts of the Building which are currently rented out or transferred to third

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parties as per documents attached to this Agreement marked as documents "S1" to "S16" and also document '27'

1.6 The Vendor promises and undertakes to obtain the release of the Property from all hypothecs, privileges and charges (if any) prior to or concurrently with the publication of the final Deed of sale and Purchase and this at its sole expense.

The Price

2.1 The Parties agree that the sale and purchase of the Property shall be made in consideration of the total price of Sixteen million five hundred thousand euro (EUR16,500,000) (in this Agreement referred to as the "Price").

2.2 The Parties agree that the Price shall be due and payable by the Purchaser to the Vendors as follows:

(a) the sum of one hundred and fifty thousand euro (EUR150,000) by way of deposit on account of the Price which sum is being paid now on this Agreement by the Purchaser to the undersigned Notary Dr. Roberto Cellini (hereinafter referred to as the "Deposit");

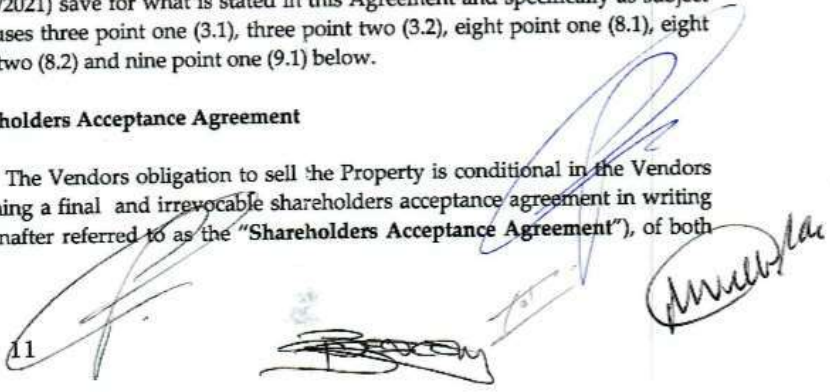
(b) the balance of the price, namely the sum of sixteen million three hundred and fifty thousand euro (EUR16,350,000) shall be paid by the Purchaser to the Vendor on account of the Price on the final deed of sale and purchase of the Property contemplated in this Agreement without interest (in this Agreement referred to as the "Deed") in accordance with all the terms and conditions of this Agreement in full and final settlement;

2.3.1 The Parties agree that the Deposit shall be retained by the undersigned Notary _____ in escrow and released to the Vendor by not later than the thirtieth day of July of the year two thousand and twenty one (30/07/2021) save for what is stated in this Agreement and specifically as subject to clauses three point one (3.1), three point two (3.2), eight point one (8.1), eight point two (8.2) and nine point one (9.1) below.

Shareholders Acceptance Agreement

3.1 The Vendors obligation to sell the Property is conditional in the Vendors obtaining a final and irrevocable shareholders acceptance agreement in writing (hereinafter referred to as the "Shareholders Acceptance Agreement"), of both

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Calthon Limited, the Vendor on this deed as well as Pace Brothers PLC (C253), which authorisation shall be in the form of a faithful extract of the minutes of a Resolution taken at an Extraordinary General Meeting of both companies, issued and signed by the respective company secretary, whereby the shareholders are irrevocably accepting and approving the sale of the Property as further described in this Agreement. This shall also include the irrevocable authorisation to proceed with the final deed of sale of the Property and the appointment of individuals who are authorised to appear on behalf of the Vendor on the final deed of sale and purchase in accordance with this Agreement.

3.2 The abovementioned documents (if successfully obtained) shall be delivered by the Vendor to Notary *Dr. Bruno Collini* and a copy to the Purchaser by not later than six (6) weeks from the date of this Agreement, that is to say by not later than the sixteenth day of June of the year two thousand and twenty one (16/06/2021).

3.3 Should the Vendor fail to obtain the abovementioned Shareholders Acceptance Agreement as stated above, the Parties shall appear on a termination agreement to terminate this Agreement and the Deposit shall be refunded in full to the Purchaser.

Warranties and Guarantees of the Vendor

4.1 On the final deed of sale and purchase the Vendor shall warrant and guarantee in favour of the Purchaser, the good title, peaceful possession and real enjoyment of the Property in accordance with law and for this purpose it shall grant to the Purchaser, on the final deed of sale and purchase, who accepts, a general hypothec on all its property present and future in general.

4.2 On the final deed of sale and purchase, the Vendor shall also, warrant and guarantee in favour of the Purchaser that:

- i. the legal title of the Vendor to the Property is in order and that the Property can be sold to the Purchaser as described in this Agreement without any further encumbrances, groundrents, or defect of the title.
- ii. that the Property is built in accordance to all planning authority building permits and is not in contravention of any building or sanitary laws and regulations;

iii. that the Property is structurally sound and is free from any debts, whether registered or otherwise, and that any architect fees, building permit fees, road and drainage contributions and contributions for the other services and utilities registered in the name of Pace Brothers PLC C253 (the Vendor declares there are no utilities registered in its name) situated within the Property, compensation for party walls and any fees and expenses due to contractors and suppliers for the construction and completion of the Property are paid and fully settled. No claims for payment may be brought against the Purchaser and the Vendor agreed to hold the Purchaser fully indemnified against any claims by any such person.

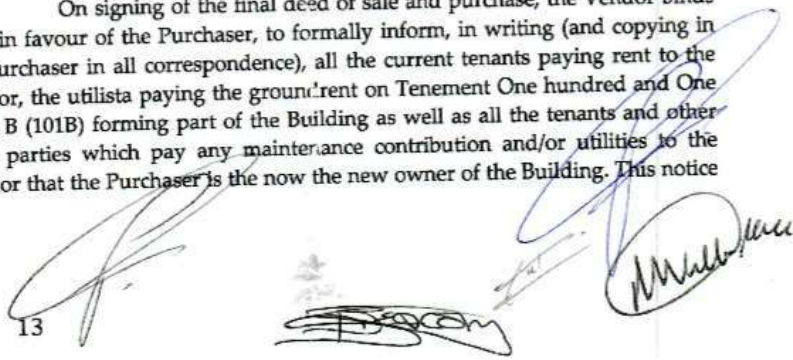
iv. that there are no proceedings pending or threatened, known or which should be known to the Vendor, in connection with and/or relating to the Property and that there are no circumstances, known or which should be known to the Vendor, which are likely to give rise to any litigation or arbitration.

v. the Property is free and unencumbered, free from any burdens, ground-rents, easements, liabilities, servitudes, hypothecs, privileges, charges, cautions, free from third party rights, whether real or personal and of whatever type or nature, requisition orders, possession and use or any other form of expropriation (that it is not aware of any actual or potential proceedings for expropriation), any rights in favour of the Government or any other public authority, enforcement orders and litigation and, and with immediate vacant possession in favour of the Purchaser on the final Deed of sale, save for what is stated in this Agreement and in any of the documents attached to this Agreement.

vi. the Vendor shall not file for voluntary winding up or liquidation thereof of the respective companies within the period of the term and validity of this Agreement or before the deed of sale of the Property.

Obligations related to the Current ongoing Business within the Building

5.1 On signing of the final deed of sale and purchase, the Vendor binds itself in favour of the Purchaser, to formally inform, in writing (and copying in the Purchaser in all correspondence), all the current tenants paying rent to the Vendor, the utilista paying the ground rent on Tenement One hundred and One letter B (101B) forming part of the Building as well as all the tenants and other third parties which pay any maintenance contribution and/or utilities to the Vendor that the Purchaser is the now the new owner of the Building. This notice

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shall be sent by not later than one (1) week from the date of the final deed of sale informing all parties that the Purchaser is the new owner.

All outstanding payments still due to the Vendor upto the final deed of sale and purchase shall be invoiced by and due and payable directly to the Vendor whereas all amounts due from the following day of the final deed of sale shall be invoiced and paid directly to the Purchaser.

Save for what is stated above, should there be any payments (whether by way of rent, groundrent or maintenance fees) still due to the Vendor for the period upto the final deed of sale and purchase, the Purchaser is hereby binding itself in favour of the Vendor to deliver any payments which it receives, which were due to the Vendor, for the period prior to the final deed of sale and purchase of the Property. Such payments shall be made *pro rata* for the period in which the Vendor was still the owner of the Property.

Save for what is stated above, the Vendor is reserving the right to deduct such payments still due up to the final deed of sale and purchase from the security deposits of the tenants which it currently holds.

5.2 The Vendor binds itself that, as from the date of signature of the final deed of sale and purchase, should it receive or have received before or after the final deed of sale and purchase any payments of whatever type or nature including the rent in advance, balance of or the security deposits, groundrent in advance, maintenance or repairs fees, utilities contributions related directly or indirectly to the Property being sold to the Purchaser, the Vendor undertakes now in this Agreement in favour of the Purchaser to fully indemnify and refund all such payments related to the Property directly to the Purchaser for any monies receivable by the Purchaser as the new owner of the Property as from the final deed of sale and purchase.

5.3 The Vendor binds itself to have an active insurance policy over the Property subject to this Agreement upto and including the final deed of sale and purchase. The Vendor shall after the final deed of sale and purchase, deliver to the Purchaser all documents/statements relating to the maintenance contributions/electricity or water metres statements/bills relating to the Property.

5.4 Upon the signing of the final deed of sale and purchase, the Vendor binds itself to terminate the administration and/or maintenance agreement/s which it currently has with Pace Brothers PLC relating to the Property being sold.

Roof and Airspace of the Building

6.1 The Vendor declares that there are no burdens or encumbrances, no third party right/s of whatever type or nature over the current roof and airspace and that there are no conditions restricting the further development and enjoyment of the current roof and airspace into additional floors and the further extension of the common areas of the Building.

6.2 The Vendor declares that the air-conditioning units and tv-ariel currently situated on the roof of the Building are there either by a contract or by a verbal agreement entered into between the Vendor and the respective tenant or third party owner.

Events of Default

7.1 In the event that the Purchaser fails to appear on the Final Deed or withdraw from this Agreement for no reason valid at law or this Agreement, the Purchaser agrees to forfeit the Deposit in favour of the Vendor as pre-liquidated damages agreed to between the parties hereon, which shall not be subject to abatement or mitigation by any court or tribunal and the Purchaser hereby expressly waives any right to such abatement or mitigation. The forfeiture of the Deposit in favour of the Vendor as aforesaid shall take place if prior to or on the Termination Date (as defined in Clause thirteen (13) below), the Vendor calls upon the Purchaser and informs the Purchaser by means of a judicial intimation to carry out the purchase of the Property in terms of this Agreement and this notwithstanding the Purchasers' failure to purchase the Property in terms of this Agreement. The retention of the Deposit as pre-liquidated damages in favour of the Vendor shall be in full and final settlement of all claims, damages and rights of the Vendor and in lieu of any other remedy and rights of action which the Vendor may have against the Purchaser as a result of such default after the Purchaser have been notified in accordance with this clause nine point one (9.1).

7.2 For the avoidance of doubt and notwithstanding the above the parties agree that the Deposit paid on this Agreement is a payment made on account of the Price and not earnest (kapparra). The obligation of the Vendor arising from this Agreement is to sell the Property in terms of this Agreement to the Purchaser and in case of default the Purchaser shall be entitled to sue for specific performance or for damages according to law up to the sum of one hundred and fifty thousand euro (EUR150,000).

7.3 Should the final deed of sale not be published for any reason contemplated in this Agreement or a reason deemed valid according to law, the Purchaser shall have the right to the immediate refund of the Deposit from Notary Dr. Peirce Collins if this default happens before the thirtieth day of July of the year two thousand and twenty one (30/07/2021) or by the Vendor if the Deposit has been released to the Vendor after the thirtieth day of July of the year two thousand and twenty one (30/07/2021). The Vendor, is now on this Agreement, binding itself to immediately return the Deposit to the Purchaser in such an event.

Conditions Precedent

8.1 The Purchaser shall have the unilateral right not to appear on the Deed without forfeiture, penalty or any liability and with the immediate refund of the Deposit from the Notary or the Vendor as contemplated above, in the event that it shall not raise at least Twenty Three Million euro (EUR23,000,000) in the two thousand and twenty one (2021) Bond Issue, prior to the thirty ^{first} day of December of the year two thousand and twenty one (30/12/2021) (as this term is defined hereunder).

8.2 In addition to any other just cause contemplated by law, the Purchaser's obligation to appear on the Deed is conditional to the following:

- a) that the legal title of the Property is in order and that the Property may be sold to the Purchaser with all their rights and appurtenances as agreed on this Agreement and that there is no defect in the title to the Property;
- b) save as otherwise stated on this Agreement, that the Property is free and unencumbered;
- c) that the Building is covered with a valid building permit and that it is built in accordance with this building permit;
- d) that the Vendor is not in breach of any of the warranties or guarantees contained in this Agreement or would be in breach in the event of the publication of the Deed;
- e) that the Property as described in this Agreement and that all information has been put forward to the Purchaser, under which the Purchaser has agreed to appear on this Agreement;

f) the Property is free and unencumbered, free from any burdens, ground-rents, easements, liabilities, servitudes, hypothecs, privileges, charges, cautions, free from third party rights, whether real or personal and of whatever type or nature, requisition orders, possession and use or any other form of expropriation (that they are not aware of any actual or potential proceedings for expropriation), any rights in favour of the Government or any other public authority, enforcement orders and litigation and, and with immediate vacant possession in favour of the Purchaser on the final Deed of sale save for what is stated in this Agreement and in any of the documents attached to this Agreement.

g) that the architect certifies the Building in accordance with clause nine point one (9.1) of this Agreement and this within eight (8) weeks from the date of this Agreement;

and, should any one of the aforesaid conditions not be fulfilled the Purchaser shall have the right not to appear on the Deed without forfeiture, penalty or any liability and with the immediate refund of the Deposit.

Architect Inspection

9.1 The Purchaser reserves the right, with the acceptance of the Vendor, to appoint an architect of its choice to inspect the Property within eight (8) weeks from the date of this Agreement to ensure and certify that the Building can structurally support an additional two storeys/floors, starting from the current floor level on the office level three (3) from Republic Street, Valletta. Should the architect's report state that the Property is not structurally sound to take the load of the development of a further two storeys or that the Property is not built with and according to the permits required by Law, the Purchaser reserves the right to withdraw from this Agreement without loss, and the Deposit immediately returned to the Purchaser by the Notary. In this case, if this right to withdraw is exercised by the Purchaser, a copy of such report shall be passed on to the Vendor at the expense of the Purchaser. Such report is to be completed within the said eight (8) weeks from today, that is to say by not later than the thirtieth day of June of the year two thousand and twenty one (30/06/2021).

9.2 For this purpose, the Vendor shall grant reasonable access to the architect engaged by the Purchaser and to his workers, designers, architects or similar professionals during the term of this Agreement as the need arises in

order to carry out the inspections required for the purposes of clause nine point one (9.1) above.

Utilities

10.1 Any pending bills and/or contributions relating to any services or utilities provided within the Property registered in the name of Pace Brothers PLC, including without limitation all water and electricity bills including rentals thereof up to the date of publication of the Deed including maintenance for all the common areas of the Building shall be duly paid and settled by the Vendor.

10.2 The Vendor shall provide all documents/receipts appertaining to any service/utilities registered in the name of Pace Brothers PLC and situated within the Property to the Purchaser showing that they have been paid and fully settled up to the date of the Deed of sale.

10.3 The Parties jointly and severally promise and undertake in favour of each other to sign all such documents and perform all such acts as may be reasonably required by the them such that each of the said services and utilities shall be registered in the name of the Purchaser or any person nominated by the Purchaser.

Registered Office Declaration of the Vendor

11.1 The Vendor on this Agreement hereby binds itself to change its current registered office address to a different location after the final deed of sale and purchase is signed.

Fees, Costs, Taxes and Duty

12.1 All fees and expenses, including notarial fees and Duty on Documents, relative to this Agreement and the Deed shall be borne by the Purchaser. The Purchaser is now on this Agreement paying the sum of one hundred and sixty five thousand euro (EUR165,000) to Notary Dr. Reuben Collins as partial stamp duty due on the sale of the Property to enable the Notary to register the said Agreement with the Department of Inland Revenue.

12.2 Income Tax or Capital Gains Tax, due pursuant to the sale of the Property shall be paid by the Vendor on the final deed of sale and purchase.

12.3 Each one of the Parties shall pay its own advisors.

12.4 The Parties declare that no estate agency fees or brokerage fees are due.

Term and Validity

13. The Vendor and the Purchaser agree that this Agreement shall remain valid and effective up to and including the thirtieth day of January of the year two thousand and twenty two (30/01/2022) (hereinafter referred to as the "Termination Date").

Registration of this Agreement

14. The parties authorise Notary Dr. Ruben Collins to register this Agreement with the Inland Revenue Department for the purposes required by law and to submit a true copy of this Agreement together with the said registration and for this purpose they hereby release Notary Dr. Ruben Collins from his obligations of confidentiality.

Energy Performance Certificate

15. For the purposes of the Energy Performance of Buildings Regulations of the year two thousand and twelve (2012), Legal Notice three hundred and seventy six of the year two thousand and twelve (L.N.376/2012), the Vendor binds itself to provide to the Purchaser the said Energy Performance Certificate in respect of the Property in accordance to law which they shall commission at its own expense.

Assignment and Substitution

16. The Purchaser reserves the right of assign its rights on this Agreement on the final deed of sale and purchase, in whole and under all the same terms and conditions.

Applicable Law

17. This Agreement and the final deed of sale and purchase shall be governed by the Laws of Malta.

Confidentiality

18.1 Each of the Parties to this Agreement shall at all times use their best endeavors and apply maximum discretion to keep confidential all information within this Agreement and information which they may acquire in relation to the process of this Agreement as well as the clients, business or affairs of the other Party especially those relating to the letting of the premises within the Property and that they shall not use or disclose such information except with the consent of that other Party or in accordance with the order of a court of competent jurisdiction.

18.2 The Purchaser binds itself that it shall in no way directly or indirectly contact or approach the tenants currently leasing premises within the Property or the owners situated within the Building, without the prior written consent of the Vendor during the term of this Agreement.

18.3 The obligations of each of the Parties contained in this clause eighteen (18) shall continue without limit in point of time but shall cease to apply to any information coming into the public domain otherwise than by breach by any such Party of its said obligations

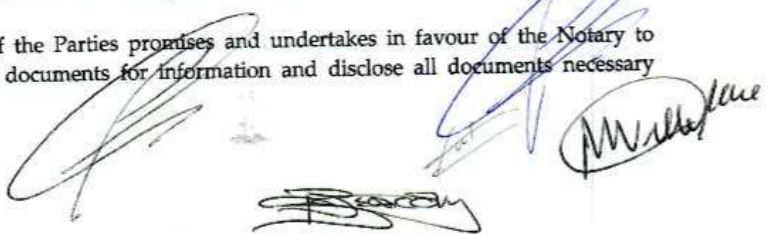
18.4 Provided that nothing contained in this clause shall prevent any Party from disclosing any such information to the extent required in or in connection with legal proceedings arising out of or in connection with this Agreement.

18.5 Provided further that nothing contained in this clause shall prevent the Purchaser to provide any information, if required, by the Malta Financial Services Authority (MFSA) since the Purchaser is a listed company and therefore has obligations and is answerable to MFSA as the listing authority of public companies.

Prevention of Money Laundering and Funding of Terrorism Provisions

Each one of the Parties declares that his/her particulars, including address and identification document numbers inserted in this deed are true and correct; the facts relating to the transaction as recorded in this deed are true and correct; s/he is not engaged in any criminal, money-laundering or terrorist funding activity and that the transaction does not involve funds and/or property that may have derived directly or indirectly from, or constitute the proceeds of criminal activity and that they are making these declarations after Notary Dr. Ruben Coltin, warned them of the importance of the truthfulness and correctness of their declarations and of the consequence in case of false or erroneous declarations.

Each one of the Parties promises and undertakes in favour of the Notary to provide all documents for information and disclose all documents necessary



which may be requested from time to time by the Notary in order to complete her obligations to prevent money laundering and funding of terrorism and they acknowledge that the failure of any of them to do so may impede or obstruct the publication of the deed.


GDPR

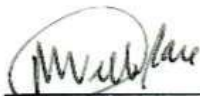
The Parties are aware that the Notary is to process the documents in respect of this Agreement and the final deed of sale, in terms of the **General Data Protection Regulation (GDPR)** (Regulation (EU) 2016/679), which is intended to strengthen and unify data protection for all individuals within the European Union. Notwithstanding same, the Parties authorise the Notary to address all matters relative to this Agreement in the manner which the Notary deems best fit and proper, even where such processing deviates from the said standard GDPR Regulation recommendations, and to forward copies of this Agreement and documents relative to it, to the Authorities and the Notary's bankers. The Parties exempt the Notary from the provisions of the GDPR in respect of the forwarding of documentation which is publicly available.

Attached is a list of documents marked with the letter "X" for signature by the Parties.

1^o adde: " is excluded from this sale as it"
① One word cancelled
② One word cancelled


Mr. Joseph Cortis
Obo Central Business Centres P.L.C. (the Purchaser)


Ms. Gloria Beacom
Obo CALTHON LIMITED
(the Vendor)


Mr. Martin Vella Pace
obo CALTHON LIMITED
(the Vendor)



Witness to Signatures and identity
Policy
01/07/20



SECURITIES NOTE

Dated 24 September 2021

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 Capital Markets Rule 4.14 of the Capital Markets Rules and contains information about the Bonds being offered by the Issuer pursuant to the Bond Issue. Application has been made for the admission to listing and trading of the Bonds of the Company 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 Company.

In respect of an Issue of:

€21,000,000 4% Unsecured Bonds 2033

of a nominal value of €100 per Bond issued at par
(due 10 November 2033, subject to early redemption at the option of the Issuer on any Early Redemption Date)

ISIN: MT0000881236

CENTRAL BUSINESS CENTRES PLC

A public limited liability company registered in Malta with company registration number C 65702

Legal Counsel



Mamo TCV Advocates

Sponsor, Manager & Registrar



Calamatta Cuschieri
Investment Services Limited

THIS SECURITIES NOTE HAS BEEN DRAWN UP AS PART OF A SIMPLIFIED PROSPECTUS IN ACCORDANCE WITH ARTICLE 14 OF THE PROSPECTUS REGULATION AND HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY, AS COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MALTA FINANCIAL SERVICES AUTHORITY ONLY APPROVED 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 ISSUER AND 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, 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, THE SUBJECT OF THIS SECURITIES NOTE.

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

Approved by the Directors

Joseph Cortis

in his capacity as Director of the Company

and for and on behalf of: Petramay Attard Cortis, Adriana Cutajar, Joseph M Formosa and Alfred Sladden

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IMPORTANT INFORMATION

THIS SECURITIES NOTE CONTAINS INFORMATION ON AN ISSUE BY THE COMPANY IN ACCORDANCE WITH THE REQUIREMENTS OF THE ACT, THE CAPITAL MARKETS RULES AND THE PROSPECTUS REGULATION. THIS SECURITIES NOTE CONTAINS INFORMATION ON AN ISSUE BY THE ISSUER OF €21,000,000 UNSECURED BONDS 2033 OF A NOMINAL VALUE OF €100 PER BOND ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 4% PER ANNUM PAYABLE ANNUALLY ON 10 NOVEMBER OF EACH YEAR UNTIL THE REDEMPTION DATE UNLESS THE COMPANY EXERCISES THE OPTION TO REDEEM ALL OR PART OF THE BONDS ON ANY OF THE EARLY REDEMPTION DATES. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON THE REDEMPTION DATE UNLESS OTHERWISE PREVIOUSLY REPURCHASED FOR CANCELLATION OR UNLESS OTHERWISE PREVIOUSLY REDEEMED AT THE OPTION OF THE ISSUER ON ANY OF THE EARLY REDEMPTION DATES.

AUTHORISED FINANCIAL INTERMEDIARIES MUST UNDERTAKE AN APPROPRIATENESS TEST AND, WHEN PROVIDING ADVICE IN RESPECT OF A PURCHASE OF THE BONDS, A SUITABILITY TEST, ON PROSPECTIVE BONDHOLDERS IN ORDER TO BE SATISFIED THAT THE BONDS ARE A SUITABLE INVESTMENT FOR THE RESPECTIVE CLIENT, PRIOR TO EXECUTING A PURCHASE OF THE BONDS. NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE COMPANY OR ITS DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SECURITIES OF THE COMPANY 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 COMPANY, ITS DIRECTORS OR ADVISERS. THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER BY ANY PERSON IN ANY JURISDICTION: (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED; OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THE PROSPECTUS AND ANY PERSONS WISHING TO ACQUIRE ANY SECURITIES ISSUED BY THE COMPANY TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES OF THE COMPANY ADMITTED TO TRADING ON THE MSE 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 OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE SECURITIES DESCRIBED IN THE SECURITIES NOTE OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED THE PROSPECTUS REGULATION ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF SAID REGULATION, THE SECURITIES CAN ONLY BE OFFERED TO "QUALIFIED INVESTORS" (AS DEFINED IN SAID 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 SAID REGULATION.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE MALTA FINANCIAL SERVICES AUTHORITY IN SATISFACTION OF THE CAPITAL MARKETS RULES AND TO THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS.

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

ALL THE ADVISERS TO THE COMPANY NAMED IN THE REGISTRATION DOCUMENT UNDER THE HEADING "ADVISERS AND STATUTORY AUDITORS" IN SECTION 5 OF THE REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE COMPANY 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 INFORMATION ON THE ISSUER'S WEBSITE DOES NOT FORM PART OF THE PROSPECTUS UNLESS THAT INFORMATION IS INCORPORATED BY REFERENCE INTO THE PROSPECTUS.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS. THIS SECURITIES NOTE IS VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE THEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO SUPPLEMENT THIS SECURITIES NOTE IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.

1. DEFINITIONS

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

Applicant/s	an applicant for the Bonds, either through the submission of an Application Form or through the subscription via an Authorised Financial Intermediary;
Application/s	the application/s to subscribe for the Bonds made by the Applicant/s;
Application Form/s	the forms of application for subscription for the Bonds;
Appropriateness Test	shall have the meaning set out in section 7.2 of this Securities Note;
Authorised Financial Intermediaries	the licensed stockbrokers and financial intermediaries as listed in Annex I 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;
CSD	the Central Securities Depository of the Malta Stock Exchange authorised in terms of Part IV of the Financial Markets Act (Cap. 345 of the laws of Malta), having its address at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Early Redemption Date/s	the 10 November of each of the years 2027-2032 (both years inclusive) subject to the Issuer giving the Bondholders at least sixty (60) Business Days' notice in writing;
Interest Payment Date	10 November of each year between and including each of the years 2022 and the year 2033, both years included, 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	the offer of Bonds to the Authorised Financial Intermediaries, either for their own account or for the account of underlying customers;
Issue Date	10 November 2021;
MiFIR	Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments;
Offer Period	the period between (and including) 6 October 2021 to 27 October 2021 during which the Bonds will be available for subscription;
Official List	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;
Redemption Date	10 November 2033;
Redemption Value	the nominal value of each Bond (€100 per Bond);
Sponsor, Manager & Registrar	Calamatta Cuschieri Investment Services Limited, Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta;
Suitability Test	shall have the meaning set out in section 7.2 of this Securities Note; and
Terms and Conditions	the terms and conditions of issue of the Bonds set out in sections 5 and 7 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 also the feminine gender and *vice-versa*;
- c. the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative; and
- d. the word “person” shall refer to both natural and legal persons.

2. RISK FACTORS

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 on the redemption date unless the Bonds are previously re-purchased and cancelled or redeemed in whole or in part on any one or more of the Early Redemption Dates.

An investment in the Bonds involves certain risks including those described below. Prospective investors should carefully consider, with their own independent financial and other 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. The sequence in which the risks below are listed is intended to be indicative of the order of priority and to the extent of their consequences.

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; or (ii) should be considered as a recommendation by the advisers to the Issuer or the Authorised Financial 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 the Bonds, should purchase any Bonds.

Accordingly, prospective investors should make their own independent 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 forward-looking statements are subject to a number of risks, uncertainties and assumptions and important factors that could cause actual risks to differ materially from the expectations of the Directors. No assurance is given that the future results or expectations will be achieved.

2.2 SUITABILITY OF THE INVESTMENT

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

- a) 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 in the Prospectus or any applicable supplement;
- b) 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 and that the Bonds meet the investment objectives of the prospective investor;
- c) understands thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- d) be able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

2.3 RISKS RELATING TO THE BONDS

- a. Status and ranking of the Bonds

The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt of the Issuer. Furthermore, subject to the negative pledge clause, 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.

b. Orderly and liquid secondary market

The impact of CoVID-19, and other infectious illness outbreaks that may arise in the future, could adversely affect the economies of many nations or the entire global economy, individual issuers and capital markets in ways that cannot necessarily be foreseen. The existence of an orderly and liquid market for the Bonds depends on a number of factors, including but not limited to the presence of willing buyers and sellers of the Bonds at any given time and the general economic conditions in the market in which the Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, 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 trade in the Bonds at all.

c. Early redemption of Bonds

Any or all of the Bonds may be redeemed by the Issuer on any Early Redemption Date on at least sixty (60) Business Days' prior written notice to the relevant Bondholders. Once the Bonds are redeemed the relevant Bondholders will no longer be entitled to any interest or other rights in relation to those Bonds. If Bonds are redeemed prior to the Maturity Date a Bondholder would not receive the same return on investment that it would have received if they were redeemed on the Maturity Date. In addition, Bondholders may not be able to re-invest the proceeds from an early redemption at yields that would have been received had they not been redeemed. This optional redemption feature may also have a negative impact on the market value of the Bonds.

d. Fixed interest rate

The Bonds shall carry a fixed coupon. Consequently, 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.

e. Currency of reference

A Bondholder will bear the risk of any adverse fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different. Such adverse fluctuations may impair the return of investment of the Bondholder in real terms after taking into account the relevant exchange rate.

f. Continuing obligations

After the Bonds are admitted to trading on the Official List of the MSE, the Issuer must remain in compliance with certain requirements. The Malta Financial Services Authority has the authority to suspend trading of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or of the integrity or reputation of the market. Furthermore, the Malta Financial Services Authority may discontinue the listing of the Bonds if, *inter alia*, it is satisfied that, owing to special circumstances, normal regular dealings in the Bonds are no longer possible, or upon the request of the Issuer or the MSE. Any such trading suspensions or listing revocations/discontinuations described above, could have a material adverse effect on the liquidity and value of the Bonds.

g. Amendments to the Terms and Conditions 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 section 5.12 of this Securities Note. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

h. Changes in laws or regulations, or a failure to comply with any laws or regulations, may adversely affect the Company

The Company is subject to laws and regulations enacted by national and local governments. In particular, the Company is required to comply with the applicable legislation in Malta. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly, as laws and regulations and their interpretation and application may change from time to time. Failure by the Company to comply with applicable laws or regulations could have a material adverse effect on the Company's business, financial results, net asset value (NAV) or the value of the Bonds.

3. PERSONS RESPONSIBLE, CONSENT FOR USE OF THE PROSPECTUS & AUTHORISATION STATEMENT

3.1 PERSONS RESPONSIBLE

This document includes information given in compliance with the Capital Markets Rules for the purpose of providing prospective investors with information about the Issuer. All of the Directors accept responsibility for the information contained in this Securities Note.

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

3.2 CONSENT FOR USE OF PROSPECTUS

Consent required in connection with the use of the Prospectus by the Authorised Financial Intermediaries:

For the purposes of any subscription for Bonds through any of the Authorised Financial Intermediaries during the Offer Period in terms of this Securities Note and any subsequent resale, placement or other offering of Bonds by such Authorised Financial 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 therein) with respect to any such subsequent resale, placement or other offering of the Bonds, provided this is limited only:

- i. in respect of the Bonds subscribed for through Authorised Financial Intermediaries of this Securities Note during the Offer Period;
- ii. to any resale or placement of the Bonds taking place in Malta; and
- iii. to any resale or placement of the Bonds taking place within the period of sixty (60) days from the date of the Prospectus.

None of the Issuer or its advisers accept any responsibility for any of the actions of any of the Authorised Financial Intermediaries, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to a resale or placement of Bonds.

Other than as set out above, neither the Issuer nor its advisers has authorised (nor do they authorise or consent to the use of this 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 and neither the Issuer nor its advisers has any responsibility or liability for the actions of any person making such offers.

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

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

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

Any resale, placement or other offering of the Bonds to an investor by an Authorised Financial Intermediary will be made in accordance with any terms and other arrangements in place between such Authorised Financial Intermediary and such investor including as to price, allocations and settlement arrangements. Where such information is not contained in the Prospectus, it will be the responsibility of the applicable Authorised Financial Intermediary at the time of such resale, placement or other offering to provide the investor with that information and neither the Issuer nor the Sponsor, Manager & Registrar has any responsibility or liability for such information.

Any Authorised Financial Intermediary using this Prospectus in connection with a resale, placement or other offering of the 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 this 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 Financial Intermediaries unknown at the time of approval of this Securities Note will be made available through a company announcement which will also be made available on the Issuer's website: <http://www.centralbusinesscentres.com/Investors.aspx>

3.3 STATEMENT OF AUTHORISATION

This Securities Note has been drawn up as part of a simplified prospectus in accordance with Article 14 of the Prospectus Regulation and has been approved by the Listing Authority, as 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 securities.

4. ESSENTIAL INFORMATION

4.1 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 €20,700,000, will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

- a. the amount of *circa* €17.5 million will be used to purchase the Property;
- b. the amount of *circa* €3 million will be used to repay the 2014 Bonds; and
- c. the amount of *circa* €200,000 will be used for general corporate funding purposes.

The Bond Issue is conditional upon: (a) 67% of the Bond Issue being subscribed for and (b) the Bonds being admitted to the Official List.

4.2 EXPENSES

Professional fees and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission and other miscellaneous expenses in connection with this Bond Issue are estimated to be *circa* €300,000. There is no particular order of priority with respect to such expenses.

4.3 ISSUE STATISTICS

Amount:	€21 million;
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;
Denomination:	Euro (€);
ISIN:	MT0000881236;
Minimum amount per subscription:	Minimum of €2,000 and multiples of €100 thereafter;
Redemption Date:	10 November 2033;
Early Redemption Dates:	the 10 November of each of the years 2027-2032 (both years inclusive) subject to the Issuer giving the Bondholders at least sixty (60) Business Days' notice in writing;
Plan of Distribution:	The Bonds are open for subscription by all categories of investors, including the general public;
Bond Issue Price:	At par (€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 at all times rank <i>pari passu</i> , without any priority or preference among themselves. Furthermore, subject to the negative pledge clause, 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;
Listing:	The Malta Financial Services Authority has approved the Bonds for admissibility to listing and subsequent trading on the Official List of the Malta Stock Exchange. Application has been made to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List;
Offer Period:	6 October 2021 to 27 October 2021, both days included;
Interest:	4% per annum;
Intermediaries Offer:	By 17:00 hrs on 27 October 2021;
Interest Payment Date(s):	Annually on 10 November as from 10 November 2022 (the first interest payment date);
Governing Law:	The Terms and Conditions shall be governed by and construed in accordance with the laws of Malta; and
Jurisdiction:	The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds.

4.4 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for the possible subscription for the Bonds by Authorised Financial Intermediaries (which includes Calamatta Cuschieri Investment Services Limited), and any fees payable to Calamatta Cuschieri Investment Services Limited in connection with the Bond Issue as Sponsor, so far as the Issuer is aware, no other person involved in the Bond Issue has an interest, conflicting or otherwise, material to the Bond Issue.

5. INFORMATION CONCERNING THE SECURITIES TO BE ISSUED AND ADMITTED TO TRADING

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

5.1 GENERAL

Each Bond forms part of a duly authorised issue of 4% unsecured bonds 2033 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €21,000,000 (except as otherwise provided under section 5.11 "Further Issues").

- a. The Issue Date of the Bonds is expected to be 10 November 2021.
- b. The currency of the Bonds is Euro (€).
- c. Subject to admission to listing of the Bonds to the Official List of the MSE, the Bonds are expected to be assigned ISIN MT0000881236.
- d. Unless previously purchased and cancelled or redeemed on any of the Early Redemption Dates, the Bonds shall be redeemable at par on the Redemption Date.
- e. The issue of the Bonds is made in accordance with the requirements of the Capital Markets Rules, the Act, and the Prospectus Regulation.
- f. The Bond Issue is not underwritten.
- g. There are no special rights attached to the Bonds other than as specified in section 5.3 hereunder.

5.2 RANKING OF THE BONDS

The Issuer does not have any bank financing in place, nor has it granted any security over any of its assets.

The Issuer has previously raised finance as follows:

- six million Euro (€6,000,000) through a bond programme in 2014, pursuant to which two separate issues of bonds were issued as follows:
 - o the 2014 Bonds (which will be repaid through the proceeds of this Bond Issue);
 - o three million Euro (€3,000,000) ten-year bonds (maturing in 2025) having a coupon of 5.25% issued on the 4 December 2015; and
- six million Euro (€6,000,000) through a bond programme in 2017, pursuant to which there was a single issue of ten-year bonds (maturing in 2027) having a coupon of 4.4% issued on the 7 July 2017.

(collectively the “Previous Bond Issues”)

By way of the Amendment Agreement, the 400K Loan Agreement was subordinated in favour of the bond obligations emerging from this Bond Issue. Moreover, the 2021 Subordinated Loan is already subordinated in favour of the bond obligations arising from this Bond Issue.

The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt, if any. This would also include the Previous Bond Issues. Furthermore, subject to the negative pledge clause, 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.

5.3 RIGHTS ATTACHING TO THE BONDS

This Securities Note in its entirety contains the terms and conditions of issue of the Bonds and creates the contract between the Issuer and a Bondholder. Any and all references to the terms and conditions of the Bonds shall be construed as a reference to all and each section of this Securities Note. A Bondholder shall have such rights as are, pursuant to this Securities Note, attached to the Bonds, including:

- i. the repayment of capital;
- ii. the payment of interest;
- iii. ranking with respect to other indebtedness of the Issuer in accordance with the provisions of section 5.2 above;
- iv. the right to attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and
- v. enjoy all such other rights attached to the Bonds emanating from the Prospectus.

5.4 INTEREST

The Bonds shall bear interest from and including 10 November at the rate of 4% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be affected on 10 November 2022 (covering the period 10 November 2021 to 9 November 2022). 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. In terms of article 2156 of the Civil Code (Cap. 16 of the laws of Malta), the right of Bondholders to bring claims for payment of interest and repayment of the principal on the Bonds is barred by the lapse of five years.

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.

5.5 YIELD

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds is 4% per annum. The table below illustrates the gross yield at the different Early Redemption Dates:

Redemption	Redemption Dates	Issue Price	Redemption Price	Yield
At Early Redemption Dates	2027	€100 (at par)	€100 (at par)	4%
	2028	€100 (at par)	€100 (at par)	4%
	2029	€100 (at par)	€100 (at par)	4%
	2030	€100 (at par)	€100 (at par)	4%
	2031	€100 (at par)	€100 (at par)	4%
	2032	€100 (at par)	€100 (at par)	4%
Upon Maturity	2033	€100 (at par)	€100 (at par)	4%

5.6 REGISTRATION, FORM, DENOMINATION AND TITLE

Certificates will not be delivered to Bondholders in respect of the Bonds. The entitlement to the Bonds will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer by 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, and any other relevant information as required from time to time, of the Bondholders and particulars of the Bonds held by them respectively, and the Bondholders shall have, at all reasonable times during business hours, access to the register of bondholders held at the CSD for the purpose of inspecting information held on their respective account.

The CSD will issue, upon a request by a Bondholder, a statement of holdings to such Bondholder evidencing his/her/its entitlement to the Bonds held in the register kept by the CSD.

Upon submission of an Application Form, Bondholders who opt to subscribe for the online e-portfolio account with the CSD, by marking the appropriate box on the Application Form, will be registered by the CSD for the online e-portfolio facility and will receive by mail at their registered address a handle code to activate the new e-portfolio login. 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 is found on the afore-mentioned website.

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 Financial Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client.

Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading "*Transferability of the Bonds*" in section 5.10 of this Securities Note.

5.7 PAYMENTS

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

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 affected within seven (7) days of the Interest Payment Date. The Issuer shall not be responsible for any loss or delay in transmission.

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

No commissions or expenses shall be charged by the Issuer to Bondholders in respect of such payments. The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer.

5.8 REDEMPTION AND PURCHASE

Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 10 November 2033, provided that the Issuer reserves the right to redeem all or any part of the Bonds on any one or more of the Early Redemption Dates. The Issuer shall give at least sixty (60) days' notice in writing to all Bondholders of its intention to affect such earlier redemption, stating the number of Bonds that will be redeemed on that Early Redemption Date and the manner in which it shall select the Bonds for such early redemption.

Subject to the provisions of this section 5.8, 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.

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

5.9 EVENTS OF DEFAULT

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

- (a) the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- (b) the Issuer shall fail to pay the principal amount on any Bond when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- (c) the Issuer shall fail duly to perform or shall otherwise be in breach of any other material obligation contained in the Terms and Conditions of the Bonds and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- (d) an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer; or
- (e) the Issuer, unless contractually entitled to do so or does so with the consent of the counterparty/ies, stops or suspends payments (whether of principal or interest) with respect to all or any class of its respective debts or announces an intention to do so or ceases or threatens to cease to carry on its respective business or a substantial part of its respective business; or
- (f) the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or
- (g) 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 €1,000,000 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.

5.10 TRANSFERABILITY OF THE BONDS

The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.

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 as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify such election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person.

All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.

The cost 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 Issuer.

The Issuer will not take into account the transfer or transmission of Bonds for a period of 15 days preceding an Interest Payment Date.

5.11 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 or upon such terms as the Issuer may determine at the time of their issue.

5.12 MEETINGS OF BONDHOLDERS

Bondholders have the following powers, exercisable by a resolution voted for at a meeting of Bondholders, by a majority holding not less than seventy-five per cent (75%) of the nominal value of Bondholders present at the meeting in person or by proxy:

- (a) power to authorise the Issuer to amend and modify the Terms and Conditions (such Terms and Conditions as duly completed and supplemented in relation to any Series of Bonds by the terms of the relevant Final Terms in relation to such Series);
- (b) power to approve any scheme of reconstruction of the Issuer or the amalgamation of Issuer with any other company or corporation;

and any such resolution shall be binding on all Bondholders and each Bondholder is bound to give effect to it accordingly.

The Issuer may at any time convene a meeting of the Bondholders. If the Issuer receives a written request by Bondholders holding ten per cent (10%) of the then outstanding principal amount of the Bonds and is indemnified to its satisfaction against all costs, losses and expenses, the Issuer must convene a meeting of Bondholders. Meetings shall be convened and requested only for the purpose of considering a resolution specified in the immediately preceding paragraph.

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, a quorum shall be considered present if there are Bondholders present, whether in person or by proxy, accounting for at least fifty per cent (50%) in nominal value of the Bonds then outstanding.

Once a quorum is declared present by the Chairman of the meeting (being the person who in accordance with the Memorandum and Articles of Association of the Issuer would chair a general meeting of shareholders) the meeting may then proceed to business and the Directors of the Issuer or the Bondholder(s) who requested the meeting (as the case may be) or their representatives shall present to the Bondholders the reasons for proposing the resolution. The meeting shall allow reasonable and adequate time to the Issuer to present its views to the Bondholders and to the Bondholders to present their views to the Issuer and to the other Bondholders. The meeting shall then put the resolution to a vote of the Bondholders present.

The voting process shall be managed by the Company Secretary under the supervision and scrutiny of the auditors of the Issuer.

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.

In the event that the Bonds are listed, and for so long as the Bonds remain listed, any resolution which may be proposed shall be subject to any laws, regulations, rules or bye-laws which may be applicable from time to time.

5.13 NEGATIVE PLEDGE

Without prejudice to the negative pledge undertaking in the 2017 Bond Issuance Programme, the Issuer undertakes, for as long as any principal or interest under the Bonds or any of the Bonds remains outstanding, not to create or permit to subsist any Security Interest (as defined below), other than a Permitted Security Interest (as defined below), upon the whole or any part of its present or future assets or revenues to secure any Financial Indebtedness (as defined below) of the Issuer, unless at the same time or prior thereto the Issuer's indebtedness under the Bonds is secured equally and rateably therewith, and the instrument creating such Security Interest so provides.

"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;

“Security Interest” means any privilege, hypothec, pledge, lien, charge or other encumbrance or real right which grants rights of preference to a creditor over the assets of the Issuer;

“Permitted Security Interest” means: (A) any Security Interest arising by operation of law; (B) any Security Interest securing temporary bank loans or overdrafts in the ordinary course of business; (C) any other Security Interest (in addition to (A) and (B) above) securing Financial Indebtedness of the Issuer, in an aggregate outstanding amount not exceeding 80% of the difference between the value of the unencumbered assets of the Issuer and the aggregate principal amount of Bonds outstanding at the time. Provided that the aggregate Security Interests referred to in (B) and (C) above do not result in the unencumbered assets of the Issuer being less than 105% of the aggregate principal amount of the Bonds still outstanding;

“unencumbered assets” means assets which are not subject to a Security Interest.

5.14 DIVIDEND RESTRICTION

The Issuer shall not make a dividend distribution except out of profits available for that purpose provided that, in addition to the requirements laid out in the Act and during the Bond Issue, the Issuer shall not make a dividend distribution except when the profits available for dividend distribution are greater than an amount corresponding to two (2) years interest payment on the Bonds (the “Minimum Amount”) and in that case, the Minimum Amount shall not be distributed.

5.15 AUTHORISATIONS AND ADMISSIBILITY TO LISTING

The Board of Directors of the Issuer authorised the Bond Issue pursuant to a board of directors’ resolution passed on 24 September 2021. The Malta Financial Services Authority has authorised the Bonds as admissible to the Official List pursuant to the Capital Markets Rules by virtue of a letter dated 24 September 2021.

The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 10 November 2021 and trading may commence as from the next Business Day therefrom.

5.16 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 registered address and posted.

5.17 LEGISLATION UNDER WHICH THE SECURITIES HAVE BEEN CREATED

Maltese law.

6. TAXATION

6.1 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 them in respect of the Bonds, including their acquisition, holding and transfer as well as on any income derived therefrom or on any gains derived on the transfer of such Bonds. The following is a summary of the anticipated tax treatment applicable to Bondholders in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive.

The information below is based on interpretation of tax law and practice relative to the applicable legislation, as known to the Issuer at the date of the Prospectus. 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.

6.2 TAXATION OF BONDHOLDERS

6.2.1 UPON ACQUISITION OF BONDS

The acquisition of Bonds in the Company should not trigger a Maltese income tax liability for the Bondholders.

6.2.2 MALTESE INCOME TAX ON INTEREST INCOME ARISING FROM THE HOLDING OF BONDS

Interest

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is instructed by a Bondholder to receive the interest gross of any withholding tax, or if the Bondholder does not fall within the definition of “recipient” in terms of article 41(c) of the Income Tax Act (Cap. 123 of the laws of Malta), interest shall be paid to such person net of a final withholding tax, currently at the rate of fifteen percent (15%) (ten percent (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 advice on the taxation of such income as other rules may apply.

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

The aforementioned 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 or her income tax return (to the extent that the interest is paid net of tax). No person (whether corporate or non-corporate) should be charged to further tax in respect of such income. Furthermore, such tax should not be available as a credit against the recipient’s tax liability or for a refund, as the case may be, for the relevant year of assessment in Malta. The Issuer will render an account to the Maltese Commissioner for Revenue of all amounts so deducted, including the identity of the recipient.

In the case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final withholding tax, interest will be paid gross and such person (whether corporate or non-corporate) will be obliged to declare the interest so received in his or her Maltese income tax return and be subject to tax on such interest at the standard rates applicable to such Bondholder at that time. Additionally, in this latter case the Issuer will advise the Maltese 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.

Exchange of Information

In terms of the 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 certain Bondholders) to the Maltese Commissioner for Revenue. The Maltese Commissioner for Revenue will or may, in turn, automatically or on request, forward the information to other relevant tax authorities subject to certain conditions.

Relevant legislation includes, but is not limited to:

(i) the Agreement between the Government of the United States of America and the Government of the Republic of Malta to Improve International Tax Compliance and to Implement FATCA – incorporated into Maltese law through Legal Notice 78 of 2014 (“FATCA Legislation”); and

(ii) the implementation of Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended) which provides for the implementation of the regime known as the Common Reporting Standard (“CRS”) – incorporated into Maltese law through Legal Notice 384 of 2015 entitled the Cooperation with Other Jurisdiction on Tax Matters (Amendment) Regulations, 2015.

Under FATCA Legislation, Financial Institutions (“FIs”) in Malta (defined as such for the purposes of FATCA) are obliged to identify and report financial accounts held by Specified U.S. Persons, as defined under FATCA Legislation, and certain non-U.S. entities which are controlled by U.S. Controlling Persons, as defined under FATCA Legislation, to the Commissioner for Revenue. The latter

is in turn required to exchange such information to the US Internal Revenue Service. Financial account information in respect of holders of the Bonds could fall within the scope of FATCA and they may therefore be subject to reporting obligations.

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

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

In particular with respect to CRS, the following information may be reported by FIs to the Commissioner for Revenue in respect of each reportable account maintained by the FIs:

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

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

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

6.3 MALTESE TAXATION ON TRANSFER OF BONDS

6.3.1 INCOME TAX ON CAPITAL GAINS ON A TRANSFER OF THE BONDS

As the Bonds do 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.

6.3.2 DUTY ON DOCUMENTS AND TRANSFERS

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

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

Furthermore, even if the Bonds are considered marketable securities for the purposes of the Duty on Documents and Transfers Act, in terms of article 50 of the Financial Markets Act as the Bonds constitute financial instruments of a company quoted on a regulated market exchange, as is the MSE, redemptions and transfers of the Bonds should, in any case, be exempt from duty.

THIS INFORMATION IS BEING GIVEN SOLELY FOR GENERAL INFORMATION, IT DOES NOT CONSTITUTE A SUBSTITUTE FOR LEGAL OR TAX ADVICE, AND IT DOES NOT PURPORT TO BE EXHAUSTIVE. INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO SEEK

PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND ANY FOREIGN TAX LEGISLATION APPLICABLE TO THE ACQUISITION, HOLDING AND DISPOSAL OF BONDS AS WELL AS INTEREST PAYMENTS MADE BY THE ISSUER. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE BONDS AND TO BONDHOLDERS. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO BONDHOLDERS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.

7. TERMS AND CONDITIONS OF THE BOND ISSUE

7.1 EXPECTED TIMETABLE OF THE BOND ISSUE

1. Application Forms available to the general public	1 October 2021
2. Opening and closing of subscription lists relative to the Offer Period	6 October 2021 to 27 October 2021, both days included
3. Commencement of interest on the Bonds	10 November 2021
4. Expected date of announcement of basis of acceptance	10 November 2021
5. Refunds of unallocated monies (if any)	10 November 2021
6. Expected dispatch of allotment advices	10 November 2021
7. Expected date of admission of the securities to listing	10 November 2021
8. Expected date of commencement of trading in the securities	11 November 2021

7.2 TERMS AND CONDITIONS OF APPLICATION

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 on the one hand and the Applicant on the other.

- (a) The issue and allotment of the Bonds is conditional upon: (i) the Bond Issue being at least 67% subscribed and (ii) the Bonds being admitted to the Official List of the MSE. In the event that either of the aforesaid conditions is not satisfied within 20 Business Days of the close 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 as indicated by the Applicant.
- (b) The general public may subscribe for Bonds either by completing an Application Form and lodging same with any of the Authorised Financial Intermediaries or through the Authorised Financial Intermediaries in the manner instructed thereby during the Offer Period. which will open at 09:00 hours on 6 October 2021 and will close no later than 17:00 hours on 27 October 2021. In the event of an Intermediaries' Offer, the general public may apply for the Bonds through the respective Authorised Financial Intermediary in the manner instructed thereby.
- (c) The Bonds will be issued in multiples of €100. The minimum subscription amount of Bonds that can be subscribed for by Applicants is €2,000. Applications for the Bonds must be accompanied by the full price of the Bonds applied for, in Euro.
- (d) By submitting an Application, the Applicant is thereby confirming to the Issuer and the Authorised Financial Intermediary through whom the Application is made that 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 respective Authorised Financial Intermediary and Issuer reserve the right to invalidate the relative Application. Furthermore the Applicant will not be entitled to be registered in the register of Bondholders, unless the Applicant makes payment in cleared funds and such consideration is accepted by the respective Authorised Financial Intermediary (which acceptance shall be made in the Authorised Financial Intermediary's absolute discretion and may be on the basis that the Applicant indemnifies the Authorised Financial 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).
- (e) The contract created by the Issuer's acceptance of an Application submitted by a prospective bondholder through an Authorised Financial Intermediary shall be subject to all the terms and conditions set out in this Securities Note and the Memorandum and Articles of Association of the Issuer.
- (f) If an Application is submitted on behalf of another party or on behalf of a corporation or corporate entity or association of persons, the person submitting such Application will be deemed to have duly bound his principal, or the relative corporation, corporate entity, or association of persons, and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions on their behalf. Such representative may be requested to submit the relative power of attorney/resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Issuer and the Registrar, but it shall not be the duty or responsibility of the Registrar or Issuer to ascertain that such representative is duly authorised to submit an Application.

- (g) Legal entities (including corporations or corporate entities or associations of persons) applying for the Bonds need to have a valid Legal Entity Identifier (“LEI”) which needs to be valid and unexpired, at least, until the admission to listing of the Bonds. Without a valid LEI code the Application would be cancelled by the respective Authorised Financial Intermediary or the Issuer acting through the Registrar and subscription monies will be returned to the Applicant.
- (h) In the case of joint applicants, 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. The person first-named in the register of Bondholders shall, for all intents and purposes, be deemed to be such nominated person by all joint Applicants. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held. It shall not be incumbent on the Registrar or the Issuer to verify the signatory/ies on any Application Form submitted.
- (i) In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed *vis-à-vis* the Issuer to be the holder of the Bond/s so held and shall have the right to receive interest on the Bond/s and to vote at meetings of the Bondholders but shall not, during the continuance of the Bond/s, have the right to dispose of the Bond/s so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Bond (which shall be due to the bare owner). It shall not be incumbent on the Registrar or the Issuer to verify the signatory/ies on any Application Form submitted.
- (j) Applications in the name of deceased persons shall not be accepted by the Issuer and Authorised Financial Intermediaries.
- (k) Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or the legal guardian/s and may be required to be accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application is submitted. 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 18 years, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer is duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. It shall not be incumbent on the Registrar or the Issuer to verify the signatory/ies on any Application Form submitted.
- (l) 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.
- (m) 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 registration or other legal requirements.
- (n) It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself/herself 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.
- (o) Subject to all other terms and conditions set out in the Prospectus, the Issuer through the Registrar or the Authorised Financial Intermediary reserve 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 through the Registrar or the Authorised Financial Intermediary, is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents.
- (p) By not later than 10 November 2021, the Issuer shall announce the result of the Issue through an announcement on its website. The result of the Bond Issue will also be made public via a company announcement upon listing of the Bonds.
- (q) The completed Application Forms are to be lodged with any of the Authorised Financial Intermediaries. Authorised Financial Intermediaries shall, prior to accepting an Application, conduct an Appropriateness Test in respect of the Applicant and, based on the results of such test, be satisfied that an investment in the Bonds may be considered appropriate for the Applicant. To the extent that an Authorised Financial Intermediary is providing advice in respect of a purchase of the Bonds by an Applicant, such Authorised Financial Intermediary shall be required to conduct a Suitability Test in respect of the Applicant and, based on the results of such test, be satisfied that an investment in the Bonds may be considered suitable for the Applicant.

For the purpose of this Securities Note, the term “Appropriateness Test” means the test conducted by any licensed financial intermediary, when providing an investment service (other than investment advice or portfolio management) in relation to the subscription for and the trading of Bonds, for the purpose of such licensed financial intermediary determining (after collecting the necessary information) whether the investment service or the Bonds are appropriate for the prospective

Applicant or prospective transferee. In carrying out this assessment, the licensed financial intermediary shall ask the Applicant or the prospective transferee to provide information regarding the Applicant or transferee's knowledge and experience so as to determine that the Applicant or transferee has the necessary experience and knowledge in order to understand the risks involved in relation to the Bonds or investment service offered or demanded, in accordance with Part BI of the Investment Services Rules ("ISR"). In the event that the Authorised Financial Intermediary considers, on the basis of the test conducted, that the transfer of Bonds is not appropriate for the Applicant or prospective transferee, the Authorised Financial Intermediary shall reject the prospective Applicant's request to subscribe for or acquire Bonds, irrespective of whether the Applicant or transferee is warned that the investment in the Bonds is not appropriate for the Applicant or transferee.

For the purpose of this Securities Note, the term "Suitability Test" means the process through which a licensed financial intermediary providing investment advice or portfolio management services in relation to the subscription for and trading of Bonds obtains such information from the Applicant or prospective transferee as is necessary to enable the licensed financial intermediary to recommend to or, in the case of portfolio management, to effect for, the Applicant or prospective transferee, the investment service and trading in Bonds that are considered suitable for him/her, in accordance with Part BI of the ISR. The information obtained pursuant to this test must be such as to enable the licensed financial intermediary to understand the essential facts about the Applicant or prospective transferee and to have a reasonable basis for believing, giving due consideration to the nature and extent of the service provided, that the specific transaction to be recommended, or to be entered into in the course of providing a portfolio management service, satisfies the following criteria: a. it meets the investment objectives of the Applicant or prospective transferee in question; b. it is such that the Applicant or prospective transferee is able financially to bear any related investment risks consistent with investment objectives of such Applicant or prospective transferee; and c. it is such that the Applicant or prospective transferee has the necessary experience and knowledge in order to understand the risks involved in the transaction or in the management of his portfolio

- (r) In the event that an Applicant has not been allocated any Bonds or has 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 cheque sent by mail to the address shown on the Application Form, or by credit transfer to such account indicated in the Application Form, at the Applicant's sole risk within 10 Business Days from the date of final allocation. The Authorised Financial Intermediaries, the Registrar and the Issuer shall not be responsible for any charges, loss or delay arising in connection with such direct credit transfer.
- (s) For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations 2008 (Legal Notice 180 of 2008, as subsequently amended), all Authorised Financial 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 of the MSE Bye-Laws, irrespective of whether the Authorised Financial Intermediaries are MSE members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR)(EU) 2016/679 for the purposes and within the terms of the MSE's data protection and privacy policy as published from time to time.
- (t) It shall be incumbent on the respective Authorised Financial Intermediary 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 anti-money laundering and counter-terrorist financing rules and regulations, all applicable MiFIR requirements as well as applicable MFSA Conduct of Business Rules and MFSA Rules for investment services providers.
- (u) By submitting an Application, 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 issue of the Bonds contained therein;
 - ii. warrants that the information submitted by the Applicant is true and correct in all respects and in the case where an MSE account number is provided by the Applicant, such MSE account number is the correct account of the Applicant. In the event of a discrepancy between the personal details (including name and surname and the Applicant's address) appearing on any Application Form submitted 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 Issuer, the Registrar and the MSE to process the personal data that the Applicant provides on Application, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR)(EU) 2016/679. The Applicant has the right to request access to, and rectification of, the personal data relating to him/her as processed in relation to the Bond Issue. Any such requests must be made in writing and sent to the MSE. The requests must further 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 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 remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
 - vi. agrees to provide the Authorised Financial Intermediary, the Registrar and/or the Issuer, as the case may be, with any information which may be requested 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 Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer, the Registrar or the Authorised Financial Intermediary acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bond or his/her Application;
 - viii. warrants that all applicable exchange control or other such 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) as well as not to be 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 all documents in connection with the issue of the Bonds will be sent at the Applicant’s own risk and may be sent by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as set out in any Application Form submitted by the Applicant or on its behalf; and
 - xi. 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.
- (v) Any licensed financial intermediary effecting a transfer of Bonds in the secondary market shall be required to carry out an Appropriateness Test and, if providing advice, a Suitability Test, in respect of the transferee, and be satisfied, based on the results of such test (or tests, as applicable), that an investment in the Bonds may be considered appropriate and/or suitable (as applicable) for such transferee.

7.3 PLAN OF DISTRIBUTION AND ALLOTMENT

The Bonds are open for subscription to all categories of investors, provided that the Authorised Financial Intermediaries shall be required to carry out an Appropriateness Test in respect of each Applicant for the purpose of assessing such Applicant’s level of knowledge and experience prior to investing in the Bonds. Applications shall not be accepted by the Authorised Financial Intermediaries unless, based on the results of such Appropriateness Test, the Authorised Financial Intermediaries are satisfied that an investment in the Bonds may be considered appropriate for the Applicant. To the extent that the Authorised Financial Intermediaries is providing advice in respect of a purchase of the Bonds by an Applicant, the Authorised Financial Intermediaries shall be required to conduct a Suitability Test in respect of the Applicant and, based on the results of such test, be satisfied that an investment in the Bonds may be considered suitable for the Applicant.

The minimum subscription amount of Bonds that can be subscribed for by Applicants is €2,000 and subscription amounts shall be in multiples of €100. Subscriptions may be made through any of the Authorised Financial Intermediaries.

It is expected that an allotment letter will be issued by the Issuer to Applicants by latest 10 November 2021. The registration advice and other documents and 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 (Cap. 373 of the Laws of Malta), and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

Dealing in the Bonds shall not commence prior to admission to trading of the Bonds by the MSE or prior to the said notification.

7.4 INTERMEDIARIES’ OFFER

The Bond Issue will be distributed by the Authorised Financial Intermediaries participating in the Intermediaries’ Offer. Accordingly, the Issuer has reserved the full amount of the Bond Issue for subscription by these Authorised Financial Intermediaries. In this regard, the Issuer will enter into conditional subscription agreements with a number of Authorised Financial Intermediaries for the subscription of Bonds, whereby it will bind itself to allocate the Bonds to the Authorised Financial Intermediaries in accordance with the terms of such subscription agreements. In terms of each subscription agreement entered into with an Authorised Financial Intermediary, the Issuer will be conditionally bound to issue, and each Authorised Financial Intermediary will be conditionally bound to subscribe for, such number of Bonds specified in the relevant subscription agreement subject to the Bonds being admitted to listing and trading on the Official List. Each subscription agreement becomes binding on each of the Issuer and the relevant

Authorised Financial Intermediary upon signing, subject to receipt by the Sponsor of all subscription proceeds in cleared funds on delivery of the signed subscription agreement. The subscription agreements shall become unconditional upon approval by the MSE of the Issuer's application for the Bonds to be admitted to the Official List. Authorised Financial Intermediaries subscribing for Bonds may do so for their own account or for the account of their underlying clients, including retail clients, and shall, in addition, be entitled to distribute any portion of the Bonds subscribed to their underlying clients upon commencement of trading or instruct the Sponsor to issue a portion of the Bonds subscribed by them directly to their underlying clients.

7.5 PRICING

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

7.6 ALLOCATION POLICY

The Issuer shall allocate the entirety of the Bonds to Authorised Financial Intermediaries participating in the Intermediaries' Offer as described above, without priority or preference and in accordance with the allocation policy determined by the Issuer and the Sponsor. Within five (5) Business Days from closing of the Offer Period, the Issuer shall announce the results of the Bond Issue and shall determine and announce the basis of acceptance of Applications and the allocation policy to be adopted through a company announcement. It is expected that an allotment advice will be made available to Applicants by the CSD shortly after listing of the Bonds. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as is required by the Prevention of Money Laundering Act (Chapter 373 of the laws of Malta). Such monies will not bear interest while retained as aforesaid.

7.7 APPLICATION FORM/METHOD OF PAYMENT

Applications for the purchase of Bonds by Applicants must be submitted to Authorised Financial Intermediaries. Applications submitted by Authorised Financial Intermediaries either for their own account or directly in the names of underlying customers with respect to Pre-Allocation Agreements and the Intermediaries Offer shall be submitted in the manner prescribed in the respective agreements entered into by the Authorised Financial Intermediaries with the Issuer.

Applications must be accompanied by the full price of the Bonds applied for. In the event that cheques accompanying the Applications are not honoured on their first presentation, the Issuer and/or the Authorised Financial Intermediary reserves the right to invalidate the relative Application.

7.8 CREDIT RATING

The Issuer has not sought, nor does it intend to seek, the credit rating of an independent agency and there has been no assessment of the Bonds by any independent rating agency.

7.9 ADDITIONAL INFORMATION

Save for the property valuation report set out as Annex I to the Registration Document and the financial analysis summary set out as Annex II to this Securities Note, the Prospectus does not contain any statement or report attributed to any person as an expert. The property valuation report has been included in the form and context in which it appears with the authorization of Arch. Joseph Cassar, which has given, and has not withdrawn, its consent to the inclusion of the said report herein. Arch. Joseph Cassar does not have any material interest in the Issuer. The Issuer confirms that the property valuation report 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.

The financial analysis summary has been included in the form and context in which they appear with the authorisation of Calamatta Cuschieri Investment Services Limited, which has given and has not withdrawn its consent to the inclusion of such reports herein. Calamatta Cuschieri Investment Services Limited does not have any material interest in the Company. The Company confirms that the financial analysis summary has been accurately reproduced in the Prospectus and that there are no facts of which the Company is aware that have been omitted and which would render the reproduced information inaccurate or misleading.



ANNEX I – LIST OF AUTHORISED FINANCIAL INTERMEDIARIES

APS Bank p.l.c.

Address: APS Centre, Tower Street, Birkirkara BKR 4012
Telephone: 25603000

Calamatta Cuschieri Investment Services Ltd

Address: Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034
Telephone: 25688688

MeDirect Bank (Malta) p.l.c.

Address: The Centre, Tigne` Point, Sliema TPO 0001
Telephone: 25574400

Michael Grech Financial Investment Services Limited

Address: The Brokerage, Level O A, St Marta Street, Victoria VCT 2550, Gozo
Telephone: 21554492

ANNEX II – FINANCIAL ANALYSIS SUMMARY



The Directors
Central Business Centres p.l.c.
Cortis Buildings,
Mdina Road,
Żebbuġ, ZBG 4211,
Malta

Re: Financial Analysis Summary – 2021

24 September 2021

Dear Sirs,

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 on the following pages and which is being forwarded to you together with this letter.

The purpose of the financial analysis is that of summarising key financial data appertaining to Central Business Centres p.l.c. (the “**Issuer**”) as explained in part 1 of the Analysis. The data is derived from various sources or is based on our own computations as follows:

- (a) Historical financial data for the three years ended 31 December 2018, 2019 and 2020 has been extracted from the audited financial statements of the Issuer for the three years in question.
- (b) The forecast data for the financial years ending 2021 and 2022 has been provided by management.
- (c) Our commentary on the Issuer’s results and financial position is based on the explanations set out by the Issuer in the Prospectus and MFSA Listing Policies.
- (d) The ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions set out in Part 4 of the Analysis.
- (e) The principal relevant market players listed in Part 3 of the document have been identified by management. Relevant financial data in respect of competitors has been extracted from public sources such as the web sites of the companies concerned or financial statements filed with the Registrar of Companies or websites providing financial data.

The Analysis is meant to assist potential investors by summarising the more important financial data set out in the Prospectus. The Analysis does not contain all data that is relevant to potential investors and is meant to complement, and not replace, the contents of the full Prospectus. The Analysis does not constitute an endorsement by our firm of the proposed bond issue and should not be interpreted as a recommendation to invest in the Bonds. We shall not accept any liability for any loss or damage arising out of the use of the Analysis and no representation or warranty is provided in respect of the reliability of the information contained in the Prospectus. Potential investors are encouraged to seek professional advice before investing in the bonds.

Yours sincerely,



Nick Calamatta
Director

Calamatta Cuschieri Investment Services Ltd | Ewropa Business Centre, Triq Dun Karm, Birkirkara, BKR9034, Malta | P.O. Box 141, Il-Marsa, MRS 1001, Malta
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Calamatta Cuschieri Investment Services Ltd. is a founding member of the Malta Stock Exchange and is licensed to conduct investment services by the Malta Financial Services Authority.

**FINANCIAL ANALYSIS
SUMMARY 2021**



Central Business Centres p.l.c.

24 September 2021

Prepared by Calamatta Cuschieri
Investment Services Ltd

Central Business Centres p.l.c.
FINANCIAL ANALYSIS SUMMARY 2021

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**Central Business Centres p.l.c.
FINANCIAL ANALYSIS SUMMARY 2021****Introduction**

Central Business Centres p.l.c. is issuing €21 million 4% Unsecured Bonds 2033 pursuant to a prospectus dated 24 September 2021. This Financial Analysis Summary has been prepared in line with the MFSA Listing Policies.

Part 1 - Information about the Group**1.1 Issuer's Key Activities and Structure**

Central Business Centres plc ("**CBC**" or "**Issuer**") was set-up in 2014. Upon incorporation, CBC's total issued share capital of 250,000 ordinary shares was equally held by 6 shareholders, namely Joseph Cortis, Raymond Cortis, Paul Cortis, Francis Cortis, Anthony Cortis and Philip Cortis (the "**Shareholders**").

In January 2019, CBC underwent a reorganisation exercise whereby the Shareholders transferred the bare ownership of their equity holding in CBC to their descendants by way of donation whilst they retained the usufruct thereon. With the present shareholding structure, no individual shareholder has a holding of more than 10% in the Company.

The Shareholders, on the other hand collectively still hold 100% equity holding in SMW Cortis Limited ("**SMW Cortis**"), which is a related company of CBC. SMW Cortis Limited and its subsidiary and associate entities throughout this Analysis is referred to as the "**Cortis Group**".

The principal activity of the Issuer is to hold commercial property for investment purposes and generate returns from this property through rental agreements. The Issuer's aim is to develop the "Central Business Centre" brand by emulating the success of the business centre in Żebbuġ, which has been generating a steady flow of rental returns since its opening in 2011, followed by the commencement of operations of the Gudja Business Centre and the St. Julian's Business Centre.

1.2 Directors and Key Employees**Board of Directors - Issuer**

As at this Analysis, the board of directors of the Issuer is constituted by the following persons:

Name	Office Designation
Mr Joseph Cortis	Executive Director, Chairman
Ms Petramay Attard Cortis	Non-Executive Director
Mr Alfred Sladden	Non-Executive Director
Ms Adriana Cutajar	Non-Executive Director
Mr Joseph M Formosa	Non-Executive Director

The business address of all of the directors is the registered office of the Issuer.

The executive director of the Issuer, on the strength of his respective knowledge and experience in the applicable business interests of the Company to which he contributes directly, occupies the senior management and key executive position across the Company.

As at 31 December 2020, the Issuer had no employees (FY19: Nil). Management confirmed that the Company subcontracts all of its administration, repair and maintenance works.

1.3 Major Assets owned by the Group**1.3.1 Central Business Centre – Żebbuġ (CBC Żebbuġ)**

Primarily comprises of office space and car spaces for rental and comprises 1,509sqm of office space, over five floors (including ground floor, intermediate floor, levels 1, 2 and a penthouse at level 3) and 27 parking spaces at underground levels 1 and 2.

Based on management information as at the date of this Analysis, CBC Żebbuġ was fully occupied with tenants. Rent agreements signed with tenants cater for an increase in rent of around 5% to 6% every three years from the start of the contract. Tenants also pay a maintenance fee equivalent to 10% of the rent due. This amount is used by the Company to fund annual maintenance and common area costs.

This property is currently occupied by 8 tenants in total and management anticipate full occupancy throughout 2021.

1.3.2 Central Business Centre – Gudja (CBC Gudja)

Comprises of office space, commercial space and car spaces (19) for rental. As per discussions with management the commercial space is currently let out in part as storage space and in part as additional parking space.

As per discussions with management, the rental rate increases as well as maintenance fees charged to tenants

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occupying CBC Żebbuġ are also applicable to the seven tenants currently operating from CBC Gudja. While CBC Gudja is at present fully occupied with tenants, management anticipate full occupancy throughout 2021.

1.3.3 Central Business Centre - St Julian's (CBC St Julian's)

St. Julian's business centre is a newly-built building comprising of office space as well as a number of retail units held for rental. This building has a total lettable area (offices) of 1,365 sqm spread over five floors and a ground floor area currently occupied by seven outlets, three of which are rented out to third parties on long-term leases.

Rent agreements signed with tenants cater for an increase in rent of 2% annually. Tenants also pay a maintenance fee equivalent to 5% of the rent due.

Management explained that the CBC St Julian's was 58% occupied as at the date of this Analysis, and talks with prospective tenants for the vacant areas are ongoing. Management also confirmed that this building is at present occupied by 10 tenants.

1.3.4 Villa Fieres – St Julian's (Villa Fieres)

Villa Fieres and the surrounding gardens located in St Julian's, covers a total area of approximately 1,100sqm. The building itself occupies a footprint of approximately 200sqm and has two floors and a semi-basement. The garden covers an area of approximately 900sqm.

1.3.5 Commercial Site – Żebbuġ (Commercial Site)

CBC owns commercial land in Żebbuġ which was acquired from SMW Cortis. This commercial site was being rented out to the Cortis Group as from July 2017.

Management explained that, CBC was planning to develop the site into a mixed-use commercial space and obtained all necessary permits in this respect. However, on 19 October 2017, CBC entered into a Promise of Sale Agreement (POS) (Emphyteutical Grant for a period of 34 years) with LIDL Malta for the development of a supermarket, including ancillary facilities such as warehouse facilities, utility spaces, parking spaces and loading/unloading ramp and bay on the said site.

As part of this agreement, LIDL Malta also agreed to undertake the development of an underground level and other area for the eventual use of the Cortis Group.

1.4 Operational Developments**1.4.1 Historical Background**

As noted above, CBC was incorporated in June 2014. Upon incorporation, CBC acquired the following from SMW Cortis: (i) CBC Żebbuġ (and agreements with tenants already in place at the time) (ii) CBC Gudja (which was still in shell form with CBC completing the development of the office block) and (iii) plot of land and old villa in St Julian's.

Also, in 2014, CBC entered into 3 subordinated loan agreements with related parties to part-finance the required acquisitions and developments concerning the aforementioned properties.

In addition, CBC issued a €6m bond issuance programme on 5 December 2014. On 22 December 2014, CBC issued its first tranche of €3m 7-year bonds at 5.75% as part of this programme ("**2021 Bonds**"). On the 4 December 2015, the Company issued a further €3 million 10-year bond at 5.25% ("**2025 Bonds**").

On 15 May 2017, CBC subscribed to a subordinated loan of €5.8m from SMW Cortis, which was used to part-finance the remaining consideration of the Żebbuġ tract of land. During the same year, the Company issued a €10 million bond issuance programme. On 12th June 2017, CBC issued the first (and only) tranche of bonds, amounting to €6m, from the above-mentioned programme, redeemable at par and bearing interest at 4.4% per annum ("**2027 Bonds**").

1.4.2 Villa Fieres

Villa Fieres has permits for commercial and/or residential use and is earmarked for rental to third parties to be used as a high-end restaurant. Permit (i) to allow for outdoor seating areas, (ii) construction of a unit with level access to Ix-Xatt ta' Spinola (ii) construction of two levels of storage and kitchen facilities and (iii) construction of a lightweight staircase structure and panoramic lift was granted on 10 November 2020. Villa Fieres is still undergoing restoration works and is projected to be completed during Q4 2021.

1.4.3 Commercial Site

CBC owns commercial land in Żebbuġ which was acquired from SMW Cortis was being rented out to the Cortis Group as from July 2017.

Management further explained that CBC was planning to develop the site into a mixed-use commercial space and obtained all necessary permits in this respect. However, on 19 October 2017 CBC entered into a Promise of Sale Agreement (Emphyteutical Grant) for a period of 34 years with LIDL Malta for the development of a supermarket,

Central Business Centres p.l.c.
FINANCIAL ANALYSIS SUMMARY 2021

including ancillary facilities such as warehouse facilities, utility spaces, parking spaces and loading/unloading ramp and bay on the said site.

As part of this agreement, LIDL Malta also agreed to undertake the development of an underground level and other area for the eventual use of the Cortis Group.

Whilst CBC was still in the process of obtaining the necessary permits for such development, LIDL Malta started incurring ground rent as from 2019 on the area to be eventually used by LIDL Malta as well as rental income on the area.

However, in August 2021, the Company was granted the necessary permit to build the aforementioned LIDL supermarket, whereby management further confirmed that development works will commence immediately.

Once the latter area is developed, LIDL Malta will stop incurring rent in this respect and CBC will then charge rent to the Cortis Group.

1.4.4 Proposed Bond Issue and Use of Proceeds

The net proceeds from the Bond Issue, after provision of relevant issue expenses (€0.3m), are expected to amount to *circa* €20.7m. These will be utilised for the following purposes, in the order of priority:

- i. €17.5m will be used to purchase the Savoy Shopping Complex in Valletta (the "**Valletta Property**") – refer to the sub-section below for the description of the project;
- ii. €3m will be used to repay the 2021 Bonds, which will mature in December 2021;
- iii. €0.2m for the Company's general corporate funding requirements.

1.4.5 Planned Valletta Property Acquisition

As per above-explained use of proceeds, the Issuer has identified the Valletta Property, which it intends to acquire and operate in accordance with its current occupation use.

The Valletta Property currently enjoys just under 50% occupancy and following the acquisition of the said property, it will be managed and operated in a manner similar to the other existing properties of the Company.

Management confirmed that once CBC receives the net proceeds from this proposed bond issue, the parties will proceed with finalising the transaction relating to this proposed acquisition. Following the conclusion of this transaction, the Issuer's intention is to implement a

significant refurbishment to the Valletta Property and embark on a re-branding exercise of the shopping complex.

1.5 COVID-19 impact on the Group's operational and financial performance

The COVID-19 pandemic has had a dramatic impact on world economies since March 2020, significantly causing disruption to business and economic activity. Travel and freedom of movement remain conditioned despite an aggressive vaccine drive in Malta, while the rest of the Europe is expected to be tackling their back-log until the latter parts of 2021.

The scale and duration of disruption remains uncertain while having an impact on Company's earnings, cash flow and financial position. Although, to date, the Company has not seen a material impact on its operations because of this crisis, COVID-19 could lead to reduced rental streams and therefore reduced future revenues and future cash flows.

1.5.1 Assessment of the pandemic situation, potential impact on the Company, reasonable assumptions to financial projections and necessary disclosures

The pandemic did create a lot of new challenges for CBC especially in terms of liquidity, as CBC accommodated each tenant as much as possible, revenue in terms of on boarding new tenants for the newly-finished properties and future prospects going forward. The Company has and will continue addressing these challenges, in an attempt to turn these into opportunities to strengthen the Company.

With the exception of one tenant who terminated the tenancy, the Company supported, where needed, tenants on an individual basis addressing their difficulties to help them get through this very tough period. The Company addressed its' tenants' needs on an individual basis and received almost all rent for 2020 by year end.

Management further explained that all rental obligations (up until August 2021), have also been honoured in full by the Company's tenants. More specifically, up until the date of this Analysis, no tenant within the Company's properties has defaulted, and no tenant is expected to default moving forward.

Management affirmed that the Company did not provide any form of discounts to tenants throughout this crisis and also confirmed that, in view of the current situation, the yearly increases included in the tenants' contracts will still be honoured and will not be overturned.

Central Business Centres p.l.c.
FINANCIAL ANALYSIS SUMMARY 2021**1.5.2 Costs Containment Measures**

Short-term cost mitigation measures were taken, which were deemed to not have long-term effects on the business strategy. These included the renegotiating of subcontracting services of which the Company avails itself. Management's strategy is of a long-term nature, and is confident that investing in the right resources will reap the right long-term rewards.

1.5.3 Liquidity Measures

Management confirmed that CBC already has a liquidity contingency plan via short-term financing, should the Company find itself under increased pressure from delays in receiving rent from tenants.

The directors have assessed the reserves and financing available to the Company and are confident that these are adequate to support the Company in the foreseeable future. All of the company's legal obligations were honoured in full, including its interest payments for the financial year. The Company also expects to be in a position to honour its commitments in the future.

1.6 Listed Debt Securities of the Issuer

Central Business Centres p.l.c. has the following outstanding debt securities:

	ISIN	€m
5.75% Central Business Centres plc Unsecured € 2021 S1T1	MT0000881202	3
5.25% Central Business Centres plc Unsecured € 2025 S2T1	MT0000881210	3
4.40% Central Business Centres plc Unsecured € 2027 S1/17 T1	MT0000881228	6

Central Business Centres p.l.c.
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Part 2 - Historical Performance and Forecasts

The historic financial statements detailed below, from section 2.1 to section 2.3, include the consolidated historical and projected financial performance of CBC for the period FY18-FY22. Given that some of the Company's projects were not yet complete during the historical period under review (FY18-FY20), management does not consider the FY18, FY19 and FY20 results to be reflective of the Company's future performance.

The projected financial statements detailed below relate to events in the future and are based on assumptions which the Company believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecast and actual results may be material.

The financial information below is extracted from the audited consolidated financial statements of CBC for the financial years ended 31 December 2018 to 2020. The projected financial information for the years ending 31 December 2021 and 31 December 2022 has been provided by Group management.

2.1 Issuer's Statement of Comprehensive Income

Statement of Comprehensive Income	FY18	FY19	FY20	FY21F	FY22P
	€'000s	€'000s	€'000s	€'000s	€'000s
Revenue	356	1,086	1,252	1,575	3,307
Operating Expenses	(253)	(198)	(114)	(127)	(151)
EBITDA	103	888	1,138	1,448	3,156
Depreciation	(8)	(22)	(23)	(25)	(71)
EBIT	95	866	1,115	1,423	3,085
Other income	-	-	3	-	-
Fair value movement relating to investment property	-	-	4,843	-	-
Finance costs	(626)	(627)	(629)	(703)	(1,344)
Finance costs capitalised	465	418	-	-	-
Profit before tax	(66)	657	5,332	720	1,741
Tax expense	(53)	(162)	(1,668)	(236)	(496)
Net Income	(119)	495	3,664	484	1,245

Ratio Analysis ¹	FY18	FY19	FY20	FY21F	FY22P
Profitability					
Growth in Revenue (YoY Revenue Growth)	8.2%	205.1%	15.3%	25.8%	110.0%
EBITDA Margin (EBITDA / Revenue)	28.9%	81.8%	90.9%	91.9%	95.4%
Operating (EBIT) Margin (EBIT/Revenue)	26.7%	79.7%	89.1%	90.3%	93.3%
Net Margin (Profit for the year / Revenue)	-33.4%	45.6%	292.7%	30.7%	37.6%
Return on Common Equity (Net Income / Average Equity) ²	-0.7%	3.0%	19.9%	2.4%	5.8%
Return on Assets (Net Income / Average Assets)	n/a	1.69%	11.40%	1.10%	2.31%
Interest Coverage (EBITDA / Cash interest paid)	0.2x	1.5x	1.9x	2.1x	2.4x

¹ Marginal differences might arise from last year due to rounding of differences

² Return on equity/assets were previously worked out on total equity/assets as at year end, however this was amended to reflect the average of total equity/ assets over two financial periods.

Central Business Centres p.l.c.
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Revenue Segmental Analysis	FY18	FY19	FY20	FY21F	FY22P
	€'000s	€'000s	€'000s	€'000s	€'000s
CBC Żebbuġ	157	147	148	150	155
CBC Gudja	99	113	101	131	142
CBC St. Julian's	-	276	499	755	1,029
Villa Fieres	-	-	-	25	301
Żebbuġ Commercial Site	100	550	504	514	524
Valletta Property	-	-	-	-	1,158
Other Income	-	-	3	-	-
Total Revenue	356	1,086	1,255	1,575	3,309
% Composition - CBC Żebbuġ	44.1%	13.5%	11.8%	9.5%	4.7%
% Composition - CBC Gudja	27.8%	10.4%	8.1%	8.3%	4.3%
% Composition - CBC St. Julian's	n/a	25.4%	39.8%	47.9%	31.1%
% Composition - Villa Fieres	n/a	n/a	n/a	1.6%	9.1%
% Composition - Żebbuġ Commercial Site	28.1%	50.6%	40.2%	32.6%	15.8%
% Composition - Valletta Property	n/a	n/a	n/a	n/a	35.0%
% Composition - Other Income	n/a	n/a	0.2%	n/a	0.0%
% Growth - CBC Żebbuġ	1.9%	-6.4%	0.7%	1.4%	3.3%
% Growth - CBC Gudja	-16.1%	14.1%	-10.6%	29.7%	8.4%
% Growth - CBC St. Julian's	n/a	100.0%	80.8%	51.3%	36.3%
% Growth - Villa Fieres	n/a	n/a	n/a	100.0%	1104.0%
% Growth - Żebbuġ Commercial Site	100.0%	450.0%	-8.4%	2.0%	1.9%
% Growth - Valletta Property	n/a	n/a	n/a	n/a	100.0%
% Growth - Other Income	n/a	n/a	100.0%	n/a	n/a
% Growth - Total Revenue	8.2%	205.1%	15.5%	25.5%	110.1%

Revenue is derived from rental income and maintenance fees charged to tenants occupying premises in CBC's rental properties.

During FY20, rental income increased by 15.5% to *circa* €1.3m as a result of the higher and full year occupancy achieved at the St. Julian's business centre. Revenue generated during FY20 also includes continued rental income generated from CBC Żebbuġ and CBC Gudja, as well as rental income derived from LIDIL concerning the Company's Żebbuġ commercial site.

The largest contributors towards the Company's revenue during FY20 were CBC St. Julian's (47.9%) and the Żebbuġ Commercial site (32.6%), on aggregate amounting to *circa* 80.5% of CBC's FY20 total revenue.

Moving forward, the Company is projecting total revenue to increase to €1.6m during FY21, illustrating an overall improvement of 25.5% over FY20. More specifically, this revenue figure also symbolises an overall improvement of *circa* 70% over the projections provided by the Company in the 2021 Financial Analysis Summary (€926k).

Management further explained that with the economic situation globally, remaining relatively subdued throughout the first half of FY21, mainly as the pandemic related climate persisted, the Company opted to take a prudent approach

and anticipated a 30% decline in its overall projected revenue for FY21.

However, based on the FY21 interim results whereby total revenues amounted to €870k, and also as most macroeconomic variables continued to improve from the very low levels observed in 2020, management opted to revise upwards its FY21 projections. Moreover, the aforementioned revenue improvement is also attributable to projected higher at CBC St Julian's as well as the commencement of rental income derived from Villa Fieres in St Julian's, which is expected to start operating in Q421.

Meanwhile, CBC expects revenue to further improve to €3.3m during FY22, mainly reflecting the inclusion of rental income expected to be derived from the Company's Valletta property. As in the case of the prior year, this improvement in revenue is also attributable to higher occupancy at CBC St Julian's.

On the expenditure front, the company's operating expenses are primarily composed of administration and management fees, professional fees, rent expense and insurance. During FY20, operating expenses (exclusive of depreciation) incurred by CBC declined by 42.4% to €114k. As noted in section 1.4 above, the drop in operating expenditure primarily relates to waiving of rent concerning the use of land by the company adjacent to the Żebbuġ

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Commercial Site, as well as part waiver of the directors' fees and CEO fees.

In addition, management anticipates a higher level of operating expenses during FY21 (€127k) and FY22 (€151k), with this being predominantly in line with new regulatory requirements.

After considering the aforementioned improvement in revenue as well as the overall expected increases in operating expenditure, the Company's EBITDA during FY21 and FY22 is expected to improve to €1.4m and €3.2m, translating into an EBITDA margin of 91.9% and 95.4% respectively.

The depreciation charge for FY20 remained relatively unchanged at €23k. This is expected to remain at this level during FY21 (€25k) and is expected to increase to €71k during FY22 once the transaction of the Valletta property is fully completed.

Operating profit generated during FY20 amounted to *circa* €1.1m (FY19: €0.9m). This improvement was mainly driven by revenue growth and cost reduction, resulting in an overall increase in EBIT margin from 79.7% in FY19 to 89.1% in FY20. In line with the expected improvement in rental income during both FY21 and FY22, operating profit is expected to amount higher to €1.4m in FY21 and €3.1m in FY22, translating into an EBIT margin of 90.3% and 93.3% respectively.

In FY20, the Company's immovable property was valued at €34m by a professional valuer, resulting in a gain on fair

value of €4.8m. Specifically, the completion of the St Julian's business centre was the main driver for the increase in value. No further fair value movements are projected during FY21 and FY22.

Finance costs primarily comprise the interest cost on the Company's bonds in issue. The interest expense relating to that portion of the debt utilised to finance the St Julian's business centre was capitalised during FY18 and FY19 as this was still under development and was completed by end of 2019. No interest expense was capitalised during FY20.

While the Company's finance costs are projected to increase to €0.7m during FY21, these are further projected to increase during FY22 (€1.3m), mainly reflecting the full year of interest paid on this proposed bond issue.

During the historical period, the Company's operations were limited to the rental of investment property and hence, current tax charge primarily represented the 15% Final Withholding Tax incurred on rental income. The aforementioned fair value gain on investment property in FY20 resulted into a corresponding deferred tax liability of €1.5m.

Upon taking the above into consideration, the Company's net income is expected to improve to €1.2m during FY22.

2.2 Issuer's Statement of Financial Position

Statement of Financial Position	FY18	FY19	FY20	FY21F	FY22P
	€'000s	€'000s	€'000s	€'000s	€'000s
Assets					
Non-current assets					
Investment Property	28,604	29,122	34,000	34,410	51,910
Property, plant and equipment	79	195	180	279	583
Total non-current assets	28,683	29,317	34,180	34,689	52,493
Current assets					
Trade and other receivables	146	91	210	192	192
Current tax assets	-	-	-	-	-
Cash and cash equivalents	155	132	360	18,272	2,129
Total current assets	301	223	570	18,464	2,321
Total assets	28,984	29,540	34,750	53,153	54,814
Equity and liabilities					
Capital and reserves					
Share capital	250	250	250	250	250
Capital reserve	16,100	16,100	16,100	16,100	16,100
Revaluation reserve	596	596	4,954	4,954	4,954

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Retained earnings	(889)	(393)	(1,089)	(604)	640
Total equity	16,057	16,553	20,215	20,700	21,944
Non-current Liabilities					
Borrowings	11,794	11,826	8,879	29,629	29,719
Deferred tax liabilities	739	739	2,239	2,239	2,239
Total non-current liabilities	12,533	12,565	11,118	31,868	31,958
Current liabilities					
Borrowings	-	-	2,982	110	110
Trade and other payables	367	285	319	475	803
Current tax liability	27	137	116	-	-
Total current Liabilities	394	422	3,417	585	913
Total liabilities	12,927	12,987	14,535	32,453	32,871
Total equity and liabilities	28,984	29,540	34,750	53,153	54,814

Ratio Analysis	FY18	FY19	FY20	FY21F	FY22P
Financial Strength					
Gearing 1 (Net Debt / Net Debt and Total Equity)	42.0%	41.4%	36.3%	35.6%	55.8%
Gearing 2 (Total Liabilities / Total Assets)	44.6%	44.0%	41.8%	61.1%	60.0%
Gearing 3 (Net Debt / Total Equity)	72.5%	70.6%	56.9%	55.4%	126.2%
Net Debt / EBITDA	113.0x	13.2x	10.1x	7.9x	8.8x
Current Ratio (Current Assets / Current Liabilities)	0.8x	0.5x	0.2x	31.6x	2.5x
Interest Coverage level 1 (EBITDA / Cash interest paid)	0.2x	1.5x	1.9x	2.1x	2.4x
Interest Coverage level 2 (EBITDA / finance costs)	0.2x	1.4x	1.8x	2.1x	2.3x

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The Company's non-current assets amounted to *circa* €34.8m in FY20 (FY19: €29.5m), principally made up of investment property and property, plant and equipment.

CBC's main asset is its portfolio of investment property, which as at FY20 amounted to €34m and represented 97.8% of total assets. These were financed primarily through bonds and subordinated loans provided by related parties, which will be discussed in further detail in this section.

The Company's investment property which is at present composed of four separately identifiable assets, namely the Żebbuġ Central Business Centre, the Gudja Business Centre, property in St. Julian's, including Villa Fieres, and the Żebbuġ property held for development, is expected to amount higher to €52.5m following the acquisition of the Valletta property for €17.5m.

Property plant and equipment (PPE) include the plant and machinery installed in the Company's properties. Management explained that Company finishes the façade and common areas (and related amenities such as lifts) of the buildings, but does not provide any finishes to the office areas, which are finished and furnished by tenants themselves. PPE is projected to increase to €0.6m during FY22.

Trade and other receivables during FY20 increased to €210k as several outstanding payments payable to CBC remained outstanding. These are expected to remain at approximately this level over the projected period. Moreover, the Company's current assets amounted to €0.6m during FY20, with these expected to increase to €18.3m following this proposed bond issue.

Moving to equity, the entire €16.1m listed as capital reserve relates to three subordinated loans with related parties, which, under IAS 32, would be classified as equity. The Company entered into three-subordinated loan agreements to part-finance the acquisition of the Żebbuġ Central Business Centre, the Gudja Central Business Centre, the St. Julian's Central Business Centre, Villa Fieres site, and the new Żebbuġ property. The terms of the subordinated loan agreements stipulate that these loans are interest-free (unless otherwise agreed from time to time) and will not be settled unless the Company has sufficient funds to repay the principle and interest of its issued bonds in full, in accordance with the terms of the bond issuance programme.

The Company has an additional €0.4m subordinated loan facility from S.M.W. Cortis Limited in place, of which, as at

December 2018, it utilised €0.25m. This was extended to finance any cash shortfalls the Company may have. Management indicated that this subordinated loan facility will remain in place. There were no new subordinated loans with related parties during FY20.

In addition, retained earnings were reduced to negative €1.1m in FY20 (FY19: -€0.4m) as a result of an accounting movement related to the revaluation of investment property. The revaluation reserve increased to €5m in FY20 from €0.6m in FY19, resulting in total equity increasing to €20.2m in FY20. In line with an anticipated improvement in retained earnings, total equity is expected to increase to €21.9m during FY22.

On the liabilities side, deferred tax liabilities relate to the temporary differences arising from the revaluation of the investment properties. €1.5m of the total balance relates to the uplift in the fair value of the St Julian's CBC resulting from the revaluation exercise carried out in FY20. These are expected to remain at €2.2m throughout the projected period.

Borrowings listed under non-current assets during FY20 amounted to €8.9m and mainly relate to the Company's 2025 and 2027 bonds currently in issue. Likewise, FY20 borrowings listed under current liabilities relate to the company's 2021 bonds which are deemed to mature in December and which are expected to be repaid as per use of proceeds discussed in prior sections of this Analysis. The below table summarises CBC's bonds currently in issue:

	Issue date	Amount €'m	Coupon	Term
Bonds 2021	Dec-14	3	5.75%	7 years
Bonds 2025	Dec-17	3	5.25%	10 years
Bonds 2027	Jun-17	6	4.40%	10 years

In addition, FY21 borrowings listed under non-current assets of €29.6m incorporate the new proposed bond as well as the 2025 and 2027 bonds which are at present already in issue.

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2.3 Issuer's Statement of Cash Flows

Statement of Cash Flows	FY18	FY19	FY20	FY21F	FY22P
	€'000s	€'000s	€'000s	€'000s	€'000s
Cash flows from operating activities					
EBITDA	103	888	1,138	1,448	3,156
<i>Movement in working capital</i>					
(Increase)/ Decrease in trade and other receivables	(31)	55	(119)	19	-
Increase/ (Decrease) in trade payables and accruals	224	(83)	34	49	68
	296	860	1,053	1,516	3,224
Interest paid	(594)	(594)	(594)	(687)	(1,315)
Tax paid	(15)	(52)	(189)	(116)	(236)
Net cash generated from operating activities	(313)	214	270	713	1,673
Cash flows from investing activities					
Acquisition and development costs of investment property	(808)	(100)	(35)	(410)	(17,500)
Acquisition of property plant and equipment	(48)	(137)	(7)	-	-
Refurbishment and alteration cost - New Property Valletta	-	-	-	(125)	(375)
Net cash generated from/(used in) investing activities	(856)	(237)	(42)	(535)	(17,875)
Cash flows from financing activities					
Net movement in short-term highly liquid investments	-	-	-	(18,166)	16,194
Return on short-term investments	-	-	-	3	6
Bonds:					
Repayment of existing bonds	-	-	-	(3,000)	-
Drawdown - New 2033 bonds	-	-	-	20,727	-
Proceeds from subordinated loans with related parties	250	-	-	-	-
Net cash used in/(generated from) financing activities	250	-	-	(436)	16,200
Net movement in cash and cash equivalents	(919)	(23)	228	(258)	(2)
Cash and cash equivalents at start of year	1,074	155	132	360	102
Cash and cash equivalents at end of year	155	132	360	102	100
Ratio Analysis³	FY18	FY19	FY20	FY21F	FY22P
Cash Flow					
Free Cash Flow (Net cash from operations + Interest - Capex)	€(783)	€363	€615	€627	€(15,341)

Cash flows from operating activities in FY20 exceeded expectations with this being mainly reflective of the positive financial performance recorded by CBC on a historical basis. The Company is forecasting an improved positive flow of €0.7m for FY21 after considering the revised projections discussed in prior sections of this Analysis. Net cash from operating expenditure is expected to further improve to €1.7m during FY22.

While minimal investing activities were recorded during FY20, net cash flows used in investing activities is expected to increase to amount to negative €0.5m during FY21. This increase is deemed to be in line with the restoration and development works being carried out at Villa Fieres. The projected net cash used in investing activities during FY22 is

mainly in line with the Company's projected acquisition of the Valletta property which is expected to be completed in January 2022.

As explained above, there were no new subordinated loans with related parties during FY20, resulting in CBC not recording any financing activities during the year. The quasi equity of €0.2m previously anticipated for FY20 was not required, as the majority of the Group's tenants honoured their respective contractual agreements in full. No further financing activities are projected for FY21. Investing activities recorded throughout the projected period are predominantly aligned to the drawdown of the new 2033 bonds.

³ Ratio Analysis may not agree to prior FASs, due to a change in the calculation methodology (refer to section 4 of this Analysis)

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The Issuer is subject to general market and economic risks that may have a significant impact on its current and future property developments and their timely completion within budget. These include factors such as the health of the local property market, inflation and fluctuations in interest rates, exchange rates, property prices and rental rates. In the event that general economic conditions and property market conditions experience a downturn, which is not contemplated in the Issuer's planning during development, this shall have an adverse impact on the financial condition of the Issuer and may therefore affect the ability of the Issuer to meet its obligations under the Bonds.

3.1.1 Malta Economic Update⁴

In July, business conditions were again positive, reflecting the fact that most macroeconomic variables continued to improve from the very low levels observed in 2020. This is reflected in large annual percentage changes for several indicators. Nevertheless, the level of economic activity generally still remains below pre-pandemic levels. On the other hand, although European Commission data show that sentiment eased again in July, it remained above its year-ago level and its long-term average.

In June, industrial production rose at a faster annual rate compared with a month earlier, while the volume of retail trade rose at a slower pace. Activity in the residential property market remained brisk. The number of registered unemployed fell, while the unemployment rate has virtually returned to its pre-pandemic level. The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood at 0.2% in June, unchanged from May.

Inflation based on the Retail Price Index (RPI) rose to 1.5% in June from 1.3% a month earlier. Maltese residents' deposits expanded at an annual rate of 6.5% in June, following an increase of 6.3% in the previous month, while annual growth in credit to Maltese residents eased to 8.9%, from 9.1% a month earlier. In June, the deficit on the cash based Consolidated Fund narrowed when compared with a year earlier, reflecting an increase in government revenue and a decline in government expenditure.

⁴ Central Bank of Malta – Economic Update 8/2021

3.1.2 The commercial property market

The strong economic growth sustained by the Maltese economy in recent years has contributed to a rise in the employment rate and the influx of foreign workers within the Maltese workforce. This has contributed to an increase in the demand for rental of office and commercial space in Malta. To address such growing demand, the supply of office and commercial space in Malta has considerably increased over the last couple of years. Of note, there are several traditional business areas in Malta. For instance, Sliema attracts many international brands and companies. Likewise, Valletta, being Malta's capital city, is considered as the hub for law firms and many long-established family businesses. Other traditional commercial areas include the likes of St. Julian's, which is popular for its sea-view offices, and Floriana, which attracts businesses that want to be located in the vicinity of Valletta. In furtherance, there are also top-quality commercial developments within in the proximity of the airport and in other residential areas such as Naxxar, Mosta, Mellieħa and in parts of the south of Malta. The variety of commercial and office space in Malta cater for every type of business, from start-ups to established global organisations. In this regard, numerous business centres have recently been developed, with new centres in the pipeline. These include SkyParks, The Quad, Trident Park, The Centre and Aragon House Business Centre.

Data specifically related to commercial property in Malta is limited, thus making it more challenging to identify the exact state of this sector. Nevertheless, it is evident that Malta has, over recent years, completely evolved and has attracted a numerous amount of foreign companies related to sectors within the financial services, gaming and IT. It is therefore apparent that the demand for good commercial property has drastically increased, whereby Malta's property sector has been dominated by a situation of demand seemingly exceeding supply. The latter has resulted into the majority of high-quality commercial developments being fully let.

In line with latest statistical data issued by Eurostat⁵, the index reflecting residential building permits, indicated a marked decrease throughout 2020, further strengthening the argument that a vast number of plans were put on hold pending the uncertainty surrounding the pandemic. In Q1 2020 the index fell to 267.3 from 306.2 in the previous

⁵ <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

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quarter, falling to a low of 158.3 in Q2 2020, before recovering to 178.3 and 190.3 in Q3 and Q4 respectively.

3.1.3 The retail sector

The retail sector in Malta has lately undergone a gradual transformation, whereby it was fragmented with small businesses and a limited number of importers, wholesalers and distributors. Subsequent to Malta's entry into European Union (EU) in 2004, the liberalisation of the market greatly encouraged foreign chains to set up in Malta, forcing local traders to come up with more convenient and unique distribution strategies. The 'all-under-one-roof' concept has been gaining popularity among the general public, as witnessed by the opening of a number of shopping destinations in Malta such as The Point Shopping Mall, The Plaza Shopping Centre and D-Mall. This concept has allowed individuals to cater for all their shopping requirements under one roof rather than having to go to different retail shops in multiple locations. Growing consumer expectations has resulted in shops remaining open for longer hours, instead of closing during lunch hours, as occurs in the majority of the other Mediterranean countries.

The current COVID-19 pandemic has undoubtedly had a negative impact on Malta's retail sector. In accordance to the restrictions implemented by the Government of Malta, all retail outlets were forced to close their doors for the end of March until the beginning of May 2020, and similarly again from March until early May 2021. Whether retail shops will be forced to shut down again remains an uncertainty, however Malta's extremely advanced vaccination program augers well that an extended period of shutdown can be avoided going forward, as virus cases remain manageable.

As the current climate remains uncertain, the full impact that the COVID-19 pandemic has had on the local retail industry, is still not completely known. Undoubtedly, the lower level of tourism numbers compared to the benchmark year 2019 will have a negative effect on the overall industry, and it will take time until full potential will be realised. The outlook for the industry has turned positive though, as the high level, and increasing numbers of vaccinated people originating from typically European countries that visit Malta will create greater confidence; cemented by newly introduced measures like a vaccine passport.

⁶ <https://franksalt.com.mt/news/covid-19-effect-on-property-market>

3.1.4 COVID-19 impact on rental commercial market

In accordance to the economic turmoil caused by the COVID-19 outbreak, leases in Europe (Malta included) are currently in a state of disarray. Many businesses have been forced to shut down and employees have been laid off or have had to suffer pay-cuts. The pandemic has caused havoc in commercial as well as in residential leases. Retail outlets, whose revenues have ground to halt overnight, are generally still bound to pay their rent, even though they may not be able to do so for much longer. At the same time, landlords of such commercial properties now have to deal with tenants defaulting on the rents. The situation is no different in the housing sector (including both longer and shorter term lets); landlords have suddenly found themselves with vacant properties, and others are attempting to evict defaulting tenants.

According to a leading real estate broker⁶, the pandemic automatically put a lot of people's business plans on hold. The movement in the office segment of the market caused a reorganisation of their business with some relocating, others downsizing and others taking the unprecedented downtime as an opportunity to strategise.

According to the said real estate broker, some may opt to retain an element of home-working. However, most businesses will eventually want to return to their normal operations as there is nothing that works as well as an office environment.

In the case of CBC, the Company is focused in the development of small-to-medium sized office space, which, in the opinion of the Directors, represents a vacuum in the real-estate local market which has seen the construction and development of larger scale commercial property projects.

3.2 Comparative Analysis

The purpose of the table below compares the proposed debt issuance of the Group to other debt instruments. Additionally, we believe that there is no direct comparable company related to the Issuer and as such we included a variety of Issuers with different maturities. More importantly, we have included different issuers with similar maturity to the Issuer. One must note that given the material differences in profiles and industries, the risks associated with the Group's business and that of other issuers is therefore different.

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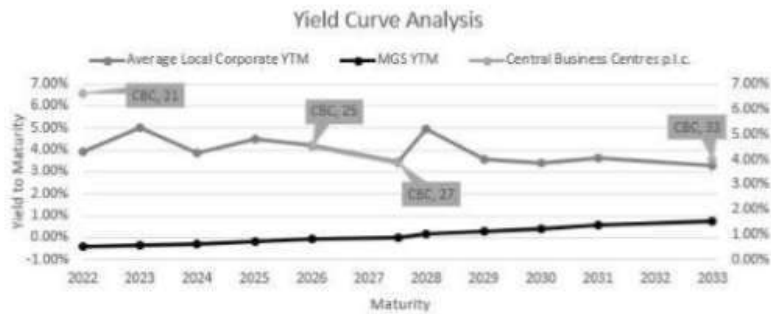
Security	Nom Value €000's	Yield to Maturity (%)	Interest coverage (EBITDA)	Total Assets € millions	Total Equity € millions	Total Liabilities / Total Assets	Net Debt / Net Debt and Total Equity (%)	Net Debt / EBITDA (times)	Current Ratio (times)	Return on Common Equity (%)	Net Margin (%)	Revenue Growth (YoY) (%)
5.8% International Hotel Investments plc 2021	20,000	5.65%	(2)x	1,544.1	773.2	49.9%	42.1%	(149.9)x	0.9x	-9.1%	-82.3%	-65.7%
5.75% Central Business Centres plc Unsecured € 2021 S1T1	3,000	6.63%	1.9x	34.8	20.2	41.8%	36.3%	10.1x	0.2x	19.9%	292.6%	15.3%
3.65% GAP Group plc Secured € 2022	29,812	2.11%	2.2x	103.9	15.1	85.4%	81.1%	7.2x	7.2x	31.2%	17.2%	-15.9%
6% Pendergardens Developments plc Secured € 2022 Series II	21,845	4.61%	1.6x	60.6	29.5	51.3%	36.4%	5.2x	2.2x	0.0x	0.0x	(4)x
4.25% GAP Group plc Secured € 2023	19,247	3.79%	2.2x	103.9	15.1	85.4%	81.1%	7.2x	7.2x	31.2%	17.2%	-15.9%
5.8% International Hotel Investments plc 2023	10,000	5.11%	(2)x	1,544.1	773.2	49.9%	42.1%	(149.9)x	0.9x	-9.1%	-82.3%	-65.7%
6% AX Investments Plc € 2024	40,000	4.68%	0.8x	348.7	217.4	37.6%	25.5%	28.3x	0.8x	-3.5%	-27.5%	-44.7%
6% International Hotel Investments plc € 2024	35,000	4.88%	(2)x	1,544.1	773.2	49.9%	42.1%	(149.9)x	0.9x	-9.1%	-82.3%	-65.7%
5% Tumas Investments plc Unsecured € 2024	25,000	3.98%	7.2x	229.6	137.5	40.1%	17.6%	1.6x	4.5x	8.3%	32.6%	-42.5%
5% Hai Mann Vella Group plc Secured € 2024	30,000	3.78%	2.4x	122.4	47.3	61.3%	52.9%	10.8x	1.2x	3.1%	6.1%	4.8%
5.75% International Hotel Investments plc Unsecured € 2025	45,000	5.17%	(2)x	1,544.1	773.2	49.9%	42.1%	(149.9)x	0.9x	-9.1%	-82.3%	-65.7%
4.5% Hill Properties plc Unsecured € 2025	37,000	3.74%	1.6x	149.6	62.7	58.1%	54.9%	14.6x	0.5x	6.8%	52.9%	-11.5%
5.25% Central Business Centres plc Unsecured € 2025 S2T1	3,000	4.52%	1.9x	34.8	20.2	41.8%	36.3%	10.1x	0.2x	19.9%	292.6%	15.3%
4% MIDI plc Secured € 2026	50,000	3.30%	(5)x	227.6	101.8	55.3%	37.8%	(64.5)x	2.9x	-2.1%	-75.1%	-89.8%
4% International Hotel Investments plc Secured € 2026	55,000	3.46%	(2)x	1,544.1	773.2	49.9%	42.1%	(149.9)x	0.9x	-9.1%	-82.3%	-65.7%
4% International Hotel Investments plc Unsecured € 2026	60,000	3.95%	(2)x	1,544.1	773.2	49.9%	42.1%	(149.9)x	0.9x	-9.1%	-82.3%	-65.7%
3.25% AX Group plc Unsec Basis 2026 Series I	15,000	2.95%	0.8x	348.7	217.4	37.6%	25.5%	28.3x	0.8x	-3.5%	-27.5%	-44.7%
3.75% Mercury Projects Finance plc Secured € 2027	11,500	3.53%	34.1x	69.4	24.3	65.0%	57.1%	1.1x	0.9x	210.3%	125.6%	119.2%
4.4% Central Business Centres plc Unsecured € 2027 S1/17 T1	6,000	3.85%	1.9x	34.8	20.2	41.8%	36.3%	10.1x	0.2x	19.9%	292.6%	15.3%
3.75% Tumas Investments plc Unsecured € 2027	25,000	3.34%	7.2x	229.6	137.5	40.1%	17.6%	1.6x	4.5x	8.3%	32.6%	-42.5%
4% Stivala Group Finance plc Secured € 2027	45,000	3.46%	2.6x	354.1	231.4	34.6%	26.5%	11.5x	5.0x	11.7%	229.8%	-46.9%
4% Exalco Finance plc Secured € 2028	15,000	3.67%	4.5x	70.9	42.0	40.8%	28.1%	4.5x	1.7x	5.6%	47.7%	10.0%
3.65% Shivala Group Finance plc Secured € 2029	15,000	3.21%	2.6x	354.1	231.4	34.6%	26.5%	11.5x	5.0x	11.7%	229.8%	-46.9%
3.75% AX Group plc Unsec Basis 2029 Series II	10,000	2.94%	0.8x	348.7	217.4	37.6%	25.5%	28.3x	0.8x	-3.5%	-27.5%	-44.7%
4.25% Mercury Projects Finance plc Secured € 2031	11,000	3.67%	34.1x	69.4	24.3	65.0%	57.1%	1.1x	0.9x	210.3%	125.6%	119.2%
4% Cablemet Communication Systems plc Unsecured € 2030	40,000	3.37%	11.4x	91.1	13.1	86.3%	66.5%	1.6x	1.1x	-19.5%	-6.1%	17.9%
4.65% Smartcare Finance plc Secured € 2031	13,000	4.37%	2.0x	24.9	13.4	46.0%	38.2%	15.9x	1.9x	-1.0%	-2.9%	355.0%
3.5% GO plc Unsecured € Bonds 2031	60,000	3.00%	48.3x	357.4	126.4	64.6%	47.8%	1.6x	1.0x	11.2%	7.6%	4.2%
3.9% Brownis Pharma Holdings plc Unsec Call € Bonds 2027-2031	13,000	3.29%	6.4x	45.9	18.9	37.6%	32.7%	2.9x	0.3x	8.1%	5.3%	103.5%
4.25% Central Business Centres plc Unsecured € 2033	21,000	4.06%	1.9x	34.8	20.2	41.8%	36.3%	10.1x	0.2x	19.9%	292.6%	15.3%
Average**		3.80%										

Source: Latest available audited financial statements

* Last closing price as at 02/09/2021

**Average figures do not capture the financial analysis of the issuer

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The above graph illustrates the average yearly yield of all local issuers as well as the corresponding yield of MGSs (Y-axis) vs the maturity of both Issuers and MGSs (X-axis), in their respective maturity bucket, to which the spread premiums can be noted. The graph illustrates on a stand-alone basis, the Issuer's existing yields of its outstanding bonds, as well as the yield of the new proposed 4.25% Central Business Centres plc bond.

As at 3rd September 2021, the average spread over the Malta Government Stocks (MGS) for corporates with maturity range of 1-2 years was 391 basis points. The 5.75% Central Business Centres 2021 is currently trading at a YTM of 663 basis points, meaning a spread of 620 basis points over the equivalent MGS. This means that this bond is trading at a premium of 237 basis points in comparison to the market.

As at 3rd September 2021, the average spread over the Malta Government Stocks (MGS) for corporates with maturity range of 4-6 years was 382 basis points. The 5.25% Central Business Centres 2025 is currently trading at a YTM of 452 basis points, meaning a spread of 436 basis points over the equivalent MGS. This means that this bond is trading at a premium of 54 basis points in comparison to the market.

As at 3rd September 2021, the average spread over the Malta Government Stocks (MGS) for corporates with maturity range of 6-8 years was 327 basis points. The 4.4% Central Business Centres 2027 is currently trading at a YTM of 385 basis points, meaning a spread of 383 basis points over the equivalent MGS. This means that this bond is trading at a premium of 56 basis points in comparison to the market.

As at 3rd September 2021, the average spread over the Malta Government Stocks (MGS) for comparable issuers with maturity range of 8-12 years was 297 basis points. The proposed 4.00% Central Business Centres plc 2033 bond is being priced with a 4.00% coupon issued at par, meaning a spread of 323 basis points over the equivalent MGS, and therefore at a premium to the average on the market of 323 basis points. It is pertinent to note that the above analysis is based on a maturity-matching basis and that the Issuer's industry is significantly different to the corporates identified and as such its risks also differ to that of other issuers.

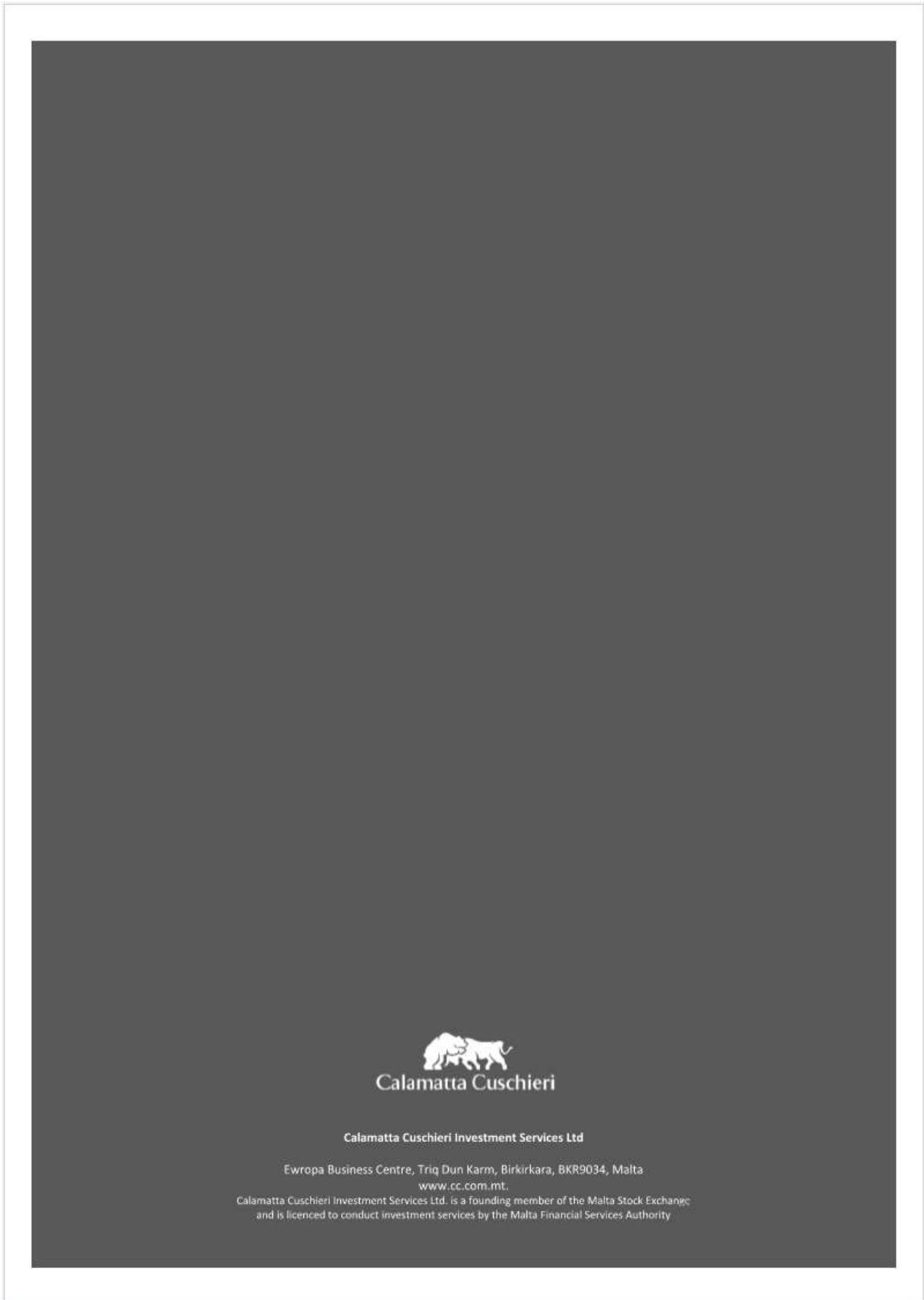
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Part 4 - Glossary and Definitions

Income Statement	
Revenue	Total revenue generated by the Group/Company from its principal business activities during the financial year.
Costs	Costs are expenses incurred by the Group/Company in the production of its revenue.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the Group's/Company's earnings purely from operations.
Operating Profit (EBIT)	EBIT is an abbreviation for earnings before interest and tax.
Depreciation and Amortisation	An accounting charge to compensate for the decrease in the monetary value of an asset over time and the eventual cost to replace the asset once fully depreciated.
Net Finance Costs	The interest accrued on debt obligations less any interest earned on cash bank balances and from intra-group companies on any loan advances.
Net Income	The profit made by the Group/Company during the financial year net of any income taxes incurred.
Profitability Ratios	
Growth in Revenue (YoY)	This represents the growth in revenue when compared with previous financial year.
Gross Profit Margin	Gross profit as a percentage of total revenue.
EBITDA Margin	EBITDA as a percentage of total revenue.
Operating (EBIT) Margin	Operating margin is the EBIT as a percentage of total revenue.
Net Margin	Net income expressed as a percentage of total revenue.
Return on Common Equity	Return on common equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing the net income by the average common equity (average equity of two years financial performance).
Return on Assets	Return on assets (ROA) is computed by dividing net income by average total assets (average assets of two years financial performance).
Cash Flow Statement	
Cash Flow from Operating Activities (CFO)	Cash generated from the principal revenue producing activities of the Group/Company less any interest incurred on debt.
Cash Flow from Investing Activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Group/Company.
Cash Flow from Financing Activities	Cash generated from the activities that result in change in share capital and borrowings of the Group/Company.
Capex	Represents the capital expenditure incurred by the Group/Company in a financial year.
Free Cash Flows (FCF)	The amount of cash the Group/Company has after it has met its financial obligations. It is calculated by taking Cash Flow from Operating Activities less the Capex of the same financial year.
Balance Sheet	
Total Assets	What the Group/Company owns which can be further classified into Non-Current Assets and Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Inventory	Inventory is the term for the goods available for sale and raw materials used to produce goods available for sale.
Cash and Cash Equivalents	Cash and cash equivalents are Group/Company assets that are either cash or can be converted into cash immediately.
Total Equity	Total Equity is calculated as total assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.
Total Liabilities	What the Group/Company owes which can be further classified into Non-Current Liabilities and Current Liabilities.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Total Debt	All interest-bearing debt obligations inclusive of long and short-term debt.
Net Debt	Total debt of a Group/Company less any cash and cash equivalents.
Current Liabilities	Obligations which are due within one financial year.

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Financial Strength Ratios	
Current Ratio	The Current ratio (also known as the Liquidity Ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares current assets to current liabilities.
Quick Ratio (Acid Test Ratio)	The quick ratio measures a Group's/Company's ability to meet its short-term obligations with its most liquid assets. It compares current assets (less inventory) to current liabilities.
Interest Coverage Ratio	The interest coverage ratio is calculated by dividing EBITDA of one period by cash interest paid of the same period.
Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets.
Gearing Ratio Level 1	Is calculated by dividing Net Debt by Net Debt and Total Equity.
Gearing Ratio Level 2	Is calculated by dividing Total Liabilities by Total Assets.
Gearing Ratio Level 3	Is calculated by dividing Net Debt by Total Equity.
Net Debt / EBITDA	The Net Debt / EBITDA ratio measures the ability of the Group/Company to refinance its debt by looking at the EBITDA.
Other Definitions	
Yield to Maturity (YTM)	YTM is the rate of return expected on a bond which is held till maturity. It is essentially the internal rate of return on a bond and it equates the present value of bond future cash flows to its current market price.



Calamatta Cuschieri

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