

REGISTRATION DOCUMENT

Dated 22 July 2022

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

In respect of an issue of
€7,500,000 4.65% Secured Bonds 2032
of a nominal value of €100 per Bond issued at par by

smartcare
FINANCE PLC

a public limited liability company registered in Malta with company registration number C 90123, with the joint and several Guarantee* of Smartcare Holdings Ltd (C 90121)

**Prospective investors are to refer to the Guarantee contained in Annex I of the Securities Note forming part of the Prospectus for a description of the scope, nature and terms of the Guarantee. Prospective investors are also to refer to sub-section 5.5 of the Securities Note for a description of the Collateral. Reference should also be made to the sections entitled "Risk Factors" contained in the Prospectus for a discussion of certain risk factors which should be considered by prospective investors in connection with the Bonds and the Guarantee provided by the Guarantor, as well as the Collateral granted by SPL, SBHL and SSL.*

THIS REGISTRATION DOCUMENT HAS BEEN APPROVED BY THE MFSA AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MFSA 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 THAT IS THE SUBJECT OF THIS REGISTRATION DOCUMENT. IN PROVIDING THIS AUTHORISATION, THE MFSA DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN ANY INSTRUMENT ISSUED BY THE COMPANY. FURTHERMORE, SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENTS.

THE MFSA 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 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.

Legal Counsel



Sponsor, Manager & Registrar



APPROVED BY THE DIRECTORS

Andrew Debattista Segond

William Wait

in their capacity as Directors of Smartcare Finance p.l.c. and for and on behalf of
Sandro Grech, Ian Joseph Stafrace and Arthur Gauci.

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IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON SMARTCARE FINANCE P.L.C. IN ITS CAPACITY AS ISSUER AND ON SMARTCARE HOLDINGS LTD IN ITS CAPACITY AS GUARANTOR, IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES ISSUED BY THE MFSA, THE COMPANIES ACT AND THE PROSPECTUS REGULATION.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR OR THEIR RESPECTIVE DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF SECURITIES OF THE ISSUER, OTHER THAN THOSE CONTAINED IN THIS 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 ISSUER, THE GUARANTOR OR THEIR RESPECTIVE DIRECTORS OR ADVISERS.

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

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

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

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

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

IN TERMS OF ARTICLE 12(1) OF THE PROSPECTUS REGULATION, THE PROSPECTUS SHALL REMAIN VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE OF THE APPROVAL OF THE PROSPECTUS BY THE MFSA. THE ISSUER IS OBLIGED TO PUBLISH A SUPPLEMENT ONLY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKE OR MATERIAL INACCURACY RELATING TO THE INFORMATION SET OUT IN THE PROSPECTUS WHICH MAY AFFECT THE ASSESSMENT OF THE SECURITIES AND WHICH ARISES OR IS NOTED BETWEEN THE TIME

WHEN THE PROSPECTUS IS APPROVED AND THE CLOSING OF THE OFFER PERIOD OR THE TIME WHEN TRADING ON A REGULATED MARKET COMMENCES, WHICHEVER OCCURS LATER. THE OBLIGATION TO SUPPLEMENT THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES DOES NOT APPLY WHEN THE PROSPECTUS IS NO LONGER VALID.

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

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

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 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:

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| 2021 Smartcare Bonds | the €13,000,000 4.65% secured bonds 2031 (ISIN: MT0002251214) issued by the Issuer and listed and trading on the Official List of the Malta Stock Exchange pursuant to and in accordance with the terms and conditions set out in the 2021 Smartcare Prospectus (as defined immediately below). Further details on the 2021 Smartcare Bonds are set out in sub-section 5.1 of this Registration Document; |
| 2021 Smartcare Prospectus | the prospectus dated 19 February 2021 published in connection with the issue by the Issuer of the 2021 Smartcare Bonds and setting out the terms and conditions thereof; |
| Act or Companies Act | the Companies Act (Chapter 386 of the laws of Malta); |
| Authorised Intermediaries | the licensed financial intermediaries whose details are listed in Annex II of the Securities Note forming part of the Prospectus; |
| Bond Issue or Issue | the issue of the Bonds; |
| Bond Obligations | the punctual performance by the Issuer of all of its obligations under the Bond Issue, including the repayment of principal and payment of interest thereon; |
| Bondholder | a holder of Bonds to be issued by the Issuer in terms of the Prospectus; |
| Bonds | a maximum of €7.5 million secured bonds due in 2032 of a nominal value of €100 per bond issued at par by the Issuer and redeemable on the Redemption Date at their nominal value, bearing interest at the rate of 4.65% <i>per annum</i> . The Bonds are guaranteed jointly and severally by the Guarantor (as defined below); |
| Capital Markets Rules | the capital markets rules issued by the Malta Financial Services Authority, as may be amended and/or supplemented from time to time ; |
| Care Home | the Dar Pinto care home for the elderly situated at 326, Mdina Road, Qormi, Malta, as described in sub-section 5.4 of this Registration Document and, more specifically, in the property valuation report dated 1 July 2022, a copy of which is available for inspection as set out in section 16 of this Registration Document and which shall be deemed to be incorporated by reference in, and form part of, the Prospectus; |
| Collateral | <p>the following security rights granted by Smartcare Pinto Ltd, Segond Boutique Hotels Limited and Smart Suites Limited, respectively, in favour of the Security Trustee for the benefit of Bondholders:</p> <ul style="list-style-type: none"> • a first ranking special hypothec over the Security Property I (as defined below) up to an amount of €3,000,000 in favour of the Security Trustee in its capacity as trustee of the Smartcare Security Trust II pursuant to the terms of the Security Trust Deed II and the Deed of Hypothec I. Smartcare Pinto Ltd owns the Security Property I; • a first ranking special hypothec over the Security Property II (as defined below) up to an amount of €3,500,000 in favour of the Security Trustee in its capacity as trustee of the Smartcare Security Trust II pursuant to the terms of the Security Trust Deed II and the Deed of Hypothec II, together with a pledge over the proceeds from the insurance policy providing for the full replacement value of the Security Property II. Segond Boutique Hotels Limited owns the Security Property II; and • a first ranking special hypothec over the Security Property III (as defined below) up to an amount of €1,500,000 in favour of the Security Trustee in its capacity as trustee of the Smartcare Security Trust II pursuant to the terms of the Security Trust Deed II and the Deed of Hypothec III, together with a pledge over the proceeds from the insurance policy providing for the full replacement value of the |

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| | Security Property III. Smart Suites Limited owns the Security Property III; |
| Deed of Hypothec I | a deed to be entered into on or around 29 August 2022 by and between the Security Trustee, the Issuer and Smartcare Pinto Ltd in the acts of Notary Sam Abela whereby Smartcare Pinto Ltd constitutes in favour of the Security Trustee that part of the Collateral over the Security Property I which according to law requires the execution of a notarial deed; |
| Deed of Hypothec II | a deed to be entered into on or around 29 August 2022 by and between the Security Trustee, the Issuer and Segond Boutique Hotels Limited in the acts of Notary Sam Abela whereby Segond Boutique Hotels Limited constitutes in favour of the Security Trustee that part of the Collateral over the Security Property II which according to law requires the execution of a notarial deed; |
| Deed of Hypothec III | a deed to be entered into on or around 29 August 2022 by and between the Security Trustee, the Issuer and Smart Suites Limited in the acts of Notary Sam Abela whereby Smart Suites Limited constitutes in favour of the Security Trustee that part of the Collateral over the Security Property III which according to law requires the execution of a notarial deed; |
| Deeds of Hypothec | collectively, Deed of Hypothec I, Deed of Hypothec II and Deed of Hypothec III; |
| Directors or Board | the directors of the Issuer whose names are set out in sub-section 4.1 of this Registration Document; |
| Euro or € | the lawful currency of the Republic of Malta; |
| Exchange or Malta Stock Exchange or MSE | Malta Stock Exchange plc, as originally constituted in terms of the Financial Markets Act (Chapter 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; |
| Financial Analysis Summary | the financial analysis summary dated 22 July 2022 compiled by the Sponsor in line with the applicable requirements of the MFSA Listing Policies, a copy of which is set out in Annex III of the Securities Note forming part of the Prospectus; |
| Guarantee | the guarantee dated 22 July 2022 granted by the Guarantor as security for the punctual performance of all the obligations undertaken by the Issuer under the Bonds and, without prejudice to the generality of the foregoing, the undertaking on the part of the Guarantor to pay all amounts of principal and interest which may become due and payable by the Issuer to Bondholders under the Bonds, within 60 days from the date such amount falls due and remains unpaid by the Issuer. A copy of the Guarantee and a description of the nature, scope and terms of the Guarantee are appended to the Securities Note forming part of the Prospectus as Annex I thereto; |
| Guarantor or Smartcare Holdings Ltd or SHL | Smartcare Holdings Ltd, a private limited liability company registered and existing under the laws of Malta with company registration number C 90121 and having its registered office situated at 326, Mdina Road, Qormi, Malta. SHL is the parent company of the Group and is acting as Guarantor in terms of the Guarantee; |
| Issuer or Company | Smartcare Finance p.l.c., a public limited liability company registered and existing under the laws of Malta with company registration number C 90123 and having its registered office at 326, Mdina Road, Qormi, Malta; |
| Memorandum and Articles of Association or M&As | the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus, and the terms “Memorandum of Association” and “Articles of Association” shall be construed accordingly; |
| MFSA | the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Chapter 330 of the laws of Malta) in its capacity as the competent authority in terms of the Financial Markets Act (Chapter 345 of the laws of Malta) authorised to approve prospectuses and admissibility to listing and to monitor and supervise local regulated |

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| | markets and participants thereof falling within the regulatory and supervisory remit of the MFSA; |
| MSE Bye-Laws | the MSE bye-laws issued by the authority of the board of directors of Malta Stock Exchange plc, as may be amended from time to time; |
| Official List | the list prepared and published by the Malta Stock Exchange as its official list in accordance with the MSE Bye-Laws; |
| Prospectus | collectively, the Summary, this Registration Document and the Securities Note published by the Issuer all dated 22 July 2022 as such documents may be amended, updated, replaced and 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, and in accordance with the provisions of Commission Delegated Regulation No. 2019/979 and Commission Delegated Regulation No. 2019/980 issued thereunder; |
| Redemption Date | 23 August 2032; |
| Registration Document | this document in its entirety issued by the Issuer dated 22 July 2022, forming part of the Prospectus; |
| Securities Note | the securities note issued by the Issuer dated 22 July 2022, forming part of the Prospectus; |
| Security Property I | the immovable property comprising the Care Home, owned by Smartcare Pinto Ltd; |
| Security Property II | the immovable property comprising a separate wing (wing 1) forming part of the Segond Boutique Hotel, owned by Segond Boutique Hotels Limited, as better described in the property valuation report dated 1 July 2022, a copy of which is available for inspection as set out in section 16 of this Registration Document and which shall be deemed to be incorporated by reference in, and form part of, the Prospectus; |
| Security Property III | the immovable property situated at 73, Tower Road, Sliema, Malta, owned by Smart Suites Limited, as better described in sub-section 5.5.4 of this Registration Document and, more specifically, in the property valuation report dated 1 July 2022, a copy of which is available for inspection as set out in section 16 of this Registration Document and which shall be deemed to be incorporated by reference in, and form part of, the Prospectus; |
| Security Trust Deed II | the security trust deed to be entered into on or around 29 August 2022 by and between the Issuer, Smartcare Pinto Ltd, Segond Boutique Hotels Limited, Smart Suites Limited and the Security Trustee in connection with the granting of the Collateral; |
| Security Trustee | GVZH Trustees Limited, a private limited liability company duly registered and validly existing under the laws of Malta, with company registration number C 23095 and having its registered office at 52, St. Christopher Street, Valletta VLT 1462, Malta, duly authorised and qualified to act as a trustee or co-trustee in terms of article 43(3) of the Trusts and Trustees Act (Chapter 331 of the laws of Malta), in its capacity as trustee of the Smartcare Security Trust II pursuant to the terms of the Security Trust Deed II; |
| Segond Boutique Hotel | the Segond Boutique Hotel situated in Xagħra, Gozo, as described in sub-section 5.5.2 of this Registration Document and also in the property valuation report dated 1 July 2022, a copy of which is available for inspection as set out in section 16 of this Registration Document and which shall be deemed to be incorporated by reference in, and form part of, the Prospectus; |
| Segond Boutique Hotels Limited or SBHL | Segond Boutique Hotels Limited, a private limited liability company registered and existing under the laws of Malta with company registration number C 92650 and having its registered office situated at 326, Mdina Road, Qormi, Malta; |

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| Smart Suites Limited or SSL | Smart Suites Limited, a private limited liability company registered and existing under the laws of Malta with company registration number C 102278 and having its registered office situated at The Segond, Triq ta' Gajdoru c/w Triq il-Komittiva, Xagħra (Gozo) XRA 2543, Malta; |
| Smartcare Developments Ltd | Smartcare Developments Ltd, a private limited liability company registered and existing under the laws of Malta with company registration number C 94871 and having its registered office situated at 326, Mdina Road, Qormi, Malta; |
| Smartcare Group Investments Ltd or SGIL | Smartcare Group Investments Ltd, a private limited liability company registered and existing under the laws of Malta with company registration number C 97019 and having its registered office situated at 326, Mdina Road, Qormi, Malta; |
| Smartcare Group or Group | Smartcare Holdings Ltd and its wholly-owned subsidiary companies (directly and indirectly) which, as at the date hereof, include, amongst others, the Issuer, SGIL, Smartcare Pinto Ltd, SBHL, Smartcare Developments Ltd and Smartcare Properties Limited, principally involved in the business of healthcare for the elderly, hospitality and real estate development; |
| Smartcare Pinto Ltd or SPL | Smartcare Pinto Ltd, a private limited liability company registered and existing under the laws of Malta with company registration number C 86395 and having its registered office situated at 326, Mdina Road, Qormi, Malta; |
| Smartcare Properties Limited | Smartcare Properties Limited, a private limited liability company registered and existing under the laws of Malta with company registration number C 90122 and having its registered office situated at 326, Mdina Road, Qormi, Malta; |
| Smartcare Security Trust II | the trust established in virtue of the Security Trust Deed II, which deed is available for inspection at the registered office of the Issuer as set out in section 16 of this Registration Document; |
| Sponsor, Manager & Registrar | Calamatta Cuschieri Investment Services Limited, a private limited liability company registered under the laws of Malta having its registered office at Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta and bearing company registration number C 13729. Calamatta Cuschieri Investment Services Limited is authorised to conduct investment services by the Malta Financial Services Authority in terms of the Investment Services Act (Chapter 370 of the laws of Malta) and is a member of the MSE; and |
| Summary | the summary issued by the Issuer dated 22 July 2022, forming part of the Prospectus. |

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

Unless it appears otherwise from the context:

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

2 RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT 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 ISSUER.

SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND NEITHER THE ISSUER NOR THE GUARANTOR IS IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

WHILE THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS INTENDED TO BE INDICATIVE OF THE ORDER OF PRIORITY AND OF THE EXTENT OF THEIR CONSEQUENCES, PROSPECTIVE INVESTORS ARE HEREBY CAUTIONED THAT THE OCCURRENCE OF ANY ONE OR MORE OF THE RISKS SET OUT BELOW COULD HAVE A MATERIAL ADVERSE EFFECT ON THE ISSUER'S, THE GUARANTOR'S AND THE GROUP'S BUSINESS, TRADING PROSPECTS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION AND, CONSEQUENTLY, ON THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES TO BE ISSUED IN TERMS OF THE PROSPECTUS AND OF THE GUARANTOR TO HONOUR ITS OBLIGATIONS UNDER THE GUARANTEE.

THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE ISSUER AS AT THE DATE OF THE PROSPECTUS, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER AND THE GUARANTOR MAY FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER AND/OR THE GUARANTOR.

NEITHER THE PROSPECTUS NOR ANY OTHER INFORMATION SUPPLIED HEREIN IN CONNECTION WITH SECURITIES ISSUED BY THE ISSUER:

- (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, NOR
- (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE GUARANTOR, THE SPONSOR, MANAGER & REGISTRAR OR AUTHORISED INTERMEDIARIES THAT ANY RECIPIENT OF THE PROSPECTUS, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE ISSUER.

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

2.1 Forward-looking statements

The Prospectus and the documents incorporated therein by reference or annexed thereto contain forward-looking statements that include, among others, statements concerning the Issuer's and/or Guarantor's strategies and plans relating to the attainment of their respective objectives, capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts and which may, accordingly, involve predictions of future circumstances.

Prospective investors can generally identify forward-looking statements by the use of terminology such as "may", "will", "should", "expect", "intend", "plan", "estimate", "anticipate", "believe", "forecast", "project" or similar phrases. Such forward-looking statements are inherently subject to a number of risks, uncertainties and assumptions, a few of which are beyond the Issuer's and/or Guarantor's control. Important factors that could cause actual results to differ materially from the expectations of the Issuer's directors include those risks identified under the heading "Risk Factors" and elsewhere in the Prospectus.

The Issuer cautions prospective investors that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied by such statements, that such statements do not bind the Issuer and/or the Guarantor with respect to future results

and no assurance is given that the projected future results or expectations covered by such forward-looking statements will be achieved.

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

2.2 Risks relating to the Issuer's reliance on the Smartcare Group

The Issuer itself does not have any substantial assets, apart from the shares held in SGIL, and is essentially a special purpose vehicle set up to act as a financing company solely for the purpose of part-financing the needs of the Group and, as such, its assets consist primarily of loans issued to Group companies.

The Issuer is dependent on the business prospects of the Group and, consequently, the operating results of the Group have a direct effect on the Issuer's financial position. Therefore, the risks intrinsic in the business and operations of Group companies have a direct effect on the ability of the Issuer to meet its Bond Obligations. Accordingly, the risks of the Issuer are indirectly those of the Group and, in turn, all risks relating to the Group are the risks relevant to the Issuer.

The interest and dividend payments and loan repayments to be affected by Group companies are subject to certain risks. More specifically, the ability of Group companies to affect payments to the Issuer will depend on the cash flows and earnings of such Group companies, which may be restricted by: changes in applicable laws and regulations; the terms of agreements to which they are or may become party; or other factors beyond the control of the Issuer. The occurrence of any such factor could, in turn, negatively affect the ability of the Issuer to meet its obligations in connection with the payment of interest on the Bonds and repayment of principal when due.

2.3 Risks relating to the Group (including the Issuer and the Guarantor) and its business

2.3.1 Risks relating to the healthcare industry and the operation of the Care Home generally

The Smartcare Group, through Smartcare Pinto Ltd which owns and operates the Care Home, is principally involved in the healthcare industry having commenced operations of the Care Home in December 2018, pursuant to which the Group is subject to general business risks inherent in the provision of accommodation and care for elderly persons.

Such risks include:

- regulations and laws relating to the healthcare industry are constantly evolving and are relatively untested by the local Courts;
- operations may be affected by changing consumer preferences, fluctuations in occupancy levels, increases in labour costs and other operating costs, competition from or the oversupply of other similar properties offering accommodation and care for elderly persons and general economic conditions;
- there is a risk of significant changes to current or future healthcare programs, and applicable laws and regulations that could be detrimental to the Group's business and financial position;
- breaches of law or license conditions could lead to, among other things, penalties, loss of operating licenses and damage to reputation;
- if the Care Home is not sufficiently successful in recruiting and retaining medical and nursing staff, its cost structure and profitability, but also its reputation and offering on the local market, will suffer;
- healthcare operators are exposed to the risk of medical indemnity or similar claims and litigation. Residents of the Care Home may threaten litigation, including for medical negligence or malpractice, which, if successful, could have an adverse impact on the financial performance, position and future prospects of the operation of the Care Home and the Group generally. Although professional indemnity and public liability insurance in respect of a range of events to which this operation may be susceptible has been taken out, no

assurance can be given that such insurance will remain available in the future on commercially viable terms or at all; and

- the Care Home is susceptible to the outbreak of sickness which could present it with major operational difficulties in protecting residents and maintaining an adequate staffing profile, in addition to disrupting normal business activities.

Any one or a combination of the above factors may adversely affect the business, results of operations and financial condition of the Group.

Furthermore, the success of the Group depends, in large part, on the ability of management to effectively control its operations and maintain its capacity through effective marketing of its products and quality management. Specifically, SPL has negotiated a commercial service agreement with the Active Ageing and Community Care department in virtue of which SPL is guaranteed the occupancy of a number of beds within the Care Home, which agreement will expire during the life of the Bonds (further details on said agreement are set out in sub-section 5.4 below). Failure to renew this agreement on favourable terms could negatively affect the performance of the Group and its ability to meet its obligations. Should the agreement with the Government of Malta not be renewed, the Group will be exposed to a more volatile financial performance as the result of the marketing of its products and services to the general public. Any of the foregoing factors verifying themselves may adversely affect the Group's profitability and financial condition.

2.3.2 The Group may not be able to reduce the Care Home's fixed costs rapidly in response to any reduction in revenue or increase in variable expenses

The fixed costs associated with owning and operating care homes for the elderly can be significant. The Group may be unable to reduce these fixed costs in a timely manner in response to changes in demand for services, increases in tax rates, utility costs, insurance costs, repairs and maintenance and administrative expenses. Any failure to adjust such fixed costs expeditiously may adversely affect the Group's profitability and financial condition.

2.3.3 Substitute products and competition

Customers' preferences may shift towards alternative healthcare solutions. If the Group does not anticipate and respond quickly enough to capitalise on such changing trends, its operating results could be adversely affected. The level of competition within the healthcare industry, particularly as regards accommodation and care for elderly persons, may increase, which may limit the future ability of the Group to maintain its market share and revenue level. Current and potential competitors may have longer operating histories, greater name recognition and/or greater financial, technical and other resources than the Group. Some of these competitors may be able to offer more attractive pricing and terms to their customers and adopt more aggressive pricing policies. There can be no assurance that the Group will be able to maintain or increase its market share and to compete effectively with current or future competitors or that the competitive pressures will not consequently have a material adverse effect on Group's business, financial condition, operational performance and, accordingly, on the Issuer's and/or Guarantor's ability to fulfil their respective obligations under the Bonds.

2.3.4 Labour force supply

A major challenge for the healthcare sector is labour force supply. The healthcare sector is not always considered as providing attractive career opportunities, especially as more lucrative and financially rewarding sectors have developed in recent years, that may be more appealing than healthcare. As a result, it is becoming increasingly difficult to engage personnel when and as required and this may erode revenues because of lost business and hampered growth. The lack of human resource supply could also fuel unsustainable increases in pay, which would affect the Group's profits and erode the Group's overall competitiveness.

2.3.5 The hotel industry could be adversely affected by natural disasters, infectious diseases (including COVID-19 pandemic and possible similar future outbreaks), terrorist activity and war

Natural disasters, the spread of contagious disease, industrial action, travel-related accidents, terrorist activity and war, and the targeting of hotels and popular tourist destinations in particular, have, in the past, had a significant negative impact on the hotel industry globally and such events could have a similarly negative impact on the industry in the future. Events such as the afore-mentioned could directly or indirectly affect travel patterns and reduce the number of business and leisure travellers and reduce the demand for hotel accommodation at the Group's hotel.

Additionally, to the foregoing, the effects of the COVID-19 pandemic on the hospitality and leisure industry generally will require the Group to move quickly and remain focused to understand and quantify the resulting operational and financial impact on the Group's business. The impact may be significant, and not yet predictable, on both revenue and supply chains. In response to the effects of the COVID-19 pandemic the Group will be required to introduce, on an on-going basis, dynamic business continuity measures to minimise the impact on its revenue streams, including preparation for business disruption, implementing and effectively enforcing all necessary operational and health and safety guidelines and managing insurance policies. The Group's inability to mitigate cash and working capital issues, and to stay in close contact with its stakeholders, may have an adverse impact on the Group's business, financial condition and results of operations.

The local incoming tourism industry is impacted by economic conditions in the countries from which Malta's tourism is sourced, by economic and political conditions in competing destinations, by the availability of air travel capacity and connections to the Maltese Islands and by the continued growth in global tourism. Adverse movements in the overall balance of these factors could negatively affect the Group's performance and the achievement of its projected results. Furthermore, actual or threatened war, terrorist activity, political unrest, civil strife and other geopolitical uncertainty may also reduce overall demand for business and leisure travel. The occurrence of any of these events or increasing concerns about these events could have a material adverse impact on the business, financial condition, results of operations and prospects of the Group.

The ongoing COVID-19 pandemic and any possible future outbreaks of viruses may have a significant adverse effect on the Group. A spread of such diseases amongst the residents and/or employees of the Group, as well as any quarantines affecting the residents and/or employees of the Group or the Group's facilities, may affect the Group's operations, including pursuant to a reduction in the possibility of the Group's personnel to carry out their work effectively.

2.3.6 Risks specific to property development and realisation of benefits expected from property investments

One of the ancillary pillars of the Group's business, through Smartcare Properties Limited and Smartcare Developments Ltd, is property development, targeted at the local commercial and residential market. All development projects are subject to a number of specific risks: the risk of cost overruns; the risk of insufficiency of resources to complete; the risk of sales transactions not materialising at the prices and the tempo envisaged; and the risk of sales delays resulting in a liquidity strain, higher interest costs and the erosion of revenue generation. If these risks were to materialise, they would have an adverse impact on the Group's revenue generation and cash flows.

The Group has made and expects to continue making significant investments in the acquisition, development and improvement of its existing and new properties as deemed appropriate. Renovating and improving existing properties and acquiring and developing new and commercially viable properties is important to the Group's business. The Group is susceptible to experiencing cost over-runs relating to unanticipated delays in developing property, unanticipated liabilities associated with property under development and by effecting enhancements to development projects. If these risks were to materialise, the Group may fail to realise the expected benefits from investments made in its properties and the Group's business, financial condition and results of operations, may be adversely affected.

2.3.7 Property valuation

The property valuation reports referred to in section 14 of this Registration Document are prepared by independent qualified architects in accordance with the valuation standards published by the Royal Institution of Chartered Surveyors (RICS). In providing a market value of each of the Security Property I, the Security Property II and the Security Property III, each of the independent architects have made certain assumptions which ultimately may cause the actual values to be materially different from any future values 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 be no assurance that such property valuation and property-related assets will reflect actual market values that could be achieved upon a sale, even where any such sale were to occur shortly after the valuation date. Actual values may be materially different from any future values that may be expressed or implied by forward-looking statements set out in the relative valuation or anticipated on the basis of historical trends, as reality may not match the assumptions made.

Furthermore, property values are affected by and may fluctuate, *inter alia*, as a result of changing demand, changes in general economic conditions, changing supply within a particular area of competing space and attractiveness of real estate relative to other investment choices. The value of the Group's property portfolio may also fluctuate as a result of other factors outside the Group's control, such as changes in regulatory requirements and applicable laws (including in relation to taxation and planning), political conditions, the condition of financial markets, potentially adverse tax consequences, and interest and inflation rate fluctuations.

The Group's operating performance could be adversely affected by a downturn in the property market in terms of capital values. The valuation of property and property-related assets is inherently subjective, due to, among other things, the individual nature of each property and the assumptions upon which valuations are carried out.

2.3.8 The Group may not be able to obtain the capital it requires for development or improvement of existing or new properties on commercially reasonable terms, or at all

The Group's ability to implement its business strategies is dependent upon, amongst other things, its ability to generate sufficient funds internally and to access external financing at acceptable costs. No assurance can be given that sufficient financing for its current and future investments will be available on commercially reasonable terms or within the timeframes required by the Group, also taking into account the need, from time to time, for the Group's properties to undergo renovation, refurbishment or other improvements. Any weakness in the capital markets may limit the Group's ability to raise capital for completion of projects that have commenced or for development of future investments. Failure to obtain, or delays in obtaining, the financing required to complete current or future developments on commercially reasonable terms, including increases in borrowing costs or decreases in loan funding, may limit the Group's growth and materially and adversely affect its business, financial condition, results of operations and prospects.

Specifically, as regards development projects, delays in the time scheduled for completion of Group projects may also cause significant delays in the tempo of the revenues forecasted by the Group to be generated from such projects, which can have a significant adverse impact on the Group's financial condition and cash flows in future.

3 PERSONS RESPONSIBLE & AUTHORISATION STATEMENT

3.1 Persons responsible

This Registration Document includes information prepared in compliance with the Capital Markets Rules issued by the MFSA for the purpose of providing Bondholders with information with regard to the Issuer and the Guarantor. Each and all of the Directors of the Issuer whose names appear in sub-section 4.1 of this Registration Document accept responsibility for all the information contained in the Prospectus.

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 Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors of the Issuer hereby accept responsibility accordingly.

3.2 Authorisation statement

This Registration Document has been approved by the MFSA as the competent authority in Malta for the purposes of the Prospectus Regulation. The MFSA has only approved 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 IDENTITY OF DIRECTORS, SENIOR MANAGEMENT, ADVISERS AND AUDITORS

4.1 Directors of the Issuer

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

| | | |
|-----------------------------|----------------------|-------------------------------------|
| Mr William Wait | ID Card No.: 253668M | Chairman and Executive Director |
| Mr Andrew Debattista Segond | ID Card No.: 94573M | Executive Director |
| Mr Sandro Grech | ID Card No.: 132568M | Independent, non-Executive Director |
| Dr Ian Joseph Stafrace | ID Card No.: 106173M | Independent, non-Executive Director |
| Mr Arthur Gauci | ID Card No.: 502968M | Independent, non-Executive Director |

Mr Sando Grech, Dr Ian Joseph Stafrace and Mr Arthur Gauci are considered as independent Directors since they are free of any business, family or other relationship with the Issuer, its controlling shareholder or the management of either, that could create a conflict of interest such as to impair their judgement. In assessing Mr Grech's, Dr Stafrace's and Mr Gauci's independence due notice has been taken of Rule 5.119 of the Capital Markets Rules.

The business address of the Directors is 326, Mdina Road, Qormi, Malta.

The Company Secretary of the Issuer is Dr Katia Cachia, holder of identity card number 246889M.

The following are the respective *curriculum vitae* of the Directors:

William Wait; Chairman and Executive Director

William is currently a senior officer employed with Smartcare Pinto Ltd. He is also the non-executive Chairman of Malta Enterprise, a post to which he was appointed in July 2016. Prior to this appointment, he occupied senior management positions within other Government entities. William is a director of the Toly Group, with whom he has been involved for the last 30 years in various positions, both executive and non-executive. William has served on the Councils of the Federation of Industry and the Malta Chamber of Commerce, Enterprise and Industry as Chairman of the Manufacturers and Other Industries Economic Board. Pre-2013, William also served on various Maltese Government Boards and Councils, including the Employment Relations Board and the M.C.E.S.D. - Malta Council for Economic and Social Development. During Malta's presidency of the Council of the European Union, between January and June 2017, William served as the President of the Working Party for Industry, within DG Grow. Today he serves as a director on various Maltese and foreign companies operating in a wide spectrum of industries, including generation of alternative energy, hospitality, property development, international trading and manufacturing. William has a B.A. (Hons.) Accountancy degree, is a Fellow of the Malta Institute of Accountants and holds a Certified Public Accountant (CPA) warrant.

Andrew Debattista Segond; Executive Director

Andrew incorporated Smart Homes Ltd in 2005 with the aim of providing high-quality construction services to both the private and public sector. Following the growth of this company, Andrew moved on to incorporate and directly manage three additional development companies (Kai Investments Ltd, Smarthomes Developments Ltd and Smarthomes Real Estate Ltd) through which all development projects were acquired. In turn, each company would then engage Smart Homes Ltd to carry out construction works on development sites. Andrew subsequently incorporated Smartcare Pinto Ltd, which is the owner and operator of the Care Home; Smartcare Properties Limited, which is involved in the ownership and management of property; and Smartcare Finance p.l.c., which is the financing company arm of the Group.

Sandro Grech; Independent, non-Executive Director

Sandro is a warranted certified accountant and auditor with over thirty years of post-graduate experience. During his post-qualification experience, Sandro gained experience in auditing, financial control and financial

planning consultancy. Soon after graduating, Sandro worked for one year with the Government Internal Auditing Department, taking over the internal audit of two key government departments. Sandro previously worked as a senior in the auditing division at Deloitte for four years where he performed the audits of companies in the banking, insurance, retail, manufacturing, gaming and services sectors. Sandro has also led audit teams in the audit of international firms overseas, including international banks in Luxembourg and high-tech companies in Rome, Italy. He also worked as a financial controller within two of the top ten companies in the private sector in Malta, engaged in imports, wholesale and retail of goods. Prior to founding SG Malta Ltd, Sandro worked as a sole practitioner offering audit and accountancy services. Sandro has a B.A. (Hons) Accountancy degree from the University of Malta and is a Fellow of the Malta Institute of Accountants. Sandro is also a Member of the Institute of Financial Services Practitioners and holds a Certified Public Accountant (CPA) warrant and is a certified public auditor.

Ian Joseph Stafrace; Independent, non-Executive Director

Ian is a Maltese lawyer who has been admitted to the Maltese Bar since 1998. He has worked for Exco Services Limited (an affiliated company of Deloitte) handling assignments relating to corporate matters, mergers and divisions and company restructuring. Ian then became a partner at Abela Stafrace and Associates, a law firm specialising in Civil and Administrative law matters, following which he served as the Chief Executive Officer of the Malta Environment and Planning Authority, the national agency regulating environment protection and development planning until April 2013. In May 2013, Ian returned to his profession and set up the firm Ian Stafrace Legal, today rebranded to Saliba Stafrace Legal. The firm remains focused on property, planning, environmental and commercial law, and added financial services to its core advisory services. Ian, through the firm, services both local and foreign entities.

Arthur Gauci; Independent, non-Executive Director

Arthur graduated Bachelor of Accountancy from the University of Malta in 1991 and has since then worked in the banking sector, later moving into the accountancy and auditing profession. In the mid-nineties he joined the Seabank Group as Group Financial Controller wherein he was primarily responsible for the finance and information technology departments. Arthur occupied the post of Chief Executive Officer of the db Group of companies from 2008 to 2020. Arthur spearheaded a public bond issue which SD Finance Plc issued in 2017 for €65 million and sits on the Board of Directors of SD Finance plc, besides serving as a director in a number of db Group companies. He also holds a Fellowship with the Institute of Accountants. During the years 1999 to 2004, he served as a member of the Board of Directors of the Malta Transport Authority.

4.2 Directors of the Guarantor

As at the date of this Registration Document, the Board of directors of SHL is constituted by the following person:

Mr Andrew Debattista Segond ID Card No.: 94573M Executive director

The company secretary of SHL is Mr Andrew Debattista Segond.

The curriculum vitae of Mr Andrew Debattista Segond is set out in sub-section 4.1 above.

4.3 Senior management

The key members of the Group's management team are the following:

Mr Andrea Sultana; Group Chief Executive Officer

Andrea obtained an international Diploma from Cambridge College in Sales and Management Marketing, has over fifteen years of experience in managerial roles, principally working for IT sales companies, and over five years of experience in a C-level role with a listed Maltese IT company. Andrea joined the Group in April 2022 and from the outset put his vast skill-set at the disposal of the Group's management team, drawing upon his strong understanding in financial and budgeting reporting and keen interest in governance and business development.

Mr Chris Camilleri; Group Chief Financial Officer

Following his studies Chris qualified in ACCA and today occupies the role of Chief Financial Officer of the Smartcare Group, a role he has held since joining the Group in January 2020. Prior to joining the Group Chris worked as a senior accountant with a local advisory firm servicing clients across a wide spectrum of corporate segments.

Ms Natalie Micallef; Head of Clinical Services

Natalie graduated from the University of Malta in 2012 with a first-class degree in Nursing Studies from the Faculty of Health Sciences and she obtained a post graduate Diploma in Respiratory Medicine at the University of South Wales, in 2020. She is currently reading for a Masters of Arts in Ageing and Dementia Studies with the University of Malta, expected to graduate in 2023. Natalie has held various positions within the medical industry in which she has been a staff nurse employed by the Ministry of Health at Mater Dei Hospital in Malta. Furthermore, she served as clinical tutor at the Faculty of Health Sciences at the University of Malta and provided mentoring to nursing students reading for their final year for either their degree or diploma. During the period between January 2017 and September 2018, Natalie also served as an IVI assessor of staff nurses working at Mater Dei Hospital. She has been occupying the position of Head of Clinical Services within SPL since October 2018.

Mr Erich Vassallo; Care Home Manager

Erich obtained a diploma in nursing from the Institute of Health Care in 1996. He obtained a Masters degree in Healthcare Management and Leadership from Idea Leadership and Management Institute in 2021. Erich was employed with the Department of Health in Malta since 1996 and has held various roles in Malta's public hospitals. Up until 2018, Erich held the role of Deputy Charge Nurse Medical Assessment with the Department of Health. He has been occupying the position of Head of Home within SPL since October 2018.

Mr Ronald Galea; General Manager Hotel Operations

Ronald joined the Group in September 2021 as General Manager of The Segond Boutique Hotel. Prior to taking on this role with the Group, Ronald held various managerial roles with private companies operating in various sectors, most recently as commercial and operations manager with a fast-moving-consumer-goods operator for over 5 years.

The Directors believe that the Group's present management organisational structures are adequate for the current activities of the Issuer and the Group generally. The Directors will maintain these structures under continuous review to ensure that they meet the changing demands of the Group's business and to strengthen the checks and balances necessary for optimum corporate governance and maximum operational efficiency.

4.4 Advisers to the Issuer

Legal Counsel

Name: GVZH Advocates
Address: 192, Old Bakery Street, Valletta VLT 1455, Malta

Sponsoring Stockbroker

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

Reporting Accountant

Name: Grant Thornton Malta
Address: Fort Business Centre, Triq l-Intornjatur, Zone 1, Central Business District, Birkirkara CBD 1050, Malta

Manager & Registrar

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

As at the date of the Prospectus none of the advisers named above have any beneficial interest in the share capital of the Issuer or the Guarantor. Additionally, save for the terms of engagement relative to their respective

services provided in connection with the application for admissibility to listing of the Bond Issue, no material transactions have been entered into by the Issuer or the Guarantor with any of the advisers referred to above.

The organisations listed above have advised and assisted the Directors in the drafting and compilation of the Prospectus.

4.5 Auditors

Name: Grant Thornton Malta
Address: Fort Business Centre, Triq l-Intornjatur, Zone 1,
Central Business District, Birkirkara CBD 1050, Malta

The annual statutory financial statements of the Issuer and the Guarantor for the financial year ended 31 December 2019 have been audited by Reanda Malta. Reanda Malta is a firm of certified public accountants, holding a warrant to practice the profession of accountant and a practicing certificate to act as auditors in terms of the Accountancy Profession Act, Chapter 281 of the laws of Malta.

The annual statutory financial statements of the Issuer and the Guarantor for the financial years ended 31 December 2020 and 31 December 2021 have been audited by Grant Thornton Malta. Grant Thornton Malta (accountancy board registration number AB/26/84/22) is a firm registered as a partnership of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Chapter 281 of the laws of Malta).

4.6 Security Trustee

Name: GVZH Trustees Limited
Address: 52, St. Christopher Street, Valletta VLT 1462, Malta

GVZH Trustees Limited is duly authorised and qualified to act as a trustee or co-trustee in terms of the Trusts and Trustees Act (Chapter 331 of the laws of Malta).

5 INFORMATION ABOUT THE ISSUER AND THE GUARANTOR

5.1 Historical development of the Issuer

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| Full legal and commercial name of the Issuer: | Smartcare Finance p.l.c. |
| Registered address: | 326, Mdina Road, Qormi |
| Place of registration and domicile: | Malta |
| Registration number: | C 90123 |
| Date of registration: | 7 January 2019 |
| Legal form: | The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act |
| Legal Entity Identifier: | 391200VICFPFLUX5BL94 |
| Telephone number: | +356 21 449 574 |
| E-mail address: | info@smartcaremalta.com |
| Website*: | www.smartcaremalta.com |

**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 Issuer was registered in Malta as a public limited liability company on 7 January 2019 and is domiciled in Malta.

The principal object of the Issuer, which was set up and established to act as the finance company of the Smartcare Group, is to carry on the business of a finance and investment company in connection with the

ownership, development, operation and financing of the business activities of the Group, whether in Malta or overseas, and for such purpose:

- (A) (i) to lend or advance money or otherwise give credit to any company now or hereinafter forming part of the Group, with or without security and otherwise on such terms as the directors may deem expedient; and (ii) to invest and deal with the moneys of the company and any company now or hereinafter forming part of the Group in or upon such investments and in such manner as the directors may, from time to time, deem expedient; and
- (B) to borrow or raise unlimited sums of money in such manner as the Issuer may think fit and in particular by the securitisation of any receivables or other assets of the Issuer, by the issue of bonds, debentures, commercial paper, notes or other instruments creating or acknowledging indebtedness, and to offer same on sale to the public, and to secure the repayment of any money borrowed or raised and any interest payable thereon by the hypothecation or the creation of any other charge upon the whole or part of the moveable and immovable property of the Company, present and future.

As at the date of the Prospectus, the Issuer has an authorised and issued share capital of two hundred and fifty thousand Euro (€250,000) divided into two hundred and fifty thousand (250,000) Ordinary shares of one Euro (€1.00) each, fully paid up, which are subscribed and held by Smartcare Holdings Ltd as to 249,999 Ordinary shares of €1.00 each and by Andrew Debattista Segond as to 1 Ordinary share of €1.00. Further details concerning the manner in which the shares in the Issuer are subscribed to are set out in sub-section 8.1 of this Registration Document.

The Issuer is not intended to undertake any trading activities itself apart from the raising of capital and the advancing thereof to members of the Group. Accordingly, the Issuer is economically dependent principally on the financial and operating performance of the businesses of Group entities, comprising the business of healthcare for the elderly, hospitality and real estate development (further details of said entities and their respective businesses are set out in sub-section 5.4 of this Registration Document).

The Issuer is, therefore, intended to serve as a vehicle through which the Group will continue to finance its future projects, principally and in the immediate future the projects set out in detail in sub-section 5.5 of this Registration Document, as well as other projects that may be undertaken by its subsidiary companies; and/or enabling the Group to seize new opportunities arising in the market.

Since its incorporation, the Company issued two bonds, one of which is currently listed and trading on the Official List of the Malta Stock Exchange.

Specifically, in May 2019, the Company issued to the public in Malta on the Prospects MTF list of the Malta Stock Exchange €5,000,000 secured bonds due in 2029 (ISIN: MT0002251206) of a nominal value of €100 per bond bearing an interest rate of 5% *per annum*, issued at par pursuant to a company admission document dated 28 May 2019. The said Prospects MTF Bonds issued by the Issuer in 2019 were redeemed in full on the 30 March 2021, in furtherance of the issue of the 2021 Smartcare Bonds as detailed in the 2021 Smartcare Prospectus.

In March 2021, the Company issued to the public in Malta and listed on the Official List of the Malta Stock Exchange €13,000,000 secured bonds due in 2031 of a nominal value of €100 per bond bearing an interest rate of 4.65% *per annum*, issued at par and redeemable on 22 April 2031 at their nominal value, pursuant to the terms and conditions set out in the 2021 Smartcare Prospectus. The 2021 Smartcare Bonds (ISIN: MT0002251214) are guaranteed jointly and severally by the Guarantor and SPL and are secured by the following security rights: (i) a first ranking special hypothec over the Security Property I up to the amount of €13,000,000; (ii) a pledge by SGIL over all of its shares held in Smartcare Pinto Ltd; and (iii) a pledge over the proceeds from the insurance policy providing for the full replacement value of the Security Property I, details of which security rights are set out in the 2021 Smartcare Prospectus. The first €5,000,000 of net proceeds raised pursuant to the issue of the 2021 Smartcare Bonds were used by the Issuer to finance the redemption of the outstanding amount of €5,000,000 5% 2019 Prospects MTF bonds referred to above. As at the date of this Registration Document, the amount of €13,000,000 of the 2021 Smartcare Bonds remains outstanding.

There are no recent events particular to the Issuer which are, to a material extent, relevant to the evaluation of the Issuer's solvency.

The Issuer operates exclusively in and from Malta.

5.2 Historical development of the Guarantor

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| Full legal and commercial name of the Guarantor: | Smartcare Holdings Ltd |
| Registered address: | 326, Mdina Road, Qormi |
| Place of registration and domicile: | Malta |
| Registration number: | C 90121 |
| Date of registration: | 7 January 2019 |
| Legal form: | SHL is lawfully existing and registered as a private limited liability company in terms of the Act |
| Legal Entity Identifier: | 391200POKC4J2V476Z70 |
| Telephone number: | +356 21 449 574 |
| E-mail address: | info@smartcaremalta.com |
| Website*: | www.smartcaremalta.com |

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

SHL was registered in Malta in terms of the Act on 7 January 2019 as a private limited liability company with the principal object of subscribing for, taking, purchasing, selling, investing in, exchanging or otherwise acquiring, holding, managing, developing, dealing with and turning into account any bonds, debentures, shares (whether fully paid or not), stocks, options or securities of governments, states, municipalities, public authorities or public or private, limited or unlimited companies, and whether on a cash or margin basis and including short sales and to lend or borrow money against the security of such bonds, debentures, shares, stocks, options or other securities. SHL is empowered in terms of its Memorandums of Association to guarantee, support or secure the performance of any obligations or commitments, including obligations on the payment of money, by any person, company or corporation.

As at the date of the Prospectus, SHL, which is the parent company of the Smartcare Group, has an authorised and issued share capital of €2,374,526 divided into 2,374,526 Ordinary shares of €1 each, fully paid up, which are subscribed and held in their entirety by Andrew Debattista Segond. Further details concerning the manner in which the shares in SHL are subscribed to are set out in sub-section 8.2 of this Registration Document.

There are no recent events particular to SHL which are, to a material extent, relevant to the evaluation of its solvency. SHL operates exclusively in and from Malta.

5.3 Obligations of the Guarantor in terms of the issue of the 2021 Smartcare Bonds

In terms of the 2021 Smartcare Prospectus regulating the terms and conditions of the 2021 Smartcare Bonds issued by the Issuer, SHL stands surety jointly and severally with SPL and with the Issuer and irrevocably and unconditionally guaranteed the due and punctual performance of all obligations undertaken by the Issuer under the 2021 Smartcare Bonds and, accordingly, undertook to each holder of the 2021 Smartcare Bonds that if for any reason the Issuer fails to pay any sum payable by it to such bondholder pursuant to the terms and conditions of the 2021 Smartcare Prospectus as and when the same shall become due, SHL will (on a joint and several basis with SPL) pay to such bondholder on written demand the amount payable by the Issuer to such bondholder, be it by way of interest or principal amount due under the 2021 Smartcare Bonds. The obligations of SPL and SHL under the guarantee dated 19 February 2021 shall remain in full force and effect until no sum remains payable to any holder of the 2021 Smartcare Bonds.

5.4 Overview of the Group's business

Mr Andrew Debattista Segond incorporated Smart Homes Ltd in 2005 with the aim of providing high-quality construction services to both the private and public sectors. As his business grew, Mr Debattista Segond moved

on to incorporate and directly manage three additional development companies (Kai Investments Ltd, Smarthomes Developments Ltd and Smarthomes Real Estate Ltd) through which all development projects were acquired. In turn, each company would then engage Smart Homes Ltd to carry out construction works on development sites.

Following his successes with his construction companies over the years, Mr Debattista Segond has more recently decided to enter into the healthcare for the elderly sector and the hospitality sector. In this regard, Smartcare Pinto Ltd was incorporated in May 2018, intended to be the owner and operator of the Care Home. In July 2019 SHL was incorporated with a view to owning and operating the Segond Boutique Hotel. Furthermore, Smartcare Properties Limited was incorporated on 7 January 2019 to serve as the holding company of properties forming part of the Group.

The Group, through the operating company Smartcare Pinto Ltd, owns and currently operates a 131 long-term care bed old people's home, Dar Pinto, situated in Qormi through a private-public partnership agreement with the Active Ageing and Community Care department.

The Care Home, which is fully operational, is housed within a six-storey property which stretches between two parallel streets in Qormi, spanning from Triq Guze Duca on one end to Triq I-Imdina at the other end. The property has a street frontage of approximately 29 metres on Triq Guze Duca and approximately 13 metres on Triq I-Imdina. The original approved permit allowed for the home to have 32 residents' rooms, for a total of 78 beds. The Care Home includes a Chapel, a dining room, a kitchen and other amenities. The basement of the property houses 13 car parking spaces accessed by a ramp leading to Triq I-Imdina. Originally, the property over which the Care Home has been built was spread over five floors starting at basement level (garage) and ending at third floor level that is receded from the two street facades.

The gross floor area of the basement garage and the ground floor measures approximately 710 square metres. The gross floor area of the first and second floor is of 650 square metres each and the gross floor area of the receded level is of 480 square metres. The gross floor area of the total development spread over all five floors is approximately 3,200 square metres. However, in line with an additional approved permit, Smartcare Pinto Ltd extended the receded floor to form a full floor, as well as the addition of a further full floor and a recessed floor. With this extension, the Care Home increased its total floor area by 1,390 square metres, also resulting in additional beds. Although the Care Home holds a permit to operate 148 beds, as at the date of this Registration Document the Care Home operates 131 beds.

Specifically, as regards the occupancy of the Care Home, on 23 May 2019 SPL entered into a service agreement with the Active Ageing and Community Care Department (AACCD) (hereinafter the "Care Home Agreement") in virtue of which SPL is guaranteed the occupancy of a number of beds within the Care Home for a period of five years (until 31 May 2024). The Care Home Agreement, which stipulates fixed rates for low dependent residents, medium dependent residents and high dependent residents, respectively, is subject to renewal for a further period of 1 year beyond the initial five-year term. Accordingly, in virtue of the Care Home Agreement the Government of Malta has committed to take-up all of the beds within the Care Home for the term of said agreement, which effectively means that the Government of Malta is presently the Care Home's only customer. As from April 2020, the Care Home reached full occupancy.

Pursuant to the issue of the 2021 Smartcare Bonds, the property adjacent to the Care Home was acquired by SPL for the purposes of extending the footprint of the Care Home, so as to operate 185 beds following the completion of the extension. The construction and the development of the extension is currently underway with the target to complete *circa* by Q4 2022.

The Issuer, the Guarantor and all entities comprising the Smartcare Group operate exclusively in and from Malta.

5.5 Principal investments of the Group

5.5.1 Extensions to the Care Home

In 2020 SPL was granted approval (PA/01258/20) to extend the Care Home into an adjacent plot on Mdina Road, Qormi, which extension is intended to cater for an additional 23 rooms and 37 beds. Specifically, the application

provides for the demolition of the first and second levels of the Care Home and a lateral extension of the existing Care Home at first, second, third, fourth and fifth floors to create 23 rooms and related public areas.

This development, associated with the acquisition of two adjacent properties in Mdina Road, Qormi, is covered by a valid and approved planning permit. On 13 May 2021, SPL completed the acquisitions of each of said adjacent properties and development of the said properties started in November 2021. Construction works in respect of said extension have been completed and the ancillary finishing and furnishing works are currently underway and due to be completed by Q4 2022, meaning that the additional beds are expected to be operational immediately thereafter.

Additionally, to the foregoing, SPL intends to carry out a further extension to the Care Home. In this regard, on 21 December 2021, SPL has submitted a planning application (PA/02321/22) seeking to further extend the Care Home into another two adjacent plots on Mdina Road, which new extension would cater for an additional 28 beds in total. Specifically, the application provides for the demolition of the ground and first floor level of the Care Home, with a different layout from that previously approved, and an extension at ground, first, second, third, fourth and fifth floor levels to create rooms to cater for an additional 28 beds, to bring the total number of beds in the Care Home to 213 beds.

On 28 October 2021 and 9 March 2022, respectively, SPL entered into promise of sale agreements in connection with the acquisition of each of said adjacent properties, which promise of sale agreements are valid till 30 October 2022 and 9 March 2023 (or two months after the relative permit is obtained, whichever is earlier), respectively. The relative final deeds of acquisition are expected to be entered into immediately following the Bond Issue. The effect on the day-to-day running of the Care Home of the extension works is being foreseen as negligible and it is being assumed that the existing Care Home should be able to continue functioning as usual throughout all of the extension works. This further extension of the Care Home is due to be completed by Q4 2023.

The aggregate costs associated with this latest proposed extension, including purchase of the adjacent sites and constructions and finishing works, are estimated to be €2,250,000 and said costs will be financed through part of the net proceeds of the Bond Issue as set out in sub-section 5.1 of the Securities Note.

In terms of the property valuation report referred to in section 14 of this Registration Document, the first extension to the Care Home is estimated to increase the value of the Security Property I to €16.8 million, while the second extension (including the value of the two adjoining properties on Mdina Road) is estimated to increase the value of the Security Property I to €19.5 million. Furthermore, the market value is expected to reach €20.5 million at stabilised operations.

5.5.2 Segond Boutique Hotel

The Group, through Segond Boutique Hotels Limited, owns land in Xagħra, Gozo and in 2021 completed the development and construction of The Segond Boutique Hotel. The hotel, which has a total of 51 double rooms, consisting of 14 large suites, which include a jacuzzi or pool, and 37 double rooms, opened its doors to the public and commenced operations in January 2022.

The hotel is situated on two sites along two adjoining streets in Xagħra, Gozo. The sites together have total footprint of *circa* 892 square metres. One site is situated on Triq il-Kommitiva while the other site is situated on Triq ta' Gajdor.

The site situated on Triq il-Kommitiva has a total of 6 floors, including basement and a setback level, with a total of 30 rooms. The basement provides for 5 car parking spaces together with areas allocated for a bathroom and staff changing rooms. The hotel's facilities include 2 reception areas, bar area, restaurant and bar which doubles up as a breakfast room, seating area, luggage room and a roof-top pool.

The other site situated on Triq ta' Gajdor is spread over four floors, including a basement, which basement is used as a storage space and includes bathroom facilities. This part of the hotel has a total of 21 rooms.

5.5.3 Xagħra property development

Since March 2020, the Group, through Smartcare Developments Ltd, owns a plot of land in Xagħra, Gozo with a total area of approximately 1,142 square metres, which the Group intends to develop into a residential block for resale. The site is referred to as Ta' Germinda', also known as Ta' Karaviza', and is accessible from Triq ta' Karkar, in the limits of Xagħra, Gozo.

The development of the residential property will consist of a mix of 1 bedroom, 2 bedroom, 3 bedroom apartments and penthouse units. Each residential block includes underground garages. The Group has obtained development permits to construct 2 blocks of apartments (10 apartments in each block) with underlying garages (6 garages and 6 car spaces), and to construct a further 14 apartments in another block with 6 underlying garages. Construction works commenced in January 2021 and the entire project is estimated to be completed in 2022.

The total development cost, including demolition, construction and finishing, is estimated to be in the region of €1,300,000.

5.5.4 Tower Road, Sliema Hotel

In August 2021, Smartcare Properties Ltd entered into a promise of sale agreement to acquire a 65-year temporary emphyteusis from the Archdiocese of Malta on a property situated at 73, Tower Road, Sliema, Malta. As per promise of sale, the final deed of emphyteusis is to be signed within three months of the issue of the development permit, which was issued on 18 May 2022.

Pursuant to the aforementioned promise of sale agreement, Smartcare Properties Ltd submitted a planning application to demolish the existing dwelling and to construct a restaurant Class 4D at ground and first floor level and an overlying Class 3A guest house with a total of 14 rooms. It is the Group's intention to develop the hotel into 12 standard rooms, one suite and one penthouse suite. Of these, 6 rooms and the penthouse shall have an indoor pool. The relative planning permit was approved in May 2022.

On 20 October 2021, Smart Suites Limited entered into a contract of works agreement with Smart Homes Limited (C 35565) for the latter to carry out civil and buildings works, and all other works required to render the hotel into a finished state within 21 months from commencement date. Development works are expected to be completed by December 2023 and the hotel is expected to commence operations as from 1 January 2024.

The completion costs are estimated to be €1,280,000 and said costs will be financed through part of the net proceeds of the Bond Issue as set out in sub-section 5.1 of the Securities Note.

5.5.5 Hamrun development

In December 2021, the Group acting through Smartcare Developments Ltd acquired a block of buildings forming part of the Roxy Home Furnishings complex situated in Saint Joseph High Road, Hamrun, with its underlying land and overlying roof and airspace, numbered 797, 798, 799, 800 and 801, the latter extending above and also including the airspace overlying the adjacent properties numbered 802 and 803. The properties acquired include two doors numbered 11 and 11A in Saint Thomas Alley, Hamrun and one-half undivided share of the alley.

In January 2021, a full development permit was granted to demolish part of the existing showroom building, retaining the façade and the large internal arches, to dismantle and incorporate the existing smaller arches into the proposed building, to excavate one level over a portion of the site, for the construction of basement parking and to construct a building with a mixed use of residential, 29 apartments at the upper floors and retail Class 4B, office Class 4A at the ground floors. The residential part of the development will be offering a mix of one-bedroom, two-bedroom and penthouse units.

Works on the development commenced in 2021 and are estimated to be completed in 2023.

5.5.6 Pieta', Birzebbuga and Zejtun developments

In April 2022, Smartcare Developments Ltd entered into a promise of sale agreement to acquire a farmhouse in Pieta', together with all its rights and appurtenances, including its surrounding gardens and structures, overlying roofs and underlying terrain, altogether occupying a superficial area of *circa* 770m², for a consideration of €1.1 million. A full development application (PA/03161/22) was submitted to demolish existing rooms, retaining part of the garden wall and to excavate the site to form a basement and to construct 5 terraced houses having basement, ground, first and setback second floor with proposed pool in the garden of three of the houses and a pool on the roof terrace on two of the houses. The demolition, development and finishing works of the planned development are expected to commence in 2023 following approval of the relative permit and all works are expected to be completed by 2024.

On 13 September 2021, Smartcare Developments Ltd entered into a promise of sale agreement (subsequently assigned to Smartcare Properties Ltd) to acquire two penthouses and their respective airspaces, both of which are located in Birzebbuga, Malta. The final deed of sale was entered into on 28 June 2022. Smartcare Properties Ltd has submitted a planning application to demolish the existing penthouses and construct an extra three floors, which would consist of seven apartments and two additional penthouses. The development of the residential property shall be split into two 1-bedroom apartments, four 2-bedroom apartments, one 3-bedroom apartment, one two-bedroom penthouse and a one-bedroom penthouse. The planning permit was approved on the 24 May 2022.

Similarly, on 26 October 2021, Smartcare Developments Ltd entered into a promise of sale agreement (subsequently assigned to Smartcare Properties Ltd), which is valid up to 26 January 2023, to acquire a site located in Zejtun, Malta. SPL has submitted a planning application to demolish the existing dilapidated structures, excavate and construct one floor of basement garages with an access from an existing garage opening in Triq Santa Monika, together with the construction of two overlying three-bedroom terraced houses with pools.

Save for the above, the Issuer and the Group generally is not party to any other principal investments, and has not entered into or committed for any principal investments, subsequent to 31 December 2021, being the date of the latest audited financial statements of the Issuer and the Guarantor.

5.6 Contracted works

As specified in section 5.4 of this Registration Document, the ultimate beneficial owner of the Group had established a company outside of the Group, Smart Homes Limited (C 35565) which is engaged by the Group to carry out the construction works for the Group's development projects.

For each individual project, the Group enters into a contract of works agreement with Smart Homes Limited. This contract specifies the nature of work to be undertaken by the Smart Homes Limited and governs the contractual agreements including pricing, timing and construction works.

The pricing applied in said agreements is based on the Group's vast experience in the industry and is tailored to factor in both local and international current industry trends, particularly as regards inflationary pressures. The aforementioned contractor entity makes minimal reliance on third party contractors, thereby minimizing variances resulting from third party inflationary pricing. All works referred to in the preceding sections of this Registration Document are planned to be completed within 24 months of the date of the Prospectus, thus limiting the effect of future inflationary price increases.

In any event, any possible inflationary elements have been factored into the fixed price set out in the agreements entered into as aforesaid, including additional contingency following professional advice and bills of quantity obtained from the Group's advisors.

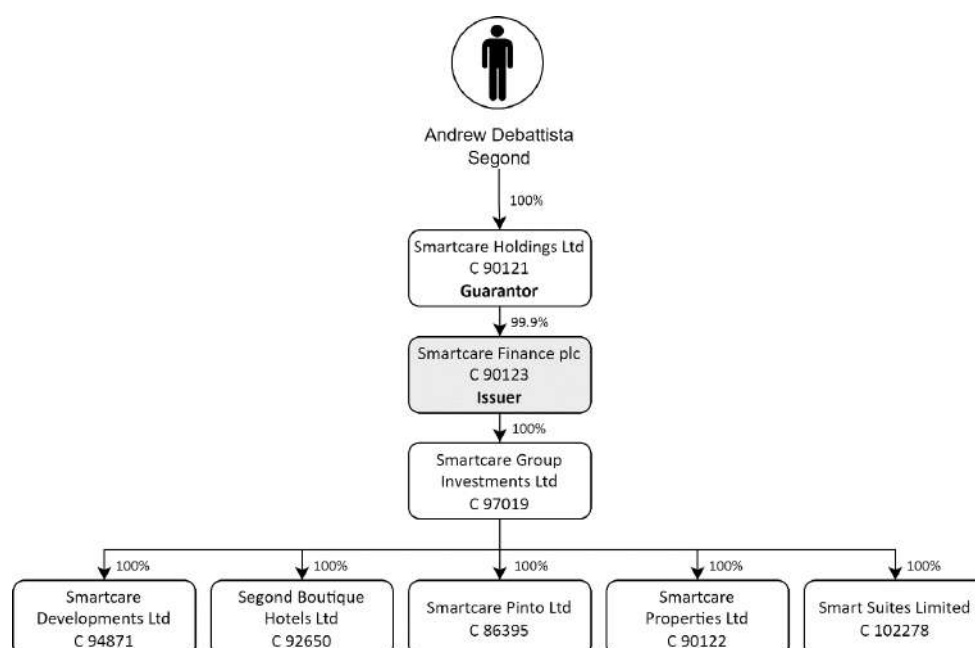
Given that this is a related party, all contracts of work constituted between the Group and Smart Homes Limited are reviewed by the Audit Committee. This ensures that all contract of works agreements are entered into at arms' length.

5.7 Organisational structure

As previously stated, the Issuer is a special purpose vehicle set up to act as a financing company for the needs of the Smartcare Group and, as such, it is dependent on the business prospects and operating results of Smartcare Group entities. Mr Andrew Debattista Segond ultimately, through Smartcare Holdings Ltd, owns 100% of the Group.

In terms of the 2021 Smartcare Prospectus, with effect from 30 March 2021, SGIL granted a pledge over all of its shares held in SPL in favour of the Security Trustee for the benefit of holders of the 2021 Smartcare Bonds.

The organisational structure of the Smartcare Group as at the date of the Prospectus is illustrated in the diagram below:



5.8 The Collateral granted in favour of the Security Trustee

Security for the fulfilment of the Issuer's Bond Obligations in terms of the Bond Issue is to be granted in favour of the Security Trustee for the benefit of Bondholders, by way, *inter alia*, of the granting of the Collateral as described in further detail in sub-section 5.5 of the Securities Note. The security shall be constituted in favour of the Security Trustee for the benefit of all Bondholders from time to time registered in the Central Securities Depository of the Malta Stock Exchange. The Collateral will be vested in the Security Trustee for the benefit of the Bondholders in proportion to their respective holding of Bonds.

6 TREND INFORMATION AND FINANCIAL PERFORMANCE

6.1 Trend information

6.1.1 Trend information of the Issuer

There has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements dated 31 December 2021. Furthermore, there has been no material adverse change in the Issuer's borrowing and funding structure since said date.

There has been no significant change in the financial performance of the Issuer since the date of its last published audited financial statements dated 31 December 2021.

The Issuer is dependent on the business prospects of the Group and, therefore, the trend information relating to the Group has a material effect on its financial position and prospects.

6.1.2 Trend information of the Group

At the time of publication of this Registration Document, the Group considers that generally it shall be subject to the normal business risks associated with the industries in which the Group companies are involved and operate as disclosed in this Registration Document 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 the upcoming prospects of Group companies and their respective businesses, at least with respect to the financial year 2022. However, investors are strongly advised to carefully read the risk factors disclosed in the Prospectus.

There has been no material adverse change in the prospects of the Guarantor since the date of its last published audited financial statements dated 31 December 2021. Furthermore, there has been no material adverse change in the Guarantor's borrowing and funding structure since said date.

There has been no significant change in the financial performance of the Guarantor since the date of its last published audited financial statements dated 31 December 2021.

Information relative to the profit forecasts of the Issuer and the Group is set out in the Financial Analysis Summary.

The following is an overview of the most significant recent trends affecting the Group and the markets in which it operates:

6.1.3 Economic Update¹

The Central Bank of Malta's Business Conditions Index indicates that annual growth in business activity has returned to its long-term average. The European Commission survey shows that in May, economic sentiment in Malta remained above its long-term average but was unchanged from a month earlier. When compared with April, sentiment strongly ameliorated in the services sector and among retailers. It also improved slightly in construction. These developments were partly offset by weaker sentiment in industry and among consumers. Additional survey information shows that price expectations increased in the retail and services sectors. On the contrary, price expectations in other sectors declined, with the largest decrease recorded in industry. In May, the European Commission's Economic Uncertainty Indicator increased when compared with April. Higher uncertainty was largely driven by developments in services and industry, and to a smaller extent, among consumers.

In April, industrial production contracted in annual terms, following a small rise a month earlier. The volume of retail trade rose at a faster pace. The unemployment rate was marginally lower than that recorded in March and below last year's rate. Commercial and residential permits increased in April relative to their year-ago levels. In May, the number of promise-of-sale agreements fell on a year-on-year basis while final deeds of sale rose slightly.

The annual inflation rate based on the Harmonised Index of Consumer Prices stood at 5.8% in May, up from 5.4% in the previous month. Inflation based on the Retail Price Index (RPI) edged up to 6.0% in May, from 5.7% a month earlier. Maltese residents' deposits expanded at an annual rate of 8.8% in April following an increase of 10.1% in the previous month while annual growth in credit to Maltese residents stood at 7.8%, marginally above the rate of 7.7% recorded a month earlier. The Consolidated Fund deficit in April 2022 narrowed compared with a year earlier as expenditure fell while revenue rose slightly.

¹ Central Bank of Malta – Economic Update 6/2022

6.1.3.1 Economic Outlook²

The Central Bank of Malta expects Malta's gross domestic product (GDP) to grow by 5.4% in 2022, 4.9% in 2023 and 3.8% in 2024. Compared to the Bank's previous projections, this represents a downward revision of 0.6 percentage point in 2022 and 0.4 percentage point in 2023. The downward revision reflects the deterioration in the international economic environment due to the Russian invasion of Ukraine and the lockdown measures in Asia. These headwinds have weakened global trade and have exacerbated supply chain disruptions and shortages of key vital inputs. Such disruptions have also increased imported price pressures.

Net exports are expected to be the main driver of growth in 2022, reflecting the correction in import-intensive investment outlays from the exceptional levels reached in 2021. The contribution of domestic demand is expected to be positive but significantly lower compared to that of the previous year. In the following years, domestic demand is expected to lead the expansion in economic activity, reflecting especially a foreseen strong contribution from private consumption. At the same time, the contribution of net exports is projected to remain positive, reflecting the gradual normalisation of tourism exports and growth in foreign demand more generally.

Employment growth in 2022 is expected to reach 2.9% from 1.6% in 2021. It is set to moderate to just below 2% by 2024. The unemployment rate is projected to decline to 3.3% this year, from 3.5% last year and it is expected to hover within this range over the outlook period.

In view of the expected increase in inflation this year, wage growth is projected to be relatively strong as employees might demand some partial compensation for the increase in prices. Nevertheless, nominal wage growth is projected to remain below that of inflation due to some lag in the transmission from prices to wages. In the following years, wage pressures are expected to moderate as the labour market becomes less tight.

Annual inflation based on the Harmonised Index of Consumer Prices is projected to accelerate to 5.0% in 2022, from 0.7% in 2021. The sharp pick-up in inflation reflects a broad-based increase across all sub-components of HICP except for energy inflation. Import price pressures are expected to moderate somewhat by the beginning of next year, although these are envisaged to remain high by historical standards. HICP inflation is expected to moderate to 2.9% by 2023, driven by lower contributions from all subcomponents except for energy inflation. Inflation is set to ease further in 2024, to 1.8%.

The general government deficit-to-GDP ratio is projected to recede to 5.6% of GDP in 2022, from 8.0% in 2021. It is expected to narrow further to 4.0% of GDP in 2023, and to 3.2% of GDP in 2024. This profile is driven by the unwinding of COVID-19 support measures in 2022, which should offset outlays on price mitigation measures. The general government debt-to-GDP ratio is projected to stand at 58.7% of GDP in 2024.

On balance, risks to economic activity are to the downside for 2022 and 2023, and on the upside for 2024. These risks stem from a possible prolongation of the Russia-Ukraine war. More persistent supply bottlenecks as well as higher input and transport costs, could adversely affect manufacturing output, private consumption, and investment. Foreign demand could also be weaker than expected if monetary policy in advanced economies responds more forcibly to inflation than assumed in this baseline. These downside risks could be mitigated somewhat by possibly more expansionary domestic fiscal policy, an earlier resolution of the war, as well as the possibility of a faster drawdown of domestic private savings.

Risks to inflation are on the upside during the entire projection horizon. Indeed, the prolongation of the war, as well as China's zero-COVID policy, could increase commodity prices further and exacerbate imported price pressures and costs. Finally, wage pressures could be stronger than expected if high inflation persists for a longer period.

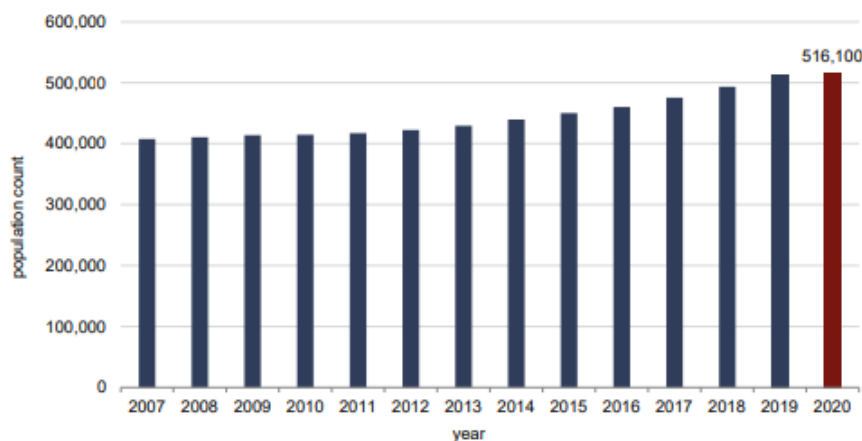
On the fiscal side, risks mainly relate to a larger deficit in 2022 and 2023. These mostly reflect the likelihood of additional Government support to mitigate rising commodity prices and State aid to Air Malta.

² Central Bank of Malta – Outlook for the Maltese Economy 2022 – 2024 (2022:2)

6.1.4 The care home industry in Malta³

In recent years, the population in Malta grew significantly, mainly due to both immigration and an increase in life expectancy for both genders. As per the latest National Statistics Office records, the estimated population of Malta and Gozo at the end of 2020 stood at 516,100, up by only 0.3% when compared to 2019. However, 2020 was a unique year due to COVID-related restrictions and their repercussions on the movement of people. Comparing to the same figures from last year, the growth was 4.3% YoY, a very rapid rate of growth in the population. If we look at a broader picture, Malta's population grew by 17.4% in the last six years (2014-2020), a very significant growth, even when compared to the previous 6-year period between 2008 and 2014 when the population only increased by 7%.

This is summarised in the following chart:



Life expectancy has also increased throughout the years, with the average life expectancy for those born in 2019 standing at 83 years, an increase of 2.6 years when compared to 10 years ago. Demographic statistics show that the population in Malta is aging considerably. As of 31 December 2020, the population aged 65 years and above comprised 18.9% (97,418) of the total population of 516,100, an increase of 3.2% from the 15.7% recorded in 2010. Similarly, according to the '2021 Ageing Report'⁴ prepared by the European Commission and the Economic Policy Committee, the EU-27's median age is projected to increase by 5 years to reach 47.3 years for men and 50.3 years for women by 2070. This phenomenon is projected to be universal across all EU Member States, including Malta.

6.1.5 The hospitality sector in Malta⁵

The tourism industry in Malta has been progressively growing over the years, benefiting from a surge in tourism with records broken year on year. This trend which is summarised in the below table illustrates the number of tourist arrivals over the last three years:

| | 2018 | 2019 | 2020 | 2021 | Change '21/'19 | Change '21/'20 |
|------------------------------------|--------|--------|-------|-------|----------------|----------------|
| Inbound tourists, '000s | 2,599 | 2,753 | 660 | 969 | -65% | 47% |
| Tourist guest nights, '000s | 18,570 | 19,339 | 5,227 | 8,390 | -57% | 60% |
| Average length of stay, nights | 7.1 | 7 | 7.9 | 8.7 | 46% | -42% |
| Tourist expenditure, €mns | 2,102 | 2,221 | 455 | 871 | -61% | 91% |
| Tourist expenditure per capita (€) | 809 | 807 | 691 | 899 | 11% | 30% |

³ National Statistics Office: World Population Day statistics

⁴ The 2021 Ageing Report (2019-2070)

⁵ Inbound Tourism December 2019 and March 2020 (NSO), and European Tourism – Trends & Prospects Q3/2020

Unfortunately, the tourism sector, both internationally and locally, has been severely impacted by the outbreak of the COVID-19 pandemic. As countries introduced several confinement measures, and those people who could travel, opted to stay at home, the number of tourists dropped by 76% from 2019 to 2020 on a comparative basis. 2021 was still conditioned by the pandemic. Countries intermittently tightened and loosened restrictive measures as infection numbers fluctuated throughout the year. Consequently, tourism still had to face a lot of hurdles that could be witnessed in different statistics. Locally, almost 1 million people visited Malta in 2021 which is 47% more than in the first year of the pandemic however still lags far behind (by 65%) pre-pandemic levels.

Tourists also seemed to stay in Malta longer than in previous years and spend more. The average length of stay in 2021 was of 8.7 nights, compared to 7.9 nights in 2020 and 7 nights in 2019. The average tourist expenditure in 2021 was €899 which is 30% more than a year before but also 11% more than prior to the pandemic. As globally it seems that the Pandemic is now being sidelined, tourism figures are bouncing back. The latest available NSO data from March shows that there were more inbound tourists in 2022 than in 2020. It has also been projected that overall travel volumes are going to return to pre-pandemic levels by 2024. Nonetheless, given that the Group's Boutique Hotel has just recently opened, the pandemic will have a dampened effect on its operations ad interim.

6.1.6 The property development sector in Malta

In its May monthly economic update⁵, the Central Bank of Malta reported that the sentiment in the construction sector increased sharply during April. Sentiment within the construction sector increased sharply. It rose to 15.1, from 3.4 a month earlier, and stood further above its long-term average of -9.5. Higher sentiment was largely driven by developments in participants' employment expectations, which turned positive in the month under review. At the same time, the share of respondents assessing their order book levels to exceed normal levels almost doubled relative to March.

To strengthen this point, the Malta Developers' Association (MDA)⁶ had also issued a statement saying that property sales boomed during March 2022, making it an all-time record month since statistics started being reported. Undoubtedly this is also a reflection of the prolonged easing measures taken by the local Government to keep a very important sector for the economy afloat.

⁶ Malta Developers' Association – News: <https://mda.com.mt/category/news/>

6.2 Key financial review

6.2.1 Financial information of the Issuer

The historical financial information about the Issuer is included in the audited financial statements of the Issuer for each of the financial years ended 31 December 2019, 2020 and 2021. There were no significant changes to the financial or trading position of the Issuer since 31 December 2021.

The said financial statements are available on the Issuer's website (www.smartcaremalta.com) and are also available for inspection at the Issuer's registered office as set out in section 16 of this Registration Document.

| Smartcare Finance p.l.c. Statement of Comprehensive Income for the year ended 31 December | 2019 | 2020 | 2021 |
|--|--------------|--------------|--------------|
| | €000s | €000s | €000s |
| Interest income from group companies | 234 | 384 | 298 |
| Dividend income from subsidiary | - | - | 359 |
| Finance income | 234 | 384 | 657 |
| Finance cost | (161) | (265) | (528) |
| Net interest earned | 73 | 119 | 130 |
| Administrative expenses | (46) | (59) | (71) |
| Impairment losses on financial assets | (3) | (3) | (11) |
| Profit before taxation | 23 | 58 | 47 |
| Taxation | - | (26) | (45) |
| Profit after taxation | 23 | 31 | 3 |

| Smartcare Finance p.l.c. Statement of Financial Position as at 31 December | 2019 | 2020 | 2021 |
|---|--------------|--------------|---------------|
| | €000s | €000s | €000s |
| Non-current assets | | | |
| Investments in subsidiaries | - | 1 | 13,001 |
| Loan receivable | 4,800 | 4,800 | - |
| Deferred expenditure | - | 157 | - |
| Total non-current assets | 4,800 | 4,958 | 13,001 |
| Current assets | | | |
| Trade and other receivables | 310 | 547 | 1,809 |
| Cash and cash equivalents | 6 | 1 | 1 |
| Total current assets | 315 | 548 | 1,811 |
| Total assets | 5,115 | 5,506 | 14,812 |
| Equity | | | |
| Share capital | 48 | 250 | 250 |
| Retained earnings | 23 | 35 | 21 |
| Total equity | 71 | 285 | 271 |

| | | | |
|--------------------------------------|--------------|--------------|---------------|
| Non-current liabilities | | | |
| Debt securities in issue | 4,858 | 4,873 | 12,424 |
| Total non-current liabilities | 4,858 | 4,873 | 12,424 |
| | | | |
| Current liabilities | | | |
| Trade and other payables | 185 | 322 | 2,117 |
| Current tax payable | - | 26 | - |
| Total current liabilities | 185 | 348 | 2,117 |
| | | | |
| Total liabilities | 5,044 | 5,222 | 14,541 |
| | | | |
| Total equity and liabilities | 5,115 | 5,506 | 14,812 |

| Smartcare Finance p.l.c. | 2019 | 2020 | 2021 |
|---|----------|------------|----------|
| Cash Flows Statement for the year ended 31 December | €000s | €000s | €000s |
| Net cash from operating activities | 60 | (371) | 455 |
| Net cash from investing activities | (4,800) | 616 | (7,902) |
| Net cash from financing activities | 4,746 | (250) | 7,447 |
| Net movement in cash and cash equivalents | 6 | (5) | 1 |
| Cash and cash equivalents at beginning of year | - | 6 | 1 |
| Cash and cash equivalents at end of year | 6 | 1 | 1 |

In May 2019, the Issuer successfully raised €5 million through the issuance of 5% secured bonds 2029 on the Prospects MTF and, thereafter, the amount of €4.8 million (being the net proceeds from the bond issue) was on-let under title of loan to various subsidiaries within the Group. In terms of the said loan agreements, the interest income between FY2019 and FY2021 represents accrued interest.

In March 2021, the Issuer successfully raised €13 million through the issuance of 4.65% unsecured bonds 2032 and, thereafter, €5 million of these funds were used to redeem the outstanding amount of the 2019 Prospects MTF Bonds, whilst the remaining €8 million were advanced to subsidiaries within the Group. Following this, total loans due to subsidiaries, amounting to €13 million, were assigned to SGIL in April 2021 and extinguished in July 2021 against an issue of 13 million 6.2% redeemable preference shares in SGIL.

Consequently, finance income represents interest generated on related party loans and dividends received from SGIL, which totalled €1.3 million between 7 January 2019 and 31 December 2021. Finance costs represent the accrued interest on outstanding debt securities and other finance costs, which totalled €1.0 million during the same period. After accounting for administrative expenses and taxation, total comprehensive income generated by the Issuer between 7 January 2019 and 31 December 2021 totalled €58k.

6.2.2 Financial information of the Guarantor

The historical financial information about the Guarantor is included in the audited financial statements of the Guarantor for each of the years ended 31 December 2019, 2020 and 2021. There were no significant changes to the financial or trading position of the Guarantor since 31 December 2021.

The said financial statements are available on the Issuer's website (www.smartcaremalta.com) and are also available for inspection at the Issuer's registered office as set out under the heading "Documents available for inspection" in section 16 of this Registration Document.

| Smartcare Holdings Limited Consolidated Statement of Comprehensive Income for the year ended 31 December | 2019 | 2020 | 2021 |
|--|--------------|--------------|--------------|
| | €000s | €000s | €000s |
| Revenue | 569 | 2,590 | 2,819 |
| Cost of sales | (444) | (1,459) | (1,434) |
| Gross profit | 125 | 1,131 | 1,385 |
| Other income | - | 8 | 6 |
| Administrative expenses | (566) | (886) | (1,007) |
| Finance costs | (200) | (277) | (554) |
| Impairment on financial assets | (2) | - | (16) |
| Loss before taxation | (643) | (24) | (186) |
| Taxation | 163 | (52) | (93) |
| Loss after taxation | (480) | (76) | (279) |
| Other comprehensive income | | | |
| Revaluation of property, plant and equipment | 2,536 | 10,233 | 20 |
| Tax effect on revaluation of property, plant and equipment | - | (1,157) | (53) |
| Other comprehensive income for the year | 2,536 | 9,076 | (33) |
| Total comprehensive income for the year | 2,056 | 9,000 | (312) |

| Smartcare Holdings Limited Consolidated Statement of Financial Position as at 31 December | 2019 | 2020 | 2021 |
|--|--------------|---------------|---------------|
| | €000s | €000s | €000s |
| Non-current assets | | | |
| Property, plant and equipment | 6,443 | 19,033 | 20,986 |
| Intangible assets | 21 | 12 | 13 |
| Goodwill | 311 | 311 | 311 |
| Deferred tax asset | 163 | - | - |
| Deferred expenditure | - | 157 | - |
| Total non-current assets | 6,938 | 19,513 | 21,310 |
| Current assets | | | |
| Inventories | 823 | 2,373 | 4,514 |
| Trade and other receivables | 562 | 2,480 | 6,505 |
| Current tax asset | - | - | 73 |

| | | | |
|--------------------------------------|--------------|---------------|---------------|
| Cash and cash equivalents | 27 | 27 | 143 |
| Other assets | - | 470 | 60 |
| Total current assets | 1,412 | 5,350 | 11,295 |
| Total assets | 8,350 | 24,863 | 32,605 |
| Equity | | | |
| Share capital | 1 | 2,375 | 2,375 |
| Revaluation reserves | 2,512 | 11,561 | 11,501 |
| Accumulated losses | (456) | (505) | (757) |
| Total equity | 2,057 | 13,430 | 13,118 |
| Non-current liabilities | | | |
| Borrowings | 667 | 2,694 | 1,178 |
| Debt securities in issue | 4,858 | 4,873 | 12,424 |
| Deferred tax liabilities | - | 1,010 | 1,100 |
| Payables | - | 108 | 100 |
| Total non-current liabilities | 5,526 | 8,685 | 14,802 |
| Current liabilities | | | |
| Borrowings | - | 764 | 519 |
| Trade and other payables | 768 | 1,958 | 4,048 |
| Current tax payable | - | 26 | 117 |
| Total current liabilities | 768 | 2,748 | 4,684 |
| Total liabilities | 6,293 | 11,433 | 19,487 |
| Total equity and liabilities | 8,350 | 24,863 | 32,605 |

| Smartcare Holdings Limited Consolidated Statement of Cash Flows for the year ended 31 December | 2019 | 2020 | 2021 |
|--|-----------|--------------|--------------|
| | €000s | €000s | €000s |
| Net cash from operating activities | (3,610) | (126) | (3,042) |
| Net cash from investing activities | (1,690) | (2,602) | (2,179) |
| Net cash from financing activities | 5,327 | 2,492 | 5,055 |
| Net movement in cash and cash equivalents | 27 | (236) | (166) |
| Cash and cash equivalents at beginning of the year | - | 27 | (209) |
| Cash and cash equivalents at end of the year | 27 | (209) | (375) |

As set out in the table below, the performance of the Group between 7 January 2019 and 31 December 2021 principally consists of the trading activity of SPL (that is, the Dar Pinto Care Home). This is because all other companies within the Group did not generate any income (net of consolidation adjustments) or were not yet operational, except for Smartcare Properties Ltd which sold two properties.

| Revenue Breakdown | 2019 | 2020 | 2021 |
|-------------------|------------|--------------|--------------|
| | €000s | €000s | €000s |
| Care home | 569 | 2,380 | 2,589 |
| Sale of property | - | 210 | 230 |
| Total | 569 | 2,590 | 2,819 |

The company generates its revenue primarily through the provision of beds to the Government of Malta. The Care Home commenced operations in June 2019 and, as a result, revenue generated from the Care Home in FY2019 of €569k represents 7 months of operations. As the Care Home reached full occupancy in April 2020, SPL generated revenue of €2.4 million during the year.

Over half of the Group's total cost of sales in FY2020 and FY2021 are attributable to the salaries paid to carers and nurses attending to the residents in the Care Home. Other direct costs include cost of food to residents, medical expenses, subcontracted labour and consumables/cleaning in the Care Home.

Gross profit margin (which is calculated as gross profit divided by revenue) in FY2019 was 22%. This is relatively low, particularly compared to FY2020 and FY2021, as the staff employed already catered for higher occupancy levels than those achieved during 2019. As costs were relatively stable between FY2020 and FY2021 at €1.4 million, gross profit margin increased from 45% in FY2020 to 49% in FY2021 as a result of the revenue increase.

Administrative expenses increased from €0.6 million in FY2019 to €1.0 million in FY2021. This is primarily due to an increase in wages and salaries and professional fees, with a corresponding increase in headcount, given that administrative staff increased from 5 individuals in FY2019 to 25 individuals in FY2021. Other administrative expenses include professional fees, health and safety fees, telecommunication expenses, insurance, repairs, utilities, depreciation and bank charges.

Finance costs mainly consist of interest on bank loans and bonds in issue during the year. Finance costs increased in FY2021 following the issue of the 2021 Smartcare Bonds, which resulted in an increase of €8 million on the Group's borrowings, partially mitigated through a decrease in bank borrowings.

During FY2019 and FY2020, the Group recorded a gain in the revaluation of property, plant and equipment, amounting to €2.5 million and €10.2 million, respectively, stemming from the revaluation of the Care Home. As a result, the Group recorded a total comprehensive income of €2.1 million in FY2019 and €9.0 million in FY2020. The revaluation of FY2021 pertains to the revaluation of the Segond Boutique Hotel.

Non-current assets in the statement of financial position as at 31 December 2021 amounted to €21.3 million (2020: €19.4 million). This principally consists of property, plant and equipment, which comprises the Care Home and the Segond Boutique Hotel.

Current assets as at 31 December 2021 amounted to €11.3 million (2020: €5.4 million) and primarily include inventory, trade receivables, other assets and cash balances. Current liabilities amounted to €4.7 million as at 31 December 2021 (2020: €2.7 million), made up of borrowings as to €0.5 million (2020: €0.8 million) and trade and other payables of €4.1 million (2020: €2.1 million). The Group's liquidity ratio (which is measured by dividing current assets by current liabilities and indicates a company's ability to pay its current liabilities from its current assets) as at 31 December 2021, stood at 2.41 times (2020: 1.95 times).

Non-current liabilities as at 31 December 2021 amounted to €14.8 million (2020: €8.7 million) and mainly include borrowings and bonds, as well as deferred tax liabilities on the gains on revaluation. The increase is mainly the result of the previous issue of the 2021 Smartcare Bonds.

The equity value of the Group as at 31 December 2021 totalled €13.1 million (2020: €13.4 million).

Net cash flows used in operating activities in FY2021, as presented in the statements of cash flows for the year ended 31 December 2021, amounted to €3.1 million as compared to €0.1 million in the prior year, principally due to working capital movements. In FY2021, the Group used €2.1 million in investing activities, as compared to €2.6 million in FY2020, primarily to invest in the Care Home (first extension) and the Segond Boutique Hotel. These cash outflows were mainly financed through bank loan drawdowns and new bonds issued in both FY2019 and FY2021. Cash and cash equivalents as at 31 December 2021 amounted to €143k, plus an overdraft balance of €518k, resulting in a net overdraft of €375k.

7 MANAGEMENT AND ADMINISTRATION

7.1 The Issuer

7.1.1 The Board of Directors and M&As

The Board of Directors of the Issuer is to be composed of a minimum of three (3) and a maximum of six (6) Directors appointed by means of an ordinary resolution of the shareholders of the Company in general meeting. The Board meets regularly to establish and review the policies and strategies of the Issuer and to monitor the implementation thereof and the overall performance of the Issuer.

As at the date of the Prospectus, the Board of the Issuer is composed of the five (5) individuals listed in sub-section 4.1 of this Registration Document. Furthermore, in line with generally accepted principles of sound corporate governance, at least one (1) of the Directors shall be a person independent of the Issuer.

The Directors believe that the Issuer's current organisational structure is adequate for its present activities. The Directors will maintain this structure under continuous review to ensure that it meets the changing demands of the business and to strengthen the checks and balances necessary for better corporate governance.

None of the Directors have, in the last 5 years:

- i. been the subject of any convictions in relation to fraudulent offences or fraudulent conduct;
- ii. 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;
- iii. been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or
- iv. 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.

The Memorandum and Articles of Association of the Issuer are registered with the Malta Business Registry. The main objects of the Issuer's activities are set out in clause 3 of the Memorandum of Association. The issue of bonds falls within the objects of the Issuer. The Memorandum and Articles of Association otherwise regulate matters customarily dealt with therein, including matters such as voting rights and restrictions thereof, and the appointment and powers of Directors.

A copy of the Memorandum and Articles of Association of the Issuer may be inspected during the lifetime of this Registration Document at the registered office of the Issuer as set out in section 16 of this Registration Document and at the Malta Business Registry during the lifetime of the Company.

7.1.2 Executive Directors

The executive Directors of the Issuer are entrusted with the Company's day-to-day management. The executive Directors of the Issuer are Andrew Debattista Segond and William Wait. Andrew Debattista Segond is also a director of all other companies within the Group.

7.1.3 Independent, non-executive Directors

The Independent, non-executive Directors constitute a majority on the Board of the Issuer and their main functions are to monitor the operations of the executive Directors and their performance, as well as to review any proposals tabled by the executive Directors.

The non-executive Directors are Sandro Grech, Ian Stafrace and Arthur Gauci, all three also being independent of the Issuer.

7.1.4 Aggregate emoluments of Directors

In terms of the Memorandum and Articles of Association of the Issuer, the aggregate emoluments of all Directors in any one financial year, and any increases thereto, shall be such amount as may from time to time be determined by the Issuer in general meeting, and any notice convening the general meeting during which an increase in the maximum limit of such aggregate emoluments shall be proposed, shall contain a reference to such fact.

For the financial year ended 31 December 2021 the Group paid an aggregate of €126,090 to its Directors.

7.1.5 Loans to Directors

There are no loans outstanding by the Issuer to any of its Directors, nor any guarantees issued for their benefit by the Issuer.

7.1.6 Removal of Directors

A Director may, unless he resigns, be removed by ordinary resolution of the shareholders as provided in Article 140 of the Act. The Directors currently in office are expected to remain in office at least until the next annual general meeting of the Company.

7.1.7 Powers of Directors

By virtue of the provisions of the Articles of Association of the Issuer, the Directors are empowered to transact all business which is not by the Articles expressly reserved for the shareholders in general meeting.

The Directors are vested with the management of the Issuer and their powers of management and administration emanate directly from the Memorandum and Articles of Association and the law. The Directors are empowered to act on behalf of the Issuer and in this respect have the authority to enter into contracts, sue and be sued in representation of the Issuer.

Directors may not vote on any proposal, issue, arrangement or contract in which they have a personal material interest.

In terms of the Memorandum and Articles of Association of the Issuer, the Board of Directors may exercise all the powers of the Issuer to borrow money and to hypothecate or charge its undertaking, property and uncalled capital or any part thereof, and to issue equity and debt securities on such terms, in such manner and for such consideration as they think fit. The shareholders in general meeting have the overriding authority to change, amend, restrict and/or otherwise modify such limit and the Directors' borrowing powers generally.

There are no provisions in the Issuer's Memorandum and Articles of Association regulating the retirement or non-retirement of Directors over an age limit.

7.2 The Guarantor

7.2.1 The Board of directors and M&As

The Memorandum of Association of SHL provides that SHL's business and affairs shall be managed and administered by a board of directors to be composed of not less than 1 and not more than 5 directors. As at the date of the Prospectus, the board of SHL is composed of one director, Andrew Debattista Segond, who is responsible for the overall direction and management of the company. Directors of SHL are appointed by means of an ordinary resolution in general meeting.

The Memorandum and Articles of Association of SHL are registered with the Malta Business Registry and a copy of said M&As may be inspected during the lifetime of this Registration Document at the registered office of the Issuer as set out in section 16 of this Registration Document and at the Malta Business Registry during the lifetime of the Company.

7.2.2 Director's service contract

The director of the Guarantor does not have a service contract with the company.

7.2.3 Powers of directors

By virtue of the Articles of Association of the Guarantor, the board of directors is empowered to exercise all the rights of the Guarantor, except those rights as are expressly reserved for decision by the shareholders in general meeting.

7.3 Conflict of interest at Group level

In addition to being a director of the Issuer, Mr Andrew Debattista Segond is also a director of all other companies within the Smartcare Group, including of the Guarantor, and is the ultimate beneficial owner of the entirety of the Smartcare Group.

In light of the foregoing, Mr Debattista Segond is susceptible to conflicts between the potentially diverging interests of the Issuer and the other companies forming part of the Smartcare Group, as the case may be, and any of such other companies in transactions entered into, or proposed to be entered into, between them.

The Audit Committee, established at the level of the Issuer, has the task of ensuring that any potential conflicts of interest that may arise at any moment pursuant to these different roles are handled in the best interest of the Issuer and the Smartcare Group generally, as well as according to law. The fact that the Audit Committee is constituted in its entirety by independent, non-executive Directors provides an effective measure to ensure that transactions vetted by the Audit Committee are determined on an arms-length basis.

As regards related party transactions generally, the Audit Committee operates within the remit of the applicable terms of Chapter 5 of the Capital Markets Rules regulating the role of the Audit Committee with respect to related party transactions. The Audit Committee ensures that transactions entered into between related parties are carried out on an arm's length basis and that the Issuer accurately reports all related party transactions in the notes to the Company's financial statements.

No private interests or duties unrelated to the Issuer or the Group, as the case may be, have been disclosed by the Group's management team which may or are likely to place any of them in conflict with any interests in, or duties towards, the Issuer.

Senior management do not hold any shares in the Issuer or other entities comprising the Smartcare Group.

To the extent known or potentially known to the Issuer, as at the date of this Registration Document, other than the information contained and disclosed herein, there are no other potential conflicts of interest between any duties of the Directors and their respective private interests and/or their duties which require disclosure in terms of the Prospectus Regulation.

7.4 Working capital

As at the date of this Registration Document, the Directors of the Issuer are of the opinion that working capital available to the Issuer is sufficient for the attainment of its objects and the carrying out of its business for the next twelve (12) months of operations. In providing said working capital statement, the Issuer confirms that the proceeds of the Bond Issue have been included in the calculation of its working capital.

8 MAJOR SHAREHOLDERS AND SHARE CAPITAL

8.1 Shareholders of the Issuer

Smartcare Holdings Ltd, the parent company of the Group, currently owns 99.99% of the share capital of the Issuer, with 1 Ordinary share being held by Mr Andrew Debattista Segond.

Specifically, the Issuer has an authorised share capital of €250,000 divided into 250,000 Ordinary shares of a nominal value of €1 each. The issued share capital of the Company is €250,000 divided into 250,000 Ordinary shares of €1 each, which are subscribed to and allotted as fully paid-up shares as follows:

| <i>Name of shareholder</i> | <i>Number of shares held</i> |
|--------------------------------------|------------------------------------|
| Smartcare Holdings Ltd (C 90121) | 249,999 Ordinary shares of €1 each |
| Andrew Debattista Segond (ID 94573M) | 1 Ordinary share of €1 |

The Issuer adopts measures in line with the Code of Principles of Good Corporate Governance forming part of the Capital Markets Rules (the "**Code**") with a view to ensuring that the relationship of the Issuer with the rest of the Group and with the shareholders are retained at arm's length, including adherence to rules on related party transactions set out in Chapter 5 of the Capital Markets Rules requiring the vetting and approval of any related party transaction by the Audit Committee, which is constituted in its entirety by independent, non-executive Directors, of whom one, in the person of Ian Stafrace, also acts as Chairman. The Audit Committee has the task of ensuring that any potential abuse is managed, controlled and resolved according to law. The composition of the Board, including the presence of a majority of independent, non-executive Directors, effectively minimises the possibility of any abuse of control by the major shareholder.

The authorised share capital of the Issuer may be increased by an ordinary resolution of the shareholders in general meeting. Shares can be issued when and under those conditions decided by extraordinary resolution of the shareholders in general meeting.

Each Ordinary share confers the right to one (1) vote at general meetings of the Issuer. All Ordinary shares rank *pari passu* in all respects.

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

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

The shares of the Issuer are not listed on the Exchange. Application has not been filed for the shares of the Issuer to be quoted on the Official List of the Exchange. There is no capital of the Issuer which has been issued to the public during the 2 years immediately preceding the publication of the Prospectus.

It is not expected that the Company issues, during the financial year ending 31 December 2022, any shares, whether fully or partly paid up, in consideration for cash or otherwise.

8.2 Shareholders of the Guarantor

The authorised share capital of SHL is of €2,374,526 divided into 2,374,526 Ordinary shares of one Euro (€1) each. The issued share capital of SHL is of €2,374,526 divided into 2,374,526 Ordinary shares of one Euro (€1) each, fully paid-up, which are subscribed and held as follows:

| <i>Name of shareholder</i> | <i>Number of shares held</i> |
|--------------------------------------|--------------------------------------|
| Andrew Debattista Segond (ID 94573M) | 2,374,526 Ordinary shares of €1 each |

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

knowledge, there are no arrangements in place as at the date of the Prospectus the operation of which may, at a subsequent date, result in a change in control of the Guarantor.

8.3 Commissions

There were no commissions, discounts, brokerages or other special terms granted during the 2 years immediately preceding the publication of the Prospectus in connection with the issue or sale of any capital of the Issuer or any other Group company.

9 AUDIT COMMITTEE

The Audit Committee's objective is to assist the Board in fulfilling its supervisory and monitoring responsibilities according to terms of reference that reflect the requirements of the Capital Markets Rules, as well as current good corporate governance best practices.

The terms of reference of the Audit Committee include support to the Board of Directors of the Issuer in its responsibilities in dealing with issues of risk, control and governance. The Board has set formal terms of establishment and the terms of reference of the Audit Committee which set out its composition, role and function, the parameters of its remit, as well as the basis for the processes that it is required to comply with. The Board reserved the right to change the Audit Committee's terms of reference from time to time. The Audit Committee reports directly to the Board of Directors.

The primary purpose of the Audit Committee is to assist the Directors in conducting their role effectively so that the Issuer's decision-making capability and the accuracy of its reporting and financial results are maintained at a high level at all times. The main responsibilities of the Audit Committee include, but are not limited to, the following:

- a) monitoring the financial reporting process and submitting recommendations or proposals to ensure its integrity;
- b) monitoring of the effectiveness of the Issuer's internal quality control and risk management system;
- c) making recommendations to the Board in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor, following appointment by the shareholders during the Issuer's Annual General Meeting;
- d) reviewing and monitoring the external auditor's independence;
- e) assessing any potential conflicts of interest between the duties of the Directors and their respective private interests or duties unrelated to the Issuer; and
- f) evaluating the arm's length nature of any proposed transactions to be entered into by the Issuer and a related party, to ensure that the execution of such transaction is at arm's length, conducted on a sound commercial basis and in the best interests of the Issuer.

The Audit Committee has a crucial role in monitoring the activities and conduct of business of the Group's subsidiaries, limitedly insofar as these may affect the ability of the Issuer to fulfil its Bond Obligations. For this purpose, the Audit Committee's remit also extends to the operations of the Group and, accordingly, the Audit Committee has, pursuant to the relative terms of reference, been granted express powers to be given access to the financial position of the Issuer and all other entities comprising the Group on a quarterly basis. To this effect, the Issuer and all other entities comprising the Group are to submit to the Audit Committee quarterly unaudited management accounts, as well as at least quarterly comparisons of actuals against projections.

The Audit Committee is constituted by three non-executive Directors, all of whom satisfy the independence criteria set out in the Capital Markets Rules. The Audit Committee is presently composed of Sandro Grech, Ian Stafrace and Arthur Gauci, all three members being independent, non-executive Directors. The Audit Committee is chaired by Ian Stafrace, whilst Sandro Grech and Arthur Gauci act as members. The Board of Directors, in terms of Capital Markets Rule 5.118, has indicated Arthur Gauci as the independent, non-executive member of the Audit Committee who is considered to be competent in accounting and/or auditing. The Issuer considers

that the members of the Audit Committee have the necessary experience, independence and standing to hold office as members thereof. The *curriculum vitae* of the said Directors may be found in sub-section 4.1 above.

10 COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

10.1 The Issuer

The Issuer is subject to, and continues to support, the Code and the Board has taken such measures as were considered necessary in order for the Issuer to comply with the requirements of the Code to the extent that these were deemed appropriate and complementary to the size, nature and operations of the Issuer.

The Board of Directors sets the strategy and direction of the Issuer and retains direct responsibility for appraising and monitoring the Issuer's financial statements and annual report. The functions of the Board are exercised in a manner designed to ensure that it can effectively supervise the operations of the Issuer so as to protect the interests of the Company's bondholders, amongst other stakeholders. The Board is also responsible for making relevant public announcements and for the Issuer's compliance with its continuing listing obligations.

As required by the Act and the Capital Markets Rules, the Issuer's financial statements are to be subject to annual audit by the Issuer's external auditors. Moreover, the non-executive Directors have direct access to the external auditors of the Issuer who attend at Board meetings at which the Company's financial statements are approved. Directors are entitled to seek independent professional advice at any time on any aspect of their duties and responsibilities, at the Issuer's expense.

In view of the reporting structure adopted by the Code, the Issuer, on an annual basis in its annual report, details the level of the Issuer's compliance with the principles of the Code, explaining the reasons for non-compliance, if any.

Save for the instances of non-adherence to the Code which are explained immediately below, the Board is of the opinion that the Issuer is in compliance with the Code:

Principle 7: Under the present circumstances, the Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board's performance is evaluated on an on-going basis by, and is subject to the constant scrutiny of, the Company's shareholders.

Principle 8: The Board of Directors considers that the size and operation of the Issuer does not warrant the setting up of nomination and remuneration committees. Given that the Issuer does not have any employees other than the Directors and the company secretary, it is not considered necessary for the Issuer to maintain a remuneration committee. Also, the Issuer has not set up a nomination committee. Appointments to the Board of Directors are determined by the shareholders of the Issuer in accordance with the Company's Memorandum and Articles of Association. The Issuer considers that the members of the Board possess the level of skill, knowledge and experience expected in terms of the Code.

10.2 The Guarantor

In view of the fact that the Guarantor is not a public company having securities listed on a regular market, it is not bound by the provisions of the Code set out in the Capital Markets Rules, including, *inter alia*, the requirement to set up an audit committee.

11 HISTORICAL FINANCIAL INFORMATION

The Issuer's historical financial information for the financial year ended 31 December 2019, as audited by Reanda Malta and the auditor's reports thereon, and for the two financial years ended 31 December 2020 and 2021, as audited by Grant Thornton Malta and the auditor's reports thereon, are set out in the applicable audited financial statements of the Issuer.

The Guarantor's historical financial information for the financial year ended 31 December 2019, as audited by Reanda Malta and the auditor's reports thereon, and for the two financial years ended 31 December 2020 and 2021, as audited by Grant Thornton Malta and the auditor's reports thereon, are set out in the applicable audited financial statements of the Guarantor.

Audited financial statements of the Issuer and of the Guarantor are available for inspection as set out in section 16 below, are incorporated by reference and may be accessed on the Issuer's website www.smartcaremalta.com.

| | Information incorporated by reference in this Registration Document | Page number in Annual Report | | |
|------------------|---|---------------------------------------|---------------------------------------|---------------------------------------|
| | | Financial year ended 31 December 2019 | Financial year ended 31 December 2020 | Financial year ended 31 December 2021 |
| Issuer | Statements of Comprehensive Income | 15 | 11 | 10 |
| | Statements of Financial Position | 16 | 12-13 | 11 |
| | Statements of Cash Flows | 18 | 15 | 12 |
| | Notes to the Financial Statements | 19-35 | 16-28 | 12-24 |
| | Independent Auditor's Report | 12-14 | 29-33 | 24-28 |
| Guarantor | Statements of Comprehensive Income | 8 | 4 | 4 |
| | Statements of Financial Position | 9 | 5-6 | 5-6 |
| | Statements of Cash Flows | 11 | 8 | 8 |
| | Notes to the Financial Statements | 12-31 | 9-20 | 9-20 |
| | Independent Auditor's Report | 5-7 | 21-24 | 21-24 |

There have been no significant adverse changes to the financial or trading position of the Issuer and/or the Guarantor since the end of the financial period to which their respective afore-mentioned last audited financial statements relate.

Furthermore, the Issuer and the Guarantor hereby confirm that there has been no material change or recent development which could adversely affect potential investors' assessments in respect of the Bonds, other than the information contained and disclosed in the Prospectus.

12 LITIGATION PROCEEDINGS

There have been no governmental, legal or arbitration proceedings involving the Issuer or the Guarantor (including any such proceedings which are pending or threatened of which the Issuer or the Guarantor are aware) during the period covering twelve (12) months prior to the date of the Prospectus which may have, or have had, in the recent past significant effects on the financial position or profitability of the Issuer, the Guarantor and/or the Group, taken as a whole.

13 MATERIAL CONTRACTS

Save for the material agreements disclosed in the 2021 Smartcare Prospectus and the material agreements disclosed in this Registration Document, the Issuer has not entered into any material contracts which are not in the ordinary course of its business which could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to security holders in respect of the Bonds, as such securities are issued pursuant to, and described in, the Securities Note.

14 PROPERTY VALUATION REPORTS

In connection with the issue of the Bonds in accordance with the terms of the Prospectus and the granting of the Collateral, Perit Malcolm Sullivan of Sapienza and Sullivan Architects & Civil Engineers was commissioned to issue a property valuation report in relation to the Security Property I owned by SPL.

The following are the details of said independent valuer:

Name: Perit Malcolm Sullivan B.E.&A. (Hons.)
Business address: No. 17, Dingli Street, Sliema SLM 1904, Malta

Furthermore, Perit Colin Zammit of Maniera Group was commissioned to issue property valuation reports in relation to the Security Property II owned by SBHL and the Security Property III owned by Smart Suites Limited, respectively.

The following are the details of said independent valuer:

Name: Perit Colin Zammit B.E.&A. (Hons) A.&C.E.P.G. Dip. Cons. Tech
Business address: 80, Triq it-Torri, Mosta MST 3502, Malta

Capital Markets Rule 7.4.3 provides that property valuations to be included in a prospectus must not be dated (or be effective from) more than 60 days prior to the date of publication of the prospectus in question. Accordingly, the property valuation reports referred to herein are all dated 1 July 2022.

A copy of the report dated 1 July 2022 compiled by Perit Malcolm Sullivan of Sapienza and Sullivan Architects & Civil Engineers in respect of the Security Property I owned by SPL, the current market value of which has been estimated at sixteen million Euro (€16,000,000), is available for inspection as set out in section 16 of this Registration Document and is deemed to be incorporated by reference in, and form part of, the Prospectus.

A copy of the report dated 1 July 2022 compiled by Perit Colin Zammit of Maniera Group in respect of the Security Property II owned by SBHL, the current market value of which has been estimated at three million, five hundred thousand Euro (€3,500,000), is available for inspection as set out in section 16 of this Registration Document and is deemed to be incorporated by reference in, and form part of, the Prospectus.

A copy of the report dated 1 July 2022 compiled by Perit Colin Zammit of Maniera Group in respect of the Security Property III owned by Smart Suites Limited, the current market value of which has been estimated at one million, five hundred thousand Euro (€1,500,000), is available for inspection as set out in section 16 of this Registration Document and is deemed to be incorporated by reference in, and form part of, the Prospectus.

15 THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Save for the architects' property valuation reports in relation to the Security Property I owned by SPL, the Security Property II owned by SBHL, and the Security Property III owned by Smart Suites Limited, respectively, which are available for inspection as set out in section 16 of this Registration Document and are deemed to be

incorporated by reference in, and form part of, the Prospectus, and the Financial Analysis Summary reproduced in Annex III of the Securities Note, the Prospectus does not contain any statement or report attributed to any person as an expert.

The architects' property valuation reports all dated 1 July 2022 are available for inspection as set out in section 16 of this Registration Document and are deemed to be incorporated by reference in, and form part of, the Prospectus in the form and context in which they each appear with the authorisation of each of Perit Malcolm Sullivan of Sapienza and Sullivan Architects & Civil Engineers and Perit Colin Zammit of Maniera Group, as applicable, each of whom has given and has not withdrawn his consent to the inclusion of said reports herein.

The Financial Analysis Summary dated 22 July 2022 has been included in Annex III of the Securities Note in the form and context in which it appears with the authorisation of Calamatta Cuschieri Investment Services Limited of Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta, which has given and has not withdrawn its consent to the inclusion of said report herein.

None of the foregoing experts have any beneficial interest in the Issuer or the Guarantor. The Issuer has received confirmation from Perit Malcolm Sullivan of Sapienza and Sullivan Architects & Civil Engineers, from Perit Colin Zammit of Maniera Group and from Calamatta Cuschieri Investment Services Limited, respectively, that all of the architects' property valuation reports and the Financial Analysis Summary, as applicable, have 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.

16 DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or certified copies thereof, where applicable, shall be available for inspection at the registered office of the Issuer at 326, Mdina Road, Qormi, Malta during the term of the Bond Issue during office hours:

- i. the Memorandum and Articles of Association of the Issuer and the Guarantor;
- ii. the audited financial statements of the Issuer for the financial years ended 31 December 2019, 2020 and 2021;
- iii. the audited financial statements of SHL for the financial years ended 31 December 2019, 2020 and 2021;
- iv. the architects' property valuation reports dated 1 July 2022 prepared in respect of the Security Property I, the Security Property II and the Security Property III, respectively;
- v. the Financial Analysis Summary;
- vi. the Security Trust Deed II; and
- vii. the Guarantee.

Documents (i) to (iii) listed above are also available for inspection in electronic form on the Issuer's website www.smartcarmalta.com.