

# REGISTRATION DOCUMENT

21 November, 2022

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

This Registration Document is being issued by:



## MARINER FINANCE P.L.C.

a public limited liability company registered under the laws of Malta  
with company registration number C 31514

SPONSOR



MANAGER AND REGISTRAR



LEGAL COUNSEL



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

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A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENT.

APPROVED BY THE BOARD OF DIRECTORS

A handwritten signature in blue ink, appearing to read "Marin Hili".

Marin Hili

A handwritten signature in blue ink, appearing to read "Ian Micallef".

Ian Micallef

signing in their capacities as directors of the Issuer and on behalf of:

Michela Borg

Anthony Busuttill

Edward Hili

Kevin Saliba

Lawrence Zammit

## IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT FORMS PART OF THE PROSPECTUS AND CONTAINS INFORMATION ON MARINER FINANCE P.L.C. (C 31514) (THE “ISSUER”), AND THE BUSINESS OF THE GROUP OF WHICH IT FORMS PART, IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES, THE ACT, THE FMA AND THE PROSPECTUS REGULATION.

A COPY OF THIS REGISTRATION DOCUMENT HAS BEEN SUBMITTED TO THE MFSA IN SATISFACTION OF THE CAPITAL MARKETS RULES, THE MSE IN SATISFACTION OF THE MSE BYE-LAWS, AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES AT THE MALTA BUSINESS REGISTRY IN ACCORDANCE WITH THE ACT.

**THE MFSA ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS REGISTRATION DOCUMENT, MAKES NO REPRESENTATIONS AS TO THEIR 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 THIS REGISTRATION DOCUMENT.**

THIS REGISTRATION DOCUMENT DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR BONDS ISSUED BY THE ISSUER: (I) BY ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION TO SUBSCRIBE FOR BONDS IS NOT QUALIFIED TO DO SO; OR (II) 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.

NO PERSON HAS BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS, OR THE ISSUER'S ADVISERS, TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE BOND ISSUE 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, ITS DIRECTORS, OR ITS ADVISERS.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS REGISTRATION DOCUMENT AND ANY PERSON WISHING TO APPLY FOR THE BONDS TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS IN THE BONDS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY BONDS AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE AND, OR DOMICILE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISERS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.

THE ISSUER HAS CONSENTED TO THE AUTHORISED FINANCIAL INTERMEDIARIES MAKING USE OF THIS REGISTRATION DOCUMENT IN CONNECTION WITH THEIR DISTRIBUTION AND PLACEMENT ACTIVITIES FOR THE SALE OF THE BONDS.

SAVE FOR THE ISSUE IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN, OR WILL BE, TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE BONDS OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF), OR ANY OFFERING MATERIAL, IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, NO BONDS MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS PROSPECTUS NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL MAY BE DISTRIBUTED OR PUBLISHED IN ANY JURISDICTION, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE POSSESSION THIS PROSPECTUS, OR ANY OTHER OFFERING MATERIAL MAY COME, MUST INFORM THEMSELVES ABOUT, AND OBSERVE, IF ANY SUCH RESTRICTIONS ON THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFERING AND SALE OF THE BONDS.

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

**THIS REGISTRATION DOCUMENT IS VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE HEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS OBLIGED TO PUBLISH A SUPPLEMENT ONLY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES RELATING TO THE INFORMATION SET OUT IN THE PROSPECTUS WHICH MAY AFFECT THE ASSESSMENT OF THE SECURITIES AND WHICH ARISES OR IS NOTED BETWEEN THE TIME WHEN THE PROSPECTUS IS APPROVED AND THE CLOSING OF THE ISSUE PERIOD OR THE TIME WHEN TRADING ON A REGULATED MARKET COMMENCES, WHICHEVER OCCURS LATER. THE OBLIGATION TO SUPPLEMENT THE**

**PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES DOES NOT APPLY WHEN THE PROSPECTUS IS NO LONGER VALID.**

ALL THE ADVISERS TO THE ISSUER NAMED IN SECTION 4.1 OF THIS REGISTRATION DOCUMENT HAVE ACTED, AND ARE ACTING, EXCLUSIVELY FOR THE ISSUER IN RELATION TO THE PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON, AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

**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.**

UNLESS INCORPORATED BY REFERENCE IN THIS REGISTRATION DOCUMENT, 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 WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

**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 FINANCIAL AND OTHER PROFESSIONAL ADVISERS.**

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## 1. DEFINITIONS

In this Registration Document the following capitalised words and expressions shall bear the following meanings, except where the context otherwise requires:

<b>Acquisition</b>	the acquisition by the Issuer of the entire issued share capital of SIA Mariner Logistics, as further described in section 7.4 of this Registration Document;
<b>Authorised Financial Intermediary(ies)</b>	the financial intermediaries whose details appear in Annex II of the Securities Note;
<b>Act</b>	the Companies Act (Cap. 386 of the laws of Malta), as may be amended from time to time;
<b>Bond(s)</b>	the unsecured bonds of an aggregate principal amount of up to €44,000,000 of a nominal value of €100 per bond, issued at par and redeemable at their nominal value on the Redemption Date, as applicable, and bearing interest at the rate of 5% per annum and having ISIN MT0000271222, as described in further detail in the Securities Note;
<b>Bondholder</b>	a holder of the Bonds;
<b>Bond Issue</b>	the issue of the Bonds;
<b>Capital Markets Rules</b>	the capital markets rules issued by the MFSA, as may be amended from time to time;
<b>Cut-Off Date</b>	close of business on 11 November, 2022 (trading session of 9 November, 2022);
<b>Directors or Board</b>	the directors of the Issuer whose names are set out in section 9.1 of this Registration Document;
<b>EU</b>	European Union;
<b>Euro or €</b>	the lawful currency of the Republic of Malta;
<b>Exchangeable Bonds</b>	the 5.3% unsecured bonds (ISIN MT0000271214) redeemable on 3 July, 2024 amounting, as at the date of the Prospectus, to €35,000,000 issued by the Issuer pursuant to a prospectus dated 2 June, 2014;
<b>Existing Bondholders</b>	the holders of the Exchangeable Bonds as at the Cut-Off Date;
<b>FMA</b>	the Financial Markets Act (Cap. 345 of the laws of Malta), as may be amended from time to time;
<b>Hili Company</b>	Hili Company Limited, a private limited liability company registered under the laws of Malta with company registration number C 62988 and having its registered office at 37, Triq Censu Tabone, St. Julian's STJ 1218, Malta;
<b>Issuer</b>	Mariner Finance p.l.c., a public limited liability company registered under the laws of Malta with company registration number C 31514 and having its registered office at 37, Triq Censu Tabone, St. Julian's STJ 1218, Malta;
<b>Malta Financial Services Authority or MFSA</b>	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta), being the competent authority to approve prospectuses of any offer of securities to the public in Malta in terms of the FMA;
<b>Malta Stock Exchange or MSE</b>	Malta Stock Exchange p.l.c., as originally constituted in terms of the FMA with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
<b>Manager and Registrar</b>	Bank of Valletta p.l.c., a public limited liability company registered in Malta, with company registration number C 2833 and having its registered office at 58, Zachary Street, Valletta VLT 1130, Malta;
<b>Mariner Capital Limited</b>	a private limited liability company registered under the laws of Malta with company registration number C 11890 and having its registered office at 37, Triq Censu Tabone, St. Julian's STJ 1218, Malta, a wholly owned subsidiary of Hili Company;
<b>Mariner Group or Group</b>	the Issuer and its Subsidiaries;
<b>Mariner S.R.L.</b>	a private limited liability company registered under the laws of Italy with company registration number 666981 and having its registered office at Via Ugo Foscolo, 8-35131, Padova (PD), Italy;

<b>Mārupe Property</b>	has the same meaning assigned to it in section 7.4.1 of this Registration Document;
<b>Memorandum and Articles of Association</b>	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus in the form as registered with the Registrar of Companies at the Malta Business Registry. The terms “ <b>Memorandum</b> ”, “ <b>Articles</b> ” and “ <b>Articles of Association</b> ” shall be construed accordingly;
<b>Merkela Property</b>	has the same meaning assigned to it in section 7.3.1 of this Registration Document;
<b>MSE Bye-Laws</b>	the bye-laws issued by the MSE;
<b>Prospectus</b>	collectively, the Registration Document, the Securities Note and the Summary;
<b>Prospectus Regulation</b>	Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of 14 June, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended from time to time, and as supplemented in accordance with the provisions of Commission Delegated Regulation No. 2019/979 and Commission Delegated Regulation No. 2019/980 issued thereunder, as may be amended from time to time;
<b>Redemption Date</b>	means, with respect to the Bonds, 16 December, 2032;
<b>Registration Document</b>	this document in its entirety issued by the Issuer in respect of the Bond Issue, dated 21 November, 2022, forming part of the Prospectus;
<b>Securities Note</b>	the securities note issued by the Issuer in respect of the Bond Issue, dated 21 November, 2022, forming part of the Prospectus;
<b>SIA Baltic Container Terminal or BCT</b>	a company registered under the laws of Latvia with company registration number 000328803 and having its registered office at 32 Uriekstes Street, Riga LV-1005, Latvia, a wholly owned subsidiary of MFB;
<b>SIA Mariner Finance Baltic or MFB</b>	a company registered under the laws of Latvia with company registration number 40103643056 and having its registered office at 32 Uriekstes Street, LV-1005, Latvia, a wholly owned subsidiary of the Issuer;
<b>SIA Mariner Logistics</b>	a company registered under the laws of Latvia with company registration number 50203198151 and having its registered office at Uriekstes 32, LV-1005, Riga, Latvia, currently a wholly owned subsidiary of Mariner Capital Limited;
<b>Sponsor</b>	M.Z. Investment Services Limited, a private limited liability company registered in Malta, having company registration number C 23936 and registered office at 61, M.Z. House, St. Rita Street, Rabat RBT 1523, Malta, licensed by the MFSA and member of the MSE;
<b>Subsidiaries</b>	an entity over which the Issuer has control over from time to time, including, following completion of the Acquisition, SIA Mariner Logistics. In terms of the International Financial Reporting Standards adopted by the European Union, a group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The term “ <b>Subsidiary</b> ” shall be construed accordingly. The term “ <b>Subsidiaries</b> ” shall collectively refer to the said entities; and
<b>Summary</b>	the summary issued by the Issuer dated 21 November, 2022, forming part of the Prospectus.

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. all references in this Registration Document to “*Malta*” shall be construed as defined in Article 124 (1) of the Constitution of Malta;
- e. 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
- f. 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 date of this Registration Document.

## 2. RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THIS 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 THE ISSUER IS NOT IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

THE RISK FACTORS BELOW HAVE BEEN CATEGORISED UNDER THREE MAIN CATEGORIES, AS FOLLOWS: (I) RISKS RELATING TO THE ISSUER PER SE; (II) RISKS RELATING TO THE MARINER GROUP AND ITS BUSINESS; AND (III) OTHER SECTOR-SPECIFIC RISKS. (II) HAS, IN TURN, BEEN SUB-CATEGORISED INTO: (A) ECONOMIC AND FINANCIAL RISKS OF THE GROUP; (B) BUSINESS AND OPERATIONAL RISKS OF THE GROUP; AND (C) REGULATORY AND LEGAL RISKS. (III) HAS, IN TURN, BEEN SUB-CATEGORISED INTO: (A) RISKS RELATING TO THE CONTAINER SHIPPING INDUSTRY; AND (B) RISKS RELATING TO THE REAL ESTATE SECTOR.

THE RISK FACTOR FIRST APPEARING UNDER EACH CATEGORY CONSTITUTES THAT RISK FACTOR WHICH THE DIRECTORS HAVE ASSESSED TO BE THE MOST MATERIAL RISK FACTOR UNDER SUCH CATEGORY AS AT THE DATE OF THIS REGISTRATION DOCUMENT. IN MAKING THIS ASSESSMENT OF MATERIALITY, THE DIRECTORS HAVE EVALUATED THE COMBINATION OF: (I) THE PROBABILITY THAT THE RISK FACTOR OCCURS; AND (II) THE EXPECTED MAGNITUDE OF THE ADVERSE EFFECT ON THE FINANCIAL CONDITION AND PERFORMANCE OF THE COMPANY, OR THE ESTATES GROUP, IF THE RISK FACTOR WERE TO MATERIALISE.

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

THE PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN AND, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH BONDS ISSUED BY THE ISSUER:

- i. IS NOT INTENDED TO PROVIDE THE BASIS FOR ANY CREDIT OR OTHER EVALUATION;
- ii. IS NOT AND SHOULD NOT BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE DIRECTORS, ANY OF THE ADVISERS LISTED IN SECTION 4.1 BELOW, OR ANY OF THE AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THIS PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE THE BONDS ISSUED BY THE ISSUER (AND THEREFORE PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS REGISTRATION DOCUMENT); AND
- iii. CONTAIN STATEMENTS THAT ARE, OR MAY BE DEEMED TO BE, "FORWARD-LOOKING STATEMENTS".

### 2.1. FORWARD-LOOKING STATEMENT

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

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may, or may not occur, in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer's and, or the Group's actual operational results, financial condition and performance, and trading prospects may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the operational results, financial condition and performance, and trading prospects of the Issuer and, or the Group are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, those factors identified under this section 2 of this Registration Document and elsewhere in the Prospectus.

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

## 2.2. RISKS RELATING TO THE ISSUER

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### 2.2.1. Risks relating to the Issuer's dependence on its Subsidiaries

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As further described in section 7.1, "*Principal Activities*", of this Registration Document, the Issuer is principally the holding as well as the finance and investment company of its main operating (indirect) subsidiary, namely, SIA Baltic Container Terminal (BCT), which is engaged in the provision of port and related services in the port of Riga, Latvia. As such, the Issuer's assets consist primarily in investments in Group companies, particularly, its investment in BCT.

Consequently, as at the date of this Registration Document, the financial performance and financial position of the Issuer is largely dependent, including for the purpose of servicing interest payments on the Bonds and the repayment of the principal on maturity date, on income derived from BCT. In this respect, the operating results of the Mariner Group have a direct effect on the Issuer's financial position, and therefore the risks intrinsic in the business and operations of BCT have a direct effect on Issuer. In the event that BCT significantly underperforms or otherwise experiences adverse fluctuations in cash flows, volatility in cash flows, liquidity strains or other financial difficulties, such underperformance or adverse financial position and operational results may, in turn, adversely affect the financial position and operational results of the Issuer, and impact negatively the market value of the securities issued by the Issuer from time to time, including the Bonds, and, or, the ability of the Issuer to meet its obligations towards holders of its debt or other securities, including its obligations towards Bondholders under the Bonds.

Following the completion of the Acquisition (described in section 7.4 of this Registration Document), the financial performance and financial position of the Issuer will, to a certain extent, also be dependent on the income derived from the performance of SIA Mariner Logistics. In the event that SIA Mariner Logistics underperforms in any one financial year, such underperformance or adverse financial position and operation results may, in turn, adversely affect the financial position of the Issuer.

The ability of the aforementioned Subsidiaries to affect payments to the Issuer will depend on their respective cash flows and earnings which may be restricted by changes in applicable laws and regulations; the terms of agreements to which they are or may become party, including the indenture governing their existing indebtedness, if any; or other factors beyond the Issuer's control. The additional risks specific to the sectors in which said Subsidiaries, upon which the Issuer depends, operate, are set out in section 2.4 below. The occurrence of any such factor could have an adverse effect on the financial position and performance of the Issuer, which may in turn negatively affect its ability to meet its obligations in respect of the payment of interest on the Bonds and repayment of principal when due.

### 2.2.2. Risks relating to the Issuer's dependence on the Merkela Property

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As further described in section 7.3.1 of this Registration Document, the Issuer is the owner and operator of the Merkela Property, which it leases out to third parties. Consequently, the risks intrinsic to the real estate market, expounded upon in section 2.4 of this Registration document ("*Other Sector-Specific Risks*"), may have a direct effect on the Issuer and its financial position.

The financial performance and financial position of the Issuer is dependent on, including for the purpose of servicing interest payments on the Bonds and the repayment of the principal on maturity date, the generation of rental income from the Merkela Property. In the event that any key tenant of the Merkela Property fails to fulfil its obligations or terminates its lease agreement with the Issuer, the reduction in rental income may have a direct effect on the operational results of the Issuer and its financial position and performance.

Furthermore, in the event that the value of the Merkela Property depreciates in any one financial year or otherwise experiences adverse fluctuations due to volatility in the real estate market, such depreciation may, in turn, adversely affect the financial position of the Issuer.



## 2.3. RISKS RELATING TO THE MARINER GROUP AND ITS BUSINESS

### 2.3.1. Economic and financial risks of the Group

#### 2.3.1.1. Risks relating to the war in Ukraine

In response to the invasion of Ukraine by Russia, several industries implemented boycotts, bans and other forms of retaliation against Russia. Global geopolitical risks have soared since Russia's invasion of Ukraine, with periods of elevated geopolitical risks having historically been associated with sizable negative effects on global economic activity. Some economic effects are already materialising, with the economies of both Russia and Ukraine having contracted sharply as a direct result of the war and the sanctions imposed on Russia. Commodity markets are similarly in turmoil and financial markets have been highly volatile since the start of the conflict, all together putting downward pressure on global activity and upward pressure on inflation.

As a direct result of the war in Ukraine, in April and May, 2022, while it has still been possible for unsanctioned cargoes to be transported, transit to and from Russia has overall decreased. This may have an adverse effect on the operations of BCT and, in turn, the overall financial position, performance, and operational results of the Mariner Group. The exact duration and effects of the war in Ukraine, its impact in global inflation, and the financial and economic effects it will have on BTC's port-related operations and the Mariner Group are inherently difficult to predict with any degree of accuracy.

Consequently, the Mariner Group's business and financial performance remains susceptible to the risks described hereabove, directly or indirectly related to the effects of the war in Ukraine.

#### 2.3.1.2. Risks relating to the global economy and financial markets

The operations of the Mariner Group are affected by conditions in the global economy and financial markets. Over the past months, inflation rates have risen in the EU and in most countries over the world due to a number of factors, including but not limited to, the Russian invasion of Ukraine, leading to higher energy and commodity prices. Inflation pressures may, in turn, result in periods of significant volatility in the financial markets and may increase the risks of recession. Changes in overall economic conditions, inflation, consumer and business spending, recession, and other general factors, including public health crises such as the COVID-19 pandemic, which are beyond the Group's control, may have an adverse effect on the Group's business and financial performance.

#### 2.3.1.3. Dependence of the Latvian market and exposure to economic and socio-political conditions

As at the date of this Registration Document, the Mariner Group's business activities are concentrated in, and aimed at, the Latvian market. Accordingly, the Mariner Group is highly susceptible to the economic trends that may from time to time be felt in Latvia, including fluctuations in consumer demand, financial market volatility, inflation, the property market, interest rates, exchange rates, direct and indirect taxation, wage rates, utility costs, government spending and budget priorities and other general market, economic and social factors.

A significant economic decline in the Latvian market could impact the Group's ability to continue to grow. Demand for the Group's services can be adversely affected by weakness in the wider economy beyond the Group's control. Negative economic factors and trends in Latvia could have a negative impact on the business of the Group, and, in turn, on the financial condition and prospects of the Issuer.

#### 2.3.1.4. Risks relating to the Group's financing strategy

The Issuer or any Subsidiary may not be able to secure sufficient financing for its future operations and investments. No assurance can be given that sufficient financing will be available on commercially reasonable terms or within the timeframes required by the Issuer or any of its Subsidiaries. Failure to obtain, or delays in obtaining the capital required to complete current or future developments and investments on commercially reasonable terms, including increases in borrowing costs or decreases in loan availability, may limit the Group's, including the Issuer's, growth, and may materially and adversely affect its business, financial condition, and prospects.

#### 2.3.1.5. Risks relating to additional indebtedness

The Group may, from time to time, incur additional debt for the purpose of refinancing indebtedness as well as to fund future growth in terms of acquisitions and developments. Substantial borrowings under bank credit facilities are at variable interest rates, which causes the Group to be vulnerable to increases in interest rates. The agreements regulating the Issuer's bank

debt impose and are likely to impose significant operating restrictions and financial covenants on the Issuer. These restrictions and covenants could limit the Issuer's ability to obtain future financing, make capital expenditure, withstand a future downturn in business or economic conditions generally or otherwise inhibit the ability to conduct necessary corporate activities. A portion of the cash flow generated from the Group's operations is utilised to repay their debt obligations pursuant to financial covenants to which they are subject. This gives rise to a reduction in the amount of cash available for distribution to the Issuer's which would otherwise be available for funding of the Group's working capital, capital expenditure, development costs and other general corporate costs or for the payment of amounts owed to holder of its securities.

The Issuer and any member of the Mariner Group may in certain cases be required to provide security or guarantees for debts contracted by itself or any other member of the Group. As at the date of this Registration Document, a number of movable and immovable assets of the Group, including but not limited to, the Mārupe Property held by SIA Mariner Logistics, as well as number of movable and immovable assets owned by BCT, are secured in favour of a Latvian credit institution. Additionally, the entire issued share capital of a number of group companies, including but not limited to that of SIA Mariner Logistics (which company is intended to be acquired by the Issuer following completion of the Acquisition), has been pledged in favour of the said credit institution. Defaults under financing agreements could lead to the enforcement of security over property owned by the Mariner Group, where applicable, and, or cross-defaults under other financing agreements. This could, in turn, materially adversely affect business, operating results or the financial condition of the Group.

#### **2.3.1.6. Concentration risks**

Concentration risk arises due to a high level of exposure by the Mariner Group to: (i) individual counterparties; (ii) specific industry sectors; (iii) a single currency; (iv) credit exposures secured by a single security; and, or (v) geographical regions or countries, in particular, those countries on which the Issuer is dependent to generate high volumes of business. As a significant proportion of revenue generated by the Group is derived from its container terminal operations, the Group is subject to sector-specific concentration risk. Moreover, the Group operates solely in Latvia and is therefore also subject to geographical-specific concentration risk, as further detailed in section 7.2 of this Registration Document. Consequently, a decline in revenue generated from its container business operations and, or any significant downturn in the Latvian market, could negatively impact the financial performance of the Group, including that of the Issuer.

#### **2.3.1.7. Risks associated with currency fluctuations and the reference currency of the Group**

The Group's overseas business operations are exposed to currency fluctuation risks in respect of certain transactions not denominated in Euro, in particular transactions denominated in US Dollars. To the extent that there are fluctuations in exchange rates exceeding the said tolerance level, this could have a material impact on the Group's financial position or results of operations. The Directors cannot predict the effect of exchange rate fluctuations upon future operating results and there can be no assurance that exchange rate fluctuations will not have a material adverse effect on the business, operating results or financial condition of the Group.

#### **2.3.1.8. Risks relating to the economic repercussions of the COVID-19 pandemic**

As a direct result of the spread of COVID-19, global economic activity has experienced a general downturn, with certain industry sectors and market segments having been affected more harshly than others. A sudden surge in freight rates, which reached historical highs by end-2020 and early 2021, resulted in declines in both container volumes handled and occupancy levels within the Group's principal activities when compared to the financial results obtained prior to the COVID-19 outbreak.

The pandemic has posed significant challenges to the continuity, efficacy, and proper functioning of the day-to-day operations of the Group, particularly insofar as BCT's operations are concerned. A spread of such disease amongst the employees of the Mariner Group, as well as any self-quarantine measures affecting the employees of the Group or the Group's properties, may negatively impact the ability of the Group's personnel to carry out their work at full-functionality and, or capacity, and thereby negatively affect the Group's operations.

Moreover, the real estate sector has emerged as one of the sectors impacted most significantly by the pandemic. The pandemic has significantly impacted the Issuer's operation of the Merkela Property, and in consequence, the Issuer has offered a number of its tenants discounted rental charges resulting in an uptake in occupancy at the Merkela Property. Should the real estate sector continue to suffer the consequences of the COVID-19 pandemic, this may adversely affect the profitability of the Group.

The Issuer and the Group's business, operations, and financial performance remain susceptible to the risk relating to the uncertainty surrounding the constantly changing circumstances within which it finds itself operating as a result of COVID-19, as well as the risks of the effects of the corresponding restrictive or prohibitive measures that have been, and may in the future, be introduced a result thereof or in connection therewith. Any of the COVID-19 related factors could have an adverse effect on the Group's operational results, financial position and performance, trading prospects and its ability to continue on a going-concern basis.

## **2.3.2. Business and operational risks of the Group**

### **2.3.2.1. Risks relating to the expansion of the Group's business through potential acquisitions**

As elaborated on in section 7.4 of this Registration Document, the Issuer intends to increase its business in the real estate sector through the Acquisition. Moreover, in the coming years, the Mariner Group may also seek to expand its operations in the container shipping business through the acquisition of third-party container terminals. Any future acquisitions that the Group may undertake entail certain risks, including the failure to realise the expected benefits of the acquisitions and the incurrence of unexpected risks and obligations.

Acquisitions are also subject to the risk that the target is overvalued and thus the payment of consideration is greater than the acquisition's actual market value. Acquiring additional businesses could also place increased pressure on the Group's cash flows and give rise to the incurrence of significantly higher than anticipated financing-related risks and operating expenses, especially if the acquisition is paid for in cash. Furthermore, if an acquisition is not completed, this may adversely impact the Group's strategic objectives. If any such risks were to materialise in conjunction with an acquisition, this could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

In addition, the Group may experience problems in integrating potential acquisitions into its business and managing them optimally, and such integration may place additional strain on management resources. The acquisition of operations located outside of the area in which the Group currently operates can expose the Group to the risks of operating in new geographies. The above could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

### **2.3.2.2. Risks relating to competition**

The Mariner Group operates in a highly competitive environment and faces competition from other entities in the markets within which it operates.

BCT faces competition from two other terminals in Riga, namely, Riga Central Terminal (RCT) and Riga Universal Terminal (RUT), which terminals handle smaller volumes of containerised cargo. As further described in section 7.3.2.3 of this Registration Document, Klaipeda Container Terminal (KCT), Klaipeda Smelte Container Terminal (KSCT) and HHLA Muuga (HHLA), located in the neighbouring Baltic States represent direct competition to BCT due to their similar geographical locations, hinterland markets, inland connections, geopolitical environment and general terminal facilities.

Moreover, an increase in supply and, or a reduction in demand in the property segment in which the Issuer and following the Acquisition, SIA Mariner Logistics, operate, may result in units forming part of their respective properties (the Merkela Property and the Mārupe Property, respectively) becoming vacant or being leased out at prices which are lower than what is being anticipated once current leases expire.

Severe competition in the sectors within which the Mariner Group operates, and changes in economic and market conditions could adversely affect the business and operating results of the Mariner Group, and in turn its financial condition and prospects.

### **2.3.2.3. Exposure to environmental liabilities**

Members of the Mariner Group may become liable for the costs of removal, investigation or remediation of any hazardous or toxic substances that may be located on, or in, or which may have migrated from, property owned or occupied by it, which costs may be substantial. The Group may also be required to remove or remediate any hazardous substances that it causes or knowingly permits at any property that it owns or may in future own. Laws and regulations, which may be amended over time, may also impose liability for the presence of certain materials or substances or the release of certain materials or substances into the air, land or water or the migration of certain materials or substances from a property investment, including asbestos, and such presence, release or migration could form the basis for liability to third parties for personal injury or other damages. These environmental liabilities, if realised, could have a material adverse effect on its business, financial condition and results of operations.

In particular, the activities relating to the operation and management of BCT's container terminal business, and its ancillary activities, subject the Group to a variety of laws and regulations, whether in Latvia, or in other jurisdictions, relating to the environment, marine conservation, air and water pollution, health and safety, employment, planning, land use and development standards which may be subject to change from time to time and which impose liability including liability for personal injury, environmental damage and other damages. A breach by the Issuer of any of such laws and regulations, to which it is subject, or its failure to adapt in a timely manner to changes thereof, could materially adversely affect the financial condition of the Issuer, the results of its operations, and its ability to meet its obligations under the Bonds.

#### **2.3.2.4. Risks relating to key senior management and other personnel**

The growth and success of the Mariner Group is partially attributable to the efforts and abilities of its personnel, specifically the members of its executive management team and other key personnel, including executive, management, sales, and project management personnel and upon their ability to attract, develop and retain such key personnel to manage and grow the business.

The inability of the Group to attract and, or retain, highly skilled and qualified personnel with the necessary sector-specific experience and expertise, could have an adverse effect on the Group's operational results, business relationships with both partners and customers and accordingly, its ability to meet its strategic objectives. Moreover, if a member of the executive management team were to be unable or unwilling to continue in their present position, particularly if this member were to be lost to one of the Group's competitors, the Group might not be able to replace the said member within the short term, which could have a material adverse effect on the business, operational results and financial condition of the Group, and its ability to meet its strategic objectives.

#### **2.3.2.5. Risks relating to the Group's insurance cover**

The Mariner Group has maintained insurance at levels determined by the Group to be appropriate in light of the cost of cover and the risk profiles of the sectors in which the Group operates. However, it may be difficult and may take time to recover losses from insurers, as and when necessary. In addition, the Group may not be able to recover the full amount from the insurer due to procedural restrictions or formalities, or due to substantive exclusions, exemptions, limitations on coverage, de minimis liability coverage limitations, prescriptive time periods and limitations, reporting or other disclosure requirements, licensing or other authorisation or registration requirements, breach of restrictive covenants or undertakings, breach of warranties and, or, representations, as well as restrictions or formalities relating to the initiation of, and control over, litigation, investigations or other proceedings relating thereto.

Insofar as the Group's container shipping business is concerned, BCT carries insurance for all of its operations in line with currently accepted market practice. Although BCT's contracts generally provide that BCT is liable for damage to or loss of cargo it handles, its liability is limited to the cargo value stated on the applicable customs declaration. BCT's contractual liability for export cargo handling begins when the railcar or truck enters its territory at the port and ends when the consignment is issued after having loaded the cargo onboard the vessel, and vice versa for import cargo handling. BCT's insurance against such liabilities is limited to third party liability insurance against damage to or destruction of the cargo up to its replacement value. If an uninsured event were to occur and BCT were liable for it or if BCT were to experience difficulty collecting insurance compensation that is due to it, BCT could experience significant disruption in its operations and, or requirements to make significant payments for which it would not be compensated. This, in turn could substantially impair BCT's growth prospects and could have a material adverse effect on BCT's, and in turn the Mariner Group's business, results of operations, financial condition or prospects.

No assurance can be given that the Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates. In addition, changes in legislation or judicial interpretation, or the issuance or alteration of directives, orders, or other measures (whether interim or otherwise), by the relevant authorities may impact the ability to recoup losses under insurance coverage held by the Group. Furthermore, the actions, or inactions of employees or other officials of the Group, or of contractors, sub-contractors, outsourcing parties, or other third-parties engaged by the Group from time to time, may affect the ability of the Group to successfully make a claim under its insurance policies.

#### **2.3.2.6. Interest rate risks**

An increase in interest rates on the Issuer's existing or future borrowings may increase the costs of the Issuer's borrowings and have an adverse effect on the profitability of the Issuer.

#### **2.3.2.7. Counterparty risks**

The Issuer may enter into transactions which would expose the Issuer to the credit risk of third parties and their ability to satisfy the terms of such contract. In the event of a bankruptcy or insolvency of such third parties, the Issuer could experience significant losses.

### 2.3.3. Regulatory and legal risks

#### 2.3.3.1. Risks relating to legal and regulatory changes

The operations of the Mariner Group are subject to regulatory requirements applicable to all sectors within which it operate including laws and regulations relating to health and safety, environmental protection, construction, property acquisition and development, employment law, consumer protection, data protection, cyber-security, anti-money laundering and counter-terrorist financing, and ongoing disclosure and reporting obligations, among others. Regulatory changes may require significant changes to the way the business operates and may inhibit a Group company's strategy with respect to the markets in which the respective company operates, brand protection, and use or transmission of customer data.

A Group company may be unable to anticipate the implications of legal and regulatory changes in a given sector, which necessitate a re-evaluation of processes from both a fiscal and operational perspective. As the Group's operations are concentrated in Latvia, the Group is subject to laws and regulations in said jurisdiction as well regulatory developments relating to same. This may result in a loss of revenue for the respective sector and the profitability of the Group as a whole.

#### 2.3.3.2. Risks relating to litigation

Since the Mariner Group operates in industries which involve the continuous provision of services to customers, and such operations necessarily require continuous interaction with employees, regulatory authorities and other stakeholders or interested persons, the Mariner Group is exposed to the risk of litigation from its customers, actual and potential partners, suppliers, employees, regulatory authorities, and other stakeholders or interested persons. Adverse publicity from such allegations may materially adversely affect the business of the Issuer and the results of its operations, regardless of whether such allegations are true or whether the Issuer is ultimately held liable.

All litigation is expensive, time consuming and may divert management's attention away from the operation of the business. In addition, the Issuer cannot be certain that its insurance coverage will be sufficient to cover one or more substantial claims. Furthermore, it is possible that if complaints, claims or legal proceedings such as the aforementioned were to be brought against a direct competitor of the Issuer, the latter could also be affected due to the adverse publicity brought against, and concerns raised in respect of the industry in general.

Although as stated in section 13 under the heading "*Legal and Arbitration Proceedings*", the Issuer is not involved in any governmental, legal or arbitration proceedings, insofar as the Directors are aware, which may have, or have had, during the 12 months preceding the date of this Registration Document, a significant effect on the Issuer's financial condition or operational performance, no assurance can be given that disputes which could have such effect would not arise in the future. Exposure to litigation or fines imposed by regulatory authorities may affect the Group's, and in turn the Issuer's reputation even though the monetary consequences may not be significant.

#### 2.3.3.3. Risks associated with environmental, social and governance matters

There is a growing expectation for companies to integrate sustainability risks and consider sustainability factors in their day-to-day management and their decision-making processes. With an increased emphasis on environmental, social and governance ("**ESG**") considerations at global level, the implementation of sustainable factors in the Issuer's business model is expected to become under increased scrutiny by investors, regulators, and the public at large.

ESG considerations for the purposes of the Mariner Group's business may include, but are not limited to, environmental protection, marine conservation, air and water pollution as well as social and employment considerations of workers and the health and safety thereof. Should the Group fail to operate its business in a sustainable manner, the failure to implement sustainable factors in the Group's business operations may also have a material adverse effect on the Group's reputation and public image in both sectors as well as its relationship with clients, suppliers, business partners and other stakeholders. This in turn, may have a material adverse impact on the business activities, revenues, financial condition, and operations of the Group, and as a result could negatively affect the Issuer's financial condition and, or prospects.

#### 2.3.3.4. Risks relating to personal data protection and privacy laws

In the ordinary course of its business, the Group companies receive, process, transmit and store information relating to identifiable individuals ("**personal data**"). As a result, the Mariner Group is subject to various local laws and EU regulations relating to the collection and processing of personal data. These laws impose operational requirements for companies receiving or processing personal data and provide for significant penalties for non-compliance. These requirements with respect to personal data have subjected and may continue in the future to subject the Group companies to, among other things, additional costs and expenses and have required and may in the future require costly changes to their business

practices and information security systems, policies, procedures, and practices.

Security controls over personal data, the training of employees on data privacy and data security, and the policies, procedures, and practices implemented, or which may be implemented in the future, may not prevent the improper disclosure of personal data by the Group companies. Unauthorised access or improper disclosure of personal data in violation of personal data protection or privacy laws could harm the reputation of the Group, cause loss of consumer confidence, subject Group companies to regulatory enforcement actions (including fines), and result in private litigation against them, which could result in loss of revenue, increased costs, liability for monetary damages, fines and, or criminal prosecution, all of which could negatively affect the business and operating results of the Group, including the Issuer.

## **2.4. OTHER SECTOR-SPECIFIC RISKS**

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### **2.4.1. Risks relating to the container shipping industry**

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#### **2.4.1.1. Dependence on the growth of trade volumes and the liberalisation of trade**

The development of container volumes is an important determinant of BCT's cargo volumes and, consequently, the development of its revenue and profits. In times of volatility, particularly in light of the COVID-19 pandemic, the container shipping industry experienced a temporary decline in annual container handling volume.

A delay in or obstruction of the further liberalisation of trade within the markets from which BCT receives cargo, or to which cargo passing through its terminal is shipped, slowing economic growth due to factors such as wars, including the current war in Ukraine, as well as economic fluctuations, natural disasters or internal developments such as political realignments, or the imposition of new trade barriers such as rail, road and other tariffs; minimum prices; export subsidies and import restrictions or duties in Russia or in the Commonwealth of Independent States (CIS) or globally, could lead to lower growth or a decline in the volume of trade and, consequently, to a decline or slower growth in cargo container handling.

Given BCT's dependence on the volume of container traffic, such developments could materially impair BCT's growth prospects and could have a material adverse effect on its business, results of operations, financial condition or prospects, and in turn on those of the Issuer.

#### **2.4.1.2. Risk of termination of the port concession licence**

As further detailed in section 7.3.2 of this Registration Document, BCT operates at the Riga Free Port No. 48 under a port concession licence issued by the Riga Freeport Authority which expires on 22 March, 2047. In the event that the right to suspend or cancel the licence is lawfully exercised as a result of a breach of any of the conditions contained therein, such termination will have a material adverse effect on the financial condition of BCT. Any of the foregoing risks could have a material adverse effect on the Group's business, results of operations, financial condition and prospects, and as a result on the Issuer's financial condition and prospects.

#### **2.4.1.3. Risks associated with the consolidation or alliances between container terminal operators and container shipping companies**

The container terminal industry has in recent years experienced, and continues to experience, significant consolidation, both internally and with the container shipping industry. Consolidation within the container terminal industry results in BCT having to compete with other terminal operators that may be larger and have greater financial resources than BCT, and that may, therefore, be able to invest more heavily or effectively in their facilities or withstand price competition.

Consolidation between competitor container ports and container shipping companies could also have the effect of reducing the number of shipping customers available to BCT and increasing the access that its competing ports have to the major shipping lines. The above could substantially impair BCT's growth prospects and have a material adverse effect on BCT's business, results of operations, financial condition or prospects, and consequently on the Issuer's financial condition and, or prospects.

#### **2.4.1.4. Risks associated with BCT's dependence on a limited number of shipping lines**

BCT's container terminal business is dependent on a limited number of shipping lines calling at its terminal. At any time during the terms of existing contracts with such shipping lines, one or more of these shipping lines may opt to terminate and have its containers handled at a competitor's terminal, or may reduce its throughput at BCT's terminal. As a result, BCT's revenues are vulnerable to the loss of or difficulties experienced by such customers. The loss of, or a reduction in, or failure, of payment for services rendered for any

reason by important customers, could substantially impair BCT's growth prospects and could have a material adverse effect on BCT's business, results of operations, financial condition or prospects, and in turn on the Issuer's financial condition and, or prospects.

#### **2.4.1.5. Risks associated with the information systems and technologies ("IT") utilised by BCT**

Key to BCT's emergence as a major player in Riga's port management is its focus on innovation, efficiency and productivity through its leadership in IT development. The Mariner Group continually invests in its IT and logistics infrastructure as well as programmes to build a competitive response to the ever-changing dynamics of world trade and the container shipping industry. The operational information and technology systems at BCT's terminal are designed to enable the terminal to use its infrastructure resources as efficiently as possible and monitor and control all aspects of its operations and terminal management.

As the Group is increasingly dependent on the proper and uninterrupted operations of its computer systems, information processing and management systems software and telecommunications networks, electronic communication networks, access to the internet, as well as the systems and services of other third parties (collectively the "I.T. Systems") that are necessary to carry out its production its manufacturing facilities or project sites, and the supporting and ancillary activities relating thereto, its operational activities may become subject to a failure, disruption or other interruption in its I.T. Systems. Such event may arise as a result of various factors that may be out of the control of the Group, as a result of (without limitation) natural disasters, electricity outages and, or technical malfunctions which could be malicious or due to errors, negligence or force majeure.

If such failure, disruption or other interruption, even temporary, were to occur, the activities of the Group could be interrupted for the period of time for which such event subsists, which lack of access could adversely affect the Group's information management systems, manufacturing and processing systems, operational processes, and its ability to deal with its stakeholders in a timely, proper and effective manner. Any of the foregoing risks could have a material adverse effect on the Group's business, results of operations, financial condition and prospects, including those of the Issuer.

#### **2.4.1.6. Risks associated with strikes and, or work stoppages**

BCT may experience disruptions to its operations due to strikes, labour disputes or other labour unrest. Any disruptions of transportation services due to strikes or other events could also impair customers' ability to use BCT's terminal. Moreover, any labour interruptions in any of the ports that serve as starting points or final destinations for trade lanes calling at the BCT terminal could lower the shipping volume passing through the terminal. Such disruptions could adversely affect the business, financial condition, results of operations and prospects of BCT, and consequently those of the Issuer.

### **2.4.2. Risks relating to the real estate sector**

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#### **2.4.2.1. Risks specific to the property rental market**

The Issuer, BCT, and, following completion of the Acquisition, SIA Mariner Logistics, in aggregate hold title to a portfolio of immovable properties. The Group companies operating within the real estate sector are susceptible to risks which are intrinsic to the real estate sector. The health of the property and commercial rental market in Latvia may be negatively affected by a number of factors, including but not limited to, political developments, government regulations, changes in planning or tax laws, interest rate changes, inflation, the availability of financing and the profits which different investments may provide. Moreover, an increase in the supply of commercial space could negatively impact capital values and income streams of the property. These factors are likely to cause property prices to change and an increase in supply and, or a reduction in demand in the property market to which the respective companies are exposed, could negatively impact their financial performance.

#### **2.4.2.2. Risks relating to title over immovable property**

The Group's immovable property and any proposed investments in immovable property are dependent on the performance of a due diligence exercise on the good title over the land or immovable property. To the extent that the Group, or its third-party advisers, fail to identify defects in title or erroneously assess the materiality or implication of the findings of the due diligence exercise, including environmental liabilities, structure or operational defects, or other material issues, the Group may be exposed to claims and, or liabilities relating to such issues. Should any such issues materialise, this could negatively affect the Group's business and operations.

The Mariner Group is susceptible to risks associated with temporary title to property held by certain members of the Group. BCT's title and rights pertaining to freeport buildings, edifices, technical communications, quays, hydro-engineering structures and immovable property objects are limited to the period of the relevant lease agreements entered into with the Riga Freeport Authority as regards the underlying land plot. In the event of early termination of the lease, BCT will be required to remove the immovable property from the underlying leased land at its own cost.

Moreover, as further described in section 7.4 of this Registration Document, it is the intention of the Issuer to acquire SIA Mariner Logistics, a Latvian-incorporated company which operates the Mārupe Property in Latvia. The land over which the Mārupe Property has been developed is held by SIA Mariner Logistics under 'a right of use' title, granted by Riga International Airport, for a period of 49 years, due to expire in June, 2054. The occurrence of any event which may entitle the Riga International Airport to terminate the land lease agreement unilaterally at an earlier date, could result in the expropriation of the Mārupe Property or an order for the demolition of the entire structure.

Failure to abide by the terms and conditions to which the aforementioned land lease agreements are subject, and any subsequent action by the lessor, may result in the enforcement of an event of default under any of said agreements, which could have a material adverse effect on the results of the operations of the Group, its financial performance and financial condition.

#### **2.4.2.3. Risks relating to the rental income of the Group's commercial properties**

Certain companies operating within the Mariner Group, namely, the Issuer and, following completion of the Acquisition, SIA Mariner Logistics, lease property to which they hold title to third parties. The revenue generated by these activities is dependent on the lease agreements with tenants and accordingly, the tenants' fulfilment of obligations under such agreements. The business, revenue, and projected profits of the Group would be negatively impacted if tenants fail to honor their respective lease obligations. There can be no assurance that the lessees will be in a position, at all times, to meet their obligations throughout the term, whether due to insolvency, lack of liquidity, market or economic downturns, operational failure or other reasons which are beyond the Group's control.

The Group is susceptible to the risk that lessees and, or sub-lessees may terminate prior to the lease expiration date or elect not to renew their respective lease agreements, and, in such instances, there is no guarantee that new lessees and, or sub-lessees will be willing to lease the properties in question and, or that the lease agreements will be concluded on equally favourable terms. The failure to maintain a good relationship with existing lessees and, or sub-lessees, to renew lease agreements or enter into new lease agreements with new lessees and, or sub-lessees on similar or more favourable terms, could have a material adverse effect on the Group's profitability in the real estate sector and its operational results as a whole.

The Issuer's, and following the Acquisition, SIA Mariner Logistics', operating and other related expenses could increase without a corresponding increase in revenue. The factors which could materially increase operating and other expenses include:

- (i) unforeseen increases in the costs of maintaining the property;
- (ii) material increases in operating costs that may not be fully recoverable from tenants; and
- (iii) increases in the rate of inflation above the level of annual increments contracted with tenants.

#### **2.4.2.4. Risks relating to concentration on key tenants**

A significant portion of the revenue generated from the Group's property portfolio is dependent on key tenants occupying a significant portion of the Merkela Property, and, following completion of the Acquisition, the Mārupe Property. The financial failure of, or default in payment by, a key tenant under its lease is likely to cause a significant reduction in the Group's rental revenue from that property and consequently a reduction in the value of the property. If this risk were to materialise, this could have a material adverse effect on the Group and its business, and in turn on its results of operations and its prospects.

Further to the above, commercial leases with third parties will be susceptible to risks inherent to the industries in which such third parties operate as well as the risks specific to their business. In particular, as noted in section 7.3.1 of this Registration Document, the Issuer leases a significant area of the Merkela Property to a key tenant, SIA Premier Restaurants Latvia, the operator of McDonald's, Latvia. The continued success or otherwise of SIA Premier Restaurants Latvia or any other key tenant which the Issuer and, or SIA Mariner Logistics has or may have in the future, may have a material adverse effect on the operations and financial position of the Issuer.

#### **2.4.2.5. Risks relating to property valuations**

The valuation of property is intrinsically subjective and based on several assumptions at a given point in time. From time to time, the property-owning companies within the Group seek valuations of their property portfolio from experts. In providing a market value of the respective properties, certain assumptions are taken, which ultimately may cause the actual values to be materially different from any future values that may be expressed, implied or anticipated on the basis of historical trends as reality may not match the assumptions. For this reason, the Group may purchase and, or may have purchased property on the basis of inaccurate valuations. Moreover, property valuations are largely dependent on current and, or, expected market conditions which may fluctuate from time to time. There can be no assurance that such property valuations will reflect actual market values.



#### 2.4.2.6. Risks relating to the sale of property

The Group may from time to time seek to dispose of real estate assets, to generate additional capital for investment, to improve its cashflows, or because an asset may be under-performing financial targets or be deemed suitable for disposal. There can be no assurance that real estate assets in the Group's portfolio will be transferred and disposed of at the carrying value or estimated value. It may be difficult to dispose of the Group's properties at their carrying values on account of: (a) market conditions; (b) the size or value of the overall portfolio; (c) the specialised nature of the properties in question; (d) specific local market conditions; (e) regulatory risks including, albeit not limited to, the delay in obtaining or the inability to obtain the necessary permits and, or authorisations; or (f) other local or international economic factors influencing the Group's operations or assets. It may also prove necessary to dispose of properties at values which the respective directors consider are reasonable in the circumstances prevailing at the time, but which represent discounts to book values or earlier property valuation reports, in order to satisfy other commercial demands of the Group and deliver the long-term strategy objectives.

### 3. PERSONS RESPONSIBLE AND STATEMENT OF APPROVAL

#### 3.1. PERSONS RESPONSIBLE

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

#### 3.2. STATEMENT OF APPROVAL

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 and such approval should not be considered as an endorsement of the Issuer or the Group (as the subjects of this Registration Document).

### 4. ADVISERS AND STATUTORY AUDITORS

#### 4.1. ADVISERS

<b>SPONSOR</b>	<b>M.Z. Investment Services Limited</b> 61, M.Z. House St Rita Street Rabat RBT 1523, Malta
<b>MANAGER &amp; REGISTRAR</b>	<b>Bank of Valletta p.l.c.</b> 58, Zachary Street Valletta VLT 1130, Malta
<b>LEGAL COUNSEL</b>	<b>Camilleri Preziosi</b> Level 3, Valletta Buildings, South Street Valletta VLT 1103, Malta

The services of the Issuer's advisers in respect of this Prospectus are limited to the specific matters upon which they have been consulted. There may be other matters that would have a bearing on the Issuer or an investment in the Bonds upon which the Issuer's advisers have not been consulted. The Issuer's advisers do not undertake to monitor the compliance by the Issuer with its obligations as described in this Prospectus, nor do they monitor the Issuer's activities for compliance with applicable laws. Additionally, the Issuer's advisers have relied and continue to rely upon information furnished to them by the Issuer and the Directors, and have not investigated or verified, nor will they investigate or verify the accuracy and completeness of information set out herein concerning the Issuer, the Issuer's service providers or any other parties involved in the Bond Issue, including all of their respective affiliates, directors, officers, employees and agents. Moreover, the Issuer's legal counsel and the other advisers accept no responsibility for any description of matters in this Prospectus that relate to, and any issues arising from, any applicable law that is not Maltese law.

## 4.2. STATUTORY AUDITORS

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Deloitte Audit Limited  
Deloitte Place  
Triq l-Intornjatur  
Zone 3, Central Business District  
Birkirkara CBD 3050, Malta

The annual statutory financial statements of the Issuer for the financial year ended 31 December, 2019, 31 December, 2020 and 31 December, 2021 have been audited by Deloitte Audit Ltd. Deloitte Audit Ltd is a firm of certified public accountants holding a warrant to practice the profession of accountancy in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta) and bearing Accountancy Board registration number AB/26/84/81.

## 5. INFORMATION ABOUT THE ISSUER

### 5.1. GENERAL INFORMATION ABOUT THE ISSUER

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<b>LEGAL AND COMMERCIAL NAME</b>	Mariner Finance p.l.c.
<b>REGISTERED ADDRESS</b>	37, Triq Censu Tabone, St. Julian's STJ 1218
<b>PLACE OF REGISTRATION AND DOMICILE</b>	Malta
<b>REGISTRATION NUMBER</b>	C 31514
<b>LEGAL ENTITY IDENTIFIER ('LEI')</b>	485100UWC0VRB3D40532
<b>DATE OF REGISTRATION</b>	30 May, 2003
<b>LEGAL FORM</b>	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act.
<b>TELEPHONE NUMBER</b>	+356 22470100
<b>EMAIL</b>	info@mfplc.com.mt
<b>WEBSITE</b>	<a href="http://www.mfplc.com.mt/">http://www.mfplc.com.mt/</a>

The Directors are not aware of any material change in the Issuer's borrowing and funding structure since the end of the latest financial year ending 31 December, 2021.

The Directors expect the Issuer's working capital and funding requirements to be met by the proceeds from the Bond Issue.

Unless it is specifically stated herein that particular information is incorporated by reference into this Prospectus, the contents of the Issuer's website or any other website directly or indirectly linked to the Issuer's website, or any other website referred to herein, 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 a basis for a decision to invest in the Bonds.

### 5.2. HISTORICAL BACKGROUND OF THE ISSUER

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Hili Company, the ultimate parent company of the Issuer, is the holding company of an international group of companies with interests in Europe and Northern Africa. Hili Company has a 95-year history rooted in the shipping industry. Today, the Group maintains a focus on the maritime and logistics industry, where the Issuer is a recognized leader in the regions in which it operates, and in parallel, is building a prestigious portfolio of businesses in renewable energy and real estate.

The Issuer was incorporated on 30 May, 2003, in advance of a €13,000,000 bond issue pursuant to a prospectus dated 17 June, 2003, which bonds were redeemed on 15 July, 2010. The net bond proceeds of the issue were on-lent to its then parent company, Mariner S.R.L., to fund the acquisition of a shareholding in Terminal Intermodale Venezia S.p.A. (a company registered in Italy with

registration number 03280930276), a licensed operator of a seaport terminal in Venice, Italy, and to fund the 100% equity interest in BCT. On 1 March, 2013, BCT was acquired by MFB from Mariner S.R.L.

In 2014, the Issuer tapped into the capital markets for the second time with a €35,000,000 bond issue redeemable in 2024, pursuant to a prospectus dated 2 June, 2014 (the Exchangeable Bonds). The net bond proceeds of the issue were used to re-finance an outstanding loan agreement entered into by and between MFB (as borrower), AS DNB Banka (registration number 40003024725) and Nordea Bank Finland Plc (Latvian branch having registration number 40003486767) (as lenders), as well as to fund investments in ports or port operations and, or storage or logistic facilities related to the core and ancillary operations of the Group.

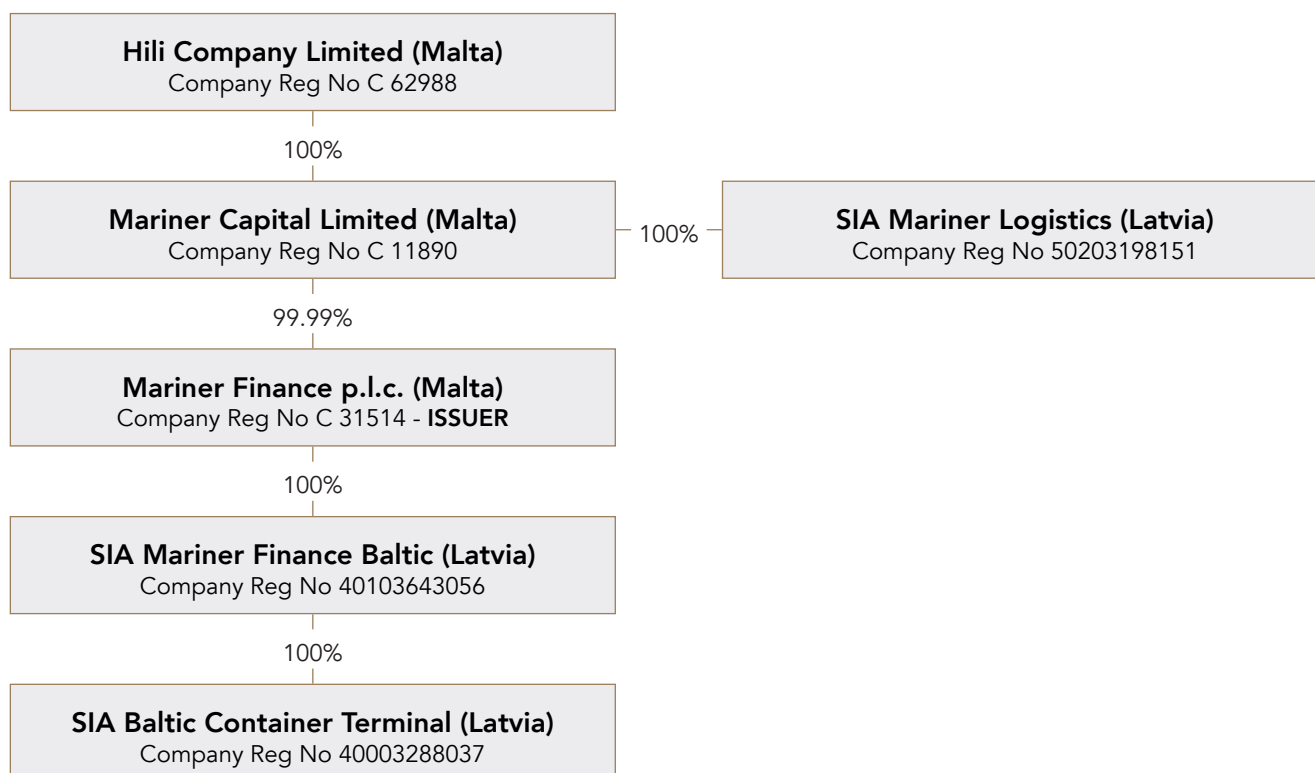
Prior to a corporate restructuring exercise in 2018, the Issuer was the parent of SIA Mariner Baltic Holding, a private limited liability company incorporated and registered in Latvia with Latvian registration number 40103780617 (“**MBH**”), incorporated principally to act as a holding company of the Group. MBH was the direct parent of MFB and SIA Equinor Riga, a private limited liability company incorporated and registered in Latvia with Latvian registration number 000325568 (“**EQR**”). EQR owned and operated the Merkela Property (the *circa* 3,300 sqm commercial and office building located in Merkela Street, Riga, Latvia described in section 7.3.1 below). In March, 2018, EQR merged into MBH. As a result of the merger, EQR ceased to exist and the ownership and operation of the Merkela Property in Latvia was, at the date of the merger, transferred to MBH.

The re-organisation exercise of the Group was completed in 2019 with the cross-border merger of MBH into the Issuer. As a result of the second merger, MBH ceased to exist and the Issuer acquired all the assets, rights, liabilities and obligations of MBH, including the ownership and operation of the Merkela Property.

## 6. ORGANISATIONAL STRUCTURE OF THE GROUP

The organisational structure of the Group as at the date of this Registration Document, is illustrated in the diagram below, indicating the position of the Issuer within the Group.

### MARINER GROUP



The Issuer is owned by Mariner Capital Limited, save for one share held by Mariner Hili.

The holders of shares that have voting rights in Hili Company are companies ultimately owned by Michela Borg as to 20%, Edward Hili as to 20% and Mariner Hili as to 60%.

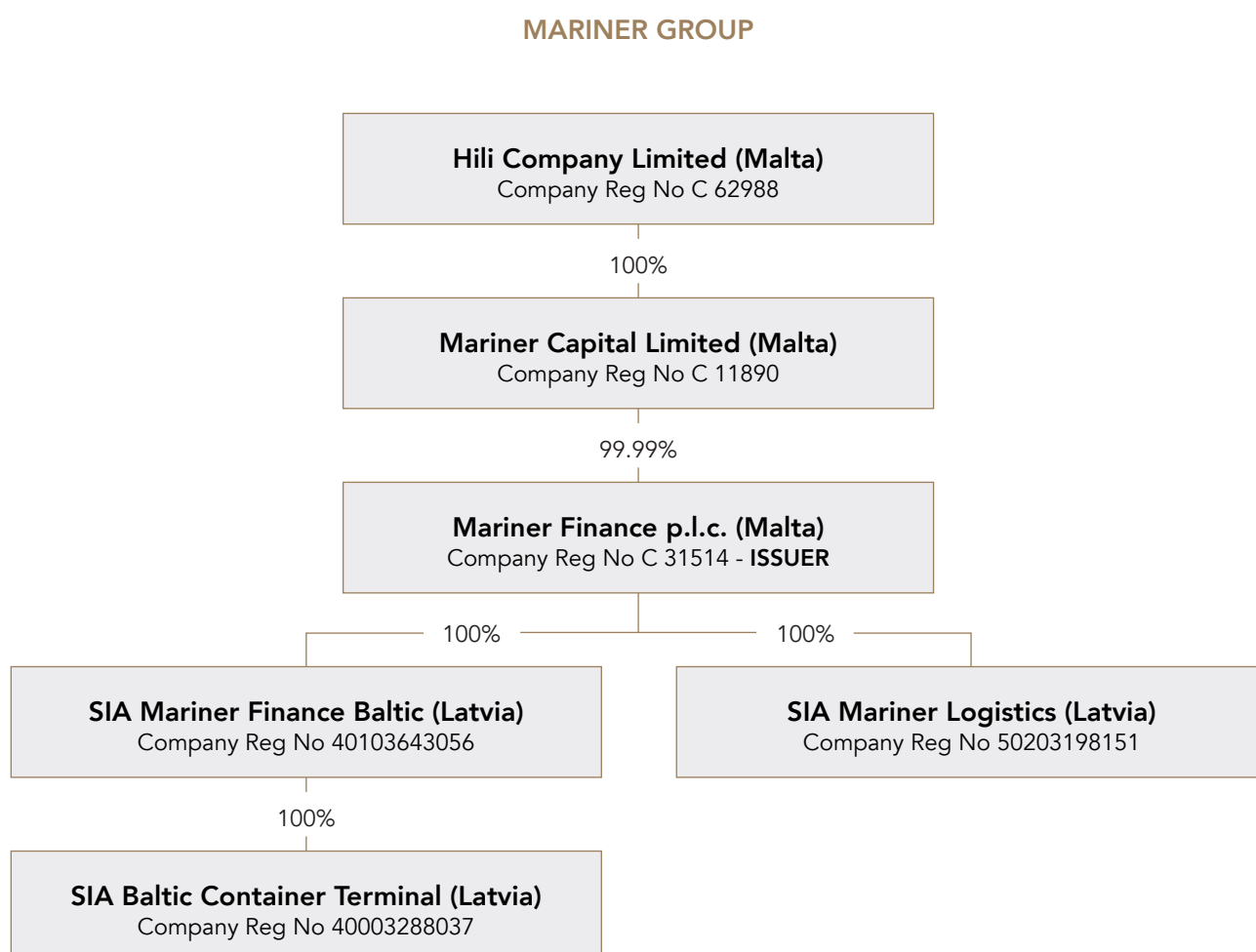
A brief overview of the activities of the Subsidiaries is set out below:

**SIA Mariner Finance Baltic (MFB)** is a private limited liability company incorporated and registered in Latvia. The company was set up on 28 February, 2013 principally to act as the immediate parent company of BCT and to provide financing to its subsidiary company;

**SIA Baltic Container Terminal (BCT)** is a private limited liability company incorporated and registered in Latvia. The company was set up on 26 March, 1996 and is principally engaged in the provision of port and related services at the port of Riga;

Following the Acquisition (as further described in section 7.4 of this Registration Document, **SIA Mariner Logistics**, a private limited liability company incorporated and registered in Latvia, will be a wholly owned subsidiary of the Issuer. The company was set up in February, 2019 and is principally engaged in the operation and lease of real estate in Latvia.

The organisational structure of the Group post-Acquisition is illustrated in the diagram below, indicating the position of the Issuer within the Group:



## 7. BUSINESS OVERVIEW

### 7.1. PRINCIPAL ACTIVITIES

The Issuer is the holding, finance and investment company of its main operating subsidiary, SIA Baltic Container Terminal (BCT), which is engaged in the provision of port and related services in the port of Riga, Latvia, over which it holds a port concession licence expiring in March, 2047. Moreover, the Issuer owns and operates the Merkela Property, a commercial and office building of circa 3,300 sqm in Riga, Latvia which, as at March, 2022, was valued at €4,371,000. The Issuer also owns a site in Latvia which, as at 26 January, 2018, was valued at €82,000.

### 7.2. PRINCIPAL MARKETS

The Issuer and the Group operate solely in Latvia. As mentioned in section 7.1 of this Registration Document, the Group's main business activity is the operation of a sea terminal in Riga, Latvia. In addition to the foregoing, the Issuer owns property and land in Latvia, including the Merkela Property, which it rents to third parties.

### 7.3. OVERVIEW OF THE BUSINESS OF THE MARINER GROUP

#### 7.3.1. The Merkela Property (and other)

The Issuer, through its Latvian branch, owns and operates the commercial and office building and associated site located in Merkela Street, Riga, Latvia, consisting of a five-storey building, with total floor area of circa 3,300 sqm and leasable area of circa 2,480 sqm, situated at a major intersection in the central part of Riga, within the main retail and commercial area of the city (referred to in this Prospectus as the "**Merkela Property**"). Prior to the corporate restructuring described in section 5.2 of this Registration Document, until 2018, the Merkela Property was owned and operated by SIA Equinor Riga (Latvian registration number 000325568), and thereafter, until the second merger in 2019, was owned and operated by SIA Mariner Baltic Holdings (Latvian registration number 40103780617).

As at March, 2022, the Merkela Property was valued by an independent certified expert at €4,371,000. In 1998, the building underwent refurbishment in compliance with Class B commercial/office standards.

The Merkela Property is leased to third parties and, as at the date of this Registration Document, the occupancy level of the building stands at 64%. The Issuer leases an area of circa 626 sqm of the Merkela Property to SIA Premier Restaurants Latvia (Latvian registration number 40003189347), accounting for just over 25% occupancy of the leasable area. Pursuant to a lease agreement dated 1 August, 2010 entered into with SIA Premier Restaurants Latvia, SIA Premier Restaurants Latvia, in its capacity as the lessee, uses and occupies the premises for a McDonald's restaurant and operates a cafeteria trading under the name 'McCafe'. The term of the lease is that of 13 years, which term is due to expire on the 31 August, 2023, and is thereafter intended to be renewed for a period of 15 years. The rent receivable is based on a percentage of net monthly sales. Between January and August of this year, SIA Premier Restaurant Latvia contributed to 81% of the total rental income generated from the Merkela Property. As at the date of this Registration Document, the monthly rent receivable from SIA Premier Restaurant Latvia constitutes 9.5% of the Issuer's net monthly sales.

The remaining area occupied at the Merkela Property is leased to three other tenants on the basis of the following terms:

USE OF LEASED AREA	LEASED AREA	LEASE PERIOD
Commercial office space	area of 243.8 sqm	three years, due to expire on 31 May, 2025, and subject to the lessee's right to renew the agreement on the same terms.
Rendering of educational courses	area of 257.9 sqm	seven years, due to expire on 28 February, 2025, and subject to the lessee's right to renew the agreement on the same terms.
Rendering hospitality services	area of 466.9 sqm	six years, due to expire on 28 February, 2027, and subject to the lessee's right to renew the agreement on the same terms.

According to the lease agreements entered into by and between the Issuer and the respective tenants, the rent receivable in respect of each of said leases is based on a fixed monthly rental charge per square metre.

In addition to the ownership and operation of the Merkela Property, the Issuer owns a site in Latvia which, as at 26 January, 2018, was valued by an independent certified expert at €82,000 and which, as at the date of this Registration Document, is utilised by the Issuer as arable farm land.

### 7.3.2. SIA Baltic Container Terminal (BCT)

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SIA Baltic Container Terminal (BCT) is a Latvian registered company engaged in port and related services, wholly owned by MFB, a wholly owned subsidiary of the Issuer.

On 30 April, 2003, BCT entered into a real estate purchase agreement with the Riga Freeport Authority, pursuant to which the Riga Freeport Authority sold to BCT, which acquired, full ownership of all buildings, warehouses, yards and infrastructure within the boundaries of the BCT terminal (excluding the quay), together with all underlying communications, warehousing facilities, parking and paved areas surrounding said warehouses, and covered rail ramps. The BCT terminal has since become the largest and fastest-growing container handling facility in the region of Riga.

BCT operates at the Riga Free Port No. 48 under a port concession licence issued by the Riga Freeport Authority on 2 April, 2013 for a period of 34 years, until 22 March, 2047.

A number of financing agreements of the Mariner Group are secured by assets of BCT in favour of **Luminor Bank AS** (Estonian registration number 11315936). Such security interests include but are not limited to pledges and other security interests over all assets, present and future, of BCT.

#### 7.3.2.1. Principal activities of BCT

BCT commenced activities on 1 May, 1996, subsequent to the restructuring of a state-owned company, Riga Trade Port. It operates over an area of *circa* 557,000 sqm. The BCT terminal has an annual container handling capacity of *circa* 450,000 TEUs, and offers the following services:

- (i) **Quay-side operations** – including the berthing of vessels for the loading and/or unloading of containerised cargo using four ship-to-shore gantry cranes. A fifth ship-to-shore gantry crane was delivered during 2020. Quay operations are supported by a variety of yard and interface equipment which includes reach stackers, rail-mounted gantries as well as various tractors, trailers and forklifts;
- (ii) **Yard operations** – the terminal has a container storage yard comprising a capacity of *circa* 20,000 TEUs. In addition, the yard has 500 reefer points, that is, electrical outlets for the storage of temperature-controlled containers;
- (iii) **Gate and rail operations** – including the transfer of containers between the container terminal and inland road and rail networks. BCT has direct access to both road and rail networks, and operates its own rail handling facility which can service up to 64 rail platforms simultaneously;
- (iv) **Warehousing** – the terminal has *circa* 20,400 sqm of covered warehousing space for the storage of general cargo. The warehouse facilities have direct access to the rail and road networks for more efficient distribution of cargo. In January, 2020, BCT completed development of further warehouse facilities, thereby increasing capacity by an additional 11,000 sqm;
- (v) **Ancillary activities** – a wide range of value-added services are provided at the container terminal due to an optimised integrated logistics chain. Through a container freight station, the terminal offers the service of, amongst others, stuffing and stripping of containers (packing and/or unpacking). In addition, BCT also provides engineering services for the repair of damaged containers.

Of the activities outlined above, the principal business at BCT is quay-side operations (the loading and unloading of containers), which in Q1 and Q2 of the year 2022 represented 68% of total revenue generated by the BCT.

#### 7.3.2.2. Principal clients of BCT

As an important node within the region's logistics network, BCT's clients include shipping lines, freight forwarders, third party logistics service providers, liner agents, inland carriers (such as road haulage companies), as well as end-customers. The container terminal services some of the world's largest shipping lines which call directly at the terminal as well as other shipping lines that use common feeder services. These include Maersk Line, Compagnie Maritime d'Affretement – Campagne Generale Maritime (CMA-CGM) and Mediterranean Shipping Company (MSC), Unifeeder and Cosco (including OOCL), as well as Evergreen, ONE and HMM. BCT has strong relationships with all the major shipping lines and their local representatives and strives to maintain good relations with both existing and potential clients.

The Freeport of Riga is a regional port that services cargo vessels operating in the Baltic region, particularly in trade with the Commonwealth of Independent States (CIS). Mariner's BCT covers 57 hectares on an island at the mouth of the river Daugava with favourable navigation at the terminal all year round with no tide to influence its 24/7 operation. The terminal enjoys optimum connectivity by rail and road to the major cities of the four countries that border Latvia, namely, Russia, Estonia, Lithuania and Belarus.

### 7.3.2.3. Market share and competition

The BCT container terminal is located at the mouth of the river Daugava which runs through the centre of Latvia's capital Riga. Its favourable geographical location and direct access via road and rail to its market hinterland make it strategically located to serve as a gateway to meet container traffic demand to and from the main industrial centres of Russia and other destinations including Moscow, Kaluga, Novgorod, St Petersburg, Minsk, Kiev, Vilnius, Tallinn, Almaty and Tashkent.

Latvia is a fast-developing country located on the south-east coast of the Baltic Sea in the centre of the Baltic States (Lithuania, Latvia and Estonia). It represents the financial hub of the three nations and its favourable geopolitical environment provides excellent business opportunities for the four major markets bordering Latvia, namely, Belarus, Estonia, Lithuania and Russia.

There are three main ports in Latvia - Venstpils, Riga and Liepaja - and these are mainly involved in transit cargo. The Freeport of Riga is by far the major container-handling port in Latvia. Moreover, BCT is the only specialised container terminal within the port. There are two other terminals - Riga Central Terminal (RCT) and Riga Universal Terminal (RUT) - which handle relatively small volumes of containerised cargo, though their main fields of activity are in the handling of general and bulk cargoes. As a specialised container terminal BCT is better equipped in terms of infrastructure, superstructure and workforce to efficiently and productively handle containers.

In addition to RCT and RUT, BCT's other competitors comprise specialised container terminals which are located in the neighbouring Baltic States and other eastern Baltic countries. These include: Klaipeda Container Terminal (KCT) and Klaipeda Smelte Container Terminal (KSCT) in Klaipeda, Lithuania; HHLA Muuga (HHLA) in Tallinn, Estonia; the container terminals within the Port of St. Petersburg, Russia, and; Palokangas - EU Container Terminal and Mussalo Container Terminal within HaminaKotka Port, Finland.

KCT, KSCT and HHLA, located in the neighbouring Baltic States represent the most direct form of competition to BCT due to their similar geographical locations, hinterland markets, inland connections, geopolitical environment and general terminal facilities.

## 7.4. NEW INVESTMENTS

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On 6 October, 2022, the Issuer entered into a share purchase agreement which agreement was subsequently amended, with Mariner Capital Limited, pursuant to which Mariner Capital Limited (as transferor) agreed to sell and transfer to the Issuer (as transferee) the entire issued share capital which it held in SIA Mariner Logistics, and the Issuer agreed to accept and purchase the entire issued share capital of SIA Mariner Logistics. The consideration due by the Issuer to Mariner Capital Limited, in the amount of €7,238,931.00, shall be set-off against a receivable due by Mariner Capital Limited to the Issuer.

In terms of said share purchase agreement, the shares shall be sold and transferred to the Issuer free from all encumbrances, save for the security constituted under a share pledge agreement dated 4 November, 2020, by and between Luminor Bank AS, Mariner Capital Limited and SIA Mariner Logistics. In this respect, Mariner Capital Limited (in its capacity as pledgor) undertook to pledge in favour of Luminor Bank AS, the entire issued share capital of SIA Mariner Logistics in order to secure any claims that may arise under a loan agreement dated 1 March, 2019 by and between SIA Mariner Logistics and Luminor Bank AS. In anticipation of the Acquisition, Mariner Capital Limited has sought and obtained the approval of Luminor Bank AS in order for the shares to be transferred notwithstanding the terms of the share pledge agreement. Following the completion of the Acquisition, the share capital of SIA Mariner Logistics will continue to be pledged in favour of Luminor Bank AS, by the Issuer, in its capacity as the new pledgor, as security for the remaining balance of the loan.

Upon completion of the Acquisition, which is expected to take place in January, 2023, SIA Mariner Logistics will become a wholly owned subsidiary of the Issuer, engaged principally in the operation and lease of real estate in Latvia.

### 7.4.1. Historical background of SIA Mariner Logistics

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SIA Mariner Logistics was incorporated in 2019 as a subsidiary of Mariner Capital Limited. It was set up to act as the parent and finance company of SIA Elipse BLC (Latvian registration number 40003706196) and SIA Elipse Centrs (Latvian registration number 40103987320), two entities incorporated and registered in Latvia.

SIA Elipse BLC was granted the right of use of a site in the municipality of Mārupe, Riga, Latvia, by the Riga International Airport for a period of 49 years, due to expire in June, 2054. The leased site, registered in the land register department of the Riga district with cadastral number 8076-002-0007, on 13 April, 2014, covers an area of approximately 60,570 sqm (the "**Mārupe Site**"). Subject to a number of conditions set out in said land lease agreements, after the expiry of the lease term in 2054 and at the request of the lessee, the Riga International Airport is obliged to extend the lease for a new term of operation.

The Riga International Airport leased Mārupe Site to SIA Elipse BLC for the development of a commercial property on the Mārupe Site and thereafter SIA Elipse BLC operated same as a warehouse building with office space, two auxiliary buildings

and an engineering building, covering a total area of 31,549 sqm (the “**Mārupe Property**”). The Mārupe Property at Ziemeļu Street 4, Riga Airport, Mārupe county, with cadastre No.8076 502 0015, consists of “A” class Business and Logistics Center “Eclipse BLC” buildings - warehouse with office premises together with functionally related auxiliary buildings - access control building and fire pump station with water reservoir, and real property consisting of the foundations of a warehouse/office building under construction.

The Mārupe Property is located on a site which is strategically located within the territory of the Riga International Airport in Latvia, with excellent road connections to Riga City Centre, Riga port, national highways and the Baltic highway network. It is also in close proximity to the planned Rail Baltic project, which will connect Riga International Airport to Riga City Centre and to other key cities in the Baltics.

In terms of a reorganisation agreement dated 4 November, 2020, the Mariner Logistics sub-group underwent a group reorganisation whereby the subsidiaries of SIA Mariner Logistics, namely SIA Elipse BLC and SIA Elipse Centrs, were acquired by SIA Mariner Logistics, following which the two subsidiaries ceased to exist. As a result of the reorganisation, SIA Mariner Logistics acquired all the property, rights and liabilities of its subsidiary companies, and consequently acquired the right of use of the Mārupe Site and ownership of the Mārupe Property.

The loan agreement dated 1 March, 2019 by and between SIA Mariner Logistics and Luminor Bank AS referred to in section 7.4 of this Registration Document is secured by, *inter alia*, the assets of SIA Mariner Logistics. Such security interests include but are not limited to pledges over the Mārupe Property granted by SIA Mariner Logistics in favour of Luminor Bank AS.

An extract of the financial statements of SIA Mariner Logistics for the financial year ended 31 December, 2021 may be found in section 6.2 (“*Financial Performance*”) of the financial analysis summary annexed to the Securities Note as Annex III thereof. The full financial statements of SIA Mariner Logistics for the said period are available for inspection at the registered address of the Issuer.

#### **7.4.2. Principal activities of SIA Mariner Logistics**

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SIA Mariner Logistics’ principal business activity is the leasing of property located in Latvia. As at the date of this Registration Document, SIA Mariner Logistics has the right of use of the Mārupe Site and is the operator of the Mārupe Property.

As at the date of this Registration Document, the Mārupe Property is leased out to a total of 14 tenants, with five of said tenants accounting for 78% of the revenue generated by SIA Mariner Logistics. The warehouse with office premises with a total area of 9,592.7 sqm within the warehouse is leased out to a third party tenant until 1 June, 2028, and the warehouse with an area of 4,442.7 sqm and locker room of 32.4 sqm is leased out to another key third party tenant until 31 March, 2024. According to the lease agreements entered into with the other 12 tenants, covering a total area of 14,035.4 sqm, the leases are due to expire between 2023 and 2026, and are expected to be renewed thereafter. Two of the key leases due to expire in 2023 will be automatically extended for another one-year period under the same terms and conditions, unless either party objects to the extension. As at the date of this Registration Document, no such objection has been manifested by either the Group or the respective tenants.

The Mārupe Property also includes an area of *circa* 10,145 sqm which has been developed by SIA Mariner Logistics and is predominantly being operated as a car park. The remaining vacant area of *circa* 19,080 sqm is to be developed into additional logistics space. As at the date of this Registration Document, foundations works for said development have been undertaken.

As at 1 September, 2022, the Mārupe Property was valued by an independent expert at €24,570,000, while the vacant area of *circa* 19,080 sqm (to be developed into additional logistics space and for which foundational works have been undertaken) was valued at €890,000, which together, aggregate to a value of €25,460,000.

#### **7.4.3. Business development strategy**

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The Mariner Group continually seeks to acquire, develop and operate strategically-located seaport terminals in niche and emerging markets with a clear objective of sourcing smaller, less developed terminals with a greater potential for growth and profitability.

The Group takes a selective and disciplined approach to acquisitions. The Group evaluates port opportunities based on factors such as strategic location, hinterland accessibility and physical attributes of the site, and prospective investment returns. The expansion potential of targets, the ability to achieve operational control and the likely return for shareholders are among the key criteria for the Group’s development which is clearly focused on the potential value to be created rather than the overall size of a potential project or acquisition. Any such investments would be subject to board and shareholder approval, and subject to the availability of adequate funding, due diligence and agreement on acceptable commercial terms. The Group aims to be a leader in the areas in which it operates through professionalism, efficiency and deployment of its long industry experience, employing a focused and hands-on approach to all its investments. Towards this end, the Group is



constantly seeking to identify opportunities that add value to the logistics chain, and furthermore pursue the development of other opportunities, including warehousing and distribution centres.

## 8. TREND INFORMATION

The Directors are of the view that the Issuer shall, generally, be subject to the normal business risks associated with sea terminal operations in Latvia and, to a lesser extent, commercial property in Latvia and barring unforeseen circumstances, do not anticipate any likely material adverse effect on the Issuer's prospects, at least for the next 12 months.

Latvia's 2022 growth spurt is set to be cut short by an inflation surge and a slowing global economy. The doubling of energy prices ahead of the coming heating season is projected to make households scale back on consumption likely resulting in negative quarterly GDP growth around the year change. In 2023, consumption is expected to partially recover once the heating season is over. However, by that time a slowing external environment is forecast to weigh on Latvia's exports. A pick-up in EU-funded investments is expected to give a boost to public investment in both 2023 and 2024. Energy price growth is forecast to peak before 2023 and services prices are forecast to gradually become the main inflation driver during the forecast horizon. The general government deficit is set to decrease to 3.4% of GDP in 2023 and further to 1.4% in 2024.

2022 started with a strong growth in exports and a recovery in private consumption that was driven by a lifting of the pandemic-related restrictions to economic activity. However, growth is expected to slow in the second part of the year as household disposable incomes shrink amid surging energy prices and exports face headwinds from slowing foreign demand. Overall, on the back of the strong growth in the first half of the year, GDP growth for 2022 is forecast at 1.9%.

In 2023, GDP growth is expected to decline by 0.3%. While the end of the heating season is likely to provide a boost to consumption, this is expected to be a mild increase amid still high energy prices and depleted household savings. Similarly, weakened real disposable incomes and slowing construction and manufacturing elsewhere in the EU means exports are also set to struggle. Private investment growth is forecast to slow amid dwindling savings and rising interest rates. However, clearing of the backlog of EU funded projects should provide a timely boost to public investments keeping the economy out of a recession in 2023.

In 2024, growth is expected to pick up to 2.6%. A stabilisation in energy prices is set to provide relief for household budgets and hence foster their consumption. EU-funded investments are expected to have gathered pace by then and private investment would benefit from a relief in construction materials' prices, although higher interest rates are set to dampen household investment. Export growth is expected to continue struggling amid weak growth in Europe and a global investment slowdown, which is forecast to reduce demand for Latvia's sizeable timber industry. Import growth is expected to follow demand dynamics and after a significant slowdown in 2023 it is forecast to pick up in 2024.

In 2022, HICP<sup>1</sup> inflation is forecast to reach 16.9%, but it is expected to peak before the end of 2022 as the full increase in wholesale energy prices is assumed to have been passed on to consumers by then. However, energy prices are expected to remain elevated throughout 2023 and combined with knock-on effects to non-energy prices, inflation is projected at 8.3%. By 2024 energy prices are expected to begin falling, but services price inflation supported by strong wage growth is set to take over as the main inflation driver.<sup>2</sup>

There has been no material adverse change in the financial performance and prospects of the Issuer since 30 June, 2022 (being the date of the last published financial statements of the Issuer) to the date of this Prospectus.

1. Harmonised Index of Consumer Prices;

2. European Economic Forecast – Autumn 2022 (European Commission Institutional Paper 187 Nov '22).

## 9. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

### 9.1. THE BOARD OF DIRECTORS OF THE ISSUER

As at the date of this Registration Document, the Board of Directors of the Issuer is composed of the following eight Directors:

NAME	DESIGNATION
Marin Hili	Chairman and Executive Director
Edward Hili	Chief Executive Officer and Executive Director

<b>Michela Borg</b>	Non-Executive Director
<b>Kevin Saliba</b>	Non-Executive Director
<b>Ian Micallef</b>	Non-Executive Director
<b>Lawrence Zammit</b>	Independent Non-Executive Director
<b>Anthony Busuttil</b>	Independent Non-Executive Director

**Kevin Saliba** is the company secretary of the Issuer.

The business address of the Directors and the company secretary is that of the Issuer.

## 9.2. CURRICULA VITAE OF DIRECTORS OF THE ISSUER

**Marin Hili**

Marin Hili has acquired a wealth of knowledge through his vast experience in port development, investment and operations, as well as across a broad spectrum of industries in Malta, Europe and beyond.

In 1987, Mr Hili was appointed Chairman of the Malta Freeport by the Maltese Government with a brief to develop the port into a commercially viable hub. In his decade and a half in the post, he developed the port from scratch into a multi-million TEU transshipment hub. During this period he also held the post of Chairman of Malta's Privatisation Unit.

Mr Hili developed and led the family-owned group's strategic international expansion vision from its traditional shipping roots into international trade, trade finance, petrochemical and construction supplies, property development, franchising (McDonald's), real estate and construction engineering. Subsequently he refocused Hili Company's operations on their present strategic direction.

In 2002, Mr Hili was decorated by the State as Member of the National Order of Merit (MOM) in recognition of his successful contribution to the development of the Malta Freeport.

Mr Hili is Honorary Consul of Latvia in Malta.

**Edward Hili**

Edward Hili joined Hili Company in 2008 as a financial analyst in the group's terminals & logistics segment. He is now responsible for driving the strategic growth and development of the group across all business segments. He has led a number of international acquisitions and development projects, as well as several capital raising efforts.

Mr Hili has played a key role in expanding the group's portfolio. This now includes the renewable energy segment, with projects in Malta and Croatia, and investments in Manoel Island Yacht Yard and Manoel Island Yacht Marina. He has also driven the growth of the logistics segment through the establishment of Mariner Shipping and the expansion of Mariner Logistics' warehousing and distribution portfolio.

Mr Hili graduated with a Masters in Finance from the University of Cambridge and is a Fellow of the ACCA.

Mr Hili has served as an independent, non-executive director on a number of regulated financial sector entities.

**Michela Borg**

Michela Borg has over 10 years of experience in the maritime industry. Having joined Hili Company as a research and development analyst in 2008, she now takes the overall lead in the critical research and analysis which guides the development of company's various operations, its approach to markets, and the pursuit of new projects and opportunities. Ms Borg also oversees all corporate marketing for the group.

Ms Borg graduated with a Masters in Medical Genetics from Newcastle University, UK.

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**Kevin Saliba**

Kevin Saliba is a certified public accountant and auditor. He joined the group in 2001, specialising in offshore companies and trade finance. In 2004, Mr Saliba moved to Venice to become CFO of Terminal Intermodale Venezia. He held this post for over three years, focusing on fulfilling the financing requirements of the company's capital expenditure in line with its expansion programme.

During his term he developed his knowledge of the port industry, terminal operations and the Italian financial sector. In 2007, Mr Saliba returned to Malta as Group Financial Controller for Hili Company and in 2013 was appointed Chief Financial Officer.

Mr Saliba graduated from the University of Malta with a Bachelor of Commerce degree in 1996. Two years later he attained his Bachelor in Accountancy (Hons) Degree from the same university.

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**Ian Micallef**

A lawyer by profession, Ian Micallef has been involved in the maritime industry since the early stages of his career. Following an initial period on the Board of Directors at Freeport Terminal Malta (1992 – 1996), he was appointed Senior Legal Manager of the major transshipment port of Malta Freeport.

Throughout his tenure he decisively contributed on various sectors – client (Shipping Lines) contracts, dispute resolution, equipment acquisition negotiations up to commissioning, human resource engagement conditions, port work services sourcing and industrial dispute resolution.

Dr Micallef's industry knowledge is complemented by appointments on EU panels as representative of Maltese national bodies.

Dr Micallef graduated as a Doctor of Laws from the University of Malta.

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**Lawrence Zammit**

Lawrence Zammit is a founding partner and a director of MISCO. At MISCO he serves as a consultant to a number of business organisations across a range of economic sectors.

Mr Zammit also has extensive board experience, serving and having served on the board of directors of a number of companies and corporations. He is currently chairman of the board of directors of Atlas Insurance PCC Limited (C 5601) and Grand Harbour Marina p.l.c. (C 26891) and a member of the board of directors of Loqus Holdings p.l.c. (C 27140), PG p.l.c. (C 78333), Exalco Finance p.l.c. (C 87384) and Merrill Sicav p.l.c. (SV 384). He was also chairman of the board of directors of Malta Enterprise, the Employment and Training Corporation, Air Malta p.l.c. (C 2685) and Malta International Airport p.l.c. (C 12663).

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**Anthony Busuttill**

Formerly the Head of Trade and Supply Chain at HSBC Bank Malta p.l.c. (C 3177), Anthony Busuttill, retired as of 2009, specialised in structured trade finance and gained work experience in HSBC group offices in UK, France and Italy. Mr Busuttill worked for HSBC Bank Malta p.l.c. (C 3177) for a period of 28 years, during which he was awarded employee of the year in 1998 in recognition of his contribution towards Maltese export initiatives.

Mr Busuttill retains his seat as director on the board of directors of Endo Finance p.l.c. (C 89481) as of 2018.

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**9.3. POTENTIAL CONFLICTS OF INTEREST**

As at the date of this Registration Document, the Issuer has identified and managed the following roles which may give rise to conflicts of interest:

- (i) Marin Hili, Edward Hili and Michela Borg are directors of the Issuer and its parent company Mariner Capital Limited. Kevin Saliba, director and company secretary of the Issuer, is also the Chief Financial Officer and company secretary of Mariner Capital Limited; and
- (ii) Edward Hili and Michela Borg are directors of the Issuer and SIA Mariner Logistics, of which the Issuer will become its parent company, following the successful completion of the Acquisition.

Conflicts of interest could potentially arise in relation to transactions involving the Issuer and Mariner Capital Limited, and the Issuer and SIA Mariner Logistics.

Save as stated above, there are no other identified conflicts of interest between the duties of the Directors or the members of the senior management team towards the Issuer and, or the Group and their private interests and, or other duties.

## 9.4. SENIOR MANAGEMENT

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In the execution of the strategic direction, investment and management oversight of the Group, the board of the Issuer is supported by members of senior management of operating companies of the Group, namely BCT and SIA Mariner Finance Baltic (MFB). The aforementioned members of senior management and their respective roles are set out hereunder:

### **Gerard Sammut**

*Chief Executive Officer (BCT and MFB)*

Gerard Sammut joined the Mariner Group's Riga operation, Baltic Container Terminal, in 1997, from Air Malta where he held the post of Head of Strategic Planning and Control. Today, as Chief Executive Officer of Baltic Container Terminal, he is responsible for the overall operation and direction of the terminal. Mr Sammut has acquired a wealth of knowledge and experience on both the corporate finance and terminal operation sides of the business.

Mr Sammut graduated with a Masters in Business Administration (Hons) from the Norwegian School of Management and BA (Hons) in Business Management from the University of Malta. He is an Associate of the Chartered Institute of Management Accountants.

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### **Aldis Zieds**

*Chairman (BCT)*

Aldis Zieds is highly experienced in the port sector having spent a career in the industry and is the Managing Director for the Mariner Group's Riga operation, Baltic Container Terminal. Starting off as a ship officer onboard various vessels, he went on to serve as Director of container terminal in Riga Commercial port. In 1996, Aldis Zieds brought his experience to Baltic Container Terminal. Aldis Zieds plays a key role in planning, managing and guiding the direction of BCT. He is involved in daily operations and works closely with key suppliers and customers, as well as various public authorities.

Aldis Zieds graduated in Navigation and Agriculture Engineering from Maritime Engineers Institute in St Petersburg and Latvian Agriculture University respectively.

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### **Dmitrijs Kiselevs**

*Chief Operating Officer (BCT) and Information Technology Director (Group)*

Dmitrijs has 17 years' experience in IT system development and information management. He joined the Mariner Group's Riga operation, Baltic Container Terminal, in 2001 as network administrator and worked his way up to Chief Operating Officer.

As the Group's Information Technology Director he has been responsible for keeping the Group's terminals at the forefront of technological developments, driving the adoption of the most advanced terminal operating systems and automation modules, as well as the development of numerous proprietary systems. As IT Director for Mariner, he has also been involved in numerous other projects in the various companies within the Group.

Dmitrijs graduated in Electronics and Computer Science from the Transport and Telecommunication Institute in Latvia.

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### **Dzintars Vigulis**

*Terminal Manager (BCT)*

Dzintars Vigulis plays a critical role in managing and coordinating the personnel and works related to the handling of ships, railway wagons and road transport in BCT. He also manages the operations in the General Cargo Department and ensures that work safety and other regulations are observed and complied with.

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## 10. BOARD PRACTICES

### 10.1. BOARD COMMITTEE

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The Directors have constituted the following specialised committee, the terms of reference of which shall be determined by the Board of Directors from time to time with the purpose of fulfilling the below-mentioned purposes.

### 10.1.1. Audit Committee

The Audit Committee's primary objective is to assist the Board of Directors in fulfilling its oversight responsibilities over the financial reporting processes, financial policies and internal control structure. The Audit Committee oversees the conduct of the external audit and acts to facilitate communication between the Board, management and the external auditors. The external auditors may be invited to attend the Audit Committee meetings. The Audit Committee reports directly to the Board.

The terms of reference of the Audit Committee include support to the Board in fulfilling its responsibilities, broadly for:

- (a) overseeing its financial reporting processes, its financial risk assessment and risk management practices, the audit process, its internal control structures, and its external audit activities;
- (b) maintaining communications on such matters between the Board, management and the external auditors; and
- (c) reviewing the effectiveness of the process for communicating applicable policies, laws and regulations, and the systems for monitoring compliance therewith.

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.

In addition, the Audit Committee has the role and function of evaluating any proposed transaction to be entered into by the Issuer and a related party to ensure that the execution of any such transaction is at arm's length, on a commercial basis and ultimately in the best interests of the Issuer.

Furthermore, the Audit Committee has the role of assessing any potential conflicts of interest between the duties of the Directors and their respective private interests or duties unrelated to the Issuer.

The Audit Committee is made up entirely of independent non-executive directors. Audit Committee members are appointed for a period of three years, unless terminated earlier by the Board. The Audit Committee is composed of Mr Lawrence Zammit (independent non-executive Director), Mr Anthony Busuttill (independent non-executive Director) and Dr Ian Micallef (non-executive Director). Mr Lawrence Zammit is considered by the Board to be competent in accounting and, or auditing in terms of the Capital Markets Rules. Mr Lawrence Zammit also occupies the post of Chairman of the Audit Committee. As Chairman of the Audit Committee, he is entrusted with reporting to the Board of Directors of the Issuer on the workings and findings of the Audit Committee.

## 10.2. COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

In accordance with the terms of the Capital Markets Rules, the Issuer should endeavour to adopt the principles of the Code of Principles of Good Corporate Governance contained in Appendix 5.1 to Chapter 5 of the Capital Markets Rules (the "Code"). The Issuer declares its full support of the Code and undertakes to fully comply with the Code to the extent that this is considered complementary to the size, nature and operations of the Issuer. The Issuer supports the Code and is confident that the application thereof shall result in positive effects accruing to the Issuer.

On an annual basis in its annual report, the Issuer reports on the extent of its adoption of the principles of the Code for the financial period being reported upon, in line with the "comply or explain" philosophy of the Code, explaining the reasons for non-compliance, if any. As at the date of this Prospectus, the Board of Directors considers the Issuer to be in compliance with the Code, save for the following exceptions:

### **Principle 6: Information and professional judgement**

Under the present circumstances, full adherence by the Issuer with the provisions of Principle 6 of the Code is not deemed necessary taking into account the size, nature and operations of the Issuer. The Issuer does not feel the need to establish and, or implement a succession plan for senior management in light of its existing organisational structure. The Directors will maintain the existing arrangement 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.

### **Principle 8: Committees**

The Board considers that the size and operations of the Issuer do not warrant the setting up of a remuneration committee and a nomination committee. In particular, the Issuer does not believe it is necessary to establish a nomination committee as appointments to the Board are determined at shareholder level in accordance with the procedure set out in the Memorandum and Articles of Association. The Issuer considers that the members of the Board provide the level of skill, knowledge and experience expected in terms of the Code.

## **Principle 11: Conflict of interest**

Under present structure, the majority of Directors of the Issuer are directors of its parent company, namely Mariner Capital Limited, and ultimate beneficial shareholders of the Group, and as such are susceptible to conflicts arising between the potentially diverging interests of said shareholders and the Group as well as conflicts of interest which may arise in relation to transactions involving the Issuer and Mariner Capital Limited. Kevin Saliba, a director and company secretary of the Issuer, is also the Chief Financial Officer of Mariner Capital Limited. In this respect, the Audit Committee of the Issuer has the task of ensuring that any potential conflicts of interest that may arise at any moment, pursuant to these different roles held by Directors, are handled in the best interest of the Issuer and according to law. To the extent known or potentially known to the Issuer, save for the aforesaid, there are no potential conflicts of interest between any duties of the Directors and their private interests and, or their other duties which require disclosure in terms of the Prospectus Regulation.

## **11. MAJOR SHAREHOLDERS**

As at the date of this Registration Document, Mariner Capital Limited currently holds 99.99% of the entire issued share capital of the Issuer, with the remaining 0.01% held by Marin Hili. In turn, the majority shareholder of the Issuer, Mariner Capital Limited, is wholly owned by Hili Company, which is ultimately beneficially owned by Marin Hili to the extent of 60%.

The Issuer adopts measures in line with the Code to ensure that the relationship with Mariner Capital Limited is retained at arm's length, including adherence to the Capital Markets Rules regarding related party transactions, which require the sanctioning of the Audit Committee.

There are no arrangements the operation of which may at some future date result in a change in control of the Issuer.

## **12. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**

### **12.1. HISTORICAL FINANCIAL INFORMATION**

The audited consolidated financial statements of the Issuer for the three financial years ended 31 December, 2019, 31 December, 2020, and 31 December, 2021 (including the audit reports for such financial periods), shall be deemed to be incorporated by reference in, and form part of, the Prospectus. These financial statements have been drawn up in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and endorsed by the EU and are available for inspection at the Issuer's registered office and on the Issuer's website as set out in section 17 of this Registration Document.

The table below provides a cross-reference list to key sections of the financial statements of the Issuer for the financial years ended 31 December, 2019, 31 December, 2020 and 31 December, 2021:

	<b>2019</b>	<b>2020</b>	<b>2021<sup>1</sup></b>
Independent auditor's report	77 – 82	75 - 80	-
Statement of comprehensive income	11	11	-
Statement of financial position	12 - 13	12 - 13	-
Statement of changes in equity	14 - 15	14 - 15	-
Statement of cash flows	16 - 17	16 - 17	-
Notes to the financial statements	18 - 76	18 - 74	-

1. The annual financial report of the Issuer for 2021 has been prepared in the European Single Electronic Format (ESEF) and therefore does not contain page numbers. The said report is available through the following link:  
[https://cdn.borzamalta.com.mt/ESEFAPP//MFP\\_20201231\\_CON\\_AFR\\_485100UWC0VRB3D40532\\_20220427154115443/485100UWC0VRB3D40532-2021-12-31-en-InlineViewer.xhtml](https://cdn.borzamalta.com.mt/ESEFAPP//MFP_20201231_CON_AFR_485100UWC0VRB3D40532_20220427154115443/485100UWC0VRB3D40532-2021-12-31-en-InlineViewer.xhtml)

Set out below are condensed extracts from the said financial statements for such years:

**Mariner Finance p.l.c.**  
**Statement of Total Comprehensive Income**  
**for the last year ended 31 December**

	<b>2019</b> <b>Audited</b> <b>€'000</b>	<b>2020</b> <b>Audited</b> <b>€'000</b>	<b>2021</b> <b>Audited</b> <b>€'000</b>
Revenue	16,614	15,832	14,717
Rental income and other net operating income	588	604	561
Net operating expenses	(8,618)	(8,525)	(8,030)
<b>EBITDA</b>	<b>8,584</b>	<b>7,911</b>	<b>7,248</b>
Depreciation & amortisation	(1,579)	(2,058)	(2,252)
<b>Operating profit</b>	<b>7,005</b>	<b>5,853</b>	<b>4,996</b>
Loss on revaluation of investment property	-	(463)	(209)
Investment income	348	275	309
Net finance costs	(2,133)	(2,180)	(2,197)
<b>Profit before tax</b>	<b>5,220</b>	<b>3,485</b>	<b>2,899</b>
Taxation	(316)	(288)	(267)
<b>Profit after tax</b>	<b>4,904</b>	<b>3,197</b>	<b>2,632</b>
<b>Other comprehensive income:</b>			
Revaluation, net of deferred tax	6,017	-	-
<b>Total comprehensive income</b>	<b>10,921</b>	<b>3,197</b>	<b>2,632</b>

During FY2020, the global economy experienced the impact of the COVID-19 pandemic. Such on-going pandemic was unprecedented but its effect on the Group's business operations was minimal. In fact, both container volumes handled and occupancy levels within the Group's principal activities were similar to those of the previous year despite the pandemic. The only financial impact resulting from the pandemic was in the form of COVID-19 related discounts given to the Group's clients.

During the reviewed year, revenue decreased by €782,000 or -5%, from €16.6 million in FY2019 to €15.8 million and rental income generated from the property in Latvia amounted to €604,000 compared to €588,000 in the prior year. Net operating expenses also decreased but not to the same extent as revenue (by -1%) which resulted in an 8% decline in EBITDA to €7.9 million (FY2019: €8.6 million).

Depreciation and amortisation charge was higher in FY2020 on a comparable basis by €479,000 on account of new property, plant & equipment. Furthermore, the carrying value of the property in Latvia was reduced by €463,000. As such, profit after tax in FY2020 amounted to €3.2 million, a decrease of €1.7 million (-35%) compared to €4.9 million generated in the previous year.

The Group's revenue in FY2021 amounted to €14.7 million, a decrease of 7% or €1.1 million from the prior year. The decline was mainly attributable to a shortage of containers in the first half of 2021 and increases in freight/shipping prices. Rental income was lower on a y-o-y basis by €43,000 to €561,000. EBITDA generated in FY2021 amounted to €7.2 million compared to €7.9 million in FY2020 (-8%).

Due to the impact of the pandemic, the carrying value of investment property was impaired by €209,000 (FY2020: loss on revaluation of €463,000). Depreciation & amortisation was higher by €194,000 primarily on account of the commissioning of a new quay crane and a warehouse at BCT. No material changes were noted in investment income and taxation. Overall, total comprehensive income was lower by €565,000 from €3.2 million in FY2020 to €2.6 million in FY2021 (-18%).

**Mariner Finance p.l.c.**  
**Statement of Financial Position**  
**as at 31 December**

	2019 Audited €'000	2020 Audited €'000	2021 Audited €'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	13,800	13,746	13,703
Property, plant and equipment	48,737	44,996	43,569
Investment property	5,115	4,652	4,443
Right-of-use assets	2,538	8,265	7,938
Loans and receivables	20,583	23,796	27,970
	<b>90,773</b>	<b>95,455</b>	<b>97,623</b>
<b>Current assets</b>			
Loans receivable	-	750	414
Inventories	465	438	455
Trade and other receivables	3,457	2,980	3,216
Cash and cash equivalents	615	727	640
	4,537	4,895	4,725
<b>Total assets</b>	<b>95,310</b>	<b>100,350</b>	<b>102,348</b>
<b>EQUITY</b>			
<b>Equity and reserves</b>			
Called up share capital	500	500	500
Other equity and reserves	17,470	17,470	17,470
Retained earnings	29,130	32,327	34,960
	47,100	50,297	52,930
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Bank loans	2,041	349	42
Bonds	34,648	34,717	34,789
Lease liability	2,535	6,304	5,604
Other non-current liabilities	274	341	302
	39,498	41,711	40,737
<b>Current Liability</b>			
Bank loans	6,323	5,227	5,721
Lease liability	49	697	700
Other current liabilities	2,340	2,418	2,260
	8,712	8,342	8,681
	48,210	50,053	49,418
<b>Total equity and liabilities</b>	<b>95,310</b>	<b>100,350</b>	<b>102,348</b>

Total assets as at 31 December, 2021 amounted to €102.3 million, an increase of €2.0 million from a year earlier. The primary movements included an increase in loans & receivables of €4.2 million and a decrease of €1.4 million in property, plant & equipment.

Total liabilities decreased y-o-y by €0.6 million, mainly on account of an increase in bank borrowings of €0.2 million and a reduction in lease obligations amounting to €0.7 million (reflecting annual lease payments). Equity increased by the net profit of the year of €2.6 million, from €50.3 million in FY2020 to €52.9 million in FY2021.



**Mariner Finance p.l.c.**  
**Statement of Cash Flows**  
**for the last year ended 31 December**

	<b>2019</b> <b>Audited</b> <b>€'000</b>	<b>2020</b> <b>Audited</b> <b>€'000</b>	<b>2021</b> <b>Audited</b> <b>€'000</b>
Net cash for operating activities	5,600	6,160	4,432
Net cash from investing activities	(13,192)	(7,677)	(4,009)
Net cash from financing activities	7,044	1,629	(510)
<b>Net movement in cash and cash equivalents</b>	<b>(548)</b>	<b>112</b>	<b>(87)</b>
cash and cash equivalents at beginning of year	1,163	615	727
<b>Cash and cash equivalents at end of year</b>	<b>615</b>	<b>727</b>	<b>640</b>

In FY2021, net movement in cash and cash equivalents amounted to -€87,000 compared to a positive balance of €112,000 in FY2020.

Net cash from operating activities was lower by €1.8 million from the prior year which is reflective of the y-o-y decrease in volumes handled at BCT (FY2021: €4.4 million; FY2020: €6.2 million).

Net cash used in investing activities amounted to €4.0 million (FY2020: net outflows of €7.7 million) and mainly comprised net amounts advanced to parent company and related party of €3.6 million and capital expenditure amounting to €0.4 million.

Net cash used in financing activities amounted to €0.5 million compared to cash inflows of €1.6 million in FY2020. Such amount included lease liability payments and net drawdown of bank loans amounting to €0.7 million (outflow) and €0.2 million (inflow) respectively.

## **12.2. INTERIM AND OTHER FINANCIAL INFORMATION**

The unaudited condensed consolidated interim financial statements of the Issuer for the six-month period 1 January, 2022 to 30 June, 2022 shall be deemed to be incorporated by reference in, and form part of, this Prospectus and are available for inspection at the Issuer's registered office and on the Issuer's website as set out in section 17 of this Registration Document.

The table below provides a cross-reference list to key sections of the interim consolidated financial information:

**Page No.**

Statement of profit and loss and other comprehensive income	2
Statement of financial position	3 - 4
Statement of changes in equity	5
Statement of cash flows	6
Notes to the interim financial statements	7 - 13

**Mariner Finance p.l.c.**  
**Statement of Total Comprehensive Income**  
**for the six-month period 1 January to 30 June**

	<b>2021</b>	<b>2022</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>€'000</b>	<b>€'000</b>
Revenue	7,403	9,717
Rental income and other net operating income	114	188
Net operating expenses	(3,961)	(4,934)
<b>EBITDA</b>	<b>3,556</b>	<b>4,971</b>
Despreciation & amortisation	(789)	(1,069)
<b>Operating profit</b>	<b>2,767</b>	<b>3,902</b>
Investment income	150	169
Net finance costs	(1,095)	(1,073)
<b>Profit before tax</b>	<b>1,822</b>	<b>2,998</b>
Taxation	(164)	(179)
<b>Profit after tax</b>	<b>1,658</b>	<b>2,819</b>
<b>Total comprehensive income</b>	<b>1,658</b>	<b>2,819</b>

**Mariner Finance p.l.c.**  
**Statement of Financial Position**  
**as at**

	<b>31 Dec'21</b> <b>Audited</b> <b>€'000</b>	<b>31 Dec'22</b> <b>Unaudited</b> <b>€'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	13,703	13,681
Property, plant and equipment	43,569	43,268
Investment property	4,443	4,443
Right-of-use assets	7,938	7,775
Loans and receivables	27,970	29,103
	<b>97,623</b>	<b>98,270</b>
<b>Current assets</b>		
Loans receivable	414	932
Inventories	455	440
Trade and other receivables	3,216	4,111
Cash and cash equivalents	640	2,650
	4,725	8,133
<b>Total assets</b>	<b>102,348</b>	<b>106,403</b>
<b>EQUITY</b>		
<b>Equity and reserves</b>		
Called up share capital	500	500
Other equity and reserves	17,470	17,470
Retained earnings	34,960	37,779
	52,930	55,749
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Bank loans	42	-
Bonds	34,789	34,838
Lease liability	5,604	5,254
Other non-current liabilities	302	486
	40,737	40,578
<b>Current Liability</b>		
Bank loans	5,721	6,348
Lease liability	700	700
Other current liabilities	2,260	3,028
	8,681	10,076
	49,418	50,654
<b>Total equity and liabilities</b>	<b>102,348</b>	<b>106,403</b>

**Mariner Finance p.l.c.**  
**Statement of Cash Flows**  
**for the six-month period 1 January to 30 June**

	<b>2021</b>	<b>2022</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>€'000</b>	<b>€'000</b>
Net cash for operating activities	2,585	3,799
Net cash from investing activities	(1,603)	(2,257)
Net cash from financing activities	718	468
<b>Net movement in cash and cash equivalents</b>	<b>1,700</b>	<b>2,010</b>
Cash and cash equivalents at beginning of year	727	640
<b>Cash and cash equivalents at end of year</b>	<b>2,427</b>	<b>2,650</b>

During the first six months of the year, the Group continued to operate in its two core markets, precisely operation of sea terminal and property rental.

The Group's operational results for the interim period under review exceeded those attained in the same period of 2021. As a result of this, the Group's profit before tax of €3.0 million was higher on a comparable basis by €1.2 million (2021: €1.8 million). The main reasons for this increase in profitability were higher volumes handled, mainly due to a post COVID-19 pandemic recovery. Furthermore, the Russia-Ukraine conflict had a positive effect on volumes too with containers previously passing through Russia being diverted instead to Riga. Volumes handled at Baltic Container Terminal SIA in HY2022 were 21.7% higher than those handled in the same period of the previous year. This implied that turnover generated from sea terminal operations for the first six months of 2022 was higher than in 2021 by €2.3 million to €9.7 million (2021: €7.4 million).

Revenue generated from the Group's rental business was also higher on a comparable basis with average occupancy increasing to 64%, mainly on account of a post COVID-19 economy and industry recovery.

The Group had a net current liability position as at 30 June, 2022 of €1.9 million compared to €4.0 million net current liability as at 31 December, 2021. The reason for this is that the Group's 2019 investments had been financed through a bank overdraft with the intention of subsequently refinancing €5 million into a term loan facility. Management has since decided not to proceed with such refinancing and instead maintain the current overdraft facility, which is not repayable on demand and extended on an annual basis. The Group maintains a strong financial position with net assets as at 30 June, 2022 amounting to €55.7 million (31 December, 2021: €52.9 million).

### **12.3. SIGNIFICANT CHANGE IN THE ISSUER'S FINANCIAL OR TRADING POSITION**

There has been no material adverse change in the prospects of the Issuer since the date of publication of its latest audited financial statements nor has there been any significant change in the financial position of the Issuer since the end of the last financial period for which financial information has been published to the date of this Registration Document.

## **13. LEGAL AND ARBITRATION PROCEEDINGS**

There have been no governmental, legal or arbitration proceedings, including any such proceedings which are pending or threatened or of which the Issuer is aware, during the period covering 12 months prior to the date of the Prospectus which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability.

## **14. ADDITIONAL INFORMATION**

### **14.1. SHARE CAPITAL**

As at the date of this Registration Document, the authorised share capital of the Issuer is €500,000.00 divided into 50,000 ordinary shares of a nominal value of €10.00 each. The issued share capital of the Issuer is €500,000.00 divided into 50,000 ordinary shares of a nominal value of €10.00 each, subscribed for, allotted and taken up as follows:

<b>Mariner Capital Limited</b> (C 11890)	49,999 ordinary shares of a nominal value of €10.00 each, fully paid-up, representing 99.99% of the issued share capital of the Issuer
<b>Marin Hili</b> (Maltese ID 190257M)	1 ordinary share of a nominal value of €10.00 each, fully paid-up, representing 0.01% of the issued share capital of the Issuer

## 14.2. MEMORANDUM AND ARTICLES OF ASSOCIATION

The Memorandum and Articles of Association are registered with the Malta Business Registry. A full list of the objects for which the Issuer is established is set out in clause 3 of the Memorandum of Association. These objects include, but are not limited to, the following:

- (a) to carry on the business of a finance and investment company, including but not limited to, the ownership, development, operation, construction and financing of ports or port operations;
- (b) to subscribe for, take, purchase, participate in or otherwise acquire, hold, manage, sell or otherwise dispose of, and deal in any manner whatsoever in, shares, stock, debentures, bonds, notes or other securities whatsoever solely for and on behalf of the company;
- (c) to purchase, take on lease, exchange or acquire, movable or immovable property by any title, including emphyteusis and sub-emphyteusis or otherwise deal in and hold, develop or improve any freehold, leasehold or other property whether for investment or resale; and
- (d) to finance building operations of every description, to construct, reconstruct, renovate, alter, improve decorate, finish and maintain buildings or other properties.

## 15. MATERIAL CONTRACTS

Neither the Issuer nor any of the other companies forming part of the Group is party to any contract not being a contract entered into in the respective company's ordinary course of business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer as at the date of this Registration Document.

## 16. STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Save for the financial analysis summary, the Prospectus does not contain any statement or report attributed to any person as an expert.

The financial analysis summary has been included in the form and context in which it appears with the authorisation of M.Z. Investment Services Limited (C 23936) of 61, M.Z. House, St. Rita Street, Rabat RBT 1523, Malta, which has given and has not withdrawn its consent to the inclusion of such report herein. The author of the financial analysis summary is Mr Evan Mohnani, Senior Financial Advisor at M.Z. Investment Services Limited. M.Z. Investment Services Limited does not have any material interest in the Issuer.

The Issuer confirms that the financial analysis summary has been accurately reproduced in the Prospectus and as far as the Issuer is aware and is able to ascertain from the information contained therein, no facts have been omitted which render the reproduced information inaccurate or misleading.

## 17. DOCUMENTS ON DISPLAY

For the duration period of this Registration Document the following documents shall be available for inspection at the registered address of the Issuer:

- (a) the Memorandum and Articles of Association of the Issuer;
- (b) audited consolidated financial statements for the financial years ended 31 December, 2019, 31 December, 2020 and 31 December, 2021;
- (c) the unaudited condensed consolidated interim financial statements for the period 1 January, 2022 to 30 June, 2022; and
- (d) the financial analysis summary prepared by the Sponsor and dated 21 November, 2022.

Such documents are also available for inspection in electronic form on the Issuer's website at: <http://www.mfplc.com.mt/>