REGISTRATION DOCUMENT

dated 23 March 2018

This Registration Document is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and in accordance with the provisions of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015. This Registration Document is issued pursuant to the requirements of Listing Rule 4.13 of the Listing Rules and contains information about Hudson Malta p.l.c.

Issue of €12,000,000 4.35% Unsecured Bonds 2026

by

HUDSON MALTA PLC

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA
WITH COMPANY REGISTRATION NUMBER C 83425

with the joint and several Guarantee* of Time International (Sport) Limited and Hudson International Company Limited

PRIVATE LIMITED LIABILITY COMPANIES REGISTERED IN MALTA
WITH COMPANY REGISTRATION NUMBERS C 32438 AND C 48705 RESPECTIVELY

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

Sponsor, Manager & Registrar: CHARTS WEALTH MANAGEMENT • CORPORATE BROKING

Legal Counsel: GVZH ADVOCATES

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENT IS IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENT.

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

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

APPROVED BY THE DIRECTORS

George Amato **Alfred Borg** **Kevin Grech** **Christopher Muscat** **Victor Spiteri** **Kevin Valenzia** **Brian Zarb Adami**

IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON HUDSON MALTA P.L.C. IN ITS CAPACITY AS ISSUER AND TIME INTERNATIONAL (SPORT) LIMITED AND HUDSON INTERNATIONAL COMPANY LIMITED AS GUARANTORS IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES OF THE LISTING AUTHORITY, THE COMPANIES ACT (CAP. 386 OF THE LAWS OF MALTA) AND COMMISSION REGULATION (EC) NO. 809/2004 OF 29 APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION CONTAINED IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS AS AMENDED BY COMMISSION DELEGATED REGULATION (EU) NO. 486/2012 OF 30 MARCH 2012, COMMISSION DELEGATED REGULATION (EU) NO. 862/2012 OF 4 JUNE 2012, COMMISSION DELEGATED REGULATION (EU) NO. 759/2013 OF 30 APRIL 2013, COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7 MARCH 2014 AND COMMISSION DELEGATED REGULATION (EU) NO. 2016/301 OF 30 NOVEMBER 2015.

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

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

THE DIRECTORS OF THE ISSUER, AS IDENTIFIED UNDER THE HEADING "DIRECTORS" IN SECTION 3.1 OF THIS REGISTRATION DOCUMENT, ARE THE PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS REGISTRATION DOCUMENT. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS OF THE ISSUER (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 OF THE ISSUER ACCEPT RESPONSIBILITY ACCORDINGLY.

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

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY BONDS MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER OR THE GUARANTORS 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.

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

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

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF SAID DIRECTIVE, THE SECURITIES CAN ONLY BE OFFERED TO "QUALIFIED INVESTORS" (AS DEFINED IN SAID DIRECTIVE) AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF SAID DIRECTIVE.

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

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

ALL THE ADVISORS TO THE ISSUER AND THE GUARANTORS NAMED IN THE REGISTRATION DOCUMENT UNDER THE HEADING "ADVISORS" IN SECTION 3.2 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTORS, AS THE CASE MAY BE, IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE CONTENTS OF THE MALTA GROUP'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE MALTA GROUP'S WEBSITE DO NOT FORM PART OF THIS 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 INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS.

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1. DEFINITIONS

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

Act	the Companies Act (Cap. 386 of the Laws of Malta);
Bond Issue	the issue of the Bonds;
Bondholders	a holder of Bonds to be issued by the Issuer in terms of the Prospectus;
Bond(**s**)	a maximum of €12,000,000 unsecured bonds due 2026 of a face value of €100 per bond bearing interest at the rate of 4.35% per annum and redeemable at their nominal value, as detailed in the Securities Note;
Company or **Issuer**	Hudson Malta p.l.c., a company registered under the laws of Malta with company registration number C 83425 and having its registered office at Hudson House, Burmarrad Road, Burmarrad, St Paul's Bay SPB 9060, Malta;
Directors or **Board**	the directors of the Issuer whose names are set out under the heading "Identity of Directors, Advisors and Auditors of the Issuer and Guarantors";
EBIT	earnings before interest and tax;
EBITDA	earnings before interest, tax, depreciation and amortisation;
Euro or **€**	the lawful currency of the Republic of Malta;
Guarantee	the joint and several guarantee dated 23 March 2018 granted by the Guarantors as security for the punctual performance of the Issuer's payment obligations under the Bond Issue. A copy of the Guarantee and a description of the nature, scope and terms of the Guarantee are appended to the Securities Note as Annex II thereto;
Guarantors	Time International (Sport) Limited, a company registered under the laws of Malta with company registration number C 32438, and Hudson International Company Limited, a company registered under the laws of Malta with company registration number C 48705. The registered office of each of the afore-mentioned companies is at Hudson House, Burmarrad Road, Burmarrad, St Paul's Bay SPB 9060, Malta;
Hudson Group or **HHL**	Hudson Holdings Limited, a company registered under the laws of Malta with company registration number C 37866 and having its registered office at Hudson House, Burmarrad Road, Burmarrad, St Paul's Bay SPB 9060, Malta (as ultimate parent company), the Issuer, the Guarantors and other subsidiary companies;
HICL	Hudson International Company Limited, a Guarantor;
Listing Authority	the Board of Governors of the Malta Financial Services Authority, appointed as the Listing Authority for the purposes of the Malta Financial Services Authority Act (Cap. 330 of the Laws of Malta);
Listing Rules	the listing rules issued by the Listing Authority, as may be amended from time to time;
Malta Group	the Issuer (as parent company), the Guarantors and the Subsidiaries, if any;
Malta Group Company	any one of the companies forming part of the Malta Group. The term "Malta Group Companies" shall be construed accordingly;
Malta Stock Exchange or **MSE**	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Prospectus	collectively, this Registration Document, the Securities Note and the Summary Note all dated 23 March 2018;
Registration Document	this document in its entirety;
Regulation	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 amending Regulation (EC) No. 809/2004

	as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities; Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of supplements to the prospectus; and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of the prospectus and dissemination of advertisements;
Securities Note	the securities note issued by the Issuer dated 23 March 2018, forming part of the Prospectus;
Subsidiaries	means all entities (including structured entities) over which the Issuer has control. In terms of International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), 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;
Summary Note	the summary note issued by the Issuer dated 23 March 2018, forming part of the Prospectus;
TISL	Time International (Sport) Limited, a Guarantor.

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.

2. RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER.

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

THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

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

NEITHER THE PROSPECTUS NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH SECURITIES ISSUED BY THE ISSUER: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION NOR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE SPONSOR, MANAGER & REGISTRAR OR AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THIS PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE ISSUER. PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.

2.1 Forward-looking Statements

The Prospectus and the documents incorporated therein by reference or annexed thereto contain forward-looking statements that include, among others, statements concerning the Issuer's and Guarantors' strategies and plans relating to the attainment of their respective objectives, capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts and which may involve predictions of future circumstances. Investors can generally identify forward-looking statements by the use of terminology such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", or similar phrases. These forward-looking statements are inherently subject to a number of risks, uncertainties and assumptions. Important factors that could cause actual results to differ materially from the expectations of the Issuer's and Guarantors' directors include those risks identified under the heading "Risk Factors" and elsewhere in the Prospectus.

Important factors that could cause actual results to differ materially from the expectations of the Issuer's and Guarantors' directors include those risks identified under this section 2 and elsewhere in the Prospectus. As mentioned above, if any of the risks described were to materialise, they could have a material effect on the Issuer's and Guarantors' financial results and trading prospects and the ability of the Issuer to fulfil its obligations under the securities to be issued in terms of the Prospectus and of the Guarantors to honour their obligations under the Guarantee.

Accordingly, the Issuer and Guarantors caution prospective investors that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied by such statements, that such statements do not bind the Issuer and Guarantors with respect to future results and no assurance is given that the projected future results or expectations covered by such forward-looking statements will be achieved. All forward-looking statements contained in the Prospectus are made only as at the date hereof. The Issuer, Guarantors and their respective directors expressly disclaim any obligations to update or revise any forward-looking statements contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

Prospective investors are advised to read the Prospectus in its entirety and, in particular, the sections entitled "Risk Factors", for an assessment of the factors that could affect the Issuer's and Guarantors' future performance.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds will be repayable in full upon maturity, unless the Bonds are previously re-purchased and cancelled. An investment in the Bonds involves certain risks, including those described below.

2.2 General

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

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference to the Prospectus or any applicable supplement;

(ii) has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency;

(iii) understands thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and

(iv) be able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

2.3 Risks relating to the Issuer and its Business

Issuer's dependence on the Malta Group and its business

The Issuer is the parent company of the Malta Group and given its recent incorporation does not itself have any trading history. It was set up primarily as a holding company of the Guarantors and to raise finance for the Hudson Group. In this respect, the Issuer is dependent on the business prospects of the Guarantors, and consequently, the operating results of the Guarantors have a direct effect on the Issuer's financial position and performance. As such, the risks intrinsic in the business and operations of the Guarantors, many of which are common to the fashion apparel and sportswear sectors and beyond the Malta Group's control, shall have a direct effect on the financial position of the Issuer.

Issuer's exposure to the Hudson Group

As a finance company, the assets of the Issuer will comprise loans issued to HHL and/or other Hudson Group companies. Consequently, the Issuer will be dependent on the operating results, cash flows and financial position of HHL and/or other Hudson Group companies for the punctual receipt of interest payments and capital repayments from the afore-mentioned entities. Moreover, such interest payments and capital repayments may be restricted by inter alia: changes in applicable laws and regulations; by the terms of agreements to which HHL and/or other Hudson Group Companies are or may become party; or by other factors beyond the control of the Issuer and/or the Hudson Group.

The occurrence of any such factors could in turn negatively affect the ability of the Issuer to meet its obligations in respect of the repayment of principal and interest under the Bonds punctually when due.

Risks inherent in forecasts

The forecasts set out in this Prospectus are dependent on a number of assumptions and future expectations that may or may not occur. The non-occurrence of those future expectations could have material adverse effects on the financial position and results of the Malta Group and the Issuer. The said forecasts are therefore merely an illustration of a possible future outcome which may or may not occur and the Issuer, its directors, officers and advisors make no representation as to their accuracy or likelihood of occurrence. Forecasts are inherently subject to the risks of adverse unexpected events which may affect the revenue streams and profitability of the Malta Group and/or the Issuer.

2.4 Risks relating to the Malta Group and its Business

General

The Issuer is the parent company of the Malta Group and given its recent incorporation, does not itself have any trading history. The Malta Group, through the Guarantors, has a long trading history in branded fashion and sportswear in retail and wholesale distribution. As such, the Malta Group is exposed to the apparel market and the competitive pressures prevalent in the operation and management of retail outlets and the wholesale distribution business in Malta. The Malta Group's business model remains primarily reliant on its relationship with a number of international fashion brands. In addition, the Malta Group's operations are concentrated in Malta and are accordingly intimately dependent on the branded fashion and sportswear markets in Malta. Accordingly, the Malta Group's prospects should be considered in the light of the risks and difficulties generally encountered by companies operating in a similar industry sector in Malta.

Dependence on the Maltese market

The Malta Group's operations are concentrated in and aimed at the Maltese market, which is limited in its geographical scope. Accordingly, the Malta Group is highly susceptible to the economic trends that may from time to time be felt in Malta. Negative economic factors and trends in Malta, particularly those having an effect on consumer demand, may have an adverse impact on the business of the Malta Group.

The Malta Group's business is subject to market and economic conditions generally

The Malta Group's business activities are subject to general market and economic conditions, both locally and overseas. These conditions include, *inter alia*, consumer demand, financial market volatility, inflation, fluctuations in interest rates, exchange rates, direct and indirect taxation, the health of the local retail markets, unemployment, credit markets, government spending and other general market and economic conditions.

In the event that general market and economic conditions were to experience a downturn, these weakened conditions may have an adverse impact on the financial position and operational performance of the Malta Group's business activities, potentially having a negative effect on the Issuer's financial position, cash flows, operational performance and its ability to fulfil its obligations under the Bonds.

A significant portion of the Malta Group's operating expenses are fixed, which may impede them from reacting quickly to changes in its revenue

A significant portion of the Malta Group's costs are fixed and the Malta Group's operating results are vulnerable to short-term changes in revenues. The factors which could materially increase operating and other expenses include: (a) increases in the rate of inflation; (b) increases in payroll expenses; (c) changes in laws, regulations or government policies; (d) unforeseen increases in the costs of maintaining properties; and (e) unforeseen capital expenditure. The Malta Group's inability to react quickly to changes in revenue by reducing operating expenses could have a material adverse effect on its respective business, financial condition and results of operations.

The Malta Group's reliance on non-proprietary software systems and third-party information technology providers

To varying degrees, the Malta Group is reliant upon technologies and operating systems (including IT systems) developed by third parties for the running of its business, and is exposed to the risk of failure in such systems. Whilst the Malta Group has service agreements and disaster recovery plans with third party providers of these systems to ensure their continuity and stability, there can be no assurance that the service or systems will not be disrupted. Disruption to those technologies or systems and/or lack of resilience in operational availability could adversely affect the efficiency of the Malta Group's business, financial condition and/or operating results.

The Malta Group's key senior personnel and management have been and remain material to its growth

The Malta Group believes that its growth is largely attributable to the efforts and abilities of the directors and members of its executive management team and other key personnel. If one or more of the members of this team were unable or unwilling to continue in their present position, the Malta Group might not be able to replace them within the short term, which could have a material adverse effect on the Malta Group's business, financial condition and results of operations.

In common with many businesses, the Malta Group will be relying heavily on the contacts and expertise of its directors and senior management teams and other key personnel. Although no single person is solely instrumental in fulfilling the Malta Group's business objectives, there is no guarantee that these objectives will be achieved to the degree expected following the possible loss of key personnel. The loss of the services of any of the key personnel could have, in the short term, a material adverse effect on the Malta Group's business.

Litigation risk

All industries, including the apparel industry, are subject to legal claims, with or without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute will not have a material adverse effect on the Malta Group's future cash flow, results of operations or financial condition.

The Malta Group's insurance policies

Historically, the Malta Group has maintained insurance at levels determined by the Malta Group to be appropriate in light of the cost of cover and the risk profiles of the business in which the Malta Group operates. With respect to losses for which the Malta Group is covered by its policies, it may be difficult and may take time to recover such losses from insurers. In addition, the Malta Group may not be able to recover the full amount from the insurer. No assurance can be given that the Malta 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.

Risks relative to changes in laws

The Malta Group is subject to a variety of laws and regulations. As with any business, the Malta Group is at risk in relation to changes in laws and regulations and the timing and effects of changes in the laws and regulations to which it is subject, including changes in the interpretation thereof which cannot be predicted. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of the Prospectus upon the business and operations of the Malta Group companies.

The Malta Group's indebtedness could adversely affect its financial position

Pursuant to the issue of Bonds, the Malta Group will have a material amount of debt and may incur additional debt in connection with its future growth and business development strategy. Consequently, a portion of the Malta Group's generated cash flows will be required to make principal and interest payments on the Malta Group's debt. Furthermore, any borrowings under bank credit facilities will likely be at variable interest rates, which could cause the Malta Group to be vulnerable to increases in interest rates.

The agreements regulating the Malta Group's bank debt may impose significant financial covenants on the Malta Group, the covenants of which could limit the Malta Group'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.

The Malta Group may be exposed to certain financial risks, including interest rate risk and currency risk, which the Malta Group may be unable to effectively hedge against

The Malta Group's activities potentially expose it to a variety of financial risks, including market risk (principally interest rate risk and fair value risk), transaction risk, credit risk and risks associated with the unpredictability of financial markets, all of which could have adverse effects on the financial performance of the Malta Group.

Interest rate risk refers to the potential changes in the value of financial assets and liabilities in response to changes in the level of interest rates and their impact on cash flows. The Malta Group may be exposed to the risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows if any future borrowings are made under bank credit facilities set at variable interest rates. Although in such a case the Malta Group seeks to hedge against interest rate fluctuations, this may not always be economically practicable.

Furthermore, the possibility of hedging may become more difficult in the future due to the unavailability or limited availability of hedging counter-parties. An increase in interest rates which is not hedged may have a material adverse effect on the Malta Group's business, financial condition and results of operations.

The Malta Group may be impacted by currency risk, which is the risk that the currency of the costs and liabilities fluctuates in relation to the Euro being its reporting currency, which fluctuation may adversely affect its operating performance.

2.5 Risks relating to the Operations of the Guarantors

Competition and franchisors' response to changing trends and consumer preferences

The branded fashion and sportswear sectors are highly competitive and are also subject to rapidly changing consumer demands and economic factors that affect consumer spending powers. The Malta Group's success in the above-mentioned sectors is also dependent upon the ability of the franchisors to respond to changing consumer demands and fashion trends in a timely manner, and upon the continued appeal of the brands represented by the Malta Group to consumers. If either or all of the franchisors fail to anticipate, identify or react appropriately, or in a timely manner, to fashion trends, the Malta Group's outlets could experience reduced customer acceptance of their products. These factors could result in decreased sales volume and lower product margins, and could have a material adverse effect on the Malta Group's results of operations.

There can be no assurance that the Malta Group will be able to maintain or increase its market share and to compete effectively with current or future competitors or that the competitive pressures will not consequently have a material adverse effect on the Malta Group's business, financial condition and operational performance.

The Malta Group is dependent on its franchisors

The Malta Group's revenues are dependent on the continued existence of its relationships with its franchisors. In view of the nature of franchising and the franchise agreements entered into with each franchisor, the long-term success of the Malta Group will depend, to a significant extent, on:

- the continued vitality of the represented brands in Malta and the overall success of the franchise system;
- the ability of the Malta Group and each franchisor to develop and pursue appropriate marketing strategies in order to maintain and enhance the name recognition, reputation and market perception of the respective brands and to introduce and develop new products;
- the quality, consistency and management of each franchisor's overall systems; and
- a continued cooperative franchise relationship with its franchisors.

Each franchise agreement requires the Malta Group to comply with a comprehensive set of terms and conditions. By their very nature, agreements of this kind contain terms and conditions that are prescriptive and their validity runs for short to medium term periods with the renewal thereof being subject to such conditions as may be imposed by the franchisor. Furthermore, the Malta Group's business is dependent on the retention of a positive business relationship with each franchisor. Any weakening in either of these relationships, whether caused by any breaches in the respective franchise agreements, or otherwise, could have a detrimental effect on the Malta Group's business.

Lack of total territorial exclusivity

Certain franchise agreements do not grant the Malta Group as franchisee exclusive territorial rights pursuant to or in conjunction with the rights granted thereto in terms of such agreements.

The Malta Group is subject to risks associated with leasing retail space

All of the Malta Group's stores are leased from third parties and, therefore, the Malta Group is subject to risks associated with periodically negotiating or re-negotiating lease terms. When the Malta Group renews expiring leases, it may have to compete over desirable property sites with other businesses, some of which are considerably larger than the Malta Group and have greater economic and financial assets. The Malta Group's ability to maintain its existing rental rates or to renew any lease on favourable terms will depend on many factors which are outside of the Malta Group's control, including the local real estate market and relationships with current and prospective landlords.

Any inability to renew existing leases may result in, among other things, significant alterations to rental terms, the closure of stores in desirable locations or failure to secure suitable alternative locations. Any of these events affecting the Malta Group's stores could have a material adverse effect on its business, results of operations or financial condition.

In addition, in certain circumstances the Malta Group may wish to close a store but would find itself unable to terminate the associated lease in a cost-effective manner and with the required approval of the respective franchisor. The inability to close a store which is operating poorly in a cost-effective and expeditious manner could have an adverse effect on the Malta Group's business and the results of its operations.

The Malta Group's domestic growth strategy is dependent upon its ability to successfully open new retail stores and introduce new brands

As part of its growth strategy, the Malta Group intends to continue to increase the number of its retail stores in conjunction with the introduction of new brands in Malta. Successful execution of this roll-out strategy depends upon a number of factors, including: the identification of new brands and suitable available sites in optimal locations; the negotiation of franchise agreements on acceptable financial terms; the Malta Group's ability to integrate new stores and brands into its operations on an economically acceptable basis; its IT capabilities; and general market conditions in Malta.

The Malta Group's performance is influenced by the image and reputation of its brands 'Urban Jungle' and 'House of Sport'

Apart from operating stores under a variety of global brands in terms of their respective franchisee agreements, the Malta Group operates a number of stores under the above-mentioned brands. In addition, as at the date of this Registration Document, the Malta Group acts as a franchisor for 1 Urban Jungle store and 3 House of Sport stores which are owned and operated by third parties. The Urban Jungle trademark is registered in the European Union and other countries outside the European Union.

The Malta Group's financial performance is influenced by the image, perception and recognition of the Urban Jungle and House of Sport brands, which, in turn, depends on many factors such as the image of franchisee stores, its communication activities including marketing, public relations and commercial partnerships and its general corporate and market profile. The Malta Group's "brand equity" could decline if it is unable to maintain the strength, image and recognition of the Urban Jungle and House of Sport brands.

The Malta Group engages with franchisees and distributors and believes that they are in material compliance with the Malta Group's business terms and relevant laws and regulations generally. However, it can give no assurance that these individuals or entities are or will remain in compliance with such terms, laws and regulations.

Any failure to maintain favourable brand recognition could have a material adverse effect on the Malta Group's business, results of operations and financial condition.

2.6 Risks relating to the Guarantee

The Bonds, as and when issued and allotted, shall constitute the general, direct, unsecured and unconditional obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under said Bonds by the Guarantors. The Bonds shall at all times rank *pari passu* without any priority or preference among themselves and, in respect of the Guarantors, they shall rank without any priority or preference over all their respective unsecured indebtedness, if any. In view of the fact that the Bonds are being guaranteed by the Guarantors on a joint and several basis, the Bondholders shall be entitled to request the Guarantors to pay both the interest due and the principal amount under said Bonds if the Issuer fails to meet any amount, when due in terms of the Prospectus.

The joint and several Guarantee also entitles the Bondholders to take action against the Guarantors without having to first take action against the Issuer. The strength of this undertaking on the part of the Guarantors and therefore, the level of recoverability by the Bondholders from the Guarantors of any amounts due under any of the Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantors.

3. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT, ADVISORS AND AUDITORS OF THE ISSUER AND GUARANTORS

3.1 Directors

3.1.1 Directors of the Issuer

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

George Amato (84760M)	14, Triq Fomm L-Gheliem, Swieqi	Executive Director
Alfred Borg (43464M)	Villa Kami, Triq iz-Zejni, High Ridge, Swieqi	Executive Director
Kevin Grech (217468M)	Castalia, Triq Bingemma, Mgarr	Executive Director
Christopher Muscat (319372M)	La Hacienda, Triq ta' Marmora, San Gwann	Executive Director
Victor Spiteri (478756M)	Casablanca, Flat 3, Triq id-Durrajsa, Kappara, San Gwann	Independent Non-Executive Director
Kevin Valenzia (422156M)	Favray Court T6B, Flat 19, il-Ponta ta' Tigne, Sliema	Independent Non-Executive Director
Brian Zarb Adami (59973M)	15, Sali, Triq iz-Zebbuga, Iklin	Independent Non-Executive Director

Albert Grech (113649M) of Jesca, Upper Gardens, Swieqi, Malta, is the company secretary of the Issuer.

THE DIRECTORS OF THE ISSUER ARE THE PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS REGISTRATION DOCUMENT. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS OF THE ISSUER (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.

The persons listed under the sub-heading "Advisors" have advised and assisted the Directors in the drafting and compilation of the Prospectus.

3.1.2 Directors of the Guarantors

Time International (Sport) Limited

George Amato (84760M)	14, Triq Fomm L-Gheliem, Swieqi	Executive Director
Alfred Borg (43464M)	Villa Kami, Triq iz-Zejni, High Ridge, Swieqi	Executive Director
Etienne Camenzuli (39471M)	38/3, Tigne Sea Front, Sliema	Executive Director
Christopher Muscat (319372M)	La Hacienda, Triq ta' Marmora, San Gwann	Executive Director

Albert Grech (113649M) of Jesca, Upper Gardens, Swieqi, Malta, is the company secretary of Time International (Sport) Limited.

Hudson International Company Limited

George Amato (84760M)	14, Triq Fomm L-Gheliem, Swieqi	Executive Director
Alfred Borg (43464M)	Villa Kami, Triq iz-Zejni, High Ridge, Swieqi	Executive Director
Kevin Grech (217468M)	Castalia, Triq Bingemma, Mgarr	Executive Director
Christopher Muscat (319372M)	La Hacienda, Triq ta' Marmora, San Gwann	Executive Director

George Amato (84760M) of 14, Triq Fomm L-Gheliem, Swieqi, Malta, is the company secretary of Hudson International Company Limited.

3.2 Advisors

Legal Counsel
Name: GVZH Advocates
Address: 192, Old Bakery Street,
Valletta VLT 1455 - MALTA

Sponsor, Manager & Registrar
Name: Charts Investment Management Service Limited
Address: The Centre, Tigné Point,
Sliema TPO 0001 – MALTA

Financial Advisors
Name: Deloitte Services Limited
Address: Deloitte Place, Mriehel Bypass,
Mriehel BKR 3000 – MALTA

As at the date of the Prospectus the advisors named under this sub-heading have no beneficial interest in the share capital of the Issuer or the Guarantors. Additionally, save for the terms of engagement relative to their respective services provided in connection with the preparation of the Prospectus, no material transactions have been entered into by the Issuer or either of the Guarantors with any of the advisors referred to above.

3.3 Auditors

Name: PriceWaterhouseCoopers
Address: 78, Mill Street,
Qormi QRM 3101 - MALTA

No audited financial statements of the Issuer have been prepared since its incorporation to the date of this Registration Document.

The annual statutory financial statements of the Guarantors for the financial years ended 31 December 2014, 2015 and 2016 were audited by PricewaterhouseCoopers. PricewaterhouseCoopers is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta).

4. INFORMATION ABOUT THE ISSUER, GUARANTORS, HUDSON GROUP AND THE MALTA GROUP

4.1 Introduction

4.1.1 The Issuer

Full Legal and Commercial Name of the Issuer:	Hudson Malta p.l.c.
Registered Address:	Hudson House, Burmarrad Road, Burmarrad, St Paul's Bay SPB 9060, Malta
Place of Registration and Domicile:	Malta
Registration Number:	C 83425
Date of Registration:	10 November 2017
Legal Form:	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act
Telephone Number:	+356 2147 2790
Email:	info@hudson.com.mt
Website:	www.hudson.com.mt

The Issuer was established on 10 November 2017 as a wholly-owned subsidiary of HHL (the ultimate parent of the Hudson Group), and is the parent company of the Malta operations of the Hudson Group. The principal object of the Issuer is to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, movable and immovable property or other assets, including but not limited to securities and other financial interests. The issue of bonds falls within the objects of the Issuer. The Issuer's intended purpose is to further expand the Malta Group's retail and wholesale distribution operations in Malta of branded fashion and sportswear. Business operations are performed by the Issuer's Subsidiaries (also referred to as the Guarantors), and therefore the Issuer is mainly dependent on the business prospects of the Guarantors. The Issuer operates exclusively in and from Malta.

4.1.2 The Guarantors

Full Legal and Commercial Name of the Guarantor:	Time International (Sport) Limited
Registered Address:	Hudson House, Burmarrad Road, Burmarrad, St Paul's Bay SPB 9060, Malta
Place of Registration and Domicile:	Malta
Registration Number:	C 32438
Date of Registration:	14 November 2003
Legal Form:	Time International (Sport) Limited is lawfully existing and registered as a private limited liability exempt company in terms of the Act
Telephone Number:	+356 2147 2790
Email:	info@hudson.com.mt
Website:	www.hudson.com.mt

Time International (Sport) Limited was established in 2003 and is principally engaged in the importation, distribution and retailing of sportswear. The company operates 12 retail outlets and franchises a further 6 stores in Malta and Gozo. The flagship brand operated by the company is Nike, one of the most prominent brands of athletic footwear and apparel globally. In 2016, Time International (Sport) Limited introduced the Go Sport brand in Malta with the opening of a store in Qormi. Go Sport is a sports multi-specialist that offers a vast range of branded sports apparel and accessories. Time International (Sport) Limited is empowered in terms of its Memorandum of Association to secure and guarantee any debt, liability or obligation of any third party.

Full Legal and Commercial Name of the Guarantor:	Hudson International Company Limited
Registered Address:	Hudson House, Burmarrad Road, Burmarrad,
St Paul's Bay SPB 9060, Malta	
Place of Registration and Domicile:	Malta
Registration Number:	C 48705
Date of Registration:	20 January 2010
Legal Form:	Hudson International Company Limited is lawfully existing and registered as a private limited liability exempt company in terms of the Act
Telephone Number:	+356 2147 2790
Email:	info@hudson.com.mt
Website:	www.hudson.com.mt

Hudson International Company Limited was established in 2010 and is primarily involved in the importation and retailing of branded fashion wear in Malta. The company operates 13 stores in Malta and Gozo as follows: New Look (4 stores), 3INA (4 stores), Benetton (2 stores), KIABI (2 stores) and River Island (1 Store) and franchises a Benetton store. Hudson International Company Limited is empowered in terms of its Memorandum of Association to secure and guarantee any debt, liability or obligation of any third party.

4.2 Overview of the Hudson Group

The Hudson Group is involved in the retail and distribution of branded fashion and sportswear in Malta, Europe and Africa. Central operations are based in Malta and include logistics, purchasing, finance and sales management teams. Some of the key brands presently managed by the Hudson Group are Nike, New Look, Timberland and KIABI, most of which are subject to franchise agreements which have been in effect for a significant number of years and which, to date, have been automatically renewed by the respective franchisors on the same terms and conditions – the indication is that such pattern will carry on in the foreseeable future. In terms of an agreement dated 5 March 2018 between HHL and the Issuer, all business activity carried out in Malta relating to sports and fashion business where HHL acts as franchisee, shall be performed exclusively through the Issuer or any of the Guarantors.

The timeline below illustrates the accumulation of international brands represented by the Hudson Group since incorporation in 2006.

2006 Nike (Malta and Libya), Converse (Malta), Urban Jungle (Malta), Nike (Algeria - Manager), Urban Jungle (Italy)
2007 Timberland (Malta), Crocs (Malta)
2008 Converse (North Africa excluding Egypt), Timberland (Algeria, Tunisia, Libya)
2010 New Look (Malta)
2011 Nike (Tunisia)
2012 New Look (Libya), Umbro (Malta, North Africa excluding Egypt)
2013 Tommy Hilfiger (North Africa excluding Egypt)
2014 KIABI (Malta), River Island (Malta), Urban Jungle (Spain)
2015 Urban Jungle (France, Morocco), Nike (Distribution & Logistics Hub for Africa)
2016 3INA (Malta), Go Sport (Malta), Benetton (Malta)
2017 Extension of Nike Distribution Agreement to cover an additional 26 territories in Africa

4.3 Historical Financial Information on the Hudson Group

The financial information included hereinafter is extracted from the audited consolidated financial statements of HHL for the financial years ended 31 December 2014, 2015 and 2016, and from the unaudited consolidated financial statements of HHL for the interim period 1 January 2017 to 30 June 2017. The afore-mentioned financial information has been published and is available for inspection at the registered office of the Issuer.

The tables and discussion included in this section 4.3 contain certain alternative performance measures (as defined by the European Securities and Markets Authority (ESMA)), including EBIT and EBITDA, that the Hudson Group's management and other competitors in the industry use. These non-IFRS financial measures are presented as supplemental information as (i) they represent measures that the Directors believe may be relevant for certain investors, securities analysts and other parties in assessing the Hudson Group's operating and financial performance and may contribute to a fuller understanding of the Hudson Group's cash generation capacity and the growth of its business; and (ii) they may be used by the Hudson Group's management as a basis for strategic planning and forecasting.

Hudson Holdings Limited Consolidated Statement of Comprehensive Income for the year ended 31 December	2014 €'000	2015 €'000	2016 €'000
Revenue	41,832	42,504	58,759
Revenue from Malta Group	*23,299*	*26,217*	*34,409*
Revenue from the remaining Hudson Group companies	*18,533*	*16,287*	*24,350*
Cost of sales	(29,689)	(29,464)	(42,391)
Gross profit	**12,143**	**13,040**	**16,368**
Net operating costs	(9,918)	(11,887)	(13,685)
EBITDA[1]	**2,225**	**1,153**	**2,683**
EBITDA from Malta Group	*1,468*	*1,886*	*2,286*
EBITDA from the remaining Hudson Group companies	*757*	*(733)*	*397*
Depreciation & amortisation	(700)	(732)	(949)
EBIT[2]	**1,525**	**421**	**1,734**
Loss on disposal of investment in subsidiary	(292)	-	-
Net finance costs	(162)	(296)	(375)
Profit before tax	**1,071**	**125**	**1,359**
Taxation	(550)	(369)	(548)
Profit/(loss) for the year	**521**	**(244)**	**811**
Other comprehensive income			
Currency translation differences	611	703	183
Fair value movements on available-for-sale financial investments, net of deferred tax	-	-	721
	611	**703**	**904**
Total comprehensive income	**1,132**	**459**	**1,715**

[1] *EBITDA - Earnings before Interest, Tax, Depreciation and Amortisation.*

[2] *EBIT - Earnings before Interest and Tax.*

Hudson Holdings Limited Consolidated Cash Flow Statement for the year ended 31 December	2014 €'000	2015 €'000	2016 €'000
Net cash from operating activities	370	380	2,271
Net cash from investing activities	(2,467)	(1,013)	(2,429)
Net cash from financing activities	2,938	1,841	218
Net movement in cash and cash equivalents	**841**	**1,208**	**60**
Cash and cash equivalents at beginning of year	967	1,808	3,016
Cash and cash equivalents at end of year	**1,808**	**3,016**	**3,076**

Hudson Holdings Limited Consolidated Statement of Financial Position as at 31 December	2014 €'000	2015 €'000	2016 €'000
ASSETS			
Non-current assets			
Intangible assets	1,334	1,292	1,278
Property, plant & equipment	2,993	2,985	4,570
Available for sale investments	-	313	1,200
Receivables	587	727	662
Deferred tax assets	257	323	371
	5,171	5,640	8,081
Current assets			
Inventories	3,988	6,470	15,822
Trade and other receivables	14,085	8,966	11,367
Other current assets	28	39	201
Cash and cash equivalents	3,060	4,597	4,952
	21,161	20,072	32,342
Total assets	**26,332**	**25,712**	**40,423**
EQUITY			
Capital and reserves			
Share capital	67	67	67
Reserves	1,072	1,595	2,456
Retained earnings	4,230	4,214	4,712
Non-controlling interest	1,564	1,516	1,552
	6,933	**7,392**	**8,787**
LIABILITIES			
Non-current liabilities			
Borrowings	1,711	1,802	2,752
Other non-current liabilities	1,199	982	1,388
	2,910	2,784	4,140
Current liabilities			
Bank overdrafts	1,252	1,581	1,876
Borrowings	977	2,561	2,126
Trade and other payables	14,012	11,298	23,162
Other current liabilities	248	96	332
	16,489	15,536	27,496
	19,399	**18,320**	**31,636**
Total equity and liabilities	**26,332**	**25,712**	**40,423**

In FY2015, the Hudson Group generated aggregate revenue of €42.5 million, an increase of €0.7 million (+2%) when compared to the prior year. During the aforesaid year, the Hudson Group operated 22 stores (FY2014: 15 stores), 15 of which were located in Malta and operated by the Malta Group (FY2014: 14 stores), whilst the remaining 7 stores were located in Morocco, Italy and Spain (FY2014: 1 store). Apart from store operations, the Hudson Group is involved in wholesale and distribution of goods, being the predominant business activity of the Hudson Group when excluding the operations of the Malta Group. This business is relatively dependent on large consignments which tend to fluctuate from one year to another. In FY2015, revenue generated from the 'remaining Hudson Group companies' decreased by €2.2 million (-12%) over FY2014, principally due to trading volatility in the wholesale operations.

EBITDA in FY2015 was lower by €1.1 million when compared to FY2014 and amounted to €1.1 million (FY2014: €2.2 million). EBITDA derived from the 'remaining Hudson Group companies' resulted in a loss of €0.7 million (FY2014: positive EBITDA of €0.8 million), primarily on account of provision on receivables relating to operations in Libya (which operation was subsequently closed) and one-time costs incurred prior to being awarded the Nike distributorship contract for the North Africa region. As a consequence, the Hudson Group reported a loss of €0.2 million in FY2015 as compared to a profit of €0.5 million a year earlier. After accounting for a gain in currency differences, comprehensive income amounted to €0.5 million (FY2014: €1.1 million).

During FY2016, the Hudson Group operated 30 stores in 5 countries (FY2015: 22 stores) and employed 326 staff members. All 8 new store openings in FY2016 were located in Malta. Revenue increased by 38% from €42.5 million in 2015 to €58.8 million in 2016, driven by new distribution business and additional retail stores. The improved turnover positively impacted the Hudson Group's profitability of the aforesaid financial year as it reported an increase in EBITDA of €1.5 million, from €1.2 million in 2015 to €2.7 million in 2016. Overall, in FY2016, the Hudson Group reported a profit after tax of €0.8 million (FY2015: loss of €0.2 million).

Unaudited consolidated interim financial information for the period 1 January 2017 to 30 June 2017

Hudson Holdings Limited **Consolidated Statement of Comprehensive Income** **for the interim period 1 January to 30 June**	**2016** **€'000**	**2017** **€'000**
Revenue	25,699	51,960
Revenue from Malta Group	*14,907*	*16,590*
Revenue from the remaining Hudson Group companies	*10,792*	*35,370*
Cost of sales	(18,188)	(38,541)
Gross profit	**7,511**	**13,419**
Net operating costs	(6,994)	(8,569)
EBITDA[1]	**517**	**4,850**
Revenue from Malta Group	*712*	*904*
Revenue from the remaining Hudson Group companies	*(195)*	*3,946*
Depreciation & amortisation	(410)	(591)
EBIT[2]	**107**	**4,259**
Net finance costs	(125)	(14)
Profit/(loss) before tax	**(18)**	**4,245**
Taxation	-	(1,486)
Profit/(loss) for the period	**(18)**	**2,759**
Other comprehensive income		
Currency translation differences	8	-
Total comprehensive income	**(10)**	**2,759**

[1] EBITDA - Earnings before Interest, Tax, Depreciation and Amortisation.

[2] EBIT - Earnings before Interest and Tax.

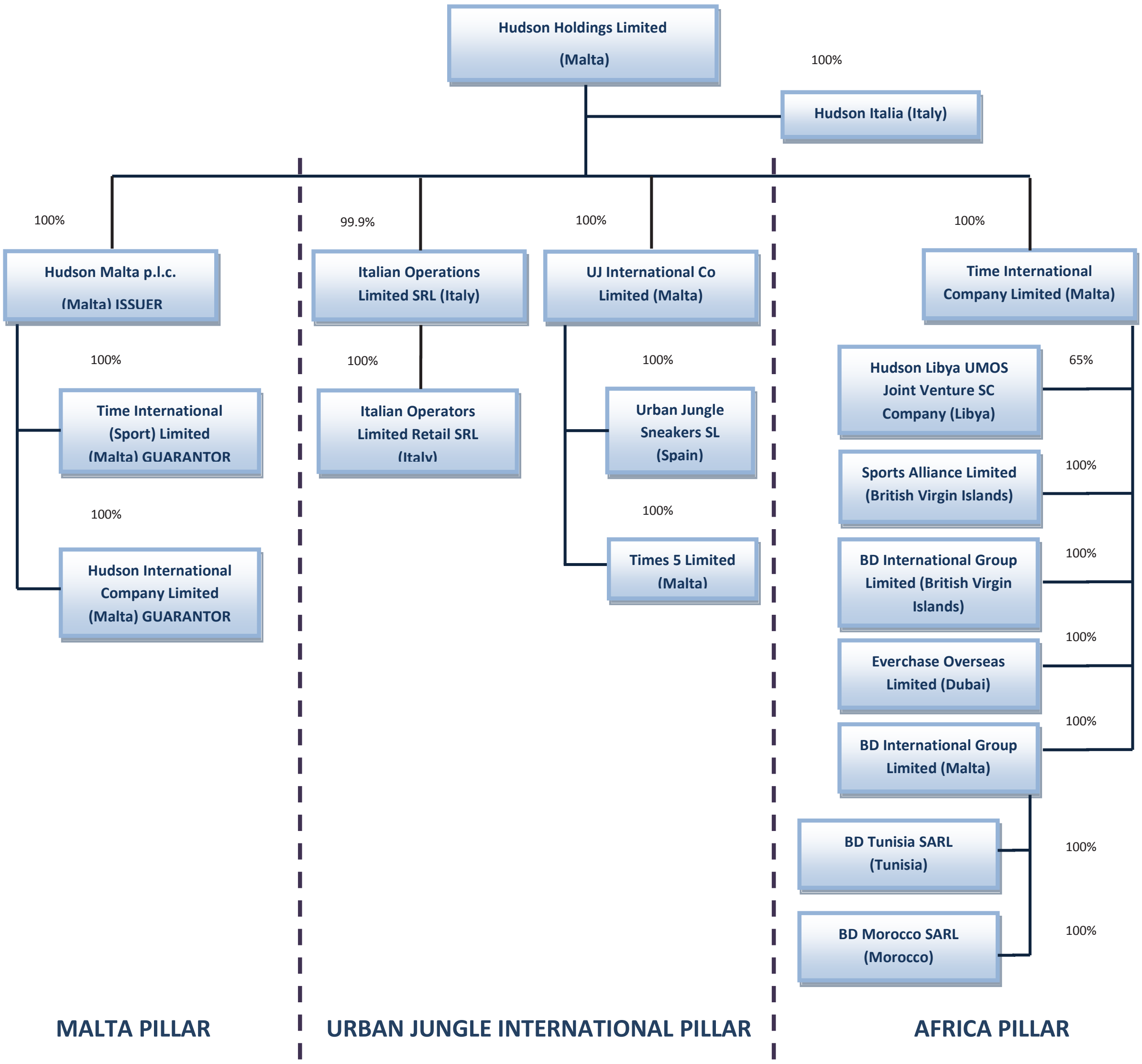
Hudson Holdings Limited **Consolidated Cash Flow Statement** **for the interim period 1 January to 30 June**	**2016** **€'000**	**2017** **€'000**
Net cash from operating activities	915	(2,348)
Net cash from investing activities	(1,587)	(1,165)
Net cash from financing activities	(720)	5,609
Net movement in cash and cash equivalents	**(1,392)**	**2,096**
Cash and cash equivalents at beginning of period	3,016	3,077
Cash and cash equivalents at end of period	**1,624**	**5,173**

Hudson Holdings Limited Consolidated Statement of Financial Position as at	31 Dec'16 €'000	30 Jun'17 €'000
ASSETS		
Non-current assets		
Property, plant & equipment	4,570	4,593
Other non-current assets	3,511	3,489
	8,081	8,082
Current assets		
Inventories	15,822	14,699
Trade and other receivables	11,568	21,082
Cash and cash equivalents	4,952	6,382
	32,342	42,163
Total assets	**40,423**	**50,245**
EQUITY		
Capital and reserves		
Share capital	67	67
Reserves	2,456	2,423
Retained earnings	4,712	6,584
Non-controlling interest	1,552	2,440
	8,787	**11,514**
LIABILITIES		
Non-current liabilities		
Borrowings	2,752	3,139
Other non-current liabilities	1,388	-
	4,140	3,139
Current liabilities		
Bank overdrafts	1,876	1,209
Borrowings	2,126	7,383
Trade and other payables	23,162	24,520
Other current liabilities	332	2,480
	27,496	35,592
	31,636	**38,731**
Total equity and liabilities	**40,423**	**50,245**

In the first six months of 2017, the Hudson Group registered an increase in revenue of €26.3 million over the corresponding period the year before. This increase was primarily due to significant growth in the wholesale and distribution business. As a consequence, the Hudson Group reported an increase in EBITDA of €4.3 million, from €0.5 million in 2016 to €4.8 million in the initial half of 2017. During the period under review, the Hudson Group registered a profit after tax of €2.8 million compared to a loss of €18,000 reported in the first half of 2016.

4.4 Organisational Structure of the Hudson Group

The diagram hereunder illustrates the organisational structure of the Hudson Group.



In 2017, the Hudson Group initiated a re-organisation exercise whereby three principal pillars were formed, comprising the Malta pillar, the Urban Jungle International pillar and the Africa pillar. As such, the subsidiary companies of Time International (Sport) Limited (namely: UJ International Co Limited, Urban Jungle Sneakers SL, Times 5 Limited, Italian Operations Limited Retail SRL and Italian Operations Limited SRL), which operate the Urban Jungle brand outside Malta, were transferred from the said company to HHL to form the Urban Jungle International pillar.

Furthermore, Hudson Libya Utilities Management & Operation Services Joint Venture JSC Company, a subsidiary of Hudson International Company Limited, was transferred to Time International Company Limited, the parent company of the Africa pillar.

On 20 December 2017, the Issuer acquired from HHL the entire issued share capital of each of the Guarantors, in exchange for an issue of new ordinary shares by the Issuer to HHL, to form the Malta pillar of the Hudson Group (also referred to as the Malta Group).

The Issuer is a wholly owned subsidiary of HHL, which in turn is owned by Alfred Borg with 50%; George Amato, Christopher Muscat and Kevin Grech holding 37% between them apportioned equally; 9% shareholding is held by Etienne Camenzuli, and Felice Ilacqua and Gianluca Salute hold 2% each.
As the holding company of the Malta Group, the Issuer is ultimately dependent upon the operations and performance of its Subsidiaries. The business operation of each of the Guarantors is described in further detail in section 4.6 below.

4.5 Overview of Leased Stores and Third Party Operated Stores

As at 31 December 2016, the Malta Group operated 23 retail stores and held franchise agreements with a further 4 stores (operated under third party management). During 2017, the Malta Group increased the number of stores by 2 (25 stores in total and added another 2 stores under franchise for an aggregate of 6 stores. The table below illustrates the corporate ownership, location, shop floor area and commencement date for each of the stores.

	Company	Name of Store	Location	Rentable Area (m^2)	Opening Date
1	TISL	Shoeshack	The Point, Sliema	13	Prior to 2014
2	TISL	Shoeshack	Park Towers, Sliema	98	Prior to 2014
3	TISL	House of Sport	Fgura	120	Prior to 2014
4	TISL	House of Sport	Sliema	188	Prior to 2014
5	TISL	Urban Jungle	The Point, Sliema	200	Prior to 2014
6	TISL	Outta Kontrol	Mriehel	191	Prior to 2014
7	TISL	Nike	The Point, Sliema	164	Prior to 2014
8	HICL	New Look	Gozo	510	Prior to 2014
9	HICL	New Look	Fgura	579	Prior to 2014
10	HICL	New Look	The Point, Sliema	1,050	Prior to 2014
11	HICL	KIABI	Qormi	1,300	Mar-14
12	HICL	River Island	Sliema	600	May-14
13	TISL	Shoeshack	Sliema	84	Dec-14
14	TISL	Timberland	Valletta	100	Jun-15
15	HICL	New Look	Valletta	676	Oct-15
16	HICL	KIABI	Burmarrad	1,000	Apr-16
17	HICL	3INA	Qormi	34	Jun-16
18	HICL	3INA	The Point, Sliema	50	Aug-16
19	TISL	Go Sport	Qormi	1,300	Sep-16
20	TISL	Urban Jungle	PAMA, Mosta	123	Oct-16
21	HICL	3INA	PAMA, Mosta	32	Oct-16
22	HICL	Benetton	PAMA, Mosta	320	Oct-16
23	TISL	Go Sport Expert	Burmarrad	300	Jun-17
24	HICL	3INA	Valletta	24	Jul-17
25	HICL	Benetton	The Point, Sliema	275	Mar-18
FRANCHISED STORES					
1	TISL	House of Sport	Intercontinental Hotel, St Julians	120	Prior to 2014
2	TISL	House of Sport	Valletta	150	Prior to 2014
3	TISL	House of Sport	Gozo	100	Prior to 2014
4	TISL	Timberland	Sliema	100	Prior to 2014
5	HICL	Benetton	Gozo	200	Mar-17
6	TISL	Urban Jungle	Intercontinental Hotel, St Julians	75	Apr-17

TISL - Time International (Sport) Limited; HICL - Hudson International Company Limited.

4.6 Operating and Key Financial Review

4.6.1 The Issuer

The Issuer was registered and incorporated on 10 November 2017 as a special purpose vehicle to act as the parent holding company of the Malta Group. The Issuer has, to date, not conducted any business, and has no trading record. As such, there were no significant changes to the financial or trading position of the Issuer since incorporation to the date of this Registration Document.

4.6.2 The Guarantors

The financial information included hereinafter is extracted from the combined financial statements of the Guarantors for the financial years ended 31 December 2014, 2015 and 2016 (together, the "**Combined Financial Statements**") and for the interim period 1 January 2017 to 30 June 2017 (the "**Combined Interim Financial Statements**"). The Guarantors were only recently acquired by the Issuer and as such, did not operate as a separate group of entities during the above-mentioned historical financial years. Combined financial statements serve a similar purpose to consolidated financial statements, to present financial data appertaining to a group of companies as if the companies concerned constitute a single enterprise as at the date of the combined financial statements.

The Combined Financial Statements have been prepared from the audited financial statements for the years ended 31 December 2014, 2015 and 2016 of each of the Guarantors. The Combined Interim Financial Statements have been prepared from the unaudited financial statements for the period 1 January 2017 to 30 June 2017 of each of the Guarantors. The Combined Financial Statements and Combined Interim Financial Statements are available for inspection as set out in section 15 below. No adjustments to the statements of comprehensive income, financial position and cash flow of the Guarantors were necessary for the purpose of arriving at the Combined Financial Statements and Combined Interim Financial Statements except solely to reflect the entries necessary in any process of accounting consolidation.

Save for the restructuring process described in section 4.4 above and elsewhere in the Registration Document, there has not been any significant change in the prospects or in the financial or trading position of each of the Guarantors, which has occurred since the date up to which the latest audited financial statements were prepared.

The tables and discussion included in sections 4.6 and 4.7 of this Registration Document contain certain alternative performance measures (as defined by the European Securities and Markets Authority (ESMA)), including EBIT and EBITDA, that the Malta Group's management and other competitors in the industry use. These non-IFRS financial measures are presented as supplemental information as (i) they represent measures that the Directors believe may be relevant for certain investors, securities analysts and other parties in assessing the Malta Group's operating and financial performance and may contribute to a fuller understanding of the Malta Group's cash generation capacity and the growth of the combined business; and (ii) they may be used by the Malta Group's management as a basis for strategic planning and forecasting.

Hudson Malta p.l.c.
Statement of Comprehensive Income

for the year ended 31 December	**2014**	**2015**	**2016**
	€'000	**€'000**	**€'000**
Revenue	23,299	26,217	34,409
Retail	*13,797*	*16,354*	*21,913*
Wholesale and other income	*9,502*	*9,863*	*12,496*
Cost of sales	(15,652)	(17,716)	(23,536)
Gross profit	**7,647**	**8,501**	**10,873**
Net operating costs	(6,179)	(6,615)	(8,587)
EBITDA[1]	**1,468**	**1,886**	**2,286**
Depreciation & amortisation	(509)	(530)	(629)
EBIT[2]	**959**	**1,356**	**1,657**
Net finance costs	(123)	(89)	(122)
Profit before tax	**836**	**1,267**	**1,535**
Taxation	(313)	(269)	(636)
Profit for the year	**523**	**998**	**899**
Total comprehensive income	**523**	**998**	**899**

[1] *EBITDA - Earnings before Interest, Tax, Depreciation and Amortisation.*

[2] *EBIT - Earnings before Interest and Tax.*

Hudson Malta p.l.c.
Cash Flow Statement

for the year ended 31 December	**2014**	**2015**	**2016**
	€'000	**€'000**	**€'000**
Net cash from operating activities	798	1,374	1,611
Net cash from investing activities	(1,540)	(1,275)	(1,205)
Net cash from financing activities	494	242	288
Net movement in cash and cash equivalents	**(248)**	**341**	**694**
Cash and cash equivalents at beginning of year	(135)	(383)	(42)
Cash and cash equivalents at end of year	**(383)**	**(42)**	**652**

Hudson Malta p.l.c.

Statement of Financial Position

as at 31 December	**2014**	**2015**	**2016**
	€'000	**€'000**	**€'000**
ASSETS			
Non-current assets			
Property, plant & equipment	2,041	2,180	2,890
Other non-current assets	1,626	2,455	2,472
Loan to HHL	-	-	-
	3,667	4,635	5,362
Current assets			
Inventories	1,753	2,488	3,958
Trade and other receivables	4,553	3,205	3,742
Amounts due from related parties	783	549	1,047
Other current assets	-	-	151
Cash and cash equivalents	649	1,117	2,117
	7,738	7,359	11,015
Total assets	**11,405**	**11,994**	**16,377**
EQUITY			
Capital and reserves			
Share capital	205	205	204
Retained earnings	1,917	2,916	3,815
	2,122	**3,121**	**4,019**
LIABILITIES			
Non-current liabilities			
Borrowings and bonds	1,488	1,579	1,764
Current liabilities			
Bank overdrafts	1,032	1,159	1,465
Borrowings	261	413	581
Trade and other payables	6,300	5,662	8,216
Other current liabilities	202	60	332
	7,795	7,294	10,594
	9,283	**8,873**	**12,358**
Total equity and liabilities	**11,405**	**11,994**	**16,377**

The principal business activities of the Guarantors include the operation of retail stores in Malta, and distribution of Nike products to Urban Jungle Italy and a number of third party stores (operating under the Urban Jungle franchise) in Malta.

Revenue for the year ended 31 December 2015 amounted to €26.2 million, an increase of €2.9 million (+13%) from the previous year (FY2014: €23.3 million), primarily as a result of new openings (the full list of stores is provided above). Turnover generated from the operation of retail stores amounted to €16.4 million (or 62% of aggregate income) in FY2015 as compared to €13.8 million (or 59% of aggregate income) in FY2014. Wholesale revenue marginally increased from €9.5 million in FY2014 to €9.9 million in FY2015.

The increase in revenue reflected positively on EBITDA, which increased by €0.4 million from €1.5 million in FY2014 to €1.9 million in FY2015. Furthermore, yearly profit doubled in FY2015 to €1.0 million (FY2014: €0.5 million).

In FY2016, revenue generated from retail operations increased by €5.6 million (+34%) from €16.4 million in FY2015 to €21.9 million, primarily on account of new store openings, whilst wholesale income amounted to €12.5 million, an increase of €2.6 million (+27%) when compared to a year earlier. In aggregate, revenue in FY2016 was higher than in FY2015 by €8.2 million (+31%) and amounted to €34.4 million.

EBITDA improved by 21% or €0.4 million (year-on-year) to €2.3 million in FY2016 (FY2015: €1.9 million). Profit before tax also reflected a year-on-year increase of 21% to €1.5 million (similar to EBITDA) given that depreciation charge and net finance costs were relatively stable in FY2016 when compared to the prior year. In contrast, profit after tax was marginally lower in FY2016 by €0.1 million to €0.9 million as a result of an increase in taxation of €0.37 million (from €0.27 million in FY2015 to €0.64 million in FY2016).

Non-current assets in the balance sheet as at 31 December 2016 amounted to €5.4 million (2015: €4.6 million, 2014: €3.7 million), principally made up of intangible assets as to €1.2 million (being goodwill and registered trademarks), and property, plant & equipment of €2.9 million. The latter amount primarily comprises furniture, fixtures and improvements to stores. The Malta Group does not own any properties and as such leases all stores from third party owners.

Current assets as at 31 December 2016 amounted to €11.0 million (2015: €7.4 million, 2014: €7.7 million) and principally comprise inventory, trade receivables, related party and cash balances. Current assets have increased on a yearly basis in line with the increase in the number of stores and growth in turnover. Current liabilities have also increased as a consequence of increased trading activities and as at 31 December 2016 amounted to €10.6 million (2015: €7.3 million, 2014: €7.8 million). The liquidity ratio (which is measured by dividing current assets by current liabilities and indicates a company's ability to pay its current liabilities from its current assets) has improved over the reviewed years from 0.99 times as at 31 December 2014 to 1.01 times as at 31 December 2015 and 1.04 times as at 31 December 2016.

Non-current liabilities mainly include bank loans and as at 31 December 2016 amounted to €1.8 million (2015: €1.6 million, 2014: €1.5 million).

In 2016, share capital was reduced from €205,000 to €204,000 in order to offset a long term balance due by one of the shareholders. Retained earnings as at 31 December 2016 amounted to €3.8 million, an increase of €0.9 million when compared to the prior year (2015: €2.9 million). Capital and reserves have also doubled in the three year period from €2.1 million as at 31 December 2014 to €4.0 million as at 31 December 2016.

In the cash flow statement, net cash generated from operating activities in FY2016 amounted to €1.6 million as compared to €1.4 million in FY2015 and €0.8 million in FY2014. Net cash used in investing activities mainly represents improvements to stores and purchases of fixtures and fittings. In FY2016, the afore-mentioned capital expenditure amounted to €1.2 million (FY2015: €1.3 million, FY2014: €1.5 million). Net cash from financing activities in FY2016 amounted to €0.3 million (FY2015: €0.2 million, FY2014: €0.5 million) and primarily comprised movements in bank borrowings and related party balances.

Hudson Malta p.l.c.

Statement of Comprehensive Income

for the interim period 1 January to 30 June	**2016**	**2017**
	€'000	**€'000**
Revenue	14,907	16,590
Retail	*8,950*	*11,160*
Wholesale and other income	*5,957*	*5,430*
Cost of sales	(10,513)	(11,011)
Gross profit	**4,394**	**5,579**
Net operating costs	(3,682)	(4,675)
EBITDA[1]	**712**	**904**
Depreciation & amortisation	(283)	(374)
EBIT[2]	**429**	**530**
Net finance costs	(22)	(38)
Profit before tax	**407**	**492**
Taxation	(142)	(172)
Profit for the period	**265**	**320**
Total comprehensive income	**265**	**320**

[1] *EBITDA - Earnings before Interest, Tax, Depreciation and Amortisation.*

[2] *EBIT - Earnings before Interest and Tax.*

Hudson Malta p.l.c.

Cash Flow Statement

for the interim period 1 January to 30 June	**2016**	**2017**
	€'000	**€'000**
Net cash from operating activities	955	11
Net cash from investing activities	(306)	(322)
Net cash from financing activities	(553)	(844)
Net movement in cash and cash equivalents	**96**	**(1,155)**
Cash and cash equivalents at beginning of period	(42)	651
Cash and cash equivalents at end of period	**54**	**(504)**

Hudson Malta p.l.c.		
Statement of Financial Position		
as at	**31 Dec'16**	**30 Jun'17**
	€'000	**€'000**
ASSETS		
Non-current assets		
Intangible assets	1,207	1,207
Property, plant & equipment	2,890	2,839
Other non-current assets	1,265	1,357
	5,362	5,403
Current assets		
Inventories	3,958	4,496
Trade and other receivables	3,742	3,606
Amounts due from related parties	1,047	1,890
Other current assets	151	87
Cash and cash equivalents	2,117	841
	11,015	10,920
Total assets	**16,377**	**16,323**
EQUITY		
Capital and reserves		
Share capital	204	204
Retained earnings	3,815	4,135
	4,019	**4,339**
LIABILITIES		
Non-current liabilities		
Borrowings	1,764	1,764
Current liabilities		
Bank overdrafts	1,465	1,345
Borrowings	581	580
Trade and other payables	8,216	7,749
Other current liabilities	332	546
	10,594	10,220
	12,358	**11,984**
Total equity and liabilities	**16,377**	**16,323**

During the six month period 1 January 2017 to 30 June 2017, the Guarantors generated €16.6 million in revenue, an increase of €1.7 million (+11%) when compared to the same period in 2016. The increase was mainly driven by retail sales from Kiabi, Go Sport, 3INA and the Benetton stores which opened after the first quarter of 2016. Wholesale revenue was relatively stable and amounted to €5.4 million in FP2017 as compared to €6.0 million in FP2016.

EBITDA for the six month period increased by 27%, from €0.7 million in FP2016 to €0.9 million in FP2017, whilst profit increased by 21% to €0.5 million in FP2017 (FP2016: €0.4 million).

4.7 Pro Forma Forecast Financial Information

The Malta Group in its current state has only been in existence since 10 November 2017, following the re-organisation exercise described in section 4.4 of this Registration Document. The financial information set out in this review represents pro forma forecast consolidated financial statements. This pro forma information presents what the Issuer's forecast consolidated financial statements would have looked like had the Malta Group existed in its current form, comprising all its current constituent components, for the financial year 1 January 2017 to 31 December 2017.

No adjustments to the results, financial position and cash flow statements of the constituent sub-groups were necessary for the purposes of arriving at the pro forma forecast consolidated financial statements except solely to reflect the entries necessary in any process of accounting consolidation.

The report on the pro forma forecast consolidated financial statements, prepared independently by the financial advisors, is appended to the Registration Document as Annex I.

Hudson Malta p.l.c.

Pro Forma Consolidated Statement of Comprehensive Income

for the year ending 31 December 2017

	2016	**2017**
	Combined	**Pro Forma**
	€'000	**€'000**
Revenue	34,409	35,549
Retail	*21,913*	*24,843*
Wholesale and other income	*12,496*	*10,706*
Cost of sales	(23,536)	(23,340)
Gross profit	**10,873**	**12,209**
Net operating costs	(8,587)	(9,823)
EBITDA[1]	**2,286**	**2,386**
Depreciation & amortisation	(629)	(922)
EBIT[2]	**1,657**	**1,464**
Net finance costs	(122)	(61)
Profit before tax	**1,535**	**1,403**
Taxation	(636)	(491)
Profit for the year	**899**	**912**
Total comprehensive income	**899**	**912**

[1] *EBITDA - Earnings before Interest, Tax, Depreciation and Amortisation.*

[2] *EBIT - Earnings before Interest and Tax.*

Hudson Malta p.l.c.

Pro Forma Consolidated Cash Flow Statement

for the year ending 31 December 2017

	2016	**2017**
	Combined	**Pro Forma**
	€'000	**€'000**
Net cash from operating activities	1,611	195
Net cash from investing activities	(1,205)	(258)
Net cash from financing activities	288	(1,149)
Net movement in cash and cash equivalents	**694**	**(1,212)**
Cash and cash equivalents at beginning of year	(42)	652
Cash and cash equivalents at end of year	**652**	**(560)**

Hudson Malta p.l.c.

Pro Forma Consolidated Statement of Financial Position

as at 31 December 2017

	2016	2017
	Combined	Pro Forma
	€'000	€'000
ASSETS		
Non-current assets		
Property, plant & equipment	2,890	2,306
Other non-current assets	2,472	2,296
	5,362	4,602
Current assets		
Inventories	3,958	4,415
Trade and other receivables	3,742	3,845
Amounts due from related parties	1,047	3,012
Other current assets	151	87
Cash and cash equivalents	2,117	1,127
	11,015	12,486
Total assets	**16,377**	**17,088**
EQUITY		
Capital and reserves		
Share capital and reserves	204	4,148
Retained earnings	3,815	1,686
	4,019	**5,834**
LIABILITIES		
Non-current liabilities		
Borrowings	1,764	188
Current liabilities		
Bank overdrafts	1,465	1,687
Borrowings	581	1,828
Trade and other payables	8,216	7,177
Other current liabilities	332	374
	10,594	11,066
	12,358	**11,254**
Total equity and liabilities	**16,377**	**17,088**

On a pro forma basis, revenue for the financial year ended 31 December 2017 is expected to amount to €35.5 million, 70% of which being generated by retail stores, and the remaining balance from wholesale revenue primarily relating to the sale of sports retail products to third party retailers in Malta and Urban Jungle franchisees in Italy. When compared to the prior year, retail revenue is expected to increase by €2.9 million (+13%), principally due to the impact of a full year's operating performance of 8 stores which commenced operations during 2016 and the opening of 4 new stores (two of which are franchised stores) in 2017, whilst wholesale revenue is projected to decrease from €12.3 million in 2016 to €10.7 million, entirely due to a decline in sales to Urban Jungle Italy.

EBITDA for FY2017 is projected to amount to €2.4 million, marginally higher when compared to the prior year. After taking into account depreciation & amortisation of €0.9 million, which is expected to increase by 47% (year-on-year) due to an increase in store openings, EBIT is anticipated to amount to €1.5 million (FY2016: €1.7 million). Profit for the year is expected to remain unchanged at €0.9 million (FY2016: €0.9 million).

The Malta Group's statement of financial position as at 31 December 2017 is projected to comprise total assets of €17.1 million, primarily made up of intangible assets and property, plant & equipment as to €4.6 million, inventories, trade & other receivables and related party balances of €11.4 million and cash balances amounting to €1.1 million.

Total liabilities are set to amount to €11.3 million and mainly include trade & other payables of €7.2 million and bank borrowings & overdraft facilities of €3.7 million. The Issuer's gearing ratio (being net debt/net debt and shareholders' equity) as at 31 December 2017 is projected at 31%.

4.8 Principal Investments of the Issuer

The Malta Group intends on making the following investments and will therefore apply part of the Bond proceeds in the manner outlined hereunder:

i. an amount of €2,500,000 will be utilised to finance the construction and fit-out of a distribution centre in Malta exclusively for the international trading operations of the Hudson Group. BD International Group Limited (a wholly owned subsidiary of HHL) is presently in the final stage of negotiating a 65-year emphyteutical concession with Malta Industrial Parks (the lessor) for the site over which the distribution centre will be developed, which has a footprint of *circa* 5,500m^2. It is envisaged that the 10-metre high one-storey proposed building will have an internal footprint of *circa* 3,700m^2, and will comprise dedicated areas for receiving goods, value added services and dispatch, and offices for logistics management. Accordingly, a joint venture agreement will be entered into between BD International Group Limited and the Issuer for the development and operation of the facility, wherein the former party will contribute the right of usufruct to the Issuer, whilst the latter party will contribute the required funds for the construction and fit-out of the distribution centre, IT and administrative support, and the provision of the above-mentioned operational services. The capital expenditure is projected to be incurred during 2018 and 2019;

ii. the amount of €2,000,000 will be used to part-finance the forthcoming capital expenditure of the Malta Group, and shall primarily comprise the renovation of 3 existing stores (Benetton, The Point, Sliema; New Look, Gozo; and House of Sport and Shoe Shack, Sliema) and the opening of 3 additional stores in Malta.

5. TREND INFORMATION AND BUSINESS STRATEGY

The Issuer was registered and incorporated on 10 November 2017 as the parent company of the Malta Group. As indicated in section 4.6 of this Registration Document, the Issuer has no financial information to report. Accordingly, it is not in a position to assert whether there has been a material adverse change since the date of publication of its latest audited financial statements.

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

As at the time of publication of this Prospectus, the Malta Group considers that generally it shall be subject to the normal business risks associated with the business in which the Malta Group operates, and, barring unforeseen circumstances, does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be considered likely to have a material effect on the upcoming prospects of the Malta Group and its business, at least with respect to the current financial year. However, investors are strongly advised to carefully read the risk factors in the Prospectus.

The retail market in Malta is subject to stiff competition, both from local retailers as well as from online sales (through the internet). In addition, retailers face competition for consumers' disposable income from gastronomy outlets, the property market and consumers' propensity to save. Furthermore, the retail industry continues to evolve due to shifts in consumer preferences, product trends, and shopping habits. Despite such challenges, Malta's economy has continued to perform well, resulting in an expansion of the labour market and higher income levels, to the benefit of retailers. In this regard, the Malta Group remains focused on adapting to the aforementioned trends and the Directors feel that the business strategy of the Malta Group is aligned to capitalise on these opportunities in the future.

The Malta Group's strong focus is to provide a high level of customer service and use information systems to maintain tight controls over inventory and operating costs. The retail stores are connected by brand in a way that gives them access to inventory across the entire chain. This means that if a store does not have a particular size or style of an item desired by a customer, store personnel can locate the item in another store. The Directors believe that having strong logistics support is a critical element of the Malta Group's growth strategy and is central to the business to maintain a low cost operating structure and optimal inventory levels.

A key objective of the Malta Group is to continue to strengthen recognition of each of its brands within their respective target markets through advertising campaigns, sponsorships and customer loyalty schemes. At the same time, the Directors will continue to explore opportunities to invest in other retail concepts that offer features that are attractive to the Malta Group in terms of benefits from possible synergies and revenue expansion.

Additionally, the Malta Group plans to launch an e-commerce platform in the near future, thus enabling the Malta Group to engage with customers specifically in the digital commerce channel. Although revenue generation through retail stores will continue to be a cornerstone of the Malta Group's strategy, the e-commerce initiative will provide a platform to ensure an outstanding customer experience regardless of channel.

6. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

6.1 The Board of Directors of the Issuer

6.1.1 Executive and Non-Executive Directors

The Issuer is currently managed by a Board consisting of seven Directors entrusted with its overall direction, including the establishment of strategies for future development. Its responsibilities include the oversight of the Issuer's internal control procedures and financial performance, and the review of the Issuer's business risks, thus ensuring such risks are adequately identified, evaluated, managed, and minimised. All the Directors have access to independent professional advice at the expense of the Issuer, should they so require.

The Executive Directors of the Issuer are entrusted with the company's day-to-day management and are also directors or officers of other companies within the Hudson Group. The business address of each Director is the registered office of the Issuer.

None of the Directors have been:

a) convicted in relation to fraud or fraudulent conduct;
b) made bankrupt or associated with any liquidation or insolvency caused by action of creditors;
c) the subject of any official public incrimination or sanction by any statutory or regulatory authority; or
d) disqualified by a court from acting as director or manager.

Hereunder is a brief curriculum vitae of each of the current Directors:

George Amato joined Hudson Holdings Ltd in 2004 as General Manager, later becoming a shareholder of Hudson Holdings Ltd during the management buyout. With a background in manufacturing, he brought an added dimension to the Hudson Group helping it to prepare for the management buyout by overhauling working procedures. Today, George Amato is responsible for the data management, logistics, stores and inventory side of the business, together with the property portfolio. Mr Amato, together with his team, has been instrumental in upgrading the information generation and reporting within the Hudson Group, in preparation for future expansion of the business. The expansion of the logistics function has also taken significant strides forward.

Before joining Time International Co. Ltd, George Amato was Managing Director of a furniture manufacturing business, followed by a clothing manufacturing company where he was responsible for growing turnover and profitability. In 2004 he decided to leave manufacturing and join the retail sector.

Alfred Borg joined Time International Co. Ltd in 1984 as a sales representative and together with Daniel Reginiano built the company into one of Malta's leading distributors and retailers. Acquiring a portfolio of world-leading brands allowed them to transform the company into one of the leading players in the sports and fashion retail sector of the local market.

In 2006, Mr Borg led the management buyout of Time International Co. Ltd forming a new holding company, Hudson Holdings Ltd, along with key handpicked shareholders. Over the years Alfred Borg established a standard of networking excellence made up of great brands and great people that was and remains instrumental in successfully taking Nike and other great brands across North Africa, Italy and Malta.

Kevin Grech joined Hudson Holdings Ltd in 2008 as a shareholder. Coming with extensive experience in retail, Mr Grech took charge of diversification and business development, with a focus on fashion retail. Kevin Grech also took charge of forming a new joint venture in Libya. He continues to oversee fashion retail operations in Malta and North Africa and is well positioned to take advantage of new opportunities as and when they arise. Prior to Hudson Holdings Ltd, Kevin served as General Manager at Arkadia, a successful mixed retail development owned by one of Malta's biggest multi-brand groups.

Christopher Muscat joined Hudson Holdings Ltd in 2006 as a shareholder following the management buyout. Mr Muscat has been actively involved in establishing and growing the various business ventures across the organisation that have significantly expanded the Hudson Group's profile and turnover. Mr Muscat headed the Finance function of the Hudson Group until his appointment as Chief Operations Director in February 2018. Before joining the Hudson Group, Christopher Muscat served as a senior manager at Deloitte Malta.

Victor Spiteri is an Associate of the London Institute of Banking and Finance and has served in the financial services sector for 43 years. He joined Barclays Bank in 1973 (subsequently Mid-Med Bank Ltd and later HSBC Bank Malta p.l.c.) and has acquired a wealth of knowledge and experience through various managerial posts both in Retail and Commercial Banking, also at the Controlling Office. He retired from HSBC Bank Malta p.l.c. in July 2016. Victor is a non-executive director and member of the audit committee of Eden Finance p.l.c.. He is also active in philanthropic organisations.

Kevin Valenzia is a chartered accountant, and has recently retired from PricewaterhouseCoopers in Malta, where he spent over thirty years as a partner, the last eight of which as managing partner. He has been instrumental in helping to develop Malta's financial services industry and, amongst a number of other appointments, he is a past President of the Institute of Financial Services Practitioners, past Chairman of the Financial Services Consultative Council, and one of the first Governors of Finance Malta. He has also been used by successive Governments for advice on the continued development of Malta's financial services sector.

Brian Zarb Adami has twenty two years of senior management experience in the ICT industry and is currently Chief Executive Officer at CyberSift, a Cyber-Security solutions provider. Previous to this role, Mr Zarb Adami was the Chief Technology Officer at 6PM p.l.c. responsible for the overall and long term technology vision and strategy of the company in the various sectors of operation. Driving innovation from the research and development perspective he worked closely with different teams in the company in bringing products to market that offered immediate business value to the company's customers. Brian was an executive director on the board of 6PM p.l.c. Brian holds a B.Pharm (Hons.) degree from the University of Malta, is a CISA certified Information Systems Auditor as well as a PRINCE2 Project Manager.

6.1.2 Directors' Service Contracts

The respective functions of each of the Issuer's non-executive Directors are regulated by service contracts. A copy of each of these service contracts is available for inspection at the registered office of the Issuer in accordance with the requirements of the Listing Rules. None of the executive Directors of the Issuer have a service contract with the Issuer.

6.1.3 Aggregate Emoluments of Directors

In terms of the Memorandum and Articles of Association of the Issuer, the aggregate emoluments of all Directors in any one financial year, and any increases thereto, shall be such amount as may from time to time be determined by the Issuer in General Meeting, and any notice convening the General Meeting during which an increase in the maximum limit of such aggregate emoluments shall be proposed, shall contain a reference to such fact. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Issuer or in connection with the business of the Issuer.

6.1.4 Loans to Directors

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

6.1.5 Removal of Directors

A Director may, unless he resigns, be removed by ordinary resolution of the shareholders as provided in article 140 of the Act.

6.1.6 Powers of Directors

The business of the Issuer is managed by the Directors, who may, in accordance with the Issuer's articles of association, exercise all such powers as are not by the said articles of the Issuer required to be exercised by it in general meeting.

In accordance with the Issuer's articles of association, the board of the Issuer may exercise all the powers of the Issuer to borrow money and to hypothecate or charge its undertaking, property and uncalled capital or any part thereof, and to issue bonds, debentures, debenture stock and other securities, on such terms, in such manner and for such consideration as they may deem fit, whether outright or as security for any debt, liability or obligation of the company or of any third party, subject to the limit established in the articles of association and the overriding authority of the shareholders in general meeting to change, amend, restrict and/or otherwise modify such limit and the Directors' borrowing powers.

6.2 Employees of the Issuer

As at the date of the Prospectus, the Issuer has no employees.

6.3 The Boards of the Guarantors

Each Guarantor has its own board of directors consisting of four directors that is entrusted with the responsibility of the direction and management of the respective Guarantor entity within the strategic parameters established by the Board. Within those strategic parameters the board of each Guarantor is autonomous in the determination of the appropriate policies for the respective companies and their business and is entrusted with handling the relations with third parties dealing with those companies.

The business address of each director of the Guarantors is the registered office of the respective Guarantor entities.

6.3.1 Curriculum Vitae of Directors of TISL

The curriculum vitae of George Amato, Alfred Borg and Christopher Muscat are included in section 6.1.1 above. The curriculum vitae of Etienne Camenzuli is provided hereunder.

Etienne Camenzuli joined Time International Co. Ltd is 1987 as a Retail Assistant. Currently leading the North Africa Sales Team, his career development is a testament to his passion for his job and the Hudson Group. In 2004, Mr Camenzuli started his international role working in African markets such as Nigeria and Libya and later in Algeria, Morocco and Tunisia. He was one on the “handpicked” people during the buyout in 2006, becoming a shareholder in Time International Co. Ltd and later of the Hudson Group.

6.3.2 Curriculum Vitae of Directors of HICL

The curriculum vitae of George Amato, Alfred Borg, Kevin Grech and Christopher Muscat are included in section 6.1.1 above.

6.3.3 Directors’ Service Contracts

None of the directors of the Guarantors have a service contract with the respective Guarantor.

6.3.4 Aggregate Emoluments of Directors

For the financial year ended 31 December 2016, no director emoluments were due by the Guarantors.

6.3.5 Loans to Directors

There are no loans outstanding by the Guarantors to any of their respective directors nor any guarantees issued for their benefit by the Guarantors.

6.3.6 Removal of Directors

Directors of each of the Guarantors may, unless they resign, be removed by ordinary resolution of the shareholders as provided in article 140 of the Act.

6.3.7 Powers of Directors

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

6.3.8 Employees of the Guarantors

As at 31 December 2016, the average number of persons employed with TISL and HICL amounted to 81 and 191 respectively (FY2015: 59 and 125 employees respectively).

6.3.9 Working Capital

As at the date of this Registration Document, the directors of the Issuer and of the Guarantors are of the opinion that working capital available to the Issuer and the Guarantors, respectively, is sufficient for the attainment of their objects and the carrying out of their respective business for the next twelve (12) months of operations.

7. MANAGEMENT STRUCTURE

7.1 General

The Issuer is the finance arm and parent company of the Malta Group and as such does not require an elaborate management structure. The Directors believe that the present organisational structures are adequate for the current activities of the Company and the Malta Group. The Directors will maintain these structures under continuous review to ensure that they meet the changing demands of the business and to strengthen the checks and balances necessary for better corporate governance.

7.2 Management Team

The Hudson Group's executive management team has extensive experience in managing retail and wholesale distribution, in marketing and brand development activities and general commercial practice. The key members are the following:

Name	Designation
Alfred Borg	Chief Executive Officer and Founder
Christopher Muscat	Chief Operations Director
Etienne Camenzuli	Senior Merchandising and Product Specialist
Kevin Grech	Retail and Fashion Brands Director
George Amato	Supply Chain Management Director
Martin Gregory	Director of Human Resources
Indrek Heinmets	Africa Nike Brand Director
Michel Macelli	Director of Finance

The curriculum vitae of George Amato, Alfred Borg, Kevin Grech and Christopher Muscat are included in section 6.1.1 above and that of Etienne Camenzuli is included in section 6.3.1 above. A brief curriculum vitae of Martin Gregory, Indrek Heinmets and Michel Macelli is provided hereinafter:

Martin Gregory joined the Hudson Group in July 2014 as Director of Human Resources with a view to driving the organisational changes required to enable the continued local and global expansion of the Hudson Group.

Prior to joining the Hudson Group, Mr Gregory was employed as Head of Human Resources with Vodafone Malta and previously held various human resources roles with ST Microelectronics.

Indrek Heinmets joined the Hudson Group in February 2013 as Nike Brand Director for North Africa where he was focused on developing and implementing short and long term Nike Brand strategies across the market.

Prior to joining the Hudson Group, Mr Heinmets spent more than 15 years in a variety of different retail positions. He started his professional career in 1997 with Nike Distributor in the Baltic States before moving to Nike EMEA as the Retail Manager for Middle East/North Africa. He supported Nike Russia during the start-up phase of setting up Nike owned operations and later led the Nike retail business from Moscow. From Russia, Mr Heinmets moved to Nike Central Europe taking the responsibility for developing and managing Partner and Nike Stores across a number of central European countries.

Michel Macelli joined Hudson Holdings Limited in the role of Director of Finance as from February 2018. Previously, Mr Macelli was the Chief Operations Officer at Idox Health Limited (formerly trading as 6PM plc), a role he occupied for just over 3 years. Prior to this role, Mr Macelli was the Chief Financial Officer at Vodafone Malta Limited for 19 years.

7.3 Conflict of Interest

As at the date of this Prospectus, in addition to being Directors of the Issuer, George Amato, Alfred Borg and Christopher Muscat are directors of each of the Guarantors, besides being directors and officers of a number of other companies forming part of the Hudson Group. Kevin Grech is an executive director of both the Issuer and HICL, besides being a director and officer of a number of other companies forming part of the Hudson Group.

Additionally, George Amato, Alfred Borg, Christopher Muscat and Kevin Grech are, together with Mr Etienne Camenzuli (being a director of TISL), the ultimate beneficial owners of HHL in the proportions set out in section 4.4 above.

In view of the foregoing, such directors are susceptible to conflicts between the potentially diverging interests of the different members of the Hudson Group.

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

In addition, in view of the lender-borrower relationship which is to arise between the Issuer and companies forming part of the Hudson Group, there may be situations that could give rise to conflicts between the potentially diverging interests of members of the Hudson Group.

In these situations the Directors of the Issuer shall act in accordance with the majority decision of those Directors who would not have a conflict in the situation and after taking account the advice of outside legal counsel.

To the extent known or potentially known to the Issuer and the Guarantors as at the date of this Prospectus, there are no other potential conflicts of interest between any duties of the Directors and of executive officers of the Issuer, and/or the directors of the Guarantors, as the case may be, and their respective private interests and/or their other duties, which require disclosure in terms of the Regulation.

8. AUDIT COMMITTEE PRACTICES

8.1 Audit Committee of the Issuer

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

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

Briefly, the Committee is expected to deal with and advise the Board on:

(a) its monitoring responsibility over the financial reporting processes, financial policies and internal control structures;
(b) maintaining communications on such matters between the Board, management and the external auditors; and
(c) preserving the Company's assets by assessing the Company's risk environment and determining how to deal with those risks.

In addition, the Audit Committee also has the role and function of evaluating any proposed transaction to be entered into by the Company or the Guarantors 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 Company or each of the Guarantors as the case may be. 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 Committee is made up entirely of non-executive Directors, all of whom are independent of the Issuer, and who are appointed for a period of one year. Kevin Valenzia, an independent, non-executive Director of the Issuer, acts as Chairman, whilst Victor Spiteri and Brian Zarb Adami act as members of the Audit Committee. In compliance with the Listing Rules, Kevin Valenzia is considered to be the member competent in accounting and/or auditing matters. The Issuer considers that the members of the Audit Committee have the necessary experience, independence and standing to hold office as members thereof.

9. COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

9.1 The Issuer

Prior to the present Bond Issue, the Issuer was not regulated by the Listing Rules and accordingly was not required to comply with the Code of Principles of Good Corporate Governance forming part of the Listing Rules (the "Code"). As a consequence of the present Bond Issue in accordance with the terms of the Listing Rules, the Issuer is required to comply with the provisions of 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.

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

As at the date of this Prospectus, the Board considers the Issuer to be in compliance with the Code, save for the following exceptions:

(i) Principle 7 "Evaluation of the Board's Performance"

Under the present circumstances, the Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board's performance is evaluated on an ongoing basis by, and is subject to the constant scrutiny of, the Board itself, the Company's shareholders, the market and the rules by which the Issuer is regulated as a listed company.

(ii) Principle 8 "Committees"

The Issuer does not have a Remuneration Committee or a Nomination Committee as recommended in Principle 8. Given that the Issuer does not have any employees other than the Directors and the company secretary, it is not considered necessary for the Issuer to maintain a remuneration committee. Also, the Issuer will not be incorporating a nomination committee. Appointments to the Board of Directors are determined by the shareholders of the Company in accordance with the Memorandum and Articles of Association of the Issuer. The Issuer considers that the current members of the Board provide the required level of skill, knowledge and experience expected in terms of the Code.

9.2 The Guarantors

As the Guarantors are not public companies having securities listed on a regular market, they are not bound by the provisions of the Code set out in the Listing Rules, including, *inter alia*, the requirement to set up an audit committee.

10. HISTORICAL FINANCIAL INFORMATION

The historical financial information relating to the Guarantors for the three financial years ended 31 December 2014 to 2016 as audited by PricewaterhouseCoopers are set out in the financial statements of the Guarantors, which are available for inspection as set out in section 15 below.

Section 4.6 above includes combined historical financial information of the Guarantors for the years ended 31 December 2014, 31 December 2015 and 31 December 2016. The said financial information has been extracted from the audited financial statements for the years ended 31 December 2014 to 2016 of each of the Guarantors. The combined financial statements are available for inspection as set out in section 15 below.

As indicated in section 4.6 of this Registration Document, there is no historical financial information pertaining to the Issuer.

Save for the re-organisation process described in section 4.4 above and elsewhere in the Registration Document, there have been no significant changes to the financial or trading position of the Guarantors since the end of the financial period to which the last audited financial statements relate.

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

11. LITIGATION

There are no governmental, legal or arbitration proceedings against the Issuer and/or the Guarantors, including any pending or threatened proceedings, of which the Issuer and/or the Guarantors are aware and consider could have significant effects on the financial position or profitability of the Issuer and/or the Guarantors and/or the Malta Group, taken as a whole.

12. ADDITIONAL INFORMATION

12.1 Share Capital of the Issuer

The authorised share capital of the Issuer is €16,450,000 divided into 16,450,000 Ordinary Shares of a nominal value of €1.00 each. The issued share capital of the Issuer is €16,450,000 divided into 16,450,000 Ordinary Shares of a nominal value of €1.00 each, being 100 per cent paid up and subscribed for, allotted and taken up by HHL, other than 1 share which is subscribed for, allotted and taken up by Time International Company Limited (C 39021).

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

There are no classes of shares and each ordinary share confers the right to one vote at general meetings of the Issuer. All ordinary shares rank *pari passu* in all respects.

The shares of the Issuer are not listed on the Malta Stock Exchange and no application for such listing has been made to date.

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

There is no capital of the Issuer which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Issuer is to be put under option. There are no arrangements, known to the Issuer, which may at a subsequent date result in a change in control of the Issuer.

The Issuer adopts measures in line with the Code to ensure that the relationship of the Issuer and/or Guarantors with the rest of the Hudson Group and/or with the ultimate shareholders, are retained at arm's length, including, in respect of both the Issuer and the Guarantors, adherence to rules on related party transactions set out in Chapter 5 of the Listing Rules requiring the vetting and approval of any related party transaction by the Audit Committee, which is constituted in its totality by independent non-executive Directors of the Issuer. The Audit Committee has the task of ensuring that any potential abuse is managed, controlled and resolved in the best interests of the Issuer. The composition of the Board, including the presence of three independent, non-executive Directors, effectively minimises the possibility of any abuse of control by any major shareholder. With particular reference to the relationship between the Issuer and the ultimate shareholders, the articles of association of the Issuer require any director of the Issuer who in any way, whether directly or indirectly, has an interest in a contract, arrangement, transaction or proposal with the Issuer, to declare the nature of his interest at the meeting of the Board of Directors of the Issuer. Furthermore, said Director shall not be permitted to vote at that meeting in respect of any contract, arrangement, transaction or any other proposal in which he has, either directly or indirectly, a personal material interest.

12.2 Memorandum and Articles of Association of the Issuer

12.2.1 Objects

The objects of the Issuer are set out in clause 4 of the Issuer's Memorandum of Association, with the principal object being to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, movable and immovable property or other assets, including but not limited to securities and other financial interests.

The Memorandum and Articles of Association of the Issuer otherwise regulate matters customarily dealt with therein, including matters such as voting rights and restrictions thereof, and the appointment and powers of Directors.

A copy of the memorandum and articles of association of the Issuer may be inspected during the lifetime of this Registration Document at the registered office of the Issuer as set out in section 15 below and at the Registry of Companies.

12.2.2 Appointment of Directors

At present, in terms of clause 8 of the Issuer's Memorandum of Association, the management and administration of the Issuer shall be managed by a Board of Directors which shall be composed of not less than four and not more than eight directors.

The Directors shall be appointed by means of an ordinary resolution of the shareholders of the Company in general meeting.

12.2.3 Powers of Directors

The Directors are vested with the management of the Issuer, and their powers of management and administration emanate directly from the Memorandum and Articles of Association and the law. The Directors are empowered to act on behalf of the Issuer and in this respect have the authority to enter into contracts, sue and be sued in representation of the Issuer. In terms of the Memorandum and Articles of Association they may do all such things that are not by the Memorandum and Articles of Association reserved for the shareholders in general meeting.

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

The maximum limit of aggregate emoluments of the Directors is, in terms of the Memorandum and Articles of Association, to be established by the shareholders in general meeting. Within that limit the Directors shall have the power to vote on remuneration to themselves or any number of their body. Any increases in the maximum limit of Directors' aggregate emoluments have to be approved by the Company in the general meeting.

In terms of the Memorandum and Articles of Association, the Board of Directors may exercise all the powers of the Issuer to borrow money and give security therefor, subject to such limit as may be established by the shareholders in general meeting.

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

12.3 Share Capital of the Guarantors

12.3.1 Share Capital of TISL

The authorised share capital of TISL is €84,556.24 divided into 35,300 Ordinary Shares of a nominal value of €2.329373 each and 1,000 Cumulative Redeemable Preference Shares of a nominal value of €2.329373 each. The issued share capital of TISL is €75,331.92 divided into 32,340 Ordinary Shares of a nominal value of €2.329373 each. With effect from 20 December 2017, the paid up Ordinary shares have been subscribed for, allotted and fully taken up by the Issuer.

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

Each ordinary share confers the right to one vote at general meetings of TISL. All ordinary shares rank *pari passu* in all respects.

There is no capital of TISL which is currently under option, nor is there any agreement by virtue of which any part of the capital of TISL is to be put under option. There are no arrangements, known to TISL, which may at a subsequent date result in a change in control of TISL.

12.3.2 Share Capital of HICL

Pursuant to an increase in share capital effected on 28 December 2017, the authorised and issued share capital of HICL is €250,000 divided into 250,000 Ordinary Shares of a nominal value of €1 each. The issued Ordinary Shares are paid up and subscribed for, allotted and fully taken up by the Issuer.

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

Each ordinary share confers the right to one vote at general meetings of HICL. All ordinary shares rank *pari passu* in all respects.

There is no capital of HICL which is currently under option, nor is there any agreement by virtue of which any part of the capital of HICL is to be put under option. There are no arrangements, known to HICL, which may at a subsequent date result in a change in control of HICL.

12.4 Memorandum and Articles of Association of TISL

12.4.1 Objects

TISL is registered as a private limited liability exempt company in terms of the Act. The principal objects of TISL are set out in clause 4 of the memorandum of association of TISL and include, but are not limited to: carrying on the business of agents, commission agents, representatives, importers, wholesalers, retailers and manufacturers of sport wearing apparel, equipment and accessories thereto, sport related items and watches of any kind and description.

A copy of the memorandum and articles of association of TISL may be inspected during the lifetime of this Registration Document at the registered office of the Issuer as set out in section 15 below and at the Registry of Companies.

12.4.2 Appointment of Directors

At present, in terms of the memorandum and articles of association of TISL, the board of directors of TISL shall consist of not less than two and not more than four directors. Directors shall be appointed by means of an ordinary resolution of the shareholders of TISL in general meeting.

12.4.3 Powers of Directors

The directors are vested with the management of TISL, and their powers of management and administration emanate directly from the memorandum and articles of association and the law. The directors are empowered to act on behalf of TISL and in this respect have the authority to enter into contracts, sue and be sued in representation of TISL. In terms of the memorandum and articles of association they may do all such things that are not by the memorandum and articles of association or the law reserved for the shareholders in general meeting.

In terms of TISL's memorandum and articles of association, the board of directors may exercise all the powers of TISL to borrow money, and to hypothecate or charge its undertaking property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligations of the company or any third party.

There are no provisions in TISL's memorandum and articles of association regulating the retirement or non-retirement of directors over an age limit.

12.5 Memorandum and Articles of Association of HICL

12.5.1 Objects

HICL is registered as a private limited liability exempt company in terms of the Act. The principal objects of HICL are set out in clause 3 of the memorandum of association of HICL and include, but are not limited to: carrying on the business of general merchants, commission agents, wholesalers, retailers, exporters, suppliers and distributors, and to buy, sell, deal, exchange, barter and countertrade in the fashion and sportswear industry.

A copy of the memorandum and articles of association of HICL may be inspected during the lifetime of this Registration Document at the registered office of the Issuer as set out in section 15 below and at the Registry of Companies.

12.5.2 Appointment of Directors

At present, in terms of the memorandum and articles of association of HICL, the board of directors of TISL shall consist of not less than two and not more than five directors. Directors shall be appointed by means of an ordinary resolution of the shareholders of HICL in general meeting.

12.5.3 Powers of Directors

The directors are vested with the management of HICL, and their powers of management and administration emanate directly from the memorandum and articles of association and the law. The directors are empowered to act on behalf of HICL and in this respect have the authority to enter into contracts, sue and be sued in representation of HICL. In terms of the memorandum and articles of association they may do all such things that are not by the memorandum and articles of association or the law reserved for the shareholders in general meeting.

In terms of HICL's memorandum and articles of association, the board of directors may exercise all the powers of HICL to borrow money, and to hypothecate or charge its undertaking property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligations of the company or any third party.

There are no provisions in HICL's memorandum and articles of association regulating the retirement or non-retirement of directors over an age limit.

12.5.4 Commissions

There were no commissions, discounts, brokerages or other special terms granted during the two (2) years immediately preceding the publication of the Prospectus in connection with the issue or sale of any capital of the Issuer or either of the Guarantors or any of their subsidiaries.

13. MATERIAL CONTRACTS

The Issuer has entered into a loan agreement dated 13 March 2018 with HHL pursuant to which the Issuer shall advance to HHL the amount of €4,500,000 from the net proceeds of the Bond Issue. In terms of this loan agreement, interest shall be payable annually in arrears on 6 March of each year at the rate of 5.5% per annum. In addition, HHL has bound itself to repay the loan in accordance with a pre-agreed repayment schedule, which includes a 3-year moratorium period, and shall effect the final repayment by not later than 6 March 2026.

As an entity external to the Issuer and the Malta Group, HHL is not bound by the continuing obligations of the Listing Rules. Therefore, the board of directors of HHL has resolved to publish on an annual basis HHL's audited consolidated financial statements, by not later than two months after the publication of the Issuer's audited financial statements, through a company announcement. Furthermore, condensed financial information relating to HHL and the Hudson Group shall be provided in the annual publication of the Issuer's financial analysis summary. This commitment is being made so as to provide Bondholders and prospective investors with full access to financial information on the Hudson Group.

Save for the above, each of the Issuer and the Guarantors has not entered into any material contracts which are not in the ordinary course of their respective business which could result in any member of the Malta Group being under an obligation or entitlement that is material to the Issuer's or each Guarantors' ability to meet its obligations to security holders in respect of the securities being issued pursuant to, and described in, the Securities Note.

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

Save for the accountants' report on the pro forma forecast consolidated financial information included in Annex I of the Registration Document, and the financial analysis summary set out as Annex III to the Securities Note, the Prospectus does not contain any statement or report attributed to any person as an expert. The accountants' report and financial analysis summary have been included in the form and context in which they appear with the authorisation of Deloitte Services Limited of Deloitte Place, Mriehel Bypass, Mriehel BKR 3000, Malta and Charts Investment Management Service Limited of The Centre, Tigné Point, Sliema TPO 0001, Malta, respectively, that have given and have not withdrawn their consent to the inclusion of their respective reports herein. Deloitte Services Limited and Charts Investment Management Service Limited do not have any beneficial interest in the Issuer or the Guarantors. The Issuer confirms that the accountants' report and the financial analysis summary have been accurately reproduced in the Prospectus and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

15. DOCUMENTS AVAILABLE FOR INSPECTION

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

(a) Memorandum and Articles of Association of the Issuer and the Guarantors;
(b) Audited financial statements of the Guarantors for the financial years ended 31 December 2014 to 2016;
(c) Combined financial statements of the Guarantors for the financial years ended 31 December 2014 to 2016;
(d) Unaudited combined financial information of the Guarantors for the period 1 January 2017 to 30 June 2017:
(e) Pro forma forecast consolidated financial information of the Issuer for the financial year ended 31 December 2017, together with the Accountants' Report thereon;
(f) Audited financial statements of HHL for the financial years ended 31 December 2014 to 2016;
(g) Unaudited interim financial statements of HHL for the period 1 January 2017 to 30 June 2017;
(h) Financial analysis summary dated 23 March 2018 and prepared by Charts Investment Management Service Limited;
(i) Directors' service contracts;
(j) The loan agreement entered into between HHL and the Issuer;
(k) The Guarantee; and
(l) The letter of confirmation drawn up by Deloitte Services Limited and dated 23 March 2018.

Documents (a) and (h) are also available for inspection in electronic form on the Issuer's website www.hudson.com.mt

Hudson Malta p.l.c.
Pro forma forecast consolidated financial information
For the year ending 31 December 2017

Pages

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VAT Reg No: MT2013 6212
Exemption number: EXO2156

The Directors
Hudson Malta p.l.c.
Hudson House
Burmarrad Road, Burmarrad
St. Paul's Bay SPB 9060

14 March 2018

Dear Sirs,

Independent Accountant's Report on the compilation of pro forma consolidated financial information forecast for Hudson Malta p.l.c.

We report on the pro forma forecast consolidated statement of financial position, forecast consolidated income statement and forecast consolidated cash flow ("the pro forma financial information") of Hudson Malta p.l.c. (the "Company") for the year ending 31 December 2017, set out in Annex I of Hudson Malta p.l.c.'s Registration Document dated 23 March 2018.

The pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the acquisition of Time International (Sport) Limited and Hudson International Company Limited on the Company's consolidated financial position forecast as at 31 December 2017 and the Company's consolidated financial performance and cash flow forecasts for the year ended 31 December 2017 as if the event or transaction had taken place on the 1 January 2017.

As part of the compilation process, information about the Company's financial position, financial performance and cash flows has been extracted by the directors of the Company from the following unaudited financial information (the "combined financial information"):

i. the combined income statement and financial position of Hudson International Company Limited ("HICL") and Time International (Sport) Limited ("TISL") for the period 1 January to 30 June 2017; and
ii. the forecast financial information for both HICL and TISL covering the period 1 July to 31 December 2017 which took account of the updated results for HICL and TISL for the period 1 July to 31 August 2017, as prepared in quarter 4 of 2017.

Directors' responsibilities for the pro forma financial information

It is the responsibility of the Directors of the Company ("the Directors") to prepare the pro forma financial information and the assumptions upon which they are based, as set out in Annex I of the Registration Document in accordance with the applicable criteria set out in sections 5.40 to 5.53 of the Listing Rules issued by the Listing Authority of the Malta Financial Services Authority ("the listing rules") and Annex IV item 9.2 of EU Regulation EC 809/2004 ("the applicable criteria").

Accountant's responsibility

It is our responsibility to form an opinion as required by Listing Rules 5.40 and 5.52 and Annex IV item 9.2 of EU Regulation EC 809/2004 as to the proper compilation of the pro forma financial information, in so far as the application of the underlying accounting policies and accuracy of calculations are concerned, and to report that to you.

For the purpose of this engagement, we are not responsible for updating or re-issuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we in the course of this engagement, performed an audit of the financial information used in compiling the pro forma financial information.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in connection with the report or our opinion, required by and given solely for the purpose of complying with the Listing Rules.

Basis of Opinion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner comply with ethical and quality control requirements. We have examined the basis of compilation and accounting policies of the accompanying pro forma financial information of the Company in accordance with the applicable criteria.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the pro forma financial information has been properly compiled on the basis stated, in so far as the application of the underlying accounting policies and accuracy of calculations are concerned.

The pro forma financial information is not intended to, and does not provide all the information and disclosures necessary to give a true and fair view of the results of the operations and the financial position of the Company in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs).

Since the pro forma financial information and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the forecast financial information and differences may be material.

Deloitte.

A reasonable assurance engagement to report on whether the pro forma consolidated financial information has been compiled in all material respects on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors of the Company in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction and to obtain appropriate evidence about whether:

i. the related pro forma adjustments give appropriate effect to those criteria; and
ii. the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information

The procedures selected depend on our judgement having regard to our understanding of the nature of the Company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement information. The engagement also involves evaluating the overall presentation of the pro forma financial information.

Opinion

In our opinion, the pro forma financial information has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies to be adopted by Hudson Malta p.l.c.

Yours sincerely,

Raphael Aloisio
Director
Deloitte Services Limited

Purpose of the pro forma forecast consolidated financial information

The pro forma forecast consolidated financial information has been prepared for illustrative purposes only.

Due to its nature, the pro forma financial information addresses a hypothetical situation. Therefore actual results are likely to be different because events and circumstances frequently do not occur as expected and those differences may be material. The pro forma financial information has been prepared for inclusion in the Registration Document of Hudson Malta p.l.c. dated 23 March 2018 (the "Registration Document").

The pro forma forecast consolidated financial information has been prepared to provide information about the forecast consolidated financial position as at 31 December 2017 and the forecast consolidated financial performance and cash flow for the year ending 31 December 2017 of Hudson Malta p.l.c., hereinafter referred to as "the Company". Hudson Malta p.l.c. was incorporated on 10 November 2017 under the terms of the Companies Act Chapter 386 of the laws of Malta.

The pro forma financial information has been based on the following unaudited financial information:

i. the income statement and financial position of Hudson International Company Limited ("HICL") and Time International (Sport) Limited ("TISL") for the period 1 January to 30 June 2017; and
ii. the forecast financial information for both HICL and TISL covering the period 1 July to 31 December 2017, which takes into account updated results for HICL and TISL for the period 1 July to 31 August 2017.

The pro forma financial information has been compiled as if the Company was in existence from the 1 January 2017 and the acquisitions of HICL and TISL occurred on the 1 January 2017.

Basis of preparation of the pro forma forecast consolidated financial information

The pro forma financial information shows the financial performance and position of Hudson Malta p.l.c. and its subsidiary entities in accordance with International Financial Reporting Standards as adopted by the European Union ("EU-IFRS") except that, due to the nature of the pro forma financial information:

- The pro forma financial information does not include all the disclosure requirements under EU-IFRS and other laws or securities regulations, including but not limited to the Maltese Companies Act (Cap. 386) and the Listing Rules;
- Do not necessarily present line items (including totals and sub totals) and the classification thereof in the pro forma financial performance and financial position in accordance with EU-IFRS;
- Do not consider certain recognition or measurement criteria; and
- Do not show comparative amounts.

The pro forma financial information has been prepared in a manner consistent with the accounting policies of TISL in force as at 31 December 2016, as amended, where applicable, to incorporate new EU-IFRSs that are applicable for annual period beginnings on 1 January 2017 and any new accounting policies adopted as from 1 January 2017.

The pro forma consolidated financial information has been prepared under the assumption that the following transactions were effected on the 1 January 2017:

i. TISL sold Italian Operations Limited SRL, Times 5 Ltd. and UJ International Company Ltd. for a total consideration of €2,002,400 to Hudson Holdings Ltd ("HHL"), or one of its subsidiaries
ii. HICL declared an interim dividend of €1m to its shareholders
iii. HICL sold Hudson Libya for €120,079 to HHL or one of its subsidiaries
iv. Hudson Malta p.l.c. was incorporated with a share capital of €50,000
v. Hudson Malta p.l.c. acquired HICL and TISL for €12.6m and €3.8m respectively, in exchange for an increase in share capital
vi. HICL capitalised €250,000 of reserves

The principal assumptions relating to the environment in which the Company operates and the factors which are exclusively outside the influence of the Directors and which underlie the pro forma financial information, are the following:

i. The Company will continue to enjoy the confidence of its customers, and bankers throughout the period under consideration;
ii. There will be no material adverse movements originating from market and economic conditions affecting the sport and fashion retail market in Malta, consumer spending levels, employment and job growth, amongst others;
iii. The rate of inflation will be in line with historic trends;
iv. The basis and rates of taxation, direct and indirect, will not change materially throughout the period covered by the pro forma financial information; and
v. The Company will enjoy good relations with its employees through the period under consideration.

No changes to the above assumptions have happened within the 5 months to December 2017.

Acquisition of entities and businesses under common control

The restructuring transactions resulted in Hudson Malta p.l.c. gaining control during 2017 of Hudson International Company Limited and Time International (Sport) Limited ("the Subsidiaries").

The acquisition of the Subsidiaries by Hudson Malta p.l.c. falls outside the scope of IFRS 3 – Business Combinations because the transaction merely represents a business combination of entities under the common control of Hudson Holdings Limited, both before and after the business combination and that control is not transitory. For this reason, in the absence of an IFRS which specifically applies to such transactions, Hudson Malta p.l.c. applied its judgement in terms of IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* in developing and applying an accounting policy that results in information that is relevant and reliable. Accordingly, Hudson Malta p.l.c. applied the acquisition method of accounting in IFRS 3, *Business Combinations* by analogy to this transaction.

In terms of the acquisition method of accounting in IFRS 3, HICL is identified as the acquirer of TISL. Accordingly, the assets and liabilities of HICL have been recognised at their pre-combination carrying amounts with the identifiable assets and liabilities of TISL being recognised at fair value, with a resulting goodwill on acquisition of €654k solely in relation to HICL's acquisition of TISL.

Pro forma forecast consolidated income statement
for the year ending 31 December 2017

	Notes	Hudson Malta p.l.c. Group
		€'000
Revenue	1	35,549
Cost of sales	2	(23,340)
Gross Profit		**12,208**
Direct operating costs	3	(7,327)
Indirect costs	4	(2,495)
EBITDA		**2,386**
Depreciation	5	(922)
EBIT		**1,464**
Interest income	6	79
Interest expense	6	(183)
Other Income	7	43
Profit before tax		**1,403**
Income tax	8	(491)
Profit for the year		**912**

Pro forma forecast consolidated statement of financial position

as at 31 December 2017

	Notes	Hudson Malta p.l.c. Group
		€'000
ASSETS		
Non-current assets		
Property, plant and equipment	9	2,306
Intangible assets	10	1,861
Deferred tax assets		435
		4,602
Current assets		
Inventories	11	4,415
Trade and other receivables	12	3,845
Amounts due from related parties		3,012
Current tax assets		87
Cash and cash equivalents	13	1,127
		12,486
Total assets		**17,088**
EQUITY AND LIABILITIES		
Equity		
Share capital	14	16,450
Reserves on acquisition of subsidiaries	15	(12,552)
Other reserves	16	250
Retained earnings		1,686
Total equity		5,835
Non-current liabilities		
Bank loans	17	188
		188
Current liabilities		
Trade and other payables	18	7,176
Bank loans	17	1,828
Bank overdrafts	17	1,687
Current tax liabilities		374
		11,065
Total liabilties		11,253
Total equity and liabilitiies		**17,088**

<u>Pro forma forecast consolidated statement of cash flows</u>
for the year ending 31 December 2017

	Notes	Hudson Malta p.l.c. Group
		€'000
Cash flows from operating activities		
Operating profit		1,464
Adjustments for:		
Depreciation of PPE		922
Difference on exchange		43
Changes in working capital:		
Inventories		(456)
Trade and other receivables		(103)
Trade and other payables		(1,015)
Cash generated from operations		855
Interest paid		(183)
Income tax paid		(476)
Net cash generated from/(used in) operating activities		**195**
Cash flows from investing activities		
Purchase of property, plant and equipment		(337)
Interest received		79
Net cash used in investing activities		**(258)**
Cash flows from financing activities		
Movement in bank loans		(329)
Movement in amounts due to related parties		(869)
Increase in share capital		50
Net cash generated from financing activities		**(1,148)**
Net movement in cash and cash equivalents		**(1,211)**
Cash and cash equivalents at the beginning of the year		651
Cash and cash equivalents at the end of the year	13	**(560)**

Notes to the pro forma forecast consolidated financial information

1. Revenue

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the company's business. Revenue is recognised upon delivery of products, and is stated net of sales tax, returns, rebates and discounts. Delivery does not occur until the risks of obsolescence and loss have been transferred to the customer.

The Company's pro forma revenue for the year ending 31 December 2017, is forecasted on the basis of achieved revenue from the existing retail and wholesale operations of HICL and TISL between 1 January and 30 June 2017 and management's expectations for the four month period ending 31 December 2017. Revenue mainly arises from:

- Retail revenue from 25 directly operated fashion and sports apparel stores in Malta. This includes Shoeshack, House of Sport, Urban Jungle, Go Sport, Outta Kontrol, Nike, Timberland, New Look, 3INA, Benetton, Kiabi and River Island branded stores.
- Wholesale revenue relating to TISL's Urban Jungle business in Italy and wholesale business with franchisees of TISL and HICL as well as third party wholesale clients in Malta.

Retail revenue is projected on a store by store basis taking into consideration the historical uplift in sales during the run-up to the Christmas period. Wholesale revenue is projected at the average of wholesale revenue generated during the first 8 months of 2017.

2. Cost of sales

The cost of sales is based on the actual costs for the first 8 months of 2017 and projected as a fixed percentage of revenue on a store by store basis for the rest of the period. Cost of sales primarily includes the cost of products paid to suppliers (including transport costs), movement in inventories, brand royalties and any management fees and commissions due on sales. Brand royalties are primarily calculated as a percentage of sales based on the respective brand agreement.

3. Direct operating costs

Direct operating costs relate to costs directly incurred in the retail stores and warehousing and include direct labour, rent, advertising, direct store expenses, utilities, provisions for obsolete stock and other direct costs including but not limited to ePOS bank charges and communication costs.

Direct operating costs are predominantly projected as a percentage of sales or using the average for the first 8 months of 2017. Direct rent costs are projected based on the Company's currently effective lease agreements.

4. Indirect costs

Indirect costs are operating costs which are not directly associated with specific stores or warehousing. These include but are not limited to head office costs such as payroll, finance, purchasing and logistics management as well as professional fees, bank charges and bad debts. Indirect costs are predominantly projected at the monthly average of the first 8 months of 2017.

5. Depreciation

Depreciation is calculated on the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives. The depreciation charge is based on the Company's fixed asset base adjusted for forecast additions and disposals during the year and on the following depreciation rates:

- Improvements to premises 10%
- Furniture, fixtures and fittings 20%
- Motor vehicles 20%
- Computer equipment 25%

The depreciation method applied, the residual value and the useful life are reviewed and adjusted if appropriate, at the end of each reporting period.

6. Interest income and expenses

Interest income is recognised for all interest-bearing instruments, using the effective interest method, unless collectability is in doubt.

Interest income is based on interest receivable on amounts due from related parties. Interest is charged on all related party balances exceeding 90 days at a rate of 5.35% and 4.85% for HICL and TISL respectively. The net related party balance as at 30 June 2017 is assumed to remain constant over the six month period ending 31 December 2017.

Interest expenses arise on bank loans and bank overdrafts which are predominantly charged a rate of 4.95% interest p.a.

7. Other income

Other income includes foreign exchange gains relating to the first half of 2017.

8. Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also dealt with in other comprehensive income or in equity, as appropriate.

Tax charge for the year ending 31 December 2017 is calculated at 35% of the Company’s consolidated profit before tax for the period.

9. Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

10. Intangible assets

Intangible assets include goodwill and trademarks.

Goodwill arises on the acquisition of subsidiaries and is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

Separately acquired trademarks are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date.

Both goodwill and trademarks are projected at constant 30 June 2017 levels following the acquisitions of HICL and TISL.

11. Inventories

Inventories are stated at the lower of cost and net realisable value, where cost is determined using the weighted average method and comprises expenditure incurred in acquiring the inventories and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to be incurred in marketing, selling and distribution.

Inventories are projected at a fixed percentage of sales for each brand based on historically observed levels.

12. Trade and other receivables

Trade and other receivables comprise amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. When a receivable is uncollectable, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against profit or loss.

Trade receivables are projected at a percentage of wholesale turnover which is based on historical levels. Prepayments and other receivables are projected at a percentage of total turnover which is also based on historical levels.

13. Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. In the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown under current liabilities in the statement of financial position.

14. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

15. Reserves on acquisition of subsidiaries

Reserves on acquisition of subsidiaries include an adjustment on consolidation related to the acquisition of HICL which is reported using the company’s pre-acquisition carrying amounts.

16. Other reserves

Other reserves include the €250,000 post-acquisition capitalisation of reserves in HICL.

17. Borrowings

Borrowings are recognised initially at fair value of proceeds received, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. Borrowings include bank loans and bank overdrafts. Borrowing costs are recognised in profit or loss in the period in which they are incurred.

18. Trade and other payables

Trade payables comprise obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade payables are projected at a brand dependent, fixed percentage of cost of sales which is based on historical levels. Accruals and other payables are projected at a fixed percentage of total turnover which is also based on historical levels.

19. Intra-group transactions

Intra-group transactions are immaterial and therefore no adjustment for elimination intra-group sales has been included in the pro forma forecast financial statements.

Statement of pro forma restructuring and consolidation adjustments

The following information provides the reconciliation between the combined financial information of HICL and TISL, and the pro forma forecast consolidated financial information of Hudson Malta p.l.c.

	Notes	Combined financial information	Pro forma adjustments	Hudson Malta p.l.c. Group
		€'000	€'000	€'000
Revenue		35,549	-	35,549
Cost of sales		(23,340)	-	(23,340)
Gross Profit		**12,208**	**-**	**12,208**
Direct operating costs		(7,327)	-	(7,327)
Indirect costs		(2,495)	-	(2,495)
EBITDA		**2,386**	**-**	**2,386**
Depreciation		(922)	-	(922)
EBIT		**1,464**	**-**	**1,464**
Interest income		79	-	79
Interest expense		(183)	-	(183)
Other income		43	-	43
Profit before tax		**1,403**	**-**	**1,403**
Income tax		(491)	-	(491)
Profit for the year		**912**	**-**	**912**

	Notes	Combined financial information	Pro forma adjustments	Hudson Malta p.l.c. Group
		€'000	€'000	€'000
ASSETS				
Non-current assets				
Property, plant and equipment		2,306	-	2,306
Intangible assets	8	1,207	654	1,861
Investment in subsidiaries	2 - 4, 6 - 8	922	(922)	-
Deferred tax assets		435	-	435
		4,869	(267)	4,602
Current assets				
Inventories		4,415	-	4,415
Trade and other receivables		3,845	-	3,845
Amounts due from related parties	1 - 4	1,890	1,122	3,012
Current tax assets		87	-	87
Cash and cash equivalents	5	1,077	50	1,127
		11,313	1,172	12,486
Total assets		**16,183**	**905**	**17,088**
EQUITY AND LIABILITIES				
Equity				
Share capital	6 - 9	374	16,076	16,450
Share premium	6, 9	80	(80)	-
Reserves on acquisition of subsidiaries	6, 8	-	(12,552)	(12,552)
Other reserves	7	-	250	250
Retained earnings	1, 6 - 9	4,476	(2,790)	1,686
Total equity		4,929	905	5,835
Non-current liabilities				
Bank loans		188	-	188
		188	-	188
Current liabilities				
Trade and other payables		7,176	-	7,176
Bank loans		1,828	-	1,828
Bank overdrafts		1,687	-	1,687
Current tax liabilities		374	-	374
		11,065	-	11,065
Total liabiltiies		11,253	-	11,253
Total equity and liabilitiies		**16,183**	**905**	**17,088**

	Notes	Combined financial information	Pro forma adjustments	Hudson Malta p.l.c. Group
		€'000	€'000	€'000
Cash flows from operating activities				
Operating profit		1,464	-	1,464
Adjustments for:				
Depreciation of PPE		922	-	922
Difference on exchange		43	-	43
Changes in working capital:				
Inventories		(456)	-	(456)
Trade and other receivables		(103)	-	(103)
Trade and other payables		(1,015)	-	(1,015)
Cash generated from operations		855	-	855
Interest paid		(183)	-	(183)
Income tax paid		(476)	-	(476)
Net cash generated from/(used in) operating activities		**195**	**-**	**195**
Cash flows from investing activities				
Purchase of property, plant and equipment		(337)	-	(337)
Interest received		79	-	79
Net cash used in investing activities		**(258)**	**-**	**(258)**
Cash flows from financing activities				
Movement in bank loans		(329)	-	(329)
Movement in amounts due to related parties		(869)	-	(869)
Increase in share capital	5	-	50	50
Net cash generated from financing		**(1,198)**	**50**	**(1,148)**
Net movement in cash and cash equivalents		**(1,261)**	**50**	**(1,211)**
Cash and cash equivalents at the beginning of the year		651	-	651
Cash and cash equivalents at the end of the year		**(610)**	**50**	**(560)**

Notes to the statement of pro forma restructuring and consolidated adjustments

The statement of pro forma restructuring and consolidation adjustments reconciles the combined financial information of HICL and TISL, and the pro forma consolidated financial information of Hudson Malta p.l.c.

The pro forma adjustments include adjustments for the restructuring transactions relating to HICL, TISL and Hudson Malta p.l.c. as well as the related consolidation adjustments.

The restructuring transactions

The pro forma consolidated financial information has been prepared under the assumption that the following transactions were effected on the 1 January 2017:

i. TISL sold Italian Operations Limited SRL, Times 5 Ltd. and UJ International Company Ltd. for a total consideration of €2,002,400 to Hudson Holdings Ltd ("HHL") or any one of its subsidiaries
ii. HICL declared an interim dividend of €1m to its shareholders
iii. HICL sold Hudson Libya for €120,079 to HHL or any one of its subsidiaries
iv. Hudson Malta p.l.c. was incorporated with a share capital of €50,000
v. Hudson Malta p.l.c. acquired HICL and TISL for €12.6m and €3.8m respectively
vi. HICL capitalised €250,000 of reserves

The accounting adjustments for each restructuring step were applied to derive the pro forma financial information.

Consolidation adjustments

The acquisition of TISL and HICL by the Company formed part of an internal re-organisation of HHL. Accordingly, the acquisition of TISL was in scope of IFRS 3 business combinations, while the acquisition of HICL is expected to be reported using predecessor accounting.

Given that the acquisition of TISL and HICL by the Company forms part of an internal reorganisation, it was decided, following discussions with PwC (the auditors of TISL and HICL), that no goodwill will be recognised in the consolidated accounts of the issuer on the acquisition of HICL but goodwill will be recognised on the acquisition of TISL.

Restructuring transactions pro forma adjustments

1. HICL declares an interim dividend of €1,000,000 to its shareholders

2. TISL sells IOL and UJ International Company Ltd to Hudson Holdings Ltd. for a total value of €2,001,200, from which a profit on sale of subsidiary of €1,200,800 was booked

3. TISL sells Times 5 Ltd. to UJ International Company Ltd. for €1,200 (book value)

4. HICL sells Hudson Libya for €120,079 (book value) to HHL or any of its subsidiaries

5. Hudson Malta p.l.c. is incorporated with €50,000 in share capital

6. Hudson Malta p.l.c. acquires HICL and TISL for €12.6m and €3.8m respectively in exchange for shares in the Company

7. HICL capitalises €250,000 of retained earnings

Pro forma consolidation adjustments

8. Investment in HICL is eliminated on consolidation using predecessor accounting

9. Investment in TISL is eliminated on consolidation, and goodwill recognised on the basis of business combination accounting.