

REGISTRATION DOCUMENT

Dated 3 June 2024

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

HILI FINANCE COMPANY P.L.C.

a public limited liability company registered in Malta
with company registration number C 85692

Guaranteed* by Hili Ventures Limited

a private limited liability company registered in Malta
with company registration number C 57902

**Prospective investors are to refer to the Guarantee contained in Annex V of the Securities Note forming part of the Prospectus for a description of the scope, nature and terms of the Guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in the Prospectus for a discussion of certain risk factors which should be considered by prospective investors in connection with the Bonds and the Guarantee provided by the Guarantor.*

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

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

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

Legal Counsel

Sponsor

Manager & Registrar



Calamatta Cuschieri



APPROVED BY THE DIRECTORS

Geoffrey Camilleri

Dorian Desira

*signing in their capacity as Directors of the Company and for and on behalf of each of
Keith Busuttill, Jacqueline Camilleri and Mario Vella*

IMPORTANT INFORMATION

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

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

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

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

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

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

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

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

IN TERMS OF ARTICLE 12(1) OF THE PROSPECTUS REGULATION, THE PROSPECTUS SHALL REMAIN VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE OF THE APPROVAL OF THE PROSPECTUS BY THE MFSA. THE ISSUER IS OBLIGED TO PUBLISH A SUPPLEMENT ONLY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKE OR MATERIAL INACCURACY RELATING TO THE INFORMATION SET OUT IN THE PROSPECTUS WHICH MAY AFFECT THE ASSESSMENT OF THE SECURITIES AND WHICH ARISES OR IS NOTED BETWEEN THE TIME WHEN THE PROSPECTUS IS APPROVED AND THE CLOSING OF THE OFFER PERIOD OR THE TIME WHEN TRADING ON A REGULATED MARKET COMMENCES, WHICHEVER OCCURS LATER. THE OBLIGATION TO SUPPLEMENT THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES DOES NOT APPLY WHEN THE PROSPECTUS IS NO LONGER VALID.

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

ALL THE ADVISORS TO THE ISSUER NAMED IN SUB-SECTION 4.2 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

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

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

1923 Investments	1923 Investments p.l.c., a public company registered under the laws of Malta with company registration number C 63261 and having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta;
2018 Bonds	the €40,000,000 3.85% unsecured bonds 2028 (ISIN: MT0001891200) issued by the Issuer pursuant to a prospectus dated 4 July 2018. Further details on the 2018 Bonds are set out in sub-section 5.1 of this Registration Document;
2019 Bonds	the €80,000,000 3.80% unsecured bonds 2029 (ISIN: MT0001891218) issued by the Issuer pursuant to a prospectus dated 18 July 2019. Further details on the 2019 Bonds are set out in sub-section 5.1 of this Registration Document;
2022 Bonds	the €50,000,000 4% unsecured bonds 2027 (ISIN: MT0001891226) issued by the Issuer pursuant to a prospectus dated 27 January 2022. Further details on the 2022 Bonds are set out in sub-section 5.1 of this Registration Document;
Act or Companies Act	the Companies Act (Chapter 386 of the laws of Malta);
ALLcom	Allcom Sp. z o.o., a private limited liability company registered under the laws of Poland with KRS number 0000052320, NIP 5861045219 and Regon 190900213 and having its registered office at ul. 10 Lutego 16, 81-364, Gdynia, Poland;
Authorised Financial Intermediaries	the licensed financial intermediaries whose details are listed in Annex IV of the Securities Note forming part of the Prospectus;
Baneasa Real Estate	Baneasa Real Estate S.R.L. a private limited liability company registered under the laws of Romania with company registration number J40/15008/14.11.2016 and having its registered office at Sos. Bucuresti-Ploiesti 89A, Et 4, Bucharest, Romania;
Battery Street	Battery Street Limited, a private limited liability company registered under the laws of Malta with company registration number C 106063 and having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, 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 €80,000,000 unsecured bonds 2029 of a nominal value of €100 per bond issued at par by the Issuer and redeemable on the Redemption Date at their nominal value, bearing interest at the rate of 5% <i>per annum</i> . The Bonds are guaranteed by the Guarantor;
Bond Obligations	the punctual performance by the Issuer of all of its obligations under the Bond Issue, including the repayment of principal and payment of interest thereon;
Breakwater Investments	Breakwater Investments Limited, a private limited liability company registered under the laws of Malta with company registration number C 96365 and having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta;
CAGR	an abbreviation used for compound annual growth rate;
Capital Markets Rules	the Capital Markets Rules issued by the Malta Financial Services Authority, as may be amended and/or supplemented from time to time;
Carmelo Caruana Company	Carmelo Caruana Company Limited, a private limited liability company registered under the laws of Malta with company registration number C 9616 and having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta;
Cobalt Leasing	Cobalt Leasing Limited, a private limited liability company registered under the laws of the United Kingdom with company registration number 11808196 and having its registered office at St John's Court, Easton Street, High Wycombe, England, HP11 1JX;

Cortland	Cortland Sp. z o.o., a private limited liability company registered under the laws of Poland with its registered office at ul. Zgoda 38, 60-122 Poznań, Poland, entered into the business register of the National Court Register of Poland under KRS number 0000031468;
Company or Issuer	Hili Finance Company p.l.c., a public company registered under the laws of Malta with company registration number C 85692 and having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta;
Directors or Board	the directors of the Issuer whose names are set out in sub-section 4.1.1 of this Registration Document;
EBIT	an abbreviation used for earnings before interest and tax;
EBITDA	an abbreviation used for earnings before interest, tax, depreciation and amortisation;
E-Lifecycle Holdings	E-Lifecycle Holdings GmbH, a company registered with the commercial register of the local court of Düsseldorf under HRB 97170 with registered office at Spedition Str. 21, 40221 Dusseldorf, German;
Euro or €	the lawful currency of the Republic of Malta;
Financial Analysis Summary	the financial analysis summary dated 3 June 2024 compiled by the Sponsor in line with the applicable requirements of the MFSA Listing Policies, a copy of which is set out in Annex VI of the Securities Note forming part of the Prospectus;
Group	the Guarantor (as the ultimate parent company) and its direct and indirect Subsidiaries;
Guarantee	the guarantee dated 3 June 2024 granted by the Guarantor as security for the punctual performance of all the obligations undertaken by the Issuer under the Bonds and, without prejudice to the generality of the foregoing, the undertaking on the part of the Guarantor to pay all amounts of principal and interest which may become due and payable by the Issuer to Bondholders under the Bonds, within 60 days from the date such amount falls due and remains unpaid by the Issuer. A copy of the Guarantee and a description of the nature, scope and terms of the Guarantee are appended to the Securities Note forming part of the Prospectus as Annex V thereto;
Guarantor	Hili Ventures Limited, a private limited liability company registered under the laws of Malta with company registration number C 57902 and having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta;
Harbour (APM) Investments	Harbour (APM) Investments Ltd, a private limited liability company registered under the laws of Malta with company registration number C 58453 and having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta;
Harvest Technology	Harvest Technology p.l.c., a public company registered under the laws of Malta with company registration number C 63276 and having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta;
Hili Logistics	Hili Logistics Limited, a private limited liability company registered under the laws of Malta with company registration number C 57955 and having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta. As at the date of this Registration Document, Hili Logistics is in the process of merging into Breakwater Investments. Specifically, on 14 February 2024, the directors of Breakwater Investments and of Hili Logistics delivered draft terms of merger for registration and publication in terms of article 358(3)(a) of the Act, which registration was effected on 1 March 2024 and duly published on 4 March 2024;
Hili Properties	Hili Properties p.l.c., a public company registered under the laws of Malta with company registration number C 57954 and having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta;
Hili Ventures Company	a company forming part of the Group. The term “ Hili Ventures Companies ” shall be construed accordingly;

HV Hospitality	HV Hospitality Limited, a private limited liability company registered under the laws of Malta with company registration number C 91217 and having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta;
iSpot	iSpot Poland Sp. z o.o., a private limited liability company established and existing under the laws of Poland with its registered office at ul. Pulawska 2, 02-0566, Warsaw, Poland and entered into the business register of the National Court Register of Poland under KRS number 0000500329;
Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Chapter 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Manager & Registrar	Bank of Valletta p.l.c., a public limited liability company registered under the laws of Malta with company registration number C 2833 and having its registered address at 58, Zachary Street, Valletta VLT 1130, Malta. Bank of Valletta p.l.c. is regulated by the MFSA and is licensed to carry out the business of banking and investment services in terms of the Banking Act (Chapter 371 of the laws of Malta) and the Investment Services Act (Chapter 370 of the laws of Malta) and the terms " Manager " and " Registrar " shall be construed accordingly;
Marsamxett Properties	Marsamxett Properties Limited, a private limited liability company registered under the laws of Malta with company registration number C 106474 and having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta;
Memorandum and Articles of Association	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus, and the terms " Memorandum of Association " and " Articles of Association " shall be construed accordingly;
MFSA	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Chapter 330 of the laws of Malta) in its capacity as the competent authority in terms of the Financial Markets Act authorised to approve prospectuses and admissibility to listing and to monitor and supervise local regulated markets and participants thereof falling within the regulatory and supervisory remit of the MFSA;
Motherwell Bridge Industries	Motherwell Bridge Industries Limited, a private limited liability company registered under the laws of Malta with company registration number C 32467 and having its registered office at Hal Far Industrial Estate, Hal Far, Birzebbugia, Malta;
MSE Bye-Laws	the MSE Bye-Laws issued by the authority of the board of directors of Malta Stock Exchange p.l.c., as may be amended from time to time;
Official List	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the MSE Bye-Laws;
PLN	the lawful currency of Poland;
Premier Capital	Premier Capital p.l.c., a public company registered under the laws of Malta with company registration number C 36522 and having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta;
Premier Restaurants Malta	Premier Restaurants Malta Limited, a private limited liability company registered under the laws of Malta with company registration number C 18843 and having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta;
Prospectus	collectively, the Summary, this Registration Document and the Securities Note published by the Issuer all dated 3 June 2024 as such documents may be amended, updated, replaced and supplemented from time to time;
Prospectus Regulation	Commission Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as may be amended and/or supplemented from time to time;
Registration Document	this document in its entirety issued by the Issuer dated 3 June 2024, forming part of the Prospectus;

Securities Note	the securities note issued by the Issuer dated 3 June 2024, forming part of the Prospectus;
Sponsor	Calamatta Cuschieri Investment Services Limited, a private limited liability company registered under the laws of Malta having its registered office at Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta and bearing company registration number C 13729. Calamatta Cuschieri Investment Services Limited is authorised to conduct investment services by the Malta Financial Services Authority in terms of the Investment Services Act (Chapter 370 of the laws of Malta) and is a member of the MSE;
STS Marine Solutions	STS Marine Solutions (UK) Limited, a private limited liability company registered under the laws of the United Kingdom with company registration number 01815855 with registered office at 1, The Cloisters, Sunderland, Tyne & Wear, SR2 7BD, United Kingdom;
Subsidiaries	means all entities (including structured entities) over which the Issuer and/or the Guarantor, as applicable, 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. The term "Subsidiary" shall be construed accordingly;
Summary	the summary issued by the Issuer dated 3 June 2024, forming part of the Prospectus;
TBP Properties	TBP Properties Single Member SA, a private limited liability company registered under the laws of Greece with company registration number 170230601000 and having its registered office at 280, Kifissias Avenue, Chalandri, Attica, Greece; and
Tigne' Mall	Tigne' Mall p.l.c., a public company registered under the laws of Malta with company registration number C 35139 and having its registered office at Management Suite, The Point Shopping Mall, Pjazza Tigne' Point, Sliema TP 01, Malta.

All references in the Prospectus to "Malta" are to the "Republic of Malta".

Unless it appears otherwise from the context:

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

2. RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN 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 GUARANTOR IS IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

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

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

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

- (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, NOR
- (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE SPONSOR, THE MANAGER & REGISTRAR OR AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THIS REGISTRATION DOCUMENT 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/or Guarantor's strategies and plans relating to the attainment of their respective objectives, capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts and which may, accordingly, involve predictions of future circumstances.

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

The Issuer cautions prospective investors that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied by such statements, that such statements do not bind the Issuer and/or the Guarantor with respect to future results, and no assurance is given that the projected future results or expectations covered by such forward-looking statements will be achieved.

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

2.2 RISKS RELATING TO THE ISSUER

2.2.1 *Issuer's dependence on payments due by related Hili Ventures Companies*

The proceeds of the Bond Issue shall, in large part, be loaned to Hili Ventures Companies via the Guarantor in the amounts and proportions described in sub-section 5.1 of the Securities Note.

The Issuer will be dependent on the receipt of loan repayments from Group borrowing entities in order to service interest payments on the Bonds and eventually repay the principal of the Bonds. The performance of the Group borrowing entities has a direct effect on the Issuer's financial position and on the ability of the Issuer to meet its Bond Obligations.

The loan repayments to be effected by the said Group borrowing companies in favour of the Issuer are subject to certain risks, such as the intrinsic risks of the business and operations of each of the Hili Ventures Companies (or the Group borrowing entities), all of which are beyond the Issuer's control. More specifically, the ability of the Group borrowing companies to effect loan repayments will depend on their respective cash flows and earnings, which may be restricted by the terms of agreements to which they are or may become a party to, including the indenture governing their existing indebtedness, or by other factors beyond the control of the Issuer. The occurrence of any such factors could, in turn, negatively affect the ability of the Issuer to meet its Bond Obligations punctually when due.

2.2.2 Issuer's exposure to and dependence on the Group and its businesses

The Issuer is a Subsidiary of the Guarantor forming part of the Group and has been set up primarily as a finance and investment company with one of its principal purposes being that of financing or re-financing the funding requirements of the business of the Group. As a finance company, the assets of the Issuer will be composed of loans issued to the Guarantor and/or other Hili Ventures Companies. The Issuer's ability to meet the Bond Obligations is therefore dependent on the business prospects of the Group because the operating results and cash flows of the Guarantor and/or other Hili Ventures Companies have a direct effect on the Issuer's financial position and performance. The Issuer is therefore exposed to the risks associated with the performance of the business and operations of each of the Hili Ventures Companies, each of which have a direct effect on the financial position of the Issuer. The business activities of the Group 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, unemployment, credit markets, government spending and other general market and economic conditions. Any further expansion of the Group's operations into other markets would potentially further increase its susceptibility to adverse economic developments and trends affecting these other markets which could, in turn, negatively affect the ability of the Issuer to meet the Bond Obligations.

If general market and economic conditions were to experience a downturn as described above, these weakened conditions may have an adverse impact on the financial position and operational performance of the 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.

2.3 RISKS RELATING TO THE GROUP AND ITS BUSINESS

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

The Group is a diversified group of companies with a material amount of debt, and it may incur additional debt in connection with its future growth and business development strategy. Consequently, a portion of the Group's generated cash flows will be required to make principal and interest payments on the Group's debt. Furthermore, any borrowings under bank credit facilities will likely be at variable interest rates, which makes the Group vulnerable to sudden increases in interest rates.

The agreements regulating the Group's bank debt may impose significant financial covenants on Hili Ventures Companies, the covenants of which could limit the Group's ability to obtain future financing, make capital expenditure, withstand a future downturn in business or economic conditions generally or otherwise inhibit the Group's ability to conduct necessary corporate activities. The occurrence of any of these events could, in turn, negatively affect the ability of the Issuer to meet the Bond Obligations.

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

The Group's diversified 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 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 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 current or future borrowings are subject to variable interest rates. Although the Group may seek to hedge against interest rate fluctuations, this may not always be economically practicable.

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

2.3.4 Substantial competition could reduce the Group's market share and significantly harm its financial performance

The Group has a trading history predominantly in the operation of quick service restaurants, technology and engineering industries, distribution of IT retail and consumer electronic products and services, transportation and logistics sectors, and ownership, development and management of immovable properties. Each of the aforementioned business sectors is characterised by strong and increasing competition. Many of the Group's current and potential competitors' operating histories, name recognition, customer bases and financial and other resources are a competitive factor for the Group wherever it may have business interests. Intense competition in certain countries could adversely affect the Group's businesses and operating results.

2.3.5 Premier Capital and its subsidiaries dependence on its licensor/franchisor

The quick service restaurant operations system in Estonia, Latvia and Lithuania (collectively the "**Baltic countries**"), Greece, Malta and Romania is developed pursuant to the terms of franchises issued by the franchisor. Premier Capital and its subsidiaries have undertaken to develop restaurants under and in accordance with the franchisor's brand and standards as prescribed by the applicable master franchise (or franchise) agreements. Furthermore, pursuant to the master franchise (or franchise) agreements entered into with the franchisor, Premier Capital and its subsidiaries have been granted the right to adopt and use the quick service restaurant system in accordance with the terms of these agreements.

The revenues of Premier Capital and its subsidiaries are therefore dependent on the continued existence of its contractual relationships with the franchisor, and, in turn, on its right to operate franchise-branded restaurants in Malta, the Baltic countries, Greece and Romania. Due to the nature of the franchising arrangement, many aspects of the operations and business of Premier Capital and its subsidiaries are also subject to various restrictions or specifications and many decisions in the business require prior approval of the franchisor. The long-term success of Premier Capital and its subsidiaries will depend, to a significant extent, on the continued vitality of the quick service restaurants concepts and the overall success of the franchise system and the quality, consistency and management of the franchisor's overall systems.

While every effort is expected to be made to ensure a positive relationship between Premier Capital and its subsidiaries and the franchisor, there can be no assurance that events or circumstances in the future may not adversely affect that relationship or that the franchisor will not enforce its contractual rights under any of the said agreements in a manner that is adverse to Premier Capital and its subsidiaries.

2.3.6 Risks relating to property investments and operations

Hili Properties is a Hili Ventures Company that is involved in managing and maintaining a portfolio of immovable properties in various jurisdictions. Property values are affected by and may fluctuate, *inter alia*, as a result of changing demand, changes in general economic conditions, changing supply within a particular area of competing space and attractiveness of real estate relative to other investment choices. The value of the property portfolios of Hili Properties may also fluctuate as a result of other factors outside the company's control, such as changes in regulatory requirements and applicable laws (including in relation to taxation and planning), political conditions, the condition of financial markets, potentially adverse tax consequences, interest and inflation rate fluctuations and higher accounting and control expenses. The operating performance of Hili Properties could be adversely affected by a downturn in the property market in terms of capital values.

Hili Properties is also subject to the risk that tenants may terminate or elect not to renew their respective leases. A decline in occupancy levels and/or the re-letting of property at less favourable terms than the current lease terms could adversely impact rental income and operating performance of Hili Properties.

2.3.7 The Group may be exposed to risks relative to its insurance policies

Although the Group maintains insurance at levels determined to be appropriate in the light of the cost of cover and the risk profiles of the businesses in which it operates, there can be no assurance that its insurance coverage will be sufficient, or that insurance proceeds will be paid on a timely basis following a claim by any Hili Ventures Company. In addition, the insured Hili Ventures Company may not be able to recover the full amount from the insurer. No assurance can be given that the Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates or that risks presently covered by insurance policies would be insurable in future. As a result, any loss or disruption to any of the Group's operations may have a material adverse effect on the Group's business, results of operations and financial condition.

2.3.8 Regulation

The Group is subject to a variety of laws and regulations in various jurisdictions. As with any business, the Group is exposed to risk associated with changes to laws and regulations to which it is subject and the timing and effect of these changes, 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 any of the Hili Ventures Companies.

3. PERSONS RESPONSIBLE AND AUTHORISATION STATEMENT

3.1 PERSONS RESPONSIBLE

This Registration Document includes information prepared in compliance with the Capital Markets Rules issued by the MFSA for the purpose of providing Bondholders with information with regard to the Issuer and the Guarantor. Each and all of the Directors of the Issuer whose names appear in sub-section 4.1.1 of this Registration Document accept responsibility for all the information contained in the Prospectus.

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

3.2 AUTHORISATION STATEMENT

This Registration Document has been approved by the MFSA as the competent authority under the Prospectus Regulation. The MFSA only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Registration Document.

4. IDENTITY OF DIRECTORS, ADVISORS AND AUDITORS OF THE ISSUER AND GUARANTOR

4.1 DIRECTORS

4.1.1 Directors of the Issuer

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

Geoffrey Camilleri (ID 569579M)	299, Ithaca, Triq Frans Sammut, Zebbug, Malta	Non-Executive Chairman
Dorian Desira (ID 442281M)	Sayonara, Fl 6, Triq iz-Zebbuga, Gudja, Malta	Executive Director
Keith Busuttil (ID 470481M)	10, Villa Fiorita, Fuq il-Gonna, Swieqi, Malta	Non-Executive Director

Jacqueline Camilleri (ID 340768M)	63, Alta Vista, Triq Claudette Agius, Had-Dingli, Malta	Independent, Non-Executive Director
Mario Vella (ID 672753M)	Sivellier, Triq is-Siegh, Swieqi, Malta	Independent, Non-Executive Director

Jacqueline Camilleri and Mario Vella are considered to be Independent Directors since they do not have any business, family or other relationship with the Issuer (other than their directorship), the Guarantor (as the Issuer's controlling shareholder) or the management of either, that could impair their judgement in any way. In assessing Ms Camilleri's and Mr Vella's independence, due notice has been taken of Rule 5.119 of the Capital Markets Rules.

The business address of the Directors is Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta.

Adrian Mercieca (ID 663682M) of 15, Triq Il-Lunzjata, Zebbug, Malta, is the company secretary of the Issuer.

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

Name: **Geoffrey Camilleri**; Non-Executive Chairman

Geoffrey Camilleri is a Certified Public Accountant who joined the Group in 2014 as Chief Financial Officer of the Guarantor and was appointed CFO at Premier Capital in 2021. After obtaining an Honours degree in Accountancy from the University of Malta in 2002, he joined the Assurance and Business Advisory division of PricewaterhouseCoopers in Malta. He then moved into industry and occupied governance and finance roles in Malta's Middlesea Insurance Group, and later Gasan Group. Geoffrey is also a board member of various Hili Ventures Companies.

Name: **Dorian Desira**; Executive Director

Dorian Desira joined the Hili family business in 1997 as an accounts clerk. He was promoted to Management Accountant in 2001 and later became the Financial Controller for the Group's IT arm and MB Services. In 2009, Dorian joined Premier Restaurants Malta as Finance Manager. He was later appointed General Manager for Malta, overseeing the McDonald's operation of nine restaurants, and eventually became the Chief Financial Officer for the Premier Capital group in May 2014. He was appointed Chief Financial Officer for the Guarantor in January 2021. Mr. Desira also sits on the boards of various Group subsidiaries. He holds a Certified Public Accountant warrant and is a fellow of the Malta Institute of Accountants and the Association of Chartered Certified Accountants.

Name: **Keith Busuttil**; Non-Executive Director

Keith Busuttil joined 1923 Investments in 2020 and is responsible for the company's success in achieving its commercial and investment objectives. He also manages shareholder relations and supports senior executives of the subsidiaries across the 1923 Investments portfolio. Keith joined the company from Oceanwood Capital Management of London where he was Portfolio Manager – European Event Driven Fund since 2014. He was a Partner at Dalton Strategic Partnership, Vice-President, European Debt Restructuring at Blackstone Advisory Partners, part of the Blackstone Group, and a senior analyst within the Investment Banking Division at Credit Suisse in London. He holds a Master's in Corporate Finance from SDA Bocconi Business School and is Association of Chartered Certified Accountants (ACCA)-qualified. Keith is a board member of various Hili Ventures Companies.

Name: **Jacqueline Camilleri**; Independent, Non-Executive Director

Jacqueline Camilleri is a Certified Public Accountant and a fellow member of the Malta Institute of Accountants. She graduated from the University of Malta with a B.A (Hons) in Accountancy and holds a Master's in Business Administration from Heriot-Watt University's Edinburgh Business School. She held various roles at AX Holdings Limited between 1990 and 1998 and went on to join the team at the Foundation for Medical Services, responsible for the opening of Mater Dei Hospital. She has provided financial consultancy to the private and national health sector in Malta over the years, working on privatisation processes, strategic reviews and business evaluations during her time at MIMCOL. She also served as Directorate Management Accountant at Stock Mandeville Hospital in the UK and in 2010, she was appointed Director General Finance and Administration at the Ministry for Health, Elderly and Community Care. In 2014, she assumed the role of Chief Executive Officer of Hilltop Gardens Retirement Village Limited, a subsidiary of AX Holdings Limited. She served on the board of the Foundation for Medical Services between 2005 and 2010, and was Vice Chair of Malta International Airport between 2008 and 2013. Ms Camilleri now provides business advisory services and also sits on the board of directors of Harvest Technology.

Name: **Mario Vella**; Independent, Non-Executive Director

Mario Vella joined Barclays Bank in Malta in 1969, occupying several positions in banking before concluding his career with HSBC in 2013 as Head of Corporate Banking. In this role he was responsible for the major share of the bank's lending portfolio and its largest corporate customers. He has been involved in driving major change in banking strategies, especially on Mid-Med Bank's take-over by HSBC. Over the years, Mr Vella has structured financing for numerous high profile projects, including bank / syndicated lending and capital markets. In 2013,

he moved to KPMG as Director, Deal Advisory and served as consultant to several company boards, assisting with the raising of finance for new ventures while helping clients refinance borrowing facilities. He retired from KPMG in 2017 but continues to provide consultancy to businesses. Mr Vella acts as non-executive director on a number of corporate boards.

4.1.2 Directors of the Guarantor

As at the date of this Registration Document, the board of directors of the Guarantor is constituted by the following persons:

Archibald Anderson Bethel (UK Passport number: 556746853)	11, Frederick Boulevard, Thorntonhall, Glasgow G74 5de United Kingdom of Great Britain and Northern Ireland	Non-Executive Chairman
Carmelo sive Melo Hili (ID 395765M)	2, Immaculate Conception Street, Lija, Malta	Executive Director
Annabel Hili (ID 534891M)	71, Shelanu, St. Paul Street, Safi SFI 1043, Malta	Executive Director
Jesmond Mizzi (ID 328065M)	Campbell Close G2, Triq San Pawl, Attard, Malta	Independent Non-Executive Director

The business address of the directors of the Guarantor is Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta.

Adrian Mercieca (ID 663682M) of 15, Triq Il-Lunzjata, Zebbug, Malta, is the company secretary of the Guarantor.

The following are the respective *curriculum vitae* of the directors of the Guarantor:

Name: **Archibald Anderson Bethel**; Non-Executive Chairman

Archibald Anderson Bethel is an experienced business leader and board director with a successful track record of transforming and growing businesses in various industry sectors for over four decades. In 2021, after almost 20 years with Babcock International Group plc, a London-based FTSE-listed public company, he retired from his role as Chief Executive Officer. Mr Bethel continues to hold non-executive and independent director roles in both the private and public sectors. He is a chartered engineer and holds an Master of Business Administration from the University of Strathclyde, Glasgow. He was awarded an OBE in 1996 and a CBE in 2008 for services to business and enterprise in the United Kingdom.

Name: **Carmelo sive Melo Hili**; Executive Director

Melo Hili has led Hili Ventures as Chief Executive Officer since its inception in 2013, having joined the family business in 1988. He started out at Motherwell Bridge, then a joint venture with Motherwell Bridge Group of Scotland, where he served as managing director for twenty years. Mr Hili was named Developmental Licensee for McDonald's in Malta in 2005 and went on to expand across Europe, obtaining licences for Estonia, Latvia and Lithuania in 2007, Greece in 2011, and Romania in 2016. Under his stewardship, the Group has diversified into new sectors including technology, hospitality and real estate. He is also Chairman and Chief Executive Officer of Premier Capital and is the controlling ultimate beneficial owner of the Group.

Name: **Annabel Hili**; Executive Director

Annabel Hili was appointed to the board of the Guarantor in 2019 and currently occupies the role of Chief Operations Officer of the Group, overseeing the Group's HR, IT, Communications and Data Protection functions. She is also involved in strategic business transformation designed to inspire the group's people and create momentum to impact portfolio and performance. A lawyer by profession, Ms Hili spent the first five years of her career at a leading law firm in Malta. She holds an LLM in the Law of Internet Technology from Bocconi University in Milan. She is also a board member of other companies within the Group and is one of the ultimate beneficial owners of the Group.

Name: **Jesmond Mizzi**; Independent, Non-Executive Director

Jesmond Mizzi is the Managing Director of Jesmond Mizzi Financial Advisors Limited, which he co-founded in 2002. His career in financial services spans 20 years, having previously earned auditing experience from PricewaterhouseCoopers. Having held senior roles with a listed company in Malta and through his exposure to capital markets, Mr Mizzi brings valuable business acumen to the leadership team of the Guarantor. He is also a qualified and affiliate member of the Association of Chartered Certified Accountants (ACCA). Mr Mizzi has also served as a Director of Premier Capital and is the Chairman of the audit committee of the Guarantor.

4.2 ADVISORS

Legal Counsel

Name: VB Advocates
Address: 52, St. Christopher Street, Valletta VLT 1462, Malta

Sponsoring Stockbroker

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

Financial Advisors

Name: Ernst & Young Limited
Address: Fourth Floor, Regional Business Centre, Achille Ferris Street, Msida MSD 1751, Malta

Manager & Registrar

Name: Bank of Valletta p.l.c.
Address: 58, Zachary Street, Valletta VLT 1130 Malta

As at the date of the Prospectus, none of the advisors named under this sub-heading have any beneficial interest in the share capital of the Issuer or the Guarantor. Additionally, save for the terms of engagement relative to their respective services provided in connection with the preparation of the Prospectus, no material transactions have been entered into by the Issuer or the Guarantor with any of the advisors referred to above.

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

4.3 AUDITORS

Name: Grant Thornton Malta
Address: Fort Business Centre, Level 2 Triq I-Intornjatur, Zone 1, Central Business District, Birkirkara CBD 1050, Malta

The annual statutory financial statements of the Issuer for the financial years ended 31 December 2021, 2022 and 2023 were audited by Grant Thornton Malta of Fort Business Centre, Level 2 Triq I-Intornjatur, Zone 1, Central Business District, Birkirkara CBD 1050, Malta.

The annual statutory financial statements of the Guarantor for the financial years ended 31 December 2021, 2022 and 2023 were audited by Grant Thornton Malta of Fort Business Centre, Level 2 Triq I-Intornjatur, Zone 1, Central Business District, Birkirkara CBD 1050, Malta.

Grant Thornton Malta (accountancy board registration number AB/26/84/22) is a firm registered as a partnership of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Chapter 281 of the laws of Malta).

5. INFORMATION ABOUT THE ISSUER AND GUARANTOR

5.1 THE ISSUER

Full Legal and Commercial Name of the Issuer: Hili Finance Company p.l.c.
Registered Address: Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta
Place of Registration and Domicile: Malta
Registration Number: C 85692
Legal Entity Identifier: 635400IXTH7KQA5JFG84
Date of Registration: 6 April 2018
Legal Form: The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act
Telephone Number: +356 2568 1200
Email: info@hilifinance.com
Website: www.hilifinance.com*

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

The Issuer was established on 6 April 2018 as a wholly owned subsidiary of the Guarantor, save for one ordinary share which is held by APM Holdings Limited (C 30527). 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 raise finance for the business of the Group through the Guarantor. In this respect, the Issuer is mainly dependent on the business prospects of the Group. The Issuer operates exclusively in and from Malta.

As at the date of the Prospectus, the Issuer has an authorised and issued share capital of €2,000,000 divided into 2,000,000 ordinary shares of a nominal value of €1.00 each, being fully paid up and subscribed for, allotted and taken up by the Guarantor, other than 1 share which is subscribed for, allotted and taken up by APM Holdings Limited (C 30527). Further details concerning the manner in which the shares in the Issuer are subscribed to are set out in sub-section 14.1 of this Registration Document.

Since its incorporation, the Company has issued three bonds, all of which are currently listed and trading on the Official List of the Malta Stock Exchange.

In July 2018, the Company issued €40,000,000 3.85% unsecured bonds of a nominal value of €100 per bond, the net proceeds of which were on-lent to the Guarantor to repay bank borrowings and related party balances, and to part-finance various acquisitions and developments of investment property, amongst others, in terms of a prospectus dated 4 July 2018. Unless previously re-purchased or cancelled, the 2018 Bonds are redeemable at their nominal value on 24 July 2028. Interest on the 2018 Bonds is repayable annually on 24 July of each year between and including each of the years 2019 and the year 2028 at the rate of 3.85% *per annum*.

In July 2019, the Company issued a further €80,000,000 3.80% unsecured bonds of a nominal value of €100 per bond, the net proceeds of which were on-lent to the Guarantor principally for the purpose of financing the acquisition of 100% shareholding in Kemmuna Limited (C 15344) and, in part, for Cobalt Leasing to part-finance the acquisition of new containers to be leased to container shipping lines on a long term basis, in terms of a prospectus dated 18 July 2019. Unless previously re-purchased or cancelled, the 2019 Bonds are redeemable at their nominal value on 27 August 2029. Interest on the 2019 Bonds is repayable annually on the 27 August of each year between and including each of the years 2020 and the year 2029 at the rate of 3.80% *per annum*.

In January 2022, the Company issued a further €50,000,000 4% unsecured bonds of a nominal value of €100 per bond, the net proceeds of which were on-lent to the Guarantor principally for the purpose of re-payment, in part, of the acquisition completed by 1923 Investments in April 2020 of all non-US ship-to-ship operations from marine energy transporter Teekay Tankers Limited and the re-payment, in full, of two intercompany loans taken out to fund an equity investment by the Guarantor in Hili Properties for the purpose of the latter acquiring commercial immovable property in furtherance of the Group's strategy of expanding its investment property portfolio, in terms of a prospectus dated 27 January 2022. Unless previously re-purchased or cancelled, the 2022 Bonds are redeemable at their nominal value on 11 March 2027. Interest on the 2022 Bonds is repayable annually on the 11 March of each year between and including each of the years 2023 and the year 2027 at the rate of 4% *per annum*.

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

5.2 THE GUARANTOR

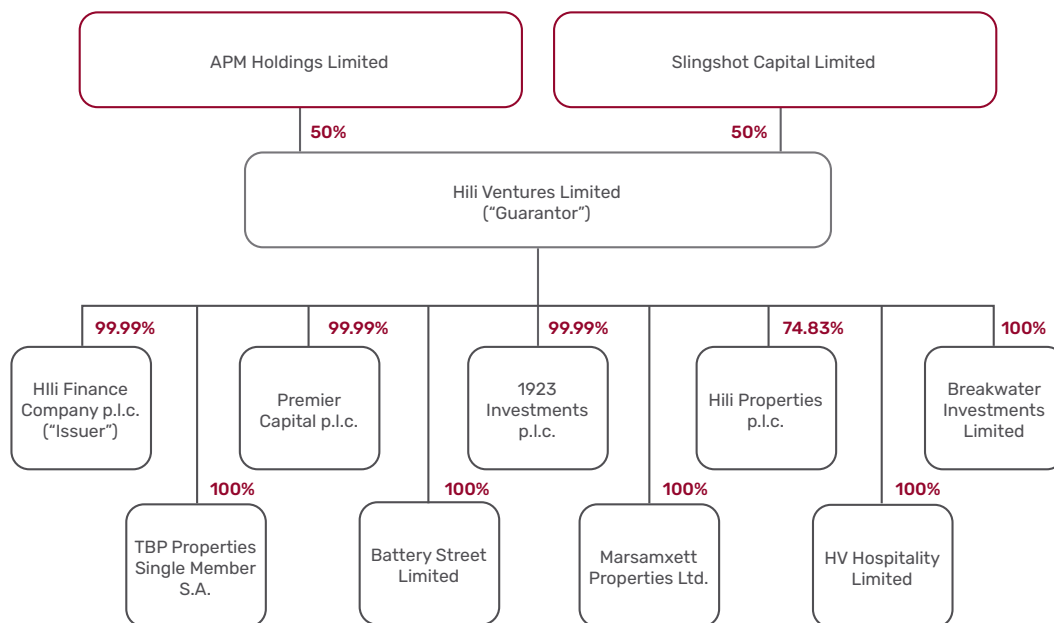
Full Legal and Commercial Name of the Guarantor:	Hili Ventures Limited
Registered Address:	Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta
Place of Registration and Domicile:	Malta
Registration Number:	C 57902
Legal Entity Identifier:	635400KJ9568A3GQDB98
Date of Registration:	17 October 2012
Legal Form:	The Guarantor is lawfully existing and registered as a private limited liability company in terms of the Act
Telephone Number:	+356 2568 1200
Email:	info@hiliventures.com
Website:	www.hiliventures.com *

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

The Guarantor was established in 2012 and principally acts as the investment holding company of the Group, to which it provides management and consultancy services.

More specifically, the Guarantor is the holding company of a diversified group with a deep-rooted entrepreneurial heritage dating back to 1923. Through its various Subsidiaries, the Group is engaged in food service & retail, real estate & hospitality, shipping, oil and gas & engineering, and technology. From its headquarters in Malta, the Guarantor, through its Subsidiaries, extends its presence to 10 countries across Europe and North Africa with a team of over 11,500 people and steers the Group towards continued growth in selected sectors and markets.

As the holding company of the Group, the Guarantor is ultimately dependent upon the operations, performance and business prospects of its Subsidiaries – the Hili Ventures Companies. The diagram below illustrates the principal Subsidiaries within the organisational structure of the Group as at the date of this Registration Document:



The complete list of Hili Ventures Companies is included in the consolidated audited financial statements of the Guarantor for the year ended 31 December 2023. The said financial statements are available for inspection as indicated in section 17 of this Registration Document.

The Guarantor is principally engaged, through Subsidiaries, in investments that are predominantly involved in the business sectors described below:

- **Premier Capital** is involved in a quick service restaurant operation in Estonia, Greece, Latvia, Lithuania, Malta and Romania, acting as the developmental licensee for the brand under franchise in each of said six territories. It operates a growing network of restaurants, currently standing at 185 restaurants in prime locations, more than half of which are drive-through restaurants and also runs numerous cafe operations in stores across its footprint. Every year, more than 77 million transactions (guest counts) are effected across the six markets, generating revenues in excess of €500 million. Premier Capital's total staff complement stands at around 10,000+ people.

- **1923 Investments** is the investment and technology arm of the Guarantor (its ultimate parent). 1923 Investments is a diversified active investment company focused on the pursuit of opportunities to acquire and nurture companies to generate attractive returns and maximise value for stakeholders.

1923 Investments is presently engaged in the sale and distribution of retail and consumer electronic products, primarily as the Apple premium reseller in Poland and Hungary. It is also engaged in the sale, maintenance and servicing of information technology solutions, security systems and the provision of electronic payment solutions.

- **Hili Properties** owns and administers commercial real estate in Malta, Latvia, Lithuania, Estonia and Romania. Its diverse portfolio, now featuring properties valued at €229 million, includes commercial property housing quick service restaurants, grocery-anchored retail complexes, dedicated office blocks and an industrial plant. Hili Properties applies a strategy of management, development and repositioning to all its efforts to maximise return on investment and exceed tenant expectations. Hili Properties is constantly looking to expand its portfolio by identifying opportunities in key cities in Europe's developing markets.

- **Breakwater Investments**, previously called HV Marine Limited, is a leading group of companies specialising in the engineering, shipping & logistics, and oil & gas industries with operations that span across Europe, North America, the United Kingdom, the Middle East, North Africa, and Asia and has a global network extending beyond these regions.

- **HV Hospitality** established in 2019, is a dedicated and responsible hotel investment firm headquartered in Malta. The company is focused on identifying and developing hotels, retreats and sanctuaries in Europe that are destined for landmark status. It is committed to safeguarding the integrity of the world's natural surroundings, local cultures, heritage and history. The company's first project, Six Senses Comino, will see the reinvigoration of the only hotel on the island of Comino into an eco-luxury spa resort, to be managed by the world-leading brand Six Senses. This project, which is currently awaiting planning permission, is intended to be a first of its kind for Malta, in its efforts to attract the most discerning travellers.

6. HISTORICAL FINANCIAL INFORMATION

The historical financial information relating to the Issuer for the periods ended 31 December 2021, 2022 and 2023 has been audited by Grant Thornton Malta and, together with the respective auditor's reports thereon, are available for inspection as set out in section 17 of this Registration Document, is incorporated by reference, and may be accessed on the Issuer's website www.hilifinance.com. There have been no significant adverse changes to the financial or trading position of the Issuer since the end of the financial period to which the last audited financial statements relate.

	<i>Page number in Annual Report</i>	<i>Page number in Annual Report</i>	<i>Page number in Annual Report</i>
	Financial year ended 31 December 2021	Financial year ended 31 December 2022	Financial year ended 31 December 2023
Independent Auditor's Report	26-30	28-32	N/A
Statement of Financial Position	11	11	N/A
Income Statement	10	10	N/A
Statement of Cash Flows	13	13	N/A
Notes to Financial Statements	14-26	14-27	N/A

The historical financial information relating to the Guarantor for the three financial years ended 31 December 2021, 2022 and 2023 as audited by Grant Thornton Malta, and the respective auditor's reports thereon, are set out in the consolidated financial statements of the Guarantor, which are available for inspection as set out in section 17 of this Registration Document, are incorporated by reference, and may be accessed on the Issuer's website www.hilifinance.com. There have been no significant adverse changes to the financial or trading position of the Guarantor since the end of the financial period to which the last audited financial statements relate.

	<i>Page number in Annual Report</i>	<i>Page number in Annual Report</i>	<i>Page number in Annual Report</i>
	Financial year ended 31 December 2021	Financial year ended 31 December 2022	Financial year ended 31 December 2023
Independent Auditor's Report	148-151	153-156	165-168
Statement of Financial Position	17-18	27-28	37-38
Income Statement	16	26	36
Statement of Cash Flows	22-24	32-34	42-44
Notes to Financial Statements	25-147	35-152	45-164

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

7. OPERATING AND KEY FINANCIAL REVIEW

7.1 THE ISSUER

The Issuer was registered and incorporated on 6 April 2018 as a special purpose vehicle to act as a finance and investment company for the Guarantor and by extension, the Group. The financial information included below is extracted from the audited financial statements of the Issuer for the financial years ended 31 December 2021, 2022 and 2023.

The audited financial statements are available on the Issuer's website (www.hilifinance.com) and are also available for inspection at its registered office as set out in section 17 of this Registration Document.

Hili Finance Company p.l.c.
Statement of comprehensive income for the year ended

€000	Dec 2021	Dec 2022	Dec 2023
Finance income	5,509	7,346	7,758
Finance costs	(4,674)	(6,360)	(6,715)
Net interest earned	835	986	1,043
Administrative expenses	(49)	(44)	(51)
Profit before tax	786	942	992
Income tax expense	(289)	(342)	(362)
Total profit for the year after tax	497	600	630

Hili Finance Company p.l.c.
Statement of financial position as at

€000	31 Dec 2021	31 Dec 2022	31 Dec 2023
Assets			
Non-current assets			
Loans and receivables	122,411	172,411	172,411
Total non-current assets	122,411	172,411	172,411
Current assets			
Loans and receivables	2,565	4,504	4,612
Other receivables	84	49	49
Cash and cash equivalents	126	409	69
Total current assets	2,775	4,962	4,730
Total assets	125,186	177,373	177,141
Equity and liabilities			
Equity			
Share capital	2,000	2,000	2,000
Retained earnings	1,282	1,882	1,663
Total equity	3,282	3,882	3,663
Liabilities			
Non-current liabilities			
Debt securities	120,000	170,000	170,000
Total non-current liabilities	120,000	170,000	170,000
Current liabilities			
Other payables	1,760	3,431	3,405
Current tax liability	143	60	73
Total current liabilities	1,903	3,491	3,478
Total liabilities	121,903	173,491	173,478
Total equity and liabilities	125,186	177,373	177,141

Hili Finance Company p.l.c.
Statement of cash flows for the year ended

€000	Dec 2021	Dec 2022	Dec 2023
Net cash used in operating activities	(568)	(547)	(529)
Net cash generated from / (used in) investing activities	5,270	(44,600)	7,650
Net cash (used in) / generated from financing activities	(4,579)	45,430	(7,461)
Net movement in cash and cash equivalents	123	283	(340)
Cash and cash equivalent at the beginning of the period	3	126	409
Cash and cash equivalents at the end of the period	126	409	69

In July 2018, the Company issued €40 million 3.85% unsecured bonds of a nominal value of €100 per bond. Unless previously re-purchased or cancelled, the bonds are redeemable at their nominal value on 24 July 2028. The bonds are listed on the Official List of the Malta Stock Exchange and interest is repayable on 24 July of each year at the rate of 3.85% *per annum*, payable annually in arrears on each interest payment date.

In August 2019, the Company issued €80 million 3.80% unsecured bonds of a nominal value of €100 per bond. Unless previously re-purchased or cancelled, the bonds are redeemable at their nominal value on 27 August 2029. The bonds are listed on the Official List of the Malta Stock Exchange and interest is repayable on the 27 August of each year at the rate of 3.80% *per annum*, payable annually in arrears on each interest payment date.

In March 2022, the Company issued €50 million 4% unsecured bonds of a nominal value of €100 per bond. Unless previously re-purchased or cancelled, the bonds are redeemable at their nominal value on 11 March 2027. The bonds are listed on the Official List of the Malta Stock Exchange and interest is repayable on the 11 March of each year at the rate of 4% *per annum*, payable annually in arrears on each interest payment date.

All the aforementioned bonds are guaranteed by the Guarantor.

Finance income represents the interest generated on the loans granted to the Guarantor, which totalled €20.6 million between 2021 and 2023. Finance costs represent the accrued interest on outstanding debt securities and other finance costs, which totalled to €17.8 million during the same period. After accounting for administrative expenses and taxation, total comprehensive income generated by the Issuer between 2021 and 2023 totalled to €1.7 million.

7.2 THE GUARANTOR

The financial information included below is extracted from the audited consolidated financial statements of the Guarantor for the financial years ended 31 December 2021, 2022 and 2023. The audited consolidated financial statements of the Guarantor are available on the Issuer's website (www.hilifinance.com) and are available for inspection at its registered office as set out in section 17 of this Registration Document.

The tables and narrative included in this sub-section 7.2 contain certain alternative performance measures (as defined by the European Securities and Markets Authority (ESMA)), including EBITDA, that the Group's management and other competitors in the industry use. These non-International Financial Reporting Standards 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 Group's operating and financial performance and may contribute to a fuller understanding of the Group's cash generation capacity and the growth of the combined business; and (ii) they may be used by the Group's management as a basis for strategic planning and forecasting.

Hili Ventures Limited
Consolidated statement of comprehensive income for the year ended

€000	Dec 2021	Dec 2022	Dec 2023
Revenue	589,593	782,648	987,171
Cost of sales	(438,576)	(598,500)	(753,027)
Gross profit	151,017	184,148	234,144
Net operating expenses	(65,919)	(82,756)	(108,872)
EBITDA	85,098	101,393	125,272
Depreciation and amortisation	(29,933)	(32,463)	(43,767)
Net investment income	3,518	3,817	2,898
EBIT	58,683	72,747	84,403
Finance cost	(18,792)	(22,970)	(30,084)
Profit before tax	39,890	49,776	54,319
Income tax expense	(7,464)	(6,503)	(14,032)
Profit for the year	32,426	43,273	40,287
Total other comprehensive income	1,404	13,096	8,290
Total comprehensive income for the year	33,830	56,369	48,577

Hili Ventures Limited
Consolidated statement of financial position as at

€000	31 Dec 2021	31 Dec 2022	31 Dec 2023
Assets			
Non-current assets			
Goodwill and other intangible assets	106,861	106,195	154,082
Property, plant and equipment	229,845	260,339	284,587
Investment Property	83,321	189,753	183,533
Right of use assets	102,037	116,942	139,695
Restricted cash	1,804	1,972	1,217
Other non-current assets	68,907	77,045	94,501
Total non-current assets	592,775	752,246	857,616
Current assets			
Inventories	20,105	30,103	34,721
Trade and other receivables	29,628	31,363	47,463
Other current assets	7,822	6,993	18,196
Cash and cash equivalents	77,339	69,753	72,855
Total current assets	134,895	138,212	173,235
Total assets	727,669	890,458	1,030,850

Equity and liabilities

Equity

Equity and reserves	154,632	210,277	242,900
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Non-current liabilities

Borrowings and bonds	346,601	406,409	407,613
Lease liabilities	97,092	111,858	132,510
Other non-current liabilities	10,195	12,253	16,154
Total non-current liabilities	453,887	530,520	556,277

Current liabilities

Bank overdrafts and loans	15,247	27,189	40,258
Debt securities in issue	-	-	35,920
Lease liabilities	10,479	11,932	13,670
Other current liabilities	93,424	110,540	141,826
Total current liabilities	119,150	149,661	231,673
Total liabilities	573,037	680,181	787,950

Total equity and liabilities	727,669	890,458	1,030,850
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Hili Ventures Limited

Consolidated statement of cash flows for the year ended

€000	Dec 2021	Dec 2022	Dec 2023
Net cash generated from operating activities	73,331	78,579	97,190
Net cash used in investing activities	(54,070)	(92,006)	(107,967)
Net cash generated from financing activities	14,246	1,706	8,664
Net movement in cash and cash equivalents	33,507	(11,721)	(2,113)
Cash and cash equivalent at the beginning of the period	41,889	75,943	64,148
Effects of movement in exchange	547	(74)	100
Cash and cash equivalents at the end of the period	75,943	64,148	62,135

As set out in the table below, Hili Ventures reported a turnover of €987.2 million in 2023, whereby *circa* 88.6% was driven by restaurant operations and retail, up from 88.5% in 2021. 2023 revenue represented an increase of 29.4% CAGR from the revenue of €589.6 million reported in 2021, of which:

- €240.2 million (+26.2% CAGR) emanates from the restaurant operations, which is the result of new McDonald's restaurants growing from €405.4 million in 2021 to €645.6 million in 2023, combined with an increase in the revenue per store generated.
- €112.9 million (+40.4% CAGR) is attributable to an increase in retail sales, primarily based on an increase in the number of stores in the Apple Premium Reseller business in Poland from 27 in 2021 to 31 in 2022 and 44 in 2023, also as a result of an addition of 16 stores through the acquisition of Cortland in March 2023. Revenue per store increased by 13.1% CAGR during the time period.
- Logistics, transport and engineering services increased by €5.1 million from 2021 to 2023, as engineering services increased by €4.2 million, whilst payment gateway services decreased by €2.1 million as the subsidiary of the Group, Harvest Technology, built a new payment orchestration platform.
- Rental income increased by €7.1 million as the Group expanded its investment property portfolio.

Hili Ventures Limited
Group revenue by activity

€000	FY2021	FY2022	FY2023
Logistics and transport services	31,406	36,354	36,502
Restaurant operations	405,408	533,605	645,565
Retail sales	116,192	168,514	229,058
Commercial sales	15,520	21,174	45,364
Rental income	5,902	9,636	13,005
Maintenance and support	3,127	3,576	3,569
Payment gateway services	6,093	3,781	3,932
Engineering services	5,800	5,852	9,991
Management fees	145	156	185
Total	589,593	782,648	987,171

Although the historical period was impacted with the combination of a post COVID-19 economic recovery and geopolitical risks resulting from the war in Ukraine, the Group generated €987.2 million in revenue, having grown the business by 29.4% CAGR during the time period through organic and inorganic growth.

A 31% CAGR increase in cost of sales resulted in a declining gross margin from 25.6% in 2021 to 23.7% in 2023, as the Apple Premium Reseller business in Poland, which operates at a lower gross margin than the rest of the Group's business, increased as a portion of total revenue as a result of the acquisition of Cortland in March 2023. In addition, the difficult macroeconomic environment resulting into the highest regional inflation rates seen in 30 years, together with increasing food prices, has contributed to a higher cost of sales percentage of revenue.

EBITDA increased from €85.1 million in 2021 to €125.3 million in 2023. Over the historical period, EBITDA increased by a CAGR of 21.3%.

Depreciation and amortisation expense increased by 20.9% CAGR over the historical period as a result of an increase in property, plant and equipment from €229.8 million in 2021 to €284.6 million in 2023, driven primarily by additions in land and buildings and plant and equipment.

Net investment income relates to investment property held by a subsidiary of the Guarantor to earn rental income or capital appreciation, or both. Investment property is revalued annually with any gains or losses arising from changes in fair value of the investment property being recognised in the income statement.

Finance costs are composed of the interest expense on bank loans and overdraft, bonds, interest on lease liabilities, unrealised exchange differences and the amortisation of bond issue expenses. Finance costs increased by a CAGR of 26.5% between 2021 and 2023 primarily driven by an increase in total bank loans and overdraft from a net book value of €106.1 million in 2021 to €177.7 million in 2023, new bond issue of €50 million by Hili Finance Company p.l.c. in 2022, and an increase in lease liabilities from a net book value of €107.6 million in 2021 to €146.1 million in 2023.

The Group registered a profit after tax of €40.3 million in 2023, an 11.5% CAGR increase when compared to €32.4 million registered in 2021. After accounting for other comprehensive income, total comprehensive income for the Group increased from €33.8 million in 2021 to €48.6 million in 2023. Other comprehensive income or expenses for the Group include the change in the fair value of financial assets, exchangeable differences on translation and the revaluation of PPE. The revaluation of PPE assets amounted to €0.5 million in 2021, €12.9 million in 2022, and €2.7 million in 2023. Exchange differences on the translation of foreign operations amounted to €3.7 million in 2023.

Non-current assets in the statement of financial position as at 31 December 2023 amounted to €857.6 million in 2023, €752.2 million in 2022, and €592.8 million in 2021. Notable items include: (i) goodwill and other intangible assets amounting to €154 million in 2023, with the increase in goodwill from €88.2 million in 2022 to €127.4 million in 2023 driven primarily by the acquisition of Cortland. Intangible assets are composed of support services licenses, acquired rights, franchise fees for restaurant operations, patents and trademarks for IT retail and consumer electronic products and computer software licenses.

Secondly, property, plant and equipment ("PPE") increased from €229.8 million as at 31 December 2021 to €284.6 million as at 31 December 2023, driven by additions in land and buildings and plant and equipment. A revaluation of land and buildings in 2021 increased the net book value by €12.8 million.

Furthermore, as at 31 December 2022, investment property increased to €189.8 million from €83.3 million in December 2021 due to the majority shareholding acquisition of Baneasa Real Estate SRL, the owner of the Miro office building in the Baneasa area of Bucharest, SC Stirnu, the owner of a shopping centre in Riga, Latvia and Harbour (APM) Investments, the owner of a 92,000 sqm land at Benghajsa, Malta, for which the Group entered into a promise of share purchase agreement back in 2015 and executed in March 2022. As at 31 December 2023, the investment property's net book value was €183.5 million.

Current assets as at 31 December 2023 amounted to €173.2 million (31 December 2022: €138.2 million and 31 December 2021: €134.9 million) and primarily include inventory, trade receivables, cash and cash equivalents and other current assets. Collectively, the Guarantor's total assets for financial year ended 31 December 2023 amount to €1.03 billion.

Current liabilities amounted to €231.7 million in December 2023 (December 2022: €149.7 million) and are made up of bank overdrafts and loans, lease liabilities, and other current liabilities. Hili Ventures' current ratio (being total current assets divided by total current liabilities), stood at 0.75x as at 31 December 2023.

Non-current liabilities as at 31 December 2023 amounted to €556.3 million (31 December 2022: €530.5 million and 31 December 2021: €453.9 million) and primarily includes borrowings and bonds, lease liabilities, and other non-current liabilities. The equity value of Hili Ventures as at 31 December 2023 amounted to €242.9 million, which is an €88.3 million increase from 31 December 2021.

Net cash flows from operating activities in 2023 amounted to €97.2 million as compared to €78.6 million and €73.3 million in 2022 and 2021 respectively. The majority of cash generated from operating activities pertains to restaurant operations and the Apple Premium Reseller business, which is offset by net cash outflows in working capital movements, operating expenses and interest and tax payments.

In 2022, cash inflows from financing activities were driven by the €50 million 4% unsecured bond issued by Hili Finance Company plc, redeemable in 2027. The proceeds were used for the following purposes: €17 million to pay for 1923 Investments' acquisition of Teekay Tankers Limited, €18.4 million for the repayment of an intercompany loan which was taken out to fund the Guarantor's equity investment into Hili Properties plc, €13.9 million for the Group's general corporate funding, and €0.7 million to cover bond issue expenses. In 2023, €67.3 million were also received as proceeds from bank loans. Over the historical period, cash outflows for financing activities also included the repayment of bank loans, lease payments, and dividends paid amongst others.

In 2023, €43.0 million of cash from investing activities were invested in subsidiaries, €46.7 million used to acquire PPE and €45.4 million to invest in financial asset investments. During 2023, the Group also received €42.9 million in proceeds from the sale of financial investments.

8. PRINCIPAL INVESTMENTS

The recent principal investments and key transactions of the Group are described hereunder:

- In January 2022, Hili Properties undertook the management of 19,000 sqm of industrial property in Lithuania which was acquired at the end of 2021. Developed in a 50,000 sqm land plot in Lithuania's largest free economic zone, the property is leased to REHAU, a leading international provider of solutions to the construction, automotive and industrial industries and a member of the 50 Sustainability and Climate Leaders.
- In March 2022, Hili Properties acquired a 7,863 sqm shopping centre in Riga, Latvia, built on 21,580 sqm. The property is situated in one of Riga's most densely populated residential areas. A top-brand RIMI hypermarket as well as other successful retail operators operate from the shopping centre.
- In March 2022, Hili Properties acquired 100% of the issued share capital of Harbour (APM) Investments, as owner of a 92,000 sqm parcel of land comprising a number of sites at Benghajsa next to the Malta Freeport.
- In June 2022, 1923 Investments entered into a master franchise agreement with a leading European retailer supplying refurbished phones, high-quality mobile device repair and accessories to launch the iRiparo brand across 31 countries in Europe operated by E-Lifecycle Holdings. In 2024, 1923 Investments sold all shares in E-Lifecycle Holdings.
- In August 2022, Hili Properties acquired 75% of the issued share capital of Baneasa Real Estate, owner of MIRO Office Building in Bucharest, an A Class mixed-use property developed in the Baneasa area, with approximately 23,000 sqm of leasable area spread out over 5 levels and with a 1,700 sqm outdoor plaza. MIRO hosts extensive list of reputable companies, such as KPMG Romania, Rovere, COS, Cegeka, Eaton, Neoclinique, Speedwell, Stradale/Mitzu, Jura and Hisky. In December 2022, Hili Properties entered into another share purchase agreement to acquire the remaining 25% shareholding of Baneasa Real Estate, which acquisition is due to be completed in August 2024.
- In March 2023, iSpot, a subsidiary of 1923 Investments, completed the acquisition of 100% of the shares issued in the capital of Cortland for an amount of €42.2 million, another prominent Polish premium reseller of a renowned global brand's products with a chain of 16 stores nationwide and a staff complement of 180 people. Following the acquisition, iSpot boasted a network of 47 premium resellers of these products and service points in some of the best locations in major Polish cities with a team of 600 people.

- In February 2024, Hili Properties concluded the sale of the retail complex in Dzelzavas Street, Riga, Latvia, a property acquired in 2015 and redeveloped from the ground up into a modern shopping destination. The sale unlocks the value generated since opening and is in line with Hili Properties' strategy to optimise its portfolio and achieve greater capital efficiency, ensuring positive returns for its shareholders and investors.
- Marsamxett Properties, a wholly owned subsidiary of the Guarantor, acquired a stake in Tigné Mall at various intervals for an aggregate consideration of €18.26 million, taking its total holdings in the company to 39.2%. The Point Shopping Mall, owned and managed by Tigné Mall, has positioned itself as a prime shopping destination for both locals and tourists. Its strategic location, tenant mix and financial performance show the business is well-poised to grow and capture new opportunities. This investment is the first retail complex in the group's Malta portfolio, underlining the Group's commitment to maximising commercial and value potential of its assets, while instilling confidence in its homebase.
- TBP Properties invested in a new 4,000sqm state-of-the-art distribution centre in Athens (Greece), which is currently under construction. On completion, it will be leased to Premier Capital Hellas (incorporated in Greece, with company registration number 001246501000) as its supply and logistics facility and it is expected to be operational by Q3 2024. Through the investment of an aggregate of *circa* €7.5 million, covering the acquisition of land, development of the distribution centre and purchasing of equipment (including freezers, coolers and solar panels), this project is intended to support the restaurant operation and its future expansion in the market.

Part of the proceeds of the Bond Issue shall be utilised to part re-finance capital investments made by the Group in Cortland and Tigné' Mall in furtherance of the Group's strategy, as set out in sub-section 5.1 of the Securities Note.

9. BUSINESS DEVELOPMENT STRATEGY AND TREND INFORMATION

9.1 TREND INFORMATION OF THE ISSUER

There has been no material adverse change in the financial performance, trading position or prospects of the Issuer since the date of publication of its latest audited financial statements for the period ended 31 December 2023.

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

As at the time of publication of this Registration Document, the Guarantor considers that generally it shall be subject to the normal business risks associated with the business in which the 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 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.

9.2 THE GUARANTOR

There has been no material adverse change in the financial performance, trading position or prospects of the Guarantor since the date of its last published audited consolidated financial statements for the period ended 31 December 2023.

The Guarantor's business strategy focuses on two principal elements as described hereunder:

- **Management strategy**, which involves the proactive financial and operational management of the businesses owned by the Guarantor, so as to achieve a positive performance, distribute dividends to the Guarantor on a regular basis and increase shareholder value. The Guarantor monitors and supports each of the Hili Ventures Companies by, *inter alia*:
 - assisting in the recruitment and retention of talented senior executives to operate the businesses owned by the Guarantor;
 - regularly monitoring financial and operational performance of Subsidiaries to effectively ensure that set goals and organic growth strategies are achieved;
 - assisting the Subsidiaries in controlling and right-sizing overhead costs; and
 - forming strong subsidiary level boards of directors to support executive management in their development and implementation of strategic goals and objectives.
- **Acquisition strategy**, which involves the acquisition of businesses that are expected to produce positive earnings and cash flow and have high growth potential. In this respect, the Guarantor may acquire companies operating in sectors other than those in which the Group currently operates if the directors believe an acquisition target presents an attractive opportunity.

9.2.1 Premier Capital

The principal objective of Premier Capital and its subsidiaries is to focus on the expansion of the quick service restaurant network within existing and new markets, given that Premier Capital's management believe there is significant market potential to continue to develop the quick service restaurant concept in Malta, the Baltic countries, Romania and Greece and, possibly, other territories (subject to franchisor's approval and granting of the associated licences).

The opportunities for further expansion in the regions in which Premier Capital operates depends on a number of factors which could have a material impact on Premier Capital's strategy to increase its presence in these territories. These factors are primarily driven by the level of penetration that management has determined to be sustainable in each of these territories, to conduct profitable operations.

In devising its future strategy, Premier Capital's management takes an ad hoc regional review of: general macro-economic conditions including but not limited to; societal development of the population; competition; regulation; affluence; political and economic stability and outlook for each territory. Moreover, Premier Capital commissions regular market studies in each of the markets it operates in to keep all the relevant market conditions that could have an impact on its development strategy under review and to enable it to react in a timely manner as and when market conditions fluctuate.

The data available to Premier Capital's management, suggests that the Maltese, Baltic countries, Romanian and Greek markets, can all sustain further expansion, albeit not necessarily at the same rate.

In the case of Malta and the Baltic countries, Premier Capital already has a high penetration rate, comparable to developed city centres in Western Europe. The management believes that growth in these regions remains possible through relocations and renovations and identifying opportunities for new store openings which do not cannibalise other restaurants' performance but increase its market share and by increasing efficiency and capacity of its existing restaurants which contribute to increased guest counts.

In the case of Romania and Greece, the management believes that there is more room for development. The relatively low penetration rate of restaurants per capita, combined with the high level of brand recognition enjoyed together with Premier Capital's pricing strategy for the region, present opportune conditions for expansion in these regions.

9.2.2 1923 Investments

The principal objective of 1923 Investments is to operate and manage the Group's investments in the technology industry. The following is an overview of the business strategies and trends affecting each of the businesses currently operated by 1923 Investments, specifically iSpot and Harvest Technology.

9.2.2.1 The business of iSpot

The market in Poland for IT retail and consumer electronic products and services is highly competitive. As with other developed markets, it is characterised by frequent product introductions and rapid technological advances that have substantially increased the capabilities and use of mobile communication and media devices, personal computers, and other digital electronic devices. iSpot competes with other resellers of IT retail and consumer electronic products and services. The key factors driving competition include product pricing, store location, service quality and the business relationships ('B2B') in the market. iSpot's other competitors, which sell IT retail and consumer electronic products as well as other mobile devices and other operating system personal computers, typically undertake aggressive price cuts and lower their product margins to gain or maintain market share. The challenge of the IT retail and consumer electronic products premium reseller stores is to differentiate the total service experience, beyond the product.

The acquisition of Cortland in 2023 has reinforced iSpot's leading position in the Apple Premium Reseller market in Poland. The combined business now operates 48 stores nationwide, enhancing iSpot's customer reach significantly. This acquisition also unlocked a new portfolio of B2B and Education-specific consumers which are both customer bases with growth potential. In 2023, Apple recognised iSpot's strong presence and agreed to the conversion of a large number of existing stores to be upgraded to Apple Premium Partner level – a status reserved for best-in-class operators. The two businesses have been engaged in a transitional integration process for a number of months, which is expected to be completed in 2024.

Principal competitive factors important to iSpot include price, product features, relative price/performance, product quality and reliability, design innovation, a strong third-party software and peripherals ecosystem, marketing and reselling capability, service and support, and brand reputation.

9.2.2.2 The business of Harvest Technology

Through entrepreneurship, ambition and opportunity, Harvest Technology intends to create a space where companies can gain access to innovation-related resources and expertise that will help them define the right strategic footing.

The IT hardware, software and services industry is very fragmented and highly competitive. Harvest Technology competes with a large number and wide variety of marketers and resellers of IT hardware, software and services. The competitive landscape in the industry is continually changing as various competitors expand their product and service offerings. In addition, emerging models such as cloud computing are creating new competitors and opportunities in messaging, infrastructure, security, collaboration and other services offerings, and, as with other areas, the above-mentioned companies resell and compete directly with many of these offerings.

With reference to payment gateway solutions, management believes that electronic transactions will expand further in the future and that an increasing percentage of these transactions will be processed through emerging technologies. As mobile payments continue to evolve and are desired by merchants and consumers, Harvest Technology will continue to develop new products and services that will leverage the benefits that these new technologies can offer customers. In addition, it is expected that new markets will develop in areas that have been previously dominated by paper-based transactions. Industries such as e-commerce, government, recurring payments and business-to-business should continue to see transaction volumes migrate to more electronic-based settlement solutions.

As such, the continued development of new products and services and the emergence of new vertical markets are expected to provide opportunities for Harvest Technology to support its business.

9.2.3 Hili Properties

Hili Properties and its subsidiaries' objective is to continue to act as the property holding vehicle of the Group. In this regard, Hili Properties aims to continue to manage its existing portfolio and acquire and dispose of properties as necessary to meet the needs of its stakeholders. The rents chargeable by Hili Properties to Hili Ventures Companies are based on commercial rental rates and respective lease agreements are entered into on an arms-length basis.

With respect to the remaining portfolio, Hili Properties' strategy is to create a property mix of attractively-located, institutional and high quality, income-producing investment properties to deliver income and capital growth through active asset management.

Hili Properties intends to continue to source its investments primarily through opportunities presented by the company's extensive network of relationships within the immovable property market in jurisdictions which it operates in - these include corporate and private landlords, brokers, domestic banks and others. The board of directors expects to create both sustainable income and strong capital returns for Hili Properties.

9.2.4 Breakwater Investments

Breakwater Investments, established in 2023, is a specialist group of companies in the shipping and logistics, engineering, and oil and gas industries. Formerly known as HV Marine Limited, Breakwater Investments underwent a transformation, consolidating the Group's shipping and logistics, engineering, and oil and gas companies under one umbrella brand. Following the acquisition of Hili Logistics from 1923 Investments, the new holding company is now composed of ALLcom, Carmelo Caruana Company and STS Marine Solutions. The organisation employs more than 230 people and its operations span across Europe, North America, the United Kingdom, the Middle East, North Africa, and Asia, with a global network extending beyond these regions.

The four business streams require distinct strategies to improve performance, accelerate growth and add shareholder value. Focusing on specific areas with high potential, while strengthening the front-line business development efforts are two key pillars in its overall strategy, to build a sustainable organisation.

Since Breakwater Investments' inception, greater emphasis has been placed on driving efficiencies across the various operating functions. While safety and integrity remain its core priorities, ensuring a lean, agile, customer centric and operationally effective structure are expected to drive success.

9.2.4.1 The business of STS Marine Solutions

STS Marine Solutions' business strategy is to expand the current customer base in existing and new geographies, organically and inorganically, to capture a larger market share from the current 7.6%. The business will also expand its liquefied natural gas consultancy services, on the back of increased liquefied natural gas demand and supply globally, by adding complementary services such as surveying, inspection, additives and assurance to its current portfolio. It will also continue to increase its resale offering of specialised industrial equipment to oil and gas customers.

9.2.4.2 The business of Motherwell Bridge Industries

With maritime trade volumes set to triple by 2050 and a lack of crane operators becoming a significant challenge, the need for automated port equipment is on the rise. The forecasted global port crane market is expected to grow from an average annual turnover of \$10bn in 2023 to \$16bn by 2028. Container Port expansions, upgrades and electrification will continue driving demand for new crane installations globally.

Motherwell Bridge Industries and its subsidiary are well poised to capture this business and will strive to expand its partnership with KONE Cranes by setting up an off-site facility at an EU port in order to facilitate the pre-assembly of port handling equipment. It also intends to expand its activity into the U.S. to realise this growing market opportunity.

This business stream will also seek to expand its partnership with Original Equipment Manufacturers ('OEMs') and increase capability in the automation and electrification of existing port handling equipment assets with current and new OEMs.

Diversification in the marine engineering field will also support the company's growth plans over the long-term.

9.2.4.3 The business of Carmelo Caruana Company and ALLcom

The shipping industry continues to experience consolidations into larger firms aiming for stronger and more complete multinational and multi-service networks. In Malta, Carmelo Caruana Company's strategy will primarily increase its share in the ship agency segment with a sharp focus on tankers, floating storage hubs, liner agency and strengthening presence with the warehouses at Malta Freeport. By growing services around transshipment storage, cross-stuffing, ship spares and cargo handling services, setting up a customs bonded logistics hub is also an opportunity the business is eyeing.

On the other hand, transport industry in Poland is one of the most important economic sectors. New investments in port infrastructure have a positive impact on the sector. The changes in the transport, shipping and logistics sector observed in recent years are forcing new strategic behaviours. The intensification of digitalisation of the supply chain, automation of processes, and hyper-competition have become more and more relevant in this industry. In 2024, the transport, shipping and logistics sector in Poland is likely to grow by around 2% and the industry is estimated to be worth around PLN 122 billion.

ALLcom's aspirations are to enter the road transportation segment, sea export and other new sectors such as wood, cosmetics, power tools and third-party and fourth-party logistics warehousing. The competitive landscape remains very active with around 7,000 competitors in the three cities area. This situation might open opportunities for consolidation which will, in turn, strengthen the business' position in the market.

10. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

10.1 THE ISSUER

10.1.1 Executive and Non-Executive Directors

The Memorandum of Association of the Issuer provides that the business and affairs of the Issuer shall be managed and administered by a Board of Directors to be composed of not less than four and not more than six Directors, who are appointed by the shareholders.

Directors of the Issuer are appointed by means of an ordinary resolution in general meeting. Accordingly, the Guarantor is empowered to appoint the Directors of the Issuer, thereby putting it in a position to appoint an absolute majority of the Directors of the Issuer and, accordingly, have control over the management and operations of the Issuer.

The Issuer is currently managed by a board consisting of five 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 professional advice at the expense of the Issuer, should they require it.

The executive Director of the Issuer is entrusted with the company's day-to-day management and is also a director or officer of various other Hili Ventures Companies. The only executive Director of the Issuer is Dorian Desira.

The main functions of the remaining four non-executive Directors comprising the Board, two of whom are also independent of the Issuer, are to monitor the operations of the executive Director and his performance, as well as to review any proposals tabled by the executive Director. The non-executive Directors are Geoffrey Camilleri, Keith Busuttill, Jacqueline Camilleri and Mario Vella, with the latter two also being independent of the Issuer.

In line with generally accepted principles of sound corporate governance, at least one of the Directors is a person independent of the Group.

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.

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

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, as detailed above in this Registration Document.

10.1.2 Directors' service contracts

None of the Directors of the Issuer have a service contract with the Issuer.

10.1.3 Aggregate emoluments of Directors

Pursuant to the Company's Memorandum and Articles of Association, the maximum annual aggregate emoluments that may be paid to the Directors is determined by the Company in general meeting. Specifically, in terms of the Memorandum and Articles of Association, the maximum 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 the proposed aggregate emoluments or 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.

The remuneration of Directors is a fixed amount *per annum* and does not include any variable component relating to profit sharing, share options or pension benefits. During the financial year ended 31 December 2023, the Directors received emoluments amounting in total to €27,000 (2022: €27,000).

10.1.4 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.

10.1.5 Removal of Directors

In terms of the Issuer's Articles of Association, the Directors shall hold office from the general meeting at which they are elected until the end of the next annual general meeting. All retiring directors shall be eligible for re-election. The Directors of the Issuer currently in office are expected to remain in office at least until the next Annual General Meeting of the Issuer.

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

10.1.6 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 Act or by 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.

10.1.7 Employees

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

10.2 THE GUARANTOR

10.2.1 Directors

The Guarantor is managed by a board of directors consisting of four directors that is entrusted with the responsibility of the direction and management of the Guarantor within the strategic parameters established by the board. A brief *curriculum vitae* of each of the current directors of the Guarantor is set out in sub-section 4.1.2 of this Registration Document.

10.2.2 Directors' service contracts

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

10.2.3 Loans to directors

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

10.2.4 Removal of directors

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

10.2.5 Powers of directors

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

10.2.6 Employees

As at 31 December 2023, the average number of persons employed with the Guarantor and the Group amounted to 43 (2022: 41 employees) and 12,397 (2022: 10,921 employees), respectively.

10.2.7 Boards of Subsidiary companies

The operating entities of the Group are each owned through subsidiary holding companies, including Premier Capital, 1923 Investments, Hili Properties, HV Hospitality and Breakwater Investments. Accordingly, a board of directors is entrusted with the responsibility of the direction and management of each subsidiary holding company within the strategic parameters established by the Guarantor's board of directors.

Each of the Hili Ventures Companies have their own management structures and employees that have the function of implementing the policies and directions of their respective subsidiary holding company board within the strategic parameters set by the Guarantor.

10.3 WORKING CAPITAL

As at the date of this Registration Document, the directors of the Issuer and of the Guarantor are of the opinion that working capital available to the Issuer and Guarantor, 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. The proceeds from the Bond Issue have been taken into account when providing this clean working capital statement; but the clean working capital statement would still apply if the proceeds from the Bond Issue were not so included in the calculation of working capital.

10.4 CONFLICT OF INTEREST

As at the date of this Registration Document, in addition to being a director of the Guarantor, Melo Hili is a director of 1923 Investments, Harvest Technology, HV Hospitality, Breakwater Investments, Premier Capital, Carmelo Caruana Company, Cobalt Leasing, and Battery Street, besides being a director of a number of other Hili Ventures Companies. Moreover, Melo Hili is the controlling ultimate beneficial owner of the Group.

Besides being Directors of the Issuer, Geoffrey Camilleri, Dorian Desira and Keith Busuttill are directors and officers of other companies forming part of the Group. Specifically, Geoffrey Camilleri is a director of Motherwell Bridge Industries, Cobalt Leasing and Premier Restaurants Malta, while Dorian Desira is a director of 1923 Investments, Carmelo Caruana Company, Motherwell Bridge Industries, Premier Capital, Breakwater Investments, Hili Logistics and Marsamxett Properties. Keith Busuttill is a director of Harvest Technology, among others.

Jacqueline Camilleri is also a member of the board of directors of Harvest Technology in addition to being a director of the Issuer. In assessing Ms Camilleri's independence, due notice has been taken of Rule 5.119 of the Capital Markets Rules.

Annabel Hili, a director of the Guarantor, also sits on the board of Breakwater Investments, 1923 Investments, iSpot, HV Hospitality, Hili Logistics, Carmelo Caruana Company, Marsamxett Properties, Battery Street among others and is one of the ultimate beneficial shareholders of the Group.

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

No private interests or duties unrelated to the Issuer, Guarantor, 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 Guarantor, as the case may be.

In addition, in view of the lender-borrower relationship which is to arise between the Issuer and the Guarantor, there may be situations that could give rise to conflicts between the potentially diverging interests of shareholders of the Guarantor. By virtue of the Memorandum and Articles of Association of the Issuer, the Directors are obliged to keep the Board advised of any interest in a contract, arrangement or proposal with the Issuer. The Board member concerned shall not take part in the assessment by the Board as to whether a conflict of interest exists or not, particularly in relation to any decision concerning any Subsidiary where the relevant Board Member also sits on the Board of Directors. A Director shall not vote at a meeting of Directors in respect of any contract, arrangement or proposal in which he has a material interest, whether direct or indirect.

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

11. AUDIT COMMITTEE PRACTICES

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

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

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

The Audit Committee has the task of ensuring that any potential conflicts of interest that may arise at any moment pursuant to the different roles held by the Directors are handled in the best interest of the Issuer. Additionally, the Audit Committee has a crucial role in monitoring the activities and conduct of business of the Group's subsidiaries, limitedly insofar as these may affect the ability of the Issuer to fulfil its Bond Obligations.

The Audit Committee is made up entirely of non-executive Directors, two of whom are independent of the Issuer, and who are appointed for a period of one year. Mario Vella, an independent, non-executive Director of the Issuer, acts as Chairman, whilst Jacqueline Camilleri and Keith Busuttill act as members of the Audit Committee. In compliance with the Capital Markets Rules, Jacqueline Camilleri 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 and the Audit Committee, as a whole, is deemed to have relevant competence in the sector the Company operates in.

12. COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

12.1 THE ISSUER

The Issuer is subject to, and supports, the Code of Principles of Good Corporate Governance forming part of the Capital Markets Rules (the "Code"). The Board acknowledges that the Code does not dictate or prescribe mandatory rules but recommends principles of good practice. Nonetheless, the Board strongly believes that the Code is in the best interest of the shareholders and other stakeholders since it ensures that the Directors, management and employees of the Group adhere to internationally recognised high standards of corporate governance.

The Board considers that during the financial year ended 31 December 2023, the Issuer was 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 and the Issuer's shareholders.

(ii) Principle 8: “Committees”

The Issuer does not have a remuneration committee or a nomination committee as recommended in Principle 8. Under the present circumstances the Board does not consider it necessary to appoint a nomination committee and a remuneration committee as decisions on these matters are taken at shareholder level.

(iii) Principle 10: “Institutional shareholders”

This principle is not applicable since the Company does not have any institutional shareholders.

As required by the Act and the Capital Markets Rules, the Issuer’s financial statements are subject to annual audit by the Issuer’s external auditors. Moreover, the non-executive Directors have direct access to the external auditors of the Issuer who attend at Board meetings at which the Company’s financial statements are approved. Directors are entitled to seek professional advice at any time on any aspect of their duties and responsibilities, at the Issuer’s expense. In view of the reporting structure adopted by the Code, the Issuer, on an annual basis in its annual report, details the level of the Issuer’s compliance with the principles of the Code, explaining the reasons for non-compliance, if any.

12.2 THE GUARANTOR

As the Guarantor is not a public company having securities listed on a regular market, it is not bound by the provisions of the Code set out in the Capital Markets Rules. The board of directors of the Guarantor has nonetheless established an Audit Committee in compliance with the Code, the primary purpose of which is to act independently from the executive management, to protect the interests of the Guarantor’s shareholders and assist the directors in conducting their role effectively so that the Guarantor’s decision-making capability and accuracy of its reporting and financial results are maintained at a high level at all times. The Audit Committee of the Guarantor is, pursuant to its terms of reference, entitled to review any issues that relate to the particular Subsidiaries or activities carried on by the Group. In this regard, the Audit Committee of the Guarantor ensures that there is adequate cooperation with the Guarantor (and with internal and external auditors of the Subsidiaries within the Group) to enable the Audit Committee to discharge its responsibilities effectively.

13. LITIGATION

SAD sp. z o.o. (“SAD”), a Polish subsidiary of iSpot, is subject to tax proceedings regarding the correctness of its VAT settlements for February 2015 and for March to July 2015. In the statement of grounds, the Polish tax authorities invoked SAD’s alleged failure to exercise due diligence in verifying its contractors. In order to avoid being charged further interest, the board of SAD decided to deposit an amount equivalent to the VAT being claimed by the Polish tax authority, resulting from the February as well as the March to July 2015 assessments. On 23 December 2022, SAD paid an amount of PLN 27,478,176 (equivalent to €5,870,402) to the tax authorities, which consisted of the VAT liability for the February as well as the March to July 2015 assessments in the amount of PLN 15,525,829 (equivalent to €3,316,918) plus interest, in addition to amounts already paid. The total value of assets subject to both proceedings for February 2015 and March to July 2015 in SAD’s books is PLN 35,616,100 (equivalent to €7,608,977). For both proceedings, SAD disagrees with the position of the Polish tax authorities and appealed the decisions. On 30 January 2023, the Provincial Administrative Court in Warsaw issued a positive judgement in favour of SAD on points of administrative procedures in which it obliged the Director of the Tax Administration Chamber in Warsaw to assess whether the statute of limitations was effectively suspended in the case and provided the Tax Administration Chamber until 20 March 2023 to appeal the case. No appeal had been lodged by the set date. The tax authorities will have to collect new evidence to support their standpoint and if they do not, they will not be able to successfully challenge SAD’s VAT settlements. In the opinion of SAD’s directors and its tax advisers and based on the positive judgement above, it is more likely than not that the tax disputes will be settled in favour of SAD, as in the case of previous audits covering such transactions; provided no new evidence from fiscal penal proceedings is included in the case file. If the case resolution is favourable for SAD, the amount deposited will be returned along with the interest. It is considered that the case in subject may not have and has not had, in the recent past significant effects on the financial position or profitability of the Issuer and/or the Guarantor and/or the Group, taken as a whole.

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

14. ADDITIONAL INFORMATION

14.1 SHARE CAPITAL OF THE ISSUER

The authorised share capital of the Issuer is €2,000,000 divided into 2,000,000 ordinary shares of a nominal value of €1.00 each. The issued share capital of the Issuer is €2,000,000 divided into 2,000,000 ordinary shares of a nominal value of €1.00 each, being fully paid up and subscribed for, allotted and taken up by the Guarantor, other than 1 share which is subscribed for, allotted and taken up by APM Holdings Limited (C 30527).

The authorised share capital of the Issuer may be increased by an extraordinary resolution of the shareholders in general meeting. Shares can be issued under those conditions decided by 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 Exchange. An application has not been filed for the shares of the Issuer to be quoted on the Official List of the Exchange. There is no capital of the Issuer which has been issued to the public during the two years immediately preceding the publication of the Prospectus.

It is not expected that the Issuer will issue any shares during the next financial year, 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 with the rest of the Group and/or with the ultimate shareholders, is retained at arm's length, including, in respect of the Issuer, adherence to rules on related party transactions set out in Chapter 5 of the Capital Markets Rules requiring the vetting and approval of any related party transaction by the Audit Committee, which is constituted in its totality by non-executive Directors, a majority of whom are independent 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 two 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 to 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.

14.2 MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE ISSUER

14.2.1 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 17 of this Registration Document, and at the Malta Business Registry.

14.2.2 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 six directors.

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

14.2.3 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, 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. 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.

14.3 SHARE CAPITAL OF THE GUARANTOR

The authorised share capital of the Guarantor is €95,000,000 divided into 16,000,000 ordinary shares of a nominal value of €1 each and 79,000,000 non-cumulative 6.8% redeemable preference shares of a nominal value of €1 each. The issued share capital of the Guarantor is €69,400,000 divided into 1,000,000 ordinary shares of a nominal value of €1 each and 68,400,000 non-cumulative 6.8% redeemable preference shares of a nominal value of €1 each, all fully paid up, which have been subscribed for, allotted and fully taken up as follows:

- | | | |
|-------|-------------------------------------|---|
| (i) | APM Holdings Limited (C 30527) | 500,000 Ordinary Shares |
| (ii) | Slingshot Capital Limited (C 76496) | 500,000 Ordinary Shares |
| (iii) | APM Holdings Limited (C 30527) | 68,400,000 Non-Cumulative 6.8% Redeemable Preference Shares |

The ultimate controlling beneficial owner of the Guarantor is Melo Hilli.

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

Each ordinary share confers the right to one vote at general meetings of the Guarantor. All ordinary shares rank *pari passu* in all respects, particularly but not limited to dividend and capital repayment rights. The 68,400,000 non-cumulative 6.8% redeemable preference shares do not carry any voting rights, nor do they grant to their holders any voting rights to appoint directors on the board of directors of the Guarantor. They can be redeemed at the option of the Guarantor by 31 December 2099 at their par value, following a resolution to this effect at a general meeting.

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

14.4 MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE GUARANTOR

14.4.1 Objects

The Guarantor is registered as a private limited liability exempt company in terms of the Act. The principal objects of the Guarantor are set out in clause 4 of the memorandum of association of the Guarantor and include, but are not limited to, acting as a holding company and investing and holding shares, participations and debentures in any other company, partnership or business.

The Guarantor is also empowered in terms of its memorandum and articles of association to secure and guarantee the repayment of any debt, liability or obligation of the company or any third party.

A copy of the memorandum and articles of association of the Guarantor may be inspected during the lifetime of this Registration Document at the registered office of the Issuer as set out in section 17 of this Registration Document and at the Malta Business Registry.

14.4.2 Appointment of Directors

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

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

14.5 COMMISSIONS

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

15. MATERIAL CONTRACTS

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

16. DISCLOSURES UNDER MARKET ABUSE REGULATION

No information has been disclosed by the Issuer over the last 12 months which is relevant as at the date of the Prospectus under Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

17. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or certified copies thereof, where applicable, shall be available for inspection at the registered office of the Issuer at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta during the term of the Bond Issue during office hours:

- (a) Memorandum and Articles of Association of the Issuer;
- (b) Memorandum and articles of association of the Guarantor;
- (c) Audited financial statements of the Issuer for the financial years ended 31 December 2021, 2022 and 2023;
- (d) Audited consolidated financial statements of the Guarantor for the financial years ended 31 December 2021, 2022 and 2023;
- (e) Financial Analysis Summary dated 3 June 2024 prepared by Calamatta Cuschieri Investment Services Limited; and
- (f) the Guarantee.

Documents (a) to (f), both included, are also available for inspection in electronic form on the Issuer's website www.hilifinance.com.