



FINANCE

SECURITIES NOTE

HH FINANCE P.L.C.

19 SEPTEMBER 2025

SECURITIES NOTE

Dated 19 September 2025

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

This Securities Note should be read in conjunction with the most updated Registration Document issued from time to time containing information about the Issuer.

In respect of an issue of up to:
€27,000,000 5.2% Secured Bonds 2035
of a nominal value of €100 per Bond issued and redeemable at par
ISIN: MT0001861211
(the “Bonds”)

by



HH FINANCE P.L.C.

a public limited liability company duly incorporated under the Laws of Malta with company registration number C 84461

SPONSOR &
CO-MANAGER

Calamatta Cuschieri

REGISTRAR
& CO-MANAGER



SECURITY
TRUSTEE



LEGAL COUNSEL
FOR THE BOND ISSUE



LEGAL COUNSEL
TO THE GROUP



FINANCIAL
ADVISOR



THIS SECURITIES NOTE HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY AS COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MALTA FINANCIAL SERVICES AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THE SECURITIES AS LISTED FINANCIAL INSTRUMENTS. THIS MEANS THAT THE MALTA FINANCIAL SERVICES AUTHORITY HAS ONLY APPROVED THIS SECURITIES NOTE AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY AS PRESCRIBED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT, HOWEVER, BE CONSIDERED AS AN ENDORSEMENT OF THE SECURITIES THAT ARE THE SUBJECT OF THIS SECURITIES NOTE. IN PROVIDING THIS AUTHORISATION, THE MALTA FINANCIAL SERVICES AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENTS, AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENTS.

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

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENT. 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 FINANCIAL ADVISOR. A PROSPECTIVE INVESTOR SHOULD MAKE HIS OR HER OWN ASSESSMENT AS TO THE SUITABILITY OF INVESTING IN THE SECURITIES SUBJECT OF THIS SECURITIES NOTE.

Approved by the Directors

Luke Chetcuti

in his capacity as director of the Issuer and for and on behalf of
Tonio Depasquale, Kari Pisani and David Tabone

IMPORTANT INFORMATION

THIS SECURITIES NOTE CONTAINS INFORMATION ON AN ISSUE BY HH FINANCE P.L.C. (THE “ISSUER”) OF UP TO €27,000,000 SECURED BONDS OF A NOMINAL VALUE OF €100 PER BOND ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 5.2% PER ANNUM, PAYABLE ON 28 OCTOBER OF EACH YEAR UNTIL THE REDEMPTION DATE (THE “BONDS”). THE ISSUER SHALL REDEEM THE BONDS AND PAY THE REDEMPTION VALUE THEREOF ON THE REDEMPTION DATE, UNLESS OTHERWISE PREVIOUSLY REPURCHASED FOR CANCELLATION BY THE ISSUER.

THIS SECURITIES NOTE SETS OUT THE CONTRACTUAL TERMS UNDER WHICH THE BONDS ARE ISSUED BY THE ISSUER AND ACQUIRED BY A BONDHOLDER WHICH TERMS SHALL REMAIN BINDING UNTIL THE REDEMPTION DATE OF THE BONDS, UNLESS THEY ARE OTHERWISE CHANGED IN ACCORDANCE WITH THE TERMS OF THIS SECURITIES NOTE.

THIS SECURITIES NOTE SHOULD BE READ IN CONJUNCTION WITH THE REGISTRATION DOCUMENT ISSUED BY THE ISSUER DATED 19 SEPTEMBER 2025.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER OR THE DIRECTORS TO PUBLISH OR ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE ISSUER AND/OR THE SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THE PROSPECTUS AND IN THE DOCUMENTS REFERRED TO THEREIN AND, IF PUBLISHED, ISSUED, GIVEN OR MADE, SUCH ADVERTISEMENT, INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS OR ADVISORS.

ALL THE ADVISORS TO THE ISSUER NAMED UNDER THE HEADING ‘ADVISORS’ IN SECTION 3.4 OF THE REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THE PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS SECURITIES NOTE, 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 THIS SECURITIES NOTE.

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER BY ANY PERSON IN ANY JURISDICTION: (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED; OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION.

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.

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

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

THE BONDS HAVE NOT BEEN, NOR WILL THEY BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933 AS AMENDED, OR UNDER ANY FEDERAL OR STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, OR ANY AREA SUBJECT TO ITS JURISDICTION (THE "U.S.") OR TO OR FOR THE BENEFIT OF, DIRECTLY OR INDIRECTLY, ANY U.S. PERSON, AS DEFINED IN REGULATION "S" OF THE SAID ACT. FURTHERMORE, THE ISSUER WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT, 1940 AS AMENDED AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS SET OUT THEREIN.

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

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

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

THIS SECURITIES NOTE IS VALID FOR A PERIOD OF TWELVE MONTHS FROM THE DATE HEREOF. THE ISSUER IS NOT OBLIGED TO PUBLISH A SUPPLEMENT TO THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES WHICH ARISE OR ARE NOTED FOLLOWING THE LAPSE OF THE PERIOD OF VALIDITY OF THE PROSPECTUS. PROVIDED THAT THE ISSUER SHALL NOT BE OBLIGED TO SUPPLEMENT THE PROSPECTUS SHOULD THE AFORESAID SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES, OR MATERIAL INACCURACIES ARISE OR ARE NOTED FOLLOWING THE LATER OF THE CLOSING OF THE OFFER PERIOD OR THE TIME WHEN TRADING ON THE OFFICIAL LIST BEGINS.

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

THE VALUE OF INVESTMENTS CAN FALL AS WELL AS RISE, AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISORS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.

1. DEFINITIONS

Capitalised words and expressions used in this Securities Note and which are defined in the Registration Document forming part of the Prospectus shall, except where the context otherwise requires and except where otherwise defined herein, bear the same meaning as the meaning given to such words and expressions in the Registration Document. Furthermore, in this Securities Note, the following words and expressions shall bear the following meanings except where otherwise expressly stated or where the context otherwise requires:

Applicant/s	A person or persons, in the case of joint applicants, who subscribe(s) for the Bonds;
Application	The application to subscribe for Bonds made by an Applicant/s through any of the Authorised Financial Intermediaries, and shall include an Exchanging Existing Prospects MTF Bondholders Application unless otherwise expressly stated;
Authorised Financial Intermediaries	The financial intermediary/ies whose details appear in Annex I to this document;
Bond Issue Price	The nominal value of each Bond, namely €100 per Bond;
Conditions Precedent	The condition/s set out under paragraph (a) of section 8.2 of this Securities Note, to which the issue and final allotment of the Bonds is subject, namely the Bonds being admitted to the Official List within 15 Business Days from the closing of the Offer Period;
CSD or Central Securities Depository	The Central Securities Depository of and operated by the Malta Stock Exchange set up and authorised in terms of the Financial Markets Act, 1990 (Chapter 345 of the Laws of Malta), or any other central securities depository appointed by the Issuer from time to time;
Exchanging Existing Prospects MTF Bondholders Application	The application to be made by Existing Prospects MTF Bondholders for the exchange of their Existing Prospects MTF Bonds into Bonds, in whole or in part and, where applicable, for subscription of further Bonds exceeding the nominal value of their Existing Prospects MTF Bonds, a specimen of which is contained in Annex II of this Securities Note;
Interest Payment Date	28 October of each year between and including each of the years 2026 and 2035 provided that, if any such day is not a Business Day, such Interest Payment Date will be carried over to the next following day that is a Business Day;
Intermediaries' Offer	An offer for subscription of Bonds made by the Issuer to the Authorised Financial Intermediaries through subscription agreements as further detailed in section 8.5 of this Securities Note;
Issue Date	Expected on 28 October 2025;
Minimum NAV Threshold	Shall have the meaning assigned to such term in section 6.3 of this Securities Note;
Net Asset Value or NAV	Shall have the meaning assigned to such term in section 6.3 of this Securities Note;
Placement Agreement/s	The conditional placement agreements which may be entered into between the Issuer and any Authorised Financial Intermediaries, as further described in section 8.4 of this Securities Note; and
Terms and Conditions	The terms and conditions of issue of the Bonds, set out in sections 5, 6 and 8 of this Securities Note.

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

Unless it appears otherwise from the context:

- a) words importing the singular shall include the plural and vice-versa;
- b) words importing the masculine gender shall include also the feminine gender and vice-versa;
- c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;
- d) any references to a person includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations or trusts;
- e) any phrase introduced by the term "including", "include", "in particular" or any similar expression is illustrative only and does not limit the sense of the words preceding the term; and
- f) any references 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 issue of this Securities Note.

2. RISK FACTORS

THE VALUE OF INVESTMENTS CAN FALL AS WELL AS RISE AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS INCLUDING BUT NOT LIMITED TO THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISORS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER OR THE BONDS.

SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

THE RISK FACTORS BELOW HAVE BEEN CATEGORISED UNDER TWO MAIN CATEGORIES. THE RISK FACTOR FIRST APPEARING UNDER EACH CATEGORY CONSTITUTES THAT RISK FACTOR THAT THE DIRECTORS OF THE ISSUER HAVE ASSESSED TO BE THE MOST MATERIAL RISK FACTOR UNDER SUCH CATEGORY AS AT THE DATE OF THIS SECURITIES NOTE. IN MAKING THIS ASSESSMENT OF MATERIALITY, THE DIRECTORS OF THE ISSUER HAVE EVALUATED THE COMBINATION OF: (I) THE PROBABILITY THAT THE RISK FACTOR OCCURS; AND (II) THE EXPECTED MAGNITUDE OF THE ADVERSE EFFECT ON THE FINANCIAL CONDITION AND PERFORMANCE OF THE ISSUER AND ITS SECURITIES IF SUCH RISK FACTOR WERE TO MATERIALISE.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE VALUE, YIELD, REPAYMENT ABILITY OF THE ISSUER AND OTHER CHARACTERISTICS OF THE BONDS. THE RISKS DESCRIBED BELOW ARE THOSE THAT THE DIRECTORS BELIEVE TO BE MATERIAL AS AT THE DATE HEREOF, BUT THESE RISKS MAY NOT BE THE ONLY ONES AFFECTING THE BONDS. ADDITIONAL RISKS, INCLUDING THOSE WHICH THE DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE BONDS AND/OR THE BONDHOLDERS' RIGHTS THEREUNDER.

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

Forward-looking Statements

This Securities Note contains statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, such as the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. Forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout the Prospectus, and documents incorporated therein by reference, and include statements regarding the intentions, beliefs or current expectations of the Issuer and, or the Directors concerning, amongst other things, the Issuer's and, or the Group's strategy and business plans, capital requirements, results of operations, financial condition, liquidity, prospects, the markets in which it operates and general market conditions.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer's and, or the Group's actual results of operations, financial condition and performance, and trading prospects may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the results of operations, financial condition and performance, and trading results, of the Issuer and, or the Group are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Potential investors are advised to read the Prospectus in its entirety and, in particular, all the risks set out in this section and in the section entitled "Risk Factors" in the Registration Document, for a review of the factors that could affect the Issuer's performance and an investment in the Bonds. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur.

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

Risks relating to the Bonds

Suitability of the Bonds

An investment in the Bonds may not be suitable for all recipients of the Prospectus and prospective investors are urged to consult an investment advisor as to the suitability or otherwise of an investment in the Bonds before making an investment decision.

In particular, such advice should be sought with a view to ascertaining that each prospective investor:

- a) has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits, and risks of investing in the Bonds and the information contained or incorporated by reference in the Prospectus or any applicable supplement;
- b) is able to assess whether the Bonds meet its investment objectives;
- c) has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency;
- d) understands thoroughly the terms of the Bonds; and
- e) is able to evaluate, either alone or with the help of a financial advisor, possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

An informed investment decision can only be made by investors after they have read and fully understood the risk factors associated with an investment in the Bonds, and the inherent risks associated with the Group's business. In the event that an investor does not seek professional advice and, or does not read and fully understand the provisions of the Prospectus, there is a risk that such investor may acquire an investment which is not suitable for his or her risk profile.

Interest rate risk

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. In the last two years before the date of this Securities Note, interest rates have first gone through a gradual increase followed by a gradual decrease. Fixed income debt securities are influenced predominantly by interest rate developments in the capital markets, which in turn are influenced by macro-economic factors outside the Issuer's control. The price of bonds tends to move in a way that is inversely proportional to changes in interest rates. Accordingly, when prevailing market interest rates are rising, the prices that market participants will generally be willing to pay for the Bonds can be expected to decline. Conversely, if market interest rates are declining, secondary market prices for the Bonds will tend to rise, save for other factors which may affect price. Moreover, the price changes also depend on the term or residual time to maturity of the Bonds. In general, bonds with shorter terms have less price risks than bonds with longer terms. The Bonds have a maturity period of ten years and changes in interest rates will have a bigger effect on their prices than shorter-term debt securities.

Risks relating to inflation

Inflation currently remains to some extent at elevated levels when compared to the past decades. Inflation is the rising level of prices for goods and services. It can have two negative impacts on those who invest in bonds. Inflation typically leads to a rise in short-term interest rates, and intermediate and longer-term rates also tend to go up as a consequence. This rise in interest rates will lead to a fall in the prices of bonds. Furthermore, inflation can wipe away the yields generated by a bond, in view of the loss of purchasing power brought about by inflation.

Trading, liquidity and volatility risks

There can be no assurance that an active secondary market for the Bonds will develop or, if it develops, that it will continue. Nor can there be any assurance that an investor will be able to sell his or her Bonds on the secondary market at or above the Bond Issue Price or at all. A trading market having the desired characteristics of depth, liquidity and orderliness depends on a number

of factors including supply and demand factors in respect of the Bonds at any given time. These factors are in turn dependent upon the individual decisions of investors as well as market conditions over which the Issuer has no control. Many other factors outside the control of the Issuer may affect the trading market and value of the Bonds, including the time remaining to the maturity of the Bonds and the level, direction and volatility of market interest rates generally. No prediction can be made about the effect which any future public offerings of the Issuer's securities or any takeover or merger activity involving the Issuer or a company within the Group will have on the market price of the Bonds prevailing from time to time.

There can be no assurance that events in Malta or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Bonds or that economic and market conditions will not have any other adverse effect on the Bonds. The outbreak of the COVID-19 pandemic in 2020, has resulted in a highly volatile economy. Other pandemics or infectious diseases which may arise in future may have similar consequences on the market. The exact nature of the risks of such pandemics and infectious diseases for, and their negative impact on, national economies and on individual businesses, including the Group's business, is difficult to forecast and to guard against and plan for, particularly in view of the uncertainty as to their respective duration and reach. This volatility may also increase as a result of wars or conflicts between countries, including the current Russia - Ukraine and Middle East armed conflict. Other events or calamities may similarly induce increased volatility in the markets. There can be no assurance that continued or increased volatility and disruption in the capital markets will not impair the saleability and/or the price of the Bonds.

Additional indebtedness and security

The Issuer may incur further borrowings or indebtedness, including through the issue of other debt securities, and may create or permit to subsist security interests upon the whole or any part of its present or future undertakings, assets or revenues, including uncalled capital, save only that no issue may be made that would rank senior to the Bonds in respect of the Collateral.

Amendments to Terms and Conditions

The Issuer may call a meeting of Bondholders in accordance with the provisions of this Securities Note in the event that it wishes to amend any of the Terms and Conditions of this Bond Issue. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

Continuing compliance obligations

Once the Bonds are listed, the Issuer is required to comply with certain ongoing requirements relating, *inter alia*, to the free transferability, clearance and settlement of the Bonds in order to remain a listed company in good standing. Moreover, the Malta Financial Services Authority has the authority to suspend trading or listing of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The Malta Financial Services Authority may discontinue the listing of the Bonds on the Malta Stock Exchange. Any such trading suspension or listing revocations / discontinuations could have a material adverse effect on the liquidity and value of the Bonds.

Risks relating to an Event of Default

Pursuant to section 6.10 of this Securities Note, the Bonds shall immediately become due and payable at their the Redemption Value together with accrued interest on the occurrence of an Event of Default. This is intended to protect Bondholders by giving them the right to demand accelerated payment of the debt due to them under the Bonds in the case any of the pre-agreed scenarios of default were to materialise. However, subject to the provisions of the recently enacted Pre-Insolvency Act (Chapter 631 of the Laws of Malta), if and in so far as the Issuer were to enter a preventive restructuring procedure at any time prior to the materialisation of an Event of Default, the Bondholders may not be able to exercise their right to demand immediate payment of the debt due to them under the Bond Issue. As a result, the Bondholders may receive less payments (in terms of interest or principal) than expected, in the event that the preventive restructuring procedure does not prove to be successful.

Currency risk

Any investor whose currency of reference is not the Euro shall bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference.

Changes in laws and regulations

The Terms and Conditions of the Bond Issue are based on the requirements of the Act and other laws, the Prospectus Regulation and the Capital Markets Rules in effect as at the date of the Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of this Prospectus.

Risks relating to the Collateral

Risks relating to the Collateral constituted by the Special Hypothec over the Security Property and the value thereof

The Bonds shall at all times rank *pari passu* without any priority or preference among themselves but, in respect of All Round Entertainment Ind. Ltd, and save for such exceptions as may be provided by applicable law, they shall rank with priority or preference to all present and future obligations of the said All Round Entertainment Ind. Ltd, by virtue and to the extent of the first ranking Special Hypothec which All Round Entertainment Ind. Ltd will constitute over the Security Property owned by it in favour of the Security Trustee for the benefit of the Bondholders.

As noted in section 4.4 of this Securities Note, in its existing state, the Security Property has been professionally valued for a total amount which should be sufficient to cover payment of the Redemption Value of the Bonds. Whilst this Special Hypothec in respect of the Bonds grants the Security Trustee a right of preference and priority for repayment of the Bonds over the creditors of All Round Entertainment Ind. Ltd in respect of the Security Property owned by it, there can be no guarantee that the value of the said Security Property over the term of the Bonds will be sufficient to cover the full amount of Redemption Value or interest outstanding under the said Bonds. This may be the result of various factors, including general economic factors that could have an adverse impact on the value of the Security Property. If such circumstances were to arise or subsist at the time that the Collateral is to be enforced by the Security Trustee, it could have a material adverse effect on the recoverability of all the amounts that may be outstanding under the Bonds.

Furthermore, there is no guarantee that the value of the Security Property determined in the independent valuation contained in the Valuation Report is necessarily correct or would actually be achieved on the market. The valuation of property is inherently subjective, due to, among other things, the individual nature of each property and the assumptions upon which the valuation is carried out. Accordingly, there can be no assurance that the valuation of properties, including that of the Security Property, as referred to in the Prospectus, reflects actual values that would be achieved on a sale, even where any such sale were to occur shortly after the valuation date. Actual values may be materially different from any future values that may be expressed or implied by forward-looking statements set out in the valuation or anticipated on the basis of historical trends, as reality may not match the assumptions made. There can be no assurance that such valuation of property will reflect actual market values at the time of enforcement of the Special Hypothec on the Security Property.

Risks relating to ranking of Special Hypothec forming part of the Collateral

The first ranking Special Hypothec to be constituted by All Round Entertainment Ind. Ltd over the Security Property owned by it in favour of the Security Trustee shall rank after the claims of privileged creditors should a note of inscription of a special privilege be registered with the Public Registry securing the privileged creditor's claim. Privileged creditors include, but are not limited to, architects, contractors, masons and other workmen, over an immovable constructed, reconstructed or repaired for the debts due to them in respect of the expenses and the price of their work, as well as the vendor over the immovable sold by means of a public deed for the whole or the residue of the price, and also the Malta Tax and Customs Authority. All Round Entertainment Ind. Ltd will not necessarily manage to obtain a waiver of privilege from persons or entities which may from time to time become entitled thereto at law. Any such privileged creditors will rank with preference to the Security Trustee in whose favour the Special Hypothec under the Collateral shall be constituted. Without prejudice to the generality of the foregoing, the Malta Tax and Customs Authority is a privileged creditor under Maltese Law in respect of the pending tax liabilities which the companies within the Lifetime Group hold. Accordingly, Bondholders will rank after the Malta Tax and Customs Authority as privileged creditor, which may thus have an impact over Bondholders' investment in the Bonds.

3.1 Persons responsible

This document includes information given in compliance with the Capital Markets Rules and the Prospectus Regulation for the purpose of providing prospective investors with information with regard to the Bonds. All of the Directors of the Issuer, whose names appear under the heading 'Directors of the Issuer' in section 3.1 of the Registration Document, accept responsibility for the information contained in this Securities Note.

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

All representations and other statements made in the Prospectus are made by the Issuer, and the Directors of the Issuer take sole responsibility for all such representations and statements. Neither the Sponsor & Co-Manager nor the advisers of the Issuer make any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in the Prospectus.

3.2 Consent for use of the Prospectus

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

For the purposes of any subscription for Bonds through any of the Authorised Financial Intermediaries in terms of this Securities Note and any subsequent resale, placement or other offering of Bonds by such Authorised Financial Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Regulation, the Issuer consents to the use of this Prospectus, and accepts responsibility for the information contained therein, with respect to any such subsequent resale, placement or other offering of Bonds, provided this is limited only:

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

None of the Issuer, the Sponsor & Co-Manager, the Registrar & Co-Manager or any of their respective advisors take any responsibility for any of the actions of any Authorised Financial Intermediary, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to a resale or placement of Bonds.

Other than as set out above, neither the Issuer nor any of the advisors of the Issuer has authorised, nor do they authorise or consent to the use of this Prospectus in connection with, the making of any public offer of the Bonds by any person in any circumstances. Any such unauthorised offers are not made on behalf of the Issuer and neither the Issuer nor any of the Issuer's advisors has any responsibility or liability for the actions of any person making such offers.

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

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

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

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

Any Authorised Financial Intermediary using this Prospectus in connection with a resale, placement or other offering of Bonds subsequent to the Bond Issue shall, limitedly for the period of 60 days from the date of the Prospectus, publish on its website a notice to the effect that it is using this Prospectus for such resale, placement or other offering in accordance with the consent of the Issuer and the conditions attached thereto. The consent provided herein shall no longer apply following the lapse of such period.

Any new information with respect to Authorised Financial Intermediaries unknown at the time of approval of this Securities Note will be made available through a company announcement which will be made available on the Issuer's website: www.hhfinance.com.mt and also through the official appointed mechanism of the Malta Stock Exchange.

4. ESSENTIAL INFORMATION

4.1 Interest of natural and legal persons involved in the Bond Issue

Without prejudice to the potential conflicts of interest of Directors disclosed in section 9.4 of the Registration Document, and save for the subscription for Bonds by the Authorised Financial Intermediaries, which include the Sponsor & Co-Manager and the Registrar & Co-Manager, and any fees payable in connection with the Bond Issue to the Sponsor & Co-Manager and the Registrar & Co-Manager, so far as the Issuer is aware no person involved in the Bond Issue has an interest material to the Bond Issue.

4.2 Reasons for the offer and use of proceeds

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to €26,460,000, shall be used for the following purposes, in the amounts and order of priority set out below:

- i. **Exchange of Existing Prospects MTF Bonds into Bonds:** an amount of up to €5,000,000 will be used to finance the exchange of Existing Prospects MTF Bonds into Bonds as provided in section 8.2 of this Securities Note, whereby Existing Prospects MTF Bondholders who exercise their right to have any of their Existing Prospects MTF Bonds exchanged into Bonds pursuant to the Existing Prospects MTF Bonds Exchange shall have such Existing Prospects MTF Bonds redeemed as of the Issue Date in consideration and in exchange for the simultaneous issue by the Issuer of a number of Bonds having an aggregate nominal value equal to the total redemption value of the relevant Existing Prospects MTF Bonds being exchanged, based on a redemption value of €100 per Existing Prospect MTF Bond, namely at its nominal value;
- ii. **Redemption of Existing Prospects MTF Bonds which are not exchanged into Bonds:** an amount equivalent to the difference between €5,000,000 and the amount used to finance the exchange of Existing Prospects MTF Bonds into Bonds as referred to in paragraph (i) above (where not all Existing Prospects MTF Bondholders choose to have all their Existing Prospects MTF Bonds exchanged into Bonds), shall be used to finance the redemption, on the Non-Exchanged Existing Prospects MTF Bonds Redemption Date, of the Existing Prospects MTF Bonds which were not subject to an Existing Prospects MTF Bonds Exchange;
- iii. **Payment of part of the consideration due in respect of the acquisition of All Round Entertainment Ind. Ltd:** an amount of approximately €13,500,000 will be used to settle the Relevant Bank Loans taken out by Lifetime Limited and due to Bank of Valletta p.l.c., which settlement of Relevant Bank Loans will be financed by the settlement of part of the consideration due by the Issuer to Hugo's Hotel Limited (originally due by the Issuer to Lifetime Limited and subsequently assigned by Lifetime Limited to Hugo's Hotel Limited) for the acquisition of the shares of All Round Entertainment Ind. Ltd, which price

remains outstanding as at the date of this Securities Note, and which amount will in turn be paid by Hugo's Hotel Limited to Lifetime Limited (as part settlement of the assignment consideration due) and will be applied by Lifetime Limited, to the extent necessary, to settle directly to Bank of Valletta p.l.c. the Relevant Bank Loans as aforesaid;

- iv. General corporate funding:** the amount of approximately €7,960,000 together with any residual amounts not utilised for the purposes identified in paragraph (i) to (iii) above, shall be utilised for general corporate funding purposes of the Group.

Should the Bond Issue not be fully subscribed to and the Issuer decides to proceed with the issue and allotment of the Bonds, the proceeds from the Bond Issue shall first be utilised for the purposes set out in paragraph (i) above, and any remaining balance shall be utilised for the purposes set out in paragraph (ii), then paragraph (iii), and then paragraph (iv), in the order of priority indicated above.

Closing dynamics

All proceeds from the Bond Issue shall be received by the Registrar & Co-Manager which shall apply and forward the same as provided herein. Such proceeds to be so received by the Registrar & Co-Manager shall exclude the subscription price of Bonds which have been issued in consideration of and in exchange for the redemption of Existing Prospects MTF Bonds pursuant to an Existing Prospects MTF Bonds Exchange, whereby the subscription price of such Bonds is not physically paid by the holder of the redeemed Existing Prospects MTF Bonds but is paid by way of set-off against the redemption value becoming due on such redeemed Existing Prospects MTF Bonds to the respective holder thereof.

If the Conditions Precedent is/are not satisfied or if the subscription for the Bonds is not accepted by the Issuer for any reason whatsoever, no allotment of the Bonds shall be made, all proceeds received from Applicants shall be refunded by the Registrar & Co-Manager accordingly, and the Bond Issue shall be cancelled forthwith. Furthermore, there will be no exchange of Existing Prospects MTF Bonds into Bonds or the early redemption of Non-Exchanged Existing Prospects MTF Bonds as of the Non-Exchanged Existing Prospects MTF Bonds Redemption Date.

Where the Conditions Precedent is/are satisfied and the subscription of the Secured Notes is accepted by the Issuer, all net proceeds of the Bond Issue shall be forwarded by the Registrar & Co-Manager to, and shall be held by, the Security Trustee. The Security Trustee shall retain all net bond proceeds until the occurrence of the events specified below.

By not later than 10 Business Days following listing of the Bonds, the Issuer, All Round Entertainment Ind. Ltd and the Security Trustee shall appear on the Deed of Hypothec to constitute the Collateral by the creation of the Special Hypothec by All Round Entertainment Ind. Ltd over the Security Property owned by it, as further set out in section 4.4 of this Securities Note.

Following the constitution of the Special Hypothec over the Security Property pursuant to the Deed of Hypothec as aforesaid, the Security Trustee shall release the remaining proceeds from the issue of the Bonds which are then in its possession to or to the order of the Issuer, at the request of such Issuer made at any time thereafter. The Issuer shall then proceed to redeem and pay the redemption monies due on the Non-Exchanged Existing Prospects MTF Bonds as of the Non-Exchanged Existing Prospects MTF Bonds Redemption Date, and shall also apply the remaining proceeds in accordance with their respective proposed uses as set out above in this section 4.2.

4.3 Expenses

Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, manager and registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated to amount to approximately €540,000. There is no particular order of priority with respect to such expenses.

4.4 Collateral for Bonds

The Issuer's obligations under the Bonds will be secured by the Collateral to be granted or provided by All Round Entertainment Ind. Ltd in favour of the Security Trustee for the benefit of Bondholders, as provided below.

The Collateral will consist of a first ranking special hypothec over the Security Property (the Special Hypothec), as described in the following table:

Security Property		Valuation based on open market value of property in its existing state (completed and, where applicable, let) as at 04 August 2025 as per the Architect's Valuation Report* - (€)
i.	The tenement named 'Kebab Factory' as set out in paragraph (1) under the heading A2 'The All Round Properties' under section 5.2 of the Registration Document;	€1,150,000
ii.	The tenement named 'Supreme Travel Kiosk' as set out in paragraph (7) under the heading A2 'The All Round Properties' under section 5.2 of the Registration Document;	€900,000
iii.	The tenement named 'One Stop Shop' as set out in paragraph (8) under the heading A2 'The All Round Properties' under section 5.2 of the Registration Document;	€1,800,000
iv.	The tenement named 'Angels' as set out in paragraph (9) under the heading A2 'The All Round Properties' under section 5.2 of the Registration Document;	€2,200,000
v.	The tenement named 'Bar Native' as set out in paragraph (10) under the heading A2 'The All Round Properties' under section 5.2 of the Registration Document;	€4,200,000
vi.	The tenement named 'Tokyo' as set out in paragraph (11) under the heading A2 'The All Round Properties' under section 5.2 of the Registration Document;	€1,900,000
vii.	The tenement named 'The Nordic Bar Malta' as set out in paragraph (12) under the heading A2 'The All Round Properties' under section 5.2 of the Registration Document;	€2,650,000
viii.	The tenement named 'Clique' as set out in paragraph (13) under the heading A2 'The All Round Properties' under section 5.2 of the Registration Document;	€2,250,000
ix.	The tenement named 'Déjà Vu' as set out in paragraph (14) under the heading A2 'The All Round Properties' under section 5.2 of the Registration Document;	€1,650,000
x.	The tenement named 'Hugo's Terrace' as set out in paragraph (17) under the heading A2 'The All Round Properties' under section 5.2 of the Registration Document;	€7,300,000
xi.	The tenement named 'Hugo's Burger Bar' as set out in paragraph (19) under the heading A2 'The All Round Properties' under section 5.2 of the Registration Document;	€4,600,000
xii.	The tenement named 'Ex- E-Cabs' as set out in paragraph (25) under the heading A2 'The All Round Properties' under section 5.2 of the Registration Document.	€1,200,000
Totals		€31,800,000

*These valuations are based on the Architects' Valuation Report dated 04 August 2025, which is accessible on the Issuer's website at the following hyperlink: www.hhfinance.com.mt and is deemed to be incorporated by reference in the Prospectus.

By no later than 10 Business Days following listing of the Bonds, the Issuer, All Round Entertainment Ind. Ltd and the Security Trustee shall appear on the Deed of Hypothec to constitute the Collateral by the creation of the Special Hypothec by All Round Entertainment Ind. Ltd over the Security Property owned by it.

The said Special Hypothec will secure the claim of the Security Trustee, for the benefit and in the interest of Bondholders, for the repayment of the Redemption Value and interest under the Bonds by a preferred claim over the Security Property. Accordingly, upon the issue of the Bonds and constitution of the Collateral as aforesaid, the Security Trustee will have the benefit of a first ranking special hypothec over the Security Property for the full Redemption Value of the Bonds issued and interests thereon.

5. OFFER STATISTICS

Issue:	€27,000,000 5.2% Secured Bonds 2035.
Amount:	€27,000,000.
Form:	The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD.
Denomination (currency):	Euro (€).
ISIN:	MT0001861211
Bond Issue Price:	At par, namely €100 per Bond.
Minimum amount per subscription:	Minimum of €2,000 and integral multiples of €100 thereafter.
Offer Period:	The period commencing at 08:30 hours on 29 September 2025 and ending at 12:00 hours on 15 October 2025, both days included.
Plan of Distribution and Allocation Policy:	<p>The Bonds are open for subscription by all categories of investors, subject always to the allocation preference which shall be given to Existing Prospects MTF Bondholders in subscribing for Bonds pursuant to an Existing Prospects MTF Bonds Exchange as set out in sections 8.2, 8.3 and 8.6 of this Securities Note.</p> <p>i. The Existing Prospects MTF Bondholders may elect to exchange all or any of the Existing Prospects MTF Bonds held by them respectively into Bonds pursuant to an Existing Prospects MTF Bonds Exchange, at their discretion, subject to the minimum subscription amount of Bonds per investor of €2,000.</p> <p>Such election shall be made by the relevant Existing Prospects MTF Bondholder submitting an Exchanging Existing Prospects MTF Bondholders Application through an Authorised Financial Intermediary, within the Offer Period.</p> <p>Where such election is made, the exchange shall take place on the Issue Date by the redemption of the relevant Existing Prospects MTF Bonds held (which shall consequently be cancelled by the Issuer) in consideration for the simultaneous issue by the Issuer of a number of Bonds having an aggregate nominal value equal to the total redemption value of Existing Prospects MTF Bonds, on the basis of the nominal value of €100 per Existing Prospects MTF Bond, held by the relevant Existing Prospects MTF Bondholder and being exchanged as aforesaid.</p> <p>Any Existing Prospects MTF Bondholder whose holding of Existing Prospects MTF Bonds has a total redemption value, based on the nominal value of €100 per Existing Prospects MTF Bond, of less than the minimum subscription amount of Bonds per investor of €2,000, shall be required to apply for more Bonds in the same Exchanging Existing Prospects MTF Bondholders Application to make up the difference, and to pay the difference in cash together with the Exchanging Existing Prospects MTF Bondholders Application (“Cash Top-Up”).</p> <p>Bonds applied for by Existing Prospects MTF Bondholders by way of, and which will be issued pursuant to, an Existing Prospects MTF Bonds Exchange (including such part thereof to be issued in consideration of a Cash Top-Up as aforesaid) shall be allocated prior to any other allocation of Bonds.</p>

An Existing Prospects MTF Bondholder wishing to apply for a number of Bonds exceeding in nominal value the aggregate nominal value of Existing Prospects MTF Bonds held by him/her/it as at the Cut-Off Date, including those to be subscribed through Cash Top-Up (where applicable), may apply for such additional Bonds in the same Exchanging Existing Prospects MTF Bondholders Application submitted by him/her/it, by filling out the appropriate section therein: Provided that such Existing Prospects MTF Bondholder has opted to exchange all the Existing Prospects MTF Bonds held by him/her/it as at the Cut-Off Date; Provided further that the relevant Existing Prospects MTF Bondholder shall not be entitled to an allocation preference in respect of such additional Bonds applied for.

- ii. Any remaining Bonds not subscribed for by Existing Prospects MTF Bondholders pursuant to an Existing Prospects MTF Bonds Exchange will be available for subscription: (i) by or through Authorised Financial Intermediary/ies pursuant to any Placement Agreements which may be entered into by them with the Issuer, as further described in section 8.4 of this Securities Note, and/or (ii) by or through Authorised Financial Intermediary/ies in a potential Intermediaries' Offer, as further described in section 8.5 of this Securities Note.

Placement Agreements:	The Issuer may enter into conditional placement agreement/s with one or more Authorised Financial Intermediary/ies whereby an agreed portion of the nominal value of the Bonds will be made available for subscription to such Authorised Financial Intermediaries, for their own account or on behalf of their clients, as further described in section 8.4 of this Securities Note.
Intermediaries' Offer:	The Issuer may enter into subscription agreements with Authorised Financial Intermediaries for an aggregate amount equivalent to the remaining amount of the Bond Issue after deducting the nominal value of Bonds subscribed for by Existing Prospects MTF Bondholders pursuant to an Existing Prospects MTF Bonds Exchange and the nominal value of Bonds covered by the Placement Agreements (if any), for subscription of Bonds by such Authorised Financial Intermediaries for their own account or on behalf of their clients, as further described in section 8.5 of this Securities Note.
Redemption Date:	28 October 2035.
Redemption Value:	At par (€100 per Bond).
Status of the Bonds:	<p>The Bonds, as and when issued and allotted, shall constitute the general, direct and unconditional obligations of the Issuer and shall at all times rank <i>pari passu</i>, without any priority or preference among themselves.</p> <p>The Bonds shall be secured by the Special Hypothec to be constituted by All Round Entertainment Ind. Ltd on the Security Property owned by it in favour of the Security Trustee for the benefit of Bondholders. In this respect, therefore, save for such exceptions as may be provided by applicable law, the Bonds shall rank with priority or preference to all present and future obligations of All Round Entertainment Ind. Ltd, by virtue and to the extent of the first ranking Special Hypothec which All Round Entertainment Ind. Ltd will constitute over the Security Property as aforesaid.</p>
Listing:	The Malta Financial Services Authority has approved the Bonds for admissibility to listing and subsequent trading on the Official List of the Malta Stock Exchange. Application has been made to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List.
Interest:	5.2% per annum, on the nominal value of each Bond.
Interest Payment Date(s):	Annually on 28 October of each year as from 28 October 2026, being the first Interest Payment Date, with the last interest payment date being effected on the Redemption Date.
Governing Law:	The Bonds are governed by and shall be construed in accordance with Maltese law.
Jurisdiction:	The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Bonds shall be brought exclusively before the Maltese Courts.

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

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

6.1 General

Each Bond forms part of a duly authorised issue of 5.2% Secured Bonds 2035 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €27,000,000, except as otherwise provided under section 6.12 of this Securities Note ("Further Issues").

The Issue Date of the Bonds is expected to be 28 October 2025, namely the expected date of admission of the Bonds to listing. The Bond Issue is secured with the Collateral. The Bonds are created under Maltese law.

- a) The currency of the Bonds is Euro (€).
- b) The Bonds are expected to be listed on the Official List on or before 28 October 2025 and dealing can be expected to commence thereafter.
- c) Subject to admission to listing of the Bonds to the Official List of the Malta Stock Exchange, the Bonds are expected to be assigned ISIN: MT0001861211.
- d) Unless previously purchased and cancelled, the Bonds shall be redeemable at the Redemption Value on the Redemption Date.
- e) The issue of the Bonds is made in accordance with the requirements of the Capital Markets Rules, the Act, and the Prospectus Regulation.
- f) The minimum subscription amount of Bonds that can be subscribed for by an Applicant is €2,000 and in multiples of €100 thereafter.
- g) In the event that an Applicant has not been allocated any Bonds or has been allocated a number of Bonds which is less than the number applied for, the Applicant shall receive a full refund or, as the case may be, the balance of the price of the Bonds applied for but not allocated, without interest, at the Applicant's sole risk.
- h) The Bond Issue is not underwritten.
- i) There are no special rights attached to the Bonds other than the right of the Bondholders to the payment of the Redemption Value and interest and in accordance with the ranking specified in section 6.3 hereunder.
- j) All Applications shall be subject to the terms and conditions of the Bond Issue as set out in section 8 of this Securities Note, the terms of which shall form an integral part hereof.

6.2 Registration, form, denomination and title

Certificates will not be delivered to Bondholders in respect of the Bonds. The entitlement to Bonds will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer by the CSD. There will be entered in such electronic register the names, addresses, identity card numbers in the case of natural persons, registration numbers in the case of companies and Malta Stock Exchange account numbers of the Bondholders and particulars of the Bonds held by them respectively, and the Bondholders shall have, at all reasonable times during business hours, access to the register of bondholders held at the CSD for the purpose of inspecting information held on their respective account.

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

When subscribing for Bonds, Bondholders who do not have an online e-portfolio account shall be registered by the CSD for the online e-portfolio facility and shall receive by mail at their registered address a handle code to activate the new e-portfolio login. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt>. Further detail on the e-portfolio is found on <https://eportfolio.borzamalta.com.mt/help>.

The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiples of €100, provided that on subscription the Bonds will be issued for a minimum of €2,000 per individual Bondholder. Authorised Financial Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client.

Any person in whose name a Bond is registered may, to the fullest extent permitted by applicable law, be deemed and treated at all times, by all persons, including the Issuer, and for all purposes, including the making of any payments, as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading 'Transferability of the Bonds' in section 6.11 of this Securities Note.

6.3 Ranking of the Bonds and Collateral and Net Asset Value Covenant

Status of the Bonds

The Bonds, as and when issued and allotted, shall constitute the general, direct and unconditional obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves.

The Collateral and its ranking

In respect of All Round Entertainment Ind. Ltd, save for such exceptions as may be provided by applicable law, the Bonds shall rank with priority or preference to all present and future unsecured obligations of the said All Round Entertainment Ind. Ltd, by virtue and to the extent of the first ranking Special Hypothec over the Security Property owned by it which it will constitute in favour of the Security Trustee for the benefit of the Bondholders.

Pursuant to the Security Trust Deed, All Round Entertainment Ind. Ltd has agreed to constitute in favour of the Security Trustee for the benefit of Bondholders as beneficiaries, a first ranking special hypothec over the Security Property owned by it.

The Special Hypothec in respect of the Security Property, which will be constituted by virtue of the Deed of Hypothec, will secure the claim of the Security Trustee, for the benefit and in the interest of Bondholders as beneficiaries, for the repayment of the Redemption Value and interest under the Bonds by a preferred claim over the said Security Property.

In the event of the enforcement of the Collateral, Bondholders shall be paid out of the said Security Property in priority to other creditors, except for privileged creditors. The first ranking Special Hypothec to be constituted by the Issuer over the Security Property shall rank after the claims of any privileged creditors should a note of inscription of a special privilege be registered with the Public Registry securing the privileged creditor's claim. Privileged creditors include, but are not limited to, architects, contractors, masons and other workmen, over an immovable constructed, reconstructed or repaired for the debts due to them in respect of the expenses and the price of their work, as well as the vendor over the immovable sold by means of a public deed for the whole or the residue of the price. All Round Entertainment Ind. Ltd will not necessarily manage to obtain a waiver of privilege from persons or entities which may from time to time become entitled thereto at law. Any such privileged creditors will rank with preference to the Security Trustee in whose favour the Special Hypothec under the Collateral shall be constituted.

The Security Trustee and the Collateral

The Collateral shall be constituted in favour of the Security Trustee for the benefit of the relevant Bondholders, as applicable, from time to time registered by the CSD.

The Issuer and All Round Entertainment Ind. Ltd have entered into a Security Trust Deed with the Security Trustee for the benefit of the Bondholders and having as trust property security which consists of the covenants of the Issuer to pay the applicable Redemption Value of the Bonds on the Redemption Date and interest thereon on the Interest Payment Dates, the hypothecary rights under the Special Hypothec over the Security Property to be constituted by virtue of the Deed of Hypothec, the other undertakings of the Issuer and/or All Round Entertainment Ind. Ltd under the Security Trust Deed and all the rights and benefits under the Security Trust Deed. The Collateral will be vested in the Security Trustee for the benefit of the Bondholders in proportion to their respective holding of Bonds.

The Security Trustee's role includes holding of the Collateral for the benefit of the Bondholders and the enforcement of the said Collateral upon the happening of certain events. The Security Trustee shall have no payment obligations to Bondholders under the Bonds which remain exclusively the obligations of the Issuer.

In terms of the Security Trust Deed, the parties thereto have agreed that (a) at any time before the Collateral shall have become enforceable and the Security Trustee shall have determined or become bound to enforce the same, the Security Trustee may at the cost and request of All Round Entertainment Ind. Ltd and with due regard to the interests of all the Bondholders do or concur with All Round Entertainment Ind. Ltd in doing certain transactions in respect of the Security Property or part thereof, including without limitation, the sale, letting, exchange, surrender, development, dealing with or exercise any rights in respect of all or any part of the Security Property upon such terms or for such consideration or in any such manner as the Security Trustee may think fit, always having due regard to the interests of the Bondholders, and the Security Trustee has also acknowledged that it is aware of the current leases of the Security Property and of the terms thereof and agreed to the same; and (b) the Security Trustee retained the discretion and/or right, upon a request of the Issuer or of All Round Entertainment Ind. Ltd, to reduce, cancel and create or otherwise redefine the special hypothec/s burdening any elements of the Security Property or to substitute any part of the Security Property with another immovable property owned by the Group or some affiliated company, subject to a property valuation report by an independent architect to be appointed by the Issuer or by All Round Entertainment Ind. Ltd with the consent of the Security Trustee, confirming that the value of the elements of the Security Property as redefined, reconfigured or relocated (including through substitution of any part thereof with another immovable property as aforesaid) is at least equal to the Redemption Value of the outstanding Bonds in issue at the relevant time. Under the Security Trust Deed the Security Trustee also reserves the right to demand further immovable property owned by the Group as Security Property or other security acceptable to it should at any given time the value of the Security Property, which shall be determined pursuant to an architect's independent valuation report, by an independent architect to be appointed by the Issuer or the Group with the consent of the Security Trustee, together with the value of any bond proceeds still held by the Security Trustee at the relevant time, be lower than the Redemption Value of outstanding Bonds in issue at the relevant time.

The terms and conditions of the Security Trust Deed, which is available for inspection as set out in section 17 of the Registration Document, shall be binding on each registered Bondholder as if it had been a party thereto and as if the Security Trust Deed contained covenants on the part of each registered Bondholder to observe and be bound by all the provisions thereof applicable thereto, and the Security Trustee is authorised and required to do the things required of it by the Security Trust Deed.

Inter-company loans or debts

The loans or debts due by the Issuer to companies within the larger Lifetime Group as set out under the heading 'Inter-company loans or debts' under section 6.2 of the Registration Document, have been agreed with the respective creditor to be subordinated to, and shall accordingly be paid after and subject to, the repayment by the Issuer of the interest and capital due to the Bondholders under the Bonds as and to the extent provided in the said section 6.2.

Net Asset Value Covenant

Under the Security Trust Deed, the Issuer has undertaken in favour of the Security Trustee for the benefit of Bondholders that, for as long as any principal or interest in respect of the Bonds, or any of the Bonds, remains outstanding, the Net Asset Value (as defined below) of the Group shall not fall below €80,000,000 (the **"Minimum NAV Threshold"**).

"Net Asset Value" or **"NAV"** means the aggregate value of the Group's total assets less the aggregate amount of its total liabilities after excluding from such liabilities subordinated loans or subordinated debts of the Group payable to related parties within the Lifetime Group, all such elements as determined by reference to the most recent consolidated financial statements of the Group prepared in accordance with applicable accounting standards.

The Security Trust Deed provides that:

- i. should the Group's consolidated financial statements show that the NAV of the Group has fallen below the Minimum NAV Threshold as at the end of the relevant financial year to which the financial statements relate, then the Security Trustee shall as soon as practicable after the publication of such consolidated financial statements call upon the Issuer by notice in writing to remedy or to procure the remediation of this shortfall in NAV within sixty (60) days of the said notice of the Security Trustee to the Issuer; and
- ii. if the shortfall in NAV is not remedied within the period of sixty (60) days referred to in (i) above, then a meeting of Bondholders shall promptly be called by the Issuer (at which the Security Trustee shall be invited and shall attend) or by the Security Trustee (at which the Issuer shall be invited and shall attend) at which the Bondholders shall have the right to consider any additional remedial action which may be proposed by the Issuer at the relevant time (if any) and/or to treat and declare the event of shortfall in NAV and its non-remediation by the Issuer within the stipulated period of sixty (60) days as an Event of Default by resolution taken at such Bondholders' meeting and approved by not less than 75% in value of the registered Bondholders present at the meeting at the time the vote is being taken, provided that there is a quorum present at such meeting, and for this purpose at least two Bondholders present in person or by proxy representing not less than 50% in nominal value of the Bonds then outstanding shall constitute a quorum.

6.4 Rights attaching to the Bonds

This Securities Note in its entirety contains the Terms and Conditions of issue of the Bonds, which constitute the terms and conditions of the contract between the Issuer and a Bondholder. A Bondholder shall have such rights as are, pursuant to this Securities Note, attached to the Bonds, including:

- a) the repayment of capital;
- b) the payment of interest;
- c) the benefit of the Collateral through the Security Trustee;
- d) the right to attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and
- e) enjoy all such other rights attached to the Bonds emanating from the Prospectus.

6.5 Interest

The Bonds shall bear interest from and including 28 October 2025 at the rate of 5.2% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date.

The first interest payment will be effected on 28 October 2026, covering the period from the 28 October 2025 to 27 October 2026, and then annually thereafter on 28 October of each calendar year, with the last interest payment being effected on the Redemption Date.

Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day.

When interest is required to be calculated for any period of less than a full year, it shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each, and in the case of an incomplete month, the number of days elapsed.

6.6 Yield

The gross yield calculated on the basis of the interest on the Bonds, the Bond Issue Price and the Redemption Value of the Bonds is 5.2% per annum.

6.7 Redemption and purchase

Unless previously purchased and cancelled, the Bonds will be redeemed at the Redemption Value, namely at their nominal value, together with interest accrued to the respective date fixed for redemption, on the Redemption Date.

Subject to the provisions of this section, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike.

All Bonds repurchased by the Issuer shall be cancelled forthwith and may not be re-issued or re-sold.

6.8 Payments

Payment of the Redemption Value of Bonds will be made in Euro (€) by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder designates from time to time, provided such bank account is denominated in Euro. Such payment shall be effected within seven (7) days of the Redemption Date. The Issuer shall not be responsible for any loss or delay in transmission. Upon payment of the Redemption Value the Bonds shall be redeemed and the appropriate entry made in the electronic register of the Bonds at the CSD.

In the case of Bonds held subject to usufruct, payment of the Redemption Value will be made to the bare owner or as otherwise indicated in the joint instructions of all bare owners and usufructuaries. Before effecting payment, the Issuer and/or the CSD shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bare owner/s and the usufructuary/ies to payment of the Bonds.

Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business fifteen (15) days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in Euro. Such payment shall be effected within seven (7) days of the Interest Payment Date. The Issuer shall not be responsible for any loss or delay in transmission.

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

No commissions or expenses shall be charged by the Issuer to Bondholders in respect of such payments.

6.9 Limits of the validity of claims

In terms of Article 2156 of the Civil Code (Cap. 16 of the Laws of Malta), the right of Bondholders to bring claims for payment of interest and repayment of the Redemption Value on the Bonds is barred by the lapse of five years.

6.10 Events of Default

Pursuant to the Security Trust Deed, the Security Trustee may in its absolute discretion, and shall upon the request in writing of not less than 75% in value of the registered Bondholders, by notice in writing to the Issuer declare the Bonds to have become immediately due and repayable at the Redemption Value together with accrued interest, upon the happening of any of the following events ("**Events of Default**"):

- a) the Issuer fails to pay any interest under the Bonds when due and such failure continues for a period of sixty (60) days after written notice thereof by the Security Trustee to the Issuer;
- b) the Issuer fails to pay the Redemption Value of a Bond when due and such failure continues for a period of sixty (60) days after written notice thereof by the Security Trustee to the Issuer;
- c) the Issuer fails duly to perform or shall otherwise be in breach of any other material obligation contained in the Terms and Conditions of the Bonds and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by the Security Trustee;
- d) there shall have been entered against the Issuer a final judgment by a court of competent jurisdiction from which no appeal may be made or is taken for the payment of money in excess of €5,000,000 or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed;
- e) the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent, within the meaning of Article 214(5) of the Act;
- f) an order is made or an effective resolution passed for the dissolution, termination of existence, liquidation or winding-up of the Issuer, except for the purpose of a reconstruction, amalgamation or division;
- g) a judicial or provisional administrator is appointed upon the whole or any part of the property of the Issuer;
- h) the Issuer ceases or threatens to cease to carry on its business or a substantial part thereof;

- i) the Issuer or All Round Entertainment Ind. Ltd commits a breach of any covenants or provisions contained in the Security Trust Deed and on its part to be observed and performed and the said breach still subsists for sixty (60) days after having been notified by the Security Trustee, other than any covenant for the payment of interests or Redemption Value owing in respect of the Bonds;
- j) it becomes unlawful at any time for the Issuer or All Round Entertainment Ind. Ltd to perform all or any of its obligations hereunder, where applicable, or under the Security Trust Deed;
- k) the Collateral or any part thereof becomes unenforceable against the Issuer or All Round Entertainment Ind. Ltd (as applicable);
- l) the Issuer or All Round Entertainment Ind. Ltd repudiates, or does or causes or permits to be done any act or thing evidencing an intention to repudiate the Bonds and/or the Security Trust Deed;
- m) all, or in the sole opinion of the Security Trustee, a material part, of the undertakings, assets, rights, or revenues of or shares or other ownership interests in the Issuer are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government;
- n) the Issuer fails to procure the remediation of the shortfall in the NAV of the Group falling below the Minimum NAV Threshold within the period of sixty (60) days referred to under the heading 'Net Asset Value Covenant' under section 6.3 of this Securities Note and a resolution is approved at the Bondholders' meeting called by the Issuer or by the Security Trustee as referred to under such heading 'Net Asset Value Covenant' by 75% in value of registered Bondholders present at the meeting at the time the vote is being taken to declare such as an Event of Default, provided that, in the case of paragraphs (c), (d) and (g) to (m), the Security Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Bondholders.

Upon any such declaration being made as aforesaid the said Redemption Value and interest accrued under the Bonds shall be deemed to have become immediately payable at the time of the Event of Default which shall have happened as aforesaid.

Provided that in the event of any breach by the Issuer or All Round Entertainment Ind. Ltd of any of the covenants, obligations or provisions contained herein or in the Security Trust Deed, as applicable, due to any fortuitous event of a calamitous nature beyond the control of the Issuer or All Round Entertainment Ind. Ltd (as the case may be), then the Security Trustee may, but shall be under no obligation so to do, give the Issuer or All Round Entertainment Ind. Ltd (as the case may be) such period of time to remedy the breach as in its sole opinion may be justified in the circumstances and if in its sole opinion the breach is remediable within the short term and without any adverse impact on the Bondholders. Provided further that in the circumstances contemplated by this proviso, the Security Trustee shall at all times, to the extent deemed to be in the best interests of Bondholders, act on and in accordance with any directions it may receive in a meeting of Bondholders satisfying the conditions set out in the Security Trust Deed. The Security Trustee shall not be bound to take any steps to ascertain whether any Event of Default or other condition, event or circumstance has occurred or may occur, and, until it shall have actual knowledge or express notice to the contrary, the Security Trustee shall be entitled to assume that no such Event of Default or condition, event or other circumstance has happened and that the Issuer and All Round Entertainment Ind. Ltd are each observing and performing all the obligations, conditions and provisions on their respective parts contained in the Bonds and the Security Trust Deed, as applicable.

6.11 Transferability of the Bonds

The Bonds are freely transferable and, once admitted to the Official List of the Malta Stock Exchange, shall be transferable only in whole, namely in multiples of €100, in accordance with the rules and regulations of the Malta Stock Exchange applicable from time to time. The minimum subscription amount of €2,000 shall only apply during the Offer Period. No minimum holding requirement shall be applicable once the Bonds are admitted to listing on the Official List of the Malta Stock Exchange and commence trading thereafter, subject to trading in multiples of €100.

Any person becoming entitled to a Bond in consequence of the death or bankruptcy or winding up of a Bondholder may, upon such evidence being produced as may from time to time properly be required by the Issuer or the CSD, elect either to be registered himself as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person.

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

The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail, if any, and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Issuer.

The Issuer will not register the transfer or transmission of Bonds for a period of 15 days preceding the due date for any payment of interest on the Bonds or the due date for redemption.

6.12 Further issues

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further debentures, debenture stock, bonds, loan notes, or any other debt securities, either having the same terms and conditions as any outstanding debt securities of any series, including the Bonds, and so that such further issue may be consolidated and form a single series with the outstanding debt securities of the relevant series, including the Bonds, or upon such terms as the Issuer may determine at the time of their issue, provided that no issue may be made that would rank senior to the Bonds in respect of the Collateral.

6.13 Resolutions and meetings of Bondholders

The Bondholders' meeting represents the supreme authority of the Bondholders in all matters relating to the Bonds and has the power to make all decisions altering the terms and conditions of the Bonds.

Where the approval of the Bondholders is required for a particular matter, such resolution shall be passed at a Bondholders' meeting. Resolutions passed at Bondholders' meetings shall be binding upon all Bondholders and prevail for all the Bonds.

The Issuer may from time to time call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which in terms of the Prospectus require the approval of a Bondholders' meeting and to effect any change to the applicable Terms and Conditions of the Bonds. The meeting may be called by the Issuer at its own initiative, but shall also be called by the Issuer upon a request made at any time by one or more Bondholders holding at least fifty per cent (50%) of the outstanding value of the Bonds.

The Security Trust Deed also provides for the power of the Security Trustee, at the cost of the Issuer and at its own initiative to call meetings of Bondholders prior to exercising any power or discretion under such Deed or to write to all Bondholders requesting their directions. Furthermore, the Security Trust Deed provides for an obligation of the Security Trustee to call a meeting of Bondholders upon a request made at any time by one or more Bondholders holding at least fifty per cent (50%) of the outstanding value of the Bonds.

A meeting of Bondholders shall be called by the Directors by giving all Bondholders listed on the register of Bondholders as at a date being not more than thirty (30) days preceding the date scheduled for the meeting, not less than fourteen (14) days' notice in writing. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment to the Prospectus that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders. Following a meeting of Bondholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Bondholders whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Bondholders in accordance with the provisions of this section 6.13 at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.

The amendment or waiver of any of the provisions of and/or conditions contained in this Securities Note, or in any other part of the Prospectus, may only be made with the approval of Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.

A meeting of Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose, at least two Bondholders present, in person or by proxy, representing not less than 50% in nominal value of the Bonds then outstanding, shall constitute a quorum. If a quorum is not present within thirty (30) minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Bondholders present at that meeting. The Issuer shall within two (2) days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven (7) days, and not later than fifteen (15) days, following the original meeting. At an adjourned meeting the number of Bondholders present, in person or by proxy, shall constitute a quorum; and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.

Any person who in accordance with the Memorandum and Articles of Association of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of Bondholders.

Once a quorum is declared present by the chairman of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions which are required to be taken at the meeting, the Directors or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.

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

Unless otherwise expressly stated and required in respect of a specific issue/s herein and/or in the Security Trust Deed, the proposal placed before a meeting of Bondholders shall only be considered approved if at least 60% in nominal value of the Bondholders present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.

The Issuer may provide for virtual or remote meetings of Bondholders, including meetings by telephone or by other audio or audio and visual telecommunication means, provided that any such meetings allow Bondholders to ask questions and to exercise their right to vote at such meetings.

Save for the above, the rules generally applicable to proceedings at general meetings of shareholders of the Issuer shall *mutatis mutandis* apply to meetings of Bondholders.

6.14 Bonds held jointly

In respect of a Bond held jointly by several persons, including husband and wife, the joint holders shall nominate one of their number as their representative and his/her/its name will be entered in the register with such designation. The first person, as designated in the respective Malta Stock Exchange account number quoted by the Applicant, or first named in the register of Bondholders shall for all intents and purposes be deemed to be such nominated person by all the joint holders of the relevant Bond/s. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held.

6.15 Bonds held subject to usufruct

In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. Without prejudice to what is provided in section 6.8 of this Securities Note regarding payment of the Redemption Value, the usufructuary shall, for all intents and purposes, be deemed vis-à-vis the Issuer to be the holder of the Bond so held and shall have the right to receive interest on the Bond and to vote at meetings of the Bondholders but shall not, during the continuance of the Bond, have the right to dispose of the Bond so held without the consent of the bare owner.

6.16 Authorisations and approvals

The Board of Directors of the Issuer authorised the Bond Issue pursuant to a Board of Directors' resolution passed on 18 September 2025.

The Malta Financial Services Authority approved the Bonds as eligible to listing on the Official List of the Malta Stock Exchange pursuant to the Capital Markets Rules by virtue of a letter dated 19 September 2025.

6.17 Representations and warranties

The Issuer represents and warrants to the Bondholders and to the Security Trustee for the benefit of the Bondholders, who shall be entitled to rely on such representations and warranties, that:

- a) it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business as it is now being conducted and to hold its property and other assets under legal title; and
- b) it has the power to execute, deliver and perform its obligations under the Prospectus and that all necessary corporate, shareholder and other actions have been duly taken to authorise the execution, delivery and performance of the same, and further that no limitation on its power to borrow or guarantee shall be exceeded as a result of the Bond Issue.

6.18 Notices

Notices will be mailed to Bondholders at their registered addresses and shall be deemed to have been served at the expiration of twenty four (24) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholder at his registered address and posted.

6.19 Governing law and jurisdiction

The Bonds, all the rights and obligations of the Issuer and the Bondholders, and any non-contractual matters arising out of or in connection therewith, shall be governed by and construed in accordance with Maltese law.

Any dispute, legal action, suit or proceedings against the Issuer arising out of or in connection with the Bonds and/or the Prospectus and/or any non-contractual matters arising out of or in connection therewith shall be brought exclusively before the Maltese courts. The Issuer and each Bondholder irrevocably submits to the exclusive jurisdiction of the Courts of Malta to hear and determine any dispute, action, suit or proceedings as aforesaid.

7. TAXATION

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Bonds, including their acquisition, holding and transfer as well as on any income derived therefrom or on any gains derived on the transfer of such Bonds. The tax legislation of the investor's country of nationality, residence or domicile and of the Issuer's country of incorporation (Malta) may have an impact on the income received from the Bonds.

The following is a summary of the anticipated tax treatment applicable to Bondholders in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive.

The information below is based on an interpretation of tax law and practice relative to the applicable legislation, as known to the Issuer at the date of the Prospectus, in respect of a subject on which no official guidelines exist. Investors are reminded that tax law and practice and their interpretation as well as the levels of tax on the subject matter referred to in the preceding paragraph, may change from time to time.

This information is being given solely for the general information of investors. The precise implications for investors will depend, among other things, on their particular circumstances and on the classification of the Bonds from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

7.1 Malta tax on interest

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is instructed by a Bondholder to receive the interest gross of any withholding tax, or if the Bondholder does not fall within the definition of "recipient" in terms of Article 41(c) of the Income Tax Act (Cap. 123 of the Laws of Malta), interest shall be paid to such Bondholder net of a final withholding tax, currently at the rate of 15%, or 10% in the case of certain types of collective investment schemes, of the gross amount of the interest, pursuant to Article 33 of the Income Tax Act (Cap. 123 of the Laws of Malta). Bondholders who do not fall within the definition of a "recipient" do not qualify for the said rate and should seek advice on the taxation of such income as special rules may apply.

This withholding tax is considered as a final tax and a Maltese resident individual Bondholder is not obliged to declare the interest so received in his income tax return, to the extent that the interest is paid net of tax. No person shall be charged to further tax in respect of such income. Furthermore, such tax should not be available as a credit against the recipient's tax liability or for a refund, as the case may be, for the relevant year of assessment in Malta. The Issuer is required to submit to the Maltese Commissioner for Revenue the tax withheld by the fourteenth day following the end of the month in which the payment is made. The Issuer shall also render an account to the Maltese Commissioner for Revenue of all amounts so deducted, including the identity of the recipient.

In the case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his income tax return and be subject to tax at the standard rates applicable to such Bondholder at that time. Additionally, in this latter case the Issuer will advise the Maltese Commissioner for Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

In terms of article 12(1)(c)(i) of the Income Tax Act, Bondholders who are not resident in Malta satisfying the applicable conditions set out in the Income Tax Act are not taxable in Malta on the interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

7.2 Exchange of information

In terms of applicable Maltese legislation, the Issuer and/or its agent are required to collect and forward certain information, including but not limited to information regarding payments made to certain Bondholders, to the Maltese Commissioner for Tax

and Customs. The Commissioner for Tax and Customs will or may, in turn, automatically or on request, forward the information to other relevant tax authorities subject to certain conditions.

7.3 Maltese tax on capital gains on transfer of the Bonds

On the assumption that the Bonds would not fall within the definition of “securities” in terms of article 5(1)(b) of the Income Tax Act, that is, “shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return”, to the extent that the Bonds are held as capital assets by the Bondholder, no income tax on capital gains is chargeable in respect of transfer of the Bonds. The determination as to whether or not the Bonds constitute capital assets for Maltese income tax purposes should be determined on a case-by-case basis by Bondholders.

7.4 Duty on documents and transfers

In terms of the Duty on Documents and Transfers Act (Cap. 364 of the Laws of Malta), duty is chargeable *inter alia* on the transfer or transmission causa mortis of marketable securities. A marketable security is defined in the said legislation as “a holding of share capital in any company and any document representing the same”. Consequently, the Bonds should not be treated as constituting marketable securities within the meaning of the legislation and therefore, the transfer/transmission thereof should not be chargeable to duty.

Furthermore, even if the Bonds are considered marketable securities for the purposes of the Duty on Documents and Transfers Act, in terms of article 50 of the Financial Markets Act (Cap. 345 of the Laws of Malta) since the Bonds constitute financial instruments of a quoted company, as defined in such Act, redemptions and transfers of the Bonds should, in any case, be exempt from duty.

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

8.1 Expected timetable

1.	Exchanging Existing Prospects MTF Bondholders Application forms mailed to Existing Prospects MTF Bondholders	26 September 2025
2.	Offer Period:	29 September 2025 to 15 October 2025
3.	Placement Date:	15 October 2025
4.	Intermediaries' Offer Date:	15 October 2025
5.	Expected announcement of basis of acceptance:	21 October 2025
6.	Commencement of Interest:	28 October 2025
7.	Expected dispatch of allotment letters:	28 October 2025
8.	Latest date of admission of Bonds to listing:	28 October 2025
9.	Expected date of commencement of trading in the Bonds:	29 October 2025
10.	Latest date of constitution of the Collateral:	11 November 2025

The Issuer reserves the right to close the Offer Period earlier in the event of full or over-subscription, in which case the events set out in step 3 onwards and the Issue Date may be brought forward.

8.2 Terms and conditions of Application

The following terms and conditions shall be read in conjunction with all the other terms and conditions relative to and regulating the contractual relationship created between the Issuer and the Applicant.

- a) The issue and final allotment of the Bonds is conditional upon the Bonds being admitted to the Official List within 15 Business Days from the closing of the Offer Period. In the event that the aforesaid Condition Precedent is not satisfied, any Application monies received by the Issuer will be returned without interest by direct credit into the Applicant's bank account.
- b) The Bonds may be applied for by all categories of investors, but Existing Prospects MTF Bondholders shall have a preference in the allocation of Bonds pursuant to an Existing Prospects MTF Bonds Exchange.

The Existing Prospects MTF Bondholders may elect to exchange all or any of the Existing Prospects MTF Bonds held by them respectively as of the Cut-Off Date into Bonds pursuant to an Existing Prospects MTF Bonds Exchange, at their discretion, subject to the minimum subscription amount of Bonds per investor of €2,000.

Such election shall be made in writing on an Exchanging Existing Prospects MTF Bondholders Application made by the relevant Existing Prospects MTF Bondholder through an Authorised Financial Intermediary, within the Offer Period which will close at 12:00 hours on 15 October 2025, unless closed earlier by the Issuer as provided above.

Where such election is made, the exchange shall take place on the Issue Date by the redemption on such Issue Date of the relevant Existing Prospects MTF Bonds held (which shall consequently be cancelled by the Issuer) in consideration and in exchange for the simultaneous issue by the Issuer of a number of Bonds having an aggregate nominal value equal to the total redemption value of Existing Prospects MTF Bonds, on the basis of the nominal value of €100 per Existing Prospects MTF Bond, held by the relevant Existing Prospects MTF Bondholder and being exchanged as aforesaid.

Any Existing Prospects MTF Bondholder whose holding of Existing Prospects MTF Bonds has a total redemption value, based on the nominal value of €100 per Existing Prospects MTF Bond, of less than the minimum subscription amount of Bonds per investor of €2,000, shall be required to apply for more Bonds in the same Exchanging Existing Prospects MTF Bondholders Application to make up the difference, and to pay the difference in cash together with the Exchanging Existing Prospects MTF Bondholders Application ("**Cash Top-Up**").

Bonds applied for by Existing Prospects MTF Bondholders by way of, and which will be issued pursuant to, an Existing Prospects MTF Bonds Exchange, including such part thereof to be issued in consideration of a Cash Top-Up as aforesaid, shall be allocated prior to any other allocation of Bonds.

Upon such issue of Bonds to and simultaneous redemption of Existing Prospects MTF Bonds held by an Existing Prospects MTF Bondholder pursuant to an Existing Prospects MTF Bonds Exchange as aforesaid, the redeemed Existing Prospects MTF Bonds shall be cancelled and the appropriate entry made in the electronic register of the Existing Prospects MTF Bonds at the CSD, and the Issuer shall be fully discharged from its obligations towards the relevant Existing Prospects MTF Bondholder under the Company Admission Document or otherwise in respect of the redeemed Existing Prospects MTF Bonds which obligations will be extinguished, and the issue of such Bonds pursuant to such Existing Prospects MTF Bonds Exchange shall give rise to obligations on the part of the Issuer under the Bonds in terms of the Prospectus.

An Existing Prospects MTF Bonds Exchange shall be without prejudice to the rights of the relevant Existing Prospects MTF Bondholders to receive interest in terms of the Company Admission Document on their Existing Prospects MTF Bonds which have been the subject of such exchange up to and including the Issue Date. The Existing Prospects MTF Bonds which will be subject to an Existing Prospects MTF Bonds Exchange shall be redeemed on such Issue Date (as the same may be brought forward in case of early closure of the Offer Period) as determined by the Issuer and duly notified to holders of Existing Prospects MTF Bondholders.

An Existing Prospects MTF Bondholder wishing to apply for a number of Bonds exceeding in nominal value the aggregate nominal value of Existing Prospects MTF Bonds held by him/her/it as at the Cut-Off Date, including those to be subscribed through Cash Top-Up (where applicable), may apply for such additional Bonds in the same Exchanging Existing Prospects MTF Bondholders Application submitted by him/her/it, by filling out the appropriate section therein: Provided that such Existing Prospects MTF Bondholder has opted to exchange all the Existing Prospects MTF Bonds held by him/her/it as at the Cut-Off Date; Provided further that the relevant Existing Prospects MTF Bondholder shall not be entitled to an allocation preference in respect of such additional Bonds applied for. In the event that Existing Prospects MTF Bondholders apply for additional Bonds other than by Existing Prospects MTF Bonds Exchange (including any Cash Top-Up, where applicable), no guarantee of allocation shall arise with respect to the excess Bonds applied for but such excess Bonds shall, together with Applications received from Applicants who are not Existing Prospects MTF Bondholders, be subject to an allocation policy, without priority or preference between them, as shall be determined by the Issuer, as provided in section 8.7 of this Securities Note.

Payment by Applicants of the Cash Top-Up referred to above, and the full price of the additional Bonds applied for referred to in the immediately preceding paragraph, shall be made in Euro and in cleared funds at the Bond Issue Price, either by cheque, by bank transfer or any other method of payment as may be accepted by the relevant Authorised Financial Intermediary.

By submitting the relevant Exchanging Existing Prospects MTF Bondholders Application containing the election for the Existing Prospects MTF Bonds Exchange, the relevant Existing Prospects MTF Bondholder shall, apart from other confirmations, declarations, warranties, covenants or undertakings provided, given or made or deemed to be provided, given or made by him/her/it within or together or pursuant to or by submitting the Application (including those set out in paragraph (t) below in this section 8.2), be and be deemed to be confirming, declaring and agreeing:

- i. that those of the Existing Prospects MTF Bonds held by the Applicant on the Cut-Off Date which are marked for exchange in the said Application shall be redeemed at their nominal value as of the Issue Date (even where the Issue Date occurs earlier than the lapse of thirty (30) days following the date that the Applicant has been given notice of the intended early redemption of the Existing Prospects MTF Bonds in terms of the Company Admission Document) and shall consequently be cancelled by the Issuer, and this in consideration for the simultaneous issue by the Issuer of a number of Bonds having an aggregate nominal value equal to the total redemption value of Existing Prospects MTF Bonds, on the basis of the nominal value of €100 per Existing Prospects MTF Bond, held by the Applicant and being exchanged as aforesaid, and that the redemption amount due by the Issuer to the Applicant for the redemption of such Existing Prospects MTF Bonds shall be paid by way of set-off against the corresponding subscription amount due by the Applicant to the Issuer for the subscription of such Bonds;
- ii. that upon the redemption of Existing Prospects MTF Bonds held by the Applicant and the simultaneous issue of Bonds to him/her/it pursuant to an Existing Prospects MTF Bonds Exchange, the redeemed Existing Prospects MTF Bonds shall be cancelled and the appropriate entry made in the electronic register of the Existing Prospects MTF Bonds at the CSD, and the Issuer shall be fully discharged from its obligations towards the Applicant under the Company Admission

Document or otherwise in respect of the redeemed Existing Prospects MTF Bonds which obligations will be extinguished, and the issue of Bonds pursuant to such Existing Prospects MTF Bonds Exchange shall give rise to obligations on the part of the Issuer under the Bonds in terms of the Prospectus;

- iii. that the Exchanging Existing Prospects MTF Bondholders Application constitutes the Applicant's irrevocable mandate to the Issuer to:
 - a) cause the redemption of those of the Existing Prospects MTF Bonds held by the Applicant on the Cut-Off Date which are marked for exchange in the said Application, at their nominal value of €100 each, as of the Issue Date, in consideration of the issue of Bonds of an equivalent total nominal value as the Existing Prospects MTF Bonds being redeemed plus any Cash Top-up where applicable, plus additional Bonds applied for by the Applicant in the same Exchanging Existing Prospects MTF Bondholders Application as referred to in the ninth (9th) paragraph above of this section 8.2; and
 - b) engage, at the Issuer's cost, the services of such brokers or intermediaries and to engage with the CSD as may be necessary to fully and effectively redeem the said Existing Prospects MTF Bonds and to fully and effectively vest title in the appropriate number of Bonds in the Applicant; and
- iv. that in respect of the payment of the Cash Top-Up (where applicable) and/or the payment for additional Bonds applied for by the Applicant in the same Exchanging Existing Prospects MTF Bondholders Application as referred to in the ninth (9th) paragraph above of this section 8.2 (where applicable), the Applicant's remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer, the Registrar & Co-Manager and the Authorised Financial Intermediary through whom the Exchanging Existing Prospects MTF Bondholders Application is made reserve the right to invalidate the relative Application; and furthermore the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders for the relevant Bonds, and in the case where a Cash Top-Up was necessary the Applicant's election to exchange Existing Prospects MTF Bonds shall be dismissed, unless the Applicant makes payment in cleared funds and such consideration is accepted by the respective Authorised Financial Intermediary and/or the Issuer, which acceptance shall be made in the Authorised Financial Intermediary's and/or the Issuer's absolute discretion and may be on the basis that the Applicant indemnifies the Authorised Financial Intermediary and/or the Issuer against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation.

Where an Existing Prospects MTF Bondholder does not elect to exchange all or any of the Existing Prospects MTF Bonds held by him/her/it as of the Cut-Off Date into Bonds pursuant to an Existing Prospects MTF Bonds Exchange, any Non-Exchanged Existing Prospects MTF Bonds shall be redeemed by the Issuer by payment in cash as of the Non-Exchanged Existing Prospects MTF Bonds Redemption Date, together with interest accrued thereon in terms of the Company Admission Document up to and including the said Non-Exchanged Existing Prospects MTF Bonds Redemption Date.

For the avoidance of doubt, the exchange of Existing Prospects MTF Bonds into Bonds on the Issuer Date and/or the early redemption of Non-Exchanged Existing Prospects MTF Bonds as of the Non-Exchanged Existing Prospects MTF Bonds Redemption Date, as provided above, shall in all cases be conditional on the successful issue of the Bonds, the satisfaction of the Conditions Precedent and the Issuer's acceptance of the subscription for the Bonds.

The Bonds which are not subject to an Exchanging Existing Prospects MTF Bondholders Application may be applied for by all categories of investors. Investors who wish to subscribe for such Bonds are to contact any of the Authorised Financial Intermediaries through whom they may participate in the Bond Issue. Investors may apply for the subscription of such Bonds by submitting an Application to an Authorised Financial Intermediary, in the manner instructed thereby, during the Offer Period which will close at 12:00 hours on 15 October 2025, unless closed earlier by the Issuer as provided above.

- c) By submitting an Application, the Applicant is thereby confirming to the Issuer, the Registrar & Co-Manager and the Authorised Financial Intermediary through whom the Application is made, that the Applicant's remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer, the Registrar & Co-Manager and the Authorised Financial Intermediary reserve the right to invalidate the relative Application. Furthermore the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders, unless the Applicant makes payment in cleared funds and such consideration is accepted by the respective Authorised Financial Intermediary and/or the Issuer, which acceptance shall be made in the Authorised Financial Intermediary's and/or the Issuer's absolute discretion and may be on the basis that the Applicant indemnifies the Authorised Financial Intermediary

and/or the Issuer against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation.

- d) The contract created by the Issuer's acceptance of an Application filed by a prospective Bondholder through an Authorised Financial Intermediary shall be subject to all the Terms and Conditions set out in this Securities Note and the Memorandum and Articles of Association of the Issuer. By submitting the Application, the Applicant, and in the case of joint applications, each individual joint Applicant, will be entering into a legally binding contract with the Issuer, which shall become binding on the Issuer if and when such Application is accepted by the Issuer, until which time the Application shall be irrevocable by the Applicant, except where otherwise expressly provided by law:
- i. whereby the Applicant acknowledges, declares and agrees, and will automatically be deemed to be acknowledging, declaring and agreeing, that he/she/it has made the Application solely on the basis of, and that he/she/it shall at all times be bound by and comply with, and shall be subscribing, acquiring and/or holding the relevant Bonds on the basis of, such Terms and Conditions;
 - ii. whereby he/she/it makes and gives, and will automatically be deemed to be making and giving, to the Issuer the declarations, confirmations, representations, warranties and undertakings contained in paragraph (t) below in this section 8.2 and all other applicable declarations, confirmations, representations, warranties and undertakings contained in the Prospectus and/or in the Application (including, in the case of Existing Prospects MTF Bondholders, those contained in the eleventh (11th) paragraph of paragraph (b) above of this section 8.2);
 - iii. which contract, and any non-contractual matter arising out of or in connection with it, shall be governed and construed in all respects in accordance with the laws of Malta, and any disputes arising out of or in connection with such contract or any non-contractual matter arising out of or in connection therewith shall be subject to the exclusive jurisdiction of the courts of Malta, as provided in section 6.19 ("Governing law and jurisdiction") of this Securities Note.
- e) If an Application is submitted on behalf of another person, whether legal or natural, the person submitting such Application shall be deemed to have duly bound such other person, whether legal or natural, on whose behalf the Application has been submitted. The person submitting such Application shall be deemed also to have given the declarations, confirmations, representations, warranties and undertakings contained in these terms and conditions, in the Prospectus and/or in the Application on their behalf. Such representative may be requested to submit the relative power of attorney, or resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Issuer and the Registrar & Co-Manager, but it shall not be the duty or responsibility of the Registrar & Co-Manager or Issuer to ascertain that such representative is duly authorised to submit an Application. In the case of corporate Applicants or Applicants having separate legal personality, Applications have to include a valid legal entity identifier (LEI) which must be unexpired; and Applications without such information or without a valid LEI will not be accepted. Furthermore, in cases where the decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a **"decision maker"**) such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be made available.
- f) In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each of the joint Applicants, and liability therefor is joint and several as further detailed in section 6.14 ("Bonds held jointly") of this Securities Note.
- g) In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register as further detailed in section 6.8 ("Payments") and section 6.15 ("Bonds held subject to usufruct") of this Securities Note. The usufructuary shall, for all intents and purposes, be deemed vis-à-vis the Issuer to be the holder of the Bond/s so held and shall have the right to receive interest on the Bond/s and to vote at meetings of the Bondholders but shall not, during the continuance of the Bond/s, have the right to dispose of the Bond/s so held without the consent of the bare owner, and shall not be entitled to the payment of the Redemption Value on the Bond, which shall be due to the bare owner or as otherwise indicated in the joint instructions of all bare owners and usufructuaries.
- h) Applications in the name and for the benefit of minors shall be allowed provided that the Applicant already holds an account with the Malta Stock Exchange. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / legal guardian/s until such time as the minor attains legal age, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained legal age.

- i) The Bonds have not been nor will they be registered under the United States Securities Act, 1933 as amended, or under any federal or state securities law and may not be offered, sold or otherwise transferred, directly or indirectly, in the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the "United States") or to or for the benefit of, directly or indirectly, any U.S. Person, as defined in Regulation "S" of the said Act. Furthermore, the Issuer will not be registered under the United States Investment Company Act, 1940.
- j) No person receiving a copy of the Prospectus or an Application in any territory other than Malta may treat the same as constituting an invitation or offer to such person nor should such person in any event use the Prospectus or make an Application, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or the Prospectus could lawfully be used and the Application could lawfully be made without contravention of any registration or other legal requirements. Having considered the circumstances, the Issuer has formed the view (due to the onerous requirements involved in the registration of the Prospectus in any territory other than Malta and/or compliance with the relevant legal or regulatory requirements) not to send Existing Prospects MTF Bondholders Application forms to Existing Prospects MTF Bondholders having their address, as included in the electronic register of Existing Prospects MTF Bondholders held by the CSD, outside Malta, except where *inter alia* in the absolute discretion of the Issuer, it is satisfied that such action would not result in a contravention of any applicable legal or regulatory requirement in the relevant jurisdiction.
- k) Subscription for Bonds by persons resident in, or who are citizens of, or who are domiciled in, or who have a registered address in, a jurisdiction other than Malta, may be affected by the law of the relevant jurisdiction. Those persons should consult their professional advisors, including tax and legal advisors, as to whether they require any governmental or other consents, or need to observe any other formalities, to enable them to subscribe for the Bonds. It is the responsibility of any person, including without limitation nominees, custodians, depositaries and trustees, outside Malta wishing to participate in the Bond Issue, to satisfy himself/herself/itself as to full observance of the applicable laws of any relevant jurisdiction, including, but not limited to, obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes of any nature whatsoever due in such territories. The Issuer shall not accept any responsibility for the non-compliance by any person of any applicable laws or regulations of foreign jurisdictions.
- l) The Bonds will be issued in multiples of €100. The minimum subscription amount of Bonds that can be subscribed for by Applicants is €2,000. Submission of Application must be accompanied by the full price of the Bonds applied for, in Euro, except where and to the extent that the Application relates to the subscription of Bonds in consideration for redemption of Existing Prospects MTF Bonds pursuant to an Existing Prospects MTF Bonds Exchange. Payment may be made either by cheque, by bank transfer or any other method of payment as may be accepted by the respective Authorised Financial Intermediary. In the event that any cheque accompanying an Application is not honoured on its first presentation, the Authorised Financial Intermediary and/or the Issuer acting through the Registrar & Co-Manager reserves the right to invalidate the relative Application.
- m) Subject to all other terms and conditions set out in the Prospectus, the Issuer, the Registrar & Co-Manager and the relevant Authorised Financial Intermediary reserve the right to reject, in whole or in part, or to scale down, any Application, and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application which in the opinion of the Issuer, the Registrar & Co-Manager or Authorised Financial Intermediary is not accompanied by the required documents.
- n) Without prejudice to the generality of paragraph (m) above, the Issuer reserves the right, in its discretion, to reject all Applications and revoke the issue and not to allot any Bonds if the Bond Issue is not fully subscribed and taken up during the Offer Period. The Issuer may however, in its discretion, accept Applications made and proceed with the issue and allotment of the Bonds in case the Bond Issue is subscribed only in part during the Offer Period, whatever the amount so subscribed.
- o) Without prejudice to paragraphs (m) and (n) above, the Issuer reserves the right to revoke the issue at any time before the closing of the Offer Period. The circumstances in which such revocation might occur are expected to be exceptional, for example where a significant change in market conditions occurs.
- p) The Offer Period shall close immediately upon attaining full subscription or on the last day of the Offer Period, whichever is the earlier. By not later than 21 October 2025, the Issuer shall, through an announcement to be uploaded on the Issuer's website, namely www.hhfinance.com.mt and also through the official appointed mechanism of the Malta Stock Exchange, announce the result of the Bond Issue and shall determine the basis of acceptance of Applications and allocation policy to be adopted.

- q) In the event that an Applicant has not been allocated any Bonds or has been allocated a number of Bonds which is less than the number applied for (and the Issuer and Authorised Financial Intermediaries reserve the right to do so in case of oversubscription or otherwise in their absolute discretion), the Applicant shall receive a full refund or, as the case may be, the balance of the price of the Bonds applied for but not allocated, without interest, by credit transfer to such account indicated in the Application, at the Applicant's sole risk. The respective Authorised Financial Intermediary or the Issuer shall not be responsible for any charges, loss or delay in transmission.
- r) For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Legal Notice 372 of 2017, as subsequently amended), all Authorised Financial Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the "Members' Code of Conduct" appended as Appendix 3.6 of the Malta Stock Exchange Bye-Laws, irrespective of whether the Authorised Financial Intermediaries are Exchange Members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of applicable data protection legislation, in particular the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR)(EU) 2016/679, as amended from time to time, as applicable, for the purposes, and within the terms, of the Malta Stock Exchange's Data Protection Policy as published from time to time.
- s) It shall be incumbent on the respective Authorised Financial Intermediary to ascertain that all other applicable regulatory requirements relating to subscription of Bonds by an Applicant are complied with, including without limitation the obligation to comply with all applicable requirements set out in Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No. 648/2012 ("**MiFIR**"), as well as applicable MFSA Rules for investment services providers.
- t) By completing, signing and delivering and/or otherwise by making an Application (including an Exchanging Existing Prospects MTF Bondholders Application), the Applicant:
- i. irrevocably offers to purchase the number of Bonds specified in his/her/its Application, or any smaller number for which the Application is accepted, at the Bond Issue Price subject to the Prospectus, the Terms and Conditions and the Memorandum and Articles of Association;
 - ii. agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;
 - iii. authorises the Issuer, the Authorised Financial Intermediary and/or the Registrar & Co-Manager and the Malta Stock Exchange, as applicable, to process the personal data that the Applicant provides, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR) (EU) 2016/679, as may be amended from time to time. The Applicant has the right to request access to and rectification of the personal data relating to him/her as processed in relation to the Bond Issue, in terms of applicable law. Any such request must be made in writing and sent, as applicable, to the Issuer and the relevant Authorised Financial Intermediary and to the Malta Stock Exchange. The request must further be signed by the Applicant to whom the personal data relates;
 - iv. warrants that the information submitted by the Applicant in or together with the Application is true and correct in all respects and in the case where a Malta Stock Exchange account number is indicated in the Application, such Malta Stock Exchange account number is the correct account of the Applicant. In the event of a discrepancy between the personal details, including the Applicant's name and surname and address, appearing on the Application and those held by the Malta Stock Exchange in relation to the Malta Stock Exchange account number indicated on the Application, the details held by the Malta Stock Exchange shall be deemed to be the correct details of the Applicant;
 - v. confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer or the issue of the Bonds other than what is contained in the Prospectus and accordingly agree/s that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;
 - vi. authorises the CSD, the Registrar & Co-Manager and the Issuer to include his/her/its name or in the case of joint Applications, the first named Applicant, in the register of Bondholders in respect of the Bonds allocated to the Applicant;

- vii. warrants that the remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured: (a) the Applicant will not be entitled to receive a registration advice or to be registered in respect of such Bonds, unless and until a payment is made in cleared funds for such Bonds and such payment is accepted by the respective Authorised Financial Intermediary and/or by the Issuer, which acceptance shall be made in its absolute discretion and may be on the basis that the Authorised Financial Intermediary and/or the Issuer is indemnified for all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of the Applicant's remittance to be honoured on first presentation at any time prior to unconditional acceptance by the Authorised Financial Intermediary and/or the Issuer of such late payment in respect of the Bonds; or (b) the Issuer may, without prejudice to other rights, treat the agreement to allocate such Bonds as void and may allocate such Bonds to another person, in which case the Applicant will not be entitled to a refund or payment in respect of such Bonds, other than return of such late payment, if any;
- viii. agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her/its remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the Laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
- ix. agrees to provide the Registrar & Co-Manager and/or the Issuer and/or the Authorised Financial Intermediary, as the case may be, with any information which it/they may request in connection with the Application;
- x. warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his/her/its Application in any relevant territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Registrar & Co-Manager acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bond or his/her/its Application;
- xi. warrants that all applicable exchange control or other such regulations, including those relating to external transactions, have been duly and fully complied with;
- xii. represents that the Applicant is not a U.S. person, as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended, as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the **"United States"**) or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
- xiii. warrants that, where an Applicant makes an Application on behalf of another person or on behalf of a corporation or corporate entity or association of persons, the Applicant is duly authorised to do so and such person, corporation, corporate entity, or association of persons will also be bound accordingly and accordingly will be deemed also to have given the declarations, confirmations, representations, warranties and undertakings contained in these Terms and Conditions, in the Prospectus and/or in the Application, and undertakes to submit the Applicant's power of attorney or a copy thereto duly certified by a lawyer or notary public if so required by the Issuer or the Registrar & Co-Manager;
- xiv. warrants that where the Application is being lodged in the name and for the benefit of a minor, the Application is made by the parent/s or legal guardian/s of the minor;
- xv. agrees that all documents in connection with the issue of the Bonds will be sent at the Applicant's own risk and may be sent by post at the address, or, in the case of joint Applications, the address of the first named Applicant, as set out in the Application;
- xvi. agrees that any returned monies will be returned without interest at the Applicant's risk and will be returned by direct credit into the bank account as specified in the Application, and the relevant Authorised Financial Intermediary and the Issuer shall not be responsible for any charges, loss or delay arising in connection therewith;
- xvii. renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of these Bonds;
- xviii. agrees that the advisors to the Bond Issue listed in section 3.4 of the Registration Document, in their capacity as such, will owe the Applicant no duties or responsibilities concerning the Bonds or the suitability of the Applicant;

- xix. agrees that the Application, the acceptance of the Application and the contract resulting therefrom, all the rights and obligations of the Applicant and the Issuer, and any non-contractual matters arising out of or in connection therewith, shall be governed by and construed in accordance with Maltese law and, and that he/she/it submits to the jurisdiction of the Maltese Courts which shall have, and the Applicant agrees that such Courts will have, exclusive jurisdiction to hear and determine any dispute, action, suit or proceeding arising out of or in connection with any such Application, acceptance of Application and contract resulting therefrom, rights and obligations and non-contractual matters as aforesaid;
- xx. agrees that the terms and conditions of the Security Trust Deed, which is available for inspection as set out in section 17 of the Registration Document, shall be binding on it once it becomes a registered Bondholder as if it had been a party thereto and as if the Security Trust Deed contained covenants on its part as a registered Bondholder to observe and be bound by all the provisions thereof applicable thereto, and agrees that the Security Trustee is authorised and required to do the things required of it by the Security Trust Deed.

8.3 Plan of distribution and allotment

The Bonds will be available for subscription by all categories of investors including the general public, subject always to the allocation preference which shall be given to Existing Prospects MTF Bondholders in subscribing for Bonds pursuant to an Existing Prospects MTF Bonds Exchange as set out in sections 5, 8.2 and 8.7 of this Securities Note. The preferred allocation to Existing Prospects MTF Bondholders, shall be limited up to the holding in the Existing Prospects MTF Bonds subject to Cash Top-Ups where applicable.

Existing Prospects MTF Bondholders will receive an Exchanging Existing Prospects MTF Bondholders Application form which they may use to apply for subscription of Bonds pursuant to an Existing Prospects MTF Bonds Exchange (including through Cash Top-Ups where applicable) as well as any additional Bonds which they may wish to apply for, by submitting the same through an Authorised Financial Intermediary during the Offer Period.

Any remaining Bonds not subscribed for by Existing Prospects MTF Bondholders pursuant to an Existing Prospects MTF Bonds Exchange will be available for subscription, during the Offer Period:

- i. by or through Authorised Financial Intermediary/ies pursuant to any Placement Agreements which may be entered into by them with the Issuer, as further described in section 8.4 of this Securities Note; and/or
- ii. by or through Authorised Financial Intermediary/ies in a potential Intermediaries' Offer, as further described in section 8.5 of this Securities Note.

All Applications are subject to a minimum subscription amount of €2,000 in nominal value of Bonds and in multiples of €100 thereafter. Authorised Financial Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client.

It is expected that Applicants will be notified of the amount of Bonds allocated to them respectively by means of an allotment letter to be sent within five (5) Business Days of the announcement of the result of the Bond Issue. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta), and regulations made thereunder. Such monies shall not bear interest while retained as aforesaid.

Dealings in the Bonds shall not commence prior to: (i) notification of the amount allotted being issued to Applicants; and (ii) the Bonds being admitted to the Official List.

8.4 Placement agreements

The Issuer may enter into a Placement Agreement with any one or more of the Authorised Financial Intermediaries, for the placement of an agreed amount in nominal value of Bonds, which will be reserved for such Authorised Financial Intermediaries under the Placement Agreements.

In terms of each Placement Agreement (if any), the Issuer will be conditionally bound to issue, and the relevant Authorised Financial Intermediary will be conditionally bound to subscribe on a best efforts' basis to, the number of Bonds indicated therein, subject to the Bonds being admitted to listing on the Official List of the Malta Stock Exchange, and subject to other terms and conditions as will be set out in the Placement Agreements.

In terms of each of the said Placement Agreements (if any), the relevant Authorised Financial Intermediary will have the right to subscribe for Bonds for its own account (where applicable) or for the account of underlying customers, and shall in addition be entitled to either: (i) distribute to the underlying customers any portion of the Bonds subscribed for upon commencement of trading, or (ii) complete a data file representing the amount being allocated in terms of the respective Placement Agreement as provided by the Registrar & Co-Manager by latest 15 October 2025, being the Placement Date. In any case, each underlying Application is subject to a minimum of €2,000 in Bonds and in multiples of €100 thereafter.

Authorised Financial Intermediaries which enter into Placement Agreements with the Issuer (if any) will be required to effect payment to the Issuer for the Bonds subscribed to by not later than the Placement Date.

8.5 Intermediaries' Offer

The remaining balance of Bonds which are not the subject of an Existing Prospects MTF Bonds Exchange and which are not covered by Placement Agreements referred to in section 8.4 above (if any) will be reserved by the Issuer for subscription by Authorised Financial Intermediaries pursuant to an Intermediaries' Offer. In this regard, the Issuer may enter into conditional subscription agreements with a number of Authorised Financial Intermediaries whereby it shall bind itself to allocate Bonds to the Authorised Financial Intermediaries in accordance with the terms of such subscription agreements, up to a maximum amount of Bonds remaining after those forming the subject of an Existing Prospects MTF Bonds Exchange and those reserved for Authorised Financial Intermediaries under the Placement Agreements (if any).

The subscription agreements shall be subject to the terms and conditions of the Prospectus and will be conditional on the Bonds being admitted to listing on the Official list of the Malta Stock Exchange, and other conditions set out in the relevant subscription agreement. Moreover, the subscription agreements shall become binding on each of the Issuer and the respective Authorised Financial Intermediary upon signing, provided that the Authorised Financial Intermediary would have paid the Registrar & Co-Manager all subscription proceeds in cleared funds by latest 15 October 2025, this being the Intermediaries' Offer Date.

The minimum which each Authorised Financial Intermediary may apply for in terms of the applicable subscription agreement is €2,000 and in multiples of €100 thereafter and such minimum and multiples shall also apply to each underlying Applicant in the case of applications under nominee.

Completed subscription agreements, together with evidence of payment, are to reach the Registrar & Co-Manager by the Intermediaries' Offer Date. The Issuer acting through the Registrar & Co-Manager shall communicate the amount allocated under each subscription agreement by 16 October 2025. Where the Authorised Financial Intermediary has been allocated a lesser number of Bonds than the amount being subscribed for, such unsatisfied amount shall be refunded by the Registrar & Co-Manager to the Authorised Financial Intermediary to the account specified in the respective subscription agreement.

In terms of the subscription agreements to be entered into, Authorised Financial Intermediaries will have the right to subscribe for the Bonds either for their own account or for the account of underlying customers and shall in addition be entitled to distribute any portion of the Bonds subscribed to their underlying clients upon commencement of trading or to complete a data file representing the amount being allocated in terms of the respective subscription agreement as provided by the Registrar & Co-Manager by latest 20 October 2025.

8.6 Pricing

The Bonds are being issued at par, that is, at €100 per Bond with the full amount payable upon subscription, save where and to the extent that the Application is for the subscription of Bonds in consideration for redemption of Existing Prospects MTF Bonds pursuant to an Existing Prospects MTF Bonds Exchange.

8.7 Allocation policy

The Issuer shall allocate the Bonds on the basis of the following policy and order of priority:

- i. first to Existing Prospects MTF Bondholders applying for Bonds by way of Existing Prospects MTF Bonds Exchange (and subject to any Cash Top-Up as and if applicable) in accordance with section 8.2 of this Securities Note, and subject to a minimum application of €2,000;
- ii. following the allocation preference to Existing Prospects MTF Bondholders referred to in (i) above, the aggregate amount covered by Placement Agreements, if any, will be reserved for, and shall be allocated to, the Authorised Financial Intermediaries entering into the relevant Placement Agreements, in accordance with such Placement Agreements, in accordance with the details given in section 8.4 of this Securities Note; and
- iii. any remaining balance of Bonds after the allocations in (i) and (ii) above, shall be allocated to Authorised Financial Intermediaries pursuant to the Intermediaries' Offer subject to an allocation policy determined by the Issuer, as further detailed in section 8.5 of this Securities Note.

For the avoidance of doubt, as provided in the ninth (9th) paragraph of section 8.2 of this Securities Note, whilst an Existing Prospects MTF Bondholder may apply for a number of Bonds exceeding in nominal value the aggregate nominal value of Existing Prospects MTF Bonds held by him/her/it as at the Cut-Off Date, including those to be subscribed through Cash Top-Up (where applicable), and may do so in the same Exchanging Existing Prospects MTF Bondholders Application submitted by him/her/it (provided that such Existing Prospects MTF Bondholder has opted to exchange all the Existing Prospects MTF Bonds held by him/her/it as at the Cut-Off Date), such Existing Prospects MTF Bondholder shall not be entitled to an allocation preference in respect of such additional Bonds applied for, and the application for such additional Bonds shall be subject to the allocation policy described in paragraphs (ii) or (iii) above as applicable.

The Issuer shall announce the result of the Bond Issue through a company announcement on the Issuer's website and also through the official appointed mechanism of the Malta Stock Exchange by not later than 21 October 2025.

8.8 Admission to trading

The Malta Financial Services Authority has authorised the Bonds as admissible to listing pursuant to the Capital Markets Rules by virtue of a letter dated 19 September 2025.

Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List of the Malta Stock Exchange.

The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 28 October 2025 and trading is expected to commence on 29 October 2025.

8.9 Additional Information

Except for the financial analysis summary set out as Annex III, this Securities Note does not contain any statement or report attributed to any person as an expert.

The financial analysis summary has been included in the form and context in which it appears with the authorisation of Calamatta Cuschieri Investment Services Limited of Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta, which has given and has not withdrawn its consent to the inclusion of such report herein.

Calamatta Cuschieri Investment Services Limited does not have any material interest in the Issuer. The Issuer confirms that the financial analysis summary has been accurately reproduced in this Securities Note and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

No credit ratings have been assigned to the Bonds at the request or cooperation of the Issuer in the rating process.

ANNEX I

LIST OF AUTHORISED FINANCIAL INTERMEDIARIES

Bank of Valletta p.l.c.

(Applications accepted at Wealth Management and Investment Centres)

Premium Banking Centre,
475, Triq il-Kbira San Guzepp,
St Venera SVR 1011, Malta
C 2833
Tel: 22751732

Calamatta Cuschieri Investment Services Limited

Ewropa Business Centre,
Triq Dun Karm,
Birkirkara BKR 9034, Malta
C 13729
Tel: 25688688

MeDirect Bank (Malta) p.l.c.

The Centre,
Tigne` Point
Sliema TPO 0001, Malta
C 34125
Tel: 25574400

ANNEX II

SPECIMEN EXCHANGING EXISTING PROSPECTS MTF
BONDHOLDERS' APPLICATION

HH FINANCE P.L.C.
€27,000,000 5.20% SECURED BONDS 2035
APPLICATION FORM - EXISTING PROSPECTS MTF BONDHOLDERS

This Application Form is not transferable and entitles you to subscribe for the HH Finance p.l.c. 5.20% Secured Bonds 2035 as a Existing Prospects MTF Bondholders (as defined in the Prospectus dated 19 September 2025).

A APPLICANT (see notes 2 to 8)			
		I.D. CARD / PASSPORT	MSE A/C NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
LEI (Legal Entity Identifier) (if applicant is NOT an Individual)		PLEASE REGISTER ME FOR E-PORTFOLIO <input type="checkbox"/>	MOBILE NO. (mandatory for e-portfolio)
B ADDITIONAL (JOINT) APPLICANTS (see note 3) (please use Addendum to Application Form if space is not sufficient)			
TITLE (Mr/Mrs/Ms/...)		FULL NAME AND SURNAME	
DOCUMENT TYPE		COUNTRY OF ISSUE	
DATE OF BIRTH		NATIONALITY	
C DECISION MAKER/MINOR'S PARENTS / LEGAL GUARDIAN(S) / USUFRUCTUARY/IES (see notes 4, 7 & 8) (to be completed ONLY if applicable)			
TITLE (Mr/Mrs/Ms/...)		FULL NAME AND SURNAME	
DOCUMENT TYPE		COUNTRY OF ISSUE	
DATE OF BIRTH		NATIONALITY	
TITLE (Mr/Mrs/Ms/...)		FULL NAME AND SURNAME	
DOCUMENT TYPE		COUNTRY OF ISSUE	
DATE OF BIRTH		NATIONALITY	
D I/WE APPLY TO PURCHASE AND ACQUIRE			
BOX 1 - Nominal value of Existing Prospects MTF Bonds held by me/us on the Cut-Off Date. BOX 2 - Nominal value of Existing Prospects MTF Bonds held by me/us on the Cut-off Date being exchanged by me/us into 5.20% Secured Bonds 2035 of an equivalent nominal value as of the Issue Date pursuant to the Prospectus dated 19 September 2025 (the "Prospectus") (minimum subscription amount of Euro 2,000; Cash-Top Up may apply – see Prospectus). BOX 3 - Additional amount of 5.20% Secured Bonds 2035 that I/we wishes to subscribe to over and above the amount disclosed in Box 2 (if applicable). BOX 4 - I/We wish to purchase and acquire the amount set out in Box 4 (which amount shall be composed, in the aggregate, of the amounts set out in Box 2 and Box 3) in 5.20% Secured Bonds at the Bond Issue price (at par) pursuant to the Prospectus.		AMOUNT IN FIGURES Box 1 €	
		AMOUNT IN FIGURES Box 2 €	
		AMOUNT IN FIGURES Box 3 €	
AMOUNT IN WORDS		TOTAL AMOUNT IN FIGURES Box 4 €	
E RESIDENT - FINAL WITHHOLDING TAX ("FWT") DECLARATION (see notes 9) (to be completed ONLY if the Applicant is a resident of Malta)			
<input type="checkbox"/> I/We elect to receive interest NET of FWT		<input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without FWT)	
F NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see notes 2 & 10) (to be completed ONLY if the Applicant is a non-resident)			
TAX COUNTRY		CITY OF BIRTH	
T.I.N. (Tax Identification Number)		COUNTRY OF BIRTH	
<input type="checkbox"/> NOT resident in Malta but resident in the European Union		<input type="checkbox"/> NOT resident in Malta and NOT resident in the European Union	
G INTEREST, REFUND AND REDEMPTION MANDATE (see notes 11 & 12) (completion of this panel is MANDATORY)			
BANK		IBAN	
<p>I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions of the Bonds as contained therein which I/we fully accept.</p> <p>I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the Bonds in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MiFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.</p>			
Signature/s of Applicant/s		Date	
<small>(Parent/s or legal guardian/s are/is to sign if Applicant is a minor) (All parties are to sign in the case of a joint Application) (Bare owner/s and usufructuary/ies to sign in the case of holdings of Bonds that are subject to usufruct)</small>			
AUTHORISED FINANCIAL INTERMEDIARY'S STAMP		AUTHORISED FINANCIAL INTERMEDIARY'S CODE	
		APPLICATION NUMBER	

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 19 September 2025 regulating the Bond Issue

This Application Form is not transferable and entitles you to a preferential treatment as holder of Existing Prospects MTF Bonds and is to be submitted as a method of payment where the Applicant selects to apply for the HH Finance p.l.c. 5.20% Secured Bonds 2035 (the "**Bond/s**") so as to transfer to the Issuer all or part of the holding in the Existing Prospects MTF Bonds held by the Applicant as at the Cut-Off Date, the nominal value of which is set out in Box 1 of Panel D. By submitting this signed Application Form, Existing Prospects MTF Bondholders shall be deemed to:

- i. cause the redemption of the said Existing Prospects MTF Bonds in the Issuer's name in consideration of the issue of Bonds; and
- ii. engage, at the Issuer's cost, the services of such brokers or intermediaries as may be necessary to fully and effectively vest title in the said Existing Prospects MTF Bonds in the Issuer and fully and effectively vest title in the appropriate number of Bonds in the Applicant.

1. This Application is governed by the Terms and Conditions of the Bonds contained in sections 5, 6 and 8 of the Securities Note dated 19 September 2025 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.

2. The Application Form is to be completed in BLOCK LETTERS. For applicants who are non-residents in Malta for tax purposes, the relative box in Panel F must be completed.

3. The MSE account number pertaining to the Existing Prospects MTF Bondholders has been preprinted in Panel A and reflects the MSE account number on the bond register of the Existing Prospects MTF Bonds held at the CSD as at 24 September 2025 (trading session of the 22 September 2025). If an MSE account pertains to more than one person (including husband and wife), the full details of all individuals must be given in Panels A and B but the first named bondholder shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (*vide* note 6 below).

Upon submission of an Application Form, Bondholders who opt to have an online e-portfolio facility (by marking the relative box in Panel A), will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for the e-Portfolio facility requires a mobile number to be provided on the Application Form. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advises evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further details on the e-portfolio may be found on <https://eportfolio.borzamalta.com.mt/Help>.

4. Applications in the name and for the benefit of minors shall be allowed provided that the applicant already holds an account with the MSE. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Company has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. Panel C must be inserted with full details of the parents/legal guardians.

5. In the case of a body corporate, a valid Legal Entity Identifier ("**LEI**") needs to be inserted in Panel A. **Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar.** Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.

6. **EXISTING PROSPECTS MTF BONDHOLDERS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF. A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE, WILL HAVE TO BE EFFECTED.**

7. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "**decision maker**") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in Panel C.

8. Where an MSE account number is held subject to usufruct, Panel C needs to be completed and both the bare owner/s and the usufructuary/ies are to sign this Application Form.

9. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will be obliged to declare interest so received in the tax return. The Company will render an account to the Maltese Commissioner for Revenue of all interest paid, all amounts of tax deducted by the payor in respect of the interest paid and of the identity of all such recipients. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a prescribed fund will have final withholding tax (currently 10%), deducted from interest payments.

In terms of section 7.1 of the Securities Note, unless the Company is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act (Cap. 123 of the laws of Malta), interest shall be paid to such person net of final withholding tax, (currently 15%) of the gross amount of interest, pursuant to article 33 of the Income Tax Act (Cap. 123 of the laws of Malta).

10. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.

The contents of Notes 9 and 10 above do not constitute tax advice by the Company and Applicants are to consult their own independent tax advisors in case of doubt.

11. Interest, refund and redemption proceeds will be credited to the account indicated in Panel G or as otherwise amended by the Bondholder/s during the term of the Bond.

12. The Offer Period will open at 08:30 hours on 29 September 2025 and will close at 12:00 hours on 15 October 2025. The Issuer reserves the right to close the Offer Period before 15 October 2025 with respect to any one or more classes of Applicants depending on the level of subscription in the Bond Issue. Application for Bonds may be lodged with any Authorised Financial Intermediary listed in Annex I of the Securities Note and must be accompanied by the relevant subscription amount in Euro. Remittances by post are made at the risk of the Applicant and the Company, the Registrar and Authorised Financial Intermediaries disclaim all responsibility for any such remittances not being received by the date of closing of the subscription lists. If any Application is not accepted after the closure of the Offer Period or is accepted for fewer Bonds than those applied for, the monies equivalent to the number of Bonds not being accepted will be returned by direct credit into the IBAN specified in panel G.

13. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:

- a. the Company or its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR) (EU) 2016/679 as amended from time to time;
- b. the Company may process such personal data for all purposes necessary for and related to the Bonds applied for; and
- c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Company.

Any such requests must be made in writing and addressed to the Company. The request must be signed by yourself as the Applicant to whom the personal data relates.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds on offer will be repayable in full upon redemption. An investor should consult an independent financial advisor, licensed under the Investment Services Act (Cap. 370 of the laws of Malta), for advice.

ANNEX III

FINANCIAL ANALYSIS SUMMARY

The Directors
HH Finance p.l.c.
2, St. Georges Court A,
St. Augustine Street,
San Giljan,
Malta

19 September 2025

Dear Board Members,

In accordance with your instructions, and in line with the requirements of the MFSA Listing Policies, we have compiled the Financial Analysis Summary (the **"Analysis"**) set out on the following pages and which is being forwarded to you together with this letter.

The purpose of the financial analysis is that of summarising key financial data appertaining to the Issuer and the Group.

The data is derived from various sources or is based on our own computations as follows:

- a) Historical financial data for the three years ending 31 December 2022, 2023 and 2024 has been extracted from the audited financial statements of the Issuer.
- b) The forecast data for the financial years 2025 to 2026 has been provided by management.
- c) Our commentary on the Issuer and Issuer Group's results and financial position has been based on the explanations, set out by the Issuer in the prospectus and audited financial statements, and assisted by the company's management.
- d) The ratios quoted in this Analysis have been computed by us applying the definitions set out in section 4 of the Analysis.
- e) Relevant financial data in respect of competitors has been extracted from public sources such as the websites of the companies concerned or financial statements filed with the Registrar of Companies.

The Analysis is meant to assist investors in the Issuer's securities and potential investors by summarising the more important financial data of the Company and is meant to complement, and not replace, the contents of the full prospectus.

The Analysis does not contain all data that is relevant to investors or potential investors. The Analysis does not constitute an endorsement by our firm of any securities of the Issuer and should not be interpreted as a recommendation to invest in any of the Issuer's securities. We shall not accept any liability for any loss or damage arising out of the use of the Analysis and no representation or warranty is provided in respect of the reliability of the information contained in the Prospectus. As with all investments, potential investors are encouraged to seek professional advice before investing in the Issuer's securities.

Yours sincerely,

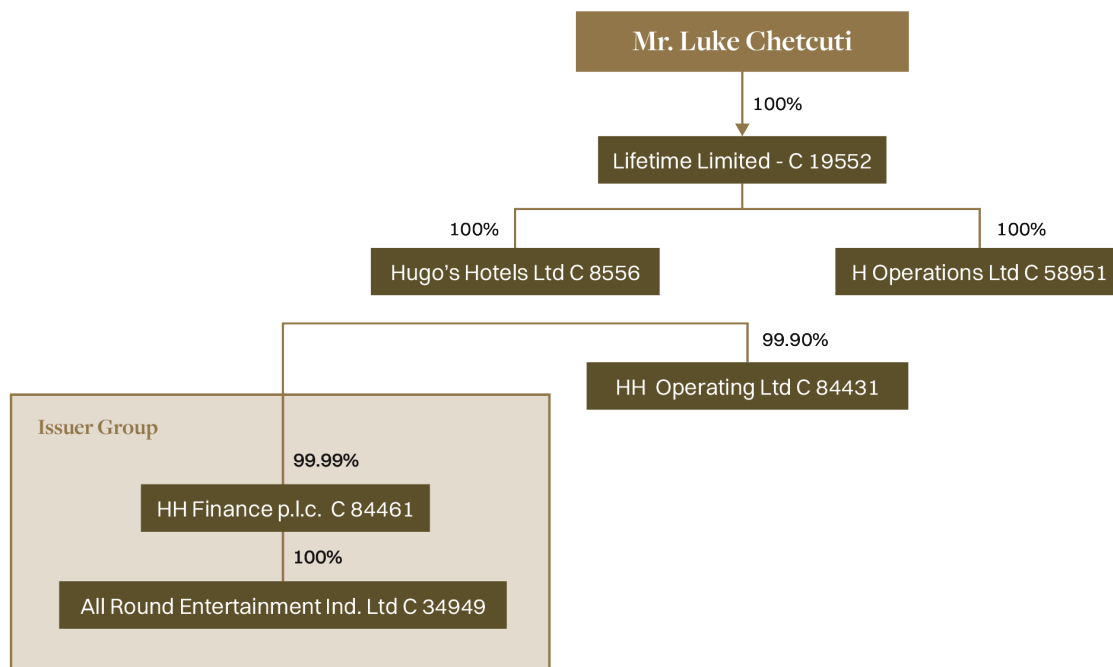


Patrick Mangion
Head of Capital Markets

Part 1

Information about the Group

1.1 Group's Key Activities and Structure



HH Finance p.l.c. (the “**Issuer**”) was established on 17 January 2018 as a public limited liability company under the laws of Malta. The Issuer is ultimately controlled by Mr Luke Chetcuti (the “**Ultimate Beneficial Owner**” or “**UBO**”), who directly holds one Ordinary ‘B’ share. The remaining 99.99% of the Issuer’s share capital is held by Hugo’s Hotel Limited, the Issuer’s immediate parent company.

The Issuer forms part of a broader corporate structure referred to as (the “**Issuer Group**”), which comprises the following entities:

- » **HH Finance p.l.c.**, serving as the parent and holding company of the Issuer Group. The Issuer is responsible for central financing activities, holds direct ownership of the H Hotel, and owns 100% of the shares in its principal asset-holding subsidiary, All Round Entertainment Ind. Ltd;
- » **All Round Entertainment Ind. Ltd**, a wholly owned subsidiary of the Issuer, which holds the majority of the group’s real estate portfolio and intellectual property assets (the “**Group IP Assets**”). The only exception is the H Hotel, which remains under the direct ownership of the Issuer.

The Issuer’s parent, Hugo’s Hotel Limited, is itself wholly owned by Lifetime Limited, which acts as the ultimate parent company of the Issuer, the Issuer Group, and the wider corporate group (the “**Lifetime Group**” or the “**Group**”). As the sole shareholder of Lifetime Limited, Mr Luke Chetcuti exercises effective control over the entire group structure, including both the asset-holding and operational segments.

The Issuer Group represents the asset ownership division within the Lifetime Group. In parallel, the operational segment of the Lifetime Group (the “**Operational Companies**”) undertakes hospitality and entertainment operations across properties owned by the Issuer Group. The Operational Companies currently include:

- » **H Operations Ltd.**, a wholly owned subsidiary of Lifetime Limited, which operates several of the properties owned by All Round Entertainment Ind. Ltd, including Hugo’s Boutique Hotel located on St. George’s Street, St. Julian’s. H Operations Ltd. holds a non-exclusive licence to utilise the Group IP Assets in connection with its operational activities;

- » **HH Operating Limited**, which 99.99% is owned by Hugo's Hotel Limited, with the remaining Ordinary 'B' share held by the UBO. This company is responsible for operating a number of properties owned by All Round Entertainment Ind. Ltd., as well as the H Hotel, which is directly owned by the Issuer. HH Operating Limited also holds a non-exclusive licence to use the Group IP Assets in the management and promotion of these properties.

The Lifetime Group traces its origins to the hospitality and entertainment business founded in the 1990s in Paceville, St. Julian's by the late Mr Hugo Chetcuti. Under the stewardship of his son, Mr Luke Chetcuti, the group has expanded its footprint, with a strategic focus on the hospitality, food and beverage, and nightlife sectors. Today, the group owns and leases a diversified portfolio of high-profile properties located in the heart of Paceville, St. Julian's—Malta's primary entertainment district—to both related and third-party operators.

1.1.1 Recent Restructuring

The Issuer Group, in its current configuration, was recently established as part of a broader corporate restructuring initiative undertaken within the wider Lifetime Group.

Until this restructuring, All Round Entertainment Ind. Ltd., which already held the majority of the Lifetime Group's immovable property portfolio, was wholly owned by Lifetime Limited. Additionally, a number of the Group's immovable assets, including various restaurant and bar establishments located in St. Julian's, remained under the direct ownership of other Group entities. The Group's intellectual property assets, meanwhile, were held by the Operational Companies.

Between late 2024 and early 2025, the Lifetime Group embarked on a strategic reorganisation aimed principally at delineating and isolating its hospitality, food and beverage, and entertainment operations from the ownership and control of its real estate and intellectual property holdings. This restructuring culminated in the formation of the Issuer Group as a distinct asset-holding entity, which now consolidates all material immovable property and intellectual property assets previously dispersed across the Lifetime Group. The Operational Companies continue to function independently as the Group's operating arm.

This corporate reorganisation principally comprised the following key transactions:

- » The Operational Companies entered into an intellectual property assignment agreement with All Round Entertainment Ind. Ltd, through which they transferred all rights, title, and interest in the Group IP Assets;
- » All Round Entertainment Ind. Ltd acquired the restaurant and bar operations located in St. Julian's; namely Middle East Muse, Hugo's Burger, Bacco by Hugo's, Hugo's Pub, and Hugo's Pizza & Pasta, from Hugo's Hotel;
- » Lifetime Limited executed a share transfer agreement with the Issuer, pursuant to which it transferred the entirety of the issued share capital of All Round Entertainment Ind. Ltd to the Issuer.

1.2 Major Assets of the Issuer Group

In addition to its primary function as the financing vehicle of the Lifetime Group, HH Finance p.l.c., together with its wholly owned subsidiary All Round Entertainment Ind. Ltd collectively, the Issuer Group, is engaged in the strategic ownership, management, and licensing of a diversified portfolio of immovable property and intellectual property assets. The Issuer Group's activities are concentrated in two core areas:

- » Ownership and Leasing of Immovable Property – encompassing a broad array of hospitality, food and beverage, entertainment, and retail outlets located in Paceville, St. Julian's, held for long-term investment purposes and leased to both related and third-party tenants;
- » Ownership and Commercialisation of Intellectual Property – including the development, protection, and licensing of the Group's proprietary hospitality brands to the operational entities within the wider Lifetime Group under long-term, royalty-based licensing arrangements.

The Issuer Group's strategic objective is to manage its asset portfolio to manage the portfolio for long-term income generation and stability, while providing critical support to the continued growth and operational success of the Lifetime Group.

1.2.1 Immovable Properties

The Issuer Group holds a substantial portfolio of immovable properties, all situated in Malta's principal hospitality and entertainment district of Paceville, St. Julian's. These assets include hotels, restaurants, bars, nightclubs, and retail premises. While the H Hotel is owned directly by the Issuer, the remainder of the portfolio is held by All Round Entertainment Ind. Ltd, the Group's asset-holding subsidiary. The vast majority of these properties are leased on a long-term basis either to the Group's operational affiliates or to third-party tenants, including related entities.

1.2.1.1 The H Hotel

The H Hotel is a 4-star hospitality asset located on Saint Augustine Street, Paceville, St. Julian's. The property spans 12 levels, including one basement and eleven above-ground floors, plus a rooftop terrace. It comprises 160 guest rooms and a range of guest amenities, including an indoor swimming pool, spa facilities, lounge, rooftop pool deck, bar, reception area, conference space, and multifunction rooms.

1.2.1.2 The All Round Properties

All Round Entertainment Ind. Ltd owns and manages a large and diversified portfolio of commercial properties throughout Paceville. These include food and beverage outlets, nightclubs, retail spaces, and boutique hospitality venues. Nearly all of these properties are currently leased out under commercial rental agreements. Notable assets include:

- **'Kebab Factory':**
A ground floor corner premises, inclusive of its airspace, located on Triq Santu Wistin, Paceville, St. Julian's. The premises comprise an internal net floor area of approximately 109 sqm and an external net floor area of approximately 35 sqm. The property is currently leased to third-party tenants.
- **'8 Till Late':**
A ground floor commercial unit, excluding airspace, situated on Triq Santu Wistin, Paceville, St. Julian's, with an internal net floor area of approximately 36 sqm. The premises are leased to third-party tenants.
- **'Yole':**
A ground floor retail unit, without airspace, located on Triq Santu Wistin, Paceville, St. Julian's. It encompasses an internal net floor area of approximately 40 sqm and is leased to third-party tenants.
- **'Captain A. Caruana':**
A ground floor premises, excluding airspace, situated on Triq Santu Wistin, Paceville, St. Julian's. It comprises an internal net floor area of approximately 40 sqm and is leased to third-party tenants.
- **'J'Oli Sandwich Salad Bar':**
A ground floor unit, without airspace, located on Triq Santu Wistin, Paceville, St. Julian's, with an internal net floor area of approximately 93 sqm. The premises are leased to third-party tenants.
- **'Schiacca Grill':**
A dual-level commercial unit comprising ground and intermediate floors, excluding airspace, located on Triq Santu Wistin, Paceville, St. Julian's. The internal net floor area is approximately 231 sqm. The premises are leased to third-party tenants.
- **'Supreme Travel Kiosk':**
A ground floor unit with its roof and airspace, benefitting from side sea views, located on Triq Santu Wistin, Paceville, St. Julian's. It includes an internal net floor area of approximately 9 sqm and an external area of approximately 31 sqm. The property is leased to third-party tenants.
- **'One Stop Shop':**
A ground floor commercial unit, excluding airspace, enjoying side sea views, situated on Triq Santu Wistin, Paceville, St. Julian's. The unit measures approximately 45 sqm internally and is leased to third-party tenants.
- **'Angels':**
A ground floor premises, without airspace, located on Triq Santa Rita, Paceville, St. Julian's. It has an internal net floor area of approximately 233 sqm and an external area of approximately 11 sqm. The property is leased to third-party tenants.

- **‘Bar Native’:**
A ground floor corner unit, excluding airspace, situated at the intersection of Triq Santa Rita and Triq Santu Wistin, Paceville, St. Julian’s. It comprises an internal area of approximately 534 sqm and an external area of approximately 81 sqm. The premises are leased to third-party tenants.
- **‘Tokyo’:**
A semi-basement level corner premises, without airspace, located at the junction of Triq San Ġorġ and Triq Santa Rita, Paceville, St. Julian’s. The internal net floor area is approximately 173 sqm. The property is leased to third-party tenants.
- **‘The Nordic Bar Malta’:**
An elevated ground floor corner unit, without airspace, located at the intersection of Triq Santa Rita and Triq San Ġorġ, Paceville, St. Julian’s. The unit comprises approximately 100 sqm internally and 13 sqm externally. It is leased to third-party tenants.
- **‘Clique’:**
A basement-level premises (first basement), without airspace, situated on Triq San Ġorġ, Paceville, St. Julian’s. It has an internal net floor area of approximately 271 sqm and is leased to third-party tenants.
- **‘Déjà Vu’:**
Also located at first basement level on Triq San Ġorġ, Paceville, St. Julian’s, this unit has an internal net floor area of approximately 186 sqm and is leased to third-party tenants.
- **‘Havana Complex’:**
A multi-level property spanning from the second basement to the first floor, inclusive of airspace, located on Triq San Ġorġ, Paceville, St. Julian’s. It includes approximately 1,621 sqm of internal area and 36 sqm of external space. The property is leased to related-party tenants in which Mr Luke Chetcuti, director and ultimate beneficial owner of the Issuer and the Lifetime Group, holds a beneficial interest.
- **‘Hugo’s Lounge Complex’:**
A corner property extending from first basement to first floor level, inclusive of airspace, located on Triq San Ġorġ and Triq Santa Rita, Paceville, St. Julian’s. The premises comprise 724 sqm of internal area and 56 sqm externally. It is leased to related-party tenants in which Mr. Luke Chetcuti holds a beneficial interest.
- **‘Hugo’s Terrace’:**
A ground floor commercial unit with roof and airspace, enjoying sea views, situated on Triq San Ġorġ, Paceville, St. Julian’s. It comprises an internal area of approximately 230 sqm and an external area of approximately 224 sqm. It is leased to H Operations Ltd.
- **‘Hugo’s Boutique Hotel’:**
A fully detached 4-star hotel (Class 3B), located on Triq San Ġorġ, Paceville, St. Julian’s, comprising 40 rooms over eight floors. The hotel is connected to H Hotel via an elevated bridge. It is leased to H Operations Ltd., which operates the property.
- **‘Hugo’s Burger Bar’:**
A ground and intermediate floor commercial unit, excluding airspace, with side sea views, located on Triq Santu Wistin, Paceville, St. Julian’s. The internal net floor area is approximately 276 sqm. It is leased to HH Operating Limited.
- **‘Bacco by Hugo’s’:**
A corner ground floor premises, without airspace, located on Triq Santa Rita, Paceville, St. Julian’s. It includes approximately 238 sqm of internal area and 113 sqm externally. The premises are leased to HH Operating Limited.
- **‘Hugo’s Pub’:**
Another corner ground floor unit, without airspace, situated on Triq Santa Rita, Paceville, St. Julian’s. It measures approximately 342 sqm internally and 110 sqm externally. It is leased to HH Operating Limited.

- **‘Hugo’s Pizza & Pasta’:**
A first-floor corner unit, without airspace, located on Triq San Ġorġ, Paceville, St. Julian’s. The premises include approximately 136 sqm of internal and 20 sqm of external floor area. It is leased to HH Operating Limited.
- **‘Hugo’s Infinity’:**
The rooftop garden and pool deck of H Hotel, located on Triq Santu Wistin, Paceville, St. Julian’s. It features a 65-foot open-air infinity pool, cocktail bar, retractable roof, VIP lounge areas, private hot tubs, and a champagne bar. The space is leased to HH Operating Limited.
- **‘Tapaz’ also known as ‘Noir by Sciacca’:**
A corner premises at ground and intermediate floor levels, without airspace, situated on Triq Santu Wistin, Paceville, St. Julian’s. The internal net floor area is approximately 311 sqm.
- **‘Ex- E-Cabs’:**
A corner commercial unit located at ground and first basement levels, without airspace, situated on Triq Santu Wistin, Paceville, St. Julian’s. The total internal area measures approximately 36 sqm.
- **‘Middle East Muse’**
A corner unit forming part of H Hotel, with a separate entrance from an unnamed side street off Santa Rita Steps, Paceville, St. Julian’s. As of the date of this document, the unit is unoccupied, though it was previously operated as a restaurant.

1.2.2 Intellectual Property Assets

The Issuer Group, through All Round Entertainment Ind. Ltd, owns the full suite of intellectual property rights associated with the Hugo’s brand and related trademarks. These assets were acquired pursuant to an intellectual property assignment agreement dated 15 December 2024, whereby the Operational Companies transferred to All Round Entertainment Ind. Ltd. full and sole ownership of the trademarks, trade names, and brand goodwill associated with the following:

HUGO’S BOUTIQUE HOTEL	HUGO’S TERRACE	H HOTEL	HUGO’S PUB
HUGO’S PIZZA & PASTA	HUGO’S BURGER BAR	BACCO BY HUGO’S	INFINITY BY HUGO’S

Concurrently, All Round Entertainment Ind. Ltd entered into long-term intellectual property licensing agreements with each of the Operational Companies:

- » H Operations Ltd. was granted a non-exclusive, worldwide licence to use the “Hugo’s Boutique Hotel” and “Hugo’s Terrace” brand elements for a term of 15 years, subject to early termination under defined circumstances;
- » HH Operating Limited was similarly granted a non-exclusive, worldwide licence covering all remaining Group IP Rights for a period of 15 years, subject to early termination clauses.

1.3 Directors and Key Employees

Board of Directors - Issuer

As of the date of this Analysis, the following persons constitute the board of directors of the Issuer:

Name	Office Designation
Kari Pisani	Chairperson and independent, non-executive Director
Luke Chetcuti	Executive Director
Tonio Depasquale	Independent non-executive Director
David Tabone	Independent non-executive Director

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

The board of the Issuer is composed of four directors who are entrusted with its overall direction and management. The executive directors are in charge of the decision-making and the day-to-day management of the Issuer, whereas the non-executive directors, all of whom are independent of the Issuer, monitor the executive activity of the Issuer and contribute to the development of its corporate strategy, by providing objective and impartial scrutiny.

1.4 Use of Proceeds

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €26.46m shall be used by the Issuer for the following purposes, in the amounts set out below:

- » **Exchange of Existing Prospects MTF Bonds into the proposed Bonds:** an amount of up to €5m will be used to finance the exchange of Existing Prospects MTF Bonds.
- » **Redemption of Existing Prospects MTF Bonds which are not exchanged into Bonds:** an amount equivalent to the difference between €5m and the amount used to finance the exchange of Existing Prospects MTF Bonds into Bonds shall be used to finance the redemption of the Existing Prospects MTF Bonds which were not subject to an Existing Prospects MTF Bonds Exchange;
- » **Payment of part of the consideration due in respect of the acquisition of All Round Entertainment Ind. Ltd:** an amount of approximately €13.5m will be used to settle the Relevant Bank Loans taken out by Lifetime Limited and due to Bank of Valletta p.l.c., which settlement of Relevant Bank Loans will be financed by the settlement of part of the consideration due by the Issuer to Hugo's Hotel Limited (originally due by the Issuer to Lifetime Limited and subsequently assigned by Lifetime Limited to Hugo's Hotel Limited) for the acquisition of the shares of All Round Entertainment Ind. Ltd;
- » **General corporate funding:** the amount of approximately €7.96m shall be utilised for general corporate funding purposes of the Group.

Part 2

Historical Performance and Forecasts

The Issuer's historical financial information for the three years ending 31 December 2022, 2023 and 2024, as set out in the audited financial statements of the Issuer may be found in sub-sections 2.1. To 2.3. of this Analysis. The sub-sections 2.4 to 2.6 also include the projected performance of the Issuer Group (post-restructuring) for the period ending 31 December 2025 and 2026.

The projected financial statements detailed below relate to events in the future and are based on assumptions which the Company believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecast and actual results may be material.

2.1 Pre-Restructuring: Issuer's Standalone Income Statement

INCOME STATEMENT	2022A €000s	2023A €000s	2024A €000s
Revenue	2,071	2,071	2,071
Administrative expenses	(88)	(99)	(92)
Operating profit	1,983	1,972	1,979
Interest income	279	348	424
Interest expense	(1,244)	(1,257)	(1,270)
Increase in fair value of investment property	-	3,700	-
Profit before tax	1,018	4,763	1,133
Taxation	30	(692)	(422)
Profit for the financial year	1,048	4,071	712

RATIO ANALYSIS	2022A	2023A	2024A
<i>Profitability</i>			
Operating Profit Margin (Operating Profit / Revenue)	95.8%	95.2%	95.6%
Net Margin (Profit for the year / Revenue)	50.6%	196.6%	34.3%
Return on Common Equity (Net Income / Total Equity)	9.5%	27.0%	4.5%
Return on Assets (Net Income / Total Assets)	2.2%	7.6%	1.3%

During the three-year period under review, The Issuer operating as a standalone entity prior to the implementation of the group restructuring, was principally engaged in the leasing of the H Hotel to a related party. The Issuer derived its revenue entirely from rental income generated from this property, which remained stable at €2.1m annually throughout 2022, 2023, and 2024.

Administrative expenses incurred by the Issuer were limited in scope and nature, averaging under €100k per annum. These expenses primarily reflected director remuneration, professional and advisory fees, and Malta Stock Exchange listing-related charges. As a result, the Issuer consistently reported high operating profitability, with operating profits in the range of €2 m per year.

The Issuer also reported interest income from loan advances to related parties, with such income increasing year-on-year from €279k in FY2022 to €424k in FY2024, reflecting a growing balance of receivables or accrued interest from intra-group financing activities.

Interest expenses, conversely, were linked to the servicing of the Issuer's outstanding debt instruments, namely the Prospects MTF bond in issue, and to interest-bearing liabilities due to the parent company. Interest costs remained broadly stable over the period, at approximately €1.2 m to €1.3 m annually.

A notable uplift in FY2023 performance was the recognition of a fair value gain of €3.7 m relating to the H Hotel investment property, which significantly increased reported profit before tax for that year to €4.8 m (FY2022: €1.0 m; FY2024: €1.1 m). Adjusting for this one-off gain, profitability remained relatively consistent across the three years.

After accounting for taxation—which included a one-off tax charge of €692k in FY2023 largely attributable to the fair value gain—the Issuer reported net profits of €1.1 m in FY2022, €4.1 m in FY2023, and €712k in FY2024.

Overall, the Issuer's historical financial results prior to the group restructuring were characterised by stable rental income from a single tenant, lean administrative overheads, predictable interest income and charges, and a generally consistent earnings profile, with FY2023 being an outlier due to the fair value revaluation of the H Hotel.

2.2 Pre-Restructuring: Issuer's Standalone Statement of Financial Position

BALANCE SHEET	2022A €000s	2023A €000s	2024A €000s
Assets			
<i>Non-current assets</i>			
Investment property	39,000	42,700	42,700
Loans receivable	6,820	8,775	10,737
Other receivables	1,750	1,777	1,804
Total non-current assets	47,570	53,252	55,240
<i>Current assets</i>			
Other receivables	3	295	573
Current tax receivable	9	-	-
Cash and cash equivalents	222	41	9
Total current assets	235	336	581
Total assets	47,805	53,588	55,822
Equity and liabilities			
<i>Equity</i>			
Share capital	150	150	150
Retained earnings	10,872	14,943	15,655
Total equity	11,022	15,093	15,805
Liabilities			
<i>Provisions for liabilities and charges</i>			
Deferred tax liabilities	3,733	4,140	4,247
Total provisions	3,733	4,140	4,247
<i>Non-current liabilities</i>			
Borrowings	30,167	30,495	30,835
Other payables	2,659	3,338	4,017
Total non-current liabilities	32,826	33,833	34,853
<i>Current liabilities</i>			
Trade and other payables	224	237	358
Current tax payable	-	285	559
Total current liabilities	224	522	917
Total liabilities	36,783	38,496	40,017
Total equity and liabilities	47,805	53,588	55,822

RATIO ANALYSIS	2022A	2023A	2024A
<i>Financial Strength</i>			
Gearing 1 (Net Debt / Net Debt and Total Equity)	73.1%	66.9%	66.1%
Gearing 2 (Total Liabilities / Total Assets)	76.9%	71.8%	71.7%
Gearing 3 (Net Debt / Total Equity)	271.7%	201.8%	195.0%
Net Debt / Operating Profit	15.1x	15.4x	15.6x
Interest Coverage (Operating Profit / Finance costs)	1.6x	1.6x	1.6x

As at 31 December 2024, the Issuer reported total assets amounting to €55.8m. The Issuer's asset base is principally composed of the H Hotel, located in Paceville, which continued to represent the Issuer's primary revenue-generating asset. The property was carried at a fair value of €42.7m, following a €3.7m uplift recognised in 2023.

In addition to the investment property, the Issuer also reported a €10.7m loan receivable due from HH Operating Ltd, a fellow subsidiary. This intercompany loan is interest-bearing at a fixed rate of 5% per annum and forms part of the Issuer's financing function within the group. Non-current other receivables, amounting to €1.8m as at 31 December 2024, relate to accrued income arising from the recognition of lease income on a straight-line basis over the contractual lease term. Current receivables, totalling €573k, primarily comprise rental income due but not yet received.

Cash and cash equivalents remained minimal across the three-year period, with a closing balance of €9k in 2024, reflecting the Issuer's limited operational expenditure and a centralised treasury model across the group.

On the liabilities side, the Issuer's total obligations as at 31 December 2024 stood at €40.0 m, of which €34.9 m were classified as borrowings and payables (excluding deferred tax liabilities). The largest single liability was a balance of €25.8m due to Hugo's Hotel Limited, which originated from the acquisition of the H Hotel. This amount is recognised at its present value following discounting and is classified under borrowings. In addition, the Issuer carried a €5.0m bond in issue, listed on the Prospects MTF market. These instruments collectively form the bulk of the Issuer's funding structure.

Deferred tax liabilities, amounting to €4.2m, were attributable to cumulative fair value gains on the investment property. Other non-current payables of €4.0m primarily include amounts due to group entities and other long-term obligations.

Equity attributable to the Issuer's shareholders totalled €15.8m as at 31 December 2024, comprising €150k in issued share capital and €15.7m in retained earnings. The increase in equity over the historical period reflects the steady accumulation of profits and the one-time uplift in fair value recognised in 2023.

In summary, the Issuer maintained a relatively simple balance sheet structure during the period under review, with a concentrated asset base centred on the H Hotel and long-term intercompany lending. Liabilities were primarily comprised of shareholder and bondholder funding, and the Issuer demonstrated consistent equity growth underpinned by stable rental income and effective cost control.

2.3 Pre-Restructuring: Issuer's Standalone Statement of Cash Flows

STATEMENT OF CASH FLOWS	2022A €000s	2023A €000s	2024A €000s
Profit before tax	1,018	4,763	1,133
Interest expense	1,244	1,257	1,270
Interest income	(279)	(348)	(424)
Increase in fair value of investment property	-	(3,700)	-
Profit from operations	1,983	1,972	1,979
Change in trade and other receivables	(1,856)	(1,926)	(1,841)
Change in trade and other payables	(2)	23	130
Cash from operating activities	124	69	268
Tax paid	(110)	-	(50)
Net cash flows generated from operating activities	15	69	217
Repayments from a fellow subsidiary	350	-	-
Net cash generated from investing activities	350	-	-
Interest paid	(250)	(250)	(250)
Net cash used in financing activities	(250)	(250)	(250)
Movement in cash and cash equivalents	115	(181)	(33)
Cash and cash equivalents at start of year	108	222	41
Cash and cash equivalents at end of year	222	41	9

Throughout the period under review, HH Finance p.l.c consistently generated positive operating cash flows, primarily derived from lease payments related to the rental of the H Hotel to a related operating company. The Issuer's cash flows were principally allocated toward interest payments on its Existing Prospects MTF bond and the advancement of interest-bearing loans to related entities at a fixed annual rate of 5.0%.

The Issuer's cash inflows from operations were relatively modest across the three-year period, with net cash from operating activities amounting to €15k in 2022, €69k in 2023, and €217k in 2024. Despite reporting stable operating profits of approximately €2.0m annually, actual cash flow generation from core operations was constrained by material increases in trade and other receivables, which include straight-line rent accruals and rental income receivable. These movements represent non-cash working capital outflows, resulting in a net drag on operating cash flow performance.

The only notable investing activity occurred in 2022, when the Issuer received €350k in repayments from a fellow subsidiary following earlier disbursements of intercompany loans. No material investing cash flows were recorded in 2023 and 2024, consistent with the Issuer's asset base being stable and not requiring significant capital expenditure.

Annual interest payments of €250k were recorded each year, reflecting cash outflows linked to the coupon payments on the Issuer's €5.0m bond in issue. No principal repayments or additional drawdowns were made during the period. No dividend payments or capital injections occurred, further reinforcing the Issuer's conservative financing profile.

The Issuer maintained a low cash balance throughout the period, with closing cash and cash equivalents amounting to €222k in 2022, €41k in 2023, and €9k in 2024. These figures underscore the Issuer's role as a conduit entity within the group, whereby excess liquidity is typically redeployed through intercompany lending or upstreamed to the parent company.

2.4 Post-Restructuring: Issuer Group's projected Income Statement

INCOME STATEMENT	2025F €000s	2026F €000s
Total rental income	4,255	3,940
Service charge	247	252
Royalty income	1,070	1,096
Total revenue	5,572	5,288
Administrative expenses	(423)	(432)
EBITDA	5,149	4,856
Amortisation of IP	(900)	(900)
EBIT	4,249	3,956
Interest expense	(1,096)	(1,350)
Amortisation of bond issue costs	(41)	(54)
Loss on deferred income	(1,804)	-
Profit before tax	1,308	2,552
Tax charge	(686)	(509)
Profit after tax	622	2,043

RATIO ANALYSIS	2025F	2026F
<i>Profitability</i>		
Growth in Revenue (YoY Revenue Growth)	-	(5.1%)
EBITDA Margin (EBITDA / Revenue)	92.4%	91.8%
Net Margin (Profit for the year / Revenue)	11.2%	38.6%
Return on Common Equity (Net Income / Adjusted Equity)	0.5%	1.7%
Return on Assets (Net Income / Total Assets)	0.4%	1.3%
Return on capital employed (EBITDA/ Total Assets - Current Liabilities)	3.3%	3.1%

As part of this restructuring, HH Finance p.l.c. acquired All Round Entertainment Ind. Ltd, the company that owns the Group's portfolio of immovable property, with the exception of the H Hotel, which is held directly by the Issuer. This acquisition resulted in the consolidation of the Group's real estate assets under HH Finance p.l.c.

The financial projections for FY2025 and FY2026 reflect the restructured organisational model and its associated revenue streams, comprising rental income, service charge and royalty income generated through the licensing of the Hugo's brand. To note that 2025 projections are based on the assumption that the group operated all the assets throughout the financial year. Given that actual acquisitions happened throughout the year it is expected that the EBIT to be reported in the consolidated audited financials would be lower by circa €1 million. Total revenue is forecasted at €5.3m in FY2026.

Rental income is expected to decline from €4.3m to €3.9m over the same period, in line with rent adjustments introduced post-restructuring. Royalty income, calculated at 5.33% of operating revenue from Hugo's-branded outlets, is forecast to increase from €1.07m to €1.10m, indicating consistent brand usage. Service charge revenue is projected to remain stable at approximately €250k per annum.

EBITDA margins are forecast to exceed 91% in both years. Net profit in FY2026 is projected to increase compared to FY2025 due to the absence of a one-time €1.8m loss recognised in FY2025, which resulted from the early termination of the lease agreement for the H Hotel in the context of the restructuring. Excluding this non-recurring item, operational performance is consistent across both years.

The amortisation of intellectual property assets is forecast at €900k annually, reflecting the capitalised value attributed to the Hugo's brand. Interest expenses are projected at €1.1m in FY2025, increasing to €1.35m in FY2026, in line with the Group's existing and anticipated bond obligations. Despite this increase, earnings before interest are projected to remain sufficient to cover financing costs.

Returns on equity and assets are forecast to remain moderate, reflecting the capital-intensive nature of the Group's asset base. Administrative expenses are projected at approximately €430k annually, including directors' remuneration, professional and legal fees, insurance, licensing, utilities, and regulatory costs.

Following the restructuring, the Issuer Group holds the immovable property portfolio and intellectual property rights, and its financial profile reflects the income generated from these asset classes.

2.5 Post-Restructuring: Issuer Group's projected Statement of Financial Position

BALANCE SHEET	2025F €000s	2026F €000s
Assets		
<i>Non-current assets</i>		
Investment property	135,800	135,800
Intangible assets	6,300	5,400
Total non-current assets	142,100	141,200
<i>Current assets</i>		
Trade and other receivables	450	426
Cash and equivalents	13,565	16,409
Total current assets	14,015	16,835
Total assets	156,115	158,035
Equity and liabilities		
<i>Equity</i>		
Share capital	250	250
Retained earnings	27,856	29,899
Total equity	28,106	30,149
Subordinated loan due to parent	87,469	87,469
Adjusted equity	115,575	117,618
Liabilities		
<i>Non-current liabilities</i>		
Debt securities in issue	26,501	26,555
Deferred tax liability	11,695	11,695
Total non-current liabilities	38,195	38,249
<i>Current liabilities</i>		
Trade and other payables	646	646
Accrued interest	1,013	1,013
Current tax liability	686	509
Total current liabilities	2,345	2,167
Total liabilities	40,540	40,417
Total equity and liabilities	156,115	158,035

RATIO ANALYSIS	2025F	2026F
<i>Financial Strength</i>		
Gearing 1 (Net Debt / Net Debt and Total Equity)	33.2%	27.0%
Gearing 2 (Total Liabilities / Total Assets)	26.0%	25.6%
Gearing 3 (Net Debt / Total Equity)	49.6%	37.0%
Net Debt / EBITDA	2.7x	2.3x
Interest Coverage (EBIT / Finance costs)	3.9x	2.9x

The Issuer Group's projected statement of financial position as at FY2025 and FY2026 reflects a conservatively structured balance sheet, underpinned by income-generating assets and prudent financial gearing.

Total assets are expected to increase modestly from €156.1m in FY2025 to €158.0m in FY2026.

The group's non-current asset base is dominated by €135.8m in investment property, representing the real estate assets acquired through the restructuring exercise. These assets form the cornerstone of the group's rental income stream and provide a stable collateral base for future financing. Intangible assets, primarily representing the capitalised value of the Hugo's brand, are projected to decline slightly from €6.3m to €5.4m, reflecting scheduled amortisation.

Current assets are expected to grow from €14.0m to €16.8m, driven principally by a build-up in cash and cash equivalents, which are forecast to increase by €2.8m to €16.4m by end-FY2026. This strong liquidity position enhances the group's financial flexibility and capacity to service debt.

On the funding side, total equity is projected to strengthen from €28.1m to €30.1m over the forecast period, reflecting retained earnings generated from operations. Additionally, the balance sheet includes a subordinated loan due to Lifetime Ltd of €87.5m (reduced initially by the amount owed to a local bank and paid via Bond proceeds), which forms part of the group's adjusted equity base and is treated as quasi-equity given its subordinated ranking and long-term nature. This results in adjusted equity of €117.6m by FY2026, providing a strong buffer against external liabilities. Total liabilities are projected to remain stable at approximately €40.5m, with the group's principal financial indebtedness comprising €26.5m in debt securities anticipated to be issued in 2025. Deferred tax liabilities of €11.7m reflect timing differences associated with the group's investment properties and intangible assets. Current liabilities are modest and primarily consist of accrued bond interest, trade payables, and tax obligations.

Key financial strength indicators highlight the group's capital structure. Gearing ratios—whether calculated as net debt to equity (49.6% for equity or 9.5% for adjusted equity) or as net debt to net debt plus equity (37.0% for equity or 8.7% for adjusted equity)—remain conservative, especially considering the long-term nature of the subordinated shareholder funding. Net debt to EBITDA is forecast to improve from 2.7x in FY2025 to 2.3x in FY2026, while interest coverage ratios remain comfortably above 2.9x throughout the forecast horizon. These metrics collectively reflect a low-risk balance sheet with ample headroom to support the group's debt service obligations and future growth initiatives.

2.6 Post-Restructuring: Issuer Group's projected Statement of Cash Flows

STATEMENT OF CASH FLOWS	2025F €000s	2026F €000s
Cash flows from operating activities		
Cash flow from rental income	4,255	3,940
Cash flow from royalties	1,070	1,096
Service charge	247	252
Total cash inflows	5,572	5,288
Administrative expenses	(423)	(432)
Movement in net working capital	835	24
Tax paid	(1,758)	(686)
Net cash generated from operating activities	4,226	4,194
Cash flows from financing activities		
Interest paid	(250)	(1,350)
Movement in related party balances	(13,902)	-
Existing bond repayment	(5,000)	-
Proposed bond drawdown	26,460	-
Net cash flows generated from / (used in) financing activities	7,308	(1,350)
Movement in cash and cash equivalents	11,534	2,844
Cash and cash equivalents at start of year	2,031	13,565
Cash and cash equivalents at end of year	13,565	16,409

The projected statement of cash flows for the Issuer Group over FY2025 and FY2026 reflects a healthy operating cash profile and disciplined financial management, with a solid liquidity position sustained across both years. In FY2025, the group is expected to generate €4.2m in net cash from operating activities, with a marginal decrease to €4.19m in FY2026. Operating cash inflows are largely composed of rental and royalty income, aligned with the group's recurring revenue model. Total cash inflows from operations are forecast at €5.6m in FY2025 and €5.3 m in FY2026.

Operating outflows are limited, with administrative expenses contained at under €450k annually. In FY2025, the group benefits from a positive €835k movement in net working capital, likely reflecting timing differences in receivables and payables due to the restructuring and inflows from related party balances. Conversely, FY2026 sees a neutral working capital position. Tax outflows are frontloaded in FY2025 at €1.76m, reflecting the settlement of tax liabilities arising from the deferred income loss and other restructuring effects, before normalising to €686k in FY2026.

From a financing perspective, the Issuer Group will undergo a significant capital restructuring in FY2025. A €26.5m bond issuance is expected to be completed during the year, providing liquidity to fund intra-group acquisitions and repay existing obligations. This is partially offset by a €5m repayment of existing debt instruments and a €13.9m outflow to related parties, reflecting the reduction in subordinated loan to parent to finance the settlement of Lifetime Ltd bank loans as described in use of proceeds.

Net cash from financing activities totals €7.3m in FY2025, turning negative in FY2026 due to the absence of further financing inflows and the commencement of full-year interest servicing (€1.35m).

As a result of these movements, the group's cash and cash equivalents are projected to increase substantially from €2.0m at the beginning of FY2025 to €13.6m by year-end, and further to €16.4m by the end of FY2026 providing financial flexibility and positions the group to comfortably meet its financing obligations while maintaining headroom for future investment or unforeseen contingencies.

Part 3

Key Market and Competitor Data

3.1 General Market Conditions

At the time of publication of this Analysis, management considers that generally, it shall be subject to the normal business risks associated with the industries in which the companies are involved and operate and, barring unforeseen circumstances, does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of the companies and their respective businesses, at least with respect to the financial year 2023. However, investors are strongly advised to carefully read the risk factors disclosed in the Prospectus.

3.2 Malta Economic Update¹

The Central Bank of Malta's Business Conditions Index (BCI) suggests that in June, annual growth in activity rose slightly, thereby staying moderately above its long-term average estimated since January 2000.

The European Commission's confidence surveys show that sentiment in Malta increased in June to exceed its long-term average, estimated since November 2002. In month-on-month terms, the improvement was driven by the construction sector and industry, as in the remaining sectors sentiment deteriorated or was broadly stable.

Meanwhile, the Central Bank of Malta's Economic Policy Uncertainty (EPU) index declined further below its historical average estimated since 2004, indicating lower economic policy uncertainty. By contrast, the European Commission's Economic Uncertainty Indicator (EUI) for Malta increased compared with May, indicating higher uncertainty surrounding financial and business decisions. Uncertainty increased in the services sector, and to a lesser extent, among consumers.

In May, industrial production rose, while retail trade contracted marginally in annual terms. In April, services production contracted for the third consecutive time.

In May, the unemployment rate increased slightly to 2.7% from 2.6% in April but remained below that of 3.2% in May 2024.

In May, commercial building permits fell compared with April but were practically unchanged on a year earlier. Residential permits increased marginally compared to April and were also higher on a year earlier. In June, the number of residential promise-of-sale agreements increased on a year earlier, as did the number of final deeds of sale.

The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood at 2.5% in June, slightly down from 2.7% in the previous month. HICP excluding energy and food in Malta stood at 2.4%.

Both indices stood above the euro area average. In June, inflation based on the Retail Price Index (RPI) remained unchanged at 2.4%.

3.3 Malta Economic Outlook²

According to the Central Bank of Malta's latest forecasts, Malta's real GDP growth is set to ease from 6.0% in 2024 to 4.0% in 2025. Growth is set to moderate further in the following two years, reaching 3.3% in 2027. Compared to the Bank's previous projections, the outlook for GDP growth is broadly unchanged as some small downward revisions related to the effects of additional US tariffs announced since the previous projections exercise are counterbalanced by a reassessment for government consumption and investment.

¹ Central Bank of Malta – Economic Update 07/2025

² Central Bank of Malta – Economic Projections 2024 - 2026

Growth over the projection horizon is expected to be driven by domestic demand, reflecting continued brisk growth in private consumption, while investment should also continue to recover. Furthermore, net exports are projected to retain a positive contribution over the forecast horizon, driven by trade in services, although the contribution is expected to be smaller than that of domestic demand.

Together with GDP, employment growth is expected to moderate gradually from 5.1% in 2024 to 2.3% by 2026 and 2027. The unemployment rate is forecast to edge down slightly to 3.0% in 2025 and remain at this rate throughout the forecast horizon.

As tightness in the labour market is projected to dissipate over time and inflation continues to moderate, this should dampen upward pressure on wages. Wage growth is expected to moderate to 4.4% in 2025 from 5.9% in the previous year, and is then expected to decelerate further in the following years.

Annual inflation based on the Harmonised Index of Consumer Prices (HICP) is projected to moderate further, falling from 2.4% in 2024, to 2.3% this year and further to 2.0% by 2027. Compared to the Bank's previous forecast publication, overall HICP inflation has been revised up by 0.2 percentage points in 2025 and 0.1 percentage points in 2026, while it remains unchanged in 2027. In 2025, the upward revision mostly reflects recent outcomes. The upward revision for 2026 reflects an upward revision in services inflation due to some spillover from the upward revisions in 2025.

The general government deficit-to-GDP ratio is set to narrow to 3.4% in 2025, to 3.0% in 2026 and to 2.7% in 2027. The government debt-to-GDP ratio is to reach 48.6% by 2026 and remain around this level in 2027. The forecast deficit-to-GDP ratio between 2025 and 2027 is slightly higher compared with the Bank's March projections. Meanwhile, the debt-to-GDP ratio was revised slightly downwards, largely due to revisions in national accounts data.

Risks to activity are broadly balanced. Downside risks largely emanate from possible adverse effects on foreign demand arising from geopolitical tensions, US tariffs higher than those included in the baseline, and the possibility of additional retaliatory measures. On the other hand, the labour market could exhibit stronger dynamics than envisaged, which could result in stronger private consumption and investment growth than envisaged.

Risks to inflation are broadly balanced over the projection horizon and mainly related to external factors. Upside risks to inflation in the short term could arise from developments in global trade policy. Retaliatory measures by the EU, would also have an immediate upward impact on inflation in the near term. Such risks could also be counterbalanced by the rerouting of exports from competitor countries to the EU and heightened competitive pressures in markets targeted by tariffs. On the downside, imported inflation could fall more rapidly than expected if the adverse effects of trade barriers on global demand turn out stronger than expected.

Fiscal risks are mostly tilted to the downside (deficit-increasing). These mainly reflect the possibility of slippages in current expenditure. They also reflect the possibility of additional increases in pensions and wages in the outer years

3.4 Tourism

Comparison between the data of 2023 and 2024 provides valuable insights into the trajectory of the local tourism industry over the span of a single year, reflecting the pace and direction of recovery following the disruptions caused by the pandemic.

Inbound tourist arrivals experienced a notable surge from 2,976k in 2023 to 3,564k in 2024, marking an impressive increase of 19.6%. This significant uptick underscores the industry's robust recovery momentum and highlights the successful implementation of strategic initiatives aimed at rejuvenating tourism demand and stimulating visitor traffic.

Correspondingly, the metric of tourist guest nights witnessed a substantial growth, escalating from 20,242k in 2023 to 22,900k in 2024, reflecting a noteworthy increase of 13.1%. This surge in guest nights not only indicates a resurgence in tourist engagement but also underscores the sustained interest and participation in the local tourism offerings, contributing to the overall vibrancy of the sector.

However, amidst the recovery, there was a notable decline in the average length of stay, dropping from 6.8 days in 2023 to 6.4 days in 2024, representing a significant decrease of 5.9%. This decline may raise concerns regarding visitor engagement and expenditure patterns, necessitating a deeper examination into the underlying factors driving this trend and potential strategies to address it.

On the economic front, tourist expenditure exhibited a remarkable increase from €2,671m in 2023 to €3,300m in 2024, depicting a substantial surge of 23.5%. This surge in spending reflects the revitalization of tourism-related economic activities and underscores the sector's pivotal role in driving economic growth and employment.

Furthermore, the metric of tourist expenditure per capita demonstrated a modest increase, rising from €898 in 2023 to €924 in 2024, representing a marginal increment of 2.9%. While this increase reflects improved spending capacity and propensity among tourists, further analysis is required to discern the underlying factors influencing spending behaviour and patterns. The trends are also summarised in the following table, illustrating the number of tourist arrivals over the last four years:

Category ³	2021	2022	2023	2024	2023 vs. 2024
Inbound tourists*	968	2,287	2,976	3,564	19.7%
Tourist guest nights*	8,390	16,600	20,242	22,900	13.1%
Avg. length /stay	8.7	7.3	6.8	6.4	-5.9%
Tourist expenditure**	871	2,013	2,671	3,300	23.5%
Tourist exp. per capita (€)	899	880	898	924	2.9%

*in thousands

**in € millions

January-June 2025⁴

Inbound tourists for the first six months of 2025 amounted to 1.8m, an increase of 13.5% over the same period in 2024. Total nights spent by inbound tourists went up by 13.2%, reaching 10.7m nights.

Total tourist expenditure was estimated at €1,564.1m, 21.1% higher than that recorded for 2024. Total expenditure per capita increased to €866 from €812 in 2024, a 6.7% increase.

The number of tourists visiting Gozo and Comino, including both same-day and overnight visitors, totalled 988.1k, or 54.7% of total tourists.

³ National Statistics Office, Malta - Inbound Tourism June 2025

⁴ <https://nso.gov.mt/inbound-tourism-june-2025/>

3.5 Comparative Analysis

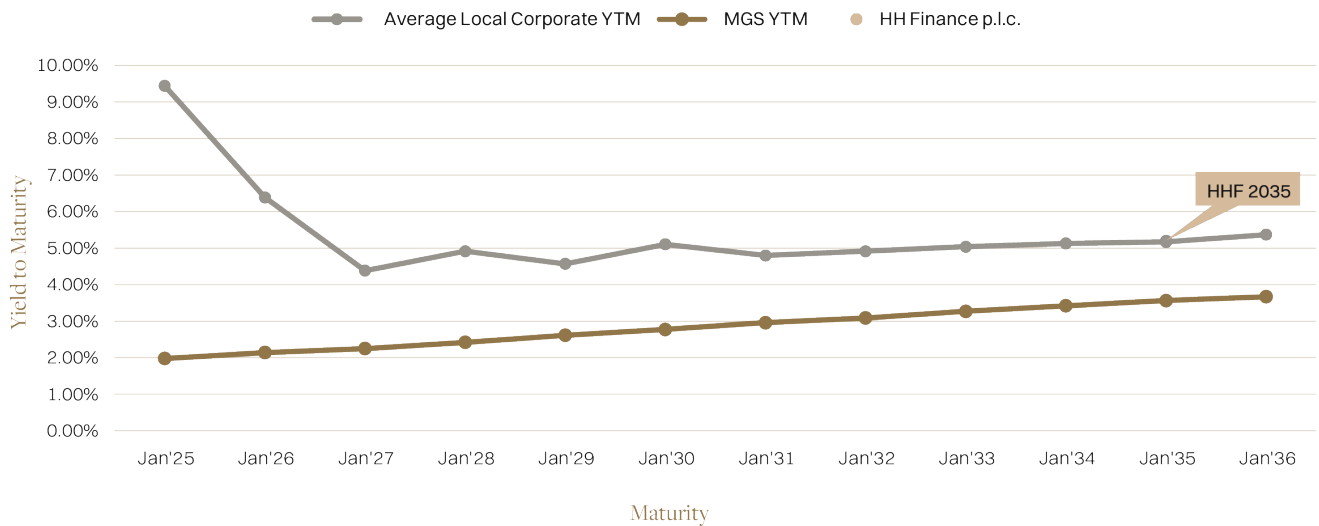
This section provides a comparative analysis between the Issuer and other entities whose debt securities are listed on the Official List of the Malta Stock Exchange. The aim is to highlight key aspects of the Issuer's debt profile relative to other market participants, providing a clearer understanding of its position within the broader debt market in Malta.

Security	Nom Value	Yield to Maturity	Interest coverage (EBITDA)	Total Assets	Total Equity	Total Liabilities / Total Assets	Net Debt / Net Debt and Total Equity	Net Debt / EBITDA	Current Ratio	Return on Common Equity	Net Margin	Revenue Growth (YoY)
	€000's	(%)	(times)	(€'millions)	(€'millions)	(%)	(%)	(times)	(times)	(%)	(%)	(%)
5% CF Estates Finance plc Secured € 2028-2033	30,000	5.00%	0.0x	37.1	0.3	99.2%	99.1%	145.6x	1.2x	56.6%	6.7%	4.4%
5.25% Qawra Palace plc Secured € 2033	25,000	4.76%	(.5)x	43.5	2.8	93.6%	92.5%	32.5x	0.6x	-97.1%	-20.3%	129.5%
5.25% Bonnici Bros Properties plc Unsecured € 2033 S1 T1	12,000	4.96%	2.1x	39.8	17.9	54.9%	43.3%	10.0x	0.4x	5.1%	61.4%	26.4%
6% JD Capital plc Secured Bonds 2033 S2 T1	11,000	5.29%	5.8x	126.9	34.0	73.2%	99.5%	564.4x	1.7x	19.4%	40.5%	26.0%
5.85% AX Group plc Unsecured € 2033	40,000	5.09%	2.6x	513.1	248.8	51.5%	41.6%	8.5x	1.3x	2.1%	6.1%	67.1%
4% Central Business Centres plc Unsecured € 2027-2033	21,000	4.55%	(1.6)x	77.6	27.3	64.8%	57.7%	18.2x	0.1x	13.6%	146.7%	35.2%
6% International Hotel Investments plc 2033	60,000	5.27%	1.7x	1,795.3	910.4	57.5%	42.2%	8.8x	0.8x	-0.1%	-0.4%	6.6%
5.75% Phoenixia Finance Company plc Unsec Bonds 2028-2033	50,000	5.43%	2.2x	160.3	77.2	51.8%	46.2%	10.6x	0.7x	-0.5%	-1.7%	23.3%
4.50% The Ona plc Secured € 2028-2034	16,000	4.50%	(2.3)x	38.9	8.0	79.6%	77.3%	12.8x	1.4x	-9.7%	-10.6%	110.3%
5.3% Mercury Projects Finance plc Secured € Bonds 2034	20,000	5.16%	(.8)x	279.0	66.1	76.3%	73.2%	(46.3)x	0.6x	-1.8%	-12.5%	-58.8%
5.2% VBL plc Secured € Bonds 2030-2034	10,000	5.06%	7.6x	95.4	67.7	29.0%	21.0%	4.9x	2.7x	3.7%	37.5%	25.3%
5.2% TUM Finance plc Secured Callable € Bonds 2031 - 2034	12,000	5.20%	1.3x	137.8	40.0	71.0%	54.5%	46.8x	0.8x	-3.6%	-79.0%	-49.4%
5.30% International Hotel Investments € Unsec Bonds 2035	35,000	4.96%	1.7x	1,795.3	910.4	57.5%	42.2%	8.8x	0.8x	-0.1%	-0.4%	6.6%
5.5% Juel Group plc € Secured 2035	32,000	5.23%	16.6x	94.7	30.8	67.5%	58.7%	21.1x	0.9x	17.9%	83.3%	780.5%
5.2% HH Finance p.l.c. € Secured Bonds 2035	27,000	5.20%	1.6x	55.8	15.8	71.7%	66.1%	2.0x	0.6x	4.5%	34.3%	95.6%
Average* 5.04%												

Source: Latest available audited financial statements
Last price as at 14/08/2025

*Average figures do not capture the financial analysis of the Issuer

Yield Curve Analysis



Source: Malta Stock Exchange, Central Bank of Malta and Calamatta Cuschieri Estimates

The above graph illustrates the average yearly yield of all local issuers as well as the corresponding yield of Malta Government Stocks (MGSs) (Y-axis) vs the maturity of both Issuers and MGSs (X-axis), in their respective maturity bucket, to which the spread premiums can be noted. The graph illustrates on a stand-alone basis, the yield of HH Finance p.l.c. bond.

As at 14 August 2025, the average spread over the MGS for corporates with maturity range of 8 - 10 years (2033 -2035) was 164 basis points. The proposed HH Finance is being priced at 5.2% coupon issued at par, meaning a spread of 164 basis points over the equivalent MGS, and thereafter at a discount on the market of 4 basis points.

Part 4

Glossary and Definitions

INCOME STATEMENT

Revenue	Total revenue generated by the Group/Company from its principal business activities during the financial year.
Costs	Costs are expenses incurred by the Group/Company in the production of its revenue.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the Group's/Company's earnings purely from operations.
Operating Profit (EBIT)	EBIT is an abbreviation for earnings before interest and tax.
Depreciation and Amortisation	An accounting charge to compensate for the decrease in the monetary value of an asset over time and the eventual cost to replace the asset once fully depreciated.
Net Finance Costs	The interest accrued on debt obligations less any interest earned on cash bank balances and from intra-Group companies on any loan advances.
Profit After tax	The profit made by the Group/Company during the financial year net of any income taxes incurred.

PROFITABILITY RATIOS

Growth in Revenue (YoY)	This represents the growth in revenue when compared with previous financial year.
EBITDA Margin	EBITDA as a percentage of total revenue.
Net Margin	Net income expressed as a percentage of total revenue.
Return on Common Equity	Return on common equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing the net income by the total equity.
Return on Assets	Return on assets (ROA) is computed by dividing net income by total assets.
Return on Capital Employed	Return on capital employed (ROCE) measures the relative profitability of a company after taking into account the amount of capital used during a relative financial performance.

Cash Flow Statement

Cash Flow from Operating Activities (CFO)	Cash generated from the principal revenue producing activities of the Group/Company less any interest incurred on debt.
Cash Flow from Investing Activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Group/Company.
Cash Flow from Financing Activities	Cash generated from the activities that result in change in share capital and borrowings of the Group/Company.
Capex	Represents the capital expenditure incurred by the Group/Company in a financial year.
Free Cash Flows (FCF)	The amount of cash the Group/Company has after it has met its financial obligations. It is calculated by taking Cash Flow from Operating Activities less the Capex of the same financial year.

BALANCE SHEET

Total Assets	What the Group/Company owns which can be further classified into Non-Current Assets and Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Cash and Cash Equivalents	Cash and cash equivalents are Group/Company assets that are either cash or can be converted into cash immediately.
Total Equity	Total Equity is calculated as total assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.
Total Liabilities	What the Group/Company owes which can be further classified into Non-Current Liabilities and Current Liabilities.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Total Debt	All interest-bearing debt obligations inclusive of long and short-term debt.
Net Debt	Total debt of a Group/Company less any cash and cash equivalents.
Current Liabilities	Obligations which are due within one financial year.

FINANCIAL STRENGTH RATIOS

Interest Coverage Ratio	The interest coverage ratio is calculated by dividing EBITDA of one period by finance costs of the same period.
Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets.
Gearing Ratio Level 1	Is calculated by dividing Net Debt by Total Equity.
Gearing Ratio Level 2	Is calculated by dividing Total Liabilities by Total Assets.
Gearing Ratio Level 3	Is calculated by dividing Net Debt by Total Equity.
Net Debt / EBITDA	The Net Debt / EBITDA ratio measures the ability of the Group/Company to refinance its debt by looking at the EBITDA.

OTHER DEFINITIONS

FY	Financial Year.
Yield to Maturity (YTM)	YTM is the rate of return expected on a bond which is held till maturity. It is essentially the internal rate of return on a bond and it equates the present value of bond future cash flows to its current market price.

