

SUMMARY

Dated 19 September 2025

This Summary 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.

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

by



HH FINANCE P.L.C.

SPONSOR &
CO-MANAGER

REGISTRAR
& CO-MANAGER

SECURITY
TRUSTEE

LEGAL COUNSEL
FOR THE BOND
ISSUE

LEGAL COUNSEL
TO THE GROUP

FINANCIAL
ADVISOR

Calamatta Cuschieri



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THIS SUMMARY HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY, AS COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MALTA FINANCIAL SERVICES AUTHORITY ONLY APPROVED THIS SUMMARY AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER AND THE SECURITIES THAT ARE THE SUBJECT OF THIS SUMMARY.

THIS SUMMARY IS VALID FOR A PERIOD OF TWELVE (12) MONTHS FROM THE DATE THEREOF. 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.

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

1. INTRODUCTION AND WARNINGS

This Summary is prepared in accordance with the requirements of the Prospectus Regulation and the delegated acts issued thereunder. This Summary contains key information which investors require in order to understand the nature and the risks of the Issuer and the Bonds. Except where the context otherwise requires, the capitalised words and expressions used in this Summary shall bear the meanings assigned to them in the Registration Document and the Securities Note, as the case may be.

This Summary contains key information on the Issuer and the Bonds, summarised details of which are set out below:

Issuer	HH Finance p.l.c., a public limited liability company registered in Malta, with company registration number C 84461 and legal entity identifier (LEI) number 391200SHMPQJCPH0UK86
Address	2, St. Georges Court A, St. Augustine Street, San Giljan, Malta
Telephone number	+356 21382264
Issuer Website	www.hhfinance.com.mt
Competent authority approving the Prospectus	The MFSA, established in terms of the Financial Markets Act (Cap. 345 of the laws of Malta)
Address	Malta Financial Services Authority, Triq l-Imdina, Zone 1, Central Business District, Birkirkara, Malta, CBD 1010
Telephone number	+ 356 2144 1155
MFSA Website	https://www.mfsa.mt/
Name of the securities	5.2% Secured Bonds 2035
ISIN number of Bonds	MT0001861211
Prospectus approval date	19 September 2025

Prospective investors are hereby warned that:

- this Summary should be read as an introduction to the Prospectus. It is being provided to convey the key characteristics and risks associated with the Issuer and the Bonds being offered pursuant to the Prospectus. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this Summary in making a decision as to whether to invest in the securities described in this document;
- any decision of the investor to invest in the Bonds should be based on a consideration of the Prospectus as a whole by the investor;
- an investor may lose all or part of the capital invested in subscribing for Bonds;
- where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and
- civil liability attaches only to those persons who have tabled the Summary, including any translation thereof, but only if the Summary, when read together with the other parts of the Prospectus, is misleading, inaccurate, or inconsistent or does not provide key information in order to aid investors when considering whether to invest in the Bonds.

2. KEY INFORMATION ON THE ISSUER

2.1 Who is the Issuer of the Bonds?

Domicile and legal form, its LEI and country of incorporation

The Issuer is HH Finance p.l.c., a public limited liability company registered in Malta in terms of the Companies Act (Cap. 386 of the laws of Malta). The Issuer was incorporated and is domiciled in Malta and with legal entity identifier (LEI) number 391200SHMPQJCPH0UK86.

Principal activities of the Issuer

The Issuer is the holding company of the Issuer Group and acts as the finance arm of the Group, principally by raising finance and advancing same to members of the Group. It is also owner of the H Hotel which it leases out to HH Operating Limited.

Organisational structure of the Group

The Issuer is fully owned by Hugo's Hotel Limited (C 8556), except for 1 Ordinary 'B' share which is held by Luke Chetcuti. The Issuer currently has and fully owns one Subsidiary, namely All Round Entertainment Ind. Ltd (C 34949), which owns practically all the immovable assets of the Issuer Group (except for the H Hotel which is currently directly owned by the Issuer) and the Group IP Assets.

Major shareholders of the Issuer

The Issuer has an authorised and issued share capital of €250,000 divided into 249,999 Ordinary 'A' shares of a nominal value of €1.00 each and 1 Ordinary 'B' share of a nominal value of €1.00. Whilst Ordinary 'A' shares entitle their holders to voting rights at general meetings, with 1 vote for every share held, Ordinary 'B' do not have voting rights. Hugo's Hotel Limited owns 249,999 Ordinary 'A' shares whilst Luke Chetcuti owns 1 Ordinary 'B' share. The Issuer is therefore directly controlled by Hugo's Hotel Limited, which is in turn fully owned by Lifetime Limited (C 19952), which is the ultimate parent company of the Issuer and of the Issuer Group, and also of the larger Lifetime Group. Lifetime Limited is fully owned by Luke Chetcuti, who effectively controls the Issuer and the Issuer Group and the larger Lifetime Group.

Key managing directors

The board of directors of the Issuer is composed of the following persons: Kari Pisani (Chairman and independent non-executive Director), Luke Chetcuti (executive Director), Tonio Depasquale (independent non-executive Director) and David Tabone (independent non-executive Director).

Statutory Auditors

The auditors of the Issuer as of the date of this Summary are RSM Malta of RSM Malta, Mdina Road, Zebbug ZBG 9015, Malta. The Accountancy Board registration number of RSM Malta is AB/26/84/53.

2.2 What is the key financial information regarding the Issuer?

The historical financial information pertaining to the Issuer is included in the audited financial statements for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 and the unaudited interim financial statements for the six month periods ended 30 June 2024 and 30 June 2025 as made available for review on the Issuer's website (www.hhfinance.com.mt) and are available for inspection at the Issuer's registered office.

Key figures extracted from the said financial reports are being presented below:

€'000	2022 Audited	2023 Audited	2024 Audited	2024 Pro forma	6M-24 Unaudited	6M-25 Unaudited
Statement of Comprehensive Income						
Profit for the period	1,048	4,071	712	N/A	358	381
Statement of Financial Position						
Total assets	47,805	53,588	55,822	148,275	54,523	56,935
Total liabilities	36,783	38,496	40,017	19,442	39,072	40,846
Total equity	11,022	15,093	15,805	27,483	15,451	16,089
Adjusted equity	N/A	N/A	N/A	128,833	N/A	N/A
Statement of Cash Flows						
Net cash flows from / (used in) operating activities	15	69	217	N/A	45	(510)
Net cash flows from / (used in) investing activities	350	-	-	N/A	-	-
Net cash flows from / (used in) financing activities	(250)	(250)	(250)	N/A	(10)	505

As outlined in the Registration Document, the Issuer has acquired All Round Entertainment Ind. Ltd following the reorganisation undertaken by the Group. The summarised proforma financial information shown above illustrates the impact of the reorganisation as if the reorganisation has been undertaken as at 31 December 2024.

Key figures extracted from the audited financial statements for the financial years ended 31 December 2022, 31 December 2023 and the unaudited financial statements for the financial year ended 31 December 2024 of All Round Entertainment Ind. Ltd are being presented below:

€'000	2022 Audited	2023 Audited	2024 Unaudited
Statement of Comprehensive Income			
Profit for the period	625	1,355	2,110
Statement of Financial Position			
Total assets	30,797	33,475	40,154
Total liabilities	12,870	14,193	18,763
Total equity	17,927	19,282	21,392
Statement of Cash Flows			
Operating activities	2,384	2,462	1,690
Investing activities	(1,790)	(1,637)	(1,079)
Financing activities	189	21	(2,689)

2.3 What are the key risks that are specific to the Issuer?

ECONOMIC AND FINANCIAL RISKS

Risks relating to Issuer's financial performance dependent on third parties

The Issuer, as the holding company of the Issuer Group and owner of the H Hotel, is ultimately financially dependent on the results and performance of its Subsidiary, All Round Entertainment Ind. Ltd from which it expects to receive dividends, as well as those of HH Operating Limited to which it leases the H Hotel owned by the Issuer. In turn, All Round Entertainment Ind. Ltd, which is the main asset owning and operating company within the Group, and owns practically all the immovable assets of the Group (except for the H Hotel which is owned by the Issuer) and the Group IP Assets, generates its income mainly from the leases of such immovable property and licensing of such Group IP Assets to third parties and related entities, including the Operational Companies. Therefore, the financial, economic, business, operational and other risks intrinsic in the business and operations of All Round Entertainment Ind. Ltd and of the H Hotel and other immovable property tenants and operators and intellectual property licensees, including the Operational Companies, over which the Issuer may not and will not in most cases have direct control, will have an effect on the financial ability of the Issuer to meet its obligations in connection with the payment of interest on the Bonds and repayment of the Redemption Value when due.

Risks arising from war and/or conflict

Wars and conflicts which may from time to time occur in various parts of the world, including the Russia – Ukraine armed conflict and the Middle Eastern conflict as at the date of this Summary, may present new risks or exacerbate certain risks to which the operations or the revenues of the Group are subject. This apart from the negative effects these conflicts may have on the economy as a whole and on particular economic drivers, such as tourism.

Risks relating to inflation

As at the date of this Summary, inflation remains at elevated levels when compared to the past decades. Inflation may negatively affect the future financial performance of the Group, including through the consequent increase in the prices of goods and services and the cost of new opportunities, higher borrowing costs, and the overall decrease in purchasing power. This may in turn also have a negative impact on the revenues of the Group and of the Operational Companies and other third party property tenants and intellectual property licensees from which the Group receives its revenues.

BUSINESS AND OPERATIONAL RISKS

Risks relating to the property rental business of the Group

The main business of the Group is the letting of various immovable properties to the Operational Companies and third parties for commercial operation, including hotels, food and beverage outlets, nightclubs and other entertainment outlets, retail outlets and other commercial units. The health of the commercial rental market may be affected by a number of factors, including national economy, political developments, factors affecting the tourism sector, demographic factors, government regulations, changes in planning or tax laws, interest rate fluctuations, inflation and other economic, political and social factors. The commercial success of the Group depends significantly on its ability to retain high occupancy rates, reducing operating costs whilst increasing rent levels. Thus a loss of rent, rent reductions and increased vacancies would lead to a decline in total current forecasted rental income. An increase in the supply of, or decrease in the demand for, commercial accommodation, catering, entertainment and retail space and/or other commercial properties could impact negatively upon capital values and income streams of the Group's properties, and their respective ability to source new lessees upon termination or non-renewal of the then current leases. Moreover, the business, revenue and projected profits of the Group would be negatively impacted if lessees fail to honour their respective lease obligations. Furthermore, in cases of early termination by lessees prior to the expiration of the lease term, there is a risk of loss of rental income if the lessee is not replaced in a timely manner, or is replaced at less attractive terms. The Group may also be subject to increases in operating and other expenses with respect to the said properties owned by the Group, which costs and expenses may not necessarily be recoverable from the tenants.

Risks relating to the hospitality industry

The Group owns two hotels which it leases to the Operational Companies, namely the H Hotel and the Hugo's Boutique Hotel in St. George's Street, St. Julians. The continued rental revenues of the Group from the letting of these hotels therefore largely depends on the success of the hotel operations of the tenant Operational Companies. These operations and the hospitality industry in general are exposed to a number of external factors and risks, including, without limitation, changes in travel patterns and customer trends, the seasonality and cyclical nature of the tourism industry, the impact of outbreaks of contagious diseases, wars and possibly of other unexpected calamities on patterns and/or volume of travel, the introduction of new laws or more restrictive laws and requirements related to the hospitality industry, increases in operating costs and increased taxes, the increasing strong competition in the tourism sector, and the increased availability and popularity of alternative hospitality solutions and alternative accommodation. Any of these factors or a combination thereof may adversely impact room rates and occupancy levels at the hotels operated by the Operational Companies, or otherwise cause a reduction in the Operational Companies' revenue from hospitality services and indirectly the revenue of the Group, especially (but without limitation) where the rent payable thereon is calculated as a percentage of revenue.

Risks relating to the entertainment and food and beverage industries

The Group generates rental income from the letting of nightclubs, bars and restaurants and other properties operated in the entertainment and food and beverage sectors. These leases generate rental income based on a percentage of revenue in case of leases made to Operational Companies and fixed rents in case of leases to other parties. The Group's financial performance may therefore be indirectly negatively affected by factors and risks affecting the operations of the tenants of these outlets and/or the entertainment and food and beverage industries in general, including changes in leisure and entertainment trends and appetites of consumers, increased competition, the high costs involved in maintenance of the same and bringing the same up to standard with current customer expectations, as well as food safety, hygiene, health and safety and security risks arising from operation of these outlets.

Risks related to intellectual property and proprietary rights

A main source of income for the Group consists of the royalty fees charged and received by All Round Entertainment Ind. Ltd from the licensing of Group IP Assets to the tenants of the Group's immovable properties which are Operational Companies. Various risks arise in connection with the ownership, licensing and protection of the Group IP Assets. The steps taken by the Group to protect its intellectual property may be inadequate

as it may be unable to enforce its rights or it may not detect unauthorized use of its intellectual property. Legal proceedings to enforce, protect or defend any of the Group's intellectual property rights could be burdensome and expensive and could involve a high degree of uncertainty, and in some cases prove ineffective. There is also the risk that third party intellectual property rights are inadvertently infringed by the Group in the course of using or protecting its own intellectual property or in the course of its operations. Criminal offences or other illegal acts or insolvency or other events by or affecting any of the Group IP Assets may result in reputational damage to the Group IP Assets and the brand associated with it, and to the Group itself. The materialisation of such risks could have a material adverse effect on the Group's business and financial condition.

LEGAL AND REGULATORY RISKS

Risks relative to compliance with and changes in laws and new industry standards and practices

The Group and its operations are subject to laws and regulatory requirements applicable to real estate letting (and indirectly also to those relating to the main uses of their properties, including mainly hospitality and entertainment) and any other business sectors within which they operate. Non-compliance with such laws and regulations could expose the Group to severe penalties and other sanctions and/or to third party claims which could in turn have a material adverse effect on its business, profitability and reputation. The regulatory environment in which the Group operates is constantly evolving, with the introduction of new rules and regulations, or the amendment of existing ones, including new initiatives which may result in the imposition of new requirements for the Group in terms of sustainability factors and other matters. The Group is at risk in relation to changes in laws and regulations and the timing and effects thereof, their interpretation, and in administrative practices, which cannot be predicted and which can negatively affect the Group companies' business and operations and their profitability, even in terms of additional costs of compliance and potential additional taxation.



KEY INFORMATION ON THE SECURITIES

3.1 What are the main features of the securities?

The Bonds are being issued in an aggregate amount of up to €27,000,000 with a nominal value of €100 per Bond issued at par and redeemable at the Redemption Value, namely at par, on 28 October 2035, this being the Redemption Date. The Bonds bear interest at the rate of 5.2% per annum on the nominal value of the Bonds, payable on 28 October of each year, with the first interest payment being due on 28 October 2026 and the last interest payment being due on Redemption Date.

The Bonds shall 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. On admission to trading the Bonds shall have the following ISIN: MT0001861211. The Bonds shall be freely transferable.

The Bonds 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 and shall rank *pari passu* with all other unsecured and unsubordinated obligations of the Issuer. The Bonds shall be secured by a first ranking 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 the Bondholders. In respect of the said 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 said first ranking Special Hypothec.

There are no special rights attached to the Bonds other than the right of the Bondholders to (i) repayment of capital and payment of interest on the due dates; (ii) the benefit of the Collateral through the Security Trustee; (iii) attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and (iv) such other rights attached to the Bonds emanating from the Prospectus.

3.2 Where will the securities be traded?

Application has been made to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List.

3.3 Key risks specific to the securities

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 read and understand the Prospectus in full and to consult an investment advisor before making an investment decision with a view to ascertain that s/he has sufficient knowledge and understanding of the Bonds and the merits and risks of investing in the Bonds, and that s/he has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds. Otherwise there is a risk that such investor may acquire an investment which is not suitable for his/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 particular, if interest rates rise, the prices that market participants will generally be willing to pay for the Bonds can be expected to decline. Moreover, price risks for longer maturity bonds tend to be higher than for shorter maturity bonds.

Risk of negative effect of inflation on investment

Inflation 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 re-sell his/her Bonds 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, which are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer has no control. The outbreak of the COVID-19 pandemic in 2020, has resulted in a highly volatile economy. This volatility may also increase as a result of wars or conflicts between countries, including the current Russia – Ukraine conflict. Continued or increased volatility and disruption in the capital markets may impair the saleability of the Bonds.

RISKS RELATING TO THE COLLATERAL

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

Whilst the 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, and whilst such Security Property has been recently valued collectively for an amount which should be sufficient to cover payment of the full Redemption Value of the Bonds, there can be no guarantee that the value of the said Security Property over the term of the Bonds will be and/or remain sufficient to cover the full amount of interest and Redemption Value 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. There is also no guarantee that the value of Security Property determined in the independent valuation is necessarily correct or would actually be achieved on the market. The valuation of property is inherently subjective.

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. 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 such privileged creditors, which may thus have an impact over Bondholders' investment in the Bonds.

4. KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

4.1 Under which conditions and timetable can I invest in this security?

Application for the Bonds

Application for the Bonds, including applications for Bonds to be issued pursuant to an Existing Prospects MTF Bonds Exchange, must be lodged with any of the Authorised Financial Intermediaries. All Applications are subject to a minimum subscription amount of €2,000 in nominal value of Bonds and in multiples of €100 thereafter.

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 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 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 such Existing Prospects MTF Bonds being exchanged, on the basis of the nominal value of €100 per Existing Prospects MTF Bond. 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 ("Cash Top-Up").

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.

Plan of distribution and allotment and allocation policy

The Bonds will be available for subscription by all categories of investors, including the general public. A preference in allocation shall however be given to Existing Prospects MTF Bondholders in subscribing for Bonds pursuant to an Existing Prospects MTF Bonds Exchange, which preferred allocation shall be limited up to the relevant Existing Prospects MTF Bondholder's holding in the Existing Prospects MTF Bonds, subject to Cash Top-Ups where applicable.

The Issuer may enter into a Placement Agreement with any of the Authorised Financial Intermediaries listed in Annex I of the Securities Note, for the placement of an agreed portion of the nominal value of Bonds (which will be reserved for such Authorised Financial Intermediaries under the Placement Agreements) to be subscribed to by each such Authorised Financial Intermediary either for its own account (where applicable) or for the account of underlying customers in terms of the respective Placement Agreement.

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.

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.

Total estimated expenses

The total estimated expenses of the Bond Issue are €540,000.

4.2 Why is this Prospectus being issued?

Use and estimated net amount 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, 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 Summary, 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; and
- 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.

Underwriting

The Bond Issue is not subject to an underwriting agreement on a firm commitment basis.

Conflicts of interest

Save for the subscription for Bonds by the Authorised Financial Intermediaries (which include the Sponsor and the Registrar), and any fees payable in connection with the Bond Issue to the Sponsor and the Registrar, so far as the Issuer is aware no person involved in the Bond Issue has any material conflicts of interest pertaining to the offer of Bonds or their admission to trading.