

SUMMARY NOTE

Dated 23 March 2018

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

In respect of an issue of:
€12,000,000 4.35% Unsecured Bonds 2026
of a nominal value of €100 per Bond issued at par
(the "Bonds")



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

with the joint and several Guarantee* of
Time International (Sport) Limited (C 32438) and Hudson International Company Limited (C 48705)

ISIN:- MT0001811208

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

Sponsor, Manager & Registrar



Legal Counsel



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

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

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

APPROVED BY THE DIRECTORS

Handwritten signatures of the seven directors in blue ink, arranged horizontally from left to right.
George Amato Alfred Borg Kevin Grech Christopher Muscat Victor Spiteri Kevin Valenzia Brian Zarb Adami

IMPORTANT INFORMATION

THIS SUMMARY NOTE CONSTITUTES PART OF A PROSPECTUS AND CONTAINS INFORMATION IN RELATION TO HUDSON MALTA P.L.C. IN ITS CAPACITY AS ISSUER AND TIME INTERNATIONAL (SPORT) LIMITED AND HUDSON INTERNATIONAL COMPANY LIMITED AS GUARANTORS. THIS DOCUMENT INCLUDES INFORMATION GIVEN IN COMPLIANCE WITH: (A) THE COMPANIES ACT, (CAP. 386 OF THE LAWS OF MALTA) AND COMMISSION REGULATION (EC) NO. 809/2004 OF 29 APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION CONTAINED IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS (AS AMENDED BY COMMISSION DELEGATED REGULATION (EU) NO. 486/2012 OF 30 MARCH 2012, COMMISSION DELEGATED REGULATION (EU) NO. 862/2012 OF 4 JUNE 2012, COMMISSION DELEGATED REGULATION (EU) NO. 759/2013 OF 30 APRIL 2013, COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7 MARCH 2014 AND COMMISSION DELEGATED REGULATION (EU) NO. 2016/301 OF 30 NOVEMBER 2015); AND (B) THE RULES AND REGULATIONS APPLICABLE TO THE ADMISSION OF SECURITIES ON THE OFFICIAL LIST OF THE MSE.

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

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

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY AND THE MSE, AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES. APPLICATION HAS BEEN MADE TO THE MSE FOR THE BONDS TO BE ADMITTED TO THE OFFICIAL LIST OF THE MSE. **A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISOR.**

THE CONTENTS OF THE MALTA GROUP'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE MALTA GROUP'S WEBSITE DO NOT FORM PART OF THIS DOCUMENT. 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.

ALL THE ADVISORS TO THE ISSUER AND GUARANTORS HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND GUARANTORS IN RELATION TO THIS PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON. NONE OF THE ADVISORS ACCEPT ANY RESPONSIBILITY TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE CONTENTS OF, AND ANY INFORMATION CONTAINED IN, THE PROSPECTUS, ITS COMPLETENESS OR ACCURACY OR ANY OTHER STATEMENT MADE IN CONNECTION THEREWITH.

THE DIRECTORS OF THE ISSUER CONFIRM THAT WHERE INFORMATION INCLUDED IN THIS PROSPECTUS HAS BEEN SOURCED FROM A THIRD PARTY, SUCH INFORMATION HAS BEEN ACCURATELY REPRODUCED, AND AS FAR AS THE DIRECTORS OF THE ISSUER ARE AWARE AND ARE ABLE TO ASCERTAIN FROM INFORMATION PUBLISHED BY THAT THIRD PARTY, NO FACTS HAVE BEEN OMITTED WHICH WOULD RENDER THE REPRODUCED INFORMATION INACCURATE OR MISLEADING.

THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. IF YOU NEED ADVICE WITH RESPECT TO THE BOND ISSUE, YOU SHOULD CONSULT A LICENSED STOCKBROKER OR AN INVESTMENT ADVISOR LICENSED UNDER THE INVESTMENT SERVICES ACT, CAP. 370 OF THE LAWS OF MALTA.

THIS DOCUMENT AND ALL AGREEMENTS, ACCEPTANCES AND CONTRACTS RESULTING THEREFROM SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF MALTA, AND ANY PERSON ACQUIRING ANY BONDS PURSUANT TO THE PROSPECTUS SHALL SUBMIT TO THE JURISDICTION OF THE MALTESE COURTS, WITHOUT LIMITING IN ANY MANNER THE RIGHT OF THE ISSUER AND/OR GUARANTORS TO BRING ANY ACTION, SUIT OR PROCEEDING, IN ANY OTHER COMPETENT JURISDICTION, ARISING OUT OF OR IN CONNECTION WITH ANY PURCHASE OF BONDS, OR AGREEMENT, ACCEPTANCE OR CONTRACT RESULTING HEREFROM, OR THE PROSPECTUS AS A WHOLE.

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

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

This Summary Note is prepared in accordance with the requirements of the Regulation.

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

Except where the context otherwise requires, the capitalised words and expressions used in this Summary Note shall bear the meanings assigned to them in the Registration Document and the Securities Note, as the case may be.

SECTION A INTRODUCTION AND WARNINGS

A.1 Prospective investors are hereby warned that:

- i. This summary is being provided to convey the essential characteristics and risks associated with the Issuer and the securities being offered pursuant to this document. This part is merely a summary and therefore should only be read as an introduction 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 to invest in the securities should be based on consideration of the Prospectus as a whole by the investor;
- ii. Where a claim relating to the information contained in this 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
- iii. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, and who applied for its notification, 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 such securities.

A.2 Consent required in connection with the use of the Prospectus by the Authorised Financial Intermediaries

Prospective investors are hereby informed that:

- i. for the purposes of any subscription for Bonds through any of the Authorised Financial Intermediaries 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 Directive, the Issuer consents to the use of this Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale or placement or other offering of Bonds, provided this is limited only:
 - a. in respect of Bonds subscribed for through Authorised Financial Intermediaries during the Offer Period;
 - b. to any resale or placement of Bonds subscribed for as aforesaid taking place in Malta;
 - c. to any resale or placement of Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Prospectus.
- ii. **in the event of a resale, placement or other offering of Bonds by an Authorised Financial Intermediary, the Authorised Financial Intermediary shall be responsible to provide information to investors on the terms and conditions of the resale, placement or other offering at the time such is made.**

SECTION B ISSUER AND GUARANTORS

B.1 The legal and commercial name of the Issuer is Hudson Malta p.l.c. The legal and commercial name of each of the Guarantors **B.19** is Time International (Sport) Limited ("TISL") and Hudson International Company Limited ("HICL").

B.2 The Issuer was registered in Malta in terms of the Act on 10 November 2017 as a public limited liability company. The Issuer **B.19** is domiciled in Malta. TISL was registered in Malta in terms of the Act on 14 November 2003 as a private limited liability company and is domiciled in Malta. HICL was registered in Malta in terms of the Act on 20 January 2010 as a private limited liability company and is domiciled in Malta.

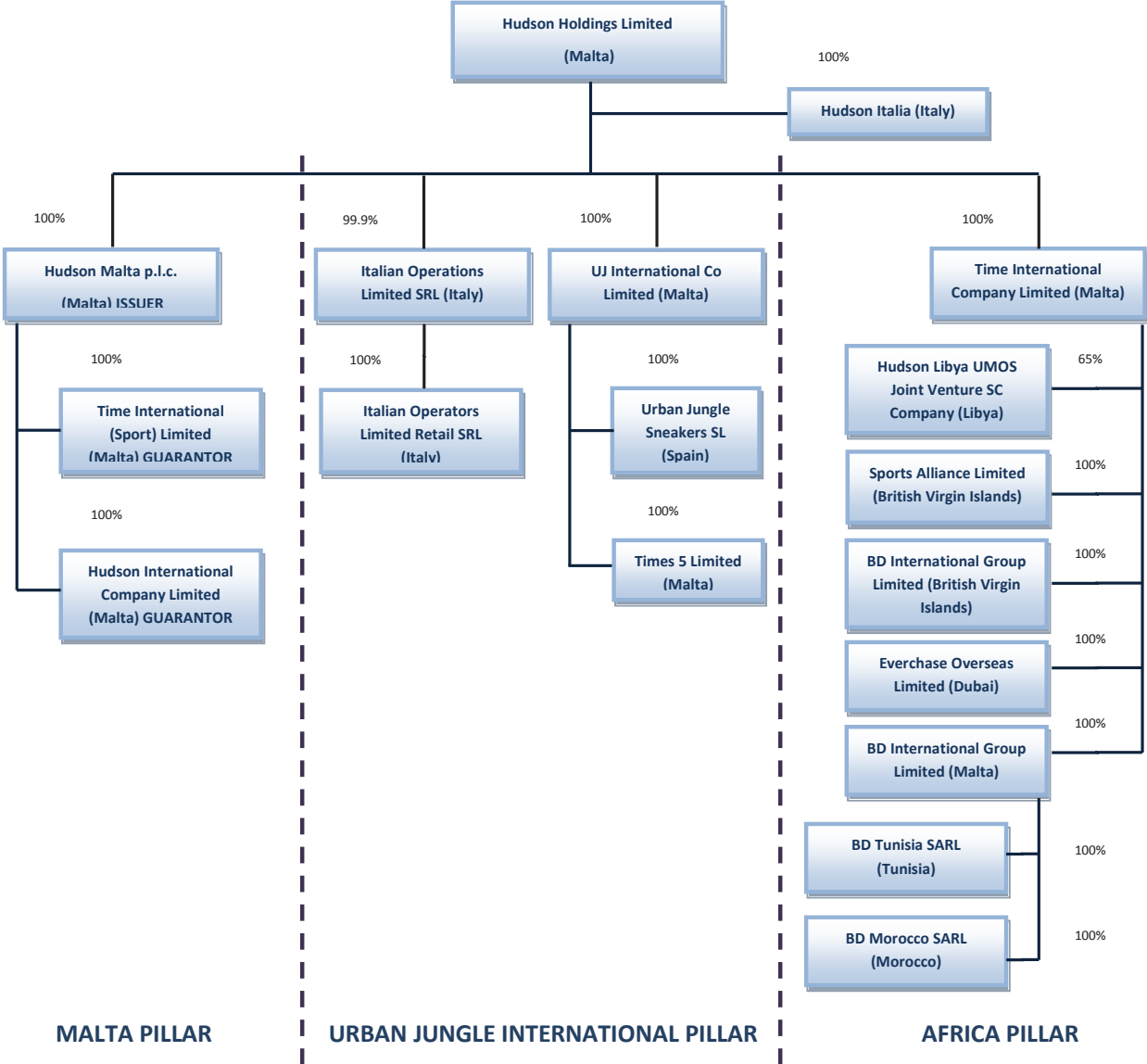
B.4b The following is an overview of the most significant recent trends affecting the Issuer and the Guarantors and the market in **B.19** which the Malta Group operates:

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

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

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

B.5 The organisational structure of the Hudson Group is depicted below:
B.19



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

The financial information included hereinafter is extracted from the audited consolidated financial statements of HHL for the financial years ended 31 December 2014, 2015 and 2016, and from the unaudited consolidated financial statements of HHL for the interim period 1 January 2017 to 30 June 2017.

Hudson Holdings Limited			
Consolidated Statement of Comprehensive Income			
for the year ended 31 December	2014	2015	2016
	€'000	€'000	€'000
Revenue	41,832	42,504	58,759
Earnings before interest, tax, depreciation & amortisation	2,225	1,153	2,683
Total comprehensive income	<u>1,132</u>	<u>459</u>	<u>1,715</u>

Hudson Holdings Limited			
Consolidated Statement of Financial Position			
as at 31 December	2014	2015	2016
	€'000	€'000	€'000
Non-current assets	5,171	5,640	8,081
Current assets	<u>21,161</u>	<u>20,072</u>	<u>32,342</u>
Total assets	<u>26,332</u>	<u>25,712</u>	<u>40,423</u>
Capital and reserves	6,933	7,392	8,787
Non-current and current liabilities	<u>19,399</u>	<u>18,320</u>	<u>31,636</u>
Total equity and liabilities	<u>26,332</u>	<u>25,712</u>	<u>40,423</u>

During FY2016, the Hudson Group operated 30 stores in 5 countries (FY2015: 22 stores) and employed 326 staff members. All 8 new store openings in FY2016 were located in Malta. Revenue increased by 38% from €42.5 million in 2015 to €58.8 million in 2016, driven by new distribution business and additional retail stores. The improved turnover positively impacted the Hudson Group's profitability of the aforesaid financial year as it reported an increase in earnings before interest, tax, depreciation & amortisation of €1.5 million, from €1.2 million in 2015 to €2.7 million in 2016. Overall, in FY2016, the Hudson Group reported total comprehensive income of €1.7 million (FY2015: €0.5 million).

Extracts of the unaudited consolidated interim financial information for the period 1 January 2017 to 30 June 2017

Hudson Holdings Limited		
Consolidated Statement of Comprehensive Income		
for the interim period 1 January to 30 June	2016	2017
	€'000	€'000
Revenue	25,699	51,960
Earnings before interest, tax, depreciation & amortisation	517	4,850
Total comprehensive income/(expense)	<u>(10)</u>	<u>2,759</u>

Hudson Holdings Limited
Consolidated Statement of Financial Position

as at	31 Dec'16	30 Jun'17
	€'000	€'000
Non-current assets	8,081	8,082
Current assets	32,342	42,163
Total assets	40,423	50,245
Capital and reserves	8,787	11,514
Non-current and current liabilities	31,636	38,731
Total equity and liabilities	40,423	50,245

In the first six months of 2017, the Hudson Group registered an increase in revenue of €26.3 million over the corresponding period the year before. This increase was primarily due to significant growth in the wholesale and distribution business. As a consequence, the Hudson Group reported an increase in earnings before interest, tax, depreciation & amortisation of €4.3 million, from €0.5 million in 2016 to €4.8 million in the initial half of 2017. During the period under review, the Hudson Group registered a total comprehensive income of €2.8 million compared to a loss of €10,000 reported in the first half of 2016.

B.9 The financial information set out below has been extracted from the pro forma forecast consolidated financial statements of the Malta Group. The Malta Group in its current state has only been in existence since 10 November 2017 following a re-organisation exercise. The pro forma information presents what the Issuer's forecast consolidated financial statements would have looked like had the Malta Group existed in its current form, comprising all its current constituent components, for the financial year 1 January 2017 to 31 December 2017.

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

Hudson Malta p.l.c.
Pro Forma Consolidated Statement of Comprehensive Income
for the year ending 31 December

	2016	2017
	Combined	Pro Forma
	€'000	€'000
Revenue	34,409	35,549
Earnings before interest, tax, depreciation & amortisation	2,286	2,386
Total comprehensive income	899	912

Hudson Malta p.l.c.
Pro Forma Consolidated Statement of Financial Position
as at 31 December

	2016	2017
	Combined	Pro Forma
	€'000	€'000
Non-current assets	5,362	4,602
Current assets	11,015	12,486
Total assets	16,377	17,088
Capital and reserves	4,019	5,834
Non-current and current liabilities	12,358	11,254
Total equity and liabilities	16,377	17,088

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

Earnings before interest, tax, depreciation & amortisation for FY2017 is projected to amount to €2.4 million, marginally higher when compared to the prior year. Total comprehensive income is expected to remain unchanged at €0.9 million (FY2016: €0.9 million).

B.10 Not Applicable: the audit reports on the audited financial statements for the years ended 31 December 2014 to 2016 of each
B.19 of the Guarantors do not contain any material qualifications.

B.12 As at the date hereof, the Issuer has no financial information to report. Accordingly, it is not in a position to assert whether
B.19 there has been a material adverse change since the date of publication of its latest financial statements. There has been no material adverse change in the prospects of the Guarantors since the date of their respective last published audited financial statements.

The historical financial information of each of the Guarantors is set out in the audited financial statements for each of the financial years ended 31 December 2014 to 2016. Save for the restructuring process described hereinafter, there were no significant changes to the financial or trading position of each of the Guarantors since the date up to which the latest audited financial statements were prepared.

Extracts of the combined financial statements of the Guarantors for the years ended 31 December 2014 to 2016

Hudson Malta p.l.c.

Statement of Comprehensive Income

for the year ended 31 December	2014	2015	2016
	€'000	€'000	€'000
Revenue	23,299	26,217	34,409
Earnings before interest, tax, depreciation & amortisation	1,468	1,886	2,286
Total comprehensive income	<u>523</u>	<u>998</u>	<u>899</u>

Hudson Malta p.l.c.

Statement of Financial Position

as at 31 December	2014	2015	2016
	€'000	€'000	€'000
Non-current assets	3,667	4,635	5,362
Current assets	<u>7,738</u>	<u>7,359</u>	<u>11,015</u>
Total assets	<u>11,405</u>	<u>11,994</u>	<u>16,377</u>
Capital and reserves	2,122	3,121	4,019
Non-current and current liabilities	<u>9,283</u>	<u>8,873</u>	<u>12,358</u>
Total equity and liabilities	<u>11,405</u>	<u>11,994</u>	<u>16,377</u>

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

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

Hudson Malta p.l.c.**Statement of Comprehensive Income****for the interim period 1 January to 30 June**

	2016	2017
	€'000	€'000
Revenue	14,907	16,590
Earnings before interest, tax, depreciation & amortisation	712	904
Total comprehensive income	<u>265</u>	<u>320</u>

Hudson Malta p.l.c.**Statement of Financial Position****as at**

	31 Dec'16	30 Jun'17
	€'000	€'000
Non-current assets	5,362	5,403
Current assets	<u>11,015</u>	<u>10,920</u>
Total assets	<u>16,377</u>	<u>16,323</u>
Capital and reserves	4,019	4,339
Non-current and current liabilities	<u>12,358</u>	<u>11,984</u>
Total equity and liabilities	<u>16,377</u>	<u>16,323</u>

During the six month period 1 January 2017 to 30 June 2017, the Guarantors generated €16.6 million in revenue, an increase of €1.7 million (+11%) when compared to the same period in 2016. The increase was mainly driven by retail sales from KIABI, Go Sport, 3INA and the Benetton stores which opened after the first quarter of 2016. Wholesale revenue was relatively stable and amounted to €5.4 million in FP2017 as compared to €6.0 million in FP2016. Earnings before interest, tax, depreciation & amortisation for the six month period increased by 27%, from €0.7 million in FP2016 to €0.9 million in FP2017, whilst total comprehensive income increased by 21% to €0.32 million in FP2017 (FP2016: €0.27 million).

B.13 Not Applicable: neither the Issuer nor any of the Guarantors are aware of any recent events which are to a material extent

B.19 relevant to the evaluation of their solvency.

B.14 The Issuer was established on 10 November 2017 as a wholly-owned subsidiary of Hudson Holdings Limited (the ultimate parent of the Hudson Group), and is the parent company of the Malta operations of the Hudson Group. The Issuer's intended purpose is to further expand the Malta Group's retail and wholesale distribution operations in Malta of branded fashion and sportswear. Business operations are performed by the Issuer's Subsidiaries (also referred to as the Guarantors), and therefore the Issuer is mainly dependent on the business prospects of the Guarantors. The Issuer operates exclusively in and from Malta.

B.19

B.15 The principal objects of the Issuer are set out in clause 4 of the Issuer's Memorandum of Association. The principal object of the Issuer is to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, movable and immovable property or other assets, including but not limited to securities and other financial interests. The issue of bonds falls within the objects of the Issuer.

B.19

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

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

- B.16** The Issuer is a wholly owned subsidiary of HHL, which in turn is owned by Alfred Borg with 50%; George Amato, Christopher Muscat and Kevin Grech holding 37% between them apportioned equally; 9% shareholding is held by Etienne Camenzuli, and Felice Ilacqua and Gianluca Salute hold 2% each.
- B.17** Not Applicable: neither the Issuer nor any of the Guarantors have sought the credit rating of an independent rating agency, and there has been no assessment by any independent rating agency of the Bonds issued by the Issuer.
- B.18** For the purposes of the Guarantee, the Guarantors irrevocably and unconditionally guarantee to each Bondholder that if for any reason the Issuer fails to pay any sum payable by it to such Bondholder pursuant to the terms and conditions of the Bonds as and when the same shall become due under any of the foregoing, the Guarantors will pay to such Bondholder on written demand the amount payable by the Issuer to such Bondholder.
- B.19**

The obligations of the Guarantors under the Guarantee shall remain in full force and effect until no sum remains payable to any Bondholder pursuant to the issue of the Bonds.

SECTION C SECURITIES

- C.1** The Issuer shall issue an aggregate of €12,000,000 in Bonds having a face value of €100 per bond, subject to a minimum holding of €2,000 in Bonds. 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. On admission to trading the Bonds will have the following ISIN: MT0001811208. The Bonds shall bear interest at the rate of 4.35% per annum.
- C.2** The Bonds are denominated in Euro (€).
- C.5** The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.
- C.8** A Bondholder shall have such rights as are attached to the Bonds, including:
- i. the repayment of capital;
 - ii. the payment of interest;
 - iii. ranking with respect to other indebtedness of the Issuer and the Guarantors;
 - iv. seeking recourse from the Guarantors pursuant to the Guarantee, in case of failure by the Issuer to pay any sum payable by it to Bondholders pursuant to the Terms and Conditions of the Bonds;
 - v. the right to attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and
 - vi. enjoy all such other rights attached to the Bonds emanating from the Prospectus.

The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed by the Guarantors, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt of each of the Issuer and the Guarantors, if any. Furthermore, subject to the negative pledge clause, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer and the Guarantors for so long as such security interests remain in effect.

As at the date of this Summary Note, the Issuer does not have any subordinated indebtedness. As at 31 December 2017, Malta Group indebtedness amounted to €3.7 million and comprised bank loans and overdraft facilities. The bank loans shall be repaid out of part of the net proceeds of the Bond Issue. The bank overdraft facilities shall be retained and therefore the security thereof shall continue to be held by the respective banks. As such, the indebtedness being created by the Bonds shall rank after the afore-mentioned overdraft facilities. In addition, the Bonds will also rank after any future debts which may be secured by a cause of preference such as a privilege and/or a hypothec.

- C.9** The Bonds shall bear interest from and including 6 April 2018 at the rate of 4.35% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The nominal value of the Bonds will be repayable in full upon maturity on the redemption date unless the Bonds are previously re-purchased and cancelled. The first interest payment will be effected on 6 April 2019 (covering the period 6 April 2018 to 5 April 2019). 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. The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds is 4.35% per annum. The remaining component of Element C.9 is Not Applicable, given that no representative of debt security holders has been appointed.
- C.10** Not Applicable: there is no derivative component in the interest payments on the Bonds.
- C.11** The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 23 March 2018. Application has been made to the MSE for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List. The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 13 April 2018 and trading is expected to commence on 16 April 2018.

SECTION D RISKS

D.2 Key information on the key risks specific to the Issuer:

Holding of a Bond involves certain risks. Prospective investors should carefully consider, with their own independent financial and other professional advisors, the following risk factors and other investment considerations as well as all the other information contained in the Prospectus before deciding to acquire Bonds. Prospective Investors are warned that by investing in the Bonds they may be exposing themselves to significant risks that may have the consequence of losing a substantial part of all of their investment.

This document contains statements that are, or may be deemed to be, “forward-looking statements”, which relate to matters that are not historical facts and which may involve projections of future circumstances. They appear in a number of places throughout the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and/or its’ Directors. These forward-looking statements are subject to a number of risks, uncertainties and assumptions and important factors that could cause actual risks to differ materially from the expectations of the Issuer’s Directors. No assurance is given that the future results or expectations will be achieved.

Prospective investors are advised to read the Prospectus in its entirety and, in particular, the sections entitled “Risk Factors” in the Registration Document and Securities Note, for an assessment of the factors that could affect the Issuer’s and the Guarantors’ future performance.

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

An investment in the Issuer and the Bonds may not be suitable for all recipients of the Prospectus and Authorised Financial Intermediaries are to determine the suitability or otherwise of prospective investors’ investment in the Bonds before making an investment decision.

The risk factors set out below are a summary of the principal risks associated with an investment in the Issuer and the Bonds – there may be other risks which are not mentioned in this summary.

i. Risks relating to the Issuer and its business:

Issuer’s dependence on the Malta Group and its business

The Issuer is the parent company of the Malta Group and given its recent incorporation does not itself have any trading history. The Issuer is therefore dependent on the business prospects of the Guarantors, and consequently, the operating results of the Guarantors have a direct effect on the Issuer’s financial position and performance. As such, the risks intrinsic in the business and operations of the Guarantors, many of which are common to the fashion apparel and sportswear sectors and beyond the Malta Group’s control, shall have a direct effect on the financial position of the Issuer.

Issuer’s exposure to the Hudson Group

As a finance company, the assets of the Issuer will comprise loans issued to HHL and/or other Hudson Group companies. Consequently, the Issuer will be dependent on the operating results, cash flows and financial position of HHL and/or other Hudson Group companies for the punctual receipt of interest payments and capital repayments from the aforementioned entities. The non-occurrence of such payments could negatively affect the ability of the Issuer to meet its obligations in respect of the repayment of principal and interest under the Bonds punctually when due.

Risks inherent in forecasts

The forecasts set out in the Prospectus are dependent on a number of assumptions and future expectations that may or may not occur. The non-occurrence of those future expectations could have material adverse effects on the financial position and results of the Malta Group and the Issuer.

ii. Risks relating to the Malta Group and its business:

General

The Malta Group, through the Guarantors, has a long trading history in branded fashion and sportswear in retail and wholesale distribution. As such, the Malta Group is exposed to the apparel market and the competitive pressures prevalent in the operation and management of retail outlets and the wholesale distribution business in Malta. The Malta Group’s business model remains primarily reliant on its relationship with a number of international fashion brands. In addition, the Malta Group’s operations are concentrated in Malta and are accordingly intimately dependent on the branded fashion and sportswear markets in Malta. Accordingly, the Malta Group’s prospects should be considered in the light of the risks and difficulties generally encountered by companies operating in a similar industry sector in Malta.

Dependence on the Maltese market

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

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

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

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

A significant portion of the Malta Group's costs are fixed and the Malta Group's operating results are vulnerable to short-term changes in revenues. The Malta Group's inability to react quickly to changes in revenue by reducing operating expenses could have a material adverse effect on its respective business, financial condition and results of operations.

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

To varying degrees, the Malta Group is reliant upon technologies and operating systems (including IT systems) developed by third parties for the running of its business, and is exposed to the risk of failure in such systems. Disruption to those technologies or systems and/or lack of resilience in operational availability could adversely affect the efficiency of the Malta Group's business, financial condition and/or operating results.

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

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

Litigation risk

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

The Malta Group's insurance policies

Historically, the Malta Group has maintained insurance at levels determined by the Malta Group to be appropriate in light of the cost of cover and the risk profiles of the business in which the Malta Group operates. With respect to losses for which the Malta Group is covered by its policies, it may be difficult and may take time to recover such losses from insurers. In addition, the Malta Group may not be able to recover the full amount from the insurer.

Risks relative to changes in laws

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

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

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

The agreements regulating the Malta Group's bank debt may impose significant financial covenants on the Malta Group, the covenants of which could limit the Malta Group's ability to obtain future financing, make capital expenditure, withstand a future downturn in business or economic conditions generally or otherwise inhibit the ability to conduct necessary corporate activities.

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

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

iii. Risks relating to the Operations of the Guarantors:

Competition and franchisors' response to changing trends and consumer preferences

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

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

The Malta Group is dependent on its franchisors

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

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

Any weakening in either of these relationships, whether caused by any breaches in the respective franchise agreements, or otherwise, could have a detrimental effect on the Malta Group's business.

Lack of total territorial exclusivity

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

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

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

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

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

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

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

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

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

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

D.3 Key information on the key risks specific to the Bonds:

An investment in the Bonds involves certain risks, including those set out below in this section. In deciding whether to make an investment in the Bonds, prospective investors are advised to carefully consider, with their own independent financial and other (including tax, accounting, credit, legal and regulatory) professional advisors, the following risk factors (not listed in order of priority) and other investment considerations, together with all the other information contained in the Prospectus.

- i. 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 or otherwise trade in the Bonds at or above the Bond Issue Price or at all. A public trading market depends on a number of factors over which the Issuer has no control.
- ii. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.
- iii. A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different.
- iv. 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, will have on the market price of the Bonds prevailing from time to time.
- v. The Bonds, as and when issued and allotted, shall constitute the general, direct, unsecured and unconditional obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under said Bonds by the Guarantors jointly and severally. The Bonds shall at all times rank *pari passu* without any priority or preference among themselves and, in respect of the Guarantors, they shall rank without any priority or preference over all their respective unsecured indebtedness, if any. In view of the fact that the Bonds are being guaranteed by the Guarantors on a joint and several basis, the Bondholders shall be entitled to request the Guarantors to pay both the interest due and the principal amount under said Bonds if the Issuer fails to meet any amount, when due in terms of the Prospectus.

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

- vi. Even after the Bonds are admitted to trading on the MSE, the Issuer is required to remain in compliance with certain 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 Listing 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 Listing Authority may discontinue the listing of the Bonds on the MSE. Any such trading suspensions or listing revocations / discontinuations could have a material adverse effect on the liquidity and value of the Bonds.
- vii. In the event that the Issuer wishes to amend any of the Terms and Conditions of the Bond Issue it shall call a meeting of Bondholders. 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.
- viii. The Terms and Conditions of the Bond Issue are based on the requirements of the Listing Rules of the Listing Authority, the Companies Act and the Commission Regulation EC No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council 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 the Prospectus.

SECTION E OFFER

- E.2b** The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €11,780,000, will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:
- i. an amount of *circa* €2,780,000 of the proceeds from the Bonds will be used to re-finance outstanding Malta Group banking facilities, which funds were mainly applied for the purpose of part-financing capital expenditure during 2013 to 2017 related to new store openings, property improvements and fit-out costs including furniture, fittings and equipment;
 - ii. the amount of €4,500,000 will be on-lent to Hudson Holdings Limited (the ultimate parent company of the Issuer) pursuant to a loan agreement between the Issuer and HHL, and shall be used to lease and fit-out a number of new retail stores in Morocco (*circa* €2,500,000), Italy (*circa* €1,000,000) and Algeria (*circa* €1,000,000). As an entity external to the Issuer and the Malta Group, HHL is not bound by the continuing obligations of the Listing Rules. Therefore, the board of directors of HHL has resolved to publish on an annual basis HHL's audited consolidated financial statements, by not later than two months after the publication of the Issuer's audited financial statements, through a company announcement. Furthermore, condensed financial information relating to HHL and the Hudson Group shall be provided in the annual publication of the Issuer's financial analysis summary. This commitment is being made so as to provide Bondholders and prospective investors with full access to financial information on the Hudson Group;
 - iii. an amount of €2,500,000 will be utilised to finance the construction and fit-out of a distribution centre in Malta exclusively for the international trading operations of the Hudson Group. BD International Group Limited (a wholly owned subsidiary of HHL) is presently in the final stage of negotiating a 65-year emphyteutical concession with Malta Industrial Parks (the lessor) for the site over which the distribution centre will be developed. Accordingly, a joint venture agreement will be entered into between BD International Group Limited and the Issuer for the development and operation of the facility, wherein the former party will contribute the right of usufruct to the Issuer, whilst the latter party will contribute the required funds for the construction and fit-out of the distribution centre, IT and administrative support, and the provision of the above-mentioned operational services. The capital expenditure is projected to be incurred during 2018 and 2019;
 - iv. the amount of €2,000,000 will be used to part-finance the forthcoming capital expenditure of the Malta Group, and shall primarily comprise the renovation of 3 existing stores and the opening of 3 additional stores in Malta.
- E.3** The Issuer and the Guarantors have entered into a placement agreement for the full amount of the Bond Issue with Authorised Financial Intermediaries, whereby the Issuer and the Guarantors bound themselves to allocate the Bonds to such Authorised Financial Intermediaries. The Authorised Financial Intermediaries in turn bound themselves to subscribe to a specified amount of Bonds subject to, and conditional upon, the Bonds being admitted to the Official List of the Malta Stock Exchange.

The following is a synopsis of the general terms and conditions applicable to the Bonds. A Bondholder is deemed to have invested only after having received, read and understood the contents of the Prospectus, including the full terms and conditions contained in the annexes thereto:

1. Form, Denomination and Title

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. The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple 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 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 in the Securities Note.

2. Interest

Details of interest payable on the Bonds are provided in Element C.9 of this Summary Note.

3. Status of the Bonds

The Bonds, as and when issued and allotted, shall constitute the general, direct, unsecured and unconditional obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under said Bonds by the Guarantors jointly and severally. The Bonds shall at all times rank *pari passu* without any priority or preference among themselves and, in respect of the Guarantors, they shall rank without any priority or preference over all their respective unsecured indebtedness, if any.

4. Payments

Payment of the principal amount of a Bond will be made in Euro by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to 6 April 2026 (the "Redemption Date"), by means of direct credit transfer into such bank account as the Bondholder may designate from time to time. Such payment shall be effected within seven days of the Redemption Date. 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 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. Such payment shall be effected within seven days of the Interest Payment Date.

5. Redemption

Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 6 April 2026.

6. Events of Default

The Bonds shall become immediately due and repayable at their principal amount together with accrued interest, upon the happening of any of the following events:

- i. the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for thirty (30) days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- ii. the Issuer shall fail 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 any Bondholder; or
- iii. an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer and/or Guarantors; or
- iv. the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; or
- v. the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or
- vi. there shall have been entered against the Issuer and/or the Guarantors a final judgment by a court of competent jurisdiction from which no appeal may be or is made for the payment of money in excess of two million Euro (€2,000,000) 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; or
- vii. any default occurs and continues for ninety (90) days under any contract or document relating to any Financial Indebtedness of the Issuer and/or the Guarantors in excess of two million Euro (€2,000,000) or its equivalent at any time.

7. Transferability of the Bonds

The Bonds are freely transferable and, once admitted to the Official List shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time. 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.

8. Register of Bondholders

Certificates will not be delivered to Bondholders in respect of the Bonds in virtue of the fact that the entitlement to Bonds will be represented in an 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, registration numbers and MSE 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.

9. 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 shall 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.

10. Meetings of Bondholders

The Terms and Conditions of the Bonds may be amended or waived with the approval of the Bondholders at a meeting called for that purpose by the Issuer.

11. Governing Law and Jurisdiction

The Bonds shall be governed by and shall be construed in accordance with Maltese law. Any legal action, suit, action or proceeding against the Issuer and/or the Guarantors arising out of or in connection with the Bonds shall be brought exclusively before the Maltese Courts and the Bondholder shall be deemed to acknowledge that it is submitting to the exclusive jurisdiction of the Maltese Courts as aforesaid.

E.4 Save for the subscription for Bonds by Authorised Financial Intermediaries, and any fees payable in connection with the Bond Issue to Charts Investment Management Service Limited as Sponsor, Manager & Registrar, so far as the Issuer is aware no person involved in the Bond Issue has an interest material to the Bond Issue.

E.7 Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €220,000.

EXPECTED TIME-TABLE OF THE BOND ISSUE

1. Offer Period	26 March 2018 to 6 April 2018
2. Private Placement date	6 April 2018
3. Commencement of interest on the Bonds	6 April 2018
4. Expected date of notification of registration	13 April 2018
5. Expected date of admission of the securities to listing	13 April 2018
6. Expected date of commencement of trading in the securities	16 April 2018

REGISTRATION DOCUMENT

dated 23 March 2018

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

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

by



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

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

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

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

Sponsor, Manager & Registrar



Legal Counsel



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

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

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

APPROVED BY THE DIRECTORS

George Amato

Alfred Borg

Kevin Grech

Christopher Muscat

Victor Spiteri

Kevin Valenzia

Brian Zarb Adami

IMPORTANT INFORMATION

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

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

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

THE DIRECTORS OF THE ISSUER, AS IDENTIFIED UNDER THE HEADING "DIRECTORS" IN SECTION 3.1 OF THIS REGISTRATION DOCUMENT, ARE THE PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS REGISTRATION DOCUMENT. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS OF THE ISSUER (WHO HAVE ALL TAKEN REASONABLE CARE TO ENSURE SUCH IS THE CASE), THE INFORMATION CONTAINED IN THIS REGISTRATION DOCUMENT IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. THE DIRECTORS OF THE ISSUER ACCEPT RESPONSIBILITY ACCORDINGLY.

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

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

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

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

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

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

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

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

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

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1. DEFINITIONS

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

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

as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities; Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of supplements to the prospectus; and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of the prospectus and dissemination of advertisements;

Securities Note	the securities note issued by the Issuer dated 23 March 2018, forming part of the Prospectus;
Subsidiaries	means all entities (including structured entities) over which the Issuer has control. In terms of International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), a group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity;
Summary Note	the summary note issued by the Issuer dated 23 March 2018, forming part of the Prospectus;
TISL	Time International (Sport) Limited, a Guarantor.

Unless it appears otherwise from the context:

- (a) words importing the singular shall include the plural and vice-versa;
- (b) words importing the masculine gender shall include the feminine gender and vice-versa;
- (c) the word 'may' shall be construed as permissive and the word 'shall' shall be construed as imperative.

2. RISK FACTORS

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

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

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

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

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

2.1 Forward-looking Statements

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

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

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

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

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

2.2 General

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

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference to the Prospectus or any applicable supplement;
- (ii) has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency;
- (iii) understands thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- (iv) be able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

2.3 Risks relating to the Issuer and its Business

Issuer's dependence on the Malta Group and its business

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

Issuer's exposure to the Hudson Group

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

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

Risks inherent in forecasts

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

2.4 Risks relating to the Malta Group and its Business

General

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

Dependence on the Maltese market

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

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

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

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

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

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

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

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

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

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

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

Litigation risk

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

The Malta Group's insurance policies

Historically, the Malta Group has maintained insurance at levels determined by the Malta Group to be appropriate in light of the cost of cover and the risk profiles of the business in which the Malta Group operates. With respect to losses for which the Malta Group is covered by its policies, it may be difficult and may take time to recover such losses from insurers. In addition, the Malta Group may not be able to recover the full amount from the insurer. No assurance can be given that the Malta Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates.

Risks relative to changes in laws

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

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

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

The agreements regulating the Malta Group's bank debt may impose significant financial covenants on the Malta Group, the covenants of which could limit the Malta Group's ability to obtain future financing, make capital expenditure, withstand a future downturn in business or economic conditions generally or otherwise inhibit the ability to conduct necessary corporate activities.

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

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

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

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

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

2.5 Risks relating to the Operations of the Guarantors

Competition and franchisors' response to changing trends and consumer preferences

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

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

The Malta Group is dependent on its franchisors

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

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

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

Lack of total territorial exclusivity

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

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

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

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

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

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

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

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

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

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

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

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

2.6 Risks relating to the Guarantee

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

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

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

3.1 Directors

3.1.1 Directors of the Issuer

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

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

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

THE DIRECTORS OF THE ISSUER ARE THE PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS REGISTRATION DOCUMENT. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS OF THE ISSUER (WHO HAVE ALL TAKEN REASONABLE CARE TO ENSURE SUCH IS THE CASE), THE INFORMATION CONTAINED IN THIS REGISTRATION DOCUMENT IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. THE DIRECTORS ACCEPT RESPONSIBILITY ACCORDINGLY.

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

3.1.2 Directors of the Guarantors

Time International (Sport) Limited

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

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

Hudson International Company Limited

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

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

3.2 Advisors

Legal Counsel

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

Sponsor, Manager & Registrar

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

Financial Advisors

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

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

3.3 Auditors

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

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

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

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

4.1 Introduction

4.1.1 The Issuer

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

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

4.1.2 The Guarantors

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

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

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

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

4.2 Overview of the Hudson Group

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

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

2006 Nike (Malta and Libya), Converse (Malta), Urban Jungle (Malta), Nike (Algeria - Manager), Urban Jungle (Italy)

2007 Timberland (Malta), Crocs (Malta)

2008 Converse (North Africa excluding Egypt), Timberland (Algeria, Tunisia, Libya)

2010 New Look (Malta)

2011 Nike (Tunisia)

2012 New Look (Libya), Umbro (Malta, North Africa excluding Egypt)

2013 Tommy Hilfiger (North Africa excluding Egypt)

2014 KIABI (Malta), River Island (Malta), Urban Jungle (Spain)

2015 Urban Jungle (France, Morocco), Nike (Distribution & Logistics Hub for Africa)

2016 3INA (Malta), Go Sport (Malta), Benetton (Malta)

2017 Extension of Nike Distribution Agreement to cover an additional 26 territories in Africa

4.3 Historical Financial Information on the Hudson Group

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

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

Hudson Holdings Limited			
Consolidated Statement of Comprehensive Income			
for the year ended 31 December	2014	2015	2016
	€'000	€'000	€'000
Revenue	41,832	42,504	58,759
<i>Revenue from Malta Group</i>	<i>23,299</i>	<i>26,217</i>	<i>34,409</i>
<i>Revenue from the remaining Hudson Group companies</i>	<i>18,533</i>	<i>16,287</i>	<i>24,350</i>
Cost of sales	(29,689)	(29,464)	(42,391)
Gross profit	12,143	13,040	16,368
Net operating costs	(9,918)	(11,887)	(13,685)
EBITDA¹	2,225	1,153	2,683
<i>EBITDA from Malta Group</i>	<i>1,468</i>	<i>1,886</i>	<i>2,286</i>
<i>EBITDA from the remaining Hudson Group companies</i>	<i>757</i>	<i>(733)</i>	<i>397</i>
Depreciation & amortisation	(700)	(732)	(949)
EBIT²	1,525	421	1,734
Loss on disposal of investment in subsidiary	(292)	-	-
Net finance costs	(162)	(296)	(375)
Profit before tax	1,071	125	1,359
Taxation	(550)	(369)	(548)
Profit/(loss) for the year	521	(244)	811
Other comprehensive income			
Currency translation differences	611	703	183
Fair value movements on available-for-sale financial investments, net of deferred tax	-	-	721
	611	703	904
Total comprehensive income	1,132	459	1,715

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

² EBIT - Earnings before Interest and Tax.

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

Hudson Holdings Limited**Consolidated Statement of Financial Position**

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

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

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

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

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

Hudson Holdings Limited		
Consolidated Statement of Comprehensive Income		
for the interim period 1 January to 30 June	2016	2017
	€'000	€'000
Revenue	25,699	51,960
<i>Revenue from Malta Group</i>	<i>14,907</i>	<i>16,590</i>
<i>Revenue from the remaining Hudson Group companies</i>	<i>10,792</i>	<i>35,370</i>
Cost of sales	(18,188)	(38,541)
Gross profit	7,511	13,419
Net operating costs	(6,994)	(8,569)
EBITDA¹	517	4,850
<i>Revenue from Malta Group</i>	<i>712</i>	<i>904</i>
<i>Revenue from the remaining Hudson Group companies</i>	<i>(195)</i>	<i>3,946</i>
Depreciation & amortisation	(410)	(591)
EBIT²	107	4,259
Net finance costs	(125)	(14)
Profit/(loss) before tax	(18)	4,245
Taxation	-	(1,486)
Profit/(loss) for the period	(18)	2,759
Other comprehensive income		
Currency translation differences	8	-
Total comprehensive income	(10)	2,759

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

² EBIT - Earnings before Interest and Tax.

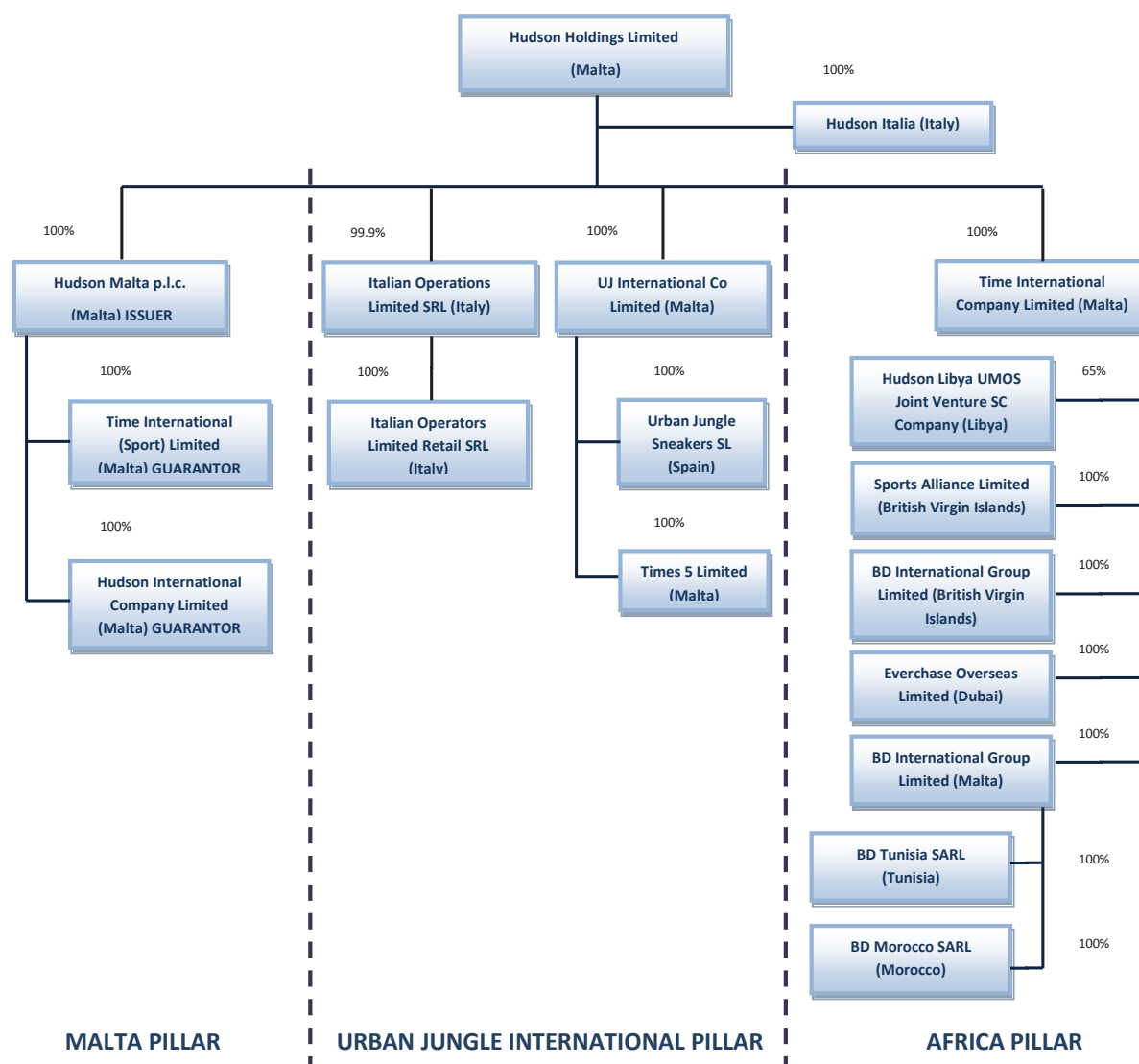
Hudson Holdings Limited		
Consolidated Cash Flow Statement		
for the interim period 1 January to 30 June	2016	2017
	€'000	€'000
Net cash from operating activities	915	(2,348)
Net cash from investing activities	(1,587)	(1,165)
Net cash from financing activities	(720)	5,609
Net movement in cash and cash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

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

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

4.4 Organisational Structure of the Hudson Group

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



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

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

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

The Issuer is a wholly owned subsidiary of HHL, which in turn is owned by Alfred Borg with 50%; George Amato, Christopher Muscat and Kevin Grech holding 37% between them apportioned equally; 9% shareholding is held by Etienne Camenzuli, and Felice Ilacqua and Gianluca Salute hold 2% each.

As the holding company of the Malta Group, the Issuer is ultimately dependent upon the operations and performance of its Subsidiaries. The business operation of each of the Guarantors is described in further detail in section 4.6 below.

4.5 Overview of Leased Stores and Third Party Operated Stores

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

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

FRANCHISED STORES

1	TISL	House of Sport	Intercontinental Hotel, St Julians	120	Prior to 2014
2	TISL	House of Sport	Valletta	150	Prior to 2014
3	TISL	House of Sport	Gozo	100	Prior to 2014
4	TISL	Timberland	Sliema	100	Prior to 2014
5	HICL	Benetton	Gozo	200	Mar-17
6	TISL	Urban Jungle	Intercontinental Hotel, St Julians	75	Apr-17

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

4.6 Operating and Key Financial Review

4.6.1 The Issuer

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

4.6.2 The Guarantors

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

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

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

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

Hudson Malta p.l.c.

Statement of Comprehensive Income

for the year ended 31 December

	2014	2015	2016
	€'000	€'000	€'000
Revenue	23,299	26,217	34,409
<i>Retail</i>	<i>13,797</i>	<i>16,354</i>	<i>21,913</i>
<i>Wholesale and other income</i>	<i>9,502</i>	<i>9,863</i>	<i>12,496</i>
Cost of sales	<u>(15,652)</u>	<u>(17,716)</u>	<u>(23,536)</u>
Gross profit	7,647	8,501	10,873
Net operating costs	<u>(6,179)</u>	<u>(6,615)</u>	<u>(8,587)</u>
EBITDA¹	1,468	1,886	2,286
Depreciation & amortisation	<u>(509)</u>	<u>(530)</u>	<u>(629)</u>
EBIT²	959	1,356	1,657
Net finance costs	<u>(123)</u>	<u>(89)</u>	<u>(122)</u>
Profit before tax	836	1,267	1,535
Taxation	<u>(313)</u>	<u>(269)</u>	<u>(636)</u>
Profit for the year	<u>523</u>	<u>998</u>	<u>899</u>
 Total comprehensive income	 <u>523</u>	 <u>998</u>	 <u>899</u>

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

² EBIT - Earnings before Interest and Tax.

Hudson Malta p.l.c.

Cash Flow Statement

for the year ended 31 December

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

Hudson Malta p.l.c.**Statement of Financial Position**

as at 31 December

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

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

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

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

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

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

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

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

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

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

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

Hudson Malta p.l.c.

Statement of Comprehensive Income

for the interim period 1 January to 30 June	2016	2017
	€'000	€'000
Revenue	14,907	16,590
<i>Retail</i>	<i>8,950</i>	<i>11,160</i>
<i>Wholesale and other income</i>	<i>5,957</i>	<i>5,430</i>
Cost of sales	(10,513)	(11,011)
Gross profit	4,394	5,579
Net operating costs	(3,682)	(4,675)
EBITDA¹	712	904
Depreciation & amortisation	(283)	(374)
EBIT²	429	530
Net finance costs	(22)	(38)
Profit before tax	407	492
Taxation	(142)	(172)
Profit for the period	265	320
Total comprehensive income	265	320

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

² EBIT - Earnings before Interest and Tax.

Hudson Malta p.l.c.

Cash Flow Statement

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

Hudson Malta p.l.c.**Statement of Financial Position**

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

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

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

4.7 Pro Forma Forecast Financial Information

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

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

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

Hudson Malta p.l.c.

Pro Forma Consolidated Statement of Comprehensive Income for the year ending 31 December 2017

	2016 Combined €'000	2017 Pro Forma €'000
Revenue	34,409	35,549
<i>Retail</i>	<i>21,913</i>	<i>24,843</i>
<i>Wholesale and other income</i>	<i>12,496</i>	<i>10,706</i>
Cost of sales	(23,536)	(23,340)
Gross profit	10,873	12,209
Net operating costs	(8,587)	(9,823)
EBITDA¹	2,286	2,386
Depreciation & amortisation	(629)	(922)
EBIT²	1,657	1,464
Net finance costs	(122)	(61)
Profit before tax	1,535	1,403
Taxation	(636)	(491)
Profit for the year	899	912
Total comprehensive income	899	912

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

² EBIT - Earnings before Interest and Tax.

Hudson Malta p.l.c.

Pro Forma Consolidated Cash Flow Statement for the year ending 31 December 2017

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

Hudson Malta p.l.c.**Pro Forma Consolidated Statement of Financial Position**

as at 31 December 2017

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

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

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

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

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

4.8 Principal Investments of the Issuer

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

- i. an amount of €2,500,000 will be utilised to finance the construction and fit-out of a distribution centre in Malta exclusively for the international trading operations of the Hudson Group. BD International Group Limited (a wholly owned subsidiary of HHL) is presently in the final stage of negotiating a 65-year emphyteutical concession with Malta Industrial Parks (the lessor) for the site over which the distribution centre will be developed, which has a footprint of *circa* 5,500m². It is envisaged that the 10-metre high one-storey proposed building will have an internal footprint of *circa* 3,700m², and will comprise dedicated areas for receiving goods, value added services and dispatch, and offices for logistics management. Accordingly, a joint venture agreement will be entered into between BD International Group Limited and the Issuer for the development and operation of the facility, wherein the former party will contribute the right of usufruct to the Issuer, whilst the latter party will contribute the required funds for the construction and fit-out of the distribution centre, IT and administrative support, and the provision of the above-mentioned operational services. The capital expenditure is projected to be incurred during 2018 and 2019;
- ii. the amount of €2,000,000 will be used to part-finance the forthcoming capital expenditure of the Malta Group, and shall primarily comprise the renovation of 3 existing stores (Benetton, The Point, Sliema; New Look, Gozo; and House of Sport and Shoe Shack, Sliema) and the opening of 3 additional stores in Malta.

5. TREND INFORMATION AND BUSINESS STRATEGY

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

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

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

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

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

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

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

6. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

6.1 The Board of Directors of the Issuer

6.1.1 Executive and Non-Executive Directors

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

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

None of the Directors have been:

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

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

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

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

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

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

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

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

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

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

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

6.1.2 Directors' Service Contracts

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

6.1.3 Aggregate Emoluments of Directors

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

6.1.4 Loans to Directors

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

6.1.5 Removal of Directors

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

6.1.6 Powers of Directors

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

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

6.2 Employees of the Issuer

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

6.3 The Boards of the Guarantors

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

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

6.3.1 Curriculum Vitae of Directors of TISL

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

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

6.3.2 Curriculum Vitae of Directors of HICL

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

6.3.3 Directors' Service Contracts

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

6.3.4 Aggregate Emoluments of Directors

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

6.3.5 Loans to Directors

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

6.3.6 Removal of Directors

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

6.3.7 Powers of Directors

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

6.3.8 Employees of the Guarantors

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

6.3.9 Working Capital

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

7. MANAGEMENT STRUCTURE

7.1 General

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

7.2 Management Team

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

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

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

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

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

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

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

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

7.3 Conflict of Interest

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

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

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

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

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

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

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

8. AUDIT COMMITTEE PRACTICES

8.1 Audit Committee of the Issuer

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

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

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

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

In addition, the Audit Committee also has the role and function of evaluating any proposed transaction to be entered into by the Company or the Guarantors and a related party, to ensure that the execution of any such transaction is at arm's length, on a commercial basis and ultimately in the best interests of the Company or each of the Guarantors as the case may be. Furthermore, the Audit Committee has the role of assessing any potential conflicts of interest between the duties of the Directors and their respective private interests or duties unrelated to the Issuer.

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

9. COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

9.1 The Issuer

Prior to the present Bond Issue, the Issuer was not regulated by the Listing Rules and accordingly was not required to comply with the Code of Principles of Good Corporate Governance forming part of the Listing Rules (the "Code"). As a consequence of the present Bond Issue in accordance with the terms of the Listing Rules, the Issuer is required to comply with the provisions of the Code. The Issuer declares its full support of the Code and undertakes to fully comply with the Code to the extent that this is considered complementary to the size, nature and operations of the Issuer.

The Issuer supports the Code and is confident that the application thereof shall result in positive effects accruing to the Issuer.

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

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

(i) Principle 7 “Evaluation of the Board’s Performance”

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

(ii) Principle 8 “Committees”

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

9.2 The Guarantors

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

10. HISTORICAL FINANCIAL INFORMATION

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

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

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

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

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

11. LITIGATION

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

12. ADDITIONAL INFORMATION

12.1 Share Capital of the Issuer

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

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

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

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

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

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

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

12.2 Memorandum and Articles of Association of the Issuer

12.2.1 Objects

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

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

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

12.2.2 Appointment of Directors

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

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

12.2.3 Powers of Directors

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

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

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

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

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

12.3 Share Capital of the Guarantors

12.3.1 Share Capital of TISL

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

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

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

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

12.3.2 Share Capital of HICL

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

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

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

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

12.4 Memorandum and Articles of Association of TISL

12.4.1 Objects

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

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

12.4.2 Appointment of Directors

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

12.4.3 Powers of Directors

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

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

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

12.5 Memorandum and Articles of Association of HICL

12.5.1 Objects

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

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

12.5.2 Appointment of Directors

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

12.5.3 Powers of Directors

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

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

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

12.5.4 Commissions

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

13. MATERIAL CONTRACTS

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

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

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

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

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

15. DOCUMENTS AVAILABLE FOR INSPECTION

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

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

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

ANNEX I – PRO FORMA FORECAST CONSOLIDATED FINANCIAL INFORMATION

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

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VAT Reg No: MT2013 6212
Exemption number: EXO2156

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

14 March 2018

Dear Sirs,

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

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

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

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

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

Directors' responsibilities for the pro forma financial information

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

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Cassar Torregiani & Associates is a firm of advocates warranted to practise law in Malta and is exclusively authorised to provide legal services in Malta under the Deloitte brand.



Accountant's responsibility

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

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

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

Basis of Opinion

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

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

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

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



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

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

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

Opinion

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

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Raphael Aloisio".

Raphael Aloisio
Director
Deloitte Services Limited

Purpose of the pro forma forecast consolidated financial information

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

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

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

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

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

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

Basis of preparation of the pro forma forecast consolidated financial information

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

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

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

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

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

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

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

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

Acquisition of entities and businesses under common control

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

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

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

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

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

Pro forma forecast consolidated statement of financial position*as at 31 December 2017*

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

Pro forma forecast consolidated statement of cash flows*for the year ending 31 December 2017*

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

Notes to the pro forma forecast consolidated financial information

1. Revenue

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

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

Revenue mainly arises from:

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

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

2. Cost of sales

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

3. Direct operating costs

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

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

4. Indirect costs

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

5. Depreciation

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

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

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

6. Interest income and expenses

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

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

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

7. Other income

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

8. Taxation

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

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

9. Property, plant and equipment

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

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

10. Intangible assets

Intangible assets include goodwill and trademarks.

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

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

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

11. Inventories

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

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

12. Trade and other receivables

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

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

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

13. Cash and cash equivalents

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

14. Share capital

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

15. Reserves on acquisition of subsidiaries

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

16. Other reserves

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

17. Borrowings

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

18. Trade and other payables

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

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

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

19. Intra-group transactions

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

Statement of pro forma restructuring and consolidation adjustments

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

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

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

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

Notes to the statement of pro forma restructuring and consolidated adjustments

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

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

The restructuring transactions

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

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

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

Consolidation adjustments

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

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

Restructuring transactions pro forma adjustments

1. HICL declares an interim dividend of €1,000,000 to its shareholders
2. TISL sells IOL and UJ International Company Ltd to Hudson Holdings Ltd. for a total value of €2,001,200, from which a profit on sale of subsidiary of €1,200,800 was booked
3. TISL sells Times 5 Ltd. to UJ International Company Ltd. for €1,200 (book value)
4. HICL sells Hudson Libya for €120,079 (book value) to HHL or any of its subsidiaries
5. Hudson Malta p.l.c. is incorporated with €50,000 in share capital
6. Hudson Malta p.l.c. acquires HICL and TISL for €12.6m and €3.8m respectively in exchange for shares in the Company
7. HICL capitalises €250,000 of retained earnings

Pro forma consolidation adjustments

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

SECURITIES NOTE

dated 23 March 2018

This document is a Securities Note issued in accordance with the provisions of Chapter 4 of the Listing Rules published by the Listing Authority and in accordance with the provisions of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No. 486/2012 of the 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015. This Securities Note is issued pursuant to the requirements of Listing Rule 4.14 of the Listing Rules and contains information about the Bonds being issued by Hudson Malta p.l.c. The Listing Authority has approved the admission to listing and trading of the Bonds on the Official List of the Malta Stock Exchange. 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:
€12,000,000 4.35% Unsecured Bonds 2026
of a nominal value of €100 per Bond issued at par

by



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

with the joint and several Guarantee* of Time International (Sport) Limited (C 32438)
and Hudson International Company Limited (C 58705)

ISIN:- MT0001811208

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

Sponsor, Manager & Registrar



Legal Counsel



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

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

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST.

APPROVED BY THE DIRECTORS

George Amato

Alfred Borg

Kevin Grech

Christopher Muscat

Victor Spiteri

Kevin Valenzia

Brian Zarb Adami

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IMPORTANT INFORMATION

THIS SECURITIES NOTE CONTAINS INFORMATION ON AN ISSUE BY HUDSON MALTA PLC (THE “ISSUER”) OF €12,000,000 UNSECURED BONDS 2026 OF A NOMINAL VALUE OF €100 PER BOND ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 4.35% PER ANNUM PAYABLE ANNUALLY ON 6 APRIL OF EACH YEAR. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON THE REDEMPTION DATE UNLESS OTHERWISE PREVIOUSLY REPURCHASED FOR CANCELLATION (THE “BONDS”). THE BOND ISSUE IS GUARANTEED BY TIME INTERNATIONAL (SPORT) LIMITED AND HUDSON INTERNATIONAL COMPANY LIMITED.

THIS SECURITIES NOTE:

- A. CONTAINS INFORMATION ABOUT THE ISSUER, THE GUARANTORS AND THE BONDS IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES, THE ACT AND THE REGULATION, AND SHOULD BE READ IN CONJUNCTION WITH THE REGISTRATION DOCUMENT ISSUED BY THE ISSUER; AND
- B. SETS OUT THE CONTRACTUAL TERMS UNDER WHICH THE BONDS ARE ISSUED BY THE COMPANY 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.

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

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS 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 THIS PROSPECTUS.

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR BONDS 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.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT LEGAL ADVISORS, ACCOUNTANTS AND/OR OTHER FINANCIAL ADVISORS AS TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE BONDS AND THE PROSPECTUS.

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

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

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

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

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

THE CONTENTS OF THE MALTA GROUP'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE MALTA GROUP'S WEBSITE DO NOT FORM PART OF 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 ISSUER DISCLAIMS ANY AND ALL RESPONSIBILITY FOR ANY DEALINGS MADE, REPRESENTATIONS GIVEN, PROCESSES ADOPTED, FUNDS COLLECTED OR APPLICATIONS ISSUED BY AUTHORISED FINANCIAL INTERMEDIARIES IN THEIR EFFORT TO PLACE OR RE-SELL THE BONDS SUBSCRIBED BY THEM.

ALL THE ADVISORS TO THE ISSUER AND THE GUARANTORS NAMED IN THE PROSPECTUS UNDER THE HEADING "ADVISORS" UNDER SECTION 3.2 OF THE REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTORS IN RELATION TO THIS ISSUE 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 VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL UPON MATURITY. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.

1. DEFINITIONS

Words and expressions and capitalised terms used in this Securities Note shall, except where the context otherwise requires and except where otherwise defined herein, bear the same meaning as the meaning given to such words, expressions and capitalised terms as indicated in the Registration Document forming part of the Prospectus. Additionally, the following words and expressions as used in this Securities Note shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

Act	the Companies Act (Cap. 386 of the Laws of Malta);
Applicant/s	a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;
Application/s	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form/s and delivering same to any of the Authorised Financial Intermediaries;
Application Form	the form of application of subscription for Bonds, a specimen of which is contained in Annex I of this Securities Note;
Authorised Financial Intermediaries	the financial intermediaries whose details appear in section 7.4 of this Securities Note;
Bond(s)	the €12,000,000 Unsecured Bonds of a nominal value of €100 payable in full upon subscription and redeemable at the nominal value on the Redemption Date, bearing interest at the rate of 4.35% per annum, as detailed in this Securities Note;
Bond Issue or Offer	the issue of the Bonds;
Bond Issue Price	the price of €100 per Bond;
Bondholder	a holder of Bonds;
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
Company or Issuer	Hudson Malta p.l.c., a company registered under the laws of Malta with company registration number C 83425 and having its registered office at Hudson House, Burmarrad Road, Burmarrad, St Paul's Bay SPB 9060, Malta;
CSD	the Central Securities Depository of the Malta Stock Exchange having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
Euro or €	the lawful currency of the Republic of Malta;
Exchange, Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta), having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta, and bearing company registration number C 42525;
Guarantee	the joint and several guarantee dated 23 March 2018 granted by the Guarantors as security for the punctual performance of the Issuer's payment obligations under the Bond Issue. A copy of the Guarantee and a description of the nature, scope and terms of the Guarantee are appended to the Securities Note as Annex II thereto;
Guarantors	Time International (Sport) Limited, a company registered under the laws of Malta with company registration number C 32438, and Hudson International Company Limited, a company registered under the laws of Malta with company registration number C 48705. The registered office of each of the afore-mentioned companies is at Hudson House, Burmarrad Road, Burmarrad, St Paul's Bay SPB 9060, Malta;
HICL	Hudson International Company Limited, a Guarantor;
Hudson Group or HHL	Hudson Holdings Limited, a company registered under the laws of Malta with company registration number C 37866 and having its registered office at Hudson House, Burmarrad Road, Burmarrad, St Paul's Bay SPB 9060, Malta (as ultimate parent company), the Issuer, the Guarantors and other subsidiary companies;
Interest Payment Date	6 April of each year between and including each of the years 2019 and the year 2026, 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;
Issue Date	expected on 13 April 2018;

Listing Authority	the Board of Governors of the Malta Financial Services Authority, appointed as the Listing Authority for the purposes of the Malta Financial Services Authority Act (Cap. 330 of the Laws of Malta);
Listing Rules	the listing rules issued by the Listing Authority, as may be amended from time to time;
Malta Group	the Issuer (as parent company), the Guarantors and the Subsidiaries, if any;
Malta Group Company	any one of the companies forming part of the Malta Group. The term “Malta Group Companies” shall be construed accordingly;
Offer Period	the period between 26 March 2018 to 6 April 2018 during which the Bonds are on offer;
Official List	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;
Prospectus	collectively the Registration Document, Summary Note and this Securities Note (each as defined in this Securities Note);
Redemption Date	6 April 2026;
Redemption Value	the nominal value of each Bond (€100 per Bond);
Registration Document	the registration document issued by the Issuer dated 23 March 2018, forming part of the Prospectus;
Regulation	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 amending Regulation (EC) No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities; Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of supplements to the prospectus; and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of the prospectus and dissemination of advertisements;
Securities Note	this document in its entirety;
Sponsor, Manager & Registrar	Charts Investment Management Service Limited, an authorised financial intermediary licensed by the Malta Financial Services Authority and a member of the MSE and a private limited liability company duly registered and validly existing under the laws of Malta, with company registration number C 7944 and having its registered office at The Centre, Tigné Point, Sliema TPO 0001, Malta;
Summary Note	the summary note issued by the Issuer dated 23 March 2018, forming part of the Prospectus;
Terms and Conditions	the terms and conditions of issue of the Bonds set out in this Securities Note;
TISL	Time International (Sport) Limited, a Guarantor.

All references in the Prospectus to “Malta” are to the “Republic of Malta”.

Unless it appears otherwise from the context:

- a) words importing the singular shall include the plural and vice-versa;
- b) words importing the masculine gender shall include the feminine gender and vice-versa;
- c) the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative.

2. RISK FACTORS

The value of investments can go up or down and past performance is not necessarily indicative of future performance.

The nominal value of the Bonds will be repayable in full upon maturity on the Redemption Date unless the Bonds are previously re-purchased and cancelled. The Issuer shall redeem the Bonds on the Redemption Date.

An investment in the Bonds involves certain risks including those described below. Prospective investors should carefully consider, with their own independent financial and other professional advisors, the following risk factors and other investment considerations as well as all the other information contained in the Prospectus before deciding to make an investment in the Bonds. The sequence in which the risks below are listed is not intended to be indicative of any order of priority or of the extent of their consequences.

Neither this Securities Note, nor any other parts of the Prospectus or any other information supplied in connection with the Bonds: (i) is intended to provide the basis of any credit or other evaluation; or (ii) should be considered as a recommendation by the Issuer or the Guarantors or the Sponsor, Manager & Registrar or Authorised Financial Intermediaries that any recipient of this Securities Note or any other part of the Prospectus or any other information supplied in connection with the Prospectus or any Bonds, 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.

2.1 FORWARD LOOKING STATEMENTS

This Securities Note contains “forward looking statements” which include, among others, statements concerning matters that are not historical facts and which may involve projections of future circumstances. These forward looking statements are subject to a number of risks, uncertainties and assumptions and important factors that could cause actual risks to differ materially from the expectations of the Issuer’s Directors. No assurance is given that the future results or expectations will be achieved.

2.2 GENERAL

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

- 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) 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;
- c) understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets; and
- d) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

2.3 RISKS RELATING TO THE BONDS

- Orderly and Liquid Market

The existence of an orderly and liquid market for the Bonds depends on a number of factors, including but not limited to the presence of willing buyers and sellers of the Issuer’s Bonds at any given time and the general economic conditions in the market in which the Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Accordingly, there can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price or at all.

- Subsequent Changes in Interest Rates

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

- **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 Circumstances**

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, will have on the market price of the Bonds prevailing from time to time. If such changes take place they could have an adverse effect on the market price for the Bonds.

- **Risks Specific to the Guarantee**

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

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

- **Continuing Compliance Obligations**

Even after the Bonds are admitted to trading on the MSE, the Issuer is required to remain in compliance with certain 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 Listing 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 Listing Authority may discontinue the listing of the Bonds on the MSE. Any such trading suspensions or listing revocations / discontinuations could have a material adverse effect on the liquidity and value of the Bonds.

- **Changes to Terms and Conditions**

In the event that the Issuer wishes to amend any of the Terms and Conditions of this Bond Issue it shall call a meeting of Bondholders in accordance with the provisions of section 5.13 of this Securities Note. 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.

- **Changes in Law**

The Terms and Conditions of this Bond Issue are based on the requirements of the Listing Rules of the Listing Authority, the Companies Act and the Commission Regulation EC No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council 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.

3 PERSONS RESPONSIBLE

This document includes information given in compliance with the Listing Rules for the purpose of providing prospective investors with information with regard to the Issuer, the Guarantors and the Bonds. All of the Directors of the Issuer, whose names appear under the heading "Identity of Directors, Advisors and Auditors of the Issuer and Guarantors" in section 3 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.

4 ESSENTIAL INFORMATION

4.1 REASONS FOR THE ISSUE AND USE OF PROCEEDS

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €11,780,000, will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

- i. an amount of *circa* €2,780,000 of the proceeds from the Bonds will be used to re-finance outstanding Malta Group banking facilities, which funds were mainly applied for the purpose of part-financing capital expenditure during 2013 to 2017 related to new store openings, property improvements and fit-out costs including furniture, fittings and equipment;
- ii. the amount of €4,500,000 will be on-lent to Hudson Holdings Limited (the ultimate parent company of the Issuer) pursuant to a loan agreement between the Issuer and HHL, and shall be used to lease and fit-out a number of new retail stores in Morocco (*circa* €2,500,000), Italy (*circa* €1,000,000) and Algeria (*circa* €1,000,000). Further details on the loan agreement is provided in section 13 of the Registration Document;
- iii. an amount of €2,500,000 will be utilised to finance the construction and fit-out of a distribution centre in Malta exclusively for the international trading operations of the Hudson Group. BD International Group Limited (a wholly owned subsidiary of HHL) is presently in the final stage of negotiating a 65-year emphyteutical concession with Malta Industrial Parks (the lessor) for the site over which the distribution centre will be developed. Accordingly, a joint venture agreement will be entered into between BD International Group Limited and the Issuer for the development and operation of the facility, wherein the former party will contribute the right of usufruct to the Issuer, whilst the latter party will contribute the required funds for the construction and fit-out of the distribution centre, IT and administrative support, and the provision of the above-mentioned operational services. The capital expenditure is projected to be incurred during 2018 and 2019;
- iv. the amount of €2,000,000 will be used to part-finance the forthcoming capital expenditure of the Malta Group, and shall primarily comprise the renovation of 3 existing stores and the opening of 3 additional stores in Malta.

4.2 EXPENSES

Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €220,000 and will be deducted from the proceeds of the Issue. There is no particular order of priority with respect to such expenses.

4.3 ISSUE STATISTICS

Amount:	€12,000,000;
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:	Euro (€);
ISIN:	MT0001811208;
Minimum amount per subscription:	Minimum of €2,000 and multiples of €100 thereafter;
Redemption Date:	6 April 2026;
Redemption Value:	At par (€100 per Bond);
Plan of Distribution:	The Bonds are open for subscription by all categories of investors and the general public;
Bond Issue Price:	At par (€100 per Bond);

Status of the Bonds:	The Bonds, as and when issued and allotted, shall constitute the general, direct, unsecured and unconditional obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under said Bonds by the Guarantors jointly and severally. The Bonds shall at all times rank <i>pari passu</i> without any priority or preference among themselves and, in respect of the Guarantors, they shall rank without any priority or preference over all their respective unsecured indebtedness, if any;
Listing:	The Listing 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;
Placement Agreement:	The Issuer and the Guarantors have entered into a conditional placement agreement for the full amount of the Bond Issue with the Authorised Financial Intermediaries, whereby the Bonds have been made available for subscription on 6 April 2018;
Offer Period:	26 March 2018 to 6 April 2018, both days included;
Interest:	4.35% per annum;
Interest Payment Date(s):	Annually on 6 April as from 6 April 2019 (the first interest payment date);
Governing Law of Bonds:	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 Prospectus and/or the Bonds.

4.4 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for the subscription for Bonds by Authorised Financial Intermediaries (which include the Sponsor, Manager & Registrar), and any fees payable in connection with the Bond Issue to Charts Investment Management Service Limited as Sponsor, Manager & Registrar, so far as the Issuer is aware no person involved in the Bond Issue has an interest material to the Bond Issue.

4.5 CONSENT FOR USE OF 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 during the Offer Period 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 Directive, 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 taking place in Malta;
- iii. to any resale or placement of Bonds taking place within the period of 60 days from the date of the Prospectus.

There are no other conditions attached to the consent given by the Issuer hereby which are relevant for the use of the Prospectus.

None of the Issuer, the Sponsor, Manager & Registrar 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 the Sponsor, Manager & Registrar 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 or the Sponsor, Manager & Registrar and neither the Issuer nor the Sponsor, Manager & Registrar has any responsibility or liability for the actions of any person making such offers.

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.

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

In the event of a resale, placement or other offering of Bonds by an Authorised Financial Intermediary, the Authorised Financial Intermediary will 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 will 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 the Sponsor, Manager & Registrar 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 also be made available on the Issuer's website: www.hudson.com.mt

5 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 hereafter described and to accept and be bound by the said terms and conditions.

5.1 GENERAL

Each Bond forms part of a duly authorised issue of 4.35% Unsecured Bonds 2026 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €12,000,000 (except as otherwise provided under section 5.12 "Further Issues"). The Issue Date of the Bonds is 13 April 2018.

- a. The currency of the Bonds is Euro (€).
- b. Subject to admission to listing of the Bonds to the Official List of the MSE, the Bonds are expected to be assigned ISIN MT0001811208.
- c. Unless previously purchased and cancelled, the Bonds shall be redeemable at par on the Redemption Date.
- d. The issue of the Bonds is made in accordance with the requirements of the Listing Rules, the Act, and the Regulation.
- e. The Bond Issue is not underwritten.
- f. There are no special rights attached to the Bonds other than the right of the Bondholders to the payment of capital and interest and in accordance with the ranking specified in section 5.2 hereunder.

5.2 RANKING OF THE BONDS

The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed jointly and severally by the Guarantors, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt of each of the Issuer and the Guarantors, if any. Furthermore, subject to the negative pledge clause (section 5.7 of this Securities Note), third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer and of the Guarantors, as the case may be, for so long as such security interests remain in effect. As at the date of this Securities Note, the Issuer does not have any subordinated indebtedness.

The following table sets out a summary of the Malta Group's indebtedness as at 31 December 2017, and includes overdraft facilities and bank loans. The aforesaid borrowings are secured by privileges, general hypothecs, company guarantees and other security.

Malta Group Borrowings
as at 31 December 2017

Description	Amount (€'000)
TISL – bank loans	604
TISL – bank overdraft facilities	1,163
HICL – bank loans	1,412
HICL – bank overdraft facilities	524
Total borrowings	3,703

In terms of section 4.1 above, all outstanding balances on bank loans shall be repaid out of part of the net proceeds of the Bond Issue. Accordingly, all security granted with respect to the bank loans shall be released by the respective banks. As regards to the overdraft accounts, the Malta Group shall retain the said facilities, which presently permits the Guarantors to drawdown a maximum aggregate amount of *circa* €2.5 million. The security in relation to the bank overdraft facilities shall therefore continue to be held by the respective banks and as such, the indebtedness being created by the Bonds would rank after the afore-mentioned overdraft facilities. In addition, the Bonds would also rank after any future debts which may be secured by a cause of preference such as a privilege and/or a hypothec.

5.3 RIGHTS ATTACHING TO THE BONDS

This Securities Note in its entirety contains the terms and conditions of issue of the Bonds and creates the contract between the Issuer and a Bondholder. Any and all references to the terms and conditions of the Bonds shall be construed as a reference to all and each section of this Securities Note. A Bondholder shall have such rights as are, pursuant to this Securities Note, attached to the Bonds, including:

- i. the repayment of capital;
- ii. the payment of interest;
- iii. ranking with respect to other indebtedness of the Issuer and the Guarantors in accordance with the provisions of section 5.2 above;
- iv. seeking recourse from the Guarantors pursuant to the Guarantee, in case of failure by the Issuer to pay any sum payable by it to Bondholders pursuant to the terms of the Bonds detailed in this Securities Note;
- v. the right to attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and
- vi. enjoy all such other rights attached to the Bonds emanating from the Prospectus.

5.4 INTEREST

The Bonds shall bear interest from and including 6 April 2018 at the rate of 4.35% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 6 April 2019 (covering the period 6 April 2018 to 5 April 2019). 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. 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 principal on the Bonds is barred by the lapse of five years.

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.

5.5 YIELD

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds is 4.35% per annum.

5.6 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 MSE 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.

Upon submission of an Application Form, Bondholders who opt to subscribe for the online e-portfolio account with the CSD, by marking the appropriate box on the Application Form, will be registered by the CSD for the online e-portfolio facility and will 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 multiple 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 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 5.11 of this Securities Note.

5.7 NEGATIVE PLEDGE

The Issuer and the Guarantors undertake, for as long as any principal or interest under the Bonds or any of the Bonds remains outstanding, not to create or permit to subsist any Security Interest (as defined below), other than a Permitted Security Interest (as defined below), upon the whole or any part of their respective present or future assets or revenues, to secure any Financial Indebtedness (as defined below) of the Issuer and/or the Guarantors. The instrument creating any such Permitted Security Interest shall provide that the Issuer's and Guarantors' indebtedness under the Bonds, shares in and is secured equally and rateably with such Permitted Security Interest.

"Financial Indebtedness" means any indebtedness in respect of: (A) monies borrowed; (B) any debenture, bond, note, loan stock or other security; (C) any acceptance credit; (D) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment is arranged primarily as a method of raising finance for the acquisition of that asset; (E) leases entered into primarily as a method of raising finance for the acquisition of the asset leased; (F) amounts raised under any other transaction having the commercial effect of borrowing or raising of money; (G) any guarantee, indemnity or similar assurance against financial loss of any person;

"Security Interest" means any privilege, hypothec, pledge, lien, charge or other encumbrance or real right which grants rights of preference to a creditor over the assets of the Issuer or the Guarantors;

"Permitted Security Interest" means:

- (A) any Security Interest arising by operation of law;
- (B) any Security Interest securing temporary bank loans or overdrafts or guarantees (including those issued to the Malta Group's franchisors and suppliers) in the ordinary course of business;
- (C) any Security Interest securing any indebtedness of the Issuer created for the sole purpose of financing or raising finance for the redemption of all the Bonds;
- (D) any other Security Interest (in addition to (A), (B) and (C) above) securing Financial Indebtedness of the Issuer or Guarantors (as the case may be), in an aggregate outstanding amount not exceeding 90% of the difference between the value of the Unencumbered Assets of the Issuer and Guarantors and the aggregate principal amount of Bonds outstanding at the time;

Provided that the aggregate Security Interests referred to in (B), (C) and (D) above do not result in the Unencumbered Assets of the Issuer being less than the aggregate principal amount of the Bonds still outstanding together with one (1) year's interest thereon;

"Unencumbered Assets" means assets which are not subject to a Security Interest.

5.8 PAYMENTS

Payment of the principal amount 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 may designate from time to time, provided such bank account is denominated in Euro and held with any licensed bank in Malta. Such payment shall be effected within seven 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 will be made against 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 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 and held with any licensed bank in Malta. Such payment shall be effected within seven 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 applicable fiscal or other laws and regulations prevailing in Malta. In particular, but without limitation, all payments of principal 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 having power to tax.

No commissions or expenses shall be charged by the Issuer to Bondholders in respect of such payments. The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer.

5.9 REDEMPTION AND PURCHASE

Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 6 April 2026. In such a case the Issuer shall be discharged of any and all payment obligations under the Bonds upon payment made net of any withholding or other taxes due or which may be due under Maltese law and which is payable by the Bondholders.

Subject to the provisions of this section 5.9, 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.

5.10 EVENTS OF DEFAULT

The Bonds shall become immediately due and repayable at their principal amount together with any accrued interest, if any of the following events ("**Events of Default**") shall occur:

- a. the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for thirty (30) days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- b. the Issuer shall fail 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 any Bondholder; or
- c. an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer and/or Guarantors; or
- d. the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; or
- e. the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or
- f. there shall have been entered against the Issuer and/or the Guarantors a final judgment by a court of competent jurisdiction from which no appeal may be or is made for the payment of money in excess of two million Euro (€2,000,000) 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; or

- g. any default occurs and continues for ninety (90) days under any contract or document relating to any Financial Indebtedness (as defined in section 5.7 of this Securities Note) of the Issuer and/or the Guarantors in excess of two million Euro (€2,000,000) or its equivalent at any time.

5.11 TRANSFERABILITY OF THE BONDS

The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole (that is, in multiples of €100) in accordance with the rules and regulations of the MSE applicable from time to time.

Any person becoming entitled to a Bond in consequence of the death or bankruptcy 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. Provided always that if a Bond is transmitted in furtherance of this paragraph, a person will not be registered as a Bondholder unless such transmission is made in multiples of €100.

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 person to whom the transfer / transmission has been made.

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.

The minimum subscription amount of €2,000, described in section 5.6 above, shall only apply during the Offer Period. As such, no minimum holding requirement shall be applicable once the Bonds commence trading on the MSE.

5.12 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 shall 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.

5.13 MEETINGS OF BONDHOLDERS

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, including any change to a material term of issuance of the Bonds or the Prospectus.

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 30 days preceding the date scheduled for the meeting, not less than 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 of 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 5.13 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 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 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 days, and not later than 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 being required 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.

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.

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.

5.14 AUTHORISATIONS AND APPROVALS

The Board of Directors of the Issuer authorised the Bond Issue pursuant to a Board of Directors' resolution passed on 5 March 2018. The Guarantee being given by the Guarantors in respect of the Bonds has been authorised by resolutions of the boards of directors of each of the Guarantors both dated 5 March 2018.

5.15 REPRESENTATIONS AND WARRANTIES

The Issuer represents and warrants to Bondholders, who shall be entitled to rely on such representations and warranties, that:

- i. 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
- ii. 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 Terms and Conditions or the Prospectus.

The Prospectus contains all relevant material information with respect to the Issuer and the Guarantors and all information contained in the Prospectus is in every material respect true and accurate and not misleading, and there are no other facts in relation to the Issuer and/or the Guarantors, their respective businesses and financial position, the omission of which would, in the context of issue of the Bonds, make any statement in the Prospectus misleading or inaccurate in any material respect.

5.16 NOTICES

Notices will be mailed to Bondholders at their registered addresses and shall be deemed to have been served at the expiration of 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.

5.17 GOVERNING LAW AND JURISDICTION

The Bonds are governed by and shall be construed in accordance with Maltese law.

Any legal action, suit or proceedings against the Issuer and/or the Guarantors arising out of or in connection with the Bonds and/or the Prospectus shall be brought exclusively before the Maltese courts.

6 TAXATION

6.1 GENERAL

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 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.

6.2 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% (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. The Issuer will render an account to the Maltese Commissioner for Revenue of all amounts so deducted but will not specify 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 unless the beneficiary is a non-resident of Malta. 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.

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

6.4 MALTESE TAXATION 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.

6.5 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) as the Bonds constitute financial instruments of a company quoted on a regulated market Exchange, as is the MSE, 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. 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.

7 TERMS AND CONDITIONS OF THE BOND ISSUE

7.1 EXPECTED TIMETABLE OF THE BOND ISSUE

1. Offer Period	26 March 2018 to 6 April 2018
2. Private Placement date	6 April 2018
3. Commencement of interest on the Bonds	6 April 2018
4. Expected date of notification of registration	13 April 2018
5. Expected date of admission of the securities to listing	13 April 2018
6. Expected date of commencement of trading in the securities	16 April 2018

7.2 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 Guarantors on the one hand and the Bondholders on the other.

7.2.1 Applications may be lodged with any Authorised Financial Intermediary by not later than 12:00 hours (Central European Time) on 6 April 2018.

7.2.2 By submitting a signed Application Form, the Applicant is thereby confirming to the Issuer and the Authorised Financial Intermediary through whom the Application is made that: (i) 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 and the Sponsor, Manager & Registrar 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 (which acceptance shall be made in the Authorised Financial Intermediary's absolute discretion and may be on the basis that the Applicant indemnifies the Authorised Financial Intermediary 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).

7.2.3 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.

7.2.4 If an Application Form is signed on behalf of another party or on behalf of a corporation or corporate entity or association of persons, the person signing will be deemed to have duly bound his principal, or the relative corporation, corporate entity, or association of persons, and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions on their behalf. Such representative may be requested to submit the relative power of attorney/resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Issuer and the Sponsor, Manager & Registrar, but it shall not be the duty or responsibility of the Sponsor, Manager & Registrar or Issuer to ascertain that such representative is duly authorised to appear on the Application Form.

7.2.5 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. The person whose name shall be inserted in the field entitled "Applicant" on the Application Form, or first-named in the register of Bondholders shall, for all intents and purposes, be deemed to be such nominated person by all those joint holders whose names appear in the field entitled "Additional Applicants" in the Application Form or joint holders in the register, as the case may be. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held.

7.2.6 In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. 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 repayment of principal on the Bond (which shall be due to the bare owner).

7.2.7 Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. 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 signing the Application Form until such time as the minor attains the age of 18 years, 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 the age of 18 years.

7.2.8 The Bonds have not been and will not be registered under the Securities Act of 1933 of the United States of America and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.

7.2.9 No person receiving a copy of the Prospectus or an Application Form 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 such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or such Application Form could lawfully be used without contravention of any registration or other legal requirements.

7.2.10 It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself/herself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

7.2.11 Subject to all other terms and conditions set out in the Prospectus, an Authorised Financial Intermediary reserves the right to reject, in whole or in part, or to scale down, any Application, including multiple or suspected multiple Applications, 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 Authorised Financial Intermediary is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents. Only original Application Forms will be accepted and photocopies/facsimile copies will not be accepted.

7.2.12 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. The completed Application Forms are to be lodged with any of the Authorised Financial Intermediaries. Submission of Application Forms must be accompanied by the full price of the Bonds applied for, in Euro. Payment may be made either in cash or by cheque payable to the respective Authorised Financial Intermediary. In the event that any cheque accompanying an Application Form is not honoured on its first presentation, the Authorised Financial Intermediary reserves the right to invalidate the relative Application Form.

7.2.13 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, by credit transfer to such account indicated in the Application Form, at the Applicant's sole risk within five Business Days from the date of final allocation. The respective Authorised Financial Intermediary or the Issuer shall not be responsible for any charges, loss or delay arising in connection with such direct credit transfer.

7.2.14 The Issuer has not sought assessment of the Bonds by any independent credit rating agency.

7.2.15 For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations 2008 (Legal Notice 180 of 2008, 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 MSE 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 the Data Protection Act (Cap. 440 of the Laws of Malta) for the purposes and within the terms of the MSE's data protection and privacy policy as published from time to time.

7.2.16 By completing and delivering an Application Form, the Applicant:

- a 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 Guarantors and the issue of the Bonds contained therein;

- b warrants that the information submitted by the Applicant in the Application Form is true and correct in all respects and in the case where an MSE account number is indicated in the Application Form, such MSE account number is the correct account of the Applicant. In the event of a discrepancy between the personal details (including name and surname and the Applicant's address) appearing on the Application Form and those held by the MSE in relation to the MSE account number indicated on the Application Form, the details held by the MSE shall be deemed to be the correct details of the Applicant;
- c authorises the Issuer and the MSE to process the personal data that the Applicant provides in the Application Form, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta). The Applicant has the right to request access to and rectification of the personal data relating to him/her as processed by the Issuer and/or the MSE. Any such requests must be made in writing and sent to the Issuer at the address indicated in the Prospectus. The requests must further be signed by the Applicant to whom the personal data relates;
- d 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;
- e agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her 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;
- f agrees to provide the Sponsor, Manager & Registrar and/or the Issuer, as the case may be, with any information which it/they may request in connection with the Application;
- g 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 Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Sponsor, Manager & Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bonds or his/her Application;
- h warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- i 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;
- j agrees that unless such Application is made with Charts Investment Management Service Limited as Authorised Financial Intermediary, Charts Investment Management Service Limited will not, in their capacity of Sponsor, Manager & Registrar, treat the Applicant as their customer by virtue of such Applicant making an Application for the Bonds, and that Charts Investment Management Service Limited will owe the Applicant no duties or responsibilities concerning the price of the Bonds or their suitability for the Applicant;
- k 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 Form;
- l 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.

7.3 PLAN OF DISTRIBUTION AND ALLOTMENT

The Bonds shall be allocated to Authorised Financial Intermediaries pursuant to a placement agreement, details of which are included in section 7.4 below.

Subscriptions shall be made through any of the Authorised Financial Intermediaries, subject to a minimum subscription amount of €2,000 in nominal value of Bonds and in multiples of €100 thereafter.

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 will not bear interest while retained as aforesaid.

Dealings in the Bonds shall not commence prior to the Bonds being admitted to the Official List of the Malta Stock Exchange.

7.4 PLACING AGREEMENT

The Issuer and the Guarantors have entered into a placement agreement for the full amount of the Bond Issue with the financial intermediaries included hereunder (“**Authorised Financial Intermediaries**”), whereby the Issuer and the Guarantors bound themselves to allocate the Bonds to such Authorised Financial Intermediaries. The Authorised Financial Intermediaries in turn bound themselves to subscribe to a specified amount of Bonds subject to, and conditional upon, the Bonds being admitted to the Official List of the Malta Stock Exchange.

In terms of the placement agreement, Authorised Financial Intermediaries may subscribe for Bonds for their own account or for the account of underlying customers, and shall in addition be entitled to either distribute to the underlying customers any portion of the Bonds subscribed for upon commencement of trading, or submit Application Forms directly in the name of their underlying customers. In either case, subscription amounts made by Applicants through Authorised Financial Intermediaries, including those made under nominee, shall be in multiples of €100, subject to a minimum subscription amount of €2,000 in Bonds by each individual Bondholder/underlying customer.

The placement agreement, which is subject to the terms of the Prospectus, will become binding on all parties thereto on the placement agreement date, subject to the Issuer having received all subscription proceeds in cleared funds on the placement date.

AUTHORISED FINANCIAL INTERMEDIARIES

Name	Address	Telephone
Charts Investment Management Service Ltd	The Centre, Tigné Point, Sliema TPO 0001	25574400
MeDirect branch network	The Centre, Tigné Point, Sliema TPO 0001	25574400
	94, St Bartholomew Street, Qormi QRM 2186	
	127, Pjazza Antoine De Paule, Paola PLA 1264	
	72, Constitution Street, Mosta MST 9057	
	140, Triq Fortunato Mizzi, Victoria VCT 2571, Gozo	

7.5 PRICING

The Bonds are being issued at par, that is, at €100 per Bond with the full amount payable upon subscription.

7.6 ALLOCATION POLICY

The Issuer shall allocate the Bonds to Authorised Financial Intermediaries pursuant to the placement agreement entered into with the Issuer and Guarantors, details of which can be found in section 7.4 above.

7.7 ADMISSION TO TRADING

- i. The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 23 March 2018.
- ii. 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.
- iii. The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 13 April 2018 and trading is expected to commence on 16 April 2018.

7.8 ADDITIONAL INFORMATION

Save for the financial analysis summary set out as Annex III, the 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 Charts Investment Management Service Limited of The Centre, Tigné Point, Sliema TPO 0001, Malta, which has given and has not withdrawn its consent to the inclusion of such report herein.

Charts Investment Management Service Limited does not have any material interest in the Issuer or Guarantors. The Issuer confirms that the financial analysis summary has been accurately reproduced in the 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.

ANNEX I – SPECIMEN APPLICATION FORM



HUDSON
MALTA PLC

€12,000,000 4.35%
UNSECURED BONDS 2026

Please read the Notes overleaf before completing this Application Form. Mark 'X' if applicable.

Application number

A APPLICANT (see notes 2 to 7)

Non-Resident
 Minor (under 18)
 Body Corporate/Body of Persons
 CIS-Prescribed Fund

TITLE (MR/MRS/MS/...)	FULL NAME & SURNAME / REGISTERED NAME		
ADDRESS/ REGISTERED OFFICE			POSTCODE
MSE A/C NO. (if applicable)	LEI (Legal Entity Identifier) (If Applicant is NOT an individual)	TEL. NO.	MOBILE NO. (mandatory for e-portfolio registration)
NATIONAL ID CARD / PASSPORT NO. / COMPANY REG. No.		DOCUMENT TYPE	COUNTRY OF ISSUE
		DATE OF BIRTH	

Please register me for e-portfolio

C ADDITIONAL (JOINT) APPLICANTS (see note 4) (please use additional Application Forms if space is not sufficient)

TITLE (MR/MRS/MS/...)	FULL NAME & SURNAME	DATE OF BIRTH	ID CARD / PASSPORT NO.
TITLE (MR/MRS/MS/...)	FULL NAME & SURNAME	DATE OF BIRTH	ID CARD / PASSPORT NO.

D MINOR'S PARENTS / LEGAL GUARDIAN/S (see note 5) (to be completed ONLY if the Applicant is a minor)

TITLE (MR/MRS/MS/...)	FULL NAME & SURNAME	DATE OF BIRTH	ID CARD / PASSPORT NO.
TITLE (MR/MRS/MS/...)	FULL NAME & SURNAME	DATE OF BIRTH	ID CARD / PASSPORT NO.

E I/WE APPLY TO PURCHASE AND ACQUIRE (see notes 8 and 9)

AMOUNT IN FIGURES €	AMOUNT IN WORDS
Hudson Malta p.l.c. 4.35% Unsecured Bonds 2026 (the "Bonds") (minimum €2,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 23 March 2018 (the "Prospectus"), payable in full upon application under the Terms and Conditions of the Bonds as set out in the Prospectus.	

F RESIDENT - WITHHOLDING TAX DECLARATION (see note 10 and 11a) (to be completed ONLY if the Applicant is a Resident of Malta)

I/We elect to have Final Withholding Tax deducted from my/our interest.
 I/We elect to receive interest GROSS (i.e. without deduction of withholding tax).

G NON-RESIDENT – DECLARATION FOR TAX PURPOSES (see note 3, 11 & 11a) (to be completed ONLY if the Applicant is a Non-Resident)

TAX COUNTRY	CITY + COUNTRY OF BIRTH	TIN (TAX IDENTIFICATION NO.)
<input type="checkbox"/> I/We am/are NOT Resident in Malta but I/we am/are Resident in the European Union. <input type="checkbox"/> I/We am/are NOT Resident in Malta and I/we am/are NOT Resident in the European Union.		

H INTEREST AND REDEMPTION MANDATE (see note 12) (completion of this panel is MANDATORY)

BANK	IBAN
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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 as contained therein which I/we fully accept.

Signature/s of Applicant/s
(parents 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)

Date

Authorised Financial Intermediary's Stamp

Authorised Financial Intermediary's Code

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NOTES ON HOW TO COMPLETE THIS APPLICATION FORM AND OTHER INFORMATION

The following notes are to be read in conjunction with the Prospectus dated 23 March 2018 regulating the Bond Issue

1. This Application is governed by the Terms and Conditions of the Application contained in Section 7.2 of the Securities Note dated 23 March 2018 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.
3. Applicants who are Non-Residents in Malta for tax purposes, must indicate their passport number in Panel B and complete Panel G. The relative box in Panel A must also be marked appropriately.
4. Applicants are to insert full personal details in Panel B. In the case of an Application by more than one person (including husband and wife) full details of all individuals, including I.D. card numbers, must be given in Panels B and C **but the person whose name appears in Panel B shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 7 below).**

Upon submission of an Application Form, Bondholders who opt to have an online e-Portfolio facility (by marking the relative box in Panel B), 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 advices 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 are found on <https://eportfolio.borzamalta.com.mt/Help>.

5. Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or by the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. The relative box in Panel A must also be marked appropriately. 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 Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.
6. In the case of a body corporate, the name of the entity exactly as registered, and the registration number are to be inserted in Panel B. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
7. **APPLICANTS WHO ALREADY HOLD SECURITIES ON THE MSE ARE TO INDICATE THEIR MSE ACCOUNT NUMBER IN PANEL B. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED IN THE MSE ACCOUNT NUMBER QUOTED ON THIS APPLICATION FORM. IF DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MSE, 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.**
8. Applications must be for a minimum of €2,000 and thereafter in multiples of €100.
9. Applications must be accompanied by the relevant subscription amount in Euro.
10. 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. 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 (having indicated their status in the appropriate box in Panel A) will have final withholding tax (currently 10%), deducted from interest payments.

In terms of Section 6.2 of the Securities Note, unless the Issuer 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).

11. 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.
 - 11a. The contents of Notes 10 and 11 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisors in case of doubt.
12. Interest and redemption proceeds will be credited to the account indicated in Panel H or as otherwise amended by the Bondholder/s during the term of the Bond.
13. Authorised Financial Intermediaries are to submit completed Application Forms representing the total amount committed in terms of the Placement Agreement as mentioned in Section 7.4 of the Securities Note by latest 12:00 on 6 April, 2018. The Issuer reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions of the Application as contained in the Prospectus.
14. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
 - a. the Issuer may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta);
 - b. the Issuer 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 Issuer. Any such requests must be made in writing and addressed to the Issuer. 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 II – THE GUARANTEE

To All Bondholders:

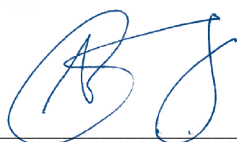
Re: GUARANTEE AND INDEMNITY

Reference is made to the issue of up to €12 million Unsecured Bonds 2026 by Hudson Malta p.l.c., a company registered in Malta bearing company registration number C 83425 (the “**Issuer**”) pursuant to and subject to the terms and conditions contained in the Securities Note forming part of the Prospectus to be dated 23 March 2018 (the “**Bonds**”).

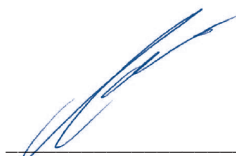
Now therefore by virtue hereof we, Time International (Sport) Limited (C 32438) and Hudson International Company Limited (C 48705), hereby stand surety jointly and severally with the Issuer and irrevocably and unconditionally guarantee the due and punctual performance of all the obligations undertaken by the Issuer under the Bonds and, without prejudice to the generality of the foregoing, undertake to pay all amounts of principal and interest which have become due and payable by the Issuer to Bondholders under the Bonds, within 60 days from the date such amount falls due and remains unpaid by the Issuer.

This guarantee shall be governed by the laws of Malta.


Signed and executed on this the 23rd day of March 2018.



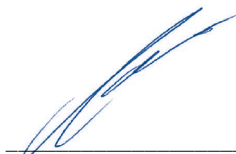
Alfred Borg
Director
Time International (Sport) Limited



Christopher Muscat
Director
Time International (Sport) Limited



Alfred Borg
Director
Hudson International Company Limited



Christopher Muscat
Director
Hudson International Company Limited

INTERPRETATION

In this Guarantee, unless the context otherwise requires:

- (a) terms and expressions defined in or construed for the purposes of the Prospectus shall have the same meanings or be construed in the same manner when used in this Guarantee, unless defined otherwise in this Guarantee;
- (b) “**Indebtedness**” means any and all moneys, obligations and liabilities now or hereafter due, owing or incurred by the Issuer under the Bonds to the Bondholders (whether alone and/or with others) in terms of the Prospectus and in any and all cases whether for principal, interests, capitalised interests, charges, disbursements, or otherwise and whether for actual or contingent liability; and
- (c) “**writing**” or “**in writing**” shall mean any method of visual representation and shall include facsimile transmissions, telexes and other such electronic methods.

NATURE, SCOPE AND TERMS OF THE GUARANTEE

1. NATURE OF THE GUARANTEE

The offering of Bonds that will be made by the Issuer pursuant to the Prospectus will be made with the benefit of the joint and several corporate Guarantee of the Guarantors, the full terms of which are set out in clause 3 below.

2. INFORMATION ABOUT THE GUARANTORS

The information about the Guarantors required pursuant to the Listing Rules and the Regulation may be found in the Registration Document.

3. TERMS OF THE GUARANTEE

3.1 Covenant to Pay

For the purposes of the Guarantee, the Guarantors, as primary obligors, hereby jointly and severally with the Issuer irrevocably and unconditionally guarantee to each Bondholder that if for any reason the Issuer fails to pay any sum payable by it to such Bondholder pursuant to the terms and conditions of the Bonds detailed in the Securities Note as and when the same shall become due under any of the foregoing, the Guarantors will pay to such Bondholder on written demand the amount payable by the Issuer to such Bondholder. All demands shall be sent to the address or facsimile or other numbers as are stated below in clause 3.11 as the same may be changed by company announcement issued by the Issuer from time to time.

Such payment shall be made in the currency in force in Malta at the time the payment falls due.

All payments shall be made to Bondholders without any withholding for taxes (and in so far as this obligation exists under any law the payment shall be grossed up by the amount of withholding) and without set-off for any amounts which may be then owing to the Guarantors by the Issuer.

This Guarantee shall apply to all Bonds issued on or after 13 April 2018 in accordance with the terms of the Securities Note.

3.2 Guarantors as Joint and Several Surety

Each Guarantor will be liable under this Guarantee as joint and several surety with the Issuer.

3.3 Maximum Liability

This is a continuing Guarantee for the whole amount due or owing under the Bonds or which may hereafter at any time become due or owing under the Bonds by the Issuer, but the amount due by the Guarantors to the Bondholders under this Guarantee shall be up to and shall not be in excess of €12,000,000 (twelve million Euros), apart from interests due up to the date of payment and costs and expenses relating to the protection, preservation, collection or enforcement of the Bondholders' rights against the Issuer and/or the Guarantors, which shall be additional to the maximum sum herein stated.

3.4 Continuing and Unconditional Liability

The liability of each Guarantor under this Guarantee shall be continuing until such time as the Indebtedness is fully repaid and shall in no way be prejudiced or affected, nor shall it in any way be discharged or reduced, by reason of:

- a. the bankruptcy, insolvency or winding up of the Issuer; or
- b. the incapacity or disability of the Issuer or any other person liable for any reason whatsoever; or
- c. any change in the name, style, constitution, any amalgamation or reconstruction of either the Issuer or any of the Guarantors;

- d. a Bondholder conceding any time or indulgence, or compounding with, discharging, releasing or varying the liability of the Issuer or any other person liable or renewing, determining, reducing, varying or increasing any accommodation or transaction or otherwise dealing with the same in any manner whatsoever or concurring in, accepting or in any way varying any compromise, composition, arrangement or settlement or omitting to claim or enforce or extract payment from the Issuer or any other person liable; or
- e. any event, act or omission that might operate to exonerate any Guarantor without settlement in full of the Indebtedness towards the relevant Bondholder.

3.5 Indemnity

As a separate and alternative stipulation, each Guarantor unconditionally and irrevocably agrees that any Indebtedness to be payable by the Issuer but which is for any reason (whether or not now known or becoming known to the Issuer, any Guarantor or any Bondholder) not recoverable from any Guarantor, will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid by it to the Bondholder on demand. This indemnity constitutes a separate and independent obligation from the other obligations in this Guarantee, gives rise to a separate and independent obligation from the other obligations in this Guarantee, and gives rise to a separate and independent cause of action.

3.6 Representations and Warranties

3.6.1 Each Guarantor represents and warrants:-

- (i) that it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business;
- (ii) that it has power to grant this Guarantee and that this Guarantee is duly authorised and all corporate action has been taken by the Guarantor in accordance with its deeds of constitution and the laws of its incorporation and regulation;
- (iii) that this Guarantee constitutes and contains valid and legally binding obligations of the Guarantor enforceable in accordance with its terms;
- (iv) that this Guarantee does not and will not constitute default with respect to or run counter to any law, by-law, articles of incorporation, statute, rule, regulation, judgement, decree or permit to which the Guarantor is or may be subject, or any agreement or other instrument to which the Guarantor is a party or is subject or by which it or any of its property is bound;
- (v) that this Guarantee shall not result in or cause the creation or imposition of, or oblige a Guarantor to create, any encumbrance on any of the Guarantor's undertakings, assets, rights or revenues;
- (vi) that it is in no way engaged in any litigation, arbitration or administrative proceeding of a material nature (which for the purposes of this Guarantee shall mean proceedings relative to a claim amounting to at least €1,000,000) and nor is it threatened with any such procedures;
- (vii) that the obligations of the Guarantor under this Guarantee constitute general, direct and unsecured obligations of the Guarantor and rank equally with all its other existing and future unsecured obligations, except for any debts for the time being preferred by law;
- (viii) that it is not in breach of or in default under any agreement relating to indebtedness to which it is a party or by which it may be bound nor has any default occurred in its regard;
- (ix) that all the information, verbal or otherwise tendered in connection with the negotiation and preparation of this Guarantee is accurate and true and there has been no omission of any material facts; and
- (x) that the granting of this Guarantee is in the commercial interest of the Guarantor and that the Guarantor acknowledges that it is deriving commercial benefit therefrom.

3.6.2 As from the date of this Guarantee, until such time as the Indebtedness is paid in full to the Bondholders, and for as long as this Guarantee shall remain in force, the Guarantor shall hold true, good and valid all the representations and warranties given under this clause.

3.7 Deposit and Production of the Guarantee

The instrument creating this Guarantee shall be deposited with and held by the Issuer at its registered address for the benefit of the Bondholders until all obligations of the Guarantors have been discharged in full, and until such time, the Guarantors acknowledge the right of every Bondholder to obtain a copy of the instrument creating the Guarantee.

3.8 Subrogation

Until all amounts which may be payable under the terms of the Bonds have been irrevocably paid in full, the Guarantors shall not by virtue of this Guarantee be subrogated to any rights of any Bondholder or claim in competition with the Bondholders against the Issuer.

3.9 Benefit of the Guarantee and No Assignment

This Guarantee is to be immediately binding upon the Guarantors for the benefit of the Bondholders. The Guarantors shall not be entitled to assign or transfer any of their respective obligations under this same Guarantee.

3.10 Amendments

The Guarantors have the power to veto any changes to the terms and conditions of the Bonds which are issued with the benefit of its Guarantee.

3.11 Notices

Any notice required to be given by any party hereto to the other party shall be deemed to have been validly served if delivered by hand or sent by pre-paid registered letter through the post or by facsimile to such other party at his address given herein or such other address as may from time to time be notified to the other party for this purpose and any notice so served shall be deemed to have been served, if delivered by hand, at the time of delivery, or if by post, seven days after posting and if by facsimile, at the time of transmission of the facsimile, provided that in the case of a change in the details of specified below, a company announcement by the Issuer to this effect shall constitute sufficient and proper notice to the Bondholders for the purposes of this clause.

For the purposes of this Guarantee, the proper addresses and telephone numbers of the Guarantors are:

Time International (Sport) Limited

Address: Hudson House, Burmarrad Road, Burmarrad, St Paul's Bay SPB 9060, Malta
Tel. No.: +356 21472790
Contact Person: Mr Christopher Muscat

Hudson International Company Limited

Address: Hudson House, Burmarrad Road, Burmarrad, St Paul's Bay SPB 9060, Malta
Tel. No.: +356 21472790
Contact Person: Mr Christopher Muscat

3.12 Governing Law and Jurisdiction

This Guarantee is governed by and shall be construed in accordance with Maltese Law.

Any dispute, controversy or claim arising out of or relating to this Guarantee or as to the interpretation, validity, performance or breach thereof shall be brought exclusively before the Maltese courts.

Financial Analysis Summary

23 March 2018

Issuer Hudson Malta p.l.c. (C 83425)

Guarantors Time International (Sport) Limited (C 32438)
Hudson International Company Limited (C 48705)

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

23 March 2018

Dear Sirs,

Hudson Malta p.l.c. Financial Analysis Summary

In accordance with your instructions, and in line with the requirements of the Listing Authority Policies, we have compiled the Financial Analysis Summary (“**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 Hudson Holdings Limited (the “**Hudson Group**” or “**HHL**”), Hudson Malta p.l.c. (the “**Company**”, “**Issuer**” or “**Malta Group**”), and Time International (Sport) Limited and Hudson International Company Limited (the “**Guarantors**”). The data is derived from various sources or is based on our own computations as follows:

- (a) Historical financial data for the three years ended 31 December 2014 to 31 December 2016 has been extracted from the audited consolidated financial statements of HHL and the combined financial statements of the Guarantors for the three years in question.
- (b) Interim historical financial data for the 6-month period 1 January 2017 to 30 June 2017 has been extracted from the unaudited interim consolidated financial statements of HHL for the period in question.
- (c) The projections have been extracted from the pro forma forecast consolidated financial information of the Malta Group for the year ended 31 December 2017 and the projected financial information of the Malta Group for the year ending 31 December 2018.
- (d) Our commentary on the results of the Hudson Group, Malta Group and on their respective financial position is based on the explanations provided by the Company.
- (e) The ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions set out in Part 4 of the Analysis.
- (f) Relevant financial data in respect of the companies included in Part 3 has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Registrar of Companies or websites providing financial data.

The Analysis is meant to assist investors in the Company's securities and potential investors by summarising the more important financial data of the Hudson Group and Malta Group. 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 Company and should not be interpreted as a recommendation to invest in any of the Company's securities. We shall not accept any liability for any loss or damage arising out of the use of the Analysis. As with all investments, potential investors are encouraged to seek professional advice before investing in the Company's securities.

Yours faithfully,



Evan Mohnani
Head – Corporate Finance

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PART 1 – INFORMATION ABOUT THE HUDSON GROUP AND THE MALTA GROUP

1. THE HUDSON GROUP

1.1 AN OVERVIEW

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

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

2006 Nike (Malta), Converse (Malta), Urban Jungle (Malta), Nike (Libya), Nike (Algeria - Manager), Urban Jungle (Italy)

2007 Timberland (Malta), Crocs (Malta)

2008 Converse (North Africa excluding Egypt), Timberland (Algeria, Tunisia, Libya)

2010 New Look (Malta)

2011 Nike (Tunisia)

2012 New Look (Libya), Umbro (Malta, North Africa excluding Egypt)

2013 Tommy Hilfiger (North Africa excluding Egypt)

2014 KIABI (Malta), River Island (Malta), Urban Jungle (Spain)

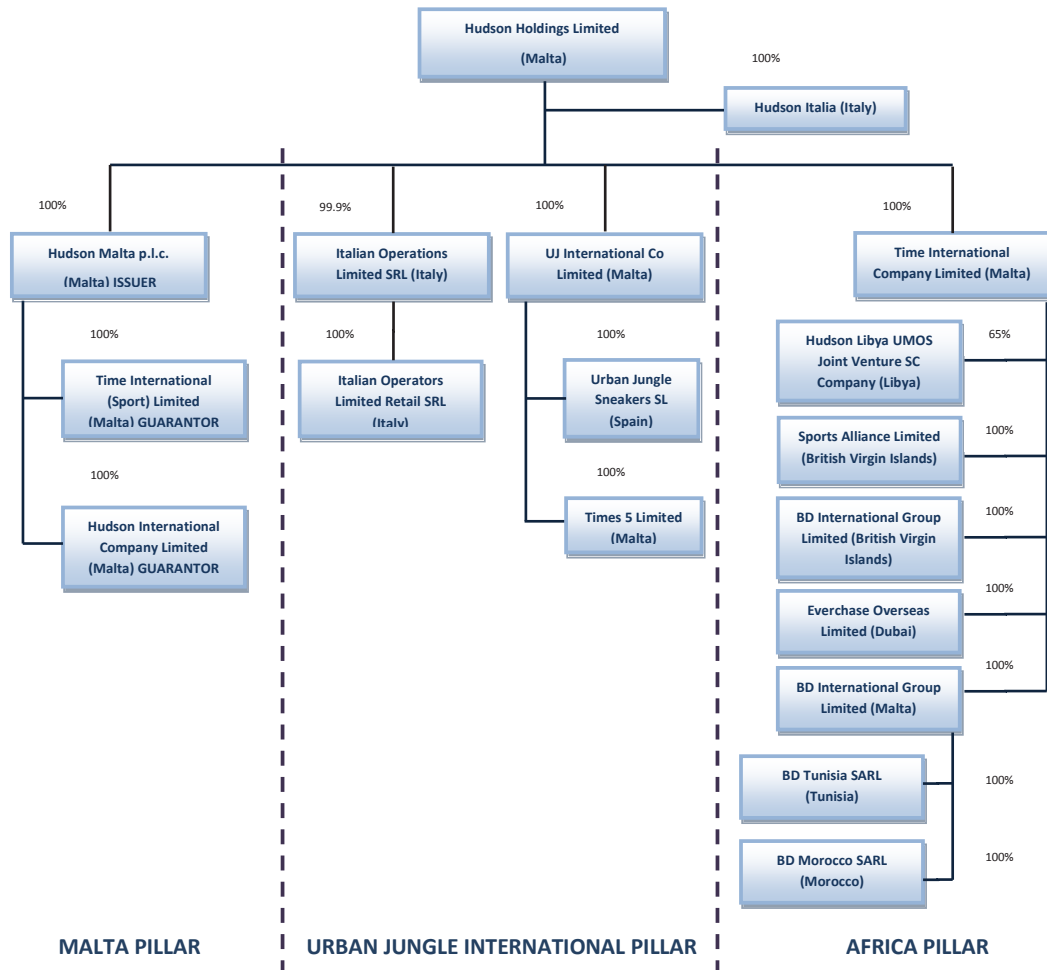
2015 Urban Jungle (France, Morocco), Nike (Distribution & Logistics Hub for Africa)

2016 3INA (Malta), Go Sport (Malta), Benetton (Malta)

2017 Extension of Nike Distribution Agreement to cover an additional 26 territories in Africa

1.2 ORGANISATIONAL STRUCTURE

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



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

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

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

The Issuer is a wholly owned subsidiary of HHL, which in turn is owned by Alfred Borg with 50%; George Amato, Christopher Muscat and Kevin Grech holding 37% between them apportioned equally; 9% shareholding is held by Etienne Camenzuli, and Felice Ilacqua and Gianluca Salute hold 2% each.

1.3 EXECUTIVE MANAGEMENT TEAM

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

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

2. THE MALTA GROUP

2.1 KEY ACTIVITIES OF THE ISSUER

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

2.2 KEY ACTIVITIES OF THE GUARANTORS

2.2.1 Time International (Sport) Limited

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

2.2.2 Hudson International Company Limited

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

2.3 DIRECTORS

2.3.1 Directors of the Issuer

The Issuer is managed by a Board consisting of seven directors entrusted with the overall direction and management of the Company.

George Amato	Executive Director
Alfred Borg	Executive Director
Kevin Grech	Executive Director
Christopher Muscat	Executive Director
Victor Spiteri	Independent Non-Executive Director
Kevin Valenzia	Independent Non-Executive Director
Brian Zarb Adami	Independent Non-Executive Director

2.3.2 Directors of the Guarantors

Each Guarantor is managed by a Board of Directors entrusted with its overall direction and management, and is composed as follows:

Time International (Sport) Limited

George Amato	Executive Director
Alfred Borg	Executive Director
Etienne Camenzuli	Executive Director
Christopher Muscat	Executive Director

Hudson International Company Limited

George Amato	Executive Director
Alfred Borg	Executive Director
Kevin Grech	Executive Director
Christopher Muscat	Executive Director

2.4 OVERVIEW OF LEASED STORES AND THIRD PARTY OPERATED STORES

As at 31 December 2016, the Malta Group operated 23 retail stores and held franchise agreements with a further 4 stores (operated under third party management). During 2017, the Malta Group increased the number of stores by 2 (25 stores in total and added another 2 stores under franchise for an aggregate of 6 stores).

The table below illustrates the corporate ownership, location, shop floor area and commencement date for each of the stores.

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

FRANCHISED STORES

1	TISL	House of Sport	Intercontinental Hotel, St Julians	120	Prior to 2014
2	TISL	House of Sport	Valletta	150	Prior to 2014
3	TISL	House of Sport	Gozo	100	Prior to 2014
4	TISL	Timberland	Sliema	100	Prior to 2014
5	HICL	Benetton	Gozo	200	Mar-17
6	TISL	Urban Jungle	Intercontinental Hotel, St Julians	75	Apr-17

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

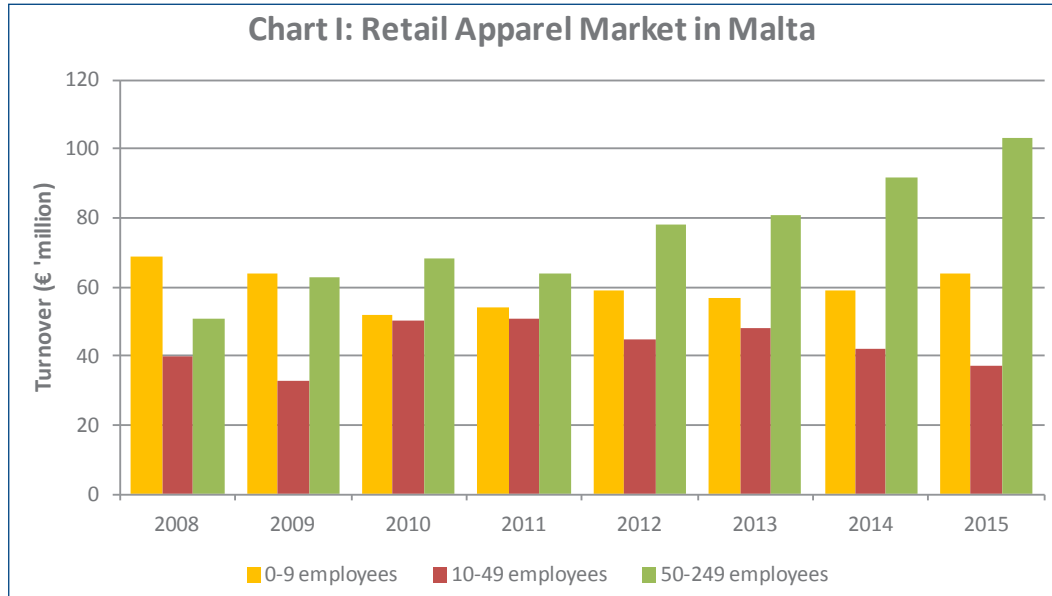
2.5 MARKET OVERVIEW

Data in relation to the size of the apparel market in Malta is not published. Notwithstanding, an estimate of the retail store market has been derived from data obtained from the National Statistics Office of Malta (the latest available information relates to calendar year 2015). Data with respect to online sales generated in Malta is not available and therefore is excluded from the analysis below.

The table below sets out statistics in relation to sales of apparel (excluding textiles, footwear and leather goods) by retail outlets in Malta. The information has been analysed by size of outlet on the basis of the number of staff employed by a retail store.

Turnover of Apparel Retail Stores in Malta									
	2008	2009	2010	2011	2012	2013	2014	2015	2008-15
0-9 employees									
Total turnover (€' million)	69	64	52	54	59	57	59	64	-1.1%
No. of outlets (units)	703	704	667	675	681	662	675	530	
Average turnover (€' million)	0.10	0.09	0.08	0.08	0.09	0.09	0.09	0.12	
Year-on-year growth		-7%	-14%	3%	8%	-1%	2%	38%	
10-49 employees									
Total turnover (€' million)	40	33	50	51	45	48	42	37	-1.1%
No. of outlets (units)	19	17	28	29	29	28	26	25	
Average turnover (€' million)	2.11	1.94	1.79	1.76	1.55	1.71	1.62	1.48	
Year-on-year growth		-8%	-8%	-2%	-12%	10%	-6%	-8%	
50-249 employees									
Total turnover (€' million)	51	63	68	64	78	81	92	103	10.6%
No. of outlets (units)	8	11	12	13	14	14	14	15	
Average turnover (€' million)	6.38	5.73	5.67	4.92	5.57	5.79	6.57	6.87	
Year-on-year growth		-10%	-1%	-13%	13%	4%	14%	4%	
Total Turnover (€' million)									
	160	160	170	169	182	186	193	204	3.5%
Year-on-year growth		0%	6%	-1%	8%	2%	4%	6%	

Source: National Statistics Office Malta (NACE 47.71 data)



Over the seven year period to 2014, the total number of outlets remained relatively unchanged at *circa* 720 units, but decreased to 570 units in 2015. This decline was recorded in the small stores category (0-9 employees). In contrast, the number of outlets in the large store category (50-249 employees) increased from 51 units in 2008 to 103 units in 2015.

Furthermore, consumer spending has also changed and shows a preference towards the larger stores. In fact, in the period 2008 to 2015, smaller outlets registered a compounded annual decrease in turnover of 1.1%, while the larger outlets recorded a compounded annual growth rate in turnover of 10.6%.

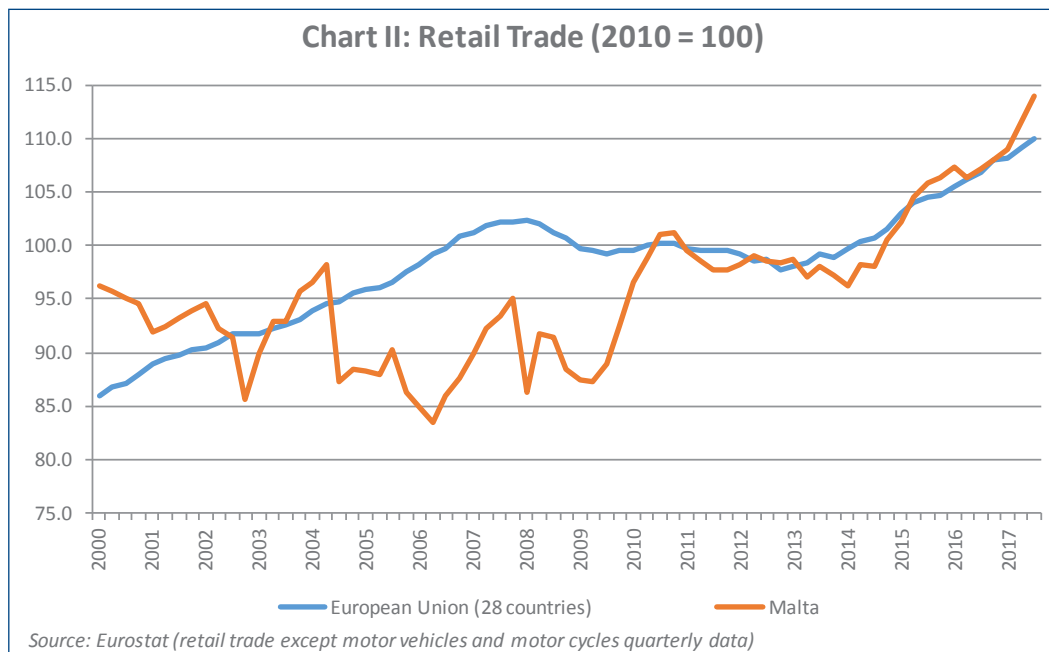


Chart II above provides an indication of the trend in performance of the overall retail sector in Malta as compared to the European Union (2010 being the base year = 100). According to the EU trend line above, retail trade increased at a steady pace till early 2008, which was followed by a decline that lasted until mid-2013. Thereafter, the EU retail sector experienced a constant rate of growth and has now reached a level of almost 8 percentage points above the pre-financial crisis high (Q1 2008).

During the 17 years under review, retail activity in Malta increased by almost 18 percentage points and since Q4 2016 has performed better than the EU average. Further analysis shows that between the years 2004 and 2009, the Maltese retail sector lagged behind the EU average. Post 2009, retail sales generated in Malta recovered to some extent while the EU average reflected lower activity levels. From 2010 to 2016, the Maltese retail sector maintained a similar trajectory when compared to the EU average.

2.6 TREND ANALYSIS AND BUSINESS STRATEGY

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

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

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

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

PART 2 – PERFORMANCE REVIEW

3. FINANCIAL INFORMATION – HUDSON GROUP

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

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

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

The following financial information is extracted from the consolidated audited financial statements of Hudson Holdings Limited ("HHL") for the three years ended 31 December 2014 to 31 December 2016, and from the consolidated unaudited financial statements of HHL for the interim period 1 January 2017 to 30 June 2017.

Audited consolidated financial information for the financial years ended 31 December 2014, 2015 and 2016

Hudson Holdings Limited

Consolidated Statement of Comprehensive Income

for the year ended 31 December

	2014	2015	2016
	€'000	€'000	€'000
Revenue	41,832	42,504	58,759
<i>Revenue from Malta Group</i>	<i>23,299</i>	<i>26,217</i>	<i>34,409</i>
<i>Revenue from the remaining Hudson Group companies</i>	<i>18,533</i>	<i>16,287</i>	<i>24,350</i>
Cost of sales	(29,689)	(29,464)	(42,391)
Gross profit	12,143	13,040	16,368
Net operating costs	(9,918)	(11,887)	(13,685)
EBITDA¹	2,225	1,153	2,683
<i>EBITDA from Malta Group</i>	<i>1,468</i>	<i>1,886</i>	<i>2,286</i>
<i>EBITDA from the remaining Hudson Group companies</i>	<i>757</i>	<i>(733)</i>	<i>397</i>
Depreciation & amortisation	(700)	(732)	(949)
EBIT²	1,525	421	1,734
Loss on disposal of investment in subsidiary	(292)	-	-
Net finance costs	(162)	(296)	(375)
Profit before tax	1,071	125	1,359
Taxation	(550)	(369)	(548)
Profit/(loss) for the year	521	(244)	811
Other comprehensive income			
Currency translation differences	611	703	183
Fair value movements on available-for-sale financial investments, net of deferred tax	-	-	721
	611	703	904
Total comprehensive income	1,132	459	1,715

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

² EBIT - Earnings before Interest and Tax.

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

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

Hudson Holdings Limited			
Key Accounting Ratios			
	FY2014	FY2015	FY2016
Gross profit margin <i>(Gross profit/revenue)</i>	29%	31%	28%
Operating profit margin <i>(EBITDA/revenue)</i>	5%	3%	5%
Interest cover (times) <i>(EBITDA/net finance cost)</i>	13.73	3.90	7.15
Net profit margin <i>(Profit after tax/revenue)</i>	1%	-1%	1%
Earnings per share (€) <i>(Profit after tax/number of shares)</i>	18.12	-8.49	28.21
Return on equity <i>(Profit after tax/shareholders' equity)</i>	8%	-3%	9%
Return on capital employed <i>(EBITDA/total assets less current liabilities)</i>	23%	11%	21%
Return on assets <i>(Profit after tax/total assets)</i>	2%	-1%	2%
Liquidity ratio (times) <i>(Current assets/current liabilities)</i>	1.28	1.29	1.18
Gearing ratio <i>(Total net debt/net debt and shareholders' equity)</i>	11%	15%	17%

Source: Charts Investment Management Service Limited

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

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

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

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

Hudson Holdings Limited		
Consolidated Statement of Comprehensive Income		
for the interim period 1 January to 30 June	2016	2017
	€'000	€'000
Revenue	25,699	51,960
<i>Revenue from Malta Group</i>	<i>14,907</i>	<i>16,590</i>
<i>Revenue from the remaining Hudson Group companies</i>	<i>10,792</i>	<i>35,370</i>
Cost of sales	<u>(18,188)</u>	<u>(38,541)</u>
Gross profit	7,511	13,419
Net operating costs	<u>(6,994)</u>	<u>(8,569)</u>
EBITDA¹	517	4,850
<i>Revenue from Malta Group</i>	<i>712</i>	<i>904</i>
<i>Revenue from the remaining Hudson Group companies</i>	<i>(195)</i>	<i>3,946</i>
Depreciation & amortisation	<u>(410)</u>	<u>(591)</u>
EBIT²	107	4,259
Net finance costs	<u>(125)</u>	<u>(14)</u>
Profit/(loss) before tax	(18)	4,245
Taxation	<u>-</u>	<u>(1,486)</u>
Profit/(loss) for the period	<u>(18)</u>	<u>2,759</u>
Other comprehensive income		
Currency translation differences	<u>8</u>	<u>-</u>
Total comprehensive income	<u>(10)</u>	<u>2,759</u>

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

² EBIT - Earnings before Interest and Tax.

Hudson Holdings Limited
Consolidated Statement of Financial Position

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

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

Hudson Holdings Limited		
Key Accounting Ratios		
	FP2016	FP2017
Gross profit margin <i>(Gross profit/revenue)</i>	29%	26%
Operating profit margin <i>(EBITDA/revenue)</i>	2%	9%
Net profit margin <i>(Profit after tax/revenue)</i>	0%	5%

Source: Charts Investment Management Service Limited

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

4. FINANCIAL INFORMATION – MALTA GROUP

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

The Malta Group in its current state has only been in existence since 10 November 2017 and therefore, the financial information for FY2017 represents pro forma forecast consolidated financial statements. This pro forma information presents what the Issuer’s forecast consolidated financial statements would have looked like had the Malta Group existed in its current form, comprising all its current constituent components, for the financial year 1 January 2017 to 31 December 2017. No adjustments to the results, financial position and cash flow statements of the constituent sub-groups were necessary for the purposes of arriving at the pro forma forecast consolidated financial statements except solely to reflect the entries necessary in any process of accounting consolidation.

The projected financial statements for FY2018 relate to events in the future and are based on assumptions which the Hudson Group 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.

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

Hudson Malta p.l.c.					
Statement of Comprehensive Income					
for the year ended 31 December					
	2014	2015	2016	2017	2018
	Combined	Combined	Combined	Pro forma	Projection
	€’000	€’000	€’000	€’000	€’000
Revenue	23,299	26,217	34,409	35,549	37,773
<i>Retail</i>	13,797	16,354	21,913	24,843	27,012
<i>Wholesale and other income</i>	9,502	9,863	12,496	10,706	10,761
Cost of sales	(15,652)	(17,716)	(23,536)	(23,340)	(24,836)
Gross profit	7,647	8,501	10,873	12,209	12,937
Net operating costs	(6,179)	(6,615)	(8,587)	(9,823)	(10,035)
EBITDA¹	1,468	1,886	2,286	2,386	2,902
Depreciation & amortisation	(509)	(530)	(629)	(922)	(1,130)
EBIT²	959	1,356	1,657	1,464	1,772
Net finance costs	(123)	(89)	(122)	(61)	23
Profit before tax	836	1,267	1,535	1,403	1,795
Taxation	(313)	(269)	(636)	(491)	(628)
Profit for the year	523	998	899	912	1,167
Total comprehensive income	523	998	899	912	1,167

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

² EBIT - Earnings before Interest and Tax.

Hudson Malta p.l.c.					
Cash Flow Statement					
for the year ended 31 December					
	2014	2015	2016	2017	2018
	Combined	Combined	Combined	Pro forma	Projection
	€'000	€'000	€'000	€'000	€'000
Net cash from operating activities	798	1,374	1,611	195	1,589
Net cash from investing activities	(1,540)	(1,275)	(1,205)	(258)	(488)
Net cash from financing activities	494	242	288	(1,149)	3,014
Net movement in cash and cash equivalents	(248)	341	694	(1,212)	4,115
Cash and cash equivalents at beginning of year	(135)	(383)	(42)	652	(560)
Cash and cash equivalents at end of year	(383)	(42)	652	(560)	3,555

Hudson Malta p.l.c.					
Statement of Financial Position					
as at 31 December					
	2014	2015	2016	2017	2018
	Combined	Combined	Combined	Pro forma	Projection
	€'000	€'000	€'000	€'000	€'000
ASSETS					
Non-current assets					
Property, plant & equipment	2,041	2,180	2,890	2,306	2,236
Other non-current assets	1,626	2,455	2,472	2,296	2,296
Loan to HHL	-	-	-	-	4,500
Advance to BD Int. Group Ltd	-	-	-	-	2,250
	<u>3,667</u>	<u>4,635</u>	<u>5,362</u>	<u>4,602</u>	<u>11,282</u>
Current assets					
Inventories	1,753	2,488	3,958	4,415	4,731
Trade and other receivables	4,553	3,205	3,742	3,845	3,952
Amounts due from related parties	783	549	1,047	3,012	3,012
Other current assets	-	-	151	87	87
Cash and cash equivalents	649	1,117	2,117	1,127	3,555
	<u>7,738</u>	<u>7,359</u>	<u>11,015</u>	<u>12,486</u>	<u>15,337</u>
Total assets	11,405	11,994	16,377	17,088	26,619
EQUITY					
Capital and reserves					
Share capital and reserves	205	205	204	4,148	4,148
Retained earnings	1,917	2,916	3,815	1,686	2,853
	<u>2,122</u>	<u>3,121</u>	<u>4,019</u>	<u>5,834</u>	<u>7,001</u>
LIABILITIES					
Non-current liabilities					
Borrowings and bonds	1,488	1,579	1,764	188	11,808
Current liabilities					
Bank overdrafts	1,032	1,159	1,465	1,687	-
Borrowings	261	413	581	1,828	-
Trade and other payables	6,300	5,662	8,216	7,177	7,436
Other current liabilities	202	60	332	374	374
	<u>7,795</u>	<u>7,294</u>	<u>10,594</u>	<u>11,066</u>	<u>7,810</u>
	<u>9,283</u>	<u>8,873</u>	<u>12,358</u>	<u>11,254</u>	<u>19,618</u>
Total equity and liabilities	11,405	11,994	16,377	17,088	26,619

Hudson Malta p.l.c.					
Key Accounting Ratios	FY2014	FY2015	FY2016	FY2017	FY2018
Gross profit margin <i>(Gross profit/revenue)</i>	33%	32%	32%	34%	34%
Operating profit margin <i>(EBITDA/revenue)</i>	6%	7%	7%	7%	8%
Interest cover (times) <i>(EBITDA/net finance cost)</i>	11.93	21.19	18.74	39.11	n/a
Net profit margin <i>(Profit after tax/revenue)</i>	2%	4%	3%	3%	3%
Earnings per share (€) <i>(Profit after tax/number of shares)</i>	0.03	0.06	0.05	0.06	0.07
Return on equity <i>(Profit after tax/shareholders' equity)</i>	25%	32%	22%	16%	17%
Return on capital employed <i>(EBITDA/total assets less current liabilities)</i>	41%	40%	40%	40%	15%
Return on assets <i>(Profit after tax/total assets)</i>	5%	8%	5%	5%	4%
Liquidity ratio (times) <i>(Current assets/current liabilities)</i>	0.99	1.01	1.04	1.13	1.96
Gearing ratio <i>(Total net debt/net debt and shareholders' equity)</i>	50%	39%	30%	31%	54%

Source: Charts Investment Management Service Limited

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

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

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

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

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

Non-current assets in the statement of financial position as at 31 December 2016 amounted to €5.4 million (2015: €4.6 million, 2014: €3.7 million), principally made up of intangible assets as to €1.2 million (being goodwill and registered trademarks),

and property, plant & equipment of €2.9 million. The latter amount primarily comprises furniture, fixtures and improvements to stores. The Malta Group does not own any properties and as such leases all stores from third party owners.

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

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

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

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

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

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

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

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

Net movement in cash and cash equivalents in the cash flow statement is expected to amount to an outflow of €1.2 million in FY2017 (FY2016: +€0.7 million), principally due to repayments made to banks and related parties of €1.2 million and capital expenditure of €0.3 million.

It is projected that the Malta Group's revenue will increase by €2.2 million in **FY2018** to €37.8 million when compared to the previous year, principally in consequence of expected improvements in performance of the Group's retail stores and new openings.

EBITDA is projected to increase y-o-y by €0.5 million (+22%) to €2.9 million as the Group expects to improve operating margin from 7% in FY2017 to 8% to FY2018. Due to an increase in depreciation of €0.2 million and taxation of €0.1 million, profit for the year is projected to increase by 28% from €0.9 million in FY2017 to €1.2 million in FY2018.

The Malta Group's gearing ratio is set to increase from 31% in FY2017 to 54% in FY2018 following the issuance of €12 million in bonds, the proceeds of which will be utilised to increase the number of stores, reduce bank borrowings, finance the development of a distribution centre in Malta and advance €4.5 million to the Hudson Group.

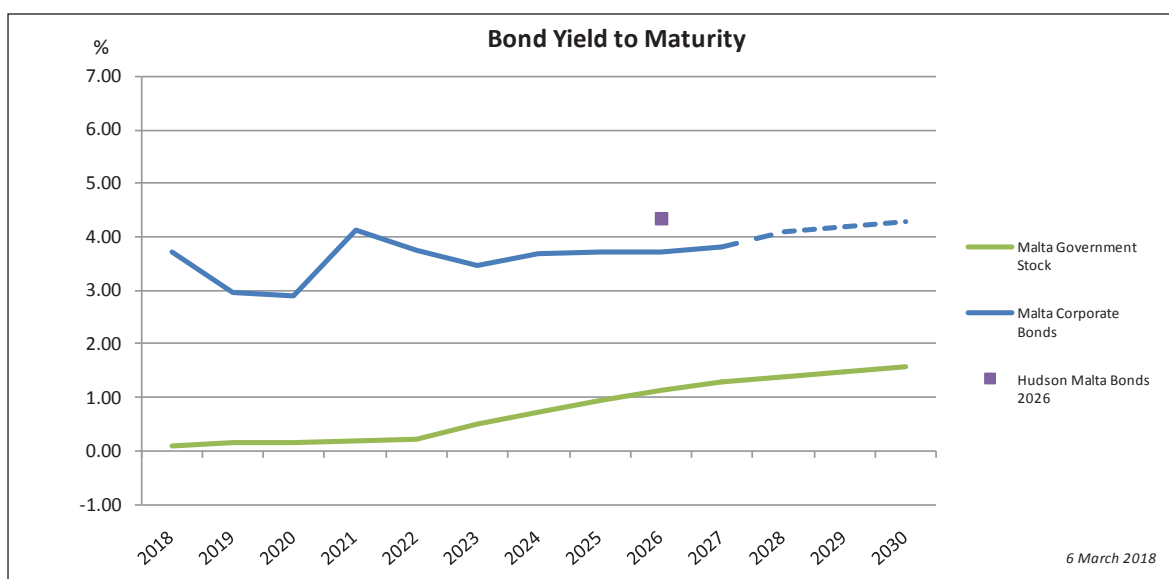
PART 3 - COMPARABLES

The table below compares the Malta Group and the Issuer's bond issue to other debt issuers listed on the Malta Stock Exchange and their respective debt securities. Although there are significant variances between the activities of the Malta Group and other issuers (including different industries, principal markets, competition, capital requirements etc.), and material differences between the risks associated with the Malta Group's business and that of other issuers, the comparative analysis provides an indication of the financial performance and strength of the Malta Group.

Comparative Analysis	Nominal Value (€)	Yield to Maturity (%)	Interest Cover (times)	Total Assets (€'000)	Net Asset Value (€'000)	Gearing Ratio (%)
5.5% Pendergardens Dev. plc Secured € 2020 Series I	15,000,000	2.91	1.49	63,273	11,488	63.23
6% Pendergardens Dev. plc Secured € 2022 Series II	27,000,000	3.74	1.49	63,273	11,488	63.23
4.25% Gap Group plc Secured € 2023	40,000,000	3.45	2.48	57,086	6,004	86.39
5.3% United Finance Plc Unsecured € Bonds 2023	8,500,000	4.20	2.05	18,153	3,796	73.85
6% AX Investments Plc Unsecured € 2024	40,000,000	3.91	4.44	286,318	173,323	26.09
5.3% Mariner Finance plc Unsecured € 2024	35,000,000	3.67	4.25	72,117	30,380	52.06
5% Hal Mann Vella Group plc Secured Bonds € 2024	30,000,000	4.04	0.02	82,096	32,298	54.54
5.1% 1923 Investments plc Unsecured € 2024	36,000,000	4.39	1.59	71,711	4,751	89.91
4.5% Hili Properties plc Unsecured € 2025	37,000,000	3.73	1.40	97,042	28,223	66.81
4.25% Corinthia Finance plc Unsecured € 2026	40,000,000	3.67	1.86	1,389,627	665,357	42.18
4.0% International Hotel Invest. plc Secured € 2026	55,000,000	3.44	2.46	1,220,254	646,822	36.39
4.0% MIDI plc Secured € 2026	50,000,000	3.36	0.59	203,780	67,359	40.62
3.75% Premier Capital plc € Unsecured Bonds 2026	65,000,000	3.21	7.60	193,351	41,630	58.76
4.35% Hudson Malta plc Unsecured 2026	12,000,000	4.35	39.11	17,088	5,835	30.63
4.35% SD Finance plc € Unsecured Bonds 2027	65,000,000	3.82	5.46	217,599	65,698	47.74
4.0% Eden Finance plc Unsecured 2027	40,000,000	3.78	3.98	165,496	92,620	34.60
4% Stivala Group Finance plc Secured 2027	45,000,000	3.50	6.21	199,560	121,041	31.54

6 March '18

Source: Malta Stock Exchange, Audited Accounts of Listed Companies, Charts Investment Management Service Limited



6 March 2018

To date, there are no corporate bonds which have a redemption date beyond 2027 and therefore a trend line has been plotted (denoted in the above chart by the dashed line). The Malta Government Stock yield curve has also been included since it is the benchmark risk-free rate for Malta.

PART 4 - EXPLANATORY DEFINITIONS

INCOME STATEMENT

Revenue	Total revenue generated by the Group from its business activities during the financial year, including retail and distribution of branded fashion and sportswear.
Cost of sales	Cost of sales includes inventory, labour expenses and all other direct expenses.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. EBITDA can be used to analyse and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions.
EBIT	EBIT is an abbreviation for earnings before interest and tax. EBIT is a measure of a firm's profit that includes all expenses except interest and income tax expenses. It is the difference between operating revenues and operating expenses.
Profit after tax	Profit after tax is the profit made by the Group during the financial year both from its operating as well as non-operating activities.

PROFITABILITY RATIOS

Operating profit margin	Operating profit margin is operating income or EBITDA as a percentage of total revenue.
Net profit margin	Net profit margin is profit after tax achieved during the financial year expressed as a percentage of total revenue.

EFFICIENCY RATIOS

Return on equity	Return on equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing profit after tax by shareholders' equity.
Return on capital employed	Return on capital employed (ROCE) indicates the efficiency and profitability of a company's capital investments, estimated by dividing operating profit by capital employed.
Return on Assets	Return on assets (ROA) is computed by dividing profit after tax by total assets.

EQUITY RATIOS

Earnings per share	Earnings per share (EPS) is the amount of earnings per outstanding share of a company's share capital. It is computed by dividing net income available to equity shareholders by total shares outstanding as at balance sheet date.
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CASH FLOW STATEMENT

Cash flow from operating activities	Cash generated from the principal revenue-producing activities of the Group.
Cash flow from investing activities	Cash generated from activities dealing with the acquisition and disposal of long-term assets and other investments of the Group.
Cash flow from financing activities	Cash generated from the activities that result in change in share capital and borrowings of the Group.

BALANCE SHEET

Non-current assets	Non-current asset are the Group's long-term investments, which full value will not be realised within the accounting year. Non-current assets are capitalised rather than expensed, meaning that the Group allocates the cost of the asset over the number of years for which the asset will be in use, instead of allocating the entire cost to the accounting year in which the asset was purchased. Such assets include intangible assets; property, plant & equipment; and loans receivable.
Current assets	Current assets are all assets of the Group, which are realisable within one year from the balance sheet date. Such amounts include accounts receivable, inventory, and cash and bank balances.
Current liabilities	All liabilities payable by the Group within a period of one year from the balance sheet date, and include accounts payable and short-term debt.
Net debt	Borrowings before unamortised issue costs less cash and cash equivalents.
Non-current liabilities	The Group's long-term financial obligations that are not due within the present accounting year. The Group's non-current liabilities include long-term borrowings, bonds and deferred taxation.
Total equity	Total equity includes share capital, reserves & other equity components, retained earnings and minority interest.

FINANCIAL STRENGTH RATIOS

Liquidity ratio	The liquidity ratio (also known as current ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares a company's current assets to its current liabilities.
Interest cover	The interest coverage ratio is calculated by dividing a company's EBITDA of one period by the company's interest expense of the same period.
Gearing ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance a company's assets, and is calculated by dividing a company's net debt by net debt plus shareholders' equity.
