



SUMMARY

dated 25 October 2021

Hili Properties p.l.c.

registered as a public limited liability company

under the laws of Malta with company registration number C 57954

Legal Counsel

Sponsor & Joint Manager

Registrar & Joint Manager

MAMO TCV
A D V O C A T E S

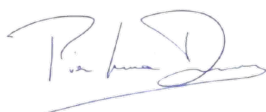

Calamatta Cuschieri
YOUR PARTNER IN FINANCIAL SERVICES

BOV
Bank of Valletta

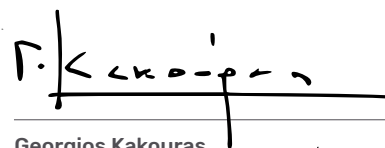
THIS SUMMARY HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY, AS COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MALTA FINANCIAL SERVICES AUTHORITY ONLY APPROVES THIS SUMMARY AS MEETING THE STANDARD OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION.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

THE APPROVAL OF THE MALTA FINANCIAL SERVICES AUTHORITY SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE QUALITY OF THE SECURITIES THAT ARE THE SUBJECT OF THIS SUMMARY. THIS SUMMARY IS VALID FOR A PERIOD OF TWELVE (12) MONTHS FROM THE DATE HEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE COMPANY IS NOT OBLIGED TO UPDATE THIS SUMMARY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.

Approved by the Directors



Pier Luca Demajo



Georgios Kakouras

signing in their capacity as Directors of the Company and for and on behalf of: Peter Hili, Eddy Vermeir, David Aquilina and Laragh Cassar.



A. INTRODUCTION AND WARNINGS

This summary should be read as an introduction to the Prospectus. Any decision to invest in the New Ordinary Shares should be based on consideration of the Prospectus as a whole by the investor. An investor investing in the New Ordinary Shares could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only where this summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the New Ordinary Shares.

Details of the Issuer and the New Ordinary Shares are as follows:

Legal Name of Company:	Hili Properties p.l.c.
Registered Address:	Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta
Registration Number:	C 57954
Legal Entity Identifier:	635400RXT05QHJ78MD90
Email Address:	info@hiliproperties.com
Telephone number:	+356 2568 1200

The Shares will have the following ISIN code: MT0000940107

The Prospectus has been approved by the Malta Financial Services Authority as the competent authority under the Prospectus Regulation on the 25 October 2021. The Malta Financial Services Authority only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval shall not be considered as an endorsement of the Issuer.

Details of the Malta Financial Services Authority:

Address:	Malta Financial Services Authority, Triq I-Imdina, Zone 1, Central Business District, Birkirkara CBD 1010, Malta.
Tel:	+356 21441155
Website:	www.mfsa.mt

B. KEY INFORMATION ON THE ISSUER

WHO IS THE ISSUER OF THE SECURITIES?

General

The Issuer's legal and commercial name is Hili Properties p.l.c., a public limited liability company incorporated and operating under Maltese law with LEI: 635400RXT05QHJ78MD90.

Principal Activities

The principal activity of the Company is to act as a finance, investment and property holding company.

Shares and Ownership

As at the date of the Prospectus, the following shareholder/s own 10% or more of the shares in the Company:

Shareholder	No. of Shares	%
Hili Ventures Limited	299,999,990	99.99



Key Managing Directors

The members of the Board of Directors are Pier Luca Demajo, Georgios Kakouras, Peter Hili, Eddy Vermeir, David Aquilina and Laragh Cassar.

Statutory Auditors

The Company's statutory auditors are Grant Thornton, a firm registered as a partnership of certified public accountants holding a practising certificate to act as auditors in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta) with accountancy board registration number AB/26/84/22.

WHAT IS THE KEY FINANCIAL INFORMATION REGARDING THE ISSUER?

The Company's historical audited financial statements for the years ended 31 December 2019 and 2020 are available on the Company's website and at the registered office of the Company. The audit reports of these two financial years do not contain any qualification, modification of opinion, disclaimers or emphasis of matter. The Company's unaudited interim financial information covering the periods between 1 January and 30 June 2020 and between 1 January and 30 June 2021 are also available on the Issuer's website and at the registered office of the Company.

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

	Financial year ended 31 December 2020	Financial year ended 31 December 2019	Six months ended 30 June 2021	Six months ended 30 June 2020
	(audited)	(audited)	(unaudited)	(unaudited)
Revenue (€m)	8.1	9.2	3.8	4.0
Operating profit (€m)	5.0	6.0	2.2	2.4
Fair value gains on investment property/ property held for sale (€m)	4.2	4.3	0.6	0.1
Net profit / loss (€m)	4.1	5.5	0.5	0.4
Year on year revenue growth	-11.4%	19.2%	-4.9%	-10.1%
Operating profit margin	61.4%	66.1%	58.4%	60.2%
Net profit margin	50.5%	59.6%	13.8%	8.9%
Earnings per share ¹	€0.10	€0.13	n/a	n/a
Net financial debt (€m)	71.7	71.6	76.3	81.1

¹EPS is calculated on the basis of net profit after tax, divided by the number of called up and issued share capital for a respective period.

WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE ISSUER?

- The Issuer is dependent on payments from Subsidiaries.
- The Issuer is dependent on the revenues it generates and expects to generate from the lease of units forming part of its property portfolio.
- The Group operates in a competitive environment and therefore the Issuer's financial performance and future growth is partly dependent on the Group's ability to acquire, sell and operate its assets on attractive and sustainable commercial terms.
- The core business of the Issuer is the acquisition and subsequent rental of immovable property and is therefore subject to market and economic conditions in this sphere.
- The COVID-19 pandemic has the potential to hinder the Company's operations, particularly the ability to lease out units forming part of its property portfolio.
- Changes to the regulatory environment in which the Company operates may adversely affect the business of the Issuer.



C. KEY INFORMATION ON THE SECURITIES

WHAT ARE THE MAIN FEATURES OF THE SECURITIES?

The Company's current issued share capital consists of one class of 300,000,000 ordinary shares, each having a nominal value of €0.20 per share. The New Ordinary Shares to be issued will amount to 185,185,185 shares, each having a nominal value of €0.20 per share and will form part of the same class as the current issued share capital of the Company. Subject to admission to listing of the Shares to the Official List of the MSE, the Shares will be assigned ISIN MT0000940107.

The rights attaching to each New Ordinary Share will be the same as those attaching to the Company's current issued share capital and will therefore include *inter alia* pre-emptive rights to subscribe for new shares in the Company upon further issues, the right to participate and vote at the general meeting of the shareholders, a right to dividend and/or distribution of capital made whether on a winding up or otherwise and a right to participate in a distribution of assets upon winding up. The New Ordinary Shares shall be freely transferable.

It is the Board's objective to distribute a total net dividend to holders of ordinary shares of the Company amounting to an estimated 4% on the Issue Price of €0.27. Tax treatment will vary in accordance to the source of income utilised for dividend distribution.

The Board's policy is to pay an annual final dividend. Notwithstanding the aforesaid, the Board will evaluate the financial position and performance of the Company from time to time and carefully consider whether, in light of the financial results of the Company, as well as prevailing economic conditions, the Board may declare and pay out an interim dividend. The net dividend distributions that have been provided for in the Company's prospective financial information in line with the above policy are illustrated below:

Net Dividend	2023	2024
	€	€
Final	5,240,000	5,240,000

The first dividend of the Company following the completion of the Issue is expected to be distributed following the approval of the financial statements for the period ending 31 December 2022.

The extent of any dividend distribution will depend upon, amongst other factors, the profits available for distribution for the year, the Directors' view on the prevailing market outlook, any debt servicing and repayment requirements including financial covenants and other restrictive covenants, the cash flows for the Company, working capital requirements, investment opportunities, capital expenditure and the requirements of the Act.

WHERE WILL THE SECURITIES BE TRADED?

Application has been made for the Shares to be admitted to trading on the Official List of the MSE.

WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE SECURITIES?

- An investor may not be able to sell or otherwise trade in the New Ordinary Shares subsequent to purchase.
- The market price of the New Ordinary Shares may fluctuate considerably.
- Defined majorities of shareholders in the Company may bind other shareholders without the latter's consent.
- Dividend payments in respect of the New Ordinary Shares are dependent on the Company's profits.

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

WHY IS THE PROSPECTUS BEING PRODUCED?

The Company has produced and published the Prospectus in satisfaction of the rules and regulations applicable to the Issue and the admission to trading of the Shares on the MSE. The proceeds, which net of expenses are expected to be in the region of €49m, will be utilised to finance new property acquisitions. It is anticipated that €30m will be utilised in terms of an acquisition of immovable property in 2022, whilst €19m will be utilised to partially finance a property acquisition in 2023. The acquisitions will be fully funded through a mix of readily-available own funds and financing from bank and parent company.

Conflicts of Interest in relation to the Issue

None



UNDER WHICH CONDITIONS AND TIMETABLE CAN I INVEST IN THIS SECURITY?

General Terms and Conditions

For the purposes of Article 85(5) of the Act, the allotment of New Ordinary Shares is conditional upon a minimum raise of €27m which will represent at least 25% of the issued share capital of the Company. Should the minimum raise not be achieved, no allotment of New Ordinary Shares will be made, the subscription for New Ordinary Shares shall be deemed not to have been accepted by the Issuer and all proceeds received from Applicants shall be refunded accordingly.

The Issue Price is €0.27 per New Ordinary Share, which includes a premium of €0.07 over nominal value, save that in the case of Applications submitted by Hili Ventures Group Employees, a 10% discount on the Issue Price (equivalent to a €0.027 discount per New Ordinary Share) shall apply in respect of the first 18,518,518 New Ordinary Shares applied for by Hili Ventures Group Employees.

The New Ordinary Shares will be issued in fully registered and dematerialised book-entry form and will be represented in uncertificated form by the appropriate book-entry in the electronic register maintained on behalf of the Issuer at the CSD or in such other form as may be determined from time to time by applicable law, the requirements of the MSE or the Issuer.

The Issue is open for subscription to all categories of investors.

The Issue Period during which Applicants may apply for the New Ordinary Shares shall be between 08:30 hours on 4 November 2021 and 14:00 hours on 26 November 2021 (both days included), or such earlier date as may be determined by the Issuer but in any case not earlier than 14:00 hours on 17 November 2021.

Application Forms 'A' will be mailed to Hili Ventures Group Securities Holders on 3 November 2021, Application Forms 'B' will be available to Hili Ventures Group Employees from the Company's offices as from 4 November 2021, and Application Forms 'C' will be available to the general public as from 4 November 2021.

Expected Timetable of the Offer

1. Application Forms A mailed to Hili Ventures Group Securities Holders	3 November 2021
2. Opening of Issue Period	4 November 2021
3. Placement Date	17 November 2021
4. Closing of Issue Period	26 November 2021
5. Expected announcement of basis of acceptance*	3 December 2021
6. Expected dispatch of allocation advices and refunds of unallocated monies, if any*	14 December 2021
7. Expected admission of the Shares on the MSE*	15 December 2021
8. Expected commencement of trading of the New Ordinary Shares*	16 December 2021

* *The Issuer reserves the right to close the Issue Period before 26 November 2021 but in any case not earlier than 17 November 2021, in which case, the events set out in (5) to (8) above, will be anticipated whilst maintaining the same chronological order.*

Admission to Trading on a Regulated Market and Plan for Distribution

Subject to admission to listing of the Shares to the Official List of the MSE, the Shares will be assigned ISIN MT0000940107 and will be allotted by the Company in accordance with its allocation policy.

Amount and Percentage of Immediate Dilution resulting from the Issue

The Issue is being made through the issue and allotment of the New Ordinary Shares. As at the date of the Prospectus, Hili Ventures holds 299,999,990 Shares of a nominal value of €0.20 each in the Company, representing 99.99% of the issued share capital of the Company. On the basis that the Issue is fully taken up, following completion of the Issue, Hili Ventures will hold 62% of the issued share capital of the Company. The net asset value per ordinary share of the Company as of the 30 June 2021, being the date of the latest balance sheet before the Issue, is €1.52. The adjusted net asset value per ordinary share which also factors in the issue and allotment of eighteen million, four hundred and eight thousand (18,408,000) ordinary shares of one Euro (€1) and the redenomination of the issued share capital from sixty million (60,000,000) ordinary shares of a nominal value of one Euro (€1) each to three hundred million (300,000,000) ordinary shares of a nominal value of twenty Euro cents (€0.20), both of which events occurred post June 2021, is of €0.29.

Expenses

The total expenses of the Issue are estimated to be *circa* €1,000,000 and shall be borne by the Company. No expenses will be specifically charged by the Company to any Applicant who subscribes for New Ordinary Shares.





REGISTRATION DOCUMENT

dated 25 October 2021

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

This document is issued
by

Hili Properties p.l.c.

(a public limited liability company registered under the laws of Malta with company registration number C 57954)

Legal Counsel

Sponsor & Joint Manager

Registrar & Joint Manager



THIS REGISTRATION DOCUMENT HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY AS COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MALTA FINANCIAL SERVICES AUTHORITY ONLY APPROVES THIS REGISTRATION DOCUMENT AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHALL NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER THAT IS THE SUBJECT OF THIS REGISTRATION DOCUMENT. THIS REGISTRATION DOCUMENT HAS BEEN DRAWN UP AS PART OF A SIMPLIFIED PROSPECTUS IN ACCORDANCE WITH ARTICLE 14 OF THE PROSPECTUS REGULATION.

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 ADVISER.

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

Approved by the Directors

Pier Luca Demajo

Georgios Kakouras

signing in their capacity as Directors of the Company and for and on behalf of: Peter Hili, Eddy Vermeir, David Aquilina and Laragh Cassar.



IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION IN RELATION TO HILI PROPERTIES P.L.C. (THE “COMPANY” OR “ISSUER”), ITS BUSINESS, AND THE COMPANY’S NEW ORDINARY SHARES. IT IS DRAWN UP IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES ISSUED BY THE MALTA FINANCIAL SERVICES AUTHORITY; THE RULES AND REGULATIONS APPLICABLE TO THE ADMISSION OF SECURITIES ON THE OFFICIAL LIST OF THE MSE; THE COMPANIES ACT (CAP. 386 OF THE LAWS OF MALTA); AND THE PROSPECTUS REGULATION.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE COMPANY OR ITS DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE COMPANY 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 COMPANY, ITS DIRECTORS OR ADVISERS.

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

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT AND ANY PERSON WISHING TO ACQUIRE SECURITIES OF THE COMPANY TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF ACQUIRING SECURITIES ISSUED BY THE COMPANY AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND FISCAL OBLIGATIONS IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE INFORMATION THAT IS INCORPORATED BY REFERENCE IN THIS REGISTRATION DOCUMENT, THE CONTENTS OF THE COMPANY’S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE COMPANY’S WEBSITE DO NOT FORM PART OF THIS REGISTRATION 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 SECURITIES OF THE COMPANY.

ALL THE ADVISERS TO THE COMPANY HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE COMPANY IN RELATION TO THIS REGISTRATION DOCUMENT AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON. NONE OF THE ADVISERS ACCEPT ANY RESPONSIBILITY TOWARDS 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 COMPANY CONFIRM THAT WHERE INFORMATION INCLUDED IN THIS REGISTRATION DOCUMENT HAS BEEN SOURCED FROM A THIRD PARTY, SUCH INFORMATION HAS BEEN ACCURATELY REPRODUCED AND AS FAR AS THE DIRECTORS OF THE COMPANY 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 ISSUE WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 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). AS SUCH, SUBJECT TO CERTAIN EXCEPTIONS, THE NEW ORDINARY SHARES MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO U.S. PERSONS. FURTHERMORE, IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA), THE NEW ORDINARY SHARES MAY ONLY BE OFFERED, SOLD OR DELIVERED TO, SUBJECT TO CERTAIN EXCEPTIONS, AND ACCEPTED BY “QUALIFIED INVESTORS” (AS DEFINED IN THE PROSPECTUS REGULATION) OR IN OTHER CIRCUMSTANCES FALLING WITHIN ARTICLE 3(2) OF THE PROSPECTUS REGULATION. IN ALL CASES THE MAKING OF THE ISSUE OF THE NEW ORDINARY SHARES IN SUCH CIRCUMSTANCES SHALL NOT REQUIRE THE PUBLICATION BY THE ISSUER OR ANY OTHER PERSON OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS REGULATION.

THIS REGISTRATION 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 NEW ORDINARY SHARES PURSUANT TO THE PROSPECTUS SHALL SUBMIT TO THE JURISDICTION OF THE MALTESE COURTS, WITHOUT LIMITING IN ANY MANNER THE RIGHT OF THE ISSUER TO BRING ANY ACTION, SUIT OR PROCEEDING, IN ANY OTHER COMPETENT JURISDICTION, ARISING OUT OF OR IN CONNECTION WITH ANY PURCHASE OF NEW ORDINARY SHARES, OR AGREEMENT, ACCEPTANCE OR CONTRACT RESULTING HEREFROM, OR THE PROSPECTUS AS A WHOLE.

APPLICATION HAS BEEN MADE TO THE MALTA FINANCIAL SERVICES AUTHORITY FOR THE APPROVAL OF THE PROSPECTUS AND FOR THE ADMISSION OF THE NEW ORDINARY SHARES BEING ISSUED BY VIRTUE OF THE ISSUE ON A REGULATED MARKET. APPLICATION HAS ALSO BEEN MADE TO THE MSE, FOR THESE SHARES TO BE ADMITTED TO THE OFFICIAL LIST OF THE MSE.



THE VALUE OF INVESTMENTS CAN FALL AS WELL AS RISE AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. INVESTORS MAY LOSE ALL OR PART OF THEIR CAPITAL INVESTED IN THE COMPANY'S SECURITIES. PROSPECTIVE INVESTORS ARE URGED TO CONSULT A LICENSED STOCKBROKER OR AN INVESTMENT ADVISER LICENCED UNDER THE INVESTMENT SERVICES ACT (CAP. 370 OF THE LAWS OF MALTA) PRIOR TO INVESTING IN SECURITIES ISSUED BY THE COMPANY.

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 THERETO.

A COPY OF THIS REGISTRATION DOCUMENT HAS BEEN SUBMITTED TO THE MALTA FINANCIAL SERVICES AUTHORITY IN SATISFACTION OF THE CAPITAL MARKETS RULES, THE MSE IN SATISFACTION OF THE MSE BYE-LAWS AND HAS BEEN DULY FILED WITH THE MALTA BUSINESS REGISTRY IN ACCORDANCE WITH THE COMPANIES ACT (CAP. 386 OF THE LAWS OF MALTA).

IN TERMS OF ARTICLE 12(1) OF THE PROSPECTUS REGULATION, THIS REGISTRATION DOCUMENT SHALL REMAIN VALID FOR A PERIOD OF TWELVE MONTHS FROM 25 OCTOBER 2021, BEING THE DATE OF THE APPROVAL BY THE MALTA FINANCIAL SERVICES AUTHORITY. THE COMPANY IS OBLIGED TO PUBLISH A SUPPLEMENT ONLY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKE OR MATERIAL INACCURACY RELATING TO THE INFORMATION IN THE PROSPECTUS WHICH MAY AFFECT THE ASSESSMENT OF THE SECURITIES AND WHICH ARISES OR IS NOTED BETWEEN THE TIME WHEN THE PROSPECTUS IS APPROVED AND THE CLOSING OF THE ISSUE PERIOD OR THE TIME WHEN TRADING ON A REGULATED MARKET COMMENCES, WHICHEVER OCCURS LATER.



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);
Capital Markets Rules	the capital markets rules issued by the Malta Financial Services Authority as may be amended and/or supplemented from time to time;
Company or Issuer	Hili Properties p.l.c., a public limited liability company with company registration number C 57954 and having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta;
Directors	the directors of the Company whose names are set out in section 6 of this Registration Document. Collectively, the Directors form the board of Directors of the Company (hereinafter, the " Board " or " Board of Directors ");
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) bearing company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Existing Ordinary Share/s	the shares having a nominal value of €0.20 per share in the Company prior to the Issue;
Group	the Company and the Subsidiaries;
Hili Ventures	Hili Ventures Limited, a private limited liability company with company registration number C 57902 and having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta;
Malta Financial Services Authority or MFSA	the Malta Financial Services Authority, established in terms of the Financial Markets Act (Cap. 345 of the laws of Malta) as the competent authority to approve prospectuses of any offer of securities to the public in Malta and the admissibility of securities to a local regulated market;
Memorandum and Articles of Association or M&A	the memorandum and articles of association of the Company in force at the date of the Prospectus. The terms " Memorandum " and " Articles " shall be construed accordingly;
New Ordinary Shares	185,185,185 new ordinary shares having a nominal value of €0.20 per share in the Company to be issued by the Company pursuant to the Issue;
Official List	the list prepared and published by the MSE as its official list in accordance with the MSE Bye-Laws;
Property	each of the properties within the Group's immovable property portfolio detailed in section 4.1 of this Registration Document and the term " Properties " shall collectively refer to all properties forming part of the Group's immovable property portfolio;
Prospectus	collectively, this Registration Document, the Securities Note and the Summary, as such documents may be amended, updated, replaced and/or supplemented from time to time;
Prospectus Regulation	Commission Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as may be amended and/or supplemented from time to time;
Registration Document	this registration document issued by the Company dated 25 October 2021, forming part of the Prospectus;
Securities Note	the securities note dated 25 October 2021, forming part of the Prospectus;
Shareholder/s	a holder of shares registered in the Company's register of members from time to time;
Shares	the Existing Ordinary Shares and the New Ordinary Shares;



Subsidiaries

Hili Estates Limited (C 20513);
Hili Estates Holdings Company Limited (C 58254);
Premier Estates Limited (C 57813);
Hili Properties BV (Netherlands) (BV 50535145);
Premier Estates EESTI OÜ (Estonia) (11740668);
SIA Apex Investments (Latvia) (40003612223);
SIA DZ78 (Latvia) (40203242104);
SIA Premier Estates Ltd (Latvia) (40003993068);
SIA "Tirdzniecibas centrs "DOLE" (Latvia) (40003434873);
UAB Premier Estates Lietuva (Lithuania) (302483287);
Hili Premier Estates Romania (Romania) (RO 36741072); and
Premier Assets SRL (Romania) (RO38814243);

Summary

the summary dated 25 October 2021, forming part of the Prospectus;

Valuers

collectively Joe Bugeja & Associates, of Maple Leaf, Handaq Road, Handaq Industrial Estate, Qormi QRM 4000, Malta. The valuer is Mr Joe Bugeja, M.Sc.(London), D.I.C., B.A.(Arch.), A. & C.E.;

Bencini & Associates, of Design Centre, Level 1, Triq it-Torri C/W Triq il-Qattus, Swatar, BKR 4012, Malta. The valuer is Mr Kevin Bencini, B.E. & A. (Hons) A. & C.E.;

Colliers Valuation and Advisory, of AFI Park Floreasca, 169A Floreasca Road, Building A, 2nd Floor, Office 2, Bucharest, Romania, being an ANEVAR corporate member (identification no. 0330). The independent valuers are Anca Baldea (ANEVAR identification no. 10464) with a BSc in Management from the Academy of Economic Studies, Bucharest, and Aurelia Stefania Bobe (ANEVAR identification no. 18318) with a MSc in Financial Management and Investments from the Academy of Economic Studies, Bucharest;

Colliers International Advisors OÜ, of Valukoja 8, Tallinn, 11415, Estonia. The valuers are Certified Valuer Elena Kuslap (qualification certificate of real property valuer No. 169726 issued by Kutsekoda SA) and by RICS Registered and certified Estonian Real Property Valuer Aleksander Sibul, MRICS, (qualification certificate of real property valuer No. 069702 issued by Kutsekoda SA, certificate no 116137);

Colliers International Advisors SIA, of Satekles 2B, Riga, LV-1050, Latvia, which is a company included in the List of Persons and Entities Entitled to Engage in External Valuations of Property and Business, with certificate No. 000081. The valuers are Sandis Kurilovičs MRICS being a RICS registered valuer (No. 6725410) and a Latvian certified real property valuer (cert. No.117); Jānis Ozols MRICS being a RICS registered valuer (No. 6372512) and a Latvian certified real property valuer (cert. No. 98); and Ingrīda Lazdiņa being a Latvian certified real property valuer (cert. No.132); and

UAB Colliers International Advisors of BC12, J. Jasinskio Street 12, Vilnius LT-01112, Lithuania. The valuers are Aleksej Kalev having Qualification Certificate of Real Property Valuer No. A 000356, dated June 2 2006; Ramunė Aškinienė having Qualification Certificate of Real Property Valuer's Assistant No. A 001487, dated May 22, 2007.

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*; and
- (c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative.



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1. RISK FACTORS

1.1 INTRODUCTION

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THIS REGISTRATION DOCUMENT, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUE AND THE COMPANY. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE COMPANY IS NOT 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 INTENDED TO BE INDICATIVE OF THE ORDER OF PRIORITY AND OF THE EXTENT OF THEIR CONSEQUENCES.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE COMPANY'S FINANCIAL RESULTS AND TRADING PROSPECTS. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE COMPANY FACES. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE COMPANY.

THIS REGISTRATION DOCUMENT IS NOT INTENDED TO CONSTITUTE, AND SHOULD NOT BE CONSTRUED AS CONSTITUTING, A RECOMMENDATION BY THE COMPANY, THE ADVISERS LISTED IN SECTION 3 OR ANY AUTHORISED FINANCIAL INTERMEDIARY TO PURCHASE THE NEW ORDINARY SHARES. PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS OF THE PROSPECTUS.

FORWARD-LOOKING STATEMENTS

The Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places within the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company and/ or the Directors concerning, amongst other things, the Company's strategy and business plans, results of operations, financial condition, liquidity, prospects, dividend policy of the Company and the market in which it operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Company's actual results of operations, financial condition, liquidity, dividend policy and the development of its strategy may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the results of operations, financial condition, liquidity and dividend policy of the Company are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, changes in economic conditions, legislative and regulatory developments, changes in fiscal regimes and the availability of suitable financing.

Potential investors are advised to read the Prospectus in its entirety, and, in particular, all the risk factors set out in this Registration Document, for a description of the factors that could vary the Company's future performance. In the light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur. All forward-looking statements contained in this document are made only as at the date hereof. Subject to applicable legal and regulatory obligations, the Company and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

1.2 RISK FACTORS

The Company and Group are exposed to risks relating to the acquisition and ownership of immovable property. The risks are provided on the basis of materiality, probability of occurrence as well as exposure stemming from: (i) the nature and purpose of the Company, resulting in its dependence on the Group; (ii) the market and business in which the Group operates; and (iii) as a result of the use of proceeds and the outlay connected therewith, the acquisition of immovable property.

1.2.1 Risks relating to the nature and purpose of the Issuer

A. Issuer's dependence on payments due from Subsidiaries may be affected by factors beyond the Issuer's control

The Issuer is primarily a holding company and, as such, its assets consist primarily of loans granted to and investments held in Subsidiaries. Consequently, the Issuer is largely dependent on income derived from dividends from Subsidiaries and the receipt of interest and loan repayments from Subsidiaries. In this respect, the operating results of the Subsidiaries have a direct effect on the Issuer's financial position and therefore the risks intrinsic in the business and operations of the Subsidiaries have a direct effect on the financial prospects of the Issuer.

The dividends, interest payments and loan repayments to be effected by Subsidiaries are subject to certain risks. More specifically, the ability of Subsidiaries to effect payments to the Issuer will depend on the cash flows and earnings of the Subsidiaries, which may be restricted by changes in applicable laws and regulations, by the terms of agreements to which they are or may become party, including the indenture governing their existing indebtedness, if any, or by other factors beyond the control of the Issuer.



1.2.2 Risks relating to the market and business of the Issuer

A. Dependence on tenants

The Group is dependent on tenants fulfilling their obligations under their lease agreements. The business, revenue and projected profits of the Group would be negatively impacted if tenants failed to honour their respective lease obligations. There can be no assurance that the tenants will honour their obligations, for different reasons such as insolvency, market or economic downturns, operational failure or other reasons which are beyond the Group's control. Such failure may negatively affect the financial condition of the Group.

B. The Group is subject to termination of lease agreements

The Group is subject to the risk that tenants may terminate or elect not to renew their respective lease, either due to the expiration of the lease term or due to an early termination of the lease. In cases of early termination by tenants prior to the expiration of the lease term there is a risk of loss of rental income if the tenant is not replaced in a timely manner and/or on similar conditions which in turn could have a material negative effect on the Group's results of operations.

C. The Group may be subject to increases in operating and other expenses

At present, operating expenses incurred by the Group are partially recharged to the tenants occupying the Group's properties. Nonetheless, in future, the Group's operating and other expenses could increase without a corresponding increase in revenue. The factors which could materially increase operating and other expenses include: (i) unforeseen increases in the costs of maintaining the property; and (ii) material increases in operating costs that may not be fully recoverable from tenants.

D. The Group may be impacted by changes in laws and regulations

Changes in laws and regulations relevant to the Group's business and operations could have an adverse impact on the Group's business, results of operations, financial condition or prospects.

E. Impact of the recent COVID-19 pandemic on the Company's general business operations

The continued or renewed imposition of preventative and containment measures as a result of the COVID-19 pandemic and the exceptional speed of economic recovery disrupting logistic services, labour resources and broader services, have had, and are expected to continue to have, an impact on travel, supply chains and consumer demands giving rise to negative expectations relating to the properties managed and operated by the Group, with the susceptibility to a reduction in revenue as a result of discounts provided to tenants.

F. Exposure to general market conditions

The Group is exposed to risks inherent in the commercial real estate market and particularly to changes in market conditions in the commercial real estate market in the Baltics, Romania, Malta and any other market where the Group might invest going forward. Such risks may lead to an oversupply of space or a reduction in tenant demand for a particular type of property. Risks inherent in the commercial real estate market may also have an impact on the quality of property available; the ability of the Group to maintain its service charges and other expenditure and to control the cost of these items; the Company being able to buy, sell, operate or lease existing or new properties on favourable terms; and/or the potential illiquidity of property investments, particularly in times of economic downturn. All of the aforesaid risks may have a material adverse impact on the revenues of the Company, its financial performance and its overall financial condition.

G. Cybersecurity risk

Failures or breaches of the electronic systems of the Company, its advisers and other service providers have the ability to cause disruptions, negatively impact the Company's business operations and/or potentially result in financial losses to the Company. Irrespective of the business continuity plans and risk management systems in place that address system breaches or failures, there are inherent limitations in such plans and systems. Furthermore, the Company cannot control the cybersecurity plans and systems of any of the Company's advisers and other service providers.

1.2.3 Risks relating to the acquisition of immovable property

A. Risks relating to the potential inability to conclude real estate investments

The Group operates in a competitive environment and therefore the Company's financial performance and future growth is partly dependent on the Group's ability to acquire, sell and operate its assets on attractive and sustainable commercial terms. There can be no assurance that the Group will continue to be able to identify and acquire target assets on attractive commercial terms or even at all. This may have a material adverse impact on the Company's future growth and prospects, as well as on its financial performance and its overall financial condition.

B. Fluctuations in property values

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

The valuation of property and property-related assets is inherently subjective. Moreover, all property valuations are made on the basis of assumptions which may not prove to reflect the true position. There is no assurance that the valuations of the properties and property-related assets will reflect actual market process.



C. Real estate investments are illiquid

As property is a relatively illiquid asset, such illiquidity may affect the Group's ability to vary its portfolio or dispose of or liquidate part thereof in a timely manner and at satisfactory prices in response to changes in economic, real estate market or other conditions or the exercise by tenants of their contractual rights such as those which enable them to vacate properties occupied by them prior to, or at, the expiration of the lease term. These factors could have an adverse effect on the Group's financial condition and results.

D. The Group's level of debt

The Group's ability to implement its respective business strategies is dependent upon, amongst other things, their ability to generate sufficient funds internally and to access continued financing at acceptable costs.

2. PERSONS RESPONSIBLE

The Directors, whose names appear in section 6 of this Registration Document under the sub-heading '*Administrative, Management and Supervisory Bodies and Senior Management*', are the persons responsible for the information contained in this Registration Document.

To the best of the knowledge and belief of the Directors (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.

3. ADVISERS AND STATUTORY AUDITORS

3.1 ADVISERS

LEGAL COUNSEL

Name: Mamo TCV Advocates
Address: 103, Palazzo Pietro Stiges, Strait Street,
Valletta VLT 1436, Malta

SPONSOR & JOINT MANAGER

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

REGISTRAR & JOINT MANAGER

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

3.2 STATUTORY AUDITORS

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

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

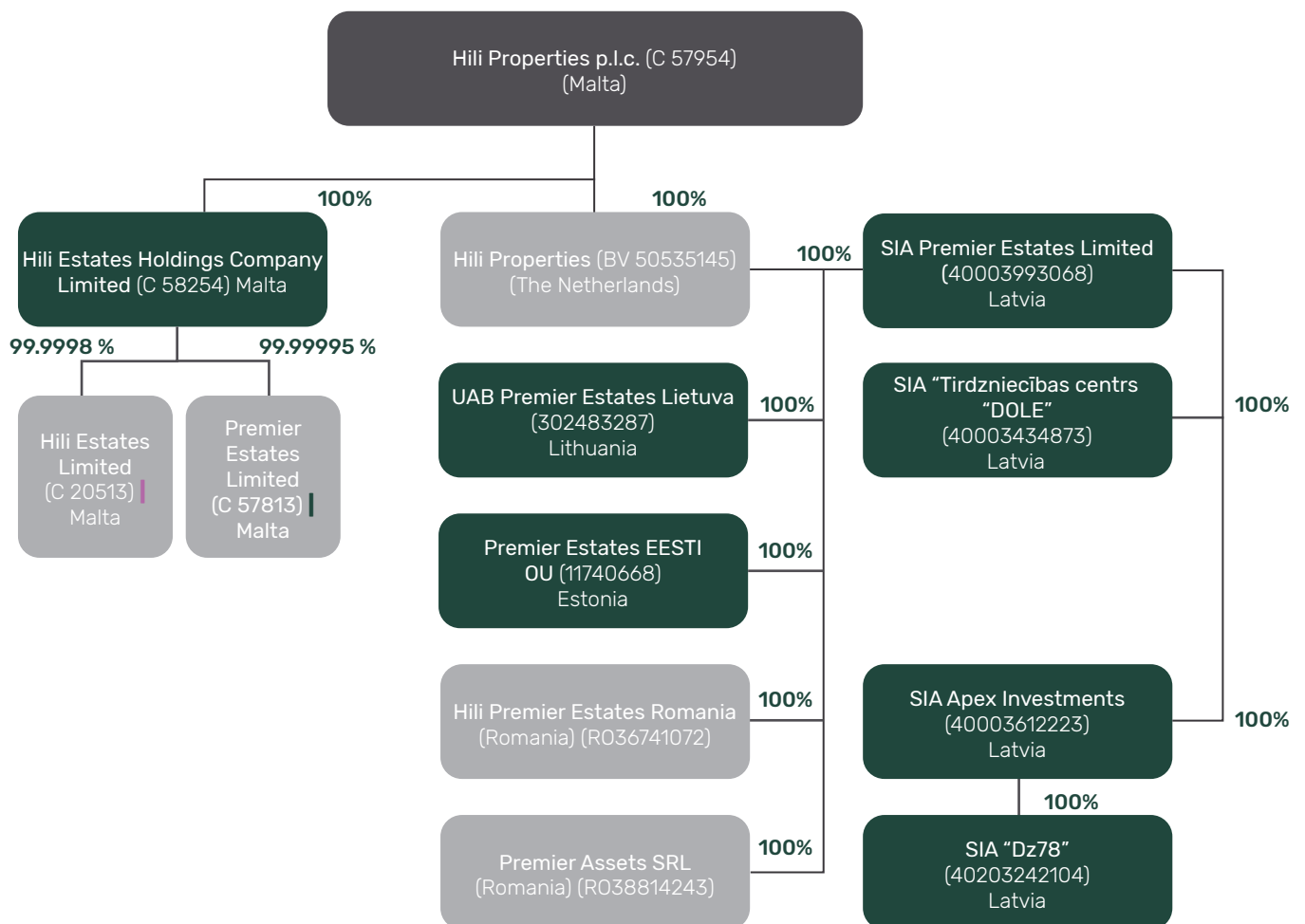


4. INFORMATION ABOUT THE COMPANY, PRINCIPAL ACTIVITIES AND INVESTMENTS

Legal Name of Company	Hili Properties p.l.c.
Registered Address	Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta
Place of Registration and Domicile	Malta
Registration Number	C 57954
Legal Entity Identifier	635400RXT05QHJ78MD90
Date of Registration	23 October 2012
Legal Form	The Company is lawfully existing and registered as a public limited liability company in terms of the Act
Telephone No	+356 2568 1200
Email Address	info@hiliproperties.com
Website	https://www.hiliproperties.com*

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

As at the date of this Registration Document, the Group structure is as follows:



Hili Ventures Limited holds 1 ordinary share. Hili Properties plc holds 3,456,441 redeemable preference shares

Carmelo Caruana Company Limited holds 1 ordinary share, Hili Properties p.l.c. holds 2,116,748 redeemable preference shares



4.1 PRINCIPAL ACTIVITIES

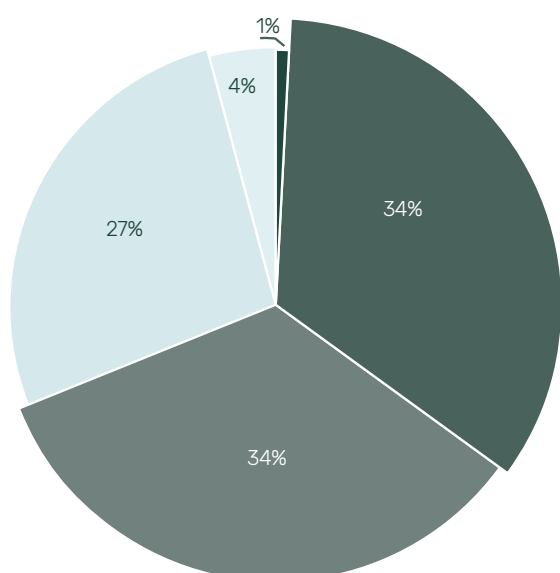
The Issuer's principal activity is to act as a property holding company. The Issuer and the Subsidiaries act as property investment companies that own and manage the properties. The objective of the Issuer is to purchase or otherwise acquire, under any title whatsoever and to hold and manage, by any title, movable and immovable property or other assets. The Issuer's strategy is to own and manage a property portfolio that delivers income and capital growth through active asset management. The Issuer relies on active asset management to maximise operating efficiency and profitability.

The Issuer, as of the date of this Registration Document, owns and manages a diversified property portfolio, directly and indirectly through its Subsidiaries. The portfolio comprises of properties in Romania, Malta, Latvia, Lithuania and Estonia and includes a variety of multi-tenanted shopping centres housing supermarkets and other tenants, dedicated business blocks and office space, a healthcare facility and property housing restaurants in key commercial districts within these territories.

The current assets owned by the Group total *circa* **75,466 m²** of rentable real estate. The Group's current occupancy level is **99%** with a weighted average unexpired lease term (WAULT) of **8.8 years**.

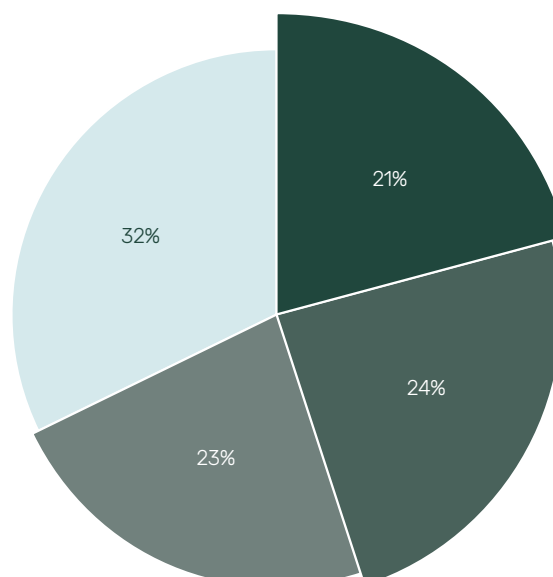
The Group's property portfolio is diversified across a number of asset types and geographical regions, as noted through the graphical charts presented below.

Geographical Analysis of Investment Property Value



■ Latvia ■ Romania ■ Malta ■ Lithuania ■ Estonia

Investment Property by Category of Asset



■ Office ■ Restaurants ■ Retail ■ Other



The Property Portfolio

Name of Property	Location	Description	Rentable Area (m2)	Valuation as at 31.08.2021 (€'000)	Occupancy rate (%) as at 31.08.2021
Imanta Restaurant	Riga, Latvia	Restaurant (with drive thru)	2,709	2,160	100
Vienibas Restaurant	Riga, Latvia	Restaurant (with drive thru)	3,497	2,100	100
Ulmana Restaurant	Riga, Latvia	Restaurant (with drive thru)	2,000	1,740	100
Dainava Restaurant	Kaunas, Lithuania	Restaurant (with drive thru)	3,021	2,200	100
Svajone Restaurant	Vilnius, Lithuania	Restaurant (with drive thru)	580	2,520	100
Parnu Restaurant	Parnu, Estonia	Restaurant (with drive thru)	1,803	1,600	100
Supermarket and Retail Centre	Nicgales Street 2, Riga, Latvia	Retail	2,890	7,725	100
Supermarket and Retail Centre	Augusta Dombrovska Street 23, Riga, Latvia	Retail	4,365	5,540	100
Supermarket and Retail Centre	Vienibas Ave. 95, Riga, Latvia	Retail	1,343	1,540	91
Supermarket and Retail Centre	Kreimenu Street 4A, Riga, Latvia	Retail	953	1,190	100
Shopping Centre	Dzelzavas Street 78, Riga, Latvia	Retail	3,448	6,730	94
Maskavas Street 357	Riga, Latvia	Retail	8,039	10,890	97
Maskavas Street 357	Riga, Latvia	Land	n/a	150	n/a
Nineteen Twenty Three Building	Luqa, Malta	Office space/ warehousing facilities	5,535	16,900	100
Transport House	Floriana, Malta	Office space	900	2,500	100
Villa Marika	Madliena, Malta	Private residence	n/a	3,700	n/a
Restaurant + offices	Sliema, Malta	Restaurant and office space	1,518	8,200	100
Selgros Restaurant	Bucharest, Romania	Restaurant (with drive thru)	1,499	2,169	100
Bragadiru Restaurant	Bucharest, Romania	Restaurant (with drive thru)	2,700	1,913	100
Albu	Bucharest, Romania	Restaurant (with drive thru)	1,185	1,317	100
Santu Mare	Bucharest, Romania	Restaurant (with drive thru)	1,346	1,360	100
Brasov-Coresi Restaurant	Bucharest, Romania	Restaurant (with drive thru)	2,070	1,879	100
Art Business Centre 7	Bucharest, Romania	Hospital and office space	24,065	29,800	100
Total			75,466	115,823	99%



An overview of each Property is set out below:

(i) Imanta restaurant, Riga, Latvia

The Imanta property consists of a plot of land and a building constructed thereon. The site is located in Kurzemes Prospekts 3, Imanta, a residential neighbourhood of Riga inhabited by approximately 44,000 residents.

(ii) Vienibas restaurant, Riga, Latvia

The Vienibas property consists of a plot of land and a building constructed thereon. The site is located at 115A Vienibas Avenue, which is situated outside the centre of Riga and on one of the busiest exit streets (A8/E77), and is around 7km away from the centre and old town of Riga.

(iii) Ulmana restaurant, Riga, Latvia

The Ulmana property consists of a plot of land and a building constructed thereon. The site is located at 88, Karla Ulmana Street, which is situated outside the centre of Riga and on one of the busiest exit streets (A10/E22), and is around 7 km away from the centre and old town of Riga.

(iv) Dainava restaurant, Kaunas, Lithuania

The Dainava property consists of a plot of land, a building structure constructed thereon, and an ancillary building that operates as a car park. The site is located in Pramonės Ave. 8B, Kaunas, which is in the vicinity of three shopping centres, a petrol station, and a fast food restaurant.

(v) Svajone restaurant, Vilnius, Lithuania

The Svajone property consists of a property located within a larger building complex with the intended use of providing catering services. The building is constructed on a state-owned land plot and is located at 15, Gedimino Avenue, a prestigious location in the centre of Vilnius in V. Kurik's square.

(vi) Parnu restaurant, Estonia

The Parnu property consists of a plot of land and a building constructed thereon. The property is located at 74, Tallinna Maante, Parnu, an area outside the city centre next to a two-lane road at the entrance to Parnu from Tallinn.

(vii) Wholesale & retail trade building, Nicgales Street, Riga, Latvia

The property is constructed on a 16,785m² plot. The property is located in a zone of the largest district of the Riga called Purvciems, on the east bank of the Daugava River and by approximately 60,000 residents. The property is currently used as a retail and shopping centre.

(viii) Supermarket and Retail Centre, Augusta Dombrovska Street, Riga, Latvia

The property is constructed on an 8,368m² plot. The property is located in a part of Riga known as Vecmīlgrāvis in the northern part of the city, near the mouth of the Daugava River. The property is currently used as a retail and shopping centre with 33 tenants and enjoys significant footfall.

(ix) Supermarket and Retail Centre, Vienibas Street, Riga, Latvia

The property is constructed on a 6,670m² plot. The property is located in Atgāzene in the south of Riga, on the west bank of the Daugava River.

(x) Supermarket and Retail Centre, Kreimeņu Street, Riga, Latvia

The property is constructed on a 3,733m² plot and land plot leased 422m. The property is located in Vecmīlgrāvis, a town in the North of Riga near the mouth of the Daugava River.

(xi) Shopping Centre, Dzelzavas Street, Riga, Latvia

The footprint of the property measures 8,062m² and is located in Purvciems, in the west of Riga on the east bank of the Daugava River. During FY2018, the property was demolished and re-development works commenced to construct a shopping centre at an estimated cost of *circa* €4.3m.

(xii) Dole, Retail Centre, Maskavas Street 357, Riga, Latvia

The property is a four-storey building having 8,000m² of gross intended leasable area and is occupied by more than 60 tenants. Dole is situated in the Kengarags neighbourhood, one of Riga's southern suburbs with an extensive catchment area and is inhabited by approximately 50,000 residents.

(xiii) Nineteen Twenty Three, Valletta Road, Marsa, Malta

The property, built on a plot area of 2,585m², is developed mainly as an office block with part of the premises at ground and intermediate levels used as a warehouse/storage area. The building is sited at the periphery of the industrial park in Luqa/Marsa. The property is 100% leased out, predominantly to a number of companies forming part of the Hilli Ventures group.



(xiv) Transport House, Triq San Frangisk, Floriana, Malta

The property is located in a central area in Floriana and comprises of a three-storey building, a recessed penthouse, and two interconnected apartments on the first and second floors, all for use as office space.

(xv) Villa Marika, High Ridge, Madiena

The property consists of a fully-detached bungalow located in a prime location in High Ridge, Madiena with a superficial area of *circa* 1,250m. The Group intends to dispose of this property by the end of 2022.

(xvi) Restaurant and overlying office, Sliema, Malta

The property in Sliema is leased as an outlet at ground and mezzanine levels, and the first floor is completed as office space and rented out to a third party. The premises forms part of a development block overlooking two streets, namely The Strand, Sliema at the waterfront and Sqaq il-Fawwara, Sliema at the back of the property.

(xvii) Selgros Restaurant, Bucharest, Romania

The Berceni Selgros restaurant commenced operations on 21 November 2018. It is a drive-thru restaurant located in a busy area in the 4th district of Bucharest.

(xviii) Bragadiru, Bucharest, Romania

The Bragadiru restaurant is a drive-thru restaurant located on a busy road in a town called Bragadiru, which is 10km from Bucharest. The restaurant initiated operations on 31 December 2018.

(xix) Alba Iulia Restaurant, Alba, Romania

The Alba Iulia restaurant commenced operations on 21 December 2019. It is a drive-thru restaurant located near the city centre of Alba Iulia, in the premises of Kaufland parking area, in the central part of the country, in Alba County.

(xx) Satu Mare Restaurant, Satu Mare, Romania

The Satu Mare restaurant commenced operations on 30 December 2019. It is a drive-thru restaurant located near the city centre of Satu Mare in the northern part of the country, in Satu Mare County.

(xxii) Brasov-Coresi Restaurant, Turnului, Romania

The Coresi Brasov restaurant commenced operations on 31 March 2021. It is a drive-thru restaurant near the city centre of Brasov, in the central part of the country, in Coresi District, in Brasov County.

(xxi) ART Business Centre, Bucharest, Romania

The property is located in the affluent Nordului neighbourhood in northern Bucharest. The nine-storey property has a footprint of 3,400m² and comprises of *circa* 24,000m² of gross leasable area of *circa* 5,000m² of which is storage space. The three underground floors accommodate 407 parking spaces. The property is fully leased out and its anchor tenant is Ponderas Academic Hospital which was recently taken over by the Regina Maria Private Healthcare Network, Romania's largest private health care network. It is to be noted that there is a discrepancy between the built area of the building and the area authorised under the relevant building permit. However, the building's compliance with the construction requirements has been ascertained by the local authorities and the building and ownership rights thereon are duly registered with the Land Book. Following a thorough assessment, it was concluded that the likelihood of issues arising from the aforementioned discrepancy is remote.

Harbour (APM) Investments Limited

As further explained in section 4.2 of this Registration Document, Harbour (APM) Investments Limited, a Hili Ventures group company, owns land Benghajsa, Malta. The property, which measures *circa* 92,000m², comprises a number of sites at Benghajsa and is flanked by the Freeport and its service road to the Northeast, by Hal Far Road to the Northwest, by the new LPG depot and Fort Benghajsa to the South and by agricultural fields, Benghajsa village and Hal Far Industrial Estate beyond to the South.

4.2 INVESTMENTS OF THE COMPANY

During the financial year ending 31 December 2020, the Group did not carry out any major investment transactions but had the following outstanding commitments.

On 25 August 2015, the Company entered into a promise of share purchase agreement (as subsequently amended) whereby it undertook to accept, purchase and acquire, 100% of the shares in Harbour (APM) Investments Limited for the sum of €25,000,000. Harbour (APM) Investments Limited owns land at Benghajsa, Malta, valued at the aforementioned purchase price. The sites mainly consist of undeveloped agricultural fields having a cumulative total area of approximately 92,000m².



In 2015, a 50% deposit was paid. In 2017, €12,000,000 of the remaining balance was settled, €5,000,000 of which was settled in cash and €7,000,000 was settled pursuant to an assignment of debt to Hili Ventures Limited and subsequently capitalised in the share capital of the company.

The final deed for the transfer of shares is to be executed by no later than the end of Q1 2022. Should the vendor fail to appear on the final deed, or should the final deed not be executed for any reason contemplated in the promise of sale agreement, all parties are to use reasonable endeavours to return the parties to their position prior to the contract, including the return of amounts paid on account of the price.

5. TREND INFORMATION

5.1 ANALYSIS OF CURRENT TRENDS IMPACTING THE BUSINESS AND THE MARKET

The Group is actively involved in the Baltics, Romania and the local market.

The Latvian real estate market¹ has had its challenges over the past year. National restrictions on trade and services in response to the spread of the COVID-19 pandemic have hit restaurants and cafes, hotels, sports clubs, beauty salons and virtually all non-food stores particularly hard.

From the Group's perspective these restrictions have not had a significant impact on the tenants occupying the retail malls in Latvia, given that the tenants occupying these properties are very strong.

With the increasing size of commercial centres and the changing habits of shoppers in recent years, it has already been observed that many traders and service providers prefer to locate their sales or service outlets directly in shopping malls. 2020 was no exception to the development of this trend. The spread of the COVID-19 virus coupled with the continued rise of e-commerce has resulted in further growth of this trend, with the effect that many outlets in individual stores not located in shopping centres remained empty throughout the year. This trend is expected to continue during 2021 and beyond.

The second largest market for the Group is the Romanian market, where the current portfolio comprises of restaurants and a hospital.

Over the past year, the Romanian real estate market² has been slowly adjusting after the COVID-19 impact and trying to identify a new direction to follow. Forecasts for 2021 are cautiously positive as large office deals have already been closed. Investors are also keen on acquiring industrial properties and here, a number of transactions are also at various stages. The Group has not seen any negative impacts from this market arising from the current tenants in Romania. At the end of 2020 a piece of land was acquired by the Group on which another restaurant was built and handed over to the tenant in the current year.

Data specifically related to commercial property in Malta is limited, making it more challenging to identify the exact state of this market. Nevertheless, it is evident that Malta has over recent years completely evolved and continues to attract numerous foreign companies particularly in the fields of financial services, gaming and IT. It is therefore clear that the demand for good commercial property has drastically increased, as Malta's property sector has been dominated by a situation of demand which appears to exceed supply. Consequently, the majority of high-quality commercial developments are currently fully let. The Group's position in the market is quite stable with no expectation of changes over the coming years.

5.2 THE ISSUER'S STRATEGY AND IMMINENT INVESTMENTS

5.2.1 Strategy

The primary objective of the Issuer is to provide attractive risk-adjusted total returns to shareholders derived from:

- stable yield supported by its current portfolio's long-term contracted cash flows;
- income growth that is embedded in its current portfolio through contractual rent escalations;
- acquisitions through newly identified assets; and
- asset value appreciation, through continuous management and upkeep of its properties.

The Group seeks to achieve these objectives through the performance of its current portfolio, driven by proactive portfolio management, maintaining a prudent capital structure, implementing corporate governance framework aligned with best market practices. To execute its strategy, the Group leverages on its on-ground professional management team with industry experience and a track record of value creation.

The Issuer's strategic expansion strategy for the future aims to enhance its property portfolio, primarily with well-located institutional and high quality, income-producing investment properties to deliver income and capital growth through active asset management.

¹ Real Estate Market Report 2021 (Ober-Haus, Sorainen)

² Romania Real Estate Market Outlook 2021 (CBRE Research)



Based on its long standing experience within the industry, the intention of the Issuer is to source its investment opportunities through its extensive network of relationships, which includes corporate and private landlords, brokers, domestic banks and others. The Issuer expects to create both sustainable income and strong capital returns for the Group.

The investment decisions carried out by the Board in relation to investment property acquisitions are primarily based on a number of property characteristics which are deemed to be aligned to the strategic goals of the Group. A number of these characteristics are as set out below:

- retail properties in city centres and certain suburban areas including shopping retail malls and high street retail outlets;
- commercial real estate properties, including warehousing, industrial and distribution facilities;
- office properties situated in sought-after prime locations with a high potential of attracting interest from tenants; and
- other types of buildings or properties which are deemed by the Issuer to result into an attractive investor return.

In carrying out investment decisions, the Issuer concentrates on assets priced at significant discounts to fair value or assets with active asset management opportunities, for example through repositioning, rental extension or rental optimisation, and keeps monitoring the market with regards to development opportunities in the context of the whole portfolio as the Company's primary focus is on cash flow and active asset management.

5.2.2 Imminent investments

As at the date of the Prospectus, the Issuer is in advanced discussions to acquire properties in the Baltics and in Poland. It is to be noted however that as at this stage, no legally binding purchase agreements have been entered into.

Commercial Property located in Warsaw, Poland

The Group has been selected to enter into exclusive discussions for the acquisition of a strategically positioned property that hosts an international strong DIY retail operator. This property has been earmarked as the first property investment of the Group in Poland, to support its expansion strategy to more EU countries that present stable economic growth and potential.

Highlights of the property:

- strategic location, on one of the main exit arteries of Warsaw having close vicinity to residential areas and great access both by car and public transportation;
- long lease duration of 9 years and additional extension options;
- strong tenant, leader in its industry; and
- newly reconstructed property.

The Group sees great potential in expanding its presence and investments in Poland, being one of the most attractive places for investment in Central and Eastern Europe, with stable economic growth, strong internal and international demand, proximity to major European markets, access to qualified human capital and ever-increasing quality of infrastructure.

Industrial Property located in Lithuania

Following an international tender process, the Group has been selected and is in advanced discussions for the acquisition of a newly built industrial property in Lithuania.

Highlights of the property:

- strategic location;
- excellent access to key cargo routes;
- strong international tenant;
- indissoluble 20-year lease agreement with a single tenant 100% occupancy;
- newly built property; and
- value add / expansion potential.

The Group relies on its experience in the industry and banks on the extensive network of relationships in identifying investments opportunities. This allows the Group to have a healthy pipeline of future acquisitions, expecting to create both sustainable income and strong capital returns.



5.3 LONG TERM TRENDS AND GROWTH POTENTIAL

The Issuer is constantly monitoring evolving trends shaping the property industry and calibrates its strategy to grow the return of its investments.

Where appropriate, the intention of the Issuer is to implement improvements to the Group's property portfolio through proactive asset management techniques which include:

- Renegotiating or surrendering leases;
- Improving lease terms duration and tenant profile;
- Carrying out structural improvements to the building when and where considered appropriate;
- Improving layouts and space efficiency of specific assets;
- Ensuring an appropriate mix and well-structured tenant mix within certain properties;
- Maintaining dialogue with tenants to assess their requirements;
- Taking advantage of planning opportunities where appropriate; and
- Repositioning and upgrading assets.

Additionally, through the acquisitions of new assets, the Group will broaden its portfolio achieving higher resilience to market uncertainties.

The current portfolio together with newly acquired assets, will provide stable yield due to long-term contracted cash flows but also appreciate over time through continuous management and upkeep of the properties.

6. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

6.1 THE BOARD

The Company is currently managed by a Board of Directors consisting of six (6) directors who are entrusted with the overall direction, administration and management of the Company.

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

Directors

Pier Luca Demajo (ID 578465M)	Chairman and Non-Executive Director*
Georgios Kakouras (ID 105517A)	Executive Director
Peter Hili (ID 173093M)	Non-Executive Director
Eddy Vermeir (ID 5924038504-87)	Non-Executive Director
David Aquilina (ID 478174M)	Non-Executive Director*
Laragh Cassar (ID 455693M)	Non-Executive Director*

* Independent

The Company Secretary is Dr Melanie Miceli Demajo (ID 548678M).

The business address of the Directors and the Company Secretary is the same as that of the Company.

The following is a *curriculum vitae* of each of the board members.

Pier Luca Demajo

Pier Luca Demajo was appointed Chairman and Non-Executive Director of the Company in September 2020. He holds years of commercial experience and insight and, throughout his career, has created and managed several companies operating in diverse sectors in Malta, including technology, manufacturing, tourism, distribution, contracting and financial services. Mr Demajo served as Chief Executive Officer of the M. Demajo Group from 2008 to 2019 and is now a Group Director. Mr Demajo joined the board of iSpot Holdings, a subsidiary of 1923 Investments plc, in November 2019 as Non-Executive Director. He is also the Honorary Consul of Canada.

Georgios Kakouras

Georgios Kakouras joined the Company as Managing Director in August 2020, from Apco Systems Limited, a subsidiary of Harvest Technology plc, where he was Managing Director. Earlier in his career, Mr Kakouras gained extensive international management and leadership experience at Intralot group and Maltco Lotteries, where he was Chief Operating Officer and a member of the board. Mr Kakouras holds a BSc and an MEng in Electrical and Computer Engineering and an MBA in Engineering Economics Systems from the National Technical University of Athens.



Peter Hili

Peter Hili graduated from the University of Malta in 2016 with an Honours degree in International Relations. After some time forming part of the staff of the Embassy of Malta in Washington DC as a Policy Officer, he joined Hili Ventures, the Company's parent company, as a management trainee. In 2017 Mr Hili relocated to Canada for a placement with McDonald's in Ottawa and was appointed Restaurant Manager at McDonald's at Bay Street in Malta the following year. He was named Business Consultant at Premier Restaurants Malta Limited, the operator of McDonald's in Malta in 2019 and was promoted to Managing Director in 2020.

Eddy Vermeir

Eddy Vermeir joined Hili Ventures in 2018 as Senior Director for Business Transformation, after having successfully redesigned the strategic path and completed the recruitment of a new senior executive team at iSpot Holdings, a Hili Ventures company encompassing Apple Premium Resellers in Poland and Hungary. He is currently responsible for leading the design and implementation of a customised Enterprise Risk Management environment across all divisions and business units. Mr Vermeir's first role at Hili Ventures a few years back was to examine business practices and devise optimisation strategies so that the group could derive the best outcome for every activity it is engaged in. He was appointed Managing Director at iSpot Holdings in 2017, bringing 25 years of experience in international finance from his previous roles with McDonald's, where he held various finance roles including Senior Director of Global Finance People Development at McDonald's Corporation and Senior Finance Director for McDonald's in Europe. He pursued his post-graduate studies in Corporate Finance at Vlekho Business School in Brussels.

David Aquilina

David Aquilina has extensive experience in property and construction. He is an executive director at Belair Property, a Maltese real estate agency, and holds directorships at various construction companies involved in the development of a range of properties in Malta, including high-end capital projects. Mr Aquilina is also a director of a franchise operation involving two fashion brands in Malta. He is a qualified accountant and previously worked with Deloitte Malta.

Laragh Cassar

Laragh Cassar obtained a degree in Law from the University of Malta in 2002 and a postgraduate Master's in Banking and Finance from the University of London in 2003. She started her career with Camilleri Preziosi in 2003 and was admitted to partnership in 2009, overseeing the investment services department. Over the years, Dr Cassar has been actively involved in a large number of bond and equity listings on the regulated market of the Malta Stock Exchange as well as assisting with the ongoing obligations of listed companies. In June 2015, she co-founded Camilleri Cassar Advocates, a commercial and civil law firm. Dr Cassar is responsible for the capital markets and investment services areas of practice of the firm.

6.2 SENIOR MANAGEMENT OF THE COMPANY

In addition to the executive Director, the senior management of the Company comprises of the following persons:

Managing Director: Georgios Kakouras

Chief Financial Officer: Daniela Pavia

Properties Project Manager: Aivars Barbals

The *curriculum vitae* for Georgios Kakouras is included in section 6.1 above.

Daniela Pavia

Daniela Pavia joined the Company as Chief Financial Officer in February 2020 and is responsible for leading the company's finance function. She joined Hili Ventures in May 2015 as Finance Manager Budgeting & Reporting and was promoted to Director of Finance in June 2016. She was previously Audit Manager at one of the big four audit firms in Malta. Ms Pavia holds a BA (Hons) in Accountancy and a Diploma in Taxation from the University of Malta.

Aivars Barbals

Aivars Barbals joined the Company as Properties Project Manager in December 2015 and is responsible for the operational management of the Company's portfolio as well its expansion and repositioning. Previously, for more than thirteen years, he was the Director of the Real Estate department of Maxima in Latvia, one of the largest supermarket chains in the Baltics. Prior to that, he managed his own company for ten years, which organized the development services of catering, trade and food technologies companies in the Baltic states and Russia. Mr Bārbals has studied Food Technology, as well as Business and Management.

A full list of the directorships held in the previous five years by the individuals mentioned in section 6.1 and section 6.2 is contained in Annex I of this Registration Document.



6.3 POTENTIAL CONFLICTS OF INTEREST

Peter Hili indirectly holds 9% of the shares in the Company. As such, he may be susceptible to conflicts between the potentially diverging interests of the Company and its direct and/or indirect shareholder/s.

Save for the matters disclosed above, there are no potential conflicts of interests between any duties to the Company of the persons referred to above under the respective headings “Board of Directors” and “Senior Management” and their private interests and/or other duties.

6.4 DECLARATION

None of the Directors, members of the board committees or members of management referred to in section 6 of this Registration Document have, in the last five years:

- i. been the subject of any convictions in relation to fraudulent offences;
- ii. been associated with bankruptcies, receiverships or liquidations (other than voluntary) in respect of entities of which they were members of administrative, management or supervisory bodies, partners with unlimited liability (in the case of a limited partnership with a share capital), founders or members of senior management;
- iii. been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or
- iv. been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

7. MAJOR SHAREHOLDERS

	No. of Shares	%
Hili Ventures Limited	299,999,990	99.99

The Directors consider the ultimate controlling party of the Company to be Mr Carmelo *sive* Melo Hili, who indirectly holds over 50% of the voting rights in Hili Ventures.

All Existing Ordinary Shares and New Ordinary Shares do and will rank *pari passu* in all respects and each share will confer the right to one vote at general meetings of the Company.

The following measures are in place to ensure that control exercised by Hili Ventures as major shareholder is not abused:

- a. despite the fact that Hili Ventures has the ability to appoint directors, a Director shall not vote at a meeting of Directors in respect of any contract, arrangement or proposal in which they have a material interest;
- b. the audit committee is tasked with the review of transactions and arrangements between the Company and a related party, which may also include the major shareholder; and
- c. measures in line with the Code of Principles of Good Corporate Governance to ensure that the relationship with Hili Ventures is retained at arm’s length.

To the best of the Company’s knowledge, there are no arrangements in place as at the date of the Prospectus the operation of which may, at a subsequent date, result in a change in control of the Company.

8. RELATED PARTY TRANSACTIONS

Related party transactions are primarily carried out between the Company and other members of the Group. All related party transactions entered into by the Company are disclosed in the Company’s financial reports as follows:

Historical Financial Period	Note to the Accounts
Financial Year ended 31 December 2019	22, 24, 25, 26 & 37
Financial Year ended 31 December 2020	22, 24, 25, 26, 36 & 37
Half Year 01 January 2021 to 30 June 2021	10



During the three months ended 30 September 2021, the Company was party to the following related party transactions:

	1 Jul - 30 September 2021 Unaudited		
	Related party activity	Total activity	
	€	€	%
Administrative expenses:			
Related party transactions with:			
Parent company	350,000		
	350,000	1,126,750	31%
Finance income:			
Related party transactions with:			
Subsidiaries	196,637		
	196,637	196,637	100%
Finance costs:			
Related party transactions with:			
Subsidiaries	187,830		
Other related parties	9,097		
	196,927	632,332	31%

9. FINANCIAL INFORMATION

The Company's historical audited financial statements for the years ended 31 December 2019 and 2020, all of which are, in accordance with Article 19(1) of the Regulation, incorporated by reference in this Registration Document are also available on the Company's website and at the registered office of the Company as described in section 14 of this Registration Document. The audit reports of these two financial years do not contain any qualification, modification of opinion, disclaimers or emphasis of matter.

The Company's interim financial information covering the periods between 1 January 2020 and 30 June 2020 and between 1 January 2021 and 30 June 2021, all of which are, in accordance with Article 19(1) of the Regulation, incorporated by reference in this Registration Document and are also available on the Company's website and at the registered office of the Company as described in section 14 of this Registration Document.

The following are a list of cross-references to specific items of information in the Company's audited financial statements (which are available on display as detailed in section 14 of this Registration Document) for financial years ended 31 December 2018, 31 December 2019 and 31 December 2020:

	Page number in audited financial statements		
	Financial year ended 31 December 2018	Financial year ended 31 December 2019	Financial year ended 31 December 2020
<i>Independent Auditors' Report</i>	87-92	91-95	87-91
<i>Statement of Financial Position</i>	13-14	15-16	15-16
<i>Income Statement</i>	12	14	14
<i>Statement of Cash Flows</i>	17-18	19-20	19-20
<i>Notes to Financial Statements</i>	19-86	21-90	21-86



The financial statements referred to in this section 9 can be accessed using the following link:

<https://hiliproperties.com/companys-financial-statements/>

9.1 HISTORICAL FINANCIAL INFORMATION

The financial information included hereinafter is extracted from the audited consolidated financial statements of the Group for the financial years ended 31 December 2019 and 2020, all of which are incorporated by reference in this Registration Document. The financial statements are available for inspection at the Company's registered office and on the Company's website www.hiliproperties.com. These financial statements have been drawn up in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The financial statements have been audited by Grant Thornton and none of the auditors' reports therein include a modified audit opinion.

The full consolidated financial statements can be found in the Annual Reports published by the Company which are available on display as detailed in section 14 of this Registration Document.

SUMMARY OF CONSOLIDATED INCOME STATEMENTS

Hili Properties p.l.c. Statement of Comprehensive Income for the year ended 31 December	2019	2020
	€'000s	€'000s
Revenue	9,153	8,112
Net operating expenses	(2,954)	(2,973)
EBITDA *	6,199	5,139
Depreciation and amortisation	(150)	(158)
EBIT **	6,049	4,981
Net investment income	3,942	3,575
Net finance costs	(3,758)	(3,344)
Profit before tax	6,233	5,212
Income tax	(779)	(1,116)
Profit after tax	5,454	4,096
Other comprehensive income		
Exchange differences - foreign operations	-	(5)
Total comprehensive income	5,454	4,091

* EBITDA – earnings before interest, taxation, depreciation and amortisation

** EBIT – earnings before interest and taxation

Over the past two years, the Group has been subject to property disposals with the aim of re-positioning the portfolio to a more advantageous one. Following the start of the pandemic in 2020, no significant investments have been undertaken by the group to replace these assets. This explains the decrease in revenues and overall results between the audited results published in 2019 and 2020. Going forward, as described more extensively in section 5.2 of this Registration Document, the Group is expected to invest significantly over the next years.

Net investment income amounted to €3.6m during the previous financial year and mainly relates to net increases in fair value gains on the properties located in Malta, Romania and the Baltic countries.



SUMMARY OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Hili Properties p.l.c. Statement of Financial Position as at 31 December	2019	2020
	€'000s	€'000s
Assets		
Total non-current assets	141,255	144,912
Total current assets	9,223	4,727
Total assets	150,478	149,639
Equity		
Total equity attributable to the owners of the company	57,121	62,280
Non-controlling interests	514	395
Total equity	57,635	62,675
Liabilities		
Total non-current liabilities	84,737	77,694
Total current liabilities	8,106	9,270
Total liabilities	92,843	86,964
Total equity and liabilities	150,478	149,639

As per the financial statements for the year ending 31 December 2020, the Group's total assets amounted to around €149.6m (2019: €150.5m) and primarily consisted of investment properties and property held for sale, which on aggregate amounted to *circa* 75.5% of total assets.

The Group's total non-current assets are also composed of other financial assets, mainly the deposit on sale of investment of €24.5m. This deposit refers to the promise of sale entered by the company for the purchase of shares in Harbour (APM) Investments, which in turns owns land at Benghajsa, Malta. More details on this investment can be found in section 4.2 of this Registration Document.

The Group's current assets amounted to €4.7m during the financial year 2020 and mainly consist of other assets and cash and cash equivalents. Following the disposal of a major investment in 2019, the Group utilised part the said proceeds to settle its short-term outstanding bank loans and other financial liabilities.

Group equity as of 31 December 2020 amounted to €62.6m, of which around €62.2m was attributable to the shareholders of the Company. Over the course of 2020 the Group's share capital increased by *circa* €1.2m, primarily through capitalisation of a loan advanced from the ultimate parent company of the Group.

Other than equity, the Group is financed through bank loans and bonds which, as at 31st December 2020, amounted to €77.4m (2019: €81.9m). The Group's bank borrowings are secured by general hypothecs, pledges and guarantees provided by Group companies. The bonds constitute unsecured obligations of the Company, and rank equally without priority or preference with all other present and future unsecured and unsubordinated obligations of the Company.

SUMMARY OF CONSOLIDATED CASHFLOWS

Hili Properties p.l.c. Cash Flows Statement for the year ended 31 December	2019	2020
	€'000s	€'000s
Cash flows from operating activities	4,724	4,529
Interest paid	(3,458)	(3,340)
Income tax paid	(1,061)	(520)
Net cash flows generated from operating activities	205	669



Net cash flows generated from investing activities	8,053	4,588
Net cash flows generated from / (used in) financing activities	(4,003)	(9,334)
Movement in cash and cash equivalents	4,255	(4,077)
Cash and cash equivalents at start of year	2,886	7,141
Foreign exchange adjustment	-	(5)
Cash and cash equivalents at end of year	7,141	3,059

The Group's cash flow statements show that cash generated from operating activities during 2019 and 2020 amounted to around €0.9m. These mainly comprised cash generated from operations of €9.2m, €6.8m net cash outflow with respect to interest payments and net cash outflows resulting from taxes paid of about €1.6m.

With respect to investing activities, net cash inflows during the year ended 31st December 2020, amounted to around €4.6m (2019 – around €8m) and mainly include proceeds of €5.8m received from sale of investment property and subsidiary company, less capital expenditure of about €1.1m.

Net cash used in financing activities amounted to around €9m during the financial year ended 31st December 2020 (2019 – around €4m). Over the course of the last financial year, the group repaid €4.6m in bank loans, while amounts transferred to related parties and restricted cash amounted to €4.5m.

Closing cash balances at 31 December 2020 stood at around €3m.

No dividend was paid out in respect of the financial year ended 31 December 2020.

9.2 INTERIM INFORMATION

This section summarises the Group's unaudited interim consolidated Income Statements and consolidated Statements of Cash Flows for the six-month period from 1 January 2021 to 30 June 2021 and the comparable period from 1 January 2020 to 30 June 2020. This section also includes the unaudited consolidated Statement of Financial Position of the Group as at 30 June 2021 and the comparative audited Statement of Financial Position as at 31 December 2020.

A. SUMMARY OF INTERIM CONSOLIDATED INCOME STATEMENT

The table below sets out extracts from the unaudited interim consolidated Income Statements of the Group for the six months ended 30 June 2021.

Hili Properties p.l.c. Statement of Comprehensive Income for the period ended 30 June	2020	2021
	€'000s	€'000s
Revenue	4,012	3,817
Net operating expenses	(1,552)	(1,561)
EBITDA *	2,460	2,256
Depreciation and amortisation	(45)	(28)
EBIT **	2,415	2,228
Net investment income	(109)	(1)
Net finance costs	(1,733)	(1,532)
Profit before tax	573	695
Income tax	(216)	(170)
Profit after tax	356	525
Other comprehensive income		
Exchange differences – foreign operations	(33)	(37)
Total comprehensive income	323	488

* EBITDA – earnings before interest, taxation, depreciation and amortisation

** EBIT – earnings before interest and taxation



During the first six months to 30 June 2021, the Group has registered total revenues of around €3.8m compared to about €4m in the previous period. Over the comparable periods, the main changes in operations related to the disposal of an asset in 2021, which was generating revenues and EBITDA over the preceding period, which was not replaced for the period ending 30 June 2021. In addition, other operating income pertaining to costs recharged over the period January to June 2020 were not repeated in the period ending June 2021.

Given the strong tenants and strategic position of the Group's assets, no major impacts have been felt throughout the COVID-19 pandemic. Nevertheless, the Group felt it appropriate to grant discounts to some of the tenants that were forced to close their business during this period. These discounts are included within the results for the period ending June 2021.

EBITDA generated during the period January to June 2021 amounted to around €2.2m as compared to around €2.4m for the comparable period. Profitability for the period January to June 2021 improved over the preceding period due to a decrease in expenses. The profitability of the company is expected to be strengthened further via the planned investments in the currently in the pipeline.

Performance in the first six months of 2021 has been very much in line with the Group's COVID-19 adjusted forecasts for the year.

B. SUMMARY OF INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The table below sets out extracts from the unaudited interim consolidated Statements of Financial Position of the Company as of 30 June 2021.

Hili Properties p.l.c. Statement of Financial Position as at 30 June	2020	2021
	€'000s	€'000s
Assets		
Total non-current assets	144,911	145,889
Total current assets	4,728	6,950
Total assets	149,639	152,839
Equity		
Total equity attributable to the owners of the company	62,280	62,737
Non-controlling interests	395	425
Total equity	62,675	63,162
Liabilities		
Total non-current liabilities	77,694	83,578
Total current liabilities	9,270	6,098
Total liabilities	86,964	89,676
Total equity and liabilities	149,639	152,838

All components of assets, liabilities and equity are in line and consistent with those of years 2019 to 2020. The Statement of Financial Position as of 30 June 2021 shows a net current asset position of €0.9m. This is in line with the Group's estimates for the period and is expected to continue in future periods when the Group reaps benefits from its current investments.

C. SUMMARY OF INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

Hili Properties p.l.c. Cash Flows Statement for the period ended 30 June	2020	2021
	€'000s	€'000s
Cash flows from operating activities	2,437	2,502
Interest paid	(723)	(692)
Income tax paid	(184)	(326)
Net cash flows generated from operating activities	1,530	1,484



Net cash flows (used in) investing activities	(4,051)	(695)
Net cash flows generated from / (used in) financing activities	(1,969)	1,730
Movement in cash and cash equivalents	(4,490)	2,519
Cash and cash equivalents at start of year	7,141	3,058
Foreign exchange adjustment	(33)	(37)
Cash and cash equivalents at end of year	2,618	5,540

Total cash generated from operating activities in the first six months of both 2020 and 2021 amounted to around €1.5m.

Cash used in investing activities in the first six months of 2020 includes advances to related parties of around €4m, which were not repeated for the current six months in 2021. In the period ending June 2021 the Group incurred expenditure in relation to the construction of a restaurant in Romania, which amounted to around €0.7m in capital expenditure. Cash generated from financing activities in the first six months of 2021 include proceeds received from local banks of €4m, before factoring in repayment of third-party loans and loan repayments. The comparative amount of €1.9m outflows for the period ending 30 June 2020 includes repayments of bank borrowings.

Closing cash balances as at 30 June 2021 stood at around €5.5m.

9.3 PROFIT FORECASTS

CONSOLIDATED INCOME STATEMENT

The table below reproduces the consolidated income statements of the Group for the period 1 January 2020 to 31 December 2020 as disclosed in section 7 of this Registration Document. It includes the consolidated forecast income statement of the Group for the year ending 31 December 2021, and the projected income statements of the Group for the period 1 January 2022 to 31 December 2024.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Hili Properties p.l.c. Statement of Comprehensive Income for the year ended 31 December	2020 Audited	2021 Projected	2022 Projected	2023 Projected	2024 Projected
	€'000s	€'000s	€'000s	€'000s	€'000s
Revenue	8,112	8,110	10,649	11,639	12,122
Net operating expenses	(2,973)	(3,211)	(3,396)	(2,685)	(2,724)
EBITDA *	5,139	4,899	7,253	8,954	9,398
Depreciation and amortisation	(158)	(55)	(56)	(58)	(57)
EBIT **	4,981	4,844	7,196	8,896	9,341
Net investment income	3,575	1,435	347	(26)	1,262
Net finance costs	(3,344)	(3,490)	(3,374)	(3,604)	(3,196)
Profit before tax	5,212	2,789	4,169	5,266	7,407
Income tax	(1,116)	(773)	(2,164)	(2,170)	(1,599)
Profit after tax	4,096	2,016	2,006	3,096	5,808

* EBITDA – earnings before interest, taxation, depreciation and amortisation

** EBIT – earnings before interest and taxation

REVENUE

Forecasted revenues for 2021 are expected to be in line with those reported and audited in the previous financial year. Towards the end of the financial year 2021, acquisitions of around €18m are expected to be concluded by the group.

Revenues in 2022 are estimated to increase by around €2.5m over those of 2021, on the assumption that acquisitions amounting to €30m will



be added to the Group's asset portfolio at the beginning of 2022, and on account of the acquisitions made in 2021 are now operating over a full year in 2022.

Negotiations related to these acquisitions are well underway at the time of preparing this Registration Document. These acquisitions are expected to generate a yield of around 6.5% and are assumed to be made in Euro.

A third sizable acquisition is earmarked for 2023. This asset is estimated to further increase revenues from around €10.6m in 2022 to €11.6m in 2023.

This investment, which will be of around €47m, is also expected to yield income of around 6.5% *per annum* in Euro. In the same year an additional restaurant is also planned to be opened, for a value of around €1.7m.

Revenues in 2024 are then expected to amount to around €12m. No acquisitions are planned for 2024.

NET OPERATING EXPENSES

Net operating expenses include costs related to the managed properties, which are not rechargeable to tenants occupying these properties.

The Group foresees a marginal increase in these expenses for the year ending 31 December 2021, but plans to maintain such costs at *circa* €3m throughout the financial years 2022 to 2024. Targeted acquisitions will assume a triple net lease model, under which costs related to managing these properties will be entirely rechargeable to the tenants occupying them. This strategy will fulfil the Group's objective to maintain stabilised costs at *circa* €3m.

EBITDA

The Group expects EBITDA to amount to around €4.9m for the year ending 31 December 2021. The decrease in EBITDA over the preceding financial year arises from the higher operating expenses currently foreseen on the properties managed in 2021.

EBITDA is then projected to increase by around €2.4m in 2022 and amount to €9.0m and €9.4m in 2023 and 2024. The increase in projected EBITDA arises directly from the acquisitions assumed to be in place within the Group's portfolio by that time.

DEPRECIATION AND AMORTISATION

Depreciation and amortisation is estimated to decrease substantially for the year ending 31 December 2021 on account of leased property with lease terms expiring in 2021.

Depreciation is then expected to remain constant over the coming years.

NET INVESTMENT INCOME

Investment income mainly includes non-cash uplifts on the values of the investment properties held by the Group, together with any gains on disposal of assets.

In the year ending 31 December 2020, the entire portfolio held by the Group was subject to external valuations to ensure that the Group was not affected by the economic circumstances arising from the COVID-19 pandemic. In fact, the valuations resulted in a total gain of around €3.75m in the previous year.

For the year ending 31 December 2021 the Group anticipates that the total portfolio values will further increase over the fair values recorded in 2020. Throughout the forecasted years the Group foresees that its properties will further appreciate in value by 1%.

Acquisition costs pertaining to the properties to be acquired over 2021, 2022 and 2023 are included in the net investment income. No acquisition costs are forecasted in 2024.

NET FINANCE COSTS

Net finance costs are expected to remain stable over the forecasted years.

TAXATION

Taxation is made up of current taxation and deferred taxation, the latter being taken on the property uplifts by region.

Fluctuation in the tax figures arise from capital gains tax included within the projections, on disposal of any investment properties.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Hili Properties p.l.c. Statement of Financial Position as at 31 December

	2020 Audited	2021 Projected	2022 Projected	2023 Projected	2024 Projected
	€'000s	€'000s	€'000s	€'000s	€'000s
Assets					
Total non-current assets	144,911	161,013	182,844	209,981	213,425
Total current assets	4,728	70,867	36,804	12,795	6,792
Total assets	149,639	231,881	219,648	222,776	220,217
Equity					
Total equity	62,675	133,137	129,903	127,759	128,327
Total equity	62,675	133,137	129,903	127,759	128,327
Liabilities					
Non-current liabilities					
Total non-current liabilities	77,694	89,190	65,043	86,136	82,918
Total current liabilities	9,270	9,554	24,702	8,880	8,971
Total liabilities	86,964	98,744	89,745	95,017	91,889

The group's non-current assets predominantly consist of investment properties, which are expected to increase over 2020 through an acquisition planned towards the end of 2021.

Investment property is expected to increase by €30m in 2022 and by a further €48m in 2023 on account of property acquisitions, and the opening of new restaurants for the projected period.

Over the forecasted period presented, the following disposals are being planned by the group:

- Disposal of investment properties held for sale in 2020, planned for disposal at around the end of 2021;
- Disposal of a Malta-based asset in 2022; and
- Disposal of a major asset in Romania in 2023.

These disposals are in line with the re-positioning strategy of the group.

Equity is estimated to increase from €62.6m to around €133m by the end of 2021, which is driven by these factors:

- Capital injection of €18.4m by Hili Ventures Limited; and
- €50m in equity under the share offer being made in the Prospectus.

The projections exclude further equity fund raising (after the IPO) which remains a possibility in the future.

The Group's working capital (current assets less current liabilities) is expected to grow in line with the growth in the operations of the business.

Long term borrowings are expected to fluctuate in line with the projected property acquisitions and disposals over the projected three-year period.



CONSOLIDATED STATEMENT OF CASH FLOWS

Hili Properties p.l.c. Cash Flows Statement for the year ended 31 December	2020 Audited	2021 Projected	2022 Projected	2023 Projected	2024 Projected
	€'000s	€'000s	€'000s	€'000s	€'000s
Cash flows from operating activities	4,529	5,617	8,732	9,056	9,358
Interest paid	(3,686)	(3,413)	(3,298)	(3,528)	(3,119)
Income tax paid	(520)	(495)	(722)	(1,755)	(1,509)
Net cash flows generated from operating activities	323	1,708	4,711	3,773	4,730
Net cash flows generated from / (used in) investing activities	4,588	(15,032)	(24,065)	(27,193)	(2,210)
Net cash flows generated from / (used in) financing activities	(8,988)	80,081	(14,489)	(5,314)	(8,543)
Movement in cash and cash equivalents	(4,077)	66,756	(33,843)	(23,734)	(6,023)
Cash and cash equivalents at start of year	7,141	3,059	69,815	35,972	12,238
Foreign exchange adjustment	(5)	-	-	-	-
Cash and cash equivalents at end of year	3,059	69,815	35,972	12,238	6,214

The Group's net cash from operations are expected to improve by around €1.4m over the results for the year ended 31 December 2020. This improvement is mainly attributable to the increased cash from operating activities. This trend is then expected to be repeated in 2022, with a drop in 2023 due to the planned disposal of one of the assets in Romania. There will be recovery to around €4.7m in 2024.

Cash generated from investing activities over the forecasted period reflects the acquisitions planned over the years, less cash received from the planned disposals to be made.

Similarly, cash generated from financing activities reflects the planned loans to be taken less amount repaid, in line with the group's investment strategy.

BASIS OF PREPARATION AND PRINCIPAL ASSUMPTIONS

The expectations of the Directors with respect to the future operations of the Group for the financial years ending 31 December 2021, 2022, 2023, and 2024 are presented in Annex III of this Registration Document.

The basis of preparation and the key assumptions underlying the Profit Forecasts are set out in detail in Annex III of this Registration Document. The Profit Forecasts include the forecast for the financial year ended 31 December 2021. This forecast is based on the interim results for the Group to 30 June 2021, and the forecast for the period 1 July 2021 to 31 December 2021 based on the results achieved to June 2021, and extrapolated until year-end. The forecast has been compiled and prepared on a basis which is both comparable with the historical financial information and consistent with the Company's accounting policies. The Profit Forecasts have not been audited.

An independent accountant report by Grant Thornton in accordance with ISAE 3400 – The Examination of Prospective Financial Information, is included in Annex III of this Registration Document

9.4 SIGNIFICANT CHANGE IN THE COMPANY'S FINANCIAL POSITION

There has been no significant change in the financial position of the Company since 31 December 2020.

9.5 DIVIDEND POLICY

It is the Board's objective to distribute a total net dividend to holders of ordinary shares of the Company amounting to an estimated 4% on the Issue Price of €0.27. For tax treatment on dividends received investors are urged to refer to section 5.3.2 of the Securities Note.



The Board's policy is to pay an annual final dividend. Notwithstanding the aforesaid, the Board will evaluate the financial position and performance of the Company from time to time and carefully consider whether, in light of the financial results of the Company, as well as prevailing economic conditions, the Board may declare and pay out an interim dividend. The net dividend distributions that have been provided for in the Company's prospective financial information in line with the above policy are illustrated below:

Net Dividend	2023	2024
	€'000s	€'000s
Final	5,240,000	5,240,000

The first dividend of the Company following the completion of the Issue is expected to be distributed following the approval of the financial statements for the period ending 31 December 2022.

The extent of any dividend distribution will depend upon, amongst other factors, the profits available for distribution for the year, the Directors' view on the prevailing market outlook, any debt servicing and repayment requirements including financial covenants and other restrictive covenants, the cash flows for the Company, working capital requirements, investment opportunities, capital expenditure and the requirements of the Act.

10. ADDITIONAL INFORMATION

10.1 LEGAL AND ARBITRATION PROCEEDINGS

Neither the Company nor any member of the Group is engaged in, or so far as the Company or any member of the Group is aware, has pending or threatened, any governmental, legal or arbitration proceedings which may have, or have had during the 12 months preceding the date of this Registration Document, a significant effect on the Company's or the Group's financial position or profitability.

10.2 SHARE CAPITAL

As at the date of this Registration Document:

The authorised share capital of the Company is one hundred and twenty million Euro (€120,000,000) divided into six hundred million (600,000,000) ordinary shares of a nominal value of twenty Euro cents (€0.20) each.

The issued share capital of the Company is sixty million Euro (€60,000,000) divided into three hundred million (300,000,000) ordinary shares of a nominal value of twenty Euro cents (€0.20) each fully paid up.

An application has been made for the Shares to be listed on the Malta Stock Exchange.

There is no capital of the Company which is currently under option.

11. MATERIAL CONTRACTS

The Company or Group has/have not, in the two (2) years preceding the date of the Prospectus, entered into any contract, not being a contract entered into in the Company's or Group's ordinary course of business, giving rise to an obligation or entitlement which is material to the Company as at the date of the Prospectus.

12. DISCLOSURE UNDER MARKET ABUSE REGULATIONS

There is no information that has been disclosed under Regulation (EU) No 596/2014 over the last 12 months which is relevant as at the date of the Prospectus.



13. THIRD PARTY INFORMATION, STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

13.1 PROPERTY VALUATION REPORT

Due to the fact that the Group is the registered owner of a number of properties in various countries, five (5) condensed property valuation reports all dated between 29 September 2021 and 12 October 2021, have been prepared by the Valuers. A copy of these reports are attached to this Registration Document as Annex II and the full property valuation reports are available in accordance with section 14 of this Registration Document.

13.2 ACCOUNTANT'S REPORT

The Issuer engaged Grant Thornton to issue the accountant's report dated 14 October 2021. The details of the said expert are found in section 3.2 of this Registration Document.

13.3 CONFIRMATIONS

The property valuation reports and the accountant's report have been included in the form and context in which they appear with the authorization of the Valuers and Grant Thornton respectively, which have given, and have not withdrawn, their consent to the inclusion of the said reports herein.

The Valuers and Grant Thornton do not have any material interest in the Issuer. The Issuer confirms that the property valuation reports and the accountant's report 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.

13.4 INTEREST OF EXPERTS AND ADVISERS

Save for the property valuation reports contained in Annex II of this Registration Document and the accountant's report contained in Annex III of this Registration Document, the Prospectus does not contain any statement or report attributed to any person as an expert.

14. DOCUMENTS ON DISPLAY

For the duration period of this Registration Document the following documents shall be available for inspection at the registered address of the Company:

- (a) Memorandum and Articles of Association of the Company;
- (b) Audited financial statements of the Company covering the years ended 31 December 2019 and 31 December 2020, together with the Auditors' Reports thereon;
- (c) Interim financial statements of the Company covering the periods between 1 January 2020 and 30 June 2020 and between 1 January 2021 and 30 June 2021;
- (d) The Valuers' property valuation reports dated between 29 September 2021 and 30 September 2021; and
- (e) The accountant's report included as Annex III of this Registration Document.

Documents (a) through (e) above shall also be available on the Investor Relations section of the Company's website <https://www.hiliproperties.com>



ANNEX I - DETAILS OF DIRECTORS, COMPANY SECRETARY AND SENIOR MANAGEMENT

The following table lists the details of the other companies the Directors and Senior Management have been members of in terms of their administration and management over the previous five years and are so as at the date of this Registration Document:

PIER LUCA DEMAJO

Present:

Hili Properties plc	C 57954
80 Days Limited	C 89474
Bajdem Limited	C 61869
Bencini Demajo Corporate Services Limited	C 57877
Biaritz Ltd	C 85674
Exigy Limited	C 30110
Fablab Malta Limited	C 73250
Forcive AI Limited	C 99054
iSpot Poland Sp. z o. o.	KRS 0000500329
IoT Malta Limited	C 75588
IoT Solutions Limited	C 82423
Joeclau Ltd.	C 76752
M. Demajo (Timbers) Limited	C 750
M. Demajo (Estates) Limited	C 3136
M. Demajo (Holdings) Limited	C 2517
M. Demajo (Services) Limited	C 31465
Multi Packaging Limited	C 158
Ozone Limited	C 18334
Packprint Limited	C 2024
Ronald McDonald House Charities Foundation – Malta (RMHC Malta)	LPF 84
Smart Technologies (International) Limited	C 66181
Smart Technologies Limited	C 43711
St Angelo Limited	C 4565
Young Presidents Organisation Malta Chapter Foundation	LPF 235

Past Five Years:

Air Services International Limited	C 4255	<i>Struck off</i>
E-TUV Limited	C 59234	<i>Struck off</i>
M. Demajo (Contracting) Limited	C 46509	<i>Struck off</i>
M. Demajo Maritime Services Limited	C 57255	<i>In liquidation</i>
Online Tourism Platforms Limited	C 69983	<i>Struck off</i>
Resort Travel Bureau Limited	C 1323	<i>Struck off</i>



PETER HILI

Present:

Hili Properties plc	C 57954
Premier Restaurants Malta Limited	C 18843
Premier Arcades Ltd	C 51358
Eagle Two Ltd	C 81395

LARAGH CASSAR

Present:

Falcon Ventures Limited	C 23405
Medserv Operations Limited	C 2971
Medserv Libya Limited	C 55898
Medserv International Limited	C 44846
Medserv ME Limited	C 72250
Medserv Africa Limited	C 57749
Medserv Eastern Mediterranean Limited	C 50453
APS Bank plc	C 2192
Hili Properties plc	C 57954
See Limited	C 81352

Past Five Years:

Sundown Court Limited	C 4681	<i>Struck off</i>
Equinox International Limited	C 29674	
Dizz Finance plc	C 71189	

GEORGIOS KAKOURAS

Present:

Premier Estates Eesti OU	11740668
UAB "Premier Estates Lietuva"	100005317115
SIA "Premier Estates Ltd"	40003993068
SIA "Apex Investments"	40003612223
SIA "Tirdzniecibas centrs "DOLE""	40003434873
SIA "Dz78"	40203242104
Premier Assets SRL	38814243
Hili Premier Estates Romania SRL	36741072
Hili Estates Ltd.	C 20513
Hili Estates Holdings Co Ltd.	C 58254
Premier Estates Limited	C 57813
Harvest Technology plc	C 63276
Hili Properties plc	C 57954

**Past Five Years:**

SIA "TUKUMA PROJEKTS"	40003839145
Maltco Lotteries Limited	C 32326

EDDY FELIX FRANCOIS VERMEIR:

Present:

Hili Properties plc	C 57954
iSpot Premium Romania SRL	201694

Past Five Years:

iSpot Poland Sp. z o. o.	KRS 0000500329
SAD sp. z o.o.	11567

DAVID AQUILINA

Present:

JND Properties Ltd	C 5415
Belair Operations Ltd	C 73243
Belair Sliema Limited	C 88195
Aquilani Developments Ltd	C 35632
Trilogy Limited	C 42528
Trilogy Two Ltd	C 97872
C-Ten Invest. SICAV SCC Ltd	SV 567
JND Retail Ltd	C 97204
Aquison Holding Ltd	C 55000
All-In Property Ltd	C 57593
Hili Properties plc	C 57954

DANIELA PAVIA

Present:

UAB Premier Estates Lietuva (Lithuania)	302483287
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ANNEX II - PROPERTY VALUATION REPORTS

29 September 2021

Hili Properties Plc
Nineteen Twenty-Three, Valletta Road, Marsa, MRS 3000, Malta

Summary: Hili Properties Baltic portfolio valuation

Dear Sirs

Valuation of Property: Various Commercial properties owned by special purpose vehicles related to Hili Properties Plc

Client: Hili Properties Plc (represented as signing party to the valuation services agreement by Premier Estates LTD SIA, 2B Satekles iela, Riga, Latvia)

Acronym Definitions:

- a) GBA – Gross Building Area
- b) GLA – Gross Leasable Area
- c) NLA – Net Leasable Area

1. Introduction

- 1.1. Colliers International (the Valuer), in the capacity of a professionally qualified real property valuer, has been commissioned by Hili Properties Plc (the Client), to carry out a valuation of various Commercial properties located in Latvia, Estonia and Lithuania. The purpose of this valuation is for the inclusion with the Prospectus or Circular, to be published in connection with the proposed public listing of all ordinary shares of Hili Properties Plc, a company registered in the Republic of Malta with its registered office at Nineteen Twenty-Three, Valletta Road, Marsa, MRS 3000, Malta. The valuation instruction is carried out taking into account the requirements set out within Chapter 7 of the Capital Markets Rules of the Malta Financial Services Authority published by the Malta Financial Services Authority. The effective date of the valuation (value date) is 31/07/2021.
- 1.2. The valuation reports on the individual properties are prepared by the Colliers International offices in the respective country where the particular property is located.
- 1.3. Each valuation is being carried out as at present market conditions. Each valuation is being made without a formal structural or technical assessment. Each valuation covers the building as a whole in its existing state. The properties are being valued on a Market Value basis, as defined by the Royal Institute of Chartered Surveyors ('RICS') Valuation Standards, namely, the price at which land and buildings could be sold under private contract between a willing seller and an arm's length buyer on the date of valuation, it being assumed that the property is publicly exposed to the market, that market conditions permit orderly disposal and that a normal period, having regard to the nature of the property, is available for the negotiation of sale.
- 1.4. The undersigned declares that all of the properties listed under the scope of this summary were accessed and inspected. These visits were intended to better understand the characteristics and

qualities of the Property and its surroundings, to evaluate the level of finishes it present, to establish what could influence the values of the Properties, and to confirm their current uses.

2. **Declaration of Independence**

The Valuer confirms his status as an external independent valuer, without any financial interest (other than service fees due to him) in Hili Properties Plc and its related entities.

3. **Valuation Report**

3.1. Contents of the Valuation Report (as specified within 7.4 in the Capital Markets Rules)

- 3.1.1. Address – Each valuation report includes the property address including a façade photo showing the property being referred to.
- 3.1.2. Nature of Valuer's Inspection – An inspection was conducted for each property depending on provided access and practical extent of the exercise and was intended to better understand the characteristics and qualities of the Property and its surroundings, to evaluate the level of finishes it present, to establish what could influence the values of the Properties, and to confirm their current uses.
- 3.1.3. Description – Each respective report includes a description of the property being referred to.
- 3.1.4. Existing Use – The main use of property as per permit or as presently established is specified within each report.
- 3.1.5. Relevant Planning Permissions – Compliance with relevant planning regulations is checked by the Valuer and referred to within each respective report.
- 3.1.6. Material contravention of Statutory Requirements – Where and if present, any contraventions of Statutory Requirements were listed within each report.
- 3.1.7. Tenure – Included into each respective report.
- 3.1.8. Main terms of tenants' leases or sub-leases – Included into each respective report.
- 3.1.9. Approximate age of the building – Included into each respective report.
- 3.1.10. Present capital value in existing state – Included into each respective report.
- 3.1.11. Terms of any intra-Group lease on Property occupied by the Group (identifying the Properties) to the extent that such leases are taken into account in the valuation – relevant to the batch of fast-food restaurants covered by this valuation instruction; the batch includes the following restaurants: Vienibas, Ulmana, Imanta in Riga, Latvia; fast food restaurant Parnu in Parnu, Estonia; Dainava in Kaunas and Svajone in Vilnius Lithuania. The name of the occupier is not mentioned as per instruction of the Client; the occupier, however, is a franchisee restaurant operator of a globally well-known fast food restaurant chain. The terms of the leases are included into each respective report. Based on the information received as part of the current instruction, the Valuer has sufficient grounds to conclude that the present rental arrangement (rent conditions) are in line with the market, can be sustained by continued Tenant's normal business operations, there are sufficient indirect guarantees to the solvency of the tenant and solidity of the projected cash flow. Based on the agreed scope for the current instruction, the Valuer assumes that the current rental arrangement could and would continue in case of a hypothetical sale of the Subject property.
- 3.1.12. Other matters which materially affect the value – Not applicable
- 3.1.13. Sources of information – All information required by the valuer for the purpose of this valuation was obtained from the Client and relevant public sources. Areas used for the calculation were provided by the client and no measured surveys were done by the undersigned.
- 3.1.14. Details of registered mortgages and privileges and other charges, real rights thereon including details of emphyteutic concessions, easements, and other burdens – This has been included into each report where applicable.

- 3.2. Details of the Valuer – All three Colliers International entities in Estonia, Latvia and Lithuania act as co-contractors to this valuation instruction. The respective valuations have been prepared and undersigned by Valuer’s staff with relevant professional qualification, experience, and expertise.
- 3.2.1. OU Colliers International Advisors, reg.no. 11330404, with registered office at Valukoja 8, 11415 Tallinn, Estonia, acts as co-contractor, completing the valuation work related to the properties located in Estonia;
- 3.2.2. SIA Colliers International Advisors, reg.no. 40003993068, with registered office at Satekles 2B, Riga, LV-1050, Latvia, acts as co-contractor, completing the valuation work related to the properties located in Latvia;
- 3.2.3. UAB Colliers International Advisors, reg.no. 302424118, with registered office at J. Jasinskio g. 12, Vilnius 01112, Lithuania, acts as co-contractor, completing the valuation work related to the properties located in Lithuania.
- 3.3. Basis of Valuation and Assumptions made
- 3.3.1. Applicable valuation standard: valuations produced by the Valuer are produced compliant with the relevant national and international standards (RICS RedBook, IVS); primary applicable standard – RICS Red Book.
- 3.3.2. Market Value (AS IS, on the value date) has been adopted as the basis of value in accordance with the respective definition set out in the valuation standard, save for the property SC Minska, Nicgales 2, Riga, Latvia, where in addition to Market Value also Investment Value is reported in order to take into account the value upside potential of the existent additional building right.
- 3.3.2.1. Market Value is the estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion. (see Glossary, RICS Red Book; IVS 104 paragraph 30.1). The definition implies the following assumptions:
- 3.3.2.1.1. A willing seller;
- 3.3.2.1.2. That, prior to the date of valuation, there had been a reasonable period, (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of price and terms and conditions of the sale;
- 3.3.2.1.3. That the state of the market, level of values and other circumstances were, on an earlier assumed date of exchange of contracts, the same as of date of valuation;
- 3.3.2.1.4. That no account is taken of any additional bid by a purchaser with a special interest;
- 3.3.2.1.5. That both parties to the transaction had acted knowledgeably, prudently and without compulsion;
- 3.3.2.2. Investment Value is the value of an asset to the owner or a prospective owner for individual investment or operational objectives (see see Glossary, RICS Red Book; IVS 104 paragraph 60.1).
- 3.3.2.2.1. As the definition implies, and in contrast to market value, this basis of value does not envisage a hypothetical transaction but is a measure of the value of the benefits of ownership to the current owner or to a prospective owner, recognising that these may differ from those of a typical market participant. It is often used to measure performance of an asset against an owner’s own investment criteria.
- 3.3.3. The following assumptions have been made throughout all object-level reports:
- 3.3.3.1. The Valuer draws attention to the fact that valuations stated within this report are exclusive of any VAT liability which may be incurred in development or disposal.

3.3.3.2. Unless otherwise stated, the Valuer has assumed that the freehold or leasehold properties are capable of unrestricted transfer to third party purchasers (in the case of leasehold properties subject to the lessors' consent, no to be unreasonably withheld).

3.3.3.3. In the event of a future change in the trading potential, the open market value of the existing use could vary.

- 3.4. Valuation of the benefit or detriment of contractual arrangements in respect of Property – Not applicable in this case.
- 3.5. Directors or promoters have had an interest in any acquisitions or disposals – Not applicable in this case.
- 3.6. Other relevant matters – Valuation of the properties covered by this valuation this is based on open market value for existing use (going concern).
- 3.7. Valuation Methodology – For most part, the valuations are based on the Income approach (applying discounted cash flow - DCF - method). The income approach provides an indication of value by converting future cash flow to a single current value.
4. **Valuation of Property in Course of Development (clause 7.5 of Chapter 7 of the Capital Markets Rules)**
 - 4.1. Relevant Planning Permits – All relevant planning conditions have been referred to and commented in relevant detail in each respective valuation report.
 - 4.2. Completion and occupation date – Included in the respective valuation reports.
 - 4.3. Estimate of Completion costs – Included in the respective valuation reports.
 - 4.4. Open Market Value of the Property in its Existing State – Included in the respective valuation reports.
 - 4.5. Estimated Capital Value – Included in the respective valuation reports.
5. **Progressive Development (clause 7.6 of Chapter 7 of the Capital Markets Rules)** – Included in the respective valuation reports, where applicable.
6. **Properties held for Development (clause 7.7 of Chapter 7 of the Capital Markets Rules)**, where applicable
 - 6.1. Relevant Planning Permits – All relevant planning permits have been listed in each respective valuation report. If the permit has not been approved or has been withdrawn, this has been indicated next to a relevant permit. All other permits which have no such note, have been approved. Dates of approval of permit have also been included. These are valid for 5 years since the date of issue of the permit.
 - 6.2. Nature and Description of proposed development – It has been included within the respective valuation reports.
 - 6.3. Date of Commencement of Development – It has been included within the respective valuation reports.
 - 6.4. Expected Development Period – It has been included within the respective valuation reports.
 - 6.5. Estimate of Completion costs – It has been included within the respective valuation reports.
7. **Valuation of Properties for Business Use (clause 7.8 of Chapter 7 of the Capital Markets Rules)** – It has been included within the relative valuation report, where applicable.
8. **Overseas Property (clause 7.9 of Chapter 7 of the Capital Markets Rules)** – All properties covered by this valuation instruction fall in this category (are located outside Malta).
9. **Rentals used in Valuations (clause 7.10 of Chapter 7 of the Capital Markets Rules)** – It has been included within the relative valuation report, where applicable.
10. **Summary of valuations:**

In terms of Capital Markets Rule 7.12, due to the large number of properties being valued, a condensed format is being provided hereunder so as to simplify assessment. The full valuation report on individual property level includes all the details referred to in 3.1. above and is made available for inspection upon request to the Company.

Geographical category	Title status	Location: Country	Property ID	Property Name	Location: City	Sum of Market value [EUR]	Sum of Investment value [EUR]
overseas	freehold	Estonia	EE01	Restaurant Parnu	Parnu	1 600 000	
		Estonia Total				1 600 000	
		Latvia	LV01	Restaurant Vienibas	Riga	2 100 000	
			LV02	Restaurant Ulmana	Riga	1 740 000	
			LV03	Restaurant Imanta	Riga	2 160 000	
			LV04	Nicgales 2 (SC Minska)	Riga	6 540 000	7 725 000
			LV05	A.Dombrovska 23	Riga	5 540 000	
			LV06	Dzelzavas 78	Riga	6 730 000	
			LV07	Kreimenu 4a	Riga	1 190 000	
			LV08	Vienibas 95	Riga	1 540 000	
			LV09	Maskavas 357	Riga	11 040 000	
		Latvia Total				38 580 000	7 725 000
		Lithuania	LT01	Restaurant Dainava	Kaunas	2 200 000	
			LT02	Restaurant Svajone	Vilnius	2 520 000	
		Lithuania Total				4 720 000	
	freehold Total					44 900 000	7 725 000
overseas Total						44 900 000	7 725 000
Grand Total						44 900 000	7 725 000

Kind regards

Jānis Ozols MRICS

Colliers International Advisors SIA (Latvia)

Partner | Valuation & Advisory

per procura

RICS registered valuer (No. 6372512)

Latvian certified real property valuer (cert. No. 98)



Estonia

Property ID	EE01										
Property Address	Parnu Restaurant										
Proprietor	Premier Estates Eesti OÜ										
Description	<p>The Subject Property consists of a land plot with a fast-food restaurant building, built in 2010. In general, the property is in a good technical condition, meeting all requirements of a modern retail & fast-food service building requirements.</p> <p>The Property is located in Pärnu in Ülejõe city district by Tallinn Road, ca 150 – 200 m from the Via Baltica Road. The city center is ca 2.5 km and the beach area ca 3.5-4 km from The Subject Property.</p>										
	<table> <tr> <td>Typology</td> <td>Operating fast food restaurant</td> </tr> <tr> <td>Land area</td> <td>4,415 sqm</td> </tr> <tr> <td>GBA</td> <td>490.4</td> </tr> <tr> <td>GLA</td> <td>490.4</td> </tr> <tr> <td>NLA</td> <td>490.4</td> </tr> </table>	Typology	Operating fast food restaurant	Land area	4,415 sqm	GBA	490.4	GLA	490.4	NLA	490.4
Typology	Operating fast food restaurant										
Land area	4,415 sqm										
GBA	490.4										
GLA	490.4										
NLA	490.4										
Tenure	Freehold										
Occupation	<p>The Subject property is fully leased in its entirety to tenant Premier Restaurants Eesti OÜ for fast food restaurant service line operation. The name of the occupier is not mentioned as per instruction of the Client; the occupier, however, is a franchisee restaurant operator of a globally well-known fast food restaurant chain. The lease agreement is effective since 2010.06.01, lease period 20 years (effective until 2030.05.31). Initial rent for the premises 8,333.33 Eur/month. Current rent (indexed) is 9166.33 Eur/month. Rent is indexed every 5 years period. The rent indexation has been adjusted by CPI or by 3%, whichever is the higher and applied once in a 5-year period. Next indexation from 01.06.2026.</p>										
Maintenance/repair	<p>The lease agreement places the obligation of all ordinary internal and external maintenance and repairs (including replacements) other than structural on the Tenant. As such the property is well maintained and in good state of repair.</p>										
Age	The property was built in 2010.										
Restrictions, encumbrances, and mortgages	<p>Registered mortgage in favor of AS DNB Bank (reg.No. Estonia 11315936)</p> <p>Encumbrances of engineering networks and protection zone along street or road red line.</p>										
Market Value	EUR 1 600 000										
Special assumptions	<ul style="list-style-type: none"> The valuation of the Subject Property shall be viewed in context of the batch of fast food restaurants covered by this valuation instruction; the batch includes the following restaurants: Vienibas, Ulmana, Imanta in Riga, Latvia; fast food restaurant Parnu in Parnu, Estonia; Dainava in Kaunas and Svajone in Vilnius Lithuania; while the reported values for each property are determined separately, the underlying considerations are formed in context of the portfolio; at the same time any synergistic value elements arising from a portfolio setup are disregarded. Valuer is informed that the Landlord and Tenant are related entities on group level. Nevertheless, based on the information received as part of the current instruction, the Valuer has sufficient grounds to conclude that the present rental arrangement (rent conditions) are in line with the market, can be sustained by continued Tenant's normal business operations, there are sufficient indirect guarantees to the solvency of the tenant and solidity of the projected cash flow. Based on the agreed scope for the current instruction, the Valuer assumes that the current rental arrangement could and would continue in case of a hypothetical sale of the Subject property. 										

Latvia

Property ID	LV01
Property Address	“Vienības” Restaurant, Vienības gatve 115A, Rīga, Latvia
Proprietor	Premier Estates LTD, SIA
Description	<p>The Subject Property consists of a land plot with a fast-food restaurant building, built in 2011. In general, the property is in a good technical condition, meeting all requirements of a modern retail & fast-food service building requirements.</p> <p>The Property is located within neighborhood Atgāzene, at the junction of Vienības gatve and Kaplavas iela, in close distance from s/c MAXIMA XX and University Turība.</p>
Typology	Operating fast food restaurant
Land area	3 497 sqm
GBA	487.4
GLA	487.4
NLA	487.4
Tenure	Freehold
Occupation	<p>The Subject property is fully leased in its entirety to UAB "PREMIER RESTAURANTS" for fast food restaurant service line operation. The name of the occupier is not mentioned as per instruction of the Client; the occupier, however, is a franchisee restaurant operator of a globally well-known fast food restaurant chain. The lease agreement is effective since 2012.04.03, lease period is 20 years (until 2032.04.03). Initial rent is 9,200 Eur/month (minimal) or 5% of turnover, if exceeding the minimal rent. Current rent (indexed) is 12,004 Eur/month. Rent adjusted annually by LV CPI for previous year, or by 3%, whichever is the higher.</p>
Maintenance/repair	<p>The lease agreement places the obligation of all ordinary internal and external maintenance and repairs (including replacements) other than structural on the Tenant. As such the property is well maintained and in good state of repair.</p>
Age	The property was built in 2011.
Restrictions, encumbrances, and mortgages	<p>Registered mortgage in favor of LUMINOR BANK AS (reg.No. Estonia 11315936)</p> <p>Encumbrances of engineering networks and protection zone along street or road red line.</p>
Market Value	EUR 2 100 000
Special assumptions	<ul style="list-style-type: none"> The valuation of the Subject Property shall be viewed in context of the batch of fast food restaurants covered by this valuation instruction; the batch includes the following restaurants: Vienības, Ulmana, Imanta in Riga, Latvia; fast food restaurant Parnu in Parnu, Estonia; Dainava in Kaunas and Svajone in Vilnius Lithuania; while the reported values for each property are determined separately, the underlying considerations are formed in context of the portfolio; at the same time any synergistic value elements arising from a portfolio setup are disregarded. Valuer is informed that the Landlord and Tenant are related entities on group level. Nevertheless, based on the information received as part of the current instruction, the Valuer has sufficient grounds to conclude that the present rental arrangement (rent conditions) are in line with the market, can be sustained by continued Tenant's normal business operations, there are sufficient indirect guarantees to the solvency of the tenant and solidity of the projected cash flow. Based on the agreed scope for the current instruction, the Valuer assumes that the current rental arrangement could and would continue in case of a hypothetical sale of the Subject property.



Property ID	LV02
Property Address	“Jūras” Restaurant, Kārļa Ulmaņa gatve 88, Rīga, Latvia
Proprietor	Premier Estates LTD, SIA
Description	<p>The Subject Property consists of a land plot with a fast-food restaurant building, built in 2015. In general, the property is in a good technical condition, meeting all the requirements of a modern retail and fast-food service building requirements.</p> <p>The Property is located in neighborhood Pleskodāle, Rīga, at Kārļa Ulmaņa gatve, in close distance from shopping centre MAXIMA XXX and shopping centre Spice.</p>
	Typology Operating fast food restaurant
	Land area 2 000 sqm
	GBA 369.9
	GLA 369.9
	NLA 369.9
Tenure	Freehold
Occupation	<p>The Subject property is fully leased in its entirety to UAB "PREMIER RESTAURANTS" for fast food restaurant service line operation. The name of the occupier is not mentioned as per instruction of the Client; the occupier, however, is a franchisee restaurant operator of a globally well-known fast food restaurant chain. The lease agreement is effective since 2015.06.01, lease period is 20 years (until 2035.05.31). Initial rent is 8,280 Eur/month (minimal) or 5% of turnover, if exceeding the minimal rent. Rent adjusted every three years by LV CPI for previous period. According to information provided by the client, the turnover rent is higher and in 2020 was 125,500 EUR/year.</p>
Maintenance/repair	<p>The lease agreement places the obligation of all ordinary internal and external maintenance and repairs (including replacements) other than structural on the Tenant. As such the property is well maintained and in good state of repair.</p>
Age	The property was built in 2015.
Restrictions, encumbrances, and mortgages	<p>Registered mortgage in favor of LUMINOR BANK AS (reg.No. Estonia 11315936)</p> <p>Encumbrances of engineering networks and security protection around oil and oil products.</p>
Market Value	EUR 1 740 000
Special assumptions	<ul style="list-style-type: none">• The valuation of the Subject Property shall be viewed in context of the batch of fast food restaurants covered by this valuation instruction; the batch includes the following restaurants: Vienibas, Ulmana, Imanta in Riga, Latvia; fast food restaurant Parnu in Parnu, Estonia; Dainava in Kaunas and Svajone in Vilnius Lithuania; while the reported values for each property are determined separately, the underlying considerations are formed in context of the portfolio; at the same time any synergistic value elements arising from a portfolio setup are disregarded.• Valuer is informed that the Landlord and Tenant are related entities on group level. Nevertheless, based on the information received as part of the current instruction, the Valuer has sufficient grounds to conclude that the present rental arrangement (rent conditions) are in line with the market, can be sustained by continued Tenant's normal business operations, there are sufficient indirect guarantees to the solvency of the tenant and solidity of the projected cash flow. Based on the agreed scope for the current instruction, the Valuer assumes that the current rental arrangement could and would continue in case of a hypothetical sale of the Subject property.

Property ID	LV03
Property Address	"Imanta" Restaurant, Kurzemes prospekts 3, Rīga, Latvia
Proprietor	Premier Estates LTD, SIA
Description	<p>The Subject Property is a fast-food restaurant building, built in 2011. In general, the property is in a good technical condition, meeting all requirements of a modern retail and food service building standards.</p> <p>The Property is located in neighborhood Imanta, Riga, at the junction of Kurzemes prospekts and Skandu iela, in close distance from s/c MAXIMA XXX.</p> <p>Concluded property usage agreement with co-owners, registered in Land Register.</p>
	<p>Typology Operating fast food restaurant</p> <p>Land area 2 709 sqm</p> <p>GBA 453.5</p> <p>GLA 453.5</p> <p>NLA 453.5</p>
Tenure	Freehold
Occupation	<p>The Subject property is fully leased in its entirety to UAB "PREMIER RESTAURANTS" for fast food restaurant service line operation. The name of the occupier is not mentioned as per instruction of the Client; the occupier, however, is a franchisee restaurant operator of a globally well-known fast food restaurant chain. The lease agreement is effective since 2011.10.31, lease period is 20 years (until 2031.10.31). Initial rent is 9,200 Eur/month (minimal) or 5% of turnover, if exceeding the minimal rent. Current rent (indexed) is 12,125 Eur/month. Rent adjusted annually by LV CPI for previous year, or by 3%, whichever is the higher.</p>
Maintenance/repair	<p>The lease agreement places the obligation of all ordinary internal and external maintenance and repairs (including replacements) other than structural on the Tenant. As such the property is well maintained and in good state of repair.</p>
Age	The property was built in 2011.
Restrictions, encumbrances, and mortgages	<p>Registered mortgage in favor of LUMINOR BANK AS (reg.No. Estonia 11315936)</p> <p>Encumbrances of engineering networks.</p>
Market Value	EUR 2 160 000
Special assumptions	<ul style="list-style-type: none"> The valuation of the Subject Property shall be viewed in context of the batch of fast food restaurants covered by this valuation instruction; the batch includes the following restaurants: Vienibas, Ulmana, Imanta in Riga, Latvia; fast food restaurant Parnu in Parnu, Estonia; Dainava in Kaunas and Svajone in Vilnius Lithuania; while the reported values for each property are determined separately, the underlying considerations are formed in context of the portfolio; at the same time any synergistic value elements arising from a portfolio setup are disregarded. Valuer is informed that the Landlord and Tenant are related entities on group level. Nevertheless, based on the information received as part of the current instruction, the Valuer has sufficient grounds to conclude that the present rental arrangement (rent conditions) are in line with the market, can be sustained by continued Tenant's normal business operations, there are sufficient indirect guarantees to the solvency of the tenant and solidity of the projected cash flow. Based on the agreed scope for the current instruction, the Valuer assumes that the current rental arrangement could and would continue in case of a hypothetical sale of the Subject property.



Property ID	LV04
Property Address	s/c Minska, Nīcgales iela 2, Rīga, Latvia
Proprietor	APEX Investments, SIA
Description	<p>The Subject Property is neighborhood shopping center “Minska” located in Purvciems, at the street quartal of Vējavas- Nīcgales – Dzelzavas iela, good visibility from the street. The shopping centre is in appropriate technical condition, built in 1976 and requires capital investments for both exterior and interior parts to meet modern shopping centre requirements. A valid building permit allows the development of 15-floor residential buildings, which require tearing down the existing building</p>
	Typology Operating shopping centre
	Land area 16 785 sqm
	GBA 4 617.1
	GLA 2 889.9
	NLA 2 889.9
Tenure	Freehold
Occupation	<p>The property is almost fully leased (existing vacancy is ~ 0.5% from GLA), current weighted average lease term (WALT) is approx. 2.7 years, unbreakable (WAULT) – approx. 1.9 years. Current rent is 52,700 Eur/month. Rent adjusted annually by LV CPI for previous year.</p> <p>The largest tenant – grocery chain Rimi - occupies aprox. 71% of GLA. The agreement with Rimi was concluded in Jun 2017 and it is valid until 06 August 2024. The agreement is unbreakable. Initial rent rate was fixed as 13.9 EUR/sqm/m. Rent adjusted annually by LV CPI for previous year. On value date the rent rate is fixed to 15.1 EUR per sqm/month (or 30 935 EUR/m). Additional to the rent Rimi covers also utilities and proportional share of all maintenance costs (‘doble-net reimbursement structure).</p>
Maintenance/repair	According to the lease agreement, costs of all ordinary internal and external maintenance and repairs (including replacements) other than structural are included in the maintenance fee charged from Tenants. While the property is maintained on a daily basis, ageing, wear and tear of structural elements and property in general is evident; Capex for refurbishment and upgrade are necessary.
Age	The property was built in 1976.
Restrictions, encumbrances, and mortgages	Registered mortgage in favor of Swedbank AS (reg.No. 40003074764) Encumbrances of engineering networks.
Market Value	EUR 6 540 000
Investment value	EUR 7 725 000
Special assumptions to Investment value	<ul style="list-style-type: none">• Estimations are based on the following main Client’s instructions:• Construction budget (net - VAT) - 23 500 000 EUR (including construction costs, infrastructure, design, demolition of the existing building, etc.)• GLA - Residential 12 107 sqm; Retail 3 148; 170 underground parking’s• Rents – for apartments 12 EUR/ sqm, for retail premises 17 EUR/ sqm, for parking 60 EUR/ pcs (net -VAT)• Exit yield 6%• Construction schedule – starting in April 2024 and construction up to 24 months.• It is assumed that there are no obstacles to proceed with the development of the project in the agreed amount and within the specified time schedule.

Property ID	LV05
Property Address	Rimi Vecmīlgrāvis, Augusta Dombrovska iela 23, 32, Melīdas iela 6C, 7B, Rīga, Latvia
Proprietor	APEX Investments, SIA
Description	<p>The Subject Property is a shopping centre in district Vecmīlgrāvis built in the 1980s with anchor tenant Rimi. Currently the building is used both as retail and industrial premises. Near the building (across the street) there is a vacant land plot used as parking, considered as functionally related to Subject Property. Generally, the property is in average technical condition, in mid- to long-term perspective refurbishment necessary to improve the technical condition of the property, its attractiveness and competitiveness.</p> <p>The property is located at the junction Dombrovska and Melīdas streets, in commercial active quarter of district Vecmīlgrāvis.</p>
	<p>Typology Operating shopping centre</p>
	<p>Land area 8 368 sqm</p>
	<p>GBA 7 505.4</p>
	<p>GLA 4 318.7</p>
	<p>NLA 4 094.5</p>
Tenure	Freehold
Occupation	<p>Substantial part of the building area is currently not usable (common-use or auxiliary premises; without rental potential), leasable area (NLA) is only 55% of the total interior area of the building. Nevertheless, the property is almost fully leased (current area vacancy ~ 0.8% of NLA). The largest tenants are Rimi (grocery), Olympic Casino (gambling), Humana (second hand) and Benu aptieka (pharmacy). Current weighted average lease term (WALT) is ~ 2.3 years (based on income), unbreakable (WAULT) - ~ 1.2 year. All tenants have 'double-net' reimbursement structure, some tenants additional cover also proportional share of RE TAX and insurance. None tenants have fixed turnover rent or pay additional marketing costs.</p> <p>The largest tenant - Rimi occupies approx. 40% of NLA (1655 sqm) and accounts approx. 50% of rental income. The agreement was concluded in December 2012, and it is valid until 31 December 2022. On value date the rent rate is fixed to 12.05 EUR per sqm/month (or 19 943 EUR/m). The rent shall be indexed every year by Euro zone HICP. Additional to the rent Rimi cover utilities according to meters and proportional share of maintenance costs.</p>
Maintenance/repair	<p>According to the lease agreement, costs of all ordinary internal and external maintenance and repairs (including replacements) other than structural are included in the maintenance fee charged from Tenants, however, are not fully covered. While the property is maintained on a daily basis, ageing, wear and tear of structural elements and property in general is evident; Capex for refurbishment and upgrade are necessary.</p>
Age	The property was built in 1983.
Restrictions, encumbrances, and mortgages	<p>Registered mortgage in favor of Swedbank AS (reg.No. 40003074764)</p> <p>Encumbrances of engineering networks; territory with constraints for commercial activities along Baltic Sea and Gulf of Riga.</p>
Market Value	EUR 5 540 000
Special assumptions	n/a

Property ID	LV06
Property Address	s/c Rimi, Dzelzavas iela 78, Rīga, Latvia
Proprietor	Dz 78, SIA
Description	The Subject Property is neighborhood shopping center "Rimi Dzelzavas" located in Purvciems, at the junction of Dzelzavas – Ilūkstes iela. The building is in very good technical condition, well maintained, built in 2018, commissioned in the beginning of 2019.
Typology	Operating shopping centre
Land area	8 062 sqm
GBA	3 992.7
GLA	3 443.8
NLA	3 438.1
Tenure	Freehold
Occupation	<p>The property is almost fully leased (existing vacancy is ~ 6% from NLA), current weighted average lease term (WALT) is approx. 6.8 years, unbreakable (WAULT) – approx. 6.6 years. Current rent is 38,000 Eur/month. Rent adjusted annually by LV CPI for previous year.</p> <p>The anchor tenant of the Subject Property is one of the largest grocery retail chains – RIMI. Currently the anchor tenant occupies 41% of NLA and accounts ~ almost 50% of the rental income. The agreement with Rimi was concluded in January 2019 and it is valid until 01 February 2029. The agreement is unbreakable. Initial rent rate was fixed as 13.5 EUR/sqm/m. Rent adjusted annually by LV CPI for previous year. On value date the rent rate is fixed to 13.53 EUR per sqm/month (or 18 939 EUR/m). Additional to the rent Rimi covers all operating costs ('triple-net' reimbursement structure).</p> <p>Another anchor tenant is My Fitness, SIA which occupies 43% of NLA and accounts ~ 24% of the rental income. The agreement with My Fitness was concluded in February 2019 and it is valid until 31 October 2030. The agreement is unbreakable. Initial rent rate was fixed as 6.25 EUR/sqm/m. Rent adjusted annually by LV CPI for previous year. On value date the rent rate is fixed to 6.25 EUR per sqm/month (or 9 288 EUR/m). Additional to the rent My Fitness covers all operating costs ('triple-net' reimbursement structure).</p>
Maintenance/repair	According to the lease agreement, costs of all ordinary internal and external maintenance and repairs (including replacements) other than structural are included in the maintenance fee charged from Tenants. The property is well maintained and leaves an overall very good impression of current technical condition; no evident backlog of repairs.
Age	The property was built in 2018.
Restrictions, encumbrances, and mortgages	Registered mortgage in favor of Swedbank AS (reg.No. 40003074764) Encumbrances of engineering networks.
Market Value	EUR 6 730 000
Special assumptions	n/a

Property ID	LV07										
Property Address	s/c Rimi, Kreimeņu iela 4A, Rīga, Latvia										
Proprietor	APEX Investments, SIA										
Description	<p>The Subject property is a neighborhood grocery store building with adjacent parking area located in Vecmīlgrāvis district of Riga. The property is leased to two tenants - Rimi and DLV (gambling). The building was built in 2005 and it is generally in average technical condition. The property is located at Kreimeņu iela, between Vijolišu iela and Meldru iela, in commercially less-active part of the neighborhood.</p>										
	<table> <tr> <td>Typology</td> <td>Operating shopping centre</td> </tr> <tr> <td>Land area</td> <td>3 733 sqm</td> </tr> <tr> <td>GBA</td> <td>1 073.1</td> </tr> <tr> <td>GLA</td> <td>952.5</td> </tr> <tr> <td>NLA</td> <td>945.3</td> </tr> </table>	Typology	Operating shopping centre	Land area	3 733 sqm	GBA	1 073.1	GLA	952.5	NLA	945.3
Typology	Operating shopping centre										
Land area	3 733 sqm										
GBA	1 073.1										
GLA	952.5										
NLA	945.3										
Tenure	Freehold and leasehold										
Occupation	<p>The property is leased to two tenants – Rimi (grocery; GLA 777.6 sqm, NLA 777.6 sqm) and DSV (gambling; GLA 174.9 sqm, NLA 167.7 sqm).</p> <p>Initial agreement with Rimi was concluded in February 2004, last amendment about prolongation of agreement was made in January 2020 for next 5 years, i.e. current lease term is 11 May, 2025. The agreement is unbreakable. The rent rate was fixed 9 EUR/sqm/m in May 2015, thereafter every year rent rate has been indexed by Euro zone HICP (published by Eurostat). On value date the rent rate is fixed to 9.44 EUR per sqm/month (or 7 341 EUR/m). Additional to the rent Rimi cover utilities according to meters and pay fixed maintenance fee 1 EUR per sqm/month, which actually cover only aprox.40% of operational costs.</p> <p>The agreement with DSV was concluded in August 2015, term of agreement 31 July 2026. The agreement could be terminated by 6 months prior notice. Initial rent rate was 8.5 EUR/sqm/m, which every year has been indexed by LV CPI starting from 2017. On value date the rent rate is fixed to 8.99 EUR/sqm/month (on GLA). Additional to the rent DSV covers also all utilities and proportional share of maintenance costs according to meters or with open-book principle.</p>										
Maintenance/repair	<p>According to the lease agreement, costs of all ordinary internal and external maintenance and repairs (including replacements) other than structural are included in the maintenance fee charged from Tenants, however, are not fully covered. While the property is maintained on a daily basis, some signs of ageing, wear and tear of structural elements and property in general are evident.</p>										
Age	The property was built in 2005.										
Restrictions, encumbrances, and mortgages	<p>Registered mortgage in favor of Swedbank AS (reg.No. 40003074764)</p> <p>Encumbrances of engineering networks, protection along street or road.</p>										
Market Value	EUR 1 190 000										
Special assumptions	n/a										

Property ID	LV08										
Property Address	s/c Rimi, Vienības 95, Rīga, Latvia										
Proprietor	APEX Investments, SIA										
Description	<p>The Subject Property is a small shopping centre located in Ziepniekkalns with parking area. The building was built in 2000, well maintained, generally the property is in good technical condition, however in some premises fit-out upgrade would be desirable.</p> <p>The property is located in Vienības gatve, between Graudu iela and Atgāzenes iela, in good visible place.</p>										
	<table> <tr> <td>Typology</td> <td>Operating shopping centre</td> </tr> <tr> <td>Land area</td> <td>6 670 sqm</td> </tr> <tr> <td>GBA</td> <td>1 468.8</td> </tr> <tr> <td>GLA</td> <td>1 291.0</td> </tr> <tr> <td>NLA</td> <td>1 291.8</td> </tr> </table>	Typology	Operating shopping centre	Land area	6 670 sqm	GBA	1 468.8	GLA	1 291.0	NLA	1 291.8
Typology	Operating shopping centre										
Land area	6 670 sqm										
GBA	1 468.8										
GLA	1 291.0										
NLA	1 291.8										
Tenure	Freehold										
Occupation	<p>The property is almost fully leased, existing vacancy consist of one small retail premises with area 26.9 sqm (aprox.2% of NLA). There is 1 anchor tenant (Rimi), 4 retail tenants and 4 other lessees as ATM's or similar. Current weighted average lease term (WALT) is approx. 2.2 years, unbreakable (WAULT) – approx. 1.7 years.</p> <p>The largest tenant – grocery chain Rimi - occupies aprox. 87% of NLA. The agreement with Rimi was concluded in September 2013 and it is valid until 06 November 2023. The agreement is unbreakable. Initial rent rate was fixed as 7 EUR/sqm/m, which every year has been indexed by 80% of Euro zone HICP (published by Eurostat). On value date the rent rate is fixed to 7.38 EUR per sqm/month (or 8 279 EUR/m). Additional to the rent Rimi covers also utilities and proportional share of all maintenance costs ('doble-net' reimbursement structure).</p> <p>All other (satellite) agreements could be terminated with 1-6 months prior notice.</p>										
Maintenance/repair	<p>According to the lease agreement, costs of all ordinary internal and external maintenance and repairs (including replacements) other than structural are included in the maintenance fee charged from Tenants, however, are not fully covered. While the property is maintained on a daily basis, some signs of ageing, wear and tear of structural elements and property in general are evident.</p>										
Age	The property was built in 2000.										
Restrictions, encumbrances, and mortgages	<p>Registered mortgage in favor of Swedbank AS (reg.No. 40003074764)</p> <p>Encumbrances of engineering networks, protection along street or road.</p>										
Market Value	EUR 1 540 000										
Special assumptions	n/a										

Property ID	LV09
Property Address	s/c Dole, Maskavas iela 357, Rīga, Latvia
Proprietor	Tirdzniecības centrs Dole, SIA
Description	<p>The Subject property is shopping centre “Dole” with wide parking area and vacant land plot located across the street. The building was built in 1986, last major reconstruction works was prepared in 1997. Overall, the property is in average technical condition, in next years would be worthwhile to carry out significant refurbishment works to upgrade technical condition of the building and increase its appearance and competitiveness.</p> <p>Vacant land plot (with total area 4 285 sqm) is not functionally necessary for operational of shopping centre. It is located in mixed use territory with residential function, max floor height: up to 5 floors. The land plot is suitable for new development.</p> <p>The Property is located within neighborhood Ķengarags, at the street quartal of Maskavas iela - Eglaines iela - Maltas iela, good visibility from Maskavas iela</p>
Typology	Operating shopping centre
Land area: <i>freehold</i>	23 631 sqm
<i>leasehold</i>	734 sqm
GBA	16 897.4
GLA	9 483.6
NLA	8 426.3
Tenure	Freehold and leasehold
Occupation	<p>The shopping centre is leased to multiple tenants (aprox.50 tenants), the top 3 largest: grocery chain Rimi, ALB (Optimus mēbeles, furniture), Olympic Casino (gambling). Current vacancy in the shopping centre is ~4% from leasable area (NLA). Base rent for retail premises is calculated based on GLA where mostly a multiplier 1.25 is applied on NLA. All agreements include also a component that is linked to the retail turnover (varying between 3% -10%) which takes effect if the annually calculated turnover rent amount exceeding the base rent (the additional payment is the difference between turnover rent and base rent). Most of the tenants have ‘double-net’ reimbursement structure and fixed marketing fee.</p> <p>Rimi occupies approx. 16% of NLA (trade NLA 753.0 sqm, GLA 828.3 sqm support NLA/GLA 623.3 sqm) and accounts approx. 20% of rental base income; the agreement is valid until 19 August 2024; the base rent rate on value date 12.76 EUR/sqm/m for trade area and 8.44 EUR/sqm/m for support area, the current total rent per month 15 830 EUR. The base rent shall be indexed every year by Euro zone HICP. Turnover rent is fixed to 4%. Additional to the rent Rimi covers also utilities and proportional share of all maintenance costs (‘double-net’ reimbursement structure) and marketing costs 854 EUR/m.</p> <p>ALB (Optimus mēbeles) agreement is just concluded, lease start date is 15 September 2021, the term of agreement is 31 August 2026. The tenant occupies whole 3rd floor of shopping centre which is approx. 33% of NLA (trade NLA/GLA 2 550 sqm, support NLA/GLA 257 sqm). The rent rate for 1st lease year is set to 1.5 EUR/sqm/m, for 2nd - 2.5 EUR/sqm/m, starting from 4th lease year the rent rate shall be indexed based on LV CPI. No turnover rent is set to the tenant. The rental income starting from 2nd year is 7 018 EUR/m which accounts approx. 9% of rental base income of the shopping centre. Additional to the rent ALB covers also utilities according to meters and pays fixed maintenance fee 2.0 EUR/sqm/m in 1st lease year and 2.1 EUR/sqm/m thereafter.</p> <p>Olympic Casino agreement was concluded in December 2015 and it is valid until 31 May 2024. The tenant occupies approx. 7% of NLA (trade NLA 564.9 sqm, trade GLA 706.13 sqm, support NLA/GLA 9.30 sqm) and accounts approx. 8% of rental base income. The base rent rate on value date 8.97 EUR/sqm/m for trade area and 4.38 EUR/sqm/m for support area, the current total rent per month - 6 375 EUR. The base rent shall be indexed every year by LR CPI. Turnover rent is fixed to 8%. Additional to the rent Olympic Casino covers also utilities and proportional share of all maintenance costs (‘double-net’ reimbursement structure) and marketing costs 718 EUR/m.</p>



Maintenance/repair	According to the lease agreement, costs of all ordinary internal and external maintenance and repairs (including replacements) other than structural are included in the maintenance fee charged from Tenants. While the property is maintained on a daily basis, ageing, wear and tear of structural elements and property in general is evident; Capex for refurbishment and upgrade are necessary.
Age	The property was built in 1986.
Restrictions, encumbrances, and mortgages	Registered mortgage in favor of Swedbank AS (reg.No. 40003074764) Encumbrances of engineering networks, protection along street or road.
Market Value	EUR 11 040 000
Special assumptions	n/a

Lithuania

Property ID	LT01
Property Address	“Dainava” Restaurant
Proprietor	UAB “PREMIER ESTATES LIETUVA”
Description	<p>The Subject Property consists of a land plot with a fast-food restaurant building, built in 2010, and cars parking lot. In general, the property is in a good technical condition, meeting all requirements of a modern retail & fast-food service building requirements.</p> <p>The Property is located within neighborhood Dainava, at the junction of Pramonės avenue and Draugystės street, in close distance from s/c MAXIMA XXX, Lidl and DIY store Ermitažas.</p>
Typology	Operating fast food restaurant
Land area	3 021 sqm
GBA	443.28
GLA	443.28
NLA	443.28
Tenure	Freehold
Occupation	<p>The Subject property is fully leased in its entirety to UAB "PREMIER RESTAURANTS" for fast food restaurant service line operation. The name of the occupier is not mentioned as per instruction of the Client; the occupier, however, is a franchisee restaurant operator of a globally well-known fast food restaurant chain. The lease agreement is effective since 2011.01.28, lease period is 20 years (until 2031.01.27). Initial rent is 9,166.67 Eur/month (minimal) or 5% of turnover, if exceeding the minimal rent. Current rent (indexed) is 12,006.87 Eur/month. Rent adjusted annually in February by LT CPI for previous year, or by 3%, whichever is the higher.</p>
Maintenance/repair	<p>The lease agreement places the obligation of all ordinary internal and external maintenance and repairs (including replacements) other than structural on the Tenant. As such the property is well maintained and in good state of repair.</p>
Age	The property was built in 2010.
Restrictions, encumbrances, and mortgages	<p>Registered mortgage (2016-11-14)</p> <p>Encumbrances and servitudes of engineering networks and protection zones.</p>
Market Value	EUR 2 200 000
Special assumptions	<ul style="list-style-type: none"> The valuation of the Subject Property shall be viewed in context of the batch of fast food restaurants covered by this valuation instruction; the batch includes the following restaurants: Vienibas, Ulmana, Imanta in Riga, Latvia; fast food restaurant Parnu in Parnu, Estonia; Dainava in Kaunas and Svajone in Vilnius Lithuania; while the reported values for each property are determined separately, the underlying considerations are formed in context of the portfolio; at the same time any synergistic value elements arising from a portfolio setup are disregarded. Valuer is informed that the Landlord and Tenant are related entities on group level. Nevertheless, based on the information received as part of the current instruction, the Valuer has sufficient grounds to conclude that the present rental arrangement (rent conditions) are in line with the market, can be sustained by continued Tenant’s normal business operations, there are sufficient indirect guarantees to the solvency of the tenant and solidity of the projected cash flow. Based on the agreed scope for the current instruction, the Valuer assumes that the current rental arrangement could and would continue in case of a hypothetical sale of the Subject property.

Property ID	LT02
Property Address	“Svajone” Restaurant
Proprietor	UAB “PREMIER ESTATES LIETUVA”
Description	<p>The Subject Property consists of restaurant premises - fast-food restaurant, located in Administrative building (built in 1940), and 673 sqm leased part of total 2 514 sqm area state-owned land plot. In general, the property is in a good technical condition (premises were reconstructed in 2009 – 2010), meeting all requirements of a modern retail & fast-food service property requirements.</p> <p>The Property is in the central part of Vilnius city, at Gedimino Avenue - the most important and representative street of Lithuanian capital, where parliament, ministries, theatres, museums, hotels, shops, restaurants, other commercial and public objects are located.</p>
Typology	Operating fast food restaurant
Land area	673 sqm part of total 2 514 sqm area state-owned land plot is leased until 2040.08.16
GBA	580.37
GLA	580.37
NLA	580.37
Tenure	Freehold (restaurant premises) / Leasehold (part of state-owned land plot)
Occupation	The Subject property is fully leased in its entirety to UAB "PREMIER RESTAURANTS" for fast food restaurant service line operation. The name of the occupier is not mentioned as per instruction of the Client; the occupier, however, is a franchisee restaurant operator of a globally well-known fast food restaurant chain. The lease agreement is effective since 2011.05.05, lease period is 20 years (until 2031.05.04). Initial rent is 9,166.67 Eur/month (minimal) or 5% of turnover, if exceeding the minimal rent. Current rent (indexed) is 12,367.08 Eur/month. Rent adjusted annually in May by LT CPI for previous year, or by 3%, whichever is the higher.
Maintenance/repair	The lease agreement places the obligation of all ordinary internal and external maintenance and repairs (including replacements) other than structural on the Tenant. As such the property is well maintained and in good state of repair.
Age	Building, where restaurant premises are located, was built in 1940. Restaurant premises were reconstructed in 2009 – 2010.
Restrictions, encumbrances, and mortgages	Registered mortgage (2016-11-14) Encumbrances of engineering networks and culture heritage objects and territories protection zones.
Market Value	EUR 2 520 000
Special assumptions	<ul style="list-style-type: none"> The valuation of the Subject Property shall be viewed in context of the batch of fast food restaurants covered by this valuation instruction; the batch includes the following restaurants: Vienibas, Ulmana, Imanta in Riga, Latvia; fast food restaurant Parnu in Parnu, Estonia; Dainava in Kaunas and Svajone in Vilnius Lithuania; while the reported values for each property are determined separately, the underlying considerations are formed in context of the portfolio; at the same time any synergistic value elements arising from a portfolio setup are disregarded. Valuer is informed that the Landlord and Tenant are related entities on group level. Nevertheless, based on the information received as part of the current instruction, the Valuer has sufficient grounds to conclude that the present rental arrangement (rent conditions) are in line with the market, can be sustained by continued Tenant’s normal business operations, there are sufficient indirect guarantees to the solvency of the tenant and solidity of the projected cash flow. Based on the agreed scope for the current instruction, the Valuer assumes that the current rental arrangement could and would continue in case of a hypothetical sale of the Subject property.

BENCINI & ASSOCIATES

ARCHITECTS, CIVIL ENGINEERS AND DESIGN CONSULTANTS

BENCINI & ASSOCIATES, DESIGN CENTRE, LEVEL 1, TRIGIT-TORRIG/WTRIQIL-QATTUS, SWATAR, BKR 4012 tel: +356 21255001 fax: +356 21255002 e-mail: arch@ebencini.com website: www.ebencini.com

Date: 30th September 2021

Our Ref: 5233/07/KB

**The Board of Directors
Hili Properties PLC
Nineteen Twenty Three,
Valletta Road,
Marsa. MRS 3000**

Condensed Valuation Report - Immovable Property at Benghajsa

1.0 INTRODUCTION

In accordance with your instructions, the undersigned in the capacity of warranted architect and civil engineer has carried out a valuation of an immovable property located at Benghajsa, Malta. The detailed valuation report which includes the undersigned's opinion of the values of the property, is submitted herewith. The effective date of the valuation is the 27th August 2021.

2.0 PURPOSE OF VALUATION

- 2.1 It is understood that the purpose of the valuation is for use by Hili Properties PLC for inclusion with the prospectus to be published in connection with the proposed public listing of the companies shares in accordance with Chapter 7 of the Capital Market Rules.

I understand that our express consent will be needed in writing for this report, or parts thereof, to be used for any other purposes.

- 2.2 The valuation has been carried out by the undersigned, as an external and independent valuer in terms of, and with regard given to, the Royal Institute of Chartered Surveyors (RICS) Valuation and Professional Standards Manual.

As a non-RICS regulated member of a firm over which RICS cannot exert control, I declare that in preparing this valuation I have made my best effort to comply with the RICS valuation standards.

- 2.3 The undersigned declares that he has visited all the sites at Benghajsa, as better described below, to understand the characteristics and qualities of the various separate portions of the property, and to identify any obvious defects that could influence the value of the property, and to confirm the current uses. It is noted that this inspection was not intended to be a land survey and did not constitute such.
- 2.4 This valuation has been prepared solely for the above-mentioned purpose and is not suitable for any other use. In accordance with standard practice, neither the whole, nor any part of this valuation, nor any reference thereto, may be included in any published document without the prior written approval of the undersigned for the context in which it may appear.



2.5 LIMITATION OF LIABILITY

I have performed my work in accordance with applicable professional standards and accepted practice for this type of engagement. My duties in relation to this work are owed solely to Hili Properties PLC, hereinafter referred to as Hili Properties or HPL, and accordingly I do not accept any responsibility for loss occasioned to any third party acting or refraining from action as a result to our report.

3.0 DECLARATION OF INDEPENDENCE

The undersigned confirms his status as an external independent valuer, without any financial interest in the Hili Group of Companies.

4.0 THE LANDS AT BENGHAJSA

4.1 Type of Property

The Benghajsa Property comprises various portions of land close to the Malta Freeport as further detailed below.

4.2 Description of property

Location

The said properties comprise a number of sites at Benghajsa generally situated within a 'Reserve Site' area as further detailed below. The sites are not all contiguous and are surrounded by various other third party properties. (Refer to Figure 1 in Full Valuation Report)

The area is flanked by the Freeport and its service road to the Northeast, by Hal Far Road to the Northwest, by the New LPG depot & Fort Benghajsa to the South and by agricultural fields, Benghajsa Village and Hal Far Industrial Estate beyond to the South. (Refer to Figures 1 - 3 in Full Valuation Report)

4.3 General Description

Apart from sites 22 and 24 that have recently been developed to house a solar farm as described separately below, the remaining sites otherwise generally comprise a number of undeveloped agricultural fields with very limited constructions and buildings scattered amongst the area, most of which appearing to be related to the respective predominant agricultural activity.

While a number of these localized structures appear to be legitimate pre 1967 constructions mainly comprising agricultural rooms, a number of later accretions / additions were also noted. Aside from the below detailed Solar Farm Permit no other planning permissions were traced on the said sites, while a number of the limited post 1967 additions to the undeveloped agricultural fields were noted to have been issued with applicable Enforcement Notices as outlined below. The said enforcements / contraventions noted are considered to be very localized and easily reversible in relation to the overall scale of the sites, and are therefore not considered to have any significant material effect on the overall valuations of the said properties concerned.

Site A: EC 20/21 - Structural extension to a pre-1967 room together with a concrete ramp in front of the mentioned extension without permit, construction of a franka wall at the front of site and the other in the middle of the site, also without permit, installation of metal structure roofed with corrugated sheets.

Site 9: EC 279/01 - Boundary wall and two unroofed structures without permit
EC 938/05 - Construction of room, loft and corrugated tent structure without permit

The locations of the individual sites are identified the site plan / Figure 1 included in Full Valuation Report, while the respective areas, tenure (as reported by the clients) and other general considerations are summarized in Table 1 below. The sites have a cumulative total area of approximately 92,000 square meters.

As summarized in Table 1 it results that the bulk of the sites are clearly located within the 'Reserve Site' area with the exception of site 19 and part of site 24 that appear to extend outside this zone. It should also be noted that the eastern boundary of the 'Reserve Site' also includes a number of scheduled 'Buffer Zones' that also partly extend into the borders of the 'Reserve Site'. Sites 6 & 19 appear to be partly covered by this 'Buffer Zone' and also noted in the said table.

With respect to sites 22 & 24 these have recently been developed into a Solar Farm in line with planning authority permit PA 10665/ 17 issued in February 2019. The proposed solar farm covers a larger area of land of circa 28,984 m² partly owned by third parties.

Based on the lease agreement provided by the clients, the 3 respective landowners within the said solar farm site are currently jointly leasing out the solar farm site to a third party, who in turn developed and operates the said solar farm. The said lease signed on the 1st of February 2018 is valid for 15 years from date of signing at an annual rent of € 159,000 split equally between the 3 lessors (€ 53,000 each / annum). The rent shall be increased by five per cent (5%) every three (3) years.

4.4 Planning Considerations and Site Potential

As noted above the sites are predominantly located within the 'Reserve Site' area in accordance to the respective Marsaxlokk Bay Local Plan (refer to Figures 2 & 3 - Policy Maps extracted from Marsaxlokk Bay Local Plan in the full valuation report). The strategy for this zone as outlined in the respective local plan issued in 1995 is detailed as follows:

"The area between Hal Far and the Freeport was designated as a Primary Development Area in the sixties for possible eventual industrial use. The Structure Plan confirms the designation subject however to Policy IND1 which delays the use of this land until needs arise which cannot be accommodated elsewhere. On available evidence, it is unlikely that the area will be required for such purpose within the ten-year period of the Local Plan. It is therefore proposed that the current status of the area is retained and is also to be referred to as a Reserved Area."

From the studies provided it in fact appears that over the past 26 years since the issue of the above-mentioned Local Plan the foot-print of the Freeport has generally been developed to its full capacity with respect to its key activities that comprise the container terminal, the oil terminal and the ancillary warehousing facilities.

The location of the sites detailed above falling within this 'Reserve Zone' and particularly those contiguous to the Freeport therefore form the natural extension of the Freeport area as envisaged by both the Structure & Local Plans.

To this regard it should in fact also be noted that aside from the more recent Solar Farm permit noted in section 4.4 a LPG terminal had already previously been developed within the said 'Reserve Site' on nearby third party land as duly covered by Mepa permit PA 867/09.

Considering the above it therefore appears that while currently schemed as a 'Reserve Site' the areas concerned however offer significant medium to long term commercial /investment opportunities.

4.5 Tenure Mortgages, Loans and Privileges

Table 1 shows the tenure of each parcel of land as last reported by clients. For the basis on this valuation it is being assumed that there are currently no active expropriation orders applicable to the said properties, this should be verified accordingly if necessary.

It was reported by the clients that by virtue of a special hypothecary guarantee for the amount of Euro 9,750,000, the property acts as security for the obligations arising out of facilities granted to Hili Ventures Limited, and that Harbour (APM) Investments Ltd has also provided a general hypothecary guarantee over all assets, future and present in respect of the same facilities. It should be noted that this valuation does not take account of the above mentioned hypothecary guarantees and that these are being listed for general information based on the provided information.

5.0 VALUATION BASED ON OPEN MARKET VALUE

On consideration of the various parameters outlined above it is to be expected that the value of the respective individual sites would vary considerably depending on the particular context and location of the individual parcels of land.

The larger sites and particularly those located closer to the existing Freeport Boundary / access road would clearly be expected to fetch higher rates on the Open Market than the other sites further within the 'Reserve Site'. The increased number of approved permits in nearby sites is indicative of the growing pressure on the authorities to release sites close to the now fully occupied Freeport to development compatible with uses generated by Freeport demands.

This increasing demand will be expected in the near to medium term to gradually generate additional interest and demand for lands situated in the "Reserve zone", and held for Development, and this will apply more to larger sites closer to Kalafrana Road. On the other hand the aside from sites 22 & 24 already approved and currently being developed as a solar farm as detailed above, sites that are located within 'Buffer Zones' but more remote from Kalafrana Road, or situated outside the 'Reserve' area would be expected to fetch lower rates on the Open Market. It must nevertheless be considered that in the absence of clear and unambiguous PA Policies opening up new areas from the Buffer Zone for development, no substantial changes to market values of properties within the buffer zone are expected materialize.

Table 1 below summarizes the estimated Open Market Values of the respective individual sites taking into account the various considerations outlined above, and based on research of typical values for similar properties in the area and / or other comparable locations around Malta at the time.

Site	Area (m2)	Tenure	Comments	Estimated Rate (Euro / m2)	Estimated value of site (Euro)
2	29,840	Freehold	Located within reserve site & directly along freeport road	500	14,920,000
6	5,766	Freehold	Located within reserve site and also within scheduled buffer zone	175	1,009,050
7	5,127	Freehold	Located within reserve site	350	1,794,450
18	8,600	Freehold	Located within reserve site	175	1,505,000
19	1,430	Freehold	Located on boundary of reserve site and also within scheduled buffer zone	40	57,200
22	3,600	Freehold	Included PA 10665/17 for development of a solar farm	125	450,000
24	6,143	Freehold	Included PA 10665/17 for development of a solar farm	125	767,875
A	3,970	Freehold	Located within reserve site	175	694,750
B	3,950	Freehold	Located within reserve site	175	691,250
Sub Total	68,426	Freehold			21,889,575
9	18,500	Temporary lease of € 28.34 / annum expires 2060	Located within reserve site and directly adjacent to main site 2	175	3,237,500
C	5,190	Temporary lease of € 6.99 / annum expires 2060	Located within reserve site	85	441,150
Sub Total	23,690	Temporary Leases			3,678,650
Grand Total	92,116				25,568,225

Table 1: Estimated Open Market Values of individual sites

In summary and on the basis of the foregoing, the various site inspections carried out and other relevant factors, the undersigned values the above-described properties in their existing state cumulatively in the region of twenty-five million, five hundred thousand Euros (€25,500,000).

Novel Coronavirus (COVID 1-19) considerations – Refer to Full Valuation Report

Source of information / references – Refer to Full Valuation Report



Kevin Bencini B.E. & A. [Hons] A.&C.E.

12th October 2021

PROPERTY VALUATION REPORTS

The undersigned, in his capacity as a warranted architect and civil engineer, and with warrant number 168, has been commissioned by Hili Properties plc to carry out valuations of the five (5) properties listed below. The scope of the valuations is for the inclusion with the Prospectus, in accordance with Chapter 7 of the Capital Market Rules of the Malta Financial Services Authority. The effective date of the valuations is 30th September 2021, unless otherwise stated.

The valuations are based on an Open Market Value, which provides the same outcome as Market Value, which is defined by the Royal Institute of Chartered Surveyors (RICS) Valuation Standards, as 'the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had acted knowledgeably, prudently and without compulsion'.

All valuations were carried out following a visual inspection of the Properties. Unless otherwise stated, no parts of the property which were inaccessibly covered, unexposed or otherwise inaccessible to visual inspection have been inspected, and no tests have been made as to whether or not such parts are free from defects. The valuation assumes that a structural survey would reveal no major defects in the structural integrity of the building, property is free from latent defects and no deleterious materials have been used in its construction.

The undersigned hereby declare that as far as I am aware, no conflict of interest, either personal or in relation to the firm exists.

Contents of the Valuation Reports (as specified within 7.4 in the Capital Markets Rules)

- 1.1. Address – The property address was included with every valuation report. A façade photo and a reference plan was also included, where applicable.
- 1.2. Nature of valuer's inspection – A visual inspection was carried out in every property, within all accessible areas, in order to confirm the compliance with planning permits, structural soundness and level of finishes.
- 1.3. Brief description – A description of each property was provided, including the site and floor areas, uses and number of floors
- 1.4. Existing use – The main use of each property was defined, including compliance with approved planning permits
- 1.5. Relevant planning permissions – Relevant approved planning permits and minor amendment were listed
- 1.6. Material contravention of Statutory Requirements – Any contraventions were listed, where applicable
- 1.7. Tenure – Included with every report
- 1.8. Main terms of tenants' leases or sub-leases – Main terms, including the lease period and monthly rent were listed with every report
- 1.9. Approximate age of any buildings – This has been included with every report
- 1.10. Present capital value in existing state – This has been included in every report
- 1.11. Terms of any intra-group lease on Property occupied by the Group – This has been included in every report, where applicable
- 1.12. Other matters which materially affect the value – Not applicable

- 1.13. Sources of information and verification – All information required by the valuer for the purpose of these valuations were supplied by Hili Properties plc. All areas used for the calculations were based on the planning permit drawings and no measured surveys were done by the undersigned.
 - 1.14. Details of registered mortgages and privileges and other charges – This has been included in every report, where applicable
 2. Details of valuer – The undersigned Architect and Civil Engineer, Perit Joseph Bugeja with warrant number 168
 3. Effective date of valuation – 30th September 2021
 4. Basis of valuation - The valuations are based on an Open Market Value, which provides the same outcome as Market Value, which is defined by the Royal Institute of Chartered Surveyors (RICS) Valuation Standards, as 'the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had acted knowledgeably, prudently and without compulsion'.
 5. Assumptions taken for the valuations – The estimated values are deemed to be the best price at which the sale of an interest in the respective property would have been completed unconditionally for cash consideration on the date of valuation, based on the following assumptions:
 - a. A willing seller;
 - b. Prior to the date of valuation, there had been a reasonable period for the proper marketing of the interest, for the negotiation and agreement of the price and terms and conditions of the sale;
 - c. No account is taken of any additional bid by a purchase with a special interest;
 - d. Both parties to the transaction had acted knowledgeably, prudently and without compulsion;
 - e. Property is not subject to any unusual or onerous restrictions, encumbrances or outgoings and a good title can be shown
 6. Title of property – The title of each property was defined in the reports
 7. Valuation of the benefit or detriment of contractual arrangements in respect of Property – Not applicable
 8. Directors or promoters have had an interest in any acquisitions or disposals – Not applicable
 9. Other relevant matters – Any particular matters which were considered were listed in the report of each property
 10. Valuation methodology – The valuation reports were carried out in accordance with standards and guidelines issued by the Royal Institute of Chartered Surveyors (RICS). Unless otherwise stated, the valuations are based on a comparative valuation method.
-



Property Address	Nineteen Twenty Three, Valletta Road, Marsa
Proprietor	Hili Estates Limited
Property Type / Use	Office block with warehouse and storage area
Gross Floor Area	Parking: 2600 m ² Warehouse & storage: 2400 m ² Office: 5550 m ²
Plot Area	ca 2585 m ²
Tenure	Freehold
Occupation	<p>The property is leased out, with 100% occupancy, to the following companies which form part of the Hili Ventures Group:</p> <ul style="list-style-type: none">• Premier Restaurants Malta Limited• Premier Capital Plc• Hili Logistics Limited• Harvest Technology Plc• Hili Ventures Limited• HV Hospitality Limited• CMA CGM Malta Agency <p>The aggregate monthly rent to date is Eur 85,247 (excl. VAT). There is an annual increase of 2% on the rent as a general term with an exception in some cases of a 2% increase every 5 years. The first 4 to 7 years of the lease period are <i>di fermo</i> (Lessee's option) and with the option for renewal for a further 5 to 7 years if not terminated. Utilities cost are invoiced to the Lessee on a per use basis, whilst ordinary maintenance is at the Lessee's expense.</p>
Structural condition	Property in sound structural state
Age	Main block constructed 12 years ago, warehouse constructed over 30 years ago
Planning permit history	<ul style="list-style-type: none">• PA 3818/92, PA 3819/92 & PA 3820/92 – permits issued for the construction of 3 industrial garages. <i>Granted</i>• PA 3451/95, PA 3452/95 & PA 3453/95 – renewal of above permits. <i>Granted</i>• PA 5066/95 – full development application to affect structural alterations and change of use from store to cold storage and freezer rooms. <i>Granted</i>• PA 2681/96 – amended application to include substation. <i>Granted</i>• PA 476/02 – outline development application for the construction of three levels. <i>Granted</i>• PA 5672/05 – Extension to warehouse and construction of four floors of office space with underlying car parking spaces. <i>Granted</i>• PA 4454/09 – Change of use from warehouse space to public service garage car storage warehouse. <i>Granted</i>• PA 695/13 – Extension to existing office block over adjacent roof space, and change of use of basement to garage. <i>Granted</i>• PA 2157/15 – Addition of recessed floor to house boardrooms and recreation areas in existing office block. <i>Granted</i>

- PA 2157/15 – Addition of recessed floor to house boardrooms and recreation areas in existing office block. *Granted*
- Deviations from permit - PA 4454/09 – Warehouse space being used as 2 floors within the double height of storage and ancillary offices for IT related developments. *To Sanction*

Value

€ 16,900,000 (Sixteen million and nine hundred thousand euros)

Property Address	No.21/22/23/24, Ix-Xatt ta' Tigne, Sliema
Proprietor	Premier Estates Limited
Property Type / Use	Restaurant
Gross Floor Area	ca 1000 m ² Outdoor seating: 30 m ²
Plot Area	ca 535 m ²
Tenure	Freehold
Occupation	Leased to Arcades Ltd. at an annual rate of Eur 360,500 p.a. for the 1 st year, followed by a higher amount which determined on a monthly basis of the following 2 options: <ol style="list-style-type: none">1. Eur 350,000 excl. VAT payable monthly in arrears. The rent amount is revised every 5 years in accordance with COLA, or by 3%, whichever is greater.2. A monthly rate of 5% of the monthly gross sales excl. VAT payable monthly in arrears. Date of commencement of lease started on 1 st May 2013 for a 20 year period
Structural condition	Property in sound structural state
Age	Property constructed in 2013
Planning permit history	Planning permit PA 1095/12. <i>Granted</i> Minor amendment approved in March 2015
Value	€ 5,000,000 (Five million euros)

Property Address	No.77/78/79, Sqaq il-Fawwara, Sliema
Proprietor	Premier Estates Limited
Property Type / Use	Office
Gross Floor Area	ca 650 m ²
Plot Area	ca 535 m ²
Tenure	Freehold
Occupation	Leased to 2X Software Malta Ltd. at an annual rate of Eur 115,900 p.a. excl. VAT, starting on the 1 st November 2015. The rent increases at the end of each year by 2% p.a. The lease is for a period of 10 years, of which the first 3 years <i>di fermo</i> and the remaining 7 years <i>di rispetto</i> .
Structural condition	Property in sound structural state
Age	Property constructed in 2013
Planning permit history	Planning permit PA 1095/12. <i>Granted</i> Minor amendment approved in March 2015
Value	€ 3,200,000 (Three million and two hundred thousand euros)

Property Address	Transport House, No.11, Triq Pietro Floriani c/w/ Triq San Frangisk, Floriana
Proprietor	Hili Properties plc
Property Type / Use	Office block
Gross Floor Area	ca 910 m ²
Plot Area	ca 155 m ² at ground floor
Tenure	Freehold
Occupation	Leased to a government entity which term commenced on the 31 st July 2017. Annual rent is Eur 90,000 for a period of 5 years, following which it will increase to Eur 100,000. The lease term elapses on the 31 st July 2027. Ordinary maintenance is at the Lessee's expense whilst the utilities cost are invoiced to the Lessee on an as per use basis.
Structural condition	Property in sound structural state, with need for some maintenance repair at the upper floor due to water ingress
Age	Property built pre 1968
Planning permit history	PA 4203/00 – change of use from residential to office at 2 nd floor. <i>Granted</i> PA 3762/04 – change of use from residential to office at 1 st floor. <i>Granted</i> PA 4928/16 – minor alterations to premises, including incorporation of an accessible passenger lift serving all floors. <i>Granted</i>
Value	Deviations from permit Minor alterations at levels 1 and 2, and change in levels which do not reflect on approved plans € 2,500,000 (Two million and five hundred thousand euros)

Property Address	Villa Marika, Triq is-Slielem c/w Triq il-Mielah, High Ridge, Madliena
Proprietor	Hili Properties plc
Property Type	Residential – fully detached bungalow
Gross Floor Area	ca 1250 m ²
Plot Area	ca 1250 m ²
Tenure	Freehold
Occupation	Private resident
Structural condition	Property in sound structural state, with need for some maintenance repair due to an aging structure
Age	Property constructed early 1970s
Planning permit history	PA 3761/04 – sanctioning of property as built. <i>Granted</i>
Value	€ 3,700,000 (Three million and seven hundred thousand euros)

The total cumulative value of the above listed properties amounts to **€ 31,300,000** (Thirty one million and three hundred thousand Euro)

The above may be split as follows:

Property held as residential property:

Villa Marika, Triq is-Slielem c/w Triq il-Mielah, High Ridge, Madliena	€ 3,700,000
	<u>€ 3,700,000</u>

Property held as commercial property:

Nineteen Twenty Three, Valletta Road, Marsa	€ 16,900,000
No.21/22/23/24, ix-Xatt ta' Tigne, Sliema	€ 5,000,000
No.77/78/79, Sqaq il-Fawwara, Sliema	€ 3,200,000
Transport House, No.11, Triq Pietro Floriani c/w Triq San Frangisk, Floriana	€ 2,500,000
	<u>€ 27,600,000</u>



Perit Joseph Bugeja
M.Sc.(Lond), D.I.C., B.A.(Arch.), A. & C.E.

Properties valuation report - Summary

Issued by:

COLLIERS VALUATION AND ADVISORY SRL (the "Valuer" / "we")

Represented by Mr. Lazar Laurentiu - Aurelian, as Attorney in fact of the representative of the appointed Administrator – Colliers International Property Consultants Limited

With registered office at 169A Floreasca Road, Afi Park Floreasca, Building A, 2nd Floor, Office no. 2, 1st District, Bucharest, Romania

In respect of:

PREMIER ASSETS SRL (the "Company")

Represented by Mr. Georgios Kakouras in his capacity of Director

With registered office at 4-8 Nicolae Titulescu Avenue, America House, West Wing, 7th floor, 1st District, Bucharest, Romania

Dear Sirs,

PREMIER ASSETS SRL (The "Company")

VALUATION REPORT AS OF 29th of September 2021

Introduction

At the Company instruction, based on the fully executed service agreement between the Company and the Valuer dated 5th of August 2021, Colliers Valuation and Advisory was required of an indication of value of five Properties which are owned by the Company. In this regard, the Valuer estimated the Market Values of the freehold interests in the Properties owned by the Company for the inclusion in the document to be published by the client for financial purposes in relation with an IPO (initial public offering) process of the parent company of the Client secured by the Properties, under the requirements of Chapter 7 of the Capital Markets Rules of Malta Financial Services Authority.

The valuation has been prepared in accordance with the Red Book (incorporating the International Valuation Standards) and ANEVAR Romanian Valuation Standards, under the requirements Chapter 7 of the Capital Markets Rules of Malta Financial Services Authority.

Report Date

29th of September 2021

Valuation Date

15th of September 2021

Addressees

PREMIER ASSETS SRL (the "Company")

Status of the Valuer

The valuation was performed by Colliers Valuation and Advisory, an External Valuer, as defined in the RICS Valuation – Global Standards.

Colliers fulfills the professional conditions required to complete a valuation of a real estate property. Colliers Valuation and Advisory is a member of ANEVAR (National Association of the Romanian Valuers) and the valuers employed in completing the present report have attended the required professional training and are in the possession of a real estate valuer certification.

The present valuation has been prepared by Anca Baldea (ANEVAR identification no. 10464) and Aurelia Stefania Bobe (ANEVAR identification no. 18318), as independent valuers, as follows:

Anca Baldea	Aurelia Stefania Bobe
Director / Valuation and Advisory Services	Senior Associate
ANEVAR and RICS member	ANEVAR member
Experience of 15 Years	Experience of 6Years
Main +4021 319 77 77	Main +021 319 77 77
Mobile +40 729 990 190	Mobile + 40 76 363 40 86
E-mail Anca.Baldea@colliers.com	Email Aurelia.Bobe@colliers.com

The total of fees earned by Colliers Valuation and Advisory from the Company during 2020 accounts for less than 5% of Colliers total fee income in Romania and we do not expect this position to change in the current year.

Purpose of Valuation

The purpose of the present valuation (the “Purpose”) is to estimate the Market Values of the freehold interests in the Properties for inclusion in the document to be published by the client for financial purposes in relation with an IPO (initial public offering) process of the parent company of the Client secured by the Properties.

The present valuation has been prepared under the requirements of Chapter 7 of the Capital Markets Rules of Malta Financial Services Authority.

Assets to be Valued

The valuated properties are represented by the following five fast food retail spaces located at the following addresses:

- **Selgros Berceni DT:** 92-108 Turnu Magurele Street, 4th District, Bucharest, Romania;
- **Bragadiru DT:** 110 Alexandriei Road, Bragadiru, Ilfov, Romania;
- **Satu Mare DT:** 9 Careiului Street, Satu Mare, Romania;
- **Alba Iulia DT:** 120-120A, Calea Motilor, Alba Iulia, Romania;
- **Coresi Brasov DT:** 5 Turnului Street, Brasov, Romania.

Basis of Value

The Market Value is defined by RICS Valuation – Global Standards as *“the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”*. (IVS 104 paragraph 30.1)

Within VPS 4 Bases of value, assumptions and special assumptions in RICS Valuation – Global Standards, it is also mentioned that *“the Market Value is a basis of value that is internationally recognized and has a long-established definition. It describes an exchange between parties that are unconnected and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, at the valuation date, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is the use of an asset that maximizes its productivity and that is possible, legally permissible and financially feasible”*.

Thereby, in accordance with the above mentioned, we made sure that the estimated Market Value of the Properties is reflecting their highest and based use taking into account the criteria defining it, to maximize the potential of the analyzed properties and which is physically possible, legally permissible and financially feasible.

General Assumptions

The Valuer has valued the Properties based on several general and special assumptions which are detailed in the individual valuation reports (the “Report and Valuation”) and which are also applicable for the present summary, without considering any discounts or premiums related to the sale of the Properties.

The Properties were valued based on the inspections performed on the following dates:

No	Property	Date of inspection
1	Selgros Berceni DT	August 18 th , 2021
2	Bragadiru DT	August 18 th , 2021
3	Satu Mare DT	August 18 th , 2021
4	Alba Iulia DT	August 19 th , 2021
5	Coresi Brasov Dt	August 19 th , 2021

and on the information about the properties and the current market conditions, as well as the predicted tendencies of the local market.

The Valuer has analyzed the Properties based on the information provided by the Company assumed to be accurate and reliable (including financial, legal, technical or leasing status, etc). Although, wherever possible, we check for plausibility the received data, we assume no liability resulting from misinformation. If any information or assumptions on which the valuation is based are subsequently found to be incorrect, the estimated values may also be incorrect and should be reconsidered.

Compliance with Valuation Standards

The present valuation has been prepared in accordance with the current edition of the RICS Valuation – Global Standards (known as Red Book), published by the Royal Institute of the Chartered Surveyors (RICS), incorporating the International Valuation Standards (IVS) as published by the International Valuation Standards Council (IVSC) and the ANEVAR (National

Association of Romanian Valuers) Valuation Standards, 2020 edition, as well as other standards and methodological guides developed by ANEVAR, through which the consistency with the European Valuation Standards (EVS) is also insured.

The Valuer is in the position to provide an objective and unbiased valuation fulfilling the professional conditions required to complete a valuation of a real estate property and sufficient skills and knowledge on the segments of the real estate market involved.

The present valuation is a professional opinion, and it should not be considered a guarantee of any kind of the fact that in a possible sale of the subject properties, it should achieve the estimated value.

Valuation Approach and Reasoning

There are basically three methods that can be used to determine the Market Value of a real estate property: the market approach, the income approach and the cost approach.

The nature of the subject properties implies a single tenant type of lease, usually with a long term contract and stabilized rent during the contractual period. For this reason we have applied the Income Approach – Direct Capitalization Method in determining the Market Values of the subject assets.

The valuation methodologies used are explained in detail in the individual valuation reports.

Properties Description and Market Values

Property Name:	SELGROS BERCENI DT
Property Address:	92-108 Turnu Magurele Street, 4th District, Bucharest, Romania
Owner:	PREMIER ASSETS SRL
Description:	<p>Typology: Commercial – fast food DT unit</p> <p>Site area: 1,499 sqm</p> <p>Total built area: 415 sqm</p> <p>Leasable area: 353 sqm</p> <p>Height regime: GF</p>
Construction year:	2018
Maintenance:	Newly built, good physical state
Tenure:	Freehold
Occupancy:	The building is 100% leased to Premier Restaurant for a contractual period of 20 years. It is an intra-group lease. More details regarding the contractual terms can be found in the full individual valuation report.
Market Value	EUR 2,169,000

Property Name: BRAGADIRU DT

Property Address: 110 Alexandriei Road, Bragadiru, Ilfov, Romania

Owner: PREMIER ASSETS SRL

Description:

Typology: Commercial – Fast food DT unit
 Site area: 2,700 sqm
 Total built area: 407 sqm
 Leasable area: 356 sqm
 Height regime: GF

Construction year: 2019

Maintenance: Newly built, good physical state

Tenure: Freehold

Occupancy: The building is 100% leased to Premier Restaurant for a contractual period of 20 years. It is an intra-group lease. More details regarding the contractual terms can be found in the full individual valuation report.

Market Value EUR 1,913,000

Property Name: SATU MARE DT

Property Address: 9/A Careiului Street, Satu Mare, Romania

Owner: PREMIER ASSETS SRL

Description:

Typology: Commercial – Fast food DT unit
 Site area: 1,346 sqm
 Total built area: 379 sqm
 Leasable area: 342 sqm
 Height regime: GF

Construction year: 2019

Maintenance: Newly built, good physical state

Tenure: Freehold

Occupancy: The building is 100% leased to Premier Restaurant for a contractual period of 20 years. It is an intra-group lease. More details regarding the contractual terms can be found in the full individual valuation report.

Market Value **EUR 1,360,000**

Property Name: **ALBA IULIA DT**

Property Address: 120-120A, Calea Motilor, Alba Iulia, Romania

Owner: PREMIER ASSETS SRL

Description:

Typology: Commercial – Fast food DT unit
 Site area: 1,184 sqm
 Total built area: 382 sqm
 Leasable area: 343 sqm
 Height regime: GF

Construction year: 2019

Maintenance: Newly built, good physical state

Tenure: Freehold

Occupancy: The building is 100% leased to Premier Restaurant for a contractual period of 20 years. It is an intra-group lease. More details regarding the contractual terms can be found in the full individual valuation report.

Market Value **EUR 1,317,000**

The above value is exclusive of VAT.

Property Name: **CORESI BRASOV DT**

Property Address: 5 Turnului Street, Brasov, Romania

Owner: PREMIER ASSETS SRL

Description:

Typology: Commercial – Fast food DT unit
 Site area: 2,070 sqm
 Total built area: 400 sqm
 Leasable area: 357 sqm
 Height regime: GF

Construction year:	2020
Maintenance:	Newly built, good physical state
Tenure:	Freehold
Occupancy:	The building is 100% leased to Premier Restaurant for a contractual period of 20 years. It is an intra-group lease. More details regarding the contractual terms can be found in the full individual valuation report.
Market Value	EUR 1,879,000

Material Valuation Uncertainty

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “pandemic” on 11.03.2020, has impacted many aspects of daily life and the global economy – with real estate markets generally experiencing significantly lower levels of transactional activity and liquidity.

As at the valuation date, property markets in certain sectors have begun to function with transaction volumes providing an adequate quantum of comparable market evidence upon which to base opinions of value. This has resulted in the use of the Material Uncertainty Clause as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards being lifted for prime products on the real estate market. However, given the potential future impact that COVID-19 might have on the real estate market, with many business practices and behaviors changing either temporarily or permanently, we recommend that you keep the valuation contained within this report under frequent review.

Special Assumptions

The estimates of values in the Report and Valuation are based on a thorough and detailed analysis of information obtained from various sources. Some of this data has required subjective interpretation and certain assumptions in arriving at value conclusions.

As a result, the opinions and conclusions contained in the present summary are subject to the following Special Assumptions:

- **Title Investigations**

Although we check the relevant ownership documents when provided, nothing in the Report and Valuation can be interpreted as a legal opinion as concerns the state of the title. Thus, we take no responsibility for matters of legal nature and our valuation is based on the assumption that the title is marketable and free from onerous or restrictive covenants, rights of way and easements, and any other encumbrances or outgoings that may affect value.

- **Letting Investigations**

We have not inspected the lease agreements and apart from those disclosed to us, we have assumed that any rents, service charges and other contributions are fair and proportionate, and are not subject to onerous increases or reviews.

We have also assumed, except where we have been informed to the contrary, that all rents are reviewed in an upwards direction only at the intervals notified to us, to the full market rental value and that no questions of doubt arise as to the interpretation of the provisions in the leases giving effect to the rent reviews.

Unless we have been informed to the contrary, we have assumed that there are no material arrears of rent and/or service charges.

We do not take detailed investigations regarding the financial status of the tenants, our valuation reflecting the general type of tenants and the market perception of their creditworthiness.

- **Planning**

Although we check for plausibility the provided documents in terms of statutory consents, unless noted, it is assumed that there are no encroachments or planning and building violations encumbering the Properties.

Where verification of the information is impractical, we assume that the Properties has the necessary statutory consents for the current buildings and use, thus they are constructed, used and occupied in full compliance with the relevant planning and building regulation approvals and that there are no outstanding notices, conditions, breaches, contraventions, non-compliance, appeals, challenges or judicial reviews, assuming that all approvals and permissions are in place at the valuation date.

- **Plans, Floors Area and Building Measurements**

As valuers, we do not normally carry out measurements of buildings or sites. Thus, our valuation is based on the areas provided by the client. Wherever possible, we check the received data with cadastral plans or excerpts from land book. Under this approach, we assume that the areas upon the information provided have been calculated in accordance with market standards, in accordance with the current edition of RICS Property Measurement.

- **Services and EPCs**

We do not test any services, drainage, or service installations. We assume that all services, including gas, water, electricity and sewerage are provided and are functioning satisfactorily. We do not test any alarms or installations and we assume that the Properties comply with and will continue to comply with fire regulations legislation.

Regarding EPCs (Energy Performance Certificates), if we are not provided with such documents, we assume that if one was available, its rating would not have had a detrimental impact upon our opinion value or marketability.

Thus, we assume that the Properties have an economic lifespan similar to comparable properties in the market, subject to regular maintenance and repairs in accordance with appropriate asset management strategies.

The financial forecasts presented in our valuation assume both responsible ownership and competent management. Any variance from this assumption may have a significant impact on the future operating expenses and value estimate.

- **Harmful, Deleterious Materials, Health & Safety Legislation**

The valuation is performed on the basis that the Properties are free of potentially hazardous materials used in the construction or maintenance of the buildings (such as asbestos, urea formaldehyde foam insulation, PCBs, high alumina cement concrete, calcium chloride as a drying agent, wood wool slabs as permanent shuttering, aluminum composite cladding material, polystyrene and polyurethane cladding insulation). The Valuer is not qualified to detect these substances or estimate any costs involved with their removal and urge the Company to retain an expert in this field, if desired.

Thereby, unless the Valuer is supplied with evidence to the contrary, the valuation is done on the assumption that the Properties are fully in compliance with the building regulations, being free from any rot, infestation, adverse toxic chemical treatments, and structural or design defects.

o **Ground Conditions and Environmental Matters**

We do not carry out environmental surveys to assess if any land or premises are, or have been, contaminated, given that we are not chartered environmental surveyors.

We do not carry out any soil, geological or other tests in order to ascertain the site conditions and to check if there are unusual features that may be harmful to people and affect the actual use of the Properties (such as ground conditions and load bearing qualities, subterranean structures or services, contamination, pollutants, mining activity, sink holes, archaeological remains, radon gas, electromagnetic fields and power lines, invasive plants and protected species).

Our investigations regarding the above mentioned are limited to the observations done in the course of our inspections, through normal enquiries or by local knowledge and to the information supplied by the Company, which we assume is correct and that further investigations would not reveal more information affecting the estimated value.

Reliance, Confidentiality and Disclosure

For the purposes of the Capital Markets Rules of the Malta Financial Services Authority, we are responsible for the Report and Valuation and we accept responsibility for the information contained within it and confirm to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in the Report and Valuation is in accordance with the facts and contains no omissions likely to affect its import. The Report and Valuation complies with and has been prepared in accordance with, and on the basis of Chapter 7 of the Capital Markets Rules of Malta Financial Services Authority.

The Report and Valuation is addressed to the Addressees for the Purpose and it is for the use of and may be relied upon by the Addressees and the shareholders of the Company in connection with the Purpose. Save in respect of the Addressees and shareholders of the Company and, to the fullest extent permitted by law and Capital Markets Rules, we do not assume any responsibility and will not accept any liability to any third party for any loss suffered by any such third party as a result of, or arising out of, or in accordance with this Report and Valuation.

We have given our prior written consent to the publication of this Report and Valuation in the document to be published by the client for financial purposes in relation with an IPO (initial public offering) process of the parent company of the Client secured by the Properties, under the requirements of Chapter 7 of the Capital Markets Rules of Malta Financial Services Authority.

Neither the whole nor any part of this valuation, nor any reference thereto, may be included in any documents other than those listed above without our previous written approval to the form and context in which it will appear.

For the avoidance of doubt, this Report and Valuation is provided by Colliers Valuation and Advisory Romania and no partner, member or employee assumes any personal responsibility for it nor shall owe a duty of care in respect of it.

Yours faithfully,

Anca Baldea
ANEVAR and MRICS Registered Valuer
Colliers Valuation and Advisory Romania



Aurelia Stefania Bobe
ANEVAR member
Colliers Valuation and Advisory Romania



Property valuation report - Summary

Issued by:

COLLIERS VALUATION AND ADVISORY SRL (the "Valuer" / "we")

Represented by Mr. Lazar Laurentiu - Aurelian, as Attorney in fact of the representative of the appointed Administrator – Colliers International Property Consultants Limited

With registered office at 169A Floreasca Road, Afi Park Floreasca, Building A, 2nd Floor, Office no. 2, 1st District, Bucharest, Romania

In respect of:

HILI PREMIER ESTATE ROMANIA SRL (the "Company")

Represented by Mr. Georgios Kakouras in his capacity of Director

With registered office at 4-8 Nicolae Titulescu Avenue, America House, West Wing, 5th floor, 1st District, Bucharest, Romania

Dear Sirs,

HILI PREMIER ESTATE ROMANIA SRL (The "Company")

VALUATION REPORT AS OF 29th of September 2021

Introduction

At the Company instruction, based on the fully executed service agreement between the Company and the Valuer dated 5th of August 2021, Colliers Valuation and Advisory was required of an indication of value of one Property which is owned by the Company. In this regard, the Valuer estimated the Market Value of the freehold interests in the Property owned by the Company for the inclusion in the document to be published by the client for financial purposes in relation with an IPO (initial public offering) process of the parent company of the Client secured by the Property, under the requirements of Chapter 7 of the Capital Markets Rules of Malta Financial Services Authority.

The valuation has been prepared in accordance with the Red Book (incorporating the International Valuation Standards) and ANEVAR Romanian Valuation Standards, under the requirements Chapter 7 of the Capital Markets Rules of Malta Financial Services Authority.

Report Date

29th of September 2021

Valuation Date

15th of September 2021

Addressees

HILI PREMIER ESTATE ROMANIA SRL (the "Company")

Status of the Valuer

The valuation was performed by Colliers Valuation and Advisory, an External Valuer, as defined in the RICS Valuation – Global Standards.

Colliers fulfills the professional conditions required to complete a valuation of a real estate property. Colliers Valuation and Advisory is a member of ANEVAR (National Association of the Romanian Valuers) and the valuers employed in completing the present report have attended the required professional training and are in the possession of a real estate valuer certification.

The present valuation has been prepared by Anca Baldea (ANEVAR identification no. 10464) and Aurelia Stefania Bobe (ANEVAR identification no. 18318), as independent valuers, as follows:

Anca Baldea	Aurelia Stefania Bobe
Director / Valuation and Advisory Services	Senior Associate
ANEVAR and RICS member	ANEVAR member
Experience of 15 Years	Experience of 6Years
Main +4021 319 77 77	Main +021 319 77 77
Mobile +40 729 990 190	Mobile + 40 76 363 40 86
E-mail Anca.Baldea@colliers.com	Email Aurelia.Bobe@colliers.com

The total of fees earned by Colliers Valuation and Advisory from the Company during 2020 accounts for less than 5% of Colliers total fee income in Romania and we do not expect this position to change in the current year.

Purpose of Valuation

The purpose of the present valuation (the “Purpose”) is to estimate the Market Value of the freehold interests in the Property for inclusion in the document to be published by the client for financial purposes in relation with an IPO (initial public offering) process of the parent company of the Client secured by the Property.

The present valuation has been prepared under the requirements of Chapter 7 of the Capital Markets Rules of Malta Financial Services Authority.

Assets to be Valued

The valuated property is represented by a land plot and the afferent office building, located in Bucharest, at 85A Nicolae Caramfil Street, District 1, Romania.

Basis of Value

The Market Value is defined by RICS Valuation – Global Standards as *“the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”*. (IVS 104 paragraph 30.1)

Within VPS 4 Bases of value, assumptions and special assumptions in RICS Valuation – Global Standards, it is also mentioned that *“the Market Value is a basis of value that is internationally recognized and has a long-established definition. It describes an exchange between parties that are unconnected and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, at the valuation date, reflecting all*

P. 2

those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is the use of an asset that maximizes its productivity and that is possible, legally permissible and financially feasible”.

Thereby, in accordance with the above mentioned, we made sure that the estimated Market Value of the Property is reflecting their highest and based use taking into account the criteria defining it, to maximize the potential of the analyzed property and which is physically possible, legally permissible and financially feasible.

General Assumptions

The Valuer has valued the Property based on several general and special assumptions which are detailed in the individual valuation report (the “Report and Valuation”) and which are also applicable for the present summary, without considering any discounts or premiums related to the sale of the Property.

The Property was valued based on the inspection done on 23rd August 2021 and the information about the property and the current market conditions, as well as the predicted tendencies of the local market.

The Valuer has analyzed the Property based on the information provided by the Company assumed to be accurate and reliable (including financial, legal, technical or leasing status, etc). Although, wherever possible, we check for plausibility the received data, we assume no liability resulting from misinformation. If any information or assumptions on which the valuation is based are subsequently found to be incorrect, the estimated values may also be incorrect and should be reconsidered.

Compliance with Valuation Standards

The present valuation has been prepared in accordance with the current edition of the RICS Valuation – Global Standards (known as Red Book), published by the Royal Institute of the Chartered Surveyors (RICS), incorporating the International Valuation Standards (IVS) as published by the International Valuation Standards Council (IVSC) and the ANEVAR (National Association of Romanian Valuers) Valuation Standards, 2020 edition, as well as other standards and methodological guides developed by ANEVAR, through which the consistency with the European Valuation Standards (EVS) is also insured.

The Valuer is in the position to provide an objective and unbiased valuation fulfilling the professional conditions required to complete a valuation of a real estate property and sufficient skills and knowledge on the segments of the real estate market involved.

The present valuation is a professional opinion, and it should not be considered a guarantee of any kind of the fact that in a possible sale of the subject property, it should achieve the estimated value.

Valuation Approach and Reasoning

There are basically three methods that can be used to determine the Market Value of a real estate property: the market approach, the income approach and the cost approach.

As the building is already rented out to multiple tenants and is subject to different contractual terms, generating a certain income for the next 10 years, we have applied the income approach by taking into consideration all the factors that might influence the level of the rents and are included in the signed contracts. Also, the subject valuation had to include all the predictions for the future incomes that are going to be produced by the building at the end of the existing contracts.

The valuation methodologies used are explained in detail in the individual valuation report.

Property Description and Market Value

Property Address: 85A Nicolae Caramfil Street, District 1, Bucharest, Romania

Owner: HILI PREMIER ESTATE ROMANIA SRL

Description:

Typology: Existing office building with the destination of hospital
 Site area: 4,252 sqm
 Total built area: 33,692 sqm
 Leasable area: 23,763 sqm
 Height regime: 3B+GF+4F+5F withdraw

Construction year: 2011

Maintenance: In 2014 there were made refurbishment works of the office building for the current hospital destination.

Tenure: Freehold

Occupancy: The building is 100% leased to companies from medical services which have lease contracts for a period of 20 years, respectively 10 years and to retail companies, having lease contracts for a period of 3 years, respectively 7 years.

Market Value **EUR 29,800,000**

The above value is exclusive of VAT.

Material Valuation Uncertainty

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “pandemic” on 11.03.2020, has impacted many aspects of daily life and the global economy – with real estate markets generally experiencing significantly lower levels of transactional activity and liquidity.

As at the valuation date, property markets in certain sectors have begun to function with transaction volumes providing an adequate quantum of comparable market evidence upon which to base opinions of value. This has resulted in the use of the Material Uncertainty Clause as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards being lifted for prime products on the real estate market. However, given the potential future impact that COVID-19 might have on the real estate market, with many business practices and behaviors changing either temporarily or permanently, we recommend that you keep the valuation contained within this report under frequent review.

Special Assumptions

The estimates of values in the Report and Valuation are based on a thorough and detailed analysis of information obtained from various sources. Some of this data has required subjective interpretation and certain assumptions in arriving at value conclusions.

As a result, the opinions and conclusions contained in the present summary are subject to the following Special Assumptions:

- **Title Investigations**

Although we check the relevant ownership documents when provided, nothing in the Report and Valuation can be interpreted as a legal opinion as concerns the state of the title. Thus, we take no responsibility for matters of legal nature and our valuation is based on the assumption that the title is marketable and free from onerous or restrictive covenants, rights of way and easements, and any other encumbrances or outgoings that may affect value.

- **Letting Investigations**

We have not inspected the lease agreements and apart from those disclosed to us, we have assumed that any rents, service charges and other contributions are fair and proportionate, and are not subject to onerous increases or reviews.

We have also assumed, except where we have been informed to the contrary, that all rents are reviewed in an upwards direction only at the intervals notified to us, to the full market rental value and that no questions of doubt arise as to the interpretation of the provisions in the leases giving effect to the rent reviews.

Unless we have been informed to the contrary, we have assumed that there are no material arrears of rent and/or service charges.

We do not take detailed investigations regarding the financial status of the tenants, our valuation reflecting the general type of tenants and the market perception of their creditworthiness.

- **Planning**

Although we check for plausibility the provided documents in terms of statutory consents, unless noted, it is assumed that there are no encroachments or planning and building violations encumbering the Property.

Where verification of the information is impractical, we assume that the Property has the necessary statutory consents for the current buildings and use, thus they are constructed, used and occupied in full compliance with the relevant planning and building regulation approvals and that there are no outstanding notices, conditions, breaches, contraventions, non-compliance, appeals, challenges or judicial reviews, assuming that all approvals and permissions are in place at the valuation date.

- **Plans, Floors Area and Building Measurements**

As valuers, we do not normally carry out measurements of buildings or sites. Thus, our valuation is based on the areas provided by the client. Wherever possible, we check the received data with cadastral plans or excerpts from land book. Under this approach, we assume that the areas upon the information provided have been calculated in accordance with market standards, in accordance with the current edition of RICS Property Measurement.

Floor areas set out in the individual valuation report are provided by the Client for the Purpose described in the Report and Valuation and are not to be used or relied upon for any other purpose.

- **Services and EPCs**

We do not test any services, drainage, or service installations. We assume that all services, including gas, water, electricity and sewerage are provided and are functioning satisfactorily. We do not test any alarms or installations and we assume that the Property comply with and will continue to comply with fire regulations legislation.

Regarding EPCs (Energy Performance Certificates), if we are not provided with such documents, we assume that if one was available, its rating would not have had a detrimental impact upon our opinion value or marketability.

Thus, we assume that the Property have an economic lifespan similar to comparable properties in the market, subject to regular maintenance and repairs in accordance with appropriate asset management strategies.

The financial forecasts presented in our valuation assume both responsible ownership and competent management. Any variance from this assumption may have a significant impact on the future operating expenses and value estimate.

- **Harmful, Deleterious Materials, Health & Safety Legislation**

The valuation is performed on the basis that the Property is free of potentially hazardous materials used in the construction or maintenance of the buildings (such as asbestos, urea formaldehyde foam insulation, PCBs, high alumina cement concrete, calcium chloride as a drying agent, wood wool slabs as permanent shuttering, aluminum composite cladding material, polystyrene and polyurethane cladding insulation). The Valuer is not qualified to detect these substances or estimate any costs involved with their removal and urge the Company to retain an expert in this field, if desired.

Thereby, unless the Valuer is supplied with evidence to the contrary, the valuation is done on the assumption that the Property is fully in compliance with the building regulations, being free from any rot, infestation, adverse toxic chemical treatments, and structural or design defects.

- **Ground Conditions and Environmental Matters**

We do not carry out environmental surveys to assess if any land or premises are, or have been, contaminated, given that we are not chartered environmental surveyors.

We do not carry out any soil, geological or other tests in order to ascertain the site conditions and to check if there are unusual features that may be harmful to people and affect the actual use of the Property (such as ground conditions and load bearing qualities, subterranean structures or services, contamination, pollutants, mining activity, sink holes, archaeological remains, radon gas, electromagnetic fields and power lines, invasive plants and protected species).

Our investigations regarding the above mentioned are limited to the observations done in the course of our inspections, through normal enquiries or by local knowledge and to the information supplied by the Company, which we assume is correct and that further investigations would not reveal more information affecting the estimated value.

Reliance, Confidentiality and Disclosure

For the purposes of the Capital Markets Rules of the Malta Financial Services Authority, we are responsible for the Report and Valuation and we accept responsibility for the information contained within it and confirm to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in the Report and Valuation is in accordance with the facts and contains no omissions likely to affect its import. The Report and Valuation complies with and has been prepared in accordance with, and on the basis of Chapter 7 of the Capital Markets Rules of Malta Financial Services Authority.

The Report and Valuation is addressed to the Addressees for the Purpose and it is for the use of and may be relied upon by the Addressees and the shareholders of the Company in connection with the Purpose. Save in respect of the Addressees and shareholders of the Company and, to the fullest extent permitted by law and Capital Markets Rules, we do not assume any responsibility and will not accept any liability to any third party for any loss suffered by any such third party as a result of, or arising out of, or in accordance with this Report and Valuation.

We have given our prior written consent to the publication of this Report and Valuation in the document to be published by the client for financial purposes in relation with an IPO (initial public offering) process of the parent company of the Client secured by the Property, under the requirements of Chapter 7 of the Capital Markets Rules of Malta Financial Services Authority.

Neither the whole nor any part of this valuation, nor any reference thereto, may be included in any documents other than those listed above without our previous written approval to the form and context in which it will appear.

For the avoidance of doubt, this Report and Valuation is provided by Colliers Valuation and Advisory Romania and no partner, member or employee assumes any personal responsibility for it nor shall owe a duty of care in respect of it.

Yours faithfully,

Colliers Valuation and Advisory

Anca Baldea
ANEVAR and MRICS Registered Valuer
Colliers Valuation and Advisory Romania

Aurelia Stefania Bobe
ANEVAR member
Colliers Valuation and Advisory Romania





ANNEX III – PROFIT FORECASTS AND ACCOUNTANT’S REPORT

SUMMARY OF SIGNIFICANT ASSUMPTIONS AND ACCOUNTING POLICIES

1 Introduction

The projected statement of financial position, the statement of comprehensive income and the projected statement of cash flows of the Hili Properties p.l.c. for the four year period 1 January 2021 to 31 December 2024 (“the profit forecasts”) have been prepared to provide financial information for the purpose of inclusion in the Prospectus of Hili Properties p.l.c. dated 25 October 2021. The profit forecasts as set out in section 9.3 of the Registration Document forming part of the aforementioned Prospectus and the assumptions below are the sole responsibility of the directors of the Hili Properties p.l.c.

The profit forecasts have been prepared on an equity issue by Hili Properties p.l.c. representing 185,185,185 ordinary shares at a price of €0.20 per share and a premium of €0.07 per share.

The profit forecasts for the four-year period ending 31 December 2024 has been based on the projections of Hili Properties p.l.c. and its respective subsidiaries (“the Group”) covering the period from 1 January 2021 to 31 December 2024.

The profit forecasts are intended to show a possible outcome based on a mixture of best-estimate assumptions as to future events, which the directors expect to take place and actions the directors expect to take, and hypothetical assumptions about future events and management actions which might not necessarily occur. Events and circumstances frequently do not occur as expected and therefore actual results may differ materially from those included in the profit forecasts. Attention is drawn, in particular, to the risk factors set out in the Prospectus which describe the primary risks associated with the business and operations to which the profit forecasts relate.

The projected 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 financial results, financial position and cash flows of the Group in accordance with International Financial Reporting Standards as adopted by the EU.

The directors have exercised due care and diligence in adopting the assumptions disclosed below. The profit forecasts were formally approved on 14 October 2021 by the directors and the stated assumptions reflect the judgements made by the directors as at that date. The assumptions that the directors believe are significant to the profit forecasts are set out in section 3 below and in section 9.3 of the Registration Document.

2 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of Hili Properties p.l.c. are set out in the audited financial statements of its constituent companies for the year ended 31 December 2020. Where applicable, these accounting policies, in so far as they relate to recognition and measurement criteria, have been consistently applied in the preparation of the profit forecasts.

3 BASIS OF PREPARATION AND PRINCIPAL ASSUMPTIONS

The projected financial information covers the operations of the Group in its current form but also includes the impact of potential new investment property acquisitions in which the Group may participate.

The principal assumptions relating to the environment in which Hili Properties p.l.c. operates, and the factors which are exclusively outside the influence of the directors and which form the basis of the projected financial information are the following:

- there will be no material adverse events originating from the property market and economic conditions;
- the Group will enjoy the confidence of its bankers;
- interest rates and rates of exchange will not change materially throughout the period covered by the projection;
- the basis and rates of taxation will not change materially throughout the period covered by the projection; and
- the rate of inflation will not exceed that experienced in the last few years.

The principal assumptions relating to the environment in which Hili Properties p.l.c. operates and the factors which the directors can influence and which underlie the profit forecasts, are the following:



3.1 RENTAL INCOME

The Group's projected revenue for the four years up to 31 December 2024 predominantly includes base rents that the Group expects to receive from operating the 75,466 sqm investment property portfolio held – Asset locations spread across Malta, Latvia, Lithuania, Estonia and Romania. The terms of the individual agreements differ between one lease agreement and another, however, the weighted average unexpired lease term (WAULT) equates to c. 9 years. Some of these lease contracts provide for turnover rents and/or include break options. Turnover rent is based on a predetermined percentage of revenue that the respective tenant generates, if the turnover that is generated by that tenant exceeds a specified amount, and such turnover rent is included in the projections, based on historical levels achieved by the Group.

The forecast for the year ending 31 December 2021 is based primarily on actual rentals and costs registered in the six months to 30 June 2021 and on the expected results for the six months ending 31 December 2021, assuming a continuation of existing conditions.

Base rent projections have been prepared on the basis of signed contracts as at 30 June 2021. Base rent projections assume the continuation of all existing contracts at the current level of occupancy of 95%, based on an annual increase to the base rent as stipulated in the respective operating lease agreements. The projections also include the rental income expected to be generated from the net increase in investment property expected to take place between 1 January 2022 and 31 December 2024.

3.2 DIRECT OPERATING EXPENSES

Direct costs primarily comprise real estate tax, property management fees, insurance, repairs and maintenance and marketing expenses, net of recharges to the tenants. Following the projected disposal of an investment property currently held by the Group, the direct operating expenses are expected to decrease from 2023 onwards.

3.3 ADMINISTRATIVE EXPENSES

Administrative expenses shall primarily comprise professional fees, payroll costs, directors' fees, management fees, depreciation and other general expenses. These expenses have been projected at the levels experienced in the recent years, applying an inflation rate in line with the levels encountered in the last few years.

3.4 INVESTMENT INCOME

Investment income mainly relates to the non-cash fair value gains expected to be generated between 1 January 2021 and 31 December 2024, on the investment portfolio held by the Group. The projections are based on the expectation that the market value of the investment property portfolio will increase at the rate of 1% per annum, based on the levels experienced in recent years.

3.5 INVESTMENT LOSSES

Investment losses mainly relate to the acquisition related costs expected to be incurred following the acquisition of investment properties.

3.6 FINANCE COSTS

Finance costs primarily relate to the Group's bank borrowings and the debt securities in issue, including interest costs and similar finance charges.

The Group's outstanding bank borrowings as at 31 December 2020 amounted to €40.8 million and are subject to an effective interest rate ranging between 3.25% and 4.85% per annum, whilst the debt securities in issue relate to the €37 million 4.5% unsecured bonds of a nominal value of €100 per bond issued in October 2015 and redeemable in October 2025.

The projections assume that the bank loans shall be repaid over the projection period in line with the sanction letters, however, during year ending 31 December 2023, the projections assume that additional bank financing will be raised to finance the acquisition of new investment properties.

3.7 TAXATION

Current taxation is provided at the domestic income tax rates of the jurisdictions where the Group is tax resident, ranging between 2% to 35% of the taxable results of the Group's chargeable income for the period. Current tax recognized in Malta is accounted for at 35% but reduced to 15% where appropriate when income derived from rentals is taxable at this rate.



Deferred tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

3.8 EARNINGS PER SHARE

Earnings per share are based on the projected profit after taxation attributable to the ordinary shareholders of Hili Properties p.l.c. divided by the projected weighted average number of ordinary shares in issue during the respective year.

	2021	2022	2023	2024
	Forecasted	Projected	Projected	Projected
Net profit attributable to equity holders of Hili Properties p.l.c. (€000)	2,016	2,006	3,097	5,808
Weighted average number of ordinary shares in issue (000s) ¹	277,266	485,185	485,185	485,185
Earnings per share (euro cents)	0.73	0.41	0.64	1.20

Note 1: The nominal value of the shares in issue were redenominated to €0.20/shares in 2021 (previously €1/share).

3.9 DIVIDENDS

Net dividends declared for financial year 2022 onwards have been forecast at €5.2 million as explained in section 9.5 of the Registration Document of which these profit forecasts will form part. These projected levels of dividends are being made for illustrative purposes only and are based on the current dividend policy of the directors, which is subject to change, particularly in the event of future acquisitions in new investment properties.

3.10 INVESTMENT PROPERTY AND PROPERTY HELD FOR SALE

The Group's investment property portfolio as at 31 December 2020 amounted to €105 million. The investment property portfolio is expected to increase to €177 million by 31 December 2024, following acquisitions of c. €101 million, net of disposals of *circa* €34 million and non-cash fair value gains of €5 million. The acquisitions are expected to be financed through proceeds raised from the initial public offering, bank financing, and disposals of existing property.

The Group's property held for sale as at 31 December 2020 amounted to €7.7 million. The projections assume that all property held for sale is sold in year ending 31 December 2021, based on negotiations currently in place.

3.11 WORKING CAPITAL ASSUMPTIONS

The company's working capital mainly consists of the net impact of trade and other receivables together with trade and other payables. Current trade and other payables includes amounts relating to rental income received in advance.

Within the profit forecasts, settlement of normalised trade receivable balances has been assumed to be effected within the normal credit terms granted to tenants as at 31 December 2020. Also, settlement of trade payable balances has been assumed to be affected within the normal credit terms allowed by creditors as at 31 December 2020.

The Directors, after thorough analysis, are of the opinion that should there be any unforeseen circumstances beyond their control, the working capital shall be sufficient for the continuation of the business operations.

4 CONCLUSION

The Directors believe that the assumptions on which the profit forecasts are based are reasonable.

Approved by the board of directors on 14 October 2021 and signed on their behalf by:

Pier Luca Demajo

Georgios Kakouras

The Board of Directors
Hili Properties p.l.c.
Nineteen Twenty Three
Valletta Road,
Marsa, MRS 3000
Malta

14 October 2021

Dear Sirs,

Independent accountant's report on the projected financial information of Hili Properties p.l.c.

We report the projected statement of financial position, comprehensive income and cash flows of Hili Properties p.l.c. for the four year period ending 31 December 2024 ("the projected financial information"). The projected financial information, the basis of preparation and the material assumptions upon which the projections are based, are set out in Annex III in sections 1 to 4 of the Registration Document issued by the Hili Properties p.l.c. dated 25 October 2021.

Directors' responsibility for the projected financial information

It is the sole responsibility of the Directors of Hili Properties p.l.c. to prepare the projected financial information and the respective assumptions upon which it is based, as set out in sections 1 to 4 of Annex III.

Our independence and quality control

We have carried out our work in accordance with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our company applies International Standard on Quality Control 1 whilst maintaining a thorough system of quality control including documented policies and procedures with regard to ethical requirements compliance, professional standards and applicable legal and regulatory requirements.

Accountant's responsibility

Although not requested by the Prospectus Regulation, you have requested us to present an opinion as to the proper compilation of the projected financial information in so far as the application of the underlying accounting policies and accuracy of calculations are concerned, and to report that opinion to you.

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 this report or our statement, required by and given solely for the purposes requested by the Directors, consenting to its inclusion in the Prospectus.

Basis of preparation of the projected financial information

The projected financial information has been prepared on the basis stated in Section 3 of Annex III of the Registration Document and is based on a projection covering the four year period to 31 December 2024. The projected financial information must be presented on a basis consistent with the accounting policies of the Hili Properties p.l.c.

Basis of opinion

We have examined the basis of compilation and the accounting policies of the accompanying projected financial information of Hili Properties p.l.c. for the four year period ending 31 December 2024 in line with ISAE 3400 “The Examination of Prospective Financial Information”. Our work included evaluating the basis on which the financial information included in the projection has been prepared and considering whether the projected financial information has been accurately computed based upon the disclosed assumptions and the accounting policies of Hili Properties p.l.c.

The assumptions upon which the projected financial information is based are solely the responsibility of the Directors of Hili Properties p.l.c. and accordingly we express no opinion on the validity of the assumptions.

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 projected 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 projected 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 projected 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 projected financial information and differences may be material. Also, we have not, in the course of the engagement, performed an audit or a review of the actual financial information for the four years ending 31 December 2024 which was used in compiling the projected financial information.

Opinion

In our opinion, the projected financial information has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies of Hili Properties p.l.c.



Partner

Grant Thornton
For Business Centre (Level 2)
Triq L-Intornjatur, Zone 1
Central Business District
Birkirkara, CBD 1050
Malta



SECURITIES NOTE

dated 25 October 2021

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

This Securities Note is issued pursuant to the requirements of Rule 4.14 of the Capital Markets Rules and contains information about the New Ordinary Shares being issued by the Issuer pursuant to the Issue. Application has been made for the admission to listing and trading of the Shares 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 Company.

This document is issued in respect of an issue of
185,185,185 ordinary shares of a nominal value of €0.20 each

in

Hili Properties p.l.c.

(a public limited liability company registered under the laws of Malta with company registration number C 57954)

at an Issue Price of €0.27 per ordinary share

ISIN: MT0000940107

Legal Counsel

Sponsor & Joint Manager

Registrar & Joint Manager



THE MALTA FINANCIAL SERVICES 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 CAPITAL MARKETS RULES. IN PROVIDING THIS AUTHORISATION, THE MALTA FINANCIAL SERVICES 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.

THIS SECURITIES NOTE HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY AS COMPETENT AUTHORITY UNDER REGULATION (EU) 2017/1129. THE MALTA FINANCIAL SERVICES AUTHORITY ONLY APPROVES THIS SECURITIES NOTE AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY REGULATION (EU) 2017/1129. SUCH APPROVAL SHALL NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER AND/OR THE SECURITIES THAT ARE THE SUBJECT OF THIS SECURITIES NOTE. THIS SECURITIES NOTE HAS BEEN DRAWN UP AS A SIMPLIFIED PROSPECTUS IN ACCORDANCE WITH ARTICLE 14 OF REGULATION (EU) 2017/1129.

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 ADVISER. INVESTORS SHOULD MAKE THEIR OWN ASSESSMENT AS TO THE SUITABILITY OF INVESTING IN THE SECURITIES.

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

Approved by the Directors

Pier Luca Demajo

Georgios Kakouras

signing in their capacity as Directors of the Company and for and on behalf of: Peter Hili, Eddy Vermeir, David Aquilina and Laragh Cassar.



IMPORTANT INFORMATION

THIS SECURITIES NOTE CONTAINS INFORMATION IN RELATION TO HILI PROPERTIES P.L.C. (THE “COMPANY” OR “ISSUER”), ITS BUSINESS AND THE COMPANY’S NEW ORDINARY SHARES. IT IS DRAWN UP IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES ISSUED BY THE MALTA FINANCIAL SERVICES AUTHORITY; THE RULES AND REGULATIONS APPLICABLE TO THE ADMISSION OF SECURITIES ON THE OFFICIAL LIST OF THE MSE; THE COMPANIES ACT (CAP. 386 OF THE LAWS OF MALTA); AND THE PROSPECTUS REGULATION.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE COMPANY OR ITS DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE COMPANY 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 COMPANY, ITS DIRECTORS OR ADVISERS.

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

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT AND ANY PERSON WISHING TO ACQUIRE SECURITIES OF THE COMPANY TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF ACQUIRING SECURITIES ISSUED BY THE COMPANY AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND FISCAL OBLIGATIONS IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

THE CONTENTS OF THE COMPANY’S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE COMPANY’S WEBSITE DO NOT FORM PART OF THIS SECURITIES NOTE. 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 SECURITIES OF THE COMPANY.

ALL THE ADVISERS TO THE COMPANY HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE COMPANY IN RELATION TO THIS SECURITIES NOTE AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON. NONE OF THE ADVISERS ACCEPT ANY RESPONSIBILITY TOWARDS 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 COMPANY CONFIRM THAT WHERE INFORMATION INCLUDED IN THIS SECURITIES NOTE HAS BEEN SOURCED FROM A THIRD PARTY, SUCH INFORMATION HAS BEEN ACCURATELY REPRODUCED AND AS FAR AS THE DIRECTORS OF THE COMPANY 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 ISSUE WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 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). AS SUCH, SUBJECT TO CERTAIN EXCEPTIONS, THE NEW ORDINARY SHARES MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO U.S. PERSONS. FURTHERMORE, IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA), THE NEW ORDINARY SHARES MAY ONLY BE OFFERED, SOLD OR DELIVERED TO, SUBJECT TO CERTAIN EXCEPTIONS, AND ACCEPTED BY “QUALIFIED INVESTORS” (AS DEFINED IN THE PROSPECTUS REGULATION) OR IN OTHER CIRCUMSTANCES FALLING WITHIN ARTICLE 3(2) OF THE PROSPECTUS REGULATION. IN ALL CASES THE MAKING OF THE ISSUE OF THE NEW ORDINARY SHARES IN SUCH CIRCUMSTANCES SHALL NOT REQUIRE THE PUBLICATION BY THE ISSUER OR ANY OTHER PERSON OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS REGULATION.

THIS SECURITIES NOTE 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 NEW ORDINARY SHARES PURSUANT TO THE PROSPECTUS SHALL SUBMIT TO THE JURISDICTION OF THE MALTESE COURTS, WITHOUT LIMITING IN ANY MANNER THE RIGHT OF THE ISSUER TO BRING ANY ACTION, SUIT OR PROCEEDING, IN ANY OTHER COMPETENT JURISDICTION, ARISING OUT OF OR IN CONNECTION WITH ANY PURCHASE OF NEW ORDINARY SHARES, OR AGREEMENT, ACCEPTANCE OR CONTRACT RESULTING HEREFROM, OR THE PROSPECTUS AS A WHOLE.

APPLICATION HAS BEEN MADE TO THE MALTA FINANCIAL SERVICES AUTHORITY FOR THE APPROVAL OF THE PROSPECTUS AND FOR THE ADMISSION OF THE NEW ORDINARY SHARES BEING ISSUED BY VIRTUE OF THE ISSUE ON A REGULATED MARKET. APPLICATION HAS ALSO BEEN MADE TO THE MSE, FOR THESE SHARES TO BE ADMITTED TO THE OFFICIAL LIST OF THE MSE.



THE VALUE OF INVESTMENTS CAN FALL AS WELL AS RISE AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. INVESTORS MAY LOSE ALL OR PART OF THEIR CAPITAL INVESTED IN THE COMPANY'S SECURITIES. PROSPECTIVE INVESTORS ARE URGED TO CONSULT A LICENSED STOCKBROKER OR AN INVESTMENT ADVISER LICENSED UNDER THE INVESTMENT SERVICES ACT (CAP. 370 OF THE LAWS OF MALTA) PRIOR TO INVESTING IN SECURITIES ISSUED BY THE COMPANY.

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

A COPY OF THIS SECURITIES NOTE HAS BEEN SUBMITTED TO THE MALTA FINANCIAL SERVICES AUTHORITY IN SATISFACTION OF THE CAPITAL MARKETS RULES, THE MSE IN SATISFACTION OF THE MSE BYE-LAWS AND HAS BEEN DULY FILED WITH THE MALTA BUSINESS REGISTRY IN ACCORDANCE WITH THE COMPANIES ACT (CAP. 386 OF THE LAWS OF MALTA).

IN TERMS OF ARTICLE 12(1) OF THE PROSPECTUS REGULATION, THIS SECURITIES NOTE SHALL REMAIN VALID FOR A PERIOD OF TWELVE MONTHS FROM 25 OCTOBER 2021, BEING THE DATE OF THE APPROVAL BY THE MALTA FINANCIAL SERVICES AUTHORITY. THE COMPANY IS OBLIGED TO PUBLISH A SUPPLEMENT ONLY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKE OR MATERIAL INACCURACY RELATING TO THE INFORMATION IN THE PROSPECTUS WHICH MAY AFFECT THE ASSESSMENT OF THE SECURITIES AND WHICH ARISES OR IS NOTED BETWEEN THE TIME WHEN THE PROSPECTUS IS APPROVED AND THE CLOSING OF THE ISSUE PERIOD OR THE TIME WHEN TRADING ON A REGULATED MARKET COMMENCES, WHICHEVER OCCURS LATER.



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, expressed 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:

Applicant/s	a person or persons, in the case of joint applicants, whose name or names appear in the registration details of the Application Form;
Application/s	the offer made by an Applicant to subscribe for New Ordinary Shares by completing an Application Form and delivering it to any of the Authorised Financial Intermediaries;
Application Form/s	the forms of application to subscribe for New Ordinary Shares, specimens of which are set out in Annex II of this Securities Note;
Authorised Financial Intermediaries	the licensed stockbrokers and financial intermediaries as listed in Annex I of this Securities Note;
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;
CSD	the Central Securities Depository of the Malta Stock Exchange authorised in terms of Part IV of the Financial Markets Act (Cap. 345 of the laws of Malta), having its address at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Excluded Territories and each an Excluded Territory	the United States of America, Canada, Japan, the Republic of South Africa and any other jurisdiction where the extension into or availability of the Issue would breach any applicable law;
Hili Ventures Group Securities Holders	a holder of one or more of the Securities as at 26 October 2021 (last trading date being on 22 October 2021);
Hili Ventures Group Employees	those persons employed on a full-time basis or engaged to provide directorship services by any subsidiary or parent company of Hili Ventures as at the date of the Prospectus;
Income Tax Act	the Income Tax Act (Cap. 123 of the laws of Malta);
Issue	the offer of the New Ordinary Shares being made by the Company at the Issue Price pursuant to the Prospectus;
Issue Period	the period between 08:30 hours on 4 November 2021 and 14:00 hours on 26 November 2021 (both dates inclusive) or such earlier date as may be determined by the Issuer but in any case not earlier than 14:00 hours on 17 November 2021, during which the New Ordinary Shares are on offer for subscription;
Issue Price	the price of €0.27 per New Ordinary Share save that in the case of Applications submitted by Hili Ventures Group Employees, a 10% discount on the Issue Price (equivalent to a €0.027 discount per New Ordinary Share resulting in a price of €0.243 per New Ordinary Share) shall apply. Such discount shall apply on the first 18,518,518 New Ordinary Shares applied for by Hili Venture Group Employees as further detailed in section 6.3 of this Securities Note;
Placement Agreements	agreements signed with a number of Authorised Financial Intermediaries as further described in section 6.4 of this Securities Note;
Preferred Applicant/s	the Hili Ventures Group Securities Holders and the Hili Ventures Group Employees;
Registrar & Joint Manager	Bank of Valletta p.l.c. a public limited liability company having its registered office at 58, Zachary Street, Valletta VLT 1130 Malta and bearing company registration number C 2833;



Securities

either of: (i) the €36 million unsecured bonds due 2024 bearing interest at the rate of 5.1% per annum issued by 1923 Investments p.l.c. (formerly PTL Holdings p.l.c.) following the publication of a prospectus dated 03 November 2014; or (ii) the €37 million unsecured bonds due 2025 bearing interest at the rate of 4.5% per annum issued by the Company following the publication of a prospectus dated 18 September 2015; or (iii) the €65 million unsecured bonds due 2026 bearing interest at the rate of 3.75% per annum issued by Premier Capital p.l.c. following the publication of a prospectus dated 21 October 2016; or (iv) the €40 million unsecured bonds due 2028 bearing interest rate of 3.85% per annum issued by Hili Finance Company p.l.c. following the publication of a prospectus dated 4 July 2018; or (v) the €80 million unsecured bonds due 2029 bearing interest at the rate of 3.8% per annum issued by Hili Finance Company p.l.c. following the publication of a prospectus dated 18 July 2019; or (vi) the ordinary shares of Harvest Technologies p.l.c. listed on the MSE following the publication of a prospectus dated 18 November 2019;

Sponsor & Joint Manager

Calamatta Cuschieri Investment Services Limited, a private limited liability company registered under the laws of Malta having its registered office at Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta and bearing company registration number C 13729; and

Terms and Conditions

the terms and conditions of Application relating to the New Ordinary Shares as set out in this Securities Note.

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

Unless it appears otherwise from the context:

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



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1. RISK FACTORS

1.1 GENERAL

AN INVESTMENT IN THE NEW ORDINARY SHARES INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS BEFORE DECIDING TO ACQUIRE THE NEW ORDINARY SHARES. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS INTENDED TO BE INDICATIVE OF THE ORDER OF PRIORITY AND OF THE EXTENT OF THEIR CONSEQUENCES.

NEITHER THIS SECURITIES NOTE, NOR ANY OTHER PARTS OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE NEW ORDINARY SHARES: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY ACQUISITION OR OTHER EVALUATION OR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE COMPANY OR THE SPONSOR 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 NEW ORDINARY SHARES, SHOULD PURCHASE ANY NEW ORDINARY SHARES.

ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.

1.2 FORWARD LOOKING STATEMENTS

This Securities Note may contain “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 Company’s Directors. No assurance is given that future results or expectations will be achieved.

1.3 RISKS RELATING TO THE NEW ORDINARY SHARES

- The impact of COVID-19, and other infectious illness outbreaks that may arise in the future, could adversely affect the economies of many nations or the entire global economy, individual issuers and capital markets in ways that cannot necessarily be foreseen. The existence of an orderly and liquid market for the New Ordinary Shares depends on a number of factors, including but not limited to the presence of willing buyers and sellers of the Company’s New Ordinary Shares at any given time and the general economic conditions in the market in which the New Shares are traded. Such factors are dependent upon the individual decisions of Shareholders and the general economic conditions of the market, over which the Company has no control. Accordingly, there can be no assurance that an active secondary market for the New Ordinary Shares will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that a Shareholder will be able to sell or otherwise trade in the New Ordinary Shares at all.
- Investment in the New Ordinary Shares involves the risk that subsequent changes in market interest rates may adversely affect the value of the New Ordinary Shares.
- A Shareholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the New Ordinary Shares (€) and the Shareholder’s currency of reference, if different.
- The New Ordinary Shares represent equity interests in the Company that entitle the holder to rank *pari passu* with all other holders of the Existing Ordinary Shares in the Company upon any distribution of assets in a winding up situation. The New Ordinary Shares of the Company are subordinated to any debt instruments in the Company’s capital structure and will therefore be subject to greater credit risk than debt instruments of the Company.
- The terms and conditions of the admission to trading of the New Ordinary Shares are based on Maltese law in effect as at the date of this Securities Note. 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 Securities Note.
- No prediction can be made about the effect which any future public offerings of the Company’s shares, or any takeover or merger activity involving the Company, will have on the market price of the shares prevailing from time to time.
- In the event that the Company wishes to amend any of the rights of Shareholders it shall call a meeting of Shareholders in accordance with the Company’s Memorandum and Articles of Association. These provisions permit defined majorities to bind all Shareholders including Shareholders who did not attend and vote at the relevant meeting and Shareholders who voted in a manner contrary to the majority.
- Application has been made to seek a listing of the Shares on the Malta Stock Exchange, which exchange is a smaller market and less liquid than the more developed stock markets in Europe and the United States.
- The limited liquidity of the market for the New Ordinary Shares could increase the price volatility of the New Ordinary Shares and may impair the ability of a holder of New Ordinary Shares to sell such New Ordinary Shares in the market in the amount and at the price and time such holder wishes to do so.
- The price at which the New Ordinary Shares will be traded, as well as the sales volume traded, will be subject to fluctuations. Whilst these movements may not necessarily be caused by the Company’s business activity or its results of operations, it is also possible that the Company’s results of operations or its business outlook may fall short of expectations, in which case the price of the New Ordinary Shares could be negatively affected.
- An investment in the Company may not be suitable for all recipients of this Securities Note and prospective Shareholders are urged to consult their advisers as to the suitability or otherwise of acquiring the New Ordinary Shares before such acquisition.



- The Company's results can fluctuate and its ability to pay dividends is dependent on, amongst other things, it achieving sufficient profits. The Company may not pay dividends if the Directors believe this would cause the Company to be less adequately capitalised or that there are otherwise insufficient distributable reserves or for various other reasons. Future dividends will depend on, among other factors, the Company's future profits, financial position, working capital requirements, general economic conditions and other factors that the Directors deem significant from time to time. The prospective dividend policy set out in section 9.5 of the Registration Document should be read accordingly.

2. PERSONS RESPONSIBLE & CONSENT FOR USE OF THE PROSPECTUS

2.1 PERSONS RESPONSIBLE

This document includes information given in compliance with the Capital Markets Rules and the Prospectus Regulation for the purpose of providing prospective investors with information with regard to the Company and the Shares. All of the Directors of the Company, whose names appear under the sub-heading 6.1 in section 6 of the Registration Document entitled "*The Board*", accept responsibility for the information contained in this Securities Note.

To the best of the knowledge and belief of the Directors of the Company, 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 Company accept responsibility accordingly.

2.2 CONSENT FOR USE OF PROSPECTUS

Consent in connection with the use of the Prospectus by the Authorised Financial Intermediary during the Issue Period:

For the purposes of any subscription for the New Ordinary Shares through any of the Authorised Financial Intermediaries during the Issue Period, in terms of this Securities Note and any subsequent resale, placement or other offering of New Ordinary Shares by such Authorised Financial Intermediary in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Regulation, the Company consents to the use of this Securities Note (and accepts responsibility for the information contained herein) with respect to any such subsequent resale or placement or other offering of the New Ordinary Shares, provided this is limited only:

- i. in respect of the New Ordinary Shares subscribed for through the Authorised Financial Intermediary during the Issue Period;
- ii. to any resale or placement of the New Ordinary Shares subscribed for as aforesaid, taking place in Malta; and
- iii. to any resale or placement of the New Ordinary Shares subscribed for as aforesaid, taking place within the period of 120 days from the date of the Prospectus. It is solely the responsibility of the Authorised Financial Intermediary to ensure its 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 New Ordinary Shares. Other than as set out above, neither the Company nor the Sponsor has authorised (nor do they authorise or consent to the use of this Securities Note in connection with) the making of any public offer of the New Ordinary Shares by any person in any circumstances. Any such unauthorised offers are not made on behalf of the Company or the Sponsor and neither the Company nor the Sponsor 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, they 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 Securities Note. If given or made, it must not be relied upon as having been authorised by the Company or its advisers. The Company does not accept responsibility for any information not contained in this Securities Note.

In the event of a resale, placement or other offering of the New Ordinary Shares by the Authorised Financial Intermediary, the Authorised Financial Intermediary shall be responsible for providing 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 the New Ordinary Shares 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 Company nor the Sponsor has any responsibility or liability for such information.

Any Authorised Financial Intermediary using this Securities Note in connection with a resale, placement or other offering of New Ordinary Shares subsequent to the Issue shall, limitedly for the period of 120 days from the date of the Prospectus, publish on its website a notice to the effect that it is using this Securities Note for such resale, placement or other offering in accordance with the consent of the Company 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 any Authorised Financial Intermediary unknown at the time of the approval of this Securities Note will be made available through a company announcement which will also be made available on the Company's website: <https://hiliproperties.com>

3. KEY INFORMATION

3.1 WORKING CAPITAL

The Directors, after reasonable inquiry and after taking the proceeds of the Issue into consideration, are of the opinion that the working capital available to the Company is sufficient for the Company's present business requirements for the next twelve months of operations.

3.2 CAPITALISATION AND INDEBTEDNESS

This section summarises the capitalisation and indebtedness of the Group for the last three financial years and as at 31 August 2021.

Group - Consolidated Statement of Capitalisation

EUR Millions	Dec-18	Dec-19	Dec-20	Aug-21
	Audited	Audited	Audited	Unaudited
Current debt (including current portion of non-current debt)				
Bank debt (guaranteed, secured)	3.5	3.5	5.3	2.7
Total current debt	3.5	3.5	5.3	2.7
Non-Current debt (excluding current portion of non-current debt)				
Bank debt (guaranteed, secured)	47.2	41.9	35.6	40.4
Debt securities in issue (unsecured)	36.5	36.6	36.6	36.7
Third party borrowings (unsecured)	-	-	0.1	0.1
Total non-current debt	83.7	78.5	72.3	77.2
Shareholder Equity				
Share capital	40.4	40.4	41.6	41.6
Retained earnings	11.2	16.6	20.5	23.2
Other reserves	0.6	0.6	0.6	0.8
Total shareholder equity	52.2	57.6	62.7	65.6
Total capitalisation	139.4	139.6	140.3	145.5

As at December 2020, the Group's total capitalisation amounted to around €140m comprising of around €41m in bank debt, unsecured bonds of €36.6m, other third party borrowings of around €0.1m and shareholder funds of around €63m. The Group's bank loans facilities bear effective interest at the rates of 3.25% to 4.85% *per annum*, and are repayable within the next 10-year period. The facilities are secured by special hypothecs over the investment property of the Group, a general hypothec over the assets of the Group, guarantees provided by other related parties and a pledge over rent receivable from the Company's tenants.

During the period ending 31 August 2021, the Group secured additional bank borrowings of €4m from local banks, after repaying €2.3m of bank debt. Therefore, in addition to the current year profits, the Group's capitalisation amounted to around €146m as at 31 August 2021.



Group - Consolidated Statement of Indebtedness

EUR Millions	Dec-18	Dec-19	Dec-20	Aug-21
	Audited	Audited	Audited	Unaudited
Cash and bank balances	(2.9)	(7.1)	(3.1)	(6.8)
Other financial assets	(1.2)	(1.2)	(5.2)	(4.5)
Liquidity	(4.1)	(8.3)	(8.3)	(11.3)
Current financial debt from third parties (unsecured)	-	-	-	-
Current portion of non-current bank debt (guaranteed, secured)	3.5	3.5	5.3	2.7
Current portion of non-current financial debt (leases)	-	-	-	-
Current financial indebtedness	3.5	3.5	5.3	2.7
Net current financial indebtedness	(0.6)	(4.8)	(3.0)	(8.6)
Non-Current financial indebtedness / (net liquidity)				
Non-current bank debt (guaranteed, secured)	47.2	41.9	35.6	40.4
Debt securities in issue (unsecured)	36.5	36.6	36.6	36.7
Non-current other financial debt (leases)	-	-	0.2	0.1
Non-current trade and other payables	2.5	3.8	2.2	2.1
Non-Current financial indebtedness	86.2	82.3	74.6	79.3
Net financial indebtedness	85.6	77.5	71.6	70.7

As at 31 August 2021, the Group's net financial indebtedness amounted to €70.7m, which represents a decrease of €0.9m from the net financial indebtedness as at 31 December 2020. The decrease is mainly attributable to a reduction of other financial assets of €0.7m, additional bank loans taken up by the Group of €4m, less bank debt repayment of €2.3m as at 31 August 2021.

3.3 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

None of the persons mentioned in section 6.1 or section 6.2 of the Registration Document will participate in the Issue.

3.4 REASON FOR THE ISSUE AND USE OF PROCEEDS

The proceeds, which net of expenses are expected to be in the region of €49m, will be utilised to finance new property acquisitions. It is anticipated that €30m will be utilised in terms of an acquisition of immovable property in 2022, whilst €19m will be utilised to partially finance a property acquisition in 2023. The acquisitions will be fully funded through a mix of readily-available own funds, and financing from bank and parent company.

For the purpose of identifying such properties, the Board aims to acquire attractively priced commercial properties located in *inter alia*, Malta, Estonia, Latvia, Lithuania, Romania and other developed countries such as Poland. Furthermore, in accordance with the principle of generating sustainable income for the Issuer, the Directors shall select commercial properties that have a high level of tenancy.

As at the date of the Prospectus, the Issuer is in advanced discussions to acquire properties in the Baltics and in Poland. Please see section 5.2.2 entitled "Imminent Investments" of the Registration Document.

For the purposes of Article 85(5) and Article 97 of the Act, the allotment of New Ordinary Shares is conditional upon a minimum raise of €27m which will represent at least 25% of the issued share capital of the Company. Should the minimum raise not be achieved, no allotment of New Ordinary Shares will be made, the subscription for New Ordinary Shares shall be deemed not to have been accepted by the Issuer and all proceeds received from Applicants shall be refunded accordingly.

Should only €27m be raised, the amount of €27m will be utilised for the acquisition of immovable property in 2022, with readily-available own funds and financing from bank and parent company utilised to make up the shortfall (if any) and the second acquisition planned for 2023.



4. INFORMATION CONCERNING THE NEW ORDINARY SHARES TO BE ADMITTED TO TRADING

4.1 GENERAL

The New Ordinary Shares to be issued and allotted pursuant to the Issue are ordinary shares in the Company having a nominal value of €0.20 per share. The New Ordinary Shares (upon issuance and allotment) and the Existing Ordinary Shares will constitute the entire issued share capital of the Company.

The New Ordinary Shares are being created in terms of the Act and subject to the Company's Memorandum and Articles of Association.

The Issue Price is €0.27 per New Ordinary Share, which includes a premium of €0.07 over nominal value, save that in the case of Applications submitted by Hili Ventures Group Employees, a 10% discount on the Issue Price (equivalent to a €0.027 discount per New Ordinary Share resulting in a price of €0.243 per New Ordinary Share) shall apply in respect of the first 18,518,518 New Ordinary Shares applied for by Hili Ventures Group Employees.

Subject to admission to listing of the Shares to the Official List of the MSE, the Shares will be assigned ISIN MT0000940107.

The New Ordinary Shares will be issued in fully registered and dematerialised book-entry form and will be represented in uncertificated form by the appropriate book-entry in the electronic register maintained on behalf of the Issuer at the CSD or in such other form as may be determined from time to time by applicable law, the requirements of the MSE or the Issuer.

The Issue is open for subscription to all categories of investors.

The Issue Period during which Applicants may apply for the New Ordinary Shares shall be between 08:30 hours on 4 November 2021 and 14:00 hours on 26 November 2021 (both days included) or such earlier date as may be determined by the Issuer but in any case not earlier than 14:00 hours on 17 November 2021.

Application Forms 'A' will be mailed to Hili Ventures Group Securities Holders on 3 November 2021, Application Forms 'B' will be available to Hili Ventures Group Employees from the Company's offices as from 4 November 2021, and Application Forms 'C' will be available to the general public as from 4 November 2021.

4.2 RIGHTS ATTACHED TO THE NEW ORDINARY SHARES

The Existing Ordinary Shares and the New Ordinary Shares, once the latter have been issued and allotted, shall form part of one class of ordinary shares in the Company and shall accordingly have the same rights and entitlements. The following are highlights of the rights attached to the Shares:

Dividends:	on issue, the New Ordinary Shares shall carry the right to participate in any distribution of dividends declared by the Company <i>pari passu</i> with all other shares in the same class. Dividends may be declared by the Company in general meetings. The amount declared shall not exceed the amount recommended by the Directors. The Directors may deduct from any dividend or other monies payable to any member on or in respect of a share all sums of money (if any) presently payable by them to the Company on account of calls or otherwise in relation to shares of the Company. The M&A of the Issuer do not provide for any dividend restrictions and procedures <i>vis-à-vis</i> non-resident holders of New Ordinary Shares. More detail on the dividend policy is found in section 9.5 of the Registration Document;
Voting Rights:	each Share shall be entitled to one vote at meetings of Shareholders;
Capital Distributions:	the Shares shall carry the right for the holders thereof to participate in any distribution of capital made whether on a winding up or otherwise, <i>pari passu</i> with all other shares of the same class;
Pre-Emption:	in accordance with Article 88 of the Act, should shares of the Company be proposed for allotment for consideration in cash, those shares must be offered on a pre-emptive basis to Shareholders in proportion to the share capital held by them immediately prior to the new issue of shares. A copy of any offer of subscription on a pre-emptive basis indicating the period within which this right must be exercised must be delivered to the Malta Business Registry for registration. Provided that such registration shall not be required as long as all the Shareholders of the Company are informed in writing of the offer of subscription on a pre-emptive basis and of the period within which this right shall be exercised. The right of pre-emption may be withdrawn by an extraordinary resolution of the general meeting, in which case, the Directors will be required to present to that general meeting a written report indicating the reasons for restriction/withdrawal of the said right and justifying the issue price;
Assets upon Liquidation:	all holders of Shares shall rank <i>pari passu</i> upon any distribution of assets in a winding up;



Mandatory Takeover Bids, Squeeze-Out and Sell-Out Rules:	chapter 11 of the Capital Markets Rules, as may be amended, implementing the relevant provisions of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004, regulates the acquisition by a person or persons acting in concert of the control of a company and provides specific rules on takeover bids and the squeeze-out and sell-out mechanisms. The Shareholders may be protected by the said Capital Markets Rules in the event that the Company is the subject of a Takeover Bid (as defined therein). The Capital Markets Rules may be viewed on the official website of the Malta Financial Services Authority; and
Other:	the Shares are not redeemable and not convertible into any other form of security.

4.3 TRANSFERABILITY OF THE NEW ORDINARY SHARES

The New Ordinary Shares shall be freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole (that is in multiples of one (1) New Ordinary Share) in accordance with law, including the rules and regulations of the MSE applicable from time to time and with the Articles.

All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the New Ordinary Shares, to any applicable laws and regulations and to the Articles.

The cost and expenses of effecting any registration of transfer or transmission of the New Ordinary Shares, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Company 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 transferor/transferee, as applicable.

The minimum subscription and multiples requirements described in section 6.1(6) of this Securities Note shall only apply for Applications submitted in terms of the Issue. As such, no minimum holding requirement and multiples restrictions shall be applicable once the New Ordinary Shares are admitted to listing on the Official List of the MSE and commence trading thereafter.

4.4 AUTHORISATIONS AND ADMISSIBILITY TO LISTING AND TRADING

The Issue has been authorised by the Board through a resolution dated 14 October 2021 as is permitted in terms of Article 6 of the Articles.

The Malta Financial Services Authority authorised the Shares as eligible to listing on the MSE pursuant to the Capital Markets Rules by virtue of a letter dated 25 October 2021.

The Shares are expected to be admitted to the MSE with effect from 15 December 2021 and trading may commence on the next Business Day.

5. TAXATION

5.1 GENERAL

Shareholders 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 New Ordinary Shares, including their acquisition, holding and disposal as well as any income/gains derived therefrom or made on their disposal. The following is a summary of the anticipated tax treatment applicable to Shareholders 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 Company 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 who do not deal in the acquisition and disposal of securities in the course of their normal trading activity. The precise implications for Shareholders will depend, among other things, on their particular circumstances and on the classification of the shares from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

5.2 TAXATION OF THE COMPANY

The Company, being a company incorporated in Malta, is subject to Maltese income tax on its worldwide profits. The normal Maltese corporate tax rate of 35% is chargeable on the taxable profits, although certain tax exemptions or lower tax rates may possibly apply in respect of certain particular sources of income.



The Company may be entitled to receive dividend income from its Maltese subsidiaries. Such dividends should not be chargeable to further tax at the level of the Company, whether by way of withholding tax or otherwise.

If the Company receives any income from foreign sources (including capital gains, dividends, interest and any other income), such income should also be subject to tax in Malta at the corporate tax rate of 35% but relief for taxation paid abroad by the Company (including by way of withholding), if any, may be claimed by the Company against the respective income tax liability in terms of the provisions of Part X of the Income Tax Act (Cap. 123 of the Laws of Malta) and subject to the statutory conditions set out therein. In certain instances, foreign sourced income received by the Company may be exempt from corporate tax in the hands of the Company.

5.3 TAXATION OF SHAREHOLDERS

5.3.1 Income tax on acquisition of New Ordinary Shares

Following the listing of the New Ordinary Shares on the MSE, the acquisition of New Ordinary Shares in the Company should not trigger a Maltese income tax liability.

5.3.2 Income tax on dividends arising from the holding of New Ordinary Shares

In general, distributions of dividends by the Company to its shareholders comprising of profits that were taxed in Malta in the hands of the Company are not subject to any further tax.

However if the Company were to distribute dividends from untaxed profits (which are not tax exempt in the hands of the shareholders), such dividends may be subject to a 15% withholding tax in the case where the shareholder is any one of the following:

- (i) a person, other than a company, resident in Malta in the year in which a dividend is received by him or by any person on his behalf; or
- (ii) a non-resident person (including a non-resident company) who is owned and controlled by, directly or indirectly, or who acts on behalf of, an individual who is ordinarily resident and domiciled in Malta; or
- (iii) a trustee of a trust where the beneficiaries of such trust are persons referred to above in (i) and (ii); or
- (iv) an EU/EEA individual (and his or her spouse where applicable) where the Maltese Commissioner for Revenue is satisfied that the said EU/EEA individual derives at least 90% of his worldwide income from Malta.

5.3.3 Income tax on capital gains on transfer of the New Ordinary Shares

Following the listing of the New Ordinary Shares on the MSE, in general, capital gains derived from the disposal of New Ordinary Shares in the Company should be exempt from tax on capital gains in the hands of the shareholder.

5.3.4 Duty on documents and transfers

Transfers of the New Ordinary Shares may be subject to stamp duty under the Duty on Documents and Transfers Act (Cap. 364 of the Laws of Malta).

However, following the listing of the New Ordinary Shares on the MSE, transfers of shares in the Company should be exempt from the payment of stamp duty.

THIS INFORMATION IS BEING GIVEN SOLELY FOR GENERAL INFORMATION, IT DOES NOT CONSTITUTE A SUBSTITUTE FOR LEGAL OR TAX ADVICE, AND IT DOES NOT PURPORT TO BE EXHAUSTIVE. 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 SHARES AS WELL AS DIVIDEND PAYMENTS MADE BY THE COMPANY. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE COMPANY AND TO ITS SHAREHOLDERS. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO SHAREHOLDERS WHO DO NOT DEAL IN SHARES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.

6. TERMS AND CONDITIONS OF THE ISSUE

6.1 CONDITIONS

THESE TERMS AND CONDITIONS OF APPLICATION APPLY TO ANY APPLICATION FOR NEW ORDINARY SHARES.

1. The contract created by the acceptance of an Application shall be subject to the terms and conditions set out herein, in the Prospectus and in the respective Application Form.
2. Subject to all other terms and conditions set out in the Prospectus, the Company reserves the right to reject in whole or in part, or to scale down, any Application and 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 Intermediaries and/or the Registrar, is not properly completed in all respects in accordance with the instructions, or is not accompanied by the required documents.



3. In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each Applicant, and liability therefor is joint and several. While joint Applications are to be signed by all parties, the first named Shareholder as registered on the Malta Stock Exchange account shall, for all intents and purposes, be deemed to be the registered holder of the Shares.
4. In the case of corporate Applicants or Applicants having separate legal personality, the Application Form must be signed by a person/s authorised to sign and bind such Applicant. It shall not be incumbent on the Company or Registrar to verify whether the person or persons purporting to bind such an Applicant is or are in fact authorised. Applications by corporate Applicants have to include a valid legal entity identifier ("LEI") which must be unexpired. Applications without such information or without a valid LEI will not be accepted.
5. Applications in the name and for the benefit of minors shall be allowed provided that the Applicant already holds an MSE account and that the Application Form is signed by both parents or the legal guardian/s. Any New Ordinary Shares allocated pursuant to such an Application shall be registered in the name of the minor as the holder of the acquired New Ordinary Shares, with dividends payable to the parents/legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen years, following which all dividends shall be payable directly to the registered holder, provided that the Company has been duly notified in writing of the fact that the minor has attained the age of eighteen years.
6. All Applications for the purchase and acquisition of New Ordinary Shares must be submitted on the appropriate Application Form within the time limits established herein. The minimum application is for 4,000 New Ordinary Shares. Applications in excess of the said minimum threshold must be in multiples of 100 New Ordinary Shares. The completed Application Forms are to be lodged with any of the Authorised Financial Intermediaries mentioned in Annex 1 of this Securities Note. All Application Forms must be accompanied by the full price of the New Ordinary Shares applied for in Euro. In the event that a cheque accompanying an Application Form is not honoured on its first presentation, the respective Authorised Financial Intermediary or the Registrar reserve the right to invalidate the relative Application Form.
7. By completing and delivering an Application Form, you as the Applicant does:
 - (a) irrevocably offer to purchase, and pay the consideration for, the number of New Ordinary Shares specified in the Application Form (or any smaller number for which the Application is accepted) at the Issue Price subject to the provisions of the Prospectus, these Terms and Conditions, the Application Form and the Memorandum and Articles of Association;
 - (b) authorise the Registrar and the Company to include the Applicant's name or in the case of joint Applications, the first-named Applicant, in the register of members of the Company (in respect of the New Ordinary Shares allocated);
 - (c) agree to receive a refund of any unallocated Application monies, without interest, by direct credit, at Applicant's own risk, to the bank account as indicated by Applicant in the Application Form. The Company shall not be responsible for any loss or delay in transmission or any charges in connection therewith;
 - (d) warrant that Applicant's remittance will be honoured on first presentation and agree that, if such remittance is not so honoured, the Applicant will not be entitled to receive a registration advice or to be registered in the register of members or to enjoy or receive any rights in respect of such New Ordinary Shares, unless and until the Applicant makes payment in cleared funds for such New Ordinary Shares and such payment is accepted by the Registrar (which acceptance shall be made in its absolute discretion and may be on the basis that the Applicant indemnify it against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation at any time prior to unconditional acceptance by the Registrar of such late payment in respect of such New Ordinary Shares); the Company may, without prejudice to other rights, treat the agreement to allocate such New Ordinary Shares as void and may allocate such New Ordinary Shares to some other person, in which case the Applicant will not be entitled to any refund or payment in respect of such New Ordinary Shares (other than return of such late payment);
 - (e) agree that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of your remittance and any verification of identity as required in terms of the Prevention of Money Laundering Act 1994 (and regulations made thereunder) and that such monies will not bear interest;
 - (f) agree that all Applications, acceptances of Applications and contracts resulting therefrom will be governed by, and construed in accordance with Maltese law and that you submit to the jurisdiction of the Maltese Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such Applications, acceptances of Applications and contracts in any other manner permitted by law in any court of competent jurisdiction;
 - (g) warrant that, if the Applicant signs the Application Form on behalf of another party or on behalf of a corporation or corporate entity or association of persons, the Applicant has due authority to do so and such person, corporation, corporate entity, or association of persons will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions and undertake to submit the relevant power of attorney or a copy thereof duly certified by a lawyer or notary public if so required by the Registrar;



- (h) agree that, having had the opportunity to read the Prospectus, the Applicant shall be deemed to have had notice of all information and representations concerning the Company and the Issue contained therein;
 - (i) confirm that in making such Application, the Applicant is not relying on any information or representation in relation to the Company or the Issue other than those contained in the Prospectus and the Applicant accordingly agrees that no person responsible solely or jointly for the Application or any part thereof will have any liability for any such other information or representation;
 - (j) confirm that the Applicant has reviewed and will comply with the restriction contained in paragraph (q) and the warning in paragraph 8 below;
 - (k) warrant that the Applicant is not under the age of 18 years or, if the Applicant is lodging an Application in the name and for the benefit of a minor, warrant that the Applicants are the parents or legal guardian/s of the minor;
 - (l) agree that such Application Form is addressed to the Issuer and that, in respect of those Shares for which the Application has been accepted, the Applicant shall receive a registration advice confirming such acceptance;
 - (m) confirm that in the case of a joint Application, the first-named Applicant shall be deemed the holder of the New Ordinary Shares;
 - (n) agree to provide the Registrar or the Authorised Financial Intermediary, as the case may be, with any information which it may request in connection with the Application/s;
 - (o) agree that Calamatta Cuschieri Investment Services Limited will not, in their capacity as Sponsor to the Issue, treat the Applicant/s as their customer by virtue of making an application for New Ordinary Shares or by virtue of the Application to purchase New Ordinary Shares being accepted and they will not owe the Applicant/s any duties or responsibilities concerning the price of the New Ordinary Shares or their suitability for the Applicant/s;
 - (p) warrant that, in connection with the Application, the Applicant has 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 your Application in any territory and that the Applicant has not taken any action which will or may result in the Company or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the Issue or your Application;
 - (q) represent that the Applicant is not a U.S. person as such term is defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act") and that the Applicant is not accepting the invitation comprised in the Issue from within the United States of America, its territories or its possessions, any State of the United States of America or the District of Columbia (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
 - (r) warrant that the New Ordinary Shares have not been and will not be registered under the Securities Act 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; and
 - (s) acknowledge that any New Ordinary Shares which may be allotted will be recorded by the CSD in the MSE account number quoted on the Application Form, even if the details of such account number as held by the MSE, differ from any or all of the details appearing on the Application Form. Notwithstanding, the Issuer acting through the Registrar reserves the right to contact the Applicant/s to verify, and if need be correct, the information submitted on the Application Form.
8. No person receiving a copy of the Prospectus or any part thereof or an Application Form in any territory other than Malta may treat the same as constituting an invitation or offer to him nor should he in any event use such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself 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 issues, transfer or other taxes required to be paid in such territory.
9. For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations 2008 as subsequently amended, all appointed Financial Intermediaries are under a duty to communicate, upon request, all information they hold about clients, pursuant to Articles 1.2(d) and 2.4 of the "Members' Code of Conduct" appended as Appendix 3.6 in Chapter 3 of the MSE bye-laws, irrespective of whether the Authorised Financial Intermediaries are MSE members or not. Furthermore, such information shall be held and controlled by the MSE in terms of the Data Protection Act (Cap. 586 of the laws of Malta) and/or the General Data Protection Regulation (GDPR)(EU) 2016/679, as amended from time to time (as applicable), for the purposes, and within the terms of the MSE's Data Protection Policy as published from time to time.
10. It shall be incumbent on the respective Authorised Financial Intermediary to ascertain that all other applicable regulatory requirements relating to subscription of New Ordinary Shares by an Applicant are complied with, including without limitation the obligation to comply with all applicable MiFIR requirements as well as applicable MFSA Rules for investment services providers.
11. Within five Business Days of the closing of the Issue Period, the Issuer shall determine and announce the basis of acceptance of Applications and the allocation policy to be adopted through a company announcement.



12. Save where the context requires otherwise, terms defined in the Prospectus bear the same meaning when used in these Terms and Conditions of Application for the New Ordinary Shares, in the Application Form and in any other document issued pursuant to the Prospectus.
13. Hili Ventures Group Securities Holders and Hili Ventures Group Employees are to submit completed Application Forms A and B respectively to any Authorised Financial Intermediary by not later than 14:00 hours on 26 November 2021 or such date earlier as may be determined by the Issuer but in any case not earlier than 14:00 hours on 17 November 2021.
14. Applicants other than Preferred Applicants are to submit completed Application Forms C to any Authorised Financial Intermediary by not later than 14:00 hours on 26 November 2021 or such date earlier as may be determined by the Issuer but in any case not earlier than 14:00 hours on 17 November 2021.

REGISTRATION, REPLACEMENT, TRANSFER AND EXCHANGE:

- (a) A register of the Shares will be kept by the Company at the CSD, wherein there will be entered the names and addresses of the holders of Shares. A copy of such register will, at reasonable times during business hours, be open for inspection at the registered office of the Company for the purpose of inspecting information held on their respective account.
- (b) The Shares once being admitted to listing and trading on the MSE, shall be maintained in electronic form at the CSD. The Shares shall accordingly be evidenced by a book-entry in the register of Shareholders held by the CSD. Statements of holdings and/or registration advices issued by the CSD will be regulated in terms of the e-portfolio service offering of the CSD. To this extent, the Shareholders are expected to liaise directly with the CSD on this matter.
- (c) Shares may be transferred only in whole (that is, in multiples of one Share) in accordance with the rules and procedures applicable from time to time in respect of the Official List of the MSE.
- (d) Any person becoming entitled to the Shares in consequence of the death or bankruptcy of a holder of Shares may, upon such evidence being produced as may from time to time properly be required by the Company or the MSE, elect either to be registered himself/herself as holder of the Share/s or to have another person nominated by him/her registered as the transferee thereof. If the person so becoming entitled elects to be registered himself/herself, he/she shall deliver or send to the Company a notice in writing signed by him/her stating that he/she so elects. If he/she elects to have another person registered he/she shall testify his/her election by executing to that person a transfer of those Shares.
- (e) All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Shares and to any applicable laws and regulations.
- (f) The cost and expenses of affecting any exchange or registration of transfer or transmission except for the expenses of delivery other than regular mail (if any) and except, if the Company 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 holder of the Shares.
- (g) Upon submission of an Application Form, Shareholders who opt to subscribe for the online e-portfolio by ticking 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 Shareholder's statement of holdings evidencing entitlement to Shares 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>.

6.2 EXPECTED TIME-TABLE

Each of the dates in the table below is indicative and may be subject to change.

1. Application Forms A mailed to Hili Ventures Group Securities Holders	3 November 2021
2. Opening of Issue Period	4 November 2021
3. Placement Date	17 November 2021
4. Closing of Issue Period	26 November 2021
5. Expected announcement of basis of acceptance*	3 December 2021
6. Expected dispatch of allocation advices and refunds of unallocated monies, if any*	14 December 2021
7. Expected admission of the Shares on the MSE*	15 December 2021
8. Expected commencement of trading of the New Ordinary Shares*	16 December 2021

* The Issuer reserves the right to close the Issue Period before 26 November 2021 but in any case not earlier than 17 November 2021, in which case, the events set out in (5) to (8) above, will be anticipated whilst maintaining the same chronological order.



6.3 PLAN OF DISTRIBUTION AND ALLOTMENT

Save with respect to persons in Excluded Territories, the Issue is open for subscription to all categories of investors which may be broadly split up as follows:

- i) an amount of up to 18,518,518 New Ordinary Shares has been reserved by the Issuer for allocation to Hili Ventures Group Employees at a 10% discount on the Issue Price (equivalent to a €0.027 discount per New Ordinary Share). In case where subscriptions received from Hili Ventures Group Employees exceed the reserved portion mentioned above, such unsatisfied amounts shall be considered for allocation in line with ii) hereunder; and
- ii) the remaining balance of 166,666,667 New Ordinary Shares shall be made available for subscription by: a) Authorised Financial Intermediaries entering into a Placement Agreement with the Issuer as further described in section 6.4 of this Securities Note; b) Hili Ventures Group Securities Holders and Hili Ventures Group Employees for any amounts that remain unsatisfied in terms of the New Ordinary Shares available at a discount in terms of sub paragraph (i) above, and c) the general public.

The Issuer, in determining its allocation policy to Preferred Applicants and the general public, shall be giving preference to Preferred Applicants.

The minimum number of Shares that can be subscribed for by Applicants in terms of clauses (i) and (ii) above is of 4,000 Shares and in multiples of 100 Shares thereafter. In case of applications made under nominee, such minimum and multiples shall also apply for each individual underlying customer.

6.4 PLACEMENT AGREEMENTS

The Issuer reserves the right to enter into Placement Agreements with any of the Authorised Financial Intermediaries by the Placement Date for subscription to the New Ordinary Shares whereby the Issuer will bind itself to allocate New Ordinary Shares to such Authorised Financial Intermediaries in accordance with the terms of the Placement Agreement. The Authorised Financial Intermediaries will in turn bind themselves to subscribe to, for their own account or for the account of their underlying clients, a specified number of New Ordinary Shares subject to the New Ordinary Shares being admitted to the Official List of the MSE. Authorised Financial Intermediaries shall, in addition, be entitled to either distribute to their underlying customers any portion of the New Ordinary Shares subscribed for upon commencement of trading, or by completing a data file as provided by the Registrar by latest 14:00 hours on 17 November 2021, accompanied by full payment. Each Placement Agreement will be subject to the Terms and Conditions set out in the Prospectus, which will be binding on all parties thereto on the date of signing of the Placement Agreement and needs to be submitted, and accompanied with evidence of payment which needs to be in cleared funds, received by latest 14:00 hours on 17 November 2021. Such Placement Agreements shall become unconditional upon admission of the New Ordinary Shares to trading on the Official List.

6.5 ALLOCATION POLICY

The Company shall allocate the New Ordinary Shares on the basis of the Plan of Distribution and Allotment set out in section 6.3 of this Securities Note and in accordance with the allocation policy as determined by the Company and the Registrar.

In determining the allocation policy for Preferred Applicants and the general public, the Company will endeavour to: (i) give preference to the Preferred Applicants; and (ii) ensure that there will be a sufficiently dispersed shareholder base to facilitate, as far as practicable, an active secondary market in the Shares.

6.6 APPLICATION FORM/METHOD OF PAYMENT

Applications for the purchase of New Ordinary Shares by Hili Ventures Group Securities Holders and Hili Ventures Group Employees must be submitted on Application Form A and B respectively. Applications by the general public must be submitted on Application Forms C. A specimen of the Application Forms can be found in Annex II to this Securities Note.

Authorised Financial Intermediaries subscribing for New Ordinary Shares through Placement Agreements may either distribute to their underlying customers any portion of the New Ordinary Shares subscribed for upon commencement of trading, or alternatively by completing a data file as provided by the Registrar.

The completed Application Forms are to be lodged with any of the Authorised Financial Intermediaries and must be accompanied by the full price of the New Ordinary Shares applied for. In the event that cheques accompanying the Application Forms are not honoured on their first presentation, the Authorised Financial Intermediary reserves the right to invalidate the relative Application.

6.7 REFUNDS

If any Application Form is not accepted, or is accepted for fewer New Ordinary Shares than those applied for, the Application monies or the balance of the amount paid on Application will be returned by the Issuer, acting through the Registrar, without interest, by direct credit into the Applicant's bank account as indicated by the Applicant on the relevant Application Form within five Business Days from the date of announcement of basis of acceptance of Shares.



6.8 MINIMUM APPLICATIONS

Applications for less than 4,000 New Ordinary Shares per Applicant will not be considered. All Applications in excess of 4,000 New Ordinary Shares must be in multiples of 100 New Ordinary Shares.

6.9 PRICING

The Issue Price for New Ordinary Shares has been fixed by the Issuer at €0.27 per New Ordinary Share.

6.10 UNDERWRITING

The Issue is not underwritten.

6.11 RESULTS OF THE ISSUE

The Issuer shall determine, and the Company shall announce by way of company announcement on the Malta Stock Exchange website and also through its website: <https://www.hiliproperties.com> the basis of acceptance of Applications and allocation policy to be adopted by 3 December 2021.

6.12 INTENTION TO ACQUIRE

The Issuer does not have any knowledge as to whether any single investor has the intention of participating in the Issue by acquiring more than five per cent (5%) of the issued share capital of the Company. The Issuer is informed that no major shareholder or members of the management, supervisory or administrative bodies of the Issuers have the intention of participating in the Issue.

6.13 LOCK-UP

Hili Ventures has undertaken that, for a period of 24 months from the date that the Shares of the Company are admitted to listing on the Official List of the MSE, it shall not transfer, sell, assign or otherwise dispose of its shareholding in the Company.

7. DILUTION

The Issue is being made through the issue and allotment of the New Ordinary Shares. As at the date of this Securities Note, Hili Ventures holds 299,999,990 Shares of a nominal value of €0.20 each in the Company, representing 99.99% of the issued share capital of the Company. On the basis that the Issue is fully taken up, following completion of the Issue, Hili Ventures will hold 62% of the issued share capital of the Company. The net asset value per ordinary share of the Company as of 30 June 2021, being the date of the latest balance sheet before the Issue, is €1.52. The adjusted net asset value per ordinary share which also factors in the issue and allotment of eighteen million, four hundred and eight thousand (18,408,000) ordinary shares of one Euro (€1) and the redesignation of ordinary share capital from sixty million (60,000,000) ordinary shares of a nominal value of one Euro (€1) each to three hundred million (300,000,000) ordinary shares of a nominal value of twenty Euro cents (€0.20), both of which events occurred post June 2021, is of €0.29.

8. COMMISSIONS AND EXPENSES RELATING TO THE ISSUE OF NEW ORDINARY SHARES

Professional fees and costs related to printing, listing, registration, sponsor, management, and other miscellaneous expenses in connection with the admissibility to trading of the Shares are estimated to be in the region of €250,000. There is no particular order of priority with respect to such expenses.

Selling commission is payable to the Authorised Financial Intermediaries. Each Authorised Financial Intermediary shall be entitled to a selling commission on the value of the New Ordinary Shares allocated to Applicants applying through such Authorised Financial Intermediaries of 1.5%.

9. ADDITIONAL INFORMATION

All the Advisers to the Company named in section 3.1 of the Registration Document under the sub-heading "Advisers" have acted and are acting exclusively for the Company in relation to this admission to listing and trading 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.



ANNEX I - AUTHORISED FINANCIAL INTERMEDIARIES

Name	Address	Telephone
APS Bank p.l.c.	APS Centre, Tower Street, Birkirkara BKR 4012	25603000
Bank of Valletta p.l.c.	Premium Banking Centre, 475, Triq il-Kbira San Guzepp, St Venera SVR 1011	22751732
Calamatta Cuschieri Investment Services Ltd	Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034	25688688
Curmi & Partners Ltd	Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	21347331
FINCO Treasury Management Ltd	The Bastions, Office No 2, Emvin Cremona Street, Floriana FRN 1281	21220002
Jesmond Mizzi Financial Advisors Ltd	67 Level 3, South Street, Valletta VLT 1105	23265696
Lombard Bank Malta p.l.c.	'Lombard House' 67, Republic Street, Valletta VLT 1117	25581806
MeDirect Bank (Malta) p.l.c.	The Centre, Tigne` Point, Sliema TPO 0001	25574400
Michael Grech Financial Investment Services Ltd	The Brokerage, St Marta Street, Victoria, Gozo VCT 2550	22587000
MZ Investment Services Ltd	63, St. Rita Street, Rabat RBT 1523	21453739
Rizzo, Farrugia & Co (Stockbrokers) Ltd	Airways House, Fourth Floor, High Street, Sliema SLM 1551	22583000



ANNEX II – APPLICATION FORMS



This application form is not transferable and entitles you to subscribe for New Ordinary Shares in Hili Properties p.l.c. as a Hili Ventures Group Securities Holder appearing on the bond register as at 26 October 2021 (last trading session of the 22 October 2021). Please read the notes overleaf before completing this Application Form. Mark 'X' where applicable.

A APPLICANT (see notes 2 to 6)			
		I.D. CARD / PASSPORT / CO REG NO (mandatory)	MSE A/C NO. (mandatory)
DOCUMENT TYPE (mandatory)	COUNTRY OF ISSUE (mandatory)	DATE OF BIRTH (mandatory)	NATIONALITY (mandatory)
LEI (Legal Entity Identifier) (If applicant is NOT an Individual)		PLEASE REGISTER ME FOR E-PORTFOLIO <input type="checkbox"/>	MOBILE NO. (mandatory for e-portfolio)
B ADDITIONAL (JOINT) APPLICANTS (see note 3) (please use Addendum to Application Form if space is not sufficient)			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
C DECISION MAKER/MINOR'S PARENTS / LEGAL GUARDIAN(S) / USUFRUCTUARY (see notes 4,7 & 8)(to be completed ONLY if applicable)			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
D I/WE APPLY TO PURCHASE AND ACQUIRE (see notes 9):			
NUMBER OF NEW ORDINARY SHARES IN FIGURES		NUMBER OF NEW ORDINARY SHARES IN WORDS	
New Ordinary Shares in Hili Properties p.l.c. (minimum 4,000 New Ordinary Shares and in multiples of 100 New Ordinary Shares thereafter) at a price of €0.27 per New Ordinary Share (the "Issue Price") with respect to Hili Ventures Group Securities Holders as defined in the Prospectus dated 25 October 2021, (the "Prospectus") payable in full upon application and subject to the terms of (a) the Prospectus, including the terms and conditions of the Issue; and (b) the memorandum and articles of association of Hili Properties p.l.c.			
		AMOUNT PAYABLE €	
E DIVIDEND AND REFUND MANDATE (see notes 10 & 11) (completion of this panel is MANDATORY)			
BANK	IBAN		
<p>I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions of the New Ordinary Shares as contained therein which I/we fully accept.</p> <p>I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the New Ordinary Shares in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MiFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.</p>			
Signature/s of Applicant/s <small>(Parent/s or legal guardian/s are/is to sign if Applicant is a minor) (All parties are to sign in the case of a joint Application) (Bare owner/s and usufructuary/ies to sign in the case of holdings that are subject to usufruct)</small>			Date
AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED INTERMEDIARY'S CODE		APPLICATION NUMBER

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 25 October 2021 regulating the Issue

1. This Application is governed by the Terms and Conditions of the Issue contained in Section 6 of the Securities Note dated 25 October 2021 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. Applicants who are non-residents in Malta for tax purposes, must indicate their passport number in Panel A.
3. The MSE account pertaining to Hili Ventures Group Securities Holders has been pre-printed in Panel B and reflects the MSE account number on the Company's Register at the CSD as at 26 October 2021 (last trading session of the 22 October 2021).

Upon submission of an Application Form, Ordinary Shareholders who opt to have an online e-portfolio facility (by marking the relative box in Panel A), will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for the e-Portfolio facility requires a mobile number to be provided on the Application Form. The Ordinary Shareholders' statement of holdings evidencing entitlement to New Ordinary Shares 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 may be found on <https://eportfolio.borzamalta.com.mt/Help>.

4. Any New Ordinary Shares allocated pursuant to such an Application in the name and for the benefit of minors shall be registered in the name of the minor as Ordinary Shareholder, with dividend, if any, 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 dividends, if any, shall be payable directly to the registered holder, provided that the Malta Stock Exchange has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. Panel C must be inserted with full details of the parents/legal guardians.
5. In the case of a body corporate, the name of the entity exactly as registered and the registration number are to be inserted in Panel A. A valid Legal Entity Identifier ("LEI") needs to be inserted in Panel A. Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
6. **HILI VENTURES GROUP SECURITIES HOLDERS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM WITH THE DETAILS (INCLUDING REGISTERED ADDRESS), AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE.**
7. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "decision maker") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in Panel C.
8. Where an MSE account number is held subject to usufruct, both the bare owner/s and the usufructuary/ies are to sign this Application Form.
9. Applications must be for a minimum subscription of 4,000 New Ordinary Shares and thereafter in multiples of 100 New Ordinary Shares and must be accompanied by the relevant subscription amount equivalent in Euro.
10. The Issue Period will open at 08:30 hours on 4 November 2021 and will close at 14:00 hours on 26 November 2021, or earlier in the case of over subscription, but in any case not earlier than 17 November 2021. Application for New Ordinary Shares may be lodged with any Authorised Financial Intermediary listed in Annex I of the Securities Note during normal office hours. Remittances by post are made at the risk of the Applicant and the Company disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists. If any Application is not accepted after the closure of the subscription lists or is accepted for fewer New Ordinary Shares than those applied for, the monies equivalent to the number of New Ordinary Shares not being accepted will be returned by direct credit into the IBAN specified in panel E.
11. Dividends, if any, will be paid by direct credit to the bank account (which must be in Euro and held with a local bank) bearing a valid IBAN as indicated by the Applicant in Panel E, or to any other bank account indicated by the Ordinary Shareholder to the MSE.
12. The Company reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions of the Issue as contained in the Prospectus.
13. By completing and delivering an Application Form you, as the Applicant/s acknowledge that:
 - a. the Issuer or its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR)(EU) 2016/679 as amended from time to time;
 - b. the Issuer may process such personal data for all purposes necessary for and related to the New Ordinary Shares 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. Prior to purchasing New Ordinary Shares, an investor should consult an independent financial adviser, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.



This application form is not transferable and entitles you to subscribe for New Ordinary Shares in Hili Properties p.l.c. as those persons employed on a full time basis or engaged to provide directorship services by any subsidiary or parent company of Hili Ventures as at the date of the Prospectus, dated 25 October 2021. Please read the notes overleaf before completing this Application Form. Mark 'X' where applicable.

A APPLICANT (see notes 2 to 6)			
		I.D. CARD / PASSPORT / CO REG NO (mandatory)	MSE A/C NO. (mandatory)
DOCUMENT TYPE (mandatory)	COUNTRY OF ISSUE (mandatory)	DATE OF BIRTH (mandatory)	NATIONALITY (mandatory)
LEI (Legal Entity Identifier) (If applicant is NOT an Individual)		PLEASE REGISTER ME FOR E-PORTFOLIO <input type="checkbox"/>	MOBILE NO. (mandatory for e-portfolio)
B ADDITIONAL (JOINT) APPLICANTS (see note 3) (please use Addendum to Application Form if space is not sufficient)			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.	
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
C DECISION MAKER/MINOR'S PARENTS / LEGAL GUARDIAN(S) / USUFRUCTUARY (see notes 4,7 & 8)(to be completed ONLY if applicable)			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.	
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.	
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
D I/WE APPLY TO PURCHASE AND ACQUIRE (see notes 9):			
NUMBER OF NEW ORDINARY SHARES IN FIGURES		NUMBER OF NEW ORDINARY SHARES IN WORDS	
New Ordinary Shares in Hili Properties p.l.c. (minimum 4,000 New Ordinary Shares and in multiples of 100 New Ordinary Shares thereafter) at a price of €0.243 per New Ordinary Share to Hili Ventures Group Employees being a 10% discount on the Issue Price (the "Issue Price") as defined in the Prospectus dated 25 October 2021 (the "Prospectus"), payable in full upon application and subject to the terms of (a) the Prospectus, including the terms and conditions of the Issue; and (b) the memorandum and articles of association of Hili Properties p.l.c.			
		AMOUNT PAYABLE €	
E DIVIDEND AND REFUND MANDATE (see notes 10 & 11) (completion of this panel is MANDATORY)			
BANK	IBAN		
<p>I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions of the New Ordinary Shares as contained therein which I/we fully accept.</p> <p>I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the New Ordinary Shares in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MiFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.</p>			
Signature/s of Applicant/s <small>(Parent/s or legal guardian/s are/is to sign if Applicant is a minor) (All parties are to sign in the case of a joint Application) (Bare owner/s and usufructuary/ies to sign in the case of holdings that are subject to usufruct)</small>		Date	
AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED INTERMEDIARY'S CODE	APPLICATION NUMBER	

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 25 October 2021 regulating the Issue

1. This Application is governed by the Terms and Conditions of the Issue contained in Section 6 of the Securities Note dated 25 October 2021 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. Applicants who are non-residents in Malta for tax purposes, must indicate their passport number in Panel A.
3. Hili Ventures Group Employees are to insert the required personal details in Panel A including **MSE account number which is mandatory**. In the case of an Application by more than one person (including husband and wife) full details of all individuals must be given in Panels A and B but the person whose name appears in Panel A shall, for all intents and purposes, be deemed to be the registered holder of the New Ordinary Shares (vide note 6 below). Applications by more than two persons are to use the Addendum to the Application Form.

Upon submission of an Application Form, Ordinary Shareholders who opt to have an online e-portfolio facility (by marking the relative box in Panel A), will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for the e-Portfolio facility requires a mobile number to be provided on the Application Form. The Ordinary Shareholders' statement of holdings evidencing entitlement to New Ordinary Shares 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 may be found on <https://eportfolio.borzamalta.com.mt/Help>.

4. Applications in the name and for the benefit of minors shall be allowed provided that the applicant already holds an account with the MSE. Any New Ordinary Shares allocated pursuant to such an Application shall be registered in the name of the minor as Ordinary Shareholder, with dividend, if any, 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 dividends, if any, shall be payable directly to the registered holder, provided that the Malta Stock Exchange has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. Panel C must be inserted with full details of the parents/legal guardians.
5. In the case of a body corporate, the name of the entity exactly as registered and the registration number are to be inserted in Panel A. A valid Legal Entity Identifier ("LEI") needs to be inserted in Panel A. **Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar.** Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
6. **HILI VENTURES GROUP EMPLOYEES ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM WITH THE DETAILS (INCLUDING REGISTERED ADDRESS), AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE.**
7. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "decision maker") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in Panel C.
8. Where an MSE account number is held subject to usufruct, both the bare owner/s and the usufructuary/ies are to sign this Application Form.
9. Applications must be for a minimum subscription of 4,000 New Ordinary Shares and thereafter in multiples of 100 New Ordinary Shares and must be accompanied by the relevant subscription amount equivalent in Euro.
10. The Issue Period will open at 08:30 hours on 4 November 2021 and will close at 14:00 hours on 26 November 2021, or earlier in the case of over subscription, but in any case not earlier than 17 November 2021. Application for New Ordinary Shares may be lodged with any Authorised Financial Intermediary listed in Annex I of the Securities Note during normal office hours. Remittances by post are made at the risk of the Applicant and the Company disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists. If any Application is not accepted after the closure of the subscription lists or is accepted for fewer New Ordinary Shares than those applied for, the monies equivalent to the number of New Ordinary Shares not being accepted will be returned by direct credit into the IBAN specified in panel F.
11. Dividends, if any, will be paid by direct credit to the bank account (which must be in Euro and held with a local bank) bearing a valid IBAN as indicated by the Applicant in Panel E, or to any other bank account indicated by the Ordinary Shareholder to the MSE.
12. The Company reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions of the Issue as contained in the Prospectus.
13. By completing and delivering an Application Form you, as the Applicant/s acknowledge that:
 - a. the Issuer or its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR)(EU) 2016/679 as amended from time to time;
 - b. the Issuer may process such personal data for all purposes necessary for and related to the New Ordinary Shares 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. Prior to purchasing New Ordinary Shares, an investor should consult an independent financial adviser, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.

Please read the notes overleaf before completing this Application Form. **Complete in BLOCK LETTERS and Mark 'X' where applicable.**

A APPLICANT (see notes 2 to 6)			
<input type="checkbox"/> NON-RESIDENT	<input type="checkbox"/> MINOR (UNDER 18)	<input type="checkbox"/> BODY CORPORATE / BODY OF PERSONS	<input type="checkbox"/> CIS-PRESCRIBED FUND
B TITLE (Mr/Mrs/Ms/...)		FULL NAME AND SURNAME / REGISTERED NAME	
MSE A/C NO. (mandatory)	I.D. CARD / PASSPORT / COMPANY REG. NO.	DOCUMENT TYPE (mandatory)	COUNTRY OF ISSUE (mandatory)
LEI (Legal Entity Identifier) (if applicant is NOT an Individual)		DATE OF BIRTH (mandatory)	NATIONALITY (mandatory)
<input type="checkbox"/> PLEASE REGISTER ME FOR E-PORTFOLIO (mobile number is mandatory for e-portfolio registration)			MOBILE NO. (mandatory for e-portfolio)
C ADDITIONAL (JOINT) APPLICANTS (see note 3) (please use Addendum to Application Form if space is not sufficient)			
TITLE (Mr/Mrs/Ms/...)		FULL NAME AND SURNAME	
DOCUMENT TYPE		COUNTRY OF ISSUE	I.D. CARD/PASSPORT NO.
DOCUMENT TYPE		DATE OF BIRTH	NATIONALITY
D DECISION MAKER/MINOR'S PARENTS / LEGAL GUARDIAN(S) / USUFRUCTUARY (see notes 4,7 & 8)(to be completed ONLY if applicable)			
TITLE (Mr/Mrs/Ms/...)		FULL NAME AND SURNAME	
DOCUMENT TYPE		COUNTRY OF ISSUE	I.D. CARD/PASSPORT NO.
DOCUMENT TYPE		DATE OF BIRTH	NATIONALITY
TITLE (Mr/Mrs/Ms/...)		FULL NAME AND SURNAME	
DOCUMENT TYPE		COUNTRY OF ISSUE	I.D. CARD/PASSPORT NO.
DOCUMENT TYPE		DATE OF BIRTH	NATIONALITY
E I/WE APPLY TO PURCHASE AND ACQUIRE (see notes 9):			
NUMBER OF NEW ORDINARY SHARES IN FIGURES		NUMBER OF NEW ORDINARY SHARES IN WORDS	
New Ordinary Shares in Hili Properties p.l.c. (minimum 4000 New Ordinary Shares and in multiples of 100 New Ordinary Shares thereafter) at the Issue Price of €0.27 as defined in the Prospectus dated 25 October 2021, (the "Prospectus") payable in full upon application and subject to the terms of (a) the Prospectus, including the terms and conditions of the Issue; and (b) the memorandum and articles of association of Hili Properties p.l.c.			
AMOUNT PAYABLE €			
F DIVIDEND AND REFUND MANDATE (see notes 10 & 11) (completion of this panel is MANDATORY)			
BANK		IBAN	
I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions of the New Ordinary Shares as contained therein which I/we fully accept. I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the New Ordinary Shares in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MiFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.			
Signature/s of Applicant/s <small>(Parent/s or legal guardian/s are/is to sign if Applicant is a minor) (All parties are to sign in the case of a joint Application) (Bare owner/s and usufructuary/ies to sign in the case of holdings that are subject to usufruct)</small>			Date
AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED INTERMEDIARY'S CODE	APPLICATION NUMBER	

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 25 October 2021 regulating the Issue

1. This Application is governed by the Terms and Conditions of the Issue contained in Section 6 of the Securities Note dated 25 October 2021 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. Applicants who are non-residents in Malta for tax purposes, must indicate their passport number in Panel B. The relative box in Panel A must also be marked appropriately.
3. Applicants are to insert the required 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 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 New Ordinary Shares (vide note 6 below)**. Applications by more than two persons are to use the Addendum to the Application Form.

Upon submission of an Application Form, Applicants 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 Ordinary Shareholders' statement of holdings evidencing entitlement to New Ordinary Shares 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 may be found on <https://eportfolio.borzamalta.com.mt/Help>.

4. Applications in the name and for the benefit of minors shall be allowed provided that the applicant already holds an account with the MSE. Any New Ordinary Shares allocated pursuant to such an Application shall be registered in the name of the minor as Ordinary Shareholder, with dividend, if any, 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 dividends, if any, 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. Panel D must be inserted with full details of the parents/legal guardians.
5. 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. A valid Legal Entity Identifier ("LEI") needs to be inserted in Panel B. **Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar.** Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
6. **APPLICANTS ARE TO INSERT AN MSE ACCOUNT NUMBER IN THE SPACE PROVIDED IN PANEL B, AND FAILURE TO DO SO WILL RESULT IN REJECTION OF THE APPLICATION FORM. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM WITH THE DETAILS (INCLUDING REGISTERED ADDRESS), AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE.**
7. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "decision maker") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in Panel D.
8. Where an Applicant quotes an MSE account number which is held subject to usufruct, both the bare owner/s and the usufructuary/ies are to sign this Application Form.
9. Applications with respect to the general public must be for a minimum subscription of 4000 New Ordinary Shares and in multiples of 100 New Ordinary Shares thereafter.
10. The Issue Period will open at 08:30 hours on 4 November 2021 and will close at 14:00 hours on 26 November 2021, or earlier in the case of over subscription, but in any case not earlier than 17 November 2021. Completed Application Forms are to be delivered to any Authorised Financial Intermediary listed in Annex I of the Securities Note during normal office hours. Remittances by post are made at the risk of the Applicant and the Company disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists. If any Application is not accepted after the closure of the subscription lists or is accepted for fewer New Ordinary Shares than those applied for, the monies equivalent to the number of New Ordinary Shares not being accepted will be returned by direct credit into the IBAN specified in panel F.
11. Dividends, if any, will be paid by direct credit to the bank account (which must be in Euro and held with a local bank) bearing a valid IBAN as indicated by the Applicant in panel F, or to such other bank account indicated by the Ordinary Shareholder to the MSE.
12. The Company reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions of the Issue as contained in the Prospectus dated 25 October 2021.
13. By completing and delivering an Application Form you, as the Applicant/s acknowledge that:
 - a. the Issuer or its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR)(EU) 2016/679 as amended from time to time;
 - b. the Issuer may process such personal data for all purposes necessary for and related to the New Ordinary Shares 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. Prior to purchasing New Ordinary Shares, an investor should consult an independent financial adviser, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.