

SUMMARY

Dated 22 March 2022



A PUBLIC LIMITED LIABILITY COMPANY REGISTERED UNDER THE LAWS OF MALTA WITH COMPANY REGISTRATION NUMBER C 101228

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

THIS SUMMARY IS VALID FOR A PERIOD OF TWELVE (12) MONTHS FROM THE DATE THEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO SUPPLEMENT THIS SUMMARY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.

APPROVED BY THE BOARD OF DIRECTORS

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Johann Schembri

A handwritten signature in black ink, appearing to read 'Franco De Gabriele'.

Franco De Gabriele

in their capacity as Directors of the Board and on behalf of Christian Gernert, Otto Karasek, Joseph Mallia, Stephanie Fabri and Jacqueline Camilleri

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

1. INTRODUCTION AND WARNINGS

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

Full legal and commercial name of the Issuer:	IZI Finance p.l.c.
Registered address	Portomaso Business Tower, Level 11, St. Julians STJ 4011
Place of Registration and Domicile	Malta
Registration number	C 101228
Legal Entity Identification (LEI) Number	485100W7KB2YAMBF9C63
Date of Registration	30 December 2021
Telephone number	+356 2570 4401
Email	invest@izifinance.mt
Website	https://izifinance.mt/
Nature of the securities	€30,000,000 4.25% unsecured bonds 2029 of a nominal value of €100 per bond, issued and redeemable at par
ISIN number of the Secured Bonds	MT0002631209
Competent authority approving the Prospectus	Malta Financial Services Authority

Address, telephone number and official website of the competent authority approving the Prospectus	The Malta Financial Services Authority, Triq l-Imdina, Zone 1, Central Business, District, Birkirkara, Malta, CBD 1010; Tel: +356 2144 1155; Official website: www.mfsa.mt.
Prospectus approval date	22 March 2022

Prospective investors are hereby warned that:

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

2. KEY INFORMATION ON THE ISSUER

2.1. Who is the Issuer of the Bonds?

2.1.1. Domicile and legal form, its LEI and country of incorporation

The Issuer is IZI Finance p.l.c., a public limited liability company registered in Malta in terms of the Companies Act (Chapter 386 of the laws of Malta). The Issuer is incorporated and domiciled in Malta. Its legal entity identification (LEI) number is 485100W7KB2YAMBF9C63.

2.1.2. Principal Activities of the Issuer

The Issuer is the holding and finance company of the IZI Finance Group and does not carry out any trading activities of its own. Its sole purpose is to finance the activities of its operating Subsidiaries and associated companies. The IZI Finance Group operates principally in the land-based gaming market but is also actively engaged in the online gaming sector. It is a key player within a wide range of gaming business verticals, including casinos, EGMs, fixed odds betting, pari-mutuel betting, virtual games, e-sports betting and bingo. Subject to the issue of a licence by the MGA, National Lottery p.l.c. will commence operating the National Lottery of Malta commencing from July 2022.

2.1.3. Major Shareholders of the Issuer

Johann Schembri (540875M) is the ultimate majority shareholder of the Issuer. As at the date of this Prospectus, Johann Schembri holds 99.9% of the entire issued share capital of IZI Group p.l.c. (C 34215), the parent company of the Issuer.

2.1.4. Key Managing Directors

The Board of Directors of the Issuer is composed of the following persons: Christian Gernert (Executive Director and Chairman), Johann Schembri (Executive Director and Chief Executive Officer), Franco De Gabriele (Executive Director and Chief Commercial Officer), Joseph Mallia (Executive Director and Chief Financial Officer), Jacqueline Camilleri (Independent Non-Executive Director), Stephanie Fabri (Independent Non-Executive Director) and Otto Karasek (Independent Non-Executive Director).

2.1.5. Statutory Auditors

The auditors of the Issuer as at the date of this Prospectus, and for the annual statutory financial statements of the Group for the financial years ended 30 June 2019, 2020, and 2021 are Grant Thornton of Fort Business Centre, Level 2, Triq l-Intornjatur, Zone 1, Central Business District, Birkirkara CBD C 34215. The Accountancy Board registration number of Grant Thornton is AB/26/84/22.

2.2. What is the key financial information regarding the Issuer?

The Issuer was registered and incorporated on 30 December 2021 and does not intend to conduct any trading activities itself. On 30 December 2021, the Subsidiaries were acquired by the Issuer, through a share-for-share exchange. The key pro forma financial information described in this section present what the consolidated financial statements of the Issuer would have been had the Subsidiaries been owned by the Issuer with the shareholding and with all its current constituent components, for the entire period covered by the said pro forma information.

Income Statement	FY2021
Revenue (€000)	20,164
Operating loss (€'000)	(128)
Net loss (€000)	(946)
Statement of Financial Position	FY2021
Total assets (€'000)	142,782
Total liabilities (€'000)	57,097
Total equity (€'000)	85,685

Historically, the two key subsidiaries, generating over 90% of the Group's revenue were Gaming Operations Limited, which was incorporated in 2002, and Dragonara Gaming Limited which was incorporated in 2010. The key financial information of Gaming Operations Limited and Dragonara Gaming Limited for the financial years ended 30 June 2018, 2019, 2020 and 2021 is set out below.

Gaming Operations Limited

Income Statement	FY2021	FY2020	FY2019	FY2018
Revenue (€'000)	7,374	8,651	10,299	9,782
Operating profit/ (loss) (€'000)	(361)	(511)	30,647	2,169
Net profit/ (loss) (€'000)	(498)	(689)	30,041	1,402

Dragonara Gaming Limited

Income Statement	FY2021	FY2020	FY2019	FY2018
Revenue (€'000)	11,714	13,864	16,627	16,490
Operating profit/ (loss) (€'000)	(2)	1,167	(151)	32
Net profit/ (loss) (€'000)	(473)	(10)	(359)	(251)

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

The most material risk factors specific to the Issuer, which may negatively impact the operations and financial position of the Issuer should the circumstances mentioned therein materialise, are as follows:

2.3.1. Risks associated with the dependency of the Issuer on the performance of its Subsidiaries

As a finance and holding company of the IZI Finance Group, the Issuer does not carry out any trading activities of its own. The majority of the Issuer's assets consist of loans granted to its Subsidiaries and shares held in its Subsidiaries, and the only revenue it generates emanates from the receipt of principal and income payments on funds it advances to its Subsidiaries and dividends received from its Subsidiaries, from time to time. The Issuer is thus economically dependent on the operational results, the financial position and the financial performance of its Subsidiaries. Consequently, the financial and operational results of the Subsidiaries have a direct effect on the Issuer's financial position.

2.3.2. Risks relating to the economic repercussions of coronavirus (Covid-19)

As a direct result of the spread of COVID-19 the Group was required to temporary close or restrict access to its gaming premises. Given the nature of the IZI Finance Group's land-based gaming activities which innately requires physical presence, its land-based gaming operations may be adversely affected by any further mandatory closure of its gaming premises as a result of COVID-19. The IZI Finance Group's business, operations, and financial performance remain susceptible to the risk relating to the uncertainty surrounding the constantly changing circumstances within which it finds itself operating as a result of COVID-19, as well as the risks of the effects of the corresponding restrictive or prohibitive measures that have been, and may in the future, be introduced as a result thereof or in connection therewith.

2.3.3. Risks relating to taxation

The IZI Finance Group is likely to be subject to direct corporate taxation, indirect taxes, gaming taxes and other taxes, as may be imposed by any of the jurisdictions in which it operates or with which it has ties. These taxes could change, and new taxes may be introduced which may result in an increase in the IZI Finance Group's tax burden. An increase in the tax burden of the IZI Finance Group or its customers and/or related interest, penalties and dispute and settlement costs, may lead to decreased revenues and have a material adverse effect on its operations, earnings, and overall financial position.

2.3.4. Risks relating to the revocation, suspension or non-renewal of licenses

The majority of the Issuer's revenue is derived from the licensed and regulated gaming activities of Dragonara Gaming Limited, Gaming Operations Limited and IZI Interactive Limited which are each in possession of a B2C Licence. Dragonara Gaming Limited has been granted a concession to operate the Dragonara Casino as a land-based casino and National Lottery p.l.c. has been granted a concession to operate the National Lottery. Any license suspension, revocation or non-renewal will have a materially negative impact on IZI Finance Group's business, financial position and profit.

2.3.5. Risks relating to anti-money laundering and fraud

The IZI Finance Group handles a large number of financial transactions within the ordinary course of business and is therefore exposed to risks relating to money laundering and fraud. Where the IZI Finance Group fails to detect and report suspicious transactions, the IZI Finance Group may be subject to criminal sanctions or administrative fines, which could in turn result in the revocation of concessions and licenses, operational bans, and loss in confidence of its customer base, all of which could have a material adverse effect on the IZI Finance Group's business, financial position and profit.

2.3.6. Risks relating to the IZI Finance Group's dependence on new laws and regulations

The IZI Finance Group operates in a highly regulated industry and is subject to risks related to the introduction and implementation of new laws and amendments of existing legislation. Potential legislative changes may have a material negative impact on the IZI Finance Group's operations, earnings, and financial position.

2.3.7. Risks relating to the concentration of the IZI Finance Group's operations in the gaming industry

The majority of the IZI Finance Group's revenue generation is dependent on the reputation and status of the gaming industry in Malta, thereby exposing the Issuer to single sector concentration risk. Moreover, most of the IZI Finance Group's revenue is generated from players based in Malta, which also exposes the Issuer to geographic concentration risk. The risk inherent in concentrating substantial investments in a single industry and to one principal target market is that a decline in such industry could have an adverse effect on the financial condition of the IZI Finance Group.

2.3.8. Risks in relation to key personnel and senior management

The success of the IZI Finance Group's business is, to a large extent, reliant on the IZI Finance Group's ability to attract, train, motivate and retain highly skilled, competent, and experienced personnel in both the land-based and remote gaming industry. There is a risk that key personnel and senior management may decide to terminate their employment relationships with the IZI Finance Group. Employee turnover, particularly, of highly skilled and experienced professionals could have an adverse effect on the IZI Finance Group's business and operations.

2.3.9. Risks relating to competition

The IZI Finance Group's success and growth is dependent on its ability to maintain and improve its market position in the land-based casino, retail, and online gaming sectors, as well as its ability to merge with or acquire other companies, businesses and/or brands which are well-established in the industry. Failure to keep up with its competition could mean that the IZI Finance Group risks losing its business and revenue to its competitors, and this could have a material adverse effect on the IZI Finance Group's business, operations, and its financial position.

2.3.10. Risks relating to I.T. systems

The IZI Finance Group's I.T. systems may be subject to a failure, disruption or other interruption or malfunction because of various factors which may be out of the IZI Finance Group's control. The occurrence of any of the foregoing could have a material adverse effect on the operating results of the IZI Finance Group, its financial condition, and prospects.

2.3.11. Risks arising from reliance on third-party suppliers

In the day-to-day operation of its business, the IZI Finance Group depends, to a great extent, on third-parties service providers. Any default by suppliers on their obligations to the IZI Finance Group and, or any disruption in the provision of their services, could negatively impact the IZI Finance Group's ability to provide its products and services, to meet its obligations in terms of gaming regulations, as well as its obligations towards its customers, all of which could negatively affect the IZI Finance Group's reputation, market position, operations and financial condition.

3. KEY INFORMATION ON THE SECURITIES

3.1. What are the main features of the securities?

The Bonds are being issued in an aggregate amount of up to €30,000,000 with a nominal value of €100 per bond issued at par and redeemable at their nominal value on 14 April 2029. The Bonds bear interest at the rate of 4.25% per annum on the nominal value of the Bonds. The currency of the Bonds is Euro (€).

The Bonds will be issued in fully registered and dematerialised form and shall be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. On admission to trading the Bonds shall have the following ISIN: MT0002631209. The Bonds shall be freely transferable.

The Bonds shall constitute the general, direct, unsecured, and unconditional obligations of the Issuer and shall rank at least pari passu without any priority or preference.

There are no special rights attached to the Bonds other than the right of the Bondholders to (i) the payment of capital and interest in accordance with the ranking of the Bonds; (ii) attend, participate in and vote at meetings of Bondholders in accordance with the terms and conditions of the Bonds; and (iii) enjoy all such other rights attached to the Bonds emanating from the Prospectus.

3.2. Where will the securities be traded?

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

3.3. What are the key risks that are specific to the securities?

3.3.1. Ranking of the bonds

Any secured or privileged debts of the Issuer shall rank at all times ahead of the obligations of the Issuer under the Bonds, as a result of which the Bondholders may not be able to recover their investment in the Bonds in the case of insolvency or an equivalent situation. Furthermore, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Company, as the case may be, for so long as such security interests remain in effect.

3.3.2. No prior market for the Bonds

Prior to the Bond Issue, there has been no public market for the Bonds within or outside Malta. Due to the absence of any prior market for the Bonds, there can be no assurance that the price of the Bonds will correspond to the price at which the Bonds will trade in the market subsequent to the Bond Issue. The market price of the Bonds could be subject to significant fluctuations in response to numerous factors, including the occurrence of any of the risks relating to the Issuer.

3.3.3. Orderly and liquid secondary market

The existence of an orderly and liquid market for the Bonds depends on a number of factors, including but not limited to the presence of willing buyers and sellers of the Bonds at any given time and the general economic conditions in the market in which the Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer has no control.

3.3.4. Amendments to the Terms and Conditions of the Bonds

In the event that the Issuer wishes to amend any of the Terms and Conditions of the bonds it may call a meeting of Bondholders. Defined majorities of Bondholders may bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

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

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

4.1.1. Plan of distribution, allotment and allocation policy

The Bond Issue is open for subscription to all categories of investors as detailed hereunder and the Issuer shall allocate the Bonds on the basis of the following policy:

- (i) an amount of €15 million in nominal value of Bonds has been reserved for, and shall be allocated to, the PAFIs which have entered into Placement Agreements with the Issuer; and
- (ii) the remaining balance of €15 million in nominal value of Bonds shall be made available for subscription by Authorised Financial Intermediaries through an Intermediaries' Offer, and shall be allocated on a pro rata basis to said Authorised Financial Intermediaries.

The minimum subscription amount of Bonds that can be subscribed for by PAFIs pursuant to Placement Agreements and by Authorised Financial Intermediaries through the Intermediaries' Offer is €5,000 and in multiples of €100 thereafter.

The Issuer shall announce the result of the Bond Issue by no later than 14 April 2022.

In terms of the Placement Agreements, the PAFIs shall be entitled to either (i) distribute to the underlying customers any portion of the Bonds subscribed for upon commencement of trading; or (ii) complete a data file representing the amount they have been allocated in terms of the respective Placement Agreement as provided by the Registrar by latest 14:00 hours CET on 7 April 2022. PAFIs must effect payment to the Issuer for the Bonds subscribed to by not later than the Placement Date.

In terms of the subscription agreements to be entered with Authorised Financial Intermediaries pursuant to the Intermediaries' Offer, Authorised Financial Intermediaries shall be entitled to either (i) distribute to the underlying customers any portion of the Bonds subscribed for upon commencement of trading; or (ii) complete a data file representing the amount they have been allocated in terms of the respective subscription agreement as provided by the Registrar by latest 14:00 hours CET on 8 April 2022. Completed subscription agreements, together with evidence of payment, are to reach the Registrar by the Intermediaries Offer Date.

4.1.2. Expected Timetable

1.	Placement Date	7 April 2022
2.	Intermediaries' Offer Date	7 April 2022
3.	Commencement of interest on the Bonds	14 April 2022
4.	Announcement of basis of acceptance	14 April 2022
5.	Dispatch of allotment letters	25 April 2022
6.	Expected date of admission of the Bonds to listing	25 April 2022
7.	Expected date of commencement of trading in the Bonds	26 April 2022

4.2. Why is this Prospectus being produced?

4.2.1. The use and estimated net amount of the proceeds

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €29.4 million will be utilised by the Issuer for the following purposes, in the amounts and order of priority set out below:

- (i) an amount of approximately €16.2 million will be used to part finance the IZI Finance Group's projected capital expenditure in connection with, and for the duration of the term of, the National Lottery Concession, which capital expenditure includes the following: (a) the installation of hardware, terminals and systems, the development of lottery software systems and back-office applications, as well as the investment in telecommunications equipment and services; (b) the rent of office space and a warehouse facility; (c) the modernisation and upgrading of National Lottery p.l.c.'s distribution network; (d) the development and registration of the National Lottery brand; and (e) investment in a staff and reseller training programme.
- (ii) an amount of approximately €8.5 million will be used to finance the IZI Finance Group's projected capital expenditure in connection with, and for the duration of the term of, the Dragonara Casino Concession, which capital expenditure includes: (a) upgrades to the casino management system and other software developments; (b) external and internal improvements to the Dragonara Casino building, consisting of structural, and redecoration works; (c) the purchase of new slot machine equipment, gaming tables equipment, food & beverage equipment, IT equipment, surveillance equipment and improvements to existing equipment; and (d) electrical and mechanical installations.

- (iii) an amount of approximately €3.9 million will be used to part finance the IZI Finance Group's projected capital expenditure for the years 2022 to 2025 in connection with the IZI Finance Group's retail gaming operations, which capital expenditure includes: (i) the purchase of new gaming equipment; and (ii) costs associated with the refurbishment of existing retail outlets operated by Gaming Operations Limited; and
- (iv) an amount of approximately €0.8 million will be used for general corporate funding purposes of the IZI Finance Group.

The Issuer has established a minimum aggregate subscription amount of €16.2 million on which the Bond Issue is conditional. In the event that the Bond Issue is under-subscribed to the effect that the total subscriptions for the Bonds does not equate to at least €16.2 million, the Bonds shall be deemed not to have been accepted by the Issuer, and the Issuer shall, through the Registrar and, or the Authorised Financial Intermediaries (as applicable), return the proceeds of the Bond Issue to the Applicants and the Bond Issue shall be cancelled forthwith. In the event that the Bond Issue is under-subscribed, however the minimum subscription threshold of €16.2 million is met, the Issuer shall issue Bonds up to the amount subscribed for and the proceeds from the Bond Issue shall first be utilised for the purpose specified in (i) above, and any remaining balance shall be utilised for the purposes specified in (ii) (iii) and (iv), in the order of priority in which they appear above.

4.2.2. Underwriting agreement

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

4.2.3. Conflicts of Interest

Save for the the subscription for Bonds by the Authorised Financial Intermediaries (which includes the PAFIs) and the commissions payable thereto, and any fees payable to the Sponsor & Co-Manager and Registrar & Co-Manager in connection with the Bond Issue, so far as the Issuer is aware, no person involved in the Bond Issue has an interest material to the Bond Issue.

Registration Document

Dated 22 March 2022

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



A PUBLIC LIMITED LIABILITY COMPANY REGISTERED UNDER THE LAWS OF MALTA WITH COMPANY REGISTRATION NUMBER C 101228

SPONSOR & CO-MANAGER

LEGAL COUNSEL

REGISTRAR & CO-MANAGER



CAMILLERI PREZIOSI
ADVOCATES



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

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APPROVED BY THE BOARD OF DIRECTORS

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Johann Schembri

A handwritten signature in black ink, appearing to be 'F. De Gabriele'.

Franco De Gabriele

in their capacity as Directors of the Board and on behalf of Christian Gernert, Otto Karasek, Joseph Mallia, Stephanie Fabri and Jacqueline Camilleri.

IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION PERTAINING TO IZI FINANCE P.L.C. (C 101228), AS THE ISSUER OF THE BONDS, AND THE BUSINESS OF THE IZI FINANCE GROUP (OR THE GROUP, AS APPLICABLE) OF WHICH IT FORMS PART, IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES ISSUED BY THE MALTA FINANCIAL SERVICES AUTHORITY, THE ACT AND THE PROSPECTUS REGULATION.

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

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

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

THE PROSPECTUS IS VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE HEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO UPDATE THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.

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

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

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

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

ALL THE ADVISERS TO THE ISSUER NAMED IN THIS REGISTRATION DOCUMENT UNDER THE HEADING "ADVISERS" IN SECTION 4.3. OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THE PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

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

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE SECURITIES OF THE ISSUER.

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2. DEFINITIONS

In this Registration Document the following capitalised words and expressions shall bear the following meanings, except where the context otherwise requires:

Accountant's Report	the Accountant's Report dated 18 March 2022 on the pro forma financial information included in this Prospectus prepared by Grant Thornton, a copy of which is set out as Annex II to this Prospectus;
Act	the Companies Act (Cap. 386 of the laws of Malta);
B2C	business-to-consumer;
B2C Licence	a business to consumer gaming licence, to offer or carry out a Gaming Service, issued by the MGA in terms of the Gaming Authorisations Regulations;
B2C Operator	a gaming operator offering or carrying out one or more Gaming Services pursuant to one or more B2C Licences;
Bond Issue	the issue of the Bonds being made pursuant to and in accordance with the terms and conditions of the Securities Note;
Bonds	up to €30 million unsecured bonds of a nominal value of €100 per bond payable in full upon subscription and redeemable at their nominal value on the Redemption Date and bearing interest at the rate of 4.25% per annum, as described in further detail in the Securities Note;
Capital Markets Rules	the capital markets rules issued by the MFSA, as may be amended from time to time;
Controlled Gaming Premises	any premises intended to make available for use, to host or operate one or more gaming devices, but do not include premises in which gaming is carried out in virtue of a concession by the Government of Malta or premises in which the only gaming which is carried out consists in tombola games;
Directors or Board of Directors	the directors of the Company whose names are set out in section 4.1 of this Registration Document under the heading " <i>Directors of the Issuer</i> ";
Dragonara Casino	the building known as the "Dragonara Casino" and its adjoining grounds situated in Paceville in the limits of St. Julians, which have a total area of 16,130 square metres;
Dragonara Casino Concession	the concession granted by the Government of Malta in favour of Dragonara Gaming Limited to operate a casino in and from the Dragonara Casino for a 10-year period commencing on 1 August 2021 and terminating on 31 July 2031;
Dragonara Casino Intellectual Property Rights	any and all trademarks, logos, service marks, trade names, business names, domains and domain names, trade secrets, know-how and any and all other intellectual property rights of whatever kind or nature relating to the Dragonara Casino (whether registered or unregistered, owned by or licensed to entities forming part of the IZI Finance Group) and all goodwill relating thereto;
Dragonara Gaming Limited	Dragonara Gaming Limited, a private limited liability company registered under the laws of Malta with company registration number C 49848 and having its registered address at Dragonara Casino Complex, Dragonara Road, St. Julians, Malta;
EBITDA	earnings before interest, taxes, depreciation and amortisation;
Electronic Gaming Machine or EGM	an electrical, electronic or mechanical device that is used or is by its nature intended for use as part of a Gaming Service in connection therewith in order to allow a player to place a wager, and, or to obtain the outcome of a game in a gaming premises (including a Controlled Gaming Premises), the outcome of which is determined by a random number generator that is physically installed inside the device and constitutes an integral part thereof;
Euro or €	the lawful currency of the Republic of Malta;

Expected Take-Over Date	5 July 2022;
Gaming Act	the Gaming Act (Cap. 583 of the laws of Malta);
Gaming Authorisations Regulations	the Gaming Authorisations Regulations, Subsidiary Legislation 583.05 of the laws of Malta;
Gaming Operations Limited	Gaming Operations Limited, a private limited liability company registered under the laws of Malta with company registration number C 29897 and having its registered office at Portomaso Business Tower, Level 11, Portomaso, St. Julians, Malta;
Gaming Service	making a game available for participation by players, whether directly or indirectly, and whether alone or with others, as an economic activity;
Government of Malta	the Government of the Republic of Malta;
Gross Gaming Revenue or GGR	an amount equal to the totality of real money wagers (including real money deposits or winnings held in the player's account) plus the totality of bonus wagers and other financial incentives less the sum of total withdrawal winnings (excluding bonus winnings and other winnings that are not instantly redeemable) and bonus wagers and other financial incentives;
Group	IZI Group p.l.c. and the Subsidiaries prior to the transfer of the Subsidiaries to the Company in accordance with the restructuring as mentioned in section 7.1;
Issuer or the Company	IZI Finance p.l.c., a public limited liability company registered under the laws of Malta, with company registration number C 101228 and having its registered office at Portomaso Business Tower, Level 11, St. Julians STJ 4011, Malta;
IZIBET Intellectual Property Rights	any and all trademarks, logos, service marks, trade names, business names, domains and domain names, trade secrets, know-how and any and all other intellectual property rights of whatever kind or nature relating to the IZIBET brand (whether registered or unregistered, owned by or licensed to entities forming part of the IZI Finance Group) and all goodwill relating thereto;
IZI Finance Group	the Issuer and its Subsidiaries;
IZI Group p.l.c. or Parent	IZI Group p.l.c., a public limited liability company registered under the laws of Malta, with company registration number C 34215 and having its registered office at Portomaso Business Tower, Level 11, St. Julians STJ 4011, Malta;
IZI Interactive Limited	a private limited liability company registered under the laws of Malta, with company registration number C 75678 and having its registered office at Portomaso Business Tower, Level 11, St. Julians STJ 4011, Malta;
Malta Financial Services Authority or MFSA	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta);
Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Memorandum and Articles of Association	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus in the form as registered with the Registrar of Companies at the Malta Business Registry. The terms " Memorandum ", " Articles " and " Articles of Association " shall be construed accordingly;
MGA	the Malta Gaming Authority, established in terms of the Gaming Act;
National Lottery	the national lottery of Malta;

National Lottery Concession	the concession granted by the Government of Malta under article 11(3)(b) of the Gaming Act in favour of National Lottery p.l.c., for a 10-year period for: (i) the exclusive rights to operate the National Lottery in Malta; and (ii) the exclusive licence for the use of the National Lottery Intellectual Property Rights;
National Lottery Games	the Grand Lottery, Super 5 and Lotto, in the form envisaged in the National Lottery Licence as well as any variation thereof;
National Lottery Games Suite	all National Lottery Games and all Other Games as set out in the National Lottery Licence;
National Lottery Intellectual Property Rights	the intellectual property rights in the Grand Lottery, Super 5 and Lotto as well as any add-on games linked to the said games, including the goodwill inherent therein, as well as the related trademarks, service marks, logos, signs, game names, design and/or get up of tickets, designs and copyright which are currently used or exploited or are capable of being used or exploited by National Lottery p.l.c. in connection with the National Lottery Concession;
National Lottery Licence	the national lottery licence to be granted by the MGA under Article 4 of the Gaming Authorisations Regulations which authorises National Lottery p.l.c. to operate the National Lottery Games Suite;
National Lottery p.l.c.	a public limited liability company registered under the laws of Malta with company registration number C 100229 and having its registered office at Portomaso Business Tower, Level 11, St. Julians, STJ 4011, Malta;
Other Games	any other game included in the National Lottery Licence which is not a National Lottery Game which is operated on a non-exclusive basis and which is subject to the MGA's prior approval, to be granted in its sole and absolute discretion;
Pinnacle IP Limited	Pinnacle IP Limited, a private limited liability company registered under the laws of Malta with company registration number C 90608 and having its registered office at Pinnacle Gaming Group, Level 11, Portomaso Business Tower, St. Julians, Malta;
Prospectus	collectively, the Registration Document, the Securities Note and the Summary;
Prospectus Regulation	Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended, and in accordance with the provisions of Commission Delegated Regulation No. 2019/979 and Commission Delegated Regulation No. 2019/980 issued thereunder;
Registration Document	this document in its entirety;
Securities Note	the securities note issued by the Issuer dated 22 March 2022, forming part of the Prospectus;
Sponsor & Co-Manager	Rizzo, Farrugia & Co. (Stockbrokers) Ltd, a private limited liability company registered under the laws of Malta, with company registration number C 13102, having its registered office at Airways House, Fourth Floor, High Street, Sliema SLM 1551, Malta, licensed by the MFSA and a member of the MSE, and reference to the " Sponsor " or " Co-Manager ", shall be construed accordingly, as the context requires;
Subsidiaries	an entity over which the Issuer has control. In terms of the International Financial Reporting Standards adopted by the European Union, a group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The term " Subsidiary " shall be construed accordingly. The term " Subsidiaries " shall collectively refer to the said entities;
Summary	the summary issued by the Issuer dated 22 March 2022, forming part of the Prospectus;

Type 1 Gaming Services	games of chance played against the house, the outcome of which is determined by a random generator, and shall include casino type games, including roulette, blackjack, baccarat, poker played against the house, lotteries, secondary lotteries and virtual sports games;
Type 2 Gaming Services	games of chance played against the house, the outcome of which is not generated randomly, but is determined by the result of an event or competition extraneous to a game of chance, and whereby the operator manages his or her own risk by managing the odds offered to the player;
Type 3 Gaming Services	games of chance not played against the house and wherein the operator is not exposed to gaming risk, but generates revenue by taking a commission or other charge based on the stakes or the prize, and shall include player versus player games such as poker, bingo, betting exchange, and other commission based games; and
Type 4 Gaming Services	controlled skill games as per regulation 8 of the Gaming Authorisations Regulations.

Unless it appears otherwise from the context:

- (a) words importing the singular shall include the plural and *vice versa*;
- (b) words importing the masculine gender shall include the feminine gender and *vice versa*;
- (c) the word “*may*” shall be construed as permissive and the word “*shall*” shall be construed as imperative;
- (d) all references in this Registration Document to “*Malta*” shall be construed as defined in Article 124 (1) of the Constitution of Malta
- (e) any phrase introduced by the terms “*including*”, “*include*”, “*in particular*” or any similar expressionism shall be illustrative only and does not limit the sense of the words preceding those terms; and
- (f) any reference to a law, legislative act, and/or other legislation shall mean that particular law, legislative act and, or legislation as in force at the date of this Registration Document.

3. RISK FACTORS

3.1. GENERAL

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 MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE COMPANY. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY, OR MAY NOT, OCCUR AND THE COMPANY, AND ITS DIRECTORS, ARE NOT IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

THE RISK FACTORS BELOW HAVE BEEN CATEGORISED UNDER FIVE MAIN CATEGORIES, ACCORDING TO WHETHER THE RISK FACTORS RELATE TO: (I) THE COMPANY PER SE; (II) ECONOMIC AND FINANCIAL RISKS; (III) REGULATORY AND LEGAL RISKS; (IV) BUSINESS AND OPERATIONAL RISKS; AND (V) SOCIAL AND GOVERNANCE RISKS.

THE RISK FACTOR FIRST APPEARING UNDER EACH SUB-CATEGORY CONSTITUTES THAT RISK FACTOR WHICH THE DIRECTORS HAVE ASSESSED TO BE THE MOST MATERIAL RISK FACTOR UNDER SUCH SUB-CATEGORY AS AT THE DATE OF THIS REGISTRATION DOCUMENT. SUBSEQUENT RISK FACTORS IN THE SAME SUB-CATEGORY ARE NOT RANKED IN ORDER OF MATERIALITY OR PROBABILITY OF OCCURRENCE. IN MAKING THEIR ASSESSMENT OF MATERIALITY, THE DIRECTORS HAVE EVALUATED THE COMBINATION OF: (I) THE PROBABILITY THAT THE RISK FACTOR OCCURS; AND (II) THE EXPECTED MAGNITUDE OF THE ADVERSE EFFECT ON THE FINANCIAL CONDITION AND PERFORMANCE, OPERATIONAL PERFORMANCE, BUSINESS AND/OR TRADING PROSPECTS OF THE COMPANY, AND, OR THE IZI FINANCE GROUP, IF THE RISK FACTOR WERE TO MATERIALISE. WHERE A RISK FACTOR MAY BE CATEGORISED IN MORE THAN ONE CATEGORY, SUCH RISK FACTOR ONLY APPEARS ONCE IN THE MOST RELEVANT CATEGORY OR SUB-CATEGORY FOR SUCH RISK FACTOR.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS ADVERSE EFFECT ON THE COMPANY'S AND, OR IZI FINANCE GROUP'S FINANCIAL RESULTS, FINANCIAL CONDITION, OPERATIONAL PERFORMANCE, BUSINESS AND, OR TRADING PROSPECTS, AS WELL AS THE ABILITY OF THE COMPANY TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES ISSUED BY IT FROM TIME TO TIME, INCLUDING ITS OBLIGATIONS UNDER THE BONDS. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS AS AT THE DATE OF THIS REGISTRATION DOCUMENT, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE COMPANY AND, OR IZI FINANCE GROUP FACES OR COULD FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE COMPANY'S DIRECTORS ARE NOT CURRENTLY AWARE OF, OR THAT THE DIRECTORS CURRENTLY DEEM IMMATERIAL, INDIVIDUALLY OR CUMULATIVELY, MAY WELL RESULT IN A MATERIAL ADVERSE IMPACT ON THE COMPANY'S AND, OR IZI FINANCE GROUP'S FINANCIAL RESULTS, FINANCIAL CONDITION, OPERATIONAL PERFORMANCE, BUSINESS AND, OR TRADING PROSPECTS.

THE PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, AND/OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH SECURITIES ISSUED BY THE COMPANY: (I) IS NOT INTENDED TO PROVIDE THE BASIS FOR ANY CREDIT OR OTHER EVALUATION; (II) IS NOT AND SHOULD NOT BE CONSIDERED AS A RECOMMENDATION BY THE COMPANY, THE DIRECTORS, ANY OF THE ADVISERS LISTED IN SECTION 4.3. BELOW, THE SPONSOR, OR ANY OF THE AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THE PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE COMPANY, INCLUDING THE BONDS, AND, THEREFORE, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THE PROSPECTUS; AND (III) CONTAIN STATEMENTS THAT ARE, OR MAY BE DEEMED TO BE, "FORWARD-LOOKING STATEMENTS".

3.2. FORWARD-LOOKING STATEMENTS

Forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "forecasts", "projects", "anticipates", "expects", "envisages", "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 throughout the Prospectus, and in documents incorporated therein by reference, 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, financial condition and performance, results of operations, liquidity, prospects, investments, and the markets 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 and, or the IZI Finance Group's actual operational results, financial condition and performance, and trading prospects may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the operational results, financial condition and performance, and trading prospects of the Company and, or of the IZI Finance Group are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, those factors identified under this section and elsewhere in the Prospectus.

All forward-looking statements contained in the Prospectus 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.

3.3. RISKS RELATING TO THE COMPANY

Risks associated with the dependency of the Issuer on the performance of its Subsidiaries

As a finance and holding company of the IZI Finance Group, the Issuer does not carry out any trading activities of its own. The majority of the Issuer's assets consist of loans granted to its Subsidiaries and shares held in its Subsidiaries, and the only revenue it generates emanates from the receipt of principal and income payments on funds it advances to its Subsidiaries and dividends received from its Subsidiaries, from time to time. The Issuer is thus economically dependent on the operational results, the financial position and the financial performance of its Subsidiaries. Consequently, the financial and operational results of the Subsidiaries of the Issuer have a direct effect on the Issuer's financial position.

The ability of the Subsidiaries of the Issuer to make payments of principal and interest to the Issuer as well as their ability to distribute dividends is dependent on the cash flows and earnings of the relevant Subsidiary.

3.4. ECONOMIC AND FINANCIAL RISKS

Risks relating to the economic repercussions of the COVID-19 pandemic

On 30 January 2020, the World Health Organisation ('WHO') declared the outbreak of a novel strain of coronavirus (now commonly referred to as 'COVID-19') to be a 'Public Health Emergency of International Concern' (PHEIC), and subsequently escalated its characterisation as a global pandemic on 11 March 2020.

As a direct result of the spread of COVID-19, global economic activity has experienced a general downturn, with certain industry sectors and market segments having been affected more harshly than others. The global and local economic landscape has suffered from significant volatility, rising unemployment, dampened purchasing power and demand, delays and disruptions in supply chains and logistical arrangements, and deterioration in credit quality. In addition, government and health authorities all over the world, including Malta, have resorted to the implementation and enforcement of various preventative and containment measures, including the imposition of total lockdowns, partial lockdowns, closure of non-essential outlets (including, in particular, gaming premises), the cancellation or postponement of sporting events and other restrictive measures such as rules on travel bans, self-quarantine and social distancing. The imposition of preventative and containment measures has had, and may continue to have, a negative impact on expectations relating to the IZI Finance Group's gaming operations, with the susceptibility to the risk of a reduction in revenue.

In response to the pandemic, in the years 2020 and 2021, the Group was required to temporarily close or restrict access to its gaming premises, or to adopt measures to allow for flexible working and implement measures to manage essential processes remotely. Should additional lockdowns or forced closures be imposed by the relevant regulatory authorities, given the nature of the IZI Finance Group's land-based gaming activities which innately requires physical presence, the land-based gaming operations of the IZI Finance Group may be adversely affected by the mandatory closure of said gaming premises. In addition, the suspension of sporting events and, or limitations on the number of employees and customers that are permitted on-site at any one time may also negatively affect the financial position of the IZI Finance Group.

The IZI Finance Group's revenue is primarily generated from the gaming activities of its customers and the latter's disposable income which has been negatively impacted by the economic conditions brought about as a result of the outbreak of COVID-19. This, in turn, may result in a downward shift in demand, frequency and volume of such revenue-generating gaming activities.

Beyond the direct economic impacts of COVID-19, the pandemic also poses significant challenges to the continuity, efficacy and proper functioning of the day-to-day operations of operational Subsidiaries of the Issuer. A spread of such disease amongst the employees of the IZI Finance Group, as well as any self-quarantine measures and travel restrictions affecting the employees of the IZI Finance Group, may negatively impact the ability of the IZI Finance Group's personnel to carry out their work at full-functionality or capacity, and thereby negatively affect the IZI Finance Group's operations.

The exact depth and duration of the COVID-19 pandemic and its financial and economic effects are inherently difficult to predict with any degree of accuracy. Consequently, the IZI Finance Group's business, operations, and financial performance remain susceptible to the risk relating to the uncertainty surrounding the constantly changing circumstances within which it finds itself operating as a result of COVID-19, as well as the risks of the effects of the corresponding restrictive or prohibitive measures that have been, and may in the future, be introduced as a result thereof or in connection therewith.

Any of the COVID-19 related factors could have an adverse effect on the IZI Finance Group's operational result, financial position and performance, trading prospects and its ability to continue on a going concern basis.

Risks relating to taxation

The IZI Finance Group is likely to be subject to direct corporate taxation, indirect taxes, gaming taxes and other taxes, as may be imposed by any of the jurisdictions in which it operates or with which it has ties. These taxes could change, and new taxes may be introduced which may result in an increase in the IZI Finance Group's tax burden. Similarly, while players' winnings are not currently subject to tax or are taxed at lower rates in some jurisdictions, this is also subject to changes which might make gaming less attractive to customers in those jurisdictions.

Non-compliance with tax regulation in any jurisdiction, whether accidental or as a result of the incorrect interpretation of tax laws or disagreement with the authorities of a jurisdiction or resulting from any other reason, may result in the IZI Finance Group being subject to additional costs of lengthy legal disputes and the payment of substantial amounts of additional tax, interest and penalties for the IZI Finance Group.

Any event which results in an increase in the tax burden of the IZI Finance Group or its customers and/or related interest, penalties and dispute and settlement costs, may lead to decreased revenues and have a material adverse effect on its operations, earnings and overall financial position. Tax audits and investigations may also have a negative effect on the IZI Finance Group's reputation and divert management's attention from their other duties, which may similarly lead to decreased revenues and have a material adverse effect on its operations, earnings and overall financial position.

3.5. REGULATORY AND LEGAL RISKS

Risks relating to the revocation, suspension or non-renewal of licenses

The majority of the Issuer's revenue is derived from the licensed and regulated gaming activities of Dragonara Gaming Limited, Gaming Operations Limited and IZI Interactive Limited which are each in possession of a B2C Licence issued by the MGA authorising them to offer Gaming Services. Dragonara Gaming Limited has been granted a concession to operate the Dragonara Casino as a land-based casino and National Lottery p.l.c. has been granted a concession to operate the National Lottery Games Suite.

The abovementioned licences and concessions are issued for fixed periods of time. Upon the lapse of that fixed period, each licensee and/or concessionaire is required to: (i) apply for a renewal of any licenses issued; and, or (ii) where a concession was previously granted, take part in an open call to tender for the new concession. The continued retention of these licenses and concessions are crucial in order to secure the Issuer's continued operations in the gaming sector. There is no guarantee that the IZI Finance Group's respective licenses and concessions will not be suspended or revoked or that the licences will be renewed upon their expiration. The non-renewal, suspension or revocation of the IZI Finance Group's licenses could take place in a number of instances, including but not limited to, where the licensees are in breach of their obligations emanating from applicable laws or regulations or generally where the MGA considers a non-renewal, suspension or revocation to be in the national interest or in the interest of safeguarding the reputation of Malta. The non-renewal, suspension or revocation of a licence issued by the MGA may in turn result in the termination of the Dragonara Casino Concession and, or the National Lottery Concession. Any licence suspension and/or revocation, the inability to renew existing gaming licences and the inability to apply for new licences, where required, will have a materially negative impact on the IZI Finance Group's business, financial position and profit.

Risks relating to anti-money laundering and fraud

The IZI Finance Group handles a large number of financial transactions within the ordinary course of business and is therefore exposed to risks relating to money laundering and fraud. The IZI Finance Group is required to implement rigorous policies and procedures in relation to the prevention and detection of such fraudulent and money laundering activities in their gaming operations and is also under an obligation to report any suspicious transactions to the competent authorities. Where the IZI Finance Group fails to detect and report suspicious transactions, the IZI Finance Group may be subject to criminal sanctions or administrative fines. Any such failure could also result in the revocation of concessions and licences, operational bans, or loss in confidence of its customer base, all of which could have a material adverse effect on the IZI Finance Group's business, financial position and profit.

Risks relating to the IZI Finance Group's dependence on new laws and regulations

The IZI Finance Group operates in a highly regulated industry and is subject to risks related to the introduction and implementation of new laws and amendments of existing legislation. Although the introduction of new laws and, or amendments to existing legislation is often driven by considerations relating to the prevention or reduction of problem gambling and gaming by minors and generally the protection of players, the continued introduction of new rules and regulations leads to less predictability which may undermine the IZI Finance Group's ability to adopt and implement these changes in an accurate and efficient manner. Potential legislative changes may have a material negative impact on the IZI Finance Group's operations, earnings and financial position.

Risks relating to the collection, processing and storage of personal data

The IZI Finance Group collects, processes and stores personal data relating to its customers and employees. Such data processing activities are subject to the rules governing the processing of personal data in terms of the Data Protection Act (Cap. 586 of the laws of Malta) and subsidiary legislation issued thereunder (the “DPA”) and Regulation (EU) No. 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (the “GDPR”). As a result of the recent adoption of the GDPR, in May 2018, the Group was required to review and amend its data protection policies and procedures in order to ensure that its data processing activities, and those of its third-party service providers, are compliant with the new requirements of the GDPR. The IZI Finance Group’s interpretation of the requirements of the GDPR and the new measures implemented thereby may be considered to be insufficient or not effectively implemented across the IZI Finance Group.

Although the IZI Finance Group’s online gaming operations predominantly target the local Maltese market, IZI Interactive Limited, through its B2C Licence, also provides its services to additional jurisdictions where the B2C Licence is recognised and the provision of services in terms of that licence is permitted. The IZI Finance Group must familiarise itself with the interpretations and implementation of the provisions of the GDPR by the relevant supervisory authorities of said jurisdictions which would entail the need for more resources and an increase in compliance costs. The risk once again is that the IZI Finance Group’s implementation of data protection measures to be in line with the interpretations of these supervisory authorities would not be considered sufficient enough or compliant.

The GDPR has introduced significant penalties for systemic breaches, of up to the higher of 4% of annual worldwide turnover or €20 million, and fines of up to the higher of 2% of annual worldwide turnover or €10 million in the case of specified infringements listed therein. If the data processing activities of the IZI Finance Group, or any of its third-party service providers, are found to be in breach of the DPA or the GDPR, the IZI Finance Group is at risk of facing significant fines, increased supervision, the revocation or non-renewal of existing licenses, the refusal of a new application for a licence, as well as claims instituted by customers and reputational damages. Should such risks materialise, this could have a material negative effect on the operations, earnings and financial position of the IZI Finance Group.

Exposure to claims and litigation

Since the IZI Finance Group operates in an industry which involves the continuous provision of products and services to customers and such operation necessarily requires continuous interaction with customers, suppliers, employees, regulatory authorities, and other stakeholders, the IZI Finance Group is exposed to the risk of litigation from such stakeholders or fines imposed by regulatory authorities in the jurisdictions in which the IZI Finance Group operates. Adverse publicity from such allegations may negatively impact the turnover generated by the IZI Finance Group regardless of whether such allegations are true or whether the IZI Finance Group is ultimately held liable. All litigation is expensive, time consuming and may divert management’s time and resources away from the operation of the business of the IZI Finance Group. In addition, the IZI Finance Group cannot be certain that its insurance coverage will be sufficient to cover one or more substantial claims. No assurance can be given that disputes which could have a material adverse effect on the IZI Finance Group’s financial condition or operational performance would not arise in the future. Exposure to litigation or penalties, fines or other sanctions imposed by the relevant authorities may affect the IZI Finance Group’s reputation even though the monetary consequences may not be significant.

As at the date of this Registration Document, court proceedings have been instituted against, inter alia, National Lottery p.l.c. under Article 469A of Chapter 12 of the laws of Malta before the First Hall, Civil Court. The application was filed by the entities comprising the ‘Sisal Malta Consortium’: (i) the Italian company Sisal Lottery Italia S.p.A, an affiliated company of Sisal S.p.a. (registration number 04900570963); (ii) the Austrian company Scientific Games International GmbH; and (iii) Eden Leisure Group Limited (C 4529) (collectively the “Plaintiffs”) against the Ministry for the Economy and Industry, the Privatisation Unit, the MGA, the Ministry of Finance and National Lottery p.l.c. In their application, the Plaintiffs have requested the court to declare the process through which National Lottery p.l.c. was declared as the preferred bidder and the decision declaring National Lottery p.l.c. as the preferred proponent to be without effect. On 2 March 2022, National Lottery p.l.c. filed its reply before the First Hall, Civil Court rebutting the claims made by the Plaintiffs as being completely unfounded at law and in fact. Further details on the pending court proceedings are set out in section 9 of this Registration Document.

Should the Courts of Malta decide in favour of the Plaintiffs by a final judgement, the National Lottery Concession granted in favour of National Lottery p.l.c. will be annulled. Should such risk materialise, this could have a material negative effect on the operations, earnings and financial position of the IZI Finance Group.

3.6. BUSINESS AND OPERATIONAL RISKS

Risk relating to the concentration of the IZI Finance Group's operations in the gaming industry

The majority of the IZI Finance Group's revenue stream is generated from the gaming industry. The IZI Finance Group offers a diverse portfolio of gaming products, including casino (land-based and online), sports betting (land-based and online), lottery (through the National Lottery Concession and the National Lottery Licence) and bingo. The IZI Finance Group's revenue generation potential is dependent on the reputation and status of the gaming industry in Malta, thereby exposing the Issuer to single sector concentration risk. Moreover, most of the IZI Finance Group's revenue is generated from players based in Malta, which also exposes the Issuer to geographic concentration risk. The risk inherent in concentrating substantial investments in a single industry and to one principal target market, rather than a diversified portfolio of assets, is that a decline in such industry or target market, whether triggered by economic conditions, consumer demand or unfavourable changes to local legislation, could have an adverse effect on the financial condition of the IZI Finance Group.

Risks in relation to key personnel and senior management

The success of the IZI Finance Group's business is, to a large extent, reliant on the IZI Finance Group's ability to attract, train, motivate and retain highly skilled, competent, and experienced personnel in both the land-based and remote gaming industry.

There is a high demand for certain competences within the gaming industry due to the lack of individuals who are trained and qualified in certain areas such as I.T. and thus, there is a greater difficulty in retaining said individuals. Notwithstanding the IZI Finance Group's efforts to train and retain employees, there is still a risk that the IZI Finance Group's key personnel decide to terminate their employment relationships with the IZI Finance Group. This in turn will require the IZI Finance Group to devote time and resources in replacing such individuals with other professionals with the same or similar levels of skill and experience or covering their positions until an appropriate replacement may be found. Employee turnover, particularly, of highly skilled and experienced professionals could have an adverse effect on the IZI Finance Group's business and operations.

Risks relating to competition

The IZI Finance Group operates in a highly competitive gaming landscape. As at the date of this Registration Document, there are three active land-based casino concessions and four operational land-based casinos in Malta one of which is the Dragonara Casino. The IZI Finance Group enjoys approximately 30% of the land-based casino market sector and enjoys market leadership in all the sectors of the retail gaming market in Malta. The IZI Finance Group is also active in the highly competitive online gaming sector through the domains "www.izibet.com" and "www.dragonara.com". The online gaming sector, unlike the land-based gaming sector, is characterised by a large number of operators.

The IZI Finance Group's success and growth is dependent on its ability to maintain and improve its respective market positions, anticipate and respond to changes in customer behaviour and technological developments efficiently and successfully and invest in effective marketing strategies. Moreover, the number of competitors in the market are increasing and thus, the IZI Finance Group's competitive advantage may also be dependent on its ability to merge with or acquire other companies, businesses and/or brands which are well-established in the industry. Failure to keep up with its competition could mean that the IZI Finance Group risks losing its business and revenue to its competitors and this could have a material adverse effect on the IZI Finance Group's business, operations and its financial position.

Risks relating to the use or challenge of intellectual property by third parties

The IZI Finance Group's main intellectual property rights are its brand names, domain names, trademarks and goodwill relating to the Dragonara Casino brand and the IZIBET brand. It has also been granted an exclusive licence to use the National Lottery Intellectual Property Rights by the Government of Malta. The success and growth of the IZI Finance Group is also dependent on its ability to protect and enforce these intellectual property rights.

The IZI Finance Group is exposed to the risks that its competitors or other third-parties may attempt to use, challenge or, in so far as not previously registered by the IZI Finance Group, register the intellectual property rights of the IZI Finance Group. The IZI Finance Group may also be exposed to claims or actions brought against it by third-parties alleging infringement of their intellectual property rights. If the IZI Finance Group fails to successfully defend such actions, the IZI Finance Group may be ordered to discontinue using the intellectual property in question and to compensate such third-parties.

Risks relating to I.T. systems

The IZI Finance Group is highly dependent on the efficient and uninterrupted operations of its internal and external I.T. systems in order to provide a competitive service which meets its customers' expectations and ensure the safe transmission of personal data and other confidential information. The IZI Finance Group therefore substantially invests resources in maintaining and developing its I.T. systems. Nonetheless, the IZI Finance Group's I.T. systems may be subject to a failure, disruption or other interruption or malfunction because of various factors which may be out of the IZI Finance Group's control such as natural disasters, electricity shortages and, or technical malfunctions. Apart from the foregoing, the IZI Finance Group's I.T. systems are also at risk of being the target of cyber-attacks, data theft or other unauthorized access to or use of data, errors, bugs, inadequate maintenance service levels, or other malicious interference with or disruptions to their I.T. and other technological systems.

The results of the occurrence of the above would be a disruption in the IZI Finance Group's activities and may also lead to a leakage of personal data pertaining to its customers and, or employees, confidential information or other trade secrets. Any operational disruption, technical problem, failure to develop new I.T. systems or a leak of personal data or other confidential information could therefore have a material adverse effect on the operating results of the IZI Finance Group, its financial condition and prospects.

Risks arising from reliance on third-party suppliers

In the day-to-day operation of its business, the IZI Finance Group depends, to a great extent, on third-parties for the supply of games, gaming software, gaming devices, technical solutions, I.T. services, information services, payment services, marketing services, compliance related services and alternative dispute resolution services, amongst other service providers.

Where one or more of such suppliers defaults on their obligations to the IZI Finance Group, or where the IZI Finance Group experiences a disruption in these services for whatever reason, such default and, or disruption could negatively impact the IZI Finance Group's ability to provide its products and services and to meet its obligations in terms of gaming regulations, as well as its obligations towards its customers, failure of which may result in the imposition of regulatory fines or penalties, loss of revenue, decline in customer loyalty levels, damage to the IZI Finance Group's brands and reputation in the market and reduced profitability of the IZI Finance Group. Furthermore, there is no guarantee that the IZI Finance Group will be successful in recovering any losses suffered thereby as a result of the non-compliance of a third-party with their contractual obligations.

In addition, there is a risk of termination or non-renewal of these agreements with suppliers and the IZI Finance Group may encounter difficulties in seeking and contracting with alternative third-party suppliers in a timely and cost-effective manner and on the same or similar terms.

Where the risks arising from reliance on third-party suppliers were to materialise, these would negatively affect the IZI Finance Group's reputation, market position, operations and financial condition.

Risks relating to the Group's dependence on incoming tourism

The IZI Finance Group's land-based casino operations and retail operations are, to an extent, dependent on the tourism industry. The number and type of tourists visiting Malta are subject to a number of external factors that could adversely affect the IZI Finance Group's business, many of which are beyond the IZI Finance Group's control such as:

- changes in travel patterns or seasonal variations, as well as consumer preferences concerning price, quality, location and type of hospitality packages;
- any cutbacks and stoppages on air or sea travel routes between Malta and other key destinations throughout the year, or increase in taxes, surcharges and other expenses associated therewith, as well as the imposition of travel restrictions, bans or other measures by various governmental authorities;
- changes in laws and regulations, including those concerning the management and operation of entertainment establishments, health and safety, alcohol licensing, environmental concerns, fiscal policies and zoning and development, and the related costs of compliance; and
- the impact of increased threats of terrorism or actual terrorist events, impediments to means of transportation (including airline strikes and border closures, or other travel restrictions), extreme weather conditions, natural disasters, travel-related accidents, outbreaks of diseases and health concerns, or other factors that may affect travel patterns and reduce the number of travellers.

The outbreak of the COVID-19 pandemic has brought about the imposition of lockdowns and other travel restrictions which in turn have resulted in the cancellation of planned routes and a decrease in flight frequency of planned routes. These changes in travel patterns have thus, had an effect on the number and quality of foreigners visiting Malta and the frequency of their visits.

The impact of any of these factors (or a combination of them) may adversely affect the number of tourists visiting the Dragonara Casino, and albeit to a lesser extent since the customer base is largely local, the IZIBET retail outlets. This could in turn have a material adverse effect on the IZI Finance Group's business, financial condition and results of operations.

The IZI Finance Group's land-based gaming operations are also dependent on the collective efforts of the industry, support from the competent regulatory authorities and collaboration between airline operators, hotel operators and tour operators to increase the exposure for Malta as a casino tourism destination, to ensure that key markets are well-catered for and to avoid (and where not possible, mitigate) any degradation in quality and/or service levels for guests. The land-based operations of the IZI Finance Group could be adversely affected by such delays, errors, failures or faults which could affect the financial position of the Issuer.

Risks connected with the IZI Finance Group's insurance cover

The IZI Finance Group has maintained insurance at levels which they have determined to be appropriate in light of the cost of cover and the risk profiles of the sectors in which they operate. However, it may be difficult and may take time to recover losses from insurers, as and when necessary. Any one of the Subsidiaries of the Issuer may not be able to recover the full amount from the insurer due to procedural restrictions or formalities, or substantive exclusions, exemptions, limitations on coverage, *de minimis* liability coverage limitations, prescriptive time periods and limitations, reporting or other disclosure requirements, licensing or other authorisation or registration requirements, breach of restrictive covenants or undertakings, breach of warranties and, or representations, as well as restrictions or formalities relating to the initiation of, and control over, litigation, investigations or other proceedings relating thereto. No assurance can be given that the Issuer's current insurance coverage and that of its Subsidiaries would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates. In addition, changes in legislation or judicial interpretation, or the issuance or alteration of directives, orders, or other measures (whether interim or otherwise), by the relevant authorities (including but not limited to governmental departments or authorities, planning authorities, health and safety authorities and environmental authorities, among others) may impact the ability to recoup losses under insurance coverage held by the Issuer's respective Subsidiary. Furthermore, the actions, or inactions of either the IZI Finance Group's employees or other officials or that of contractors, outsourcing parties, or other third parties engaged thereby from time to time, may affect the IZI Finance Group's ability to successfully make a claim under its insurance policies.

3.7. SOCIAL AND GOVERNANCE RISKS

Risks relating to social and governance considerations

The gaming industry has begun to integrate environmental, social and governance (ESG) factors into its business models. Towards the objective of implementing a more sustainable business model, the IZI Finance Group is committed towards the continued assessment of existing measures and policies to address social and governmental issues such as responsible gaming and player protection, ethical marketing, customer data integrity, cyber security and anti-corruption and money laundering.

Failure by the IZI Finance Group to consider its social responsibility and implement policies and measures that promote diversity and well-being within the workplace may result in the IZI Finance Group being unable to attract the right type of employees including new employees. Moreover, should the IZI Finance Group fail to operate its business in a sustainable manner, aside from any fines which may be imposed due to non-compliance of sustainability-driven regulations, this may also have a material adverse effect on the IZI Finance Group's relationship with players, gaming providers and suppliers, governing bodies and other stakeholders with the result that its reputation and public image may be adversely affected and restrict its ability to develop new brands. This, in turn, may have a material adverse impact on the IZI Finance Group's revenues, financial condition and operations.

4. IDENTITY OF DIRECTORS, ADVISERS AND AUDITORS OF THE ISSUER

4.1. DIRECTORS OF THE ISSUER

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

NAME	DESIGNATION
Christian Gernert U3486929	Executive Director and Chairman
Johann Schembri 540875M	Executive Director and Chief Executive Officer
Franco De Gabriele 75270M	Executive Director and Chief Commercial Officer
Joseph Mallia 231082M	Executive Director and Chief Financial Officer
Jacqueline Camilleri 0340768M	Independent Non-Executive Director
Stephanie Fabri 0368486M	Independent Non-Executive Director
Otto Karasek U4349211	Independent Non-Executive Director

Louis De Gabriele, holder of identity card number 136664(M) of 55, Triq il-Barmil, Victoria Gardens, Ibragg, Swieqi, Malta is the company secretary of the Issuer.

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

4.2. RESPONSIBILITY AND AUTHORISATION STATEMENT

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

The Registration Document has been approved by the Malta Financial Services Authority as the competent authority in Malta for the purposes of the Prospectus Regulation. The Malta Financial Services Authority has only approved the Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Issuer or the IZI Finance Group (as the subjects of the Registration Document).

4.3. ADVISERS

The persons listed hereunder have advised and assisted the Directors in the drafting and compilation of the Prospectus.

Legal Advisers

Name: Camilleri Preziosi
Address: Level 3, Valletta Buildings,
South Street,
Valletta VLT 1103, Malta

Financial Advisers

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

Sponsor & Co-Manager

Name: Rizzo, Farrugia & Co (Stockbrokers) Ltd
Address: Airways House, Fourth Floor,
High Street,
Sliema SLM 1551, Malta

Registrar & Co-Manager

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

4.4. AUDITORS

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

The annual statutory financial statements of the Group for the financial years ended 30 June 2019, 2020 and 2021 have been audited by Grant Thornton. Grant Thornton is a firm of certified public auditors holding a warrant to practice the profession of auditors in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta). The Accountancy Board registration number of Grant Thornton is AB/26/84/22.

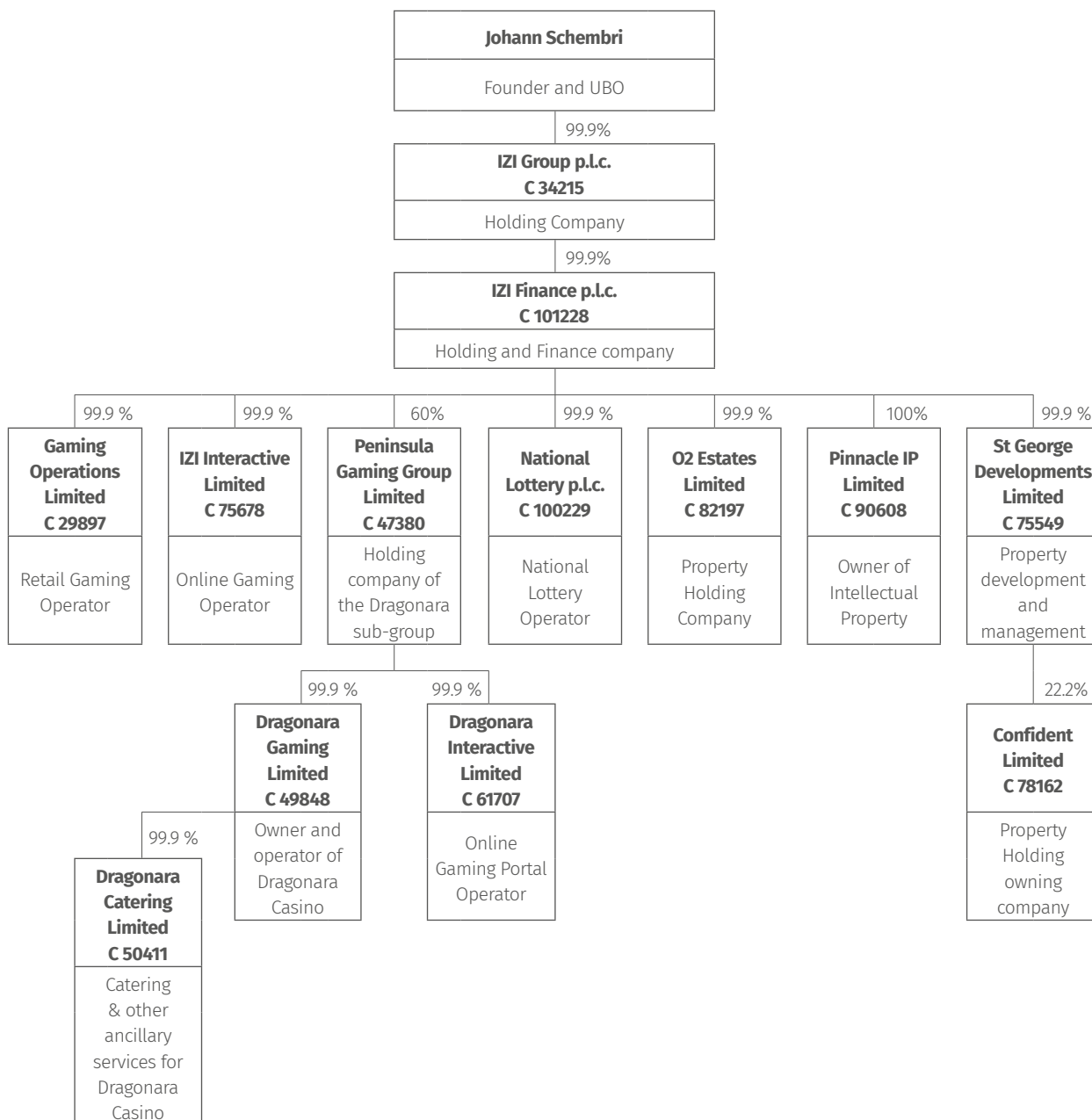
5. INFORMATION ABOUT THE ISSUER**5.1. GENERAL INFORMATION**

Full legal and commercial name of the Issuer	IZI Finance p.l.c.
Registered address	Portomaso Business Tower, Level 11, St Julians STJ 4011 Malta
Place of registration and domicile	Malta
Company registration number	C 101228
Legal Entity Identifier ('LEI')	485100W7KB2YAMBF9C63
Date of registration	30 December 2021
Legal form	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act.
Telephone number	+356 2570 4401
Email	invest@izifinance.mt
Website	https://izifinance.mt/

Unless otherwise incorporated by reference herein, the information on the Issuer's website does not form part of this Prospectus.

5.2. ORGANISATIONAL STRUCTURE OF THE IZI FINANCE GROUP

The organisational structure of the IZI Finance Group as at the date of this Registration Document is illustrated in the organigram hereunder:



Notes: The IZI Group p.l.c. also holds Betco Digital Entertainment Limited (C 34032) which is in dissolution

The Issuer was incorporated on the 30 December 2021 as the holding and finance company of the IZI Finance Group and is economically dependent on the operational results, the financial position and the financial performance of its Subsidiaries. A brief overview of the activities of each of the Issuer's Subsidiaries is set out below:

- **National Lottery p.l.c.** was incorporated on the 16 September 2021. It is the concessionaire of the National Lottery. Further information on the operations of National Lottery p.l.c. as well as information on the National Lottery are set out in section 7.3.1. of this Registration Document.
- **Gaming Operations Limited** was incorporated on the 27 June 2002. It is a B2C Operator and is responsible for the IZI Finance Group's retail gaming operations. Further information on the operations of Gaming Operations Limited as well as information on the IZI Finance Group's retail gaming operations are set out in section 7.3.2. of this Registration Document.
- **Dragonara Gaming Limited** was incorporated on the 4 June 2010. It is a B2C Operator and is the concessionaire and temporary sub-empheuteuta of the Dragonara Casino. Further information on the operations of the Dragonara Casino is set out in section 7.3.3. of this Registration Document.

- **IZI Interactive Limited** was incorporated on the 19 May 2016. It is a B2C Operator and is responsible for the IZI Finance Group's online gaming operations providing sports betting and casino products under the IZIBET brand while also providing these products to Dragonara Interactive Limited pursuant to an operational white label arrangement. Further information on the operations of IZI Interactive Limited as well as information on the IZI Finance Group's online gaming operations are set out in section 7.3.4. of this Registration Document.
- **Pinnacle IP Limited** was incorporated on the 11 February 2019. It is the owner of the IZIBET Intellectual Property Rights and licenses the said intellectual property to Gaming Operations Limited.
- **Peninsula Gaming Group Limited** was incorporated on the 24 July 2009. It is the holding company of Dragonara Gaming Limited and Dragonara Interactive Limited and does not carry out any trading activities of its own.
- **Dragonara Interactive Limited** was incorporated on the 29 August 2013. It is the operator of the Dragonara online casino, offering sports betting and casino products supplied by IZI Interactive Limited pursuant to an operational white label arrangement.
- **Dragonara Catering Limited** was incorporated on the 10 August 2010. It provides catering and other ancillary support services to the Dragonara Casino. The services include, amongst others, the administration of all food & beverage services and the organisation and management of private functions and events within the Dragonara Casino.

O2 Estates Limited (C 82197) and **St. George Developments Limited (C 75549)** along with the latter's subsidiary company, **Confident Limited (C 78162)**, make up the property division of the IZI Finance Group, where the core activities are to hold, develop, administer, maintain and manage any immovable properties held by the IZI Finance Group. O2 Estates Limited (C 82197) owns an arable tract of land in Wardija. St. George Developments Limited is the temporary emphyteuta of a property in St. Julian's which was developed into a block of buildings for the purpose of earning rental income. Once finishings are completed, the project will comprise 13 short let suites and a commercial outlet with an area of 85 square metres that will be leased as a retail gaming store.

6. FUNDING STRUCTURE AND SOLVENCY

6.1. ADDITIONAL INDEBTEDNESS FOLLOWING 30 JUNE 2021

6.1.1. Loan Facility granted to Dragonara Gaming Limited:

Following 30 June 2021 (the last financial year end of the IZI Group p.l.c.), a facility in the amount of €1,500,000 was granted by Bank of Valletta p.l.c., as lender, to Dragonara Gaming Limited, as borrower, for the purpose of funding the payment of an upfront concession fee pertaining to the operation of the Dragonara Casino. The loan was granted on 6 August 2021 and is to be repaid in full by 31 May 2026.

6.1.2. Loan Facility to the IZI Finance Group:

The National Lottery Concession was granted to National Lottery p.l.c. in consideration of a concession payment of €105 million. The IZI Finance Group is in negotiations with a local bank to obtain a facility in the amount of €45 million to be used as follows:

- €40 million to finance the first payments due to the Government of Malta in terms of the National Lottery Concession;
- €1 million as working capital during the start-up phase; and
- a performance guarantee facility of €4 million to fulfil the performance security requirements of the National Lottery as duly required by the National Lottery Concession.

It is expected that the repayment term of the loan will be a period of 8 years.

Other than the foregoing, the Directors are not aware of any material change in the Group's and, or its Subsidiaries' borrowing and funding structure since 30 June 2021, being the date of IZI Group p.l.c.'s and its Subsidiaries' latest financial year ends.

The Directors expect the Issuer's working capital and funding requirements to be met by a combination of the following sources of finance: (i) retained earnings and cash flow generated by the IZI Finance Group's operations; (ii) external bank credit and loan facilities; and (iii) the proceeds from the Bonds.

The IZI Finance Group's bank facilities are secured by the assets of the IZI Finance Group. Such security interests take the form of general hypothecs, special hypothecs and pledges over the shares of the Issuer's operating Subsidiaries.

7. BUSINESS OVERVIEW

7.1. HISTORICAL DEVELOPMENT OF THE IZI FINANCE GROUP AND RECENT EVENTS

IZI Group p.l.c. (formerly known as Pinnacle Gaming Group Limited), the parent company of the Issuer, was incorporated and commenced its operations in 2004. The key events pertaining to the development of the Group are set out below:

- In 2006, IZI Group p.l.c., through a joint venture, launched an electronic class II bingo operation in Malta, the first of its kind in Europe.
- In 2009, Peninsula Gaming Group Limited formed a joint venture with Novomatic Gaming Industries GmbH (FN109445Z) and Toss A Coin Limited (C 34067) to form the Novomatic-Peninsula Consortium, a consortium that was purposely set up to bid for the management and operation of a land-based casino in and from the Dragonara Casino. The consortium was successful in its bid and a concession to operate a land-based casino in and from the Dragonara Casino was granted to Dragonara Gaming Limited (jointly owned by Peninsula Gaming Group Limited and Toss A Coin Limited) in June 2010.
- In 2010, Casma Limited (C 8930) (a company ultimately owned by the Government of Malta) granted by title of temporary sub-emphyteusis unto Dragonara Gaming Limited the Dragonara Casino for a period of 10 years, commencing on 30 June 2010.
- In 2013, the Group ventured into different distribution channels and made available the sale of casino products through an online portal.
- In 2014, IZI Group p.l.c. acquired the entire issued share capital of Gaming Operations Limited, a company which was licensed to operate a network of, what are now known as, Controlled Gaming Premises for the provision of retail gaming services and to operate a commercial bingo hall by virtue of a licence issued by the Department of Lotto.
- In 2015, the Group launched the IZIBET brand, both as a sports-betting brand as well as the brand under which all retail-based gaming services are sold. The Group started offering sports betting services and retail based gaming services over the course of 2015.
- In 2015, Johann Schembri acquired full control of IZI Group p.l.c..
- In 2019, Casma Limited (C 8930) extended the grant of the Dragonara Casino under title of temporary sub-emphyteusis unto Dragonara Gaming Limited for a further period of 64 years commencing on 3 July 2019. The temporary sub-emphyteusis expires in the year 2083.
- In 2021, Dragonara Gaming Limited successfully won the Dragonara Casino Concession to continue its operations of the Dragonara Casino for another 10 years, commencing from August 2021.
- In 2021, National Lottery p.l.c. was also declared, by the Privatisation Unit on behalf of the Government of Malta, as the preferred bidder for the grant of the National Lottery Concession in Malta.
- On 30 December 2021, the Issuer was established. Simultaneously with its incorporation, the Issuer acquired all the share capital of the operating Subsidiaries of IZI Group p.l.c. in exchange for the issue of 80,000,000 ordinary shares having a nominal value of €1.00 each in favour of IZI Group p.l.c. together with a deferred consideration payable to IZI Group p.l.c. of €20 million. The deferred consideration will be settled through the novation from IZI Group p.l.c. to the Issuer of loans having a principal amount of approximately €12.9 million and an amount in cash of €7.1 million, payable at the discretion of the Issuer.
- On 10 March 2022, the Government of Malta granted National Lottery p.l.c. a concession to operate the National Lottery by virtue of the National Lottery Concession for a period of 10 years commencing from the Expected Take-Over Date. Further information on the commitments undertaken by National Lottery p.l.c. in terms of the National Lottery Concession agreement is set out in section 7.3.1.4.

There are no other recent events particular to the Issuer which are, to a material extent, relevant to an evaluation of its solvency.

7.2. PRINCIPAL ACTIVITIES OF THE ISSUER

The Issuer was established on 30 December 2021 as a holding and finance vehicle of the IZI Finance Group. Its sole purpose is to finance the activities of its operating Subsidiaries and associated companies. The Bond proceeds received by the Issuer by virtue of the Bond Issue will be on-lent to certain Subsidiaries within the IZI Finance Group. Information on the use of the Bond proceeds and on the entities which will benefit from those proceeds by virtue of intra-group loans is set out in the Securities Note.

As a holding and finance company of the IZI Finance Group, the Issuer has shareholding interests in its operating Subsidiaries and benefits from loan receivables from the said Subsidiaries. Accordingly, the Issuer is financially and economically dependent on the financial performance of its Subsidiaries.

7.3. PRINCIPAL ACTIVITIES OF THE IZI FINANCE GROUP

The IZI Finance Group is a key player within a wide range of gaming business verticals, including casinos, EGMs, fixed odds betting, pari mutuel betting, virtual games, e-sports betting and bingo. Subject to the issue of a licence by the MGA, National Lottery p.l.c. will commence operating the National Lottery Games Suite from the Expected Take-Over Date. The IZI Finance Group employs approximately 320 individuals, a complement that is expected to increase by approximately another 60 individuals by mid-2022 following the grant of the National Lottery Concession, bringing the total to just short of 400 individuals.

The IZI Finance Group operates principally in the land-based gaming market but is also actively engaged in the online gaming sector. Information on the IZI Finance Group's operations are set out in sections 7.3.1. to 7.3.4.

7.3.1 National Lottery

In September 2021, the Group established a fully owned subsidiary, National Lottery p.l.c., as the bidder for the concession to manage and operate the National Lottery, which has been operated by Maltco Lotteries Limited (C 32326) ("Maltco") since 2004. National Lottery p.l.c. was declared the preferred proponent for the grant of the National Lottery Concession in November 2021 and entered into a concession agreement with the Ministry for the Economy and Industry acting also on behalf of the Government of Malta on 10 March 2022. The operation of the National Lottery Games by virtue of the National Lottery Concession is expected to commence on the Expected Take-Over Date and will continue for a 10-year term. In accordance with the terms of the National Lottery Concession, the Government of Malta has granted National Lottery p.l.c. an exclusive license to use the National Lottery Intellectual Property Rights and to operate the National Lottery Games on an exclusive basis.

By virtue of its operation and management of the National Lottery, National Lottery p.l.c. will offer for consumption the National Lottery Games to the local market. The National Lottery Concession represents the next natural step in the lifecycle of the IZI Finance Group, providing the IZI Finance Group with the opportunity to operate the only gaming vertical absent in its portfolio, that is, the National Lottery Games. To best leverage this opportunity, the IZI Finance Group has selected a world leading lottery technology and services provider, namely, International Game Technology (IGT), formerly known as GTECH.

The National Lottery was established by the Government of Malta in 1934 and was first privatised in 2004. Following the first privatisation in 2004, the National Lottery gradually developed and its operation witnessed growth in many aspects. However, the IZI Finance Group is of the view that the market potential of the National Lottery may be exploited further and there is room for growth in the provision of the National Lottery Games Suite. The strategy of National Lottery p.l.c. is to tap into the strong inherent demand for the current National Lottery Games, to derive demand for new game concepts, and to create a more effective and efficient distribution network of games, in line with European benchmarks. Central to the approach of the IZI Finance Group is the smart application of technology, especially those aspects of technology that improve the player experience and ensure the highest compliance standards.

The envisaged product portfolio of the National Lottery is designed to appeal to different target audiences specifically, the younger demographic, as well as the tourism market.

7.3.1.1. National Lottery Authorisations

The operation of the National Lottery is subject to the issue of the National Lottery Licence being issued in favour of National Lottery p.l.c., which licence is expected to be issued by the Expected Take-Over Date. Once issued, the National Lottery Licence shall be valid for a period of 10 years commencing on the Expected Take-Over Date and expiring on 4 July 2032.

The game types and verticals which are expected to be approved under the National Lottery Licence are set out below:

Game Type Approved

Type 1 Gaming Services
Type 2 Gaming Services
Type 3 Gaming Services

Vertical Approved

Lotteries
Fixed Odds Betting
Pool Betting

7.3.1.2. National Lottery products and services

The National Lottery Licence provides National Lottery p.l.c. with the right to distribute, on an exclusive basis, the National Lottery Games. It also provides National Lottery p.l.c. with the right to distribute on a non-exclusive basis, the Other Games.

The product portfolio of the National Lottery can be split into five categories and includes:

- televised draw-based games such as 'The Grand Lottery', 'Lotto' and 'Super 5';
- monitor games including all those games the outcome of which are determined by a random number generator (RNG) such as 'Keno', 'Virtual Games' and 'Digit Games';
- instant scratch cards;
- sports betting; and
- Electronic Gaming Machines.

National Lottery p.l.c. expects to commence the operation of the National Lottery on the Expected Take-Over Date with a revised and renewed portfolio that will include:

- **The Grand Lottery:-** a game of chance in which six digits are randomly drawn, consisting of the left digit indicating the series and the right five digits indicating the number for each series. The winning six digit number is determined through a random number generator draw out of all combinations sold. The Grand Lottery is drawn at least once a year;
- **Lotto:-** a game of chance which five numbers are randomly drawn from a field of numbers ranging from 1 to 90. To win the maximum prize, the player must match the selected numbers with the numbers drawn. Lotto has four basic types of game: "Prima" (the first number drawn), "Ambo" (any two numbers out of the five drawn), "Terno" (any three numbers out of the five drawn) and "Quaterno" (any five numbers out of the eight drawn), as well as a fifth type, "Terno-Ambo". "Prima" is played by opting to select just one number. "Ambo" two numbers and Terno three numbers. With "Terno-Ambo", the player avails of multiple winnings by having one "Terno" (three numbers straight) plus three "Ambos" (two numbers). The Lotto draw is typically broadcast every Saturday with an additional live televised draw also envisaged on Tuesdays;
- **Super 5:-** a game of chance in which five numbers are randomly drawn from a range of numbers ranging from 1 to 45. A first prize category is won when matching five numbers, while secondary and tertiary prizes are won when matching four and three numbers, respectively;
- **Super 5-4-3-2-1:-** a fixed odds game that will use the Super 5 draw as the basis for prize fulfilment. Similar to the Lotto game, the Super 5-4-3-2-1 game will offer the options of 'MATCH 1', 'MATCH 2', 'MATCH 3' and 'MATCH 4' by utilising the Super 5 draw. This game will be available with the Super 5 draw every Wednesday evening or on any other day when the Super 5 is drawn;
- **Super 5 Plus:-** a game of chance which is based on the Super 5 draw. A second draw from a pool of 45 numbers ranging from 1 to 45 will be extracted following the initial Super 5 draw. The aim of this second chance draw is to match the numbers originally selected by the player for the Super 5 game. A first prize category is won when matching five numbers, a second prize category is won when matching four numbers, and a third prize category is won when matching three numbers;
- **Tiritombola:-** a televised game of chance based on the classic bingo or tombola game in which a player must purchase a Tiritombola scoresheet (ticket) bearing numbers and is played by marking or covering numbers from 1 to 90, both numbers inclusive, as are identical to the numbers drawn by chance. Prizes are won when a player first marks or covers the 'line' which is achieved when, for the first time, all 5 numbers on one horizontal row on scoresheet are drawn, or the 'house' which is achieved when, for the first time, all 15 numbers on one scoresheet are drawn. A jackpot-based prize called a 'Snowball' is won when the 'house' is attained within a minimum amount of numbers drawn. The Tiritombola draw will form part of the Tuesday and Saturday evening Lotto draw;
- **Monitor Games:-** these are played through the display monitors of the distribution network, including digital draws that are undertaken over a scheduled time interval multiple times daily. The common feature of these games is that they have pre-programmed pay-out mechanisms on the basis of a Random Number Generator that is controlled by a mathematical algorithm. These games include, FASTKENO, Pick 3 Digit Games and Virtual Games;
- **Instant Lottery Games:-** or 'ScratchIZ', as they will be marketed by National Lottery p.l.c., are pre-printed tickets with a scratchable covered area which, when scratched off, reveal a number of symbols. ScratchIZ can also be offered in digital format via various distribution platforms and methods. The winning combination of these symbols and the relevant winning amounts are defined in every ticket or game. The category or business segment through which instant scratch tickets are sold is referred to as an instant lottery;

- **Sports Betting:-** this is a game of chance in which the player places a wager or stake on the outcome thereof which will be determined by the result of a sport event or competition and whereby the operator will manage his/her own risk by managing the odds offered to the player. Sports betting groups together one of the most important product categories outside of what is termed 'National Lottery Games'; and
- **Electronic Gaming Machines:-** an electrical, electronic or mechanical device that is used or is by its nature intended for use as part of a Gaming Service in connection therewith in order to allow a player to place a wager, and, or to obtain the outcome of a game in a gaming premises (including a Controlled Gaming Premises), the outcome of which is determined by a random number generator that is physically installed inside the device and constitutes an integral part thereof.

7.3.1.3. Principal products and services supplies to National Lottery p.l.c.

The National Lottery operation requires the interplay of several systems. National Lottery p.l.c. has partnered with a reputable and experienced lottery technology and service provider, International Game Technology (IGT), formerly known as GTECH for the provision of the core National Lottery technology and services, including product development, sales fulfillment, accounting, draw management and most of the other core functions within the lottery. National Lottery p.l.c. is also currently in the process of negotiating and concluding agreements with other reputable suppliers for the provision of the following products and services:

- registration services to be adopted by the National Lottery for higher-risk games such as sports betting and Electronic Gaming Machines;
- telecommunications services in order to ensure a robust telecommunications infrastructure onto which all data transfer and streaming of content into the distribution network will be undertaken;
- Electronic Gaming Machines to be distributed via a small subset of the National Lottery distribution network;
- draw machines required to fulfil all the live draw-based games such as Lotto, Super 5 and Tiritombola;
- core sports betting services to be sold across the primary distribution network of the National Lottery;
- core lottery online products as well as other business verticals sold only from the lottery online portal;
- information technology services; and
- display solutions.

7.3.1.4. Key Commitments under the National Lottery Concession Agreement

In terms of the National Lottery Concession, National Lottery p.l.c. must undertake the necessary capital outlay to operate the National Lottery and provide the National Lottery Games Suite to the market. To this end, National Lottery p.l.c. has committed to a capital expenditure of €17.5 million throughout the term of the National Lottery Concession. The capital expenditure will be used in connection with:

- telecommunications equipment and services;
- software and software development;
- installation of hardware, terminals, and systems, including those to be installed at distribution outlets;
- other equipment;
- owned or leased premises;
- distribution outlets;
- development of intellectual property; and
- staff and reseller training.

National Lottery p.l.c. is also required to ensure that the number of distribution outlets from which the National Lottery Games Suite are to be sold is not less than 190 outlets and not more than 240 outlets located in Malta.

The total consideration payable by National Lottery p.l.c. in connection with the National Lottery Concession is that of approximately €105,000,000. The amount of €44,000,000 is payable during the first year of operations and the balance is payable in instalments over the concession period. The IZI Finance Group intends to finance part of the consideration payable in connection with the National Lottery Concession through bank funding (see section 6.1.2). The remaining balance will be financed from cash flow generated by the IZI Finance Group's business.

National Lottery p.l.c. has also undertaken to: (i) make an annual contribution in the amount of €50,000 to the Responsible Gaming Foundation; (ii) pay an annual concession monitoring fee in the amount of €35,000 to the Privatisation Unit; and (iii) transfer 90% of the total amount of unclaimed prizes to the Social Causes Fund and 10% to the Responsible Gaming Foundation, with respect to all games forming part of the National Lottery Games Suite.

7.3.1.5 Management Strategy for the National Lottery

Management has adopted a growth-oriented business strategy for the National Lottery that is built on the following pillars:

- the introduction of EGMs in a subset of the lottery distribution network;
- the distribution of sports betting products under the IZIBET brand across the entire lottery agent distribution network, including the benefits of SSBTs and the retail mobile app, as well as the inclusion of French horse racing;

- the creation of a secondary distribution network (sellers) for the distribution of lottery games;
- the modernisation of sports betting products including French horse racing;
- the extension of opening hours of all National Lottery stores;
- the introduction of a Super 5 second chance draw and a Lotto bi-weekly draw;
- an increase in the payout ratio of Lotto to curb the rampant illegal gaming linked to this game; and
- the introduction of a tiered distribution network for “Instant Scratch Cards” in conjunction with a major overhaul on the commercialisation of this product category, including a marked improvement in the payout ratio from 50% to 65% and improved trade commercial conditions for instant ticket distributors.

Management expects to implement the following strategy throughout the term of the National Lottery Concession whilst allowing itself flexibility to amend or change its strategic outlook for the National Lottery, as the case so requires.

7.3.2 Retail Gaming Operations and the IZIBET Brand

The retail gaming operations segment of the IZI Finance Group entails the operation of EGMs and retail sports betting through a network of 36 state-of-the-art high street betting stores across Malta and is in the process of concluding arrangements for the operation of a further two outlets. These betting stores are managed by Gaming Operations Limited under the IZIBET brand, which was first launched by the IZI Finance Group in the year 2015. The launch of the IZIBET brand enabled the IZI Finance Group to establish itself as a market leader in sports betting and retail gaming in Malta, and, in the process, leveraging the technology know-how it had built over the years. In line with its mission to pursue growth opportunities through innovation, Gaming Operations Limited also launched the first retail mobile betting application in the market called IZIAPP. This app allows players to prepare bet slips on their mobile phones and transfer their betting preferences to a self-service terminal in any one of the IZIBET stores, enabling customers to avoid queues and access certain game features outside the retail environment. The IZIBET brand developed by Gaming Operations Limited and, in 2019, was sold to Pinnacle IP Limited. Pinnacle IP Limited licenses the use of the IZIBET brand to Gaming Operations Limited.

Malta’s largest bingo hall located in St. Paul’s Bay is also operated by Gaming Operations Limited under the ‘Fairplay’ brand. The IZI Finance Group intends to undergo a re-branding exercise of the bingo hall as ‘IZIBINGO’ with the objective of capturing this retail operation under the IZIBET Brand alongside the IZIBET betting stores.

Gaming Operations Limited is also the authorised partner of the French state-owned company Pari-Mutuel-Urbain (**PMU**), through which Gaming Operations Limited provides exclusive off-track pari-mutuel and fixed-odds betting on French and other international horse racing events. Gaming Operations Limited is also the first company to launch a sports betting brand (the IZIBET Brand) under which virtual sports and e-sports betting is provided from a retail network in Malta.

7.3.2.1. IZIBET Authorisations

Gaming Operations Limited holds a B2C Licence issued by the MGA bearing licence number MGA/B2C/223/2011 which was initially issued in 2011. Gaming Operations Limited’s current licence was issued on 1 January 2019 and is valid until 4 October 2028. Upon the expiration of this licence period, Gaming Operations Limited will be eligible, subject to continued compliance with regulatory requirements, to apply for a renewal of said licence, valid for a period of 10 years. Further details on the game types and verticals approved under said license are set out below:

Game Type Approved	Vertical Approved
Type 1 Gaming Services	Casino
Type 2 Gaming Services	Fixed Odds Betting
Type 3 Gaming Services	Peer-to-Peer Poker and Peer-to-Peer Bingo

Gaming Operations Limited is also authorised to operate the betting stores as Controlled Gaming Premises in virtue of Controlled Gaming Premises approval certificates granted by the MGA in terms of the Gaming Premises Regulations (Subsidiary Legislation 583.07 of the laws of Malta).

7.3.2.2. IZIBET products

IZIBET offers three different types of products that may be categorised under: (i) sports betting; (ii) EGMs; and (iii) bingo. Further information on the product types are set out below:

- **Sports Betting:-** this is a game of chance in which the player places a wager or stake on the outcome thereof which will be determined by the result of a sport event or competition and whereby the operator will either manage his/her own risk by managing the odds offered to the player or will generate revenue by taking a commission or other charge based on the stakes or the prize. Sports betting is one of the most important product categories provided through the IZIBET Brand. Sports betting has evolved over the years allowing players to place bets prior to the start of an event (pre-event) and also to bet during a live event (live in-play betting).

- **Electronic Gaming Machines:-** an electrical, electronic or mechanical device that is used or is by its nature intended for use as part of a Gaming Service in connection therewith in order to allow a player to place a wager, and, or to obtain the outcome of a game in a gaming premises (including a Controlled Gaming Premises), the outcome of which is determined by a random number generator that is physically installed inside the device and constitutes an integral part thereof.
- **Bingo:-** Bingo is a game of chance based on the classic tombola game wherein a player uses a tombola/bingo scoresheet or scorecard or an electronic representation thereof bearing numbers and is played by marking or covering numbers from one (1) to ninety (90), both numbers inclusive, as are identical to the numbers drawn by chance, whether manually or electronically, and won by the player who first marks or covers the “line” which is achieved when, during one game, for the first time all 5 numbers on one horizontal row on one scorecard are drawn; or the “house” or “bingo” which is achieved when, during one game, for the first time all 15 numbers on one scorecard are drawn.

7.3.2.3. Principal products and services supplied to Gaming Operations Limited

By virtue of its suppliers and contractors, Gaming Operations Limited operates a network of 36 shops providing three core products. Gaming Operations Limited has engaged a number of reputable suppliers and contractors for the provision of, amongst others, the core management system, the provision of core sports betting services including odds risk management, a fully-fledged display system for video walls in shops, data services to enable efficient delivery and streaming of content across the retail network, proprietary horse racing products from France, UK, Ireland, South Africa and the Middle East, and a bingo management system.

7.3.3 The Dragonara Casino

One of the principal assets of the IZI Finance Group is the Dragonara Casino which is operated by Dragonara Gaming Limited (owned to the extent of 60% by the Issuer through Penninsula Gaming Group Limited). The Dragonara Casino is a 19th century palace built in 1870 and is considered an iconic property in Malta. In 1964, the Government of Malta established the palace as a casino. Dragonara Gaming Limited has been at the helm of the Dragonara Casino since June 2010, after having successfully won an international competitive tender for a government concession to operate a land-based casino in and from the Dragonara Casino. In 2019, Dragonara Gaming Limited was granted the Dragonara Casino and adjoining grounds under title of temporary sub-empyteusis for a period of 64 years terminating in 2083. In 2021, Dragonara Gaming Limited retained the right to operate the Dragonara Casino after winning another international competitive tender for a further period of 10 years terminating in 2031. In terms of the deed of sub-empyteusis, Dragonara Gaming Limited is permitted to use the Dragonara Casino exclusively as a land-based casino and/or in connection with gaming, retail, catering, entertainment, hospitality and tourism activities.

Through the Dragonara Casino, Dragonara Gaming Limited offers customers an array of gaming products commonly found in a land-based casino. The slots product is the most popular product at the Dragonara Casino followed by live table games. The Dragonara Casino holds a licence for 375 slot machines and 25 live tables. As at the date of this Registration Document, it operates 265 slot machines and 15 live table games.

Dragonara Gaming Limited has invested approximately €20 million in the Dragonara Casino and currently employs a total of 205 employees. During 2019 (being the last year of operation prior to the COVID-19 pandemic), the Dragonara Casino welcomed 280,000 visitors an increase of 15,000 visitors since Dragonara Gaming Limited commenced operations of the Dragonara Casino in 2010.

7.3.3.1. Dragonara Casino Authorisations

Dragonara Gaming Limited is authorised to operate the Dragonara Casino by virtue of the Dragonara Casino Concession and a B2C Licence issued by the MGA bearing licence number MGA/B2C/181/2010 which was initially issued in 2010. Dragonara Gaming Limited’s current licence is valid from 1 August 2021 until 31 July 2031. Further details on the game types and verticals approved under said license are set out below:

Game Type Approved	Vertical Approved
Type 1 Gaming Services	Casino
Type 2 Gaming Services	Fixed Odds Betting
Type 3 Gaming Services	Peer-to-Peer Poker and Peer-to-Peer Bingo

Dragonara Gaming Limited is also authorised to operate the Dragonara Casino as a gaming premises in virtue of a Gaming Premises Approval Certificate granted by the MGA in terms of the Gaming Premises Regulations (Subsidiary Legislation 583.07 of the Laws of Malta), bearing certificate number MGA/GP/153/2019. The approval is effective as of 1 August 2021 and expires on 31 July 2031.

7.3.3.2. Dragonara Casino products and services

The slots product is the most popular product at the Dragonara Casino followed by live table games. At the date of this Registration Document, Dragonara Gaming Limited operates 265 slot machines sourced from reputable vendors. Dragonara Gaming Limited also operates 15 live tables such as *Roulette*, *Blackjack*, *3-card Poker*, *Ultimate Texas Holdem* and *Punto Banco* as well as an in-house poker room that is opened daily.

A number of in-house facilities are available at the Dragonara Casino. Such facilities include:

- 140 over-ground parking bays within the surrounding grounds of the Dragonara Casino for use by casino patrons against no payment;
- several dining facilities catering for different target audiences, including fine dining for patrons and non-patrons at the 'Dragonara Casino Brasserie' and casual bistro-style dining facilities within the 'Dragonara Sports Bar and Grill' (both of which are operated by Dragonara Catering Limited) as well as lounge style dining and entertainment within the 'Dragonara Club Lounge'; and
- a VIP lounge designed specifically for the high-roller players offering a unique setting for the high-value player, including all live-table games in a private setting, open-bar facilities, and selective high-end slot machines.

7.3.3.3. Principal products and services supplied to Dragonara Gaming Limited

The operation of a land-based casino entails the implementation of I.T. systems and operational processes that are approved and sanctioned by the MGA. A central management system controls the interplay of systems required for the operation of the Dragonara Casino including the systems relating to the operation of slot machines, live tables, front desk and cash desk as well as surveillance, loyalty programmes and marketing promotions. The central management system is a critical system for the smooth and secure operation of the Dragonara Casino.

Over the course of the 11-year period throughout which Dragonara Gaming Limited operated the Dragonara Casino, Dragonara Gaming Limited availed of the services of several reputable technology partners for the provision of slot machines and other gaming devices used in the Dragonara Casino.

7.3.3.4. Key Commitments under the Dragonara Concession Agreement

Dragonara Gaming Limited has committed to a capital expenditure of approximately €8.5 million (excluding the applicable concession fee) throughout the term of the Dragonara Casino Concession in order to refurbish, upgrade and modernise the Dragonara Casino. Dragonara Gaming Limited is also committed to continue to add value to the Dragonara Casino brand as the custodian of a brand that has been in operation since 1964 and the related Dragonara Casino Intellectual Property Rights.

7.3.4. Online Operations

Although not a core part of its business, the IZI Finance Group also provides online gaming services through its online portals. Through the provision of online services, the IZI Finance Group offers its products through different delivery channels and is able to target a diverse audience. The online gaming segment of the IZI Finance Group is targeted principally at the local market, with 95% of the turnover registered by the online arm of the IZI Finance Group having been generated from the local Maltese market in the last financial year.

The online arm of the IZI Finance Group is managed by IZI Interactive Limited, which holds the respective licences from the MGA to provide the products online.

7.3.4.1. Online Gaming Authorisations

IZI Interactive Limited is the operator of the IZI Finance Group's online gaming operations and operates and manages the domains www.izibet.com and www.dragonara.com. It is authorised to provide online Gaming Services pursuant to a B2C Licence, bearing licence number MGA/B2C/345/2016 issued by the MGA which was initially issued in 2016. IZI Interactive Limited's current licence was issued on 1 August 2018 and is valid until 11 May 2027. Upon expiration of this licence period, IZI Interactive Limited will be eligible, subject to continued compliance with regulatory requirements, to apply for a renewal of said licence, valid for a period of 10 years. Further details on the game types and verticals approved under said licence are set out below:

Game Type Approved	Vertical Approved
Type 1 Gaming Services	Casino
Type 2 Gaming Services	Fixed Odds Betting

IZI Interactive Limited provides a white label solution to Dragonara Interactive Limited, through which the latter can offer and promote Type 1 Gaming Services (casino) and Type 2 Gaming Services (sportsbook) under the Dragonara Casino brand.

7.3.4.2. Online Products and Services

IZI Interactive Limited provides a comprehensive list of online casino and sports betting services. Once National Lottery p.l.c. commences its operations of the National Lottery, the IZI Finance Group will launch the National Lottery Games Suite online through www.lottery.mt.

7.3.4.3. Principal products and services supplied to IZI Interactive Limited

The IZI Finance Group engages a number of reputable providers for the provision of the following products and services:

- software and I.T. solutions. IZI Interactive Limited contracts the services of EveryMatrix Software Limited (C 51832) for the provision of online gaming software required by the IZI Finance Group to enable customers to access online gaming products. Everymatrix Software Limited (bearing MGA licence number MGA/B2B/201/2011) has been approved by the MGA to provide IZI Interactive Limited with a host of services, including, online casino games, game management, content management system, odds risk management for sports betting, sports betting management and all integrations to third-party systems required to complete the online product.
- online games. Through the platform offered by EveryMatrix Software Limited, IZI Interactive Limited offers a range of games provided by game service providers directly contracted with EveryMatrix Software Limited and game service providers directly contracted with IZI Interactive Limited.
- payment solutions through which IZI Interactive Limited may accept payments from customers and carry out payment transactions.

7.4. GAMING INDUSTRY OVERVIEW AND COMPETITIVE POSITION OF THE IZI FINANCE GROUP

Sections 7.4.1. to 7.4.5. provide an overview of the gaming market in Malta with respect to the National Lottery segment, the land-based casino segment, the retail gaming segment and the online gaming segment for the years 2020 and 2019. The year 2019 was the last full year of operation prior to the effects of the COVID-19 pandemic on the local gaming market. The year 2020 is not representative of normal operating periods, however, is indicative of the results of the gaming industry as impacted by the COVID-19 pandemic.

As at the end of 2020, the number of gaming licenses issued by the MGA, stood at 328 (FY2019: 298), whilst the number of companies in operation, including both online and land-based entities, totalled 323 (FY2019: 294), generating a gross value added of €924 million (FY2021: €802 million).¹ It is estimated that in FY2019, the land-based casino segment represented approximately 50% of total Gross Gaming Revenue generated by the gaming industry, followed by the National Lottery (approximately 33%).²

As a result of the COVID-19 pandemic, land-based gaming operators in Malta were, amongst other things, required to temporarily close their land-based and retail gaming operations. Following the outbreak of the COVID-19 pandemic, various measures imposed by the Government of Malta, aimed at containing the spread of the virus had severe implications on various segments of the Maltese economy. The land-based gaming sector was hard hit due to outright lock-downs across the industry. The pandemic presented significant demand-side challenges to gaming operators and those specialising in sports betting. It also created operational challenges for business continuity, particularly due to the restrictions on travel for employees as well as for patrons visiting casinos and retail stores. Despite this, the gaming sector in Malta expanded by 15.3% in terms of value added, to an extent cushioning the effects of the marked declines in other sectors. As a result, the share of the gaming sector in the Maltese economy rose by 1.36 percentage points to 8%. This resulted entirely from the shifts which the pandemic caused on the patterns of consumer spending, favouring specific segments in the online gaming market.³

The outlook for the sector is positive with operators in the industry expecting the situation to improve by 2022, such that there are more positive prospects for the performance of the sector, particularly in terms of gaming revenue. The pandemic has accelerated the growth in technological innovations and has led the industry to explore new ways of distributing and delivering content to customers, such as through mobile and cloud-based gaming platforms.

7.4.1. National Lottery

The National Lottery was established by the Government of Malta in 1934 and was first privatised in 2004. The National Lottery will be operated by National Lottery p.l.c. under a concession granted by the Government of Malta for a term of 10 years commencing from the Expected Take-Over Date. As concessionaire, National Lottery p.l.c., has the exclusive right to offer the National Lottery Games. The National Lottery p.l.c. will avail itself of the exclusive network of National Lottery agents in the market through which it will distribute the National Lottery Games Suite.

Since the first privatisation in 2004, the National Lottery has gradually developed and the operation has witnessed growth in many aspects of the business. The National Lottery enjoyed strong growth rates in the early phases of the first licence issued in 2004, as the privatisation efforts modernised what may be considered as an old legacy operation. By 2011, at the end of the first eight-year licence period, the gaming revenue of the National Lottery had reached just under €79.2 million.⁴

¹ MGA Annual Report 2019 and 2020

² These percentages represent the Issuer's estimates having taken into consideration the total Gross Gaming Revenue generated by each sector of the gaming industry as reported from in the following reports: (i) Maltco Lotteries Limited, Annual Report 2019; (ii) H2 Gaming Capital; (iii) Casinos' Gaming Revenue Statistics published by the MGA (last updated on 31 January 2022); and (iv) the MGA Annual Report 2019.

³ MGA Annual Report 2020

⁴ Maltco Lotteries Limited, Annual Report 2011

In 2019, the total activity of Maltco stood at €96 million, in line with the sales recorded for 2018. As Maltco had to suspend the operation of all its points of sale from 18 March 2020 to 4 May 2020 in line with COVID-19 restrictions issued by the Government of Malta, total turnover decreased to €77.6 million in 2020. This decrease was registered across all the three game categories.⁵

When analysing the split of turnover between the three game categories offered by the National Lottery operator (draw-based games, instant games and sports betting), sales of draw-based games continued to account for the largest source of turnover for Maltco, representing 73.3% of its total sales during 2020 (in 2019 draw-based games represented 74.2% of its total sales). Sports games accounted for 25.2% (in 2019 they accounted for 24.1%) whilst instant games made up 1.4% (in 2019 they made up 1.7%) of the total sales for 2020.⁶

Maltco offers its services through an extensive network of outlets (points of sale) where one can participate in the National Lottery Games Suite distributed by Maltco. By the end of 2020, the number of points of sale amounted to 203 outlets (in 2019, there were 215 outlets).⁷

7.4.2. Land-based Casino Gaming Business Vertical

The land-based casino market in Malta generated GGR of just over €51.8 million in 2019 and €30.1 million in 2020.⁸ The land-based casino market in Malta is highly competitive. As at the date of this Registration Document, there are three casino concessions and four operative land-based casinos namely:

- (i) Dragonara Casino (operated by Dragonara Gaming Limited);
- (ii) Oracle Casino located at the Dolmen Resort in Qawra;
- (iii) Portomaso Casino, St. Julians; and
- (iv) Casino Malta located at the Intercontinental Hotel in St. Julians.

The casino segment of the gaming industry in Malta was affected by virtue of the COVID-19 pandemic. Due to COVID-19 restrictions and travel bans imposed by various foreign governments, fewer foreign players visited Maltese casinos. Visits by non-Maltese players decreased by 59.7% when compared with the corresponding 12-month period of 2019 and accounted for 45.3% of the total visits recorded during 2020⁹.

Dragonara Gamina Limited's market share of the overall casino segment was 26.7% in 2019 but increased to 38.8% in 2020.

7.4.3. Controlled Gaming Premises

The retail gaming market in Malta is a very competitive market. By the end of 2020, the number of approved Controlled Gaming Premises in Malta was 60 (in 2019 the number of Controlled Gaming Premises in Malta was 56), spread over 32 localities¹⁰. The number of licensed gaming devices has increased to 521 by 2020 (in 2019 this the number stood at 474)¹¹, of which approximately 60% are located within Gaming Operations Limited's retail gaming stores.

In 2020, the number of visits to Controlled Gaming Premises decreased by 20.9% to 632,533 when compared to the figures of 2019, with a considerable drop being attributable to the restrictions imposed as a result of the COVID-19 pandemic and the temporary closure of gaming premises in Malta between March and May 2020. Despite this decrease, there was a total of 5,601 new players registrations. Compared to casinos, the drop in visits was much less pronounced, as this segment is less exposed to tourism activity and serves a larger portion of the Maltese resident population, including those with a foreign nationality. In terms of nationality, the share of visits to Controlled Gaming Premises by Maltese players stood at 50.6% during 2020, a drop of seven percentage points when compared to the ratio registered in 2019. The considerably lower ratio of visits by Maltese players, which was also noted for 2019, reflects the changing demographic composition of the resident population in Malta¹².

7.4.4. Commercial Bingo

As at the date of this Registration Document, there are currently four commercial bingo halls which are in possession of an MGA license. These are located in Birkirkara, Qawra, Valletta and Paola. The number of players visiting the commercial bingo halls decreased by 28.8% during 2020 when compared with the corresponding period of 2019. This was due to the temporary closure of the commercial bingo halls resulting from the restrictions imposed by the Government of Malta to combat the spread of the COVID-19 pandemic.¹³ In terms of nationality, visits to commercial bingo halls were predominantly made by Maltese residents (in 2020 97.6% were Maltese residents and in 2019 97.2% were Maltese residents).¹⁴ Accordingly, Gaming Operations Limited's market share of the commercial bingo sector was 29.8% in 2019, but decreased to 27.8% in 2020.

⁵ MGA Annual Report 2019 and 2020

⁶ MGA Annual Report 2019 and 2020

⁷ MGA Annual Report 2019 and 2020

⁸ Casinos' Gaming Revenue Statistics published by the MGA and last updated on 31 January 2022

⁹ MGA Annual Report, 2020

¹⁰ MGA Annual Report, 2020

¹¹ MGA Annual Report, 2020

¹² MGA Annual Report, 2020

¹³ MGA Annual Report, 2020

¹⁴ MGA Annual Report 2019 and 2020

7.4.5. Online Gaming

The online gaming market in Malta, including casino, sports betting, poker and bingo, has experienced exponential growth, registering an increase from €17.7 million in 2015 to €54.2 million in 2019. By the end of 2019 the online gaming market represented 50.65% of the total gaming industry in Malta.¹⁵ In 2020, the online gaming industry leveraged the opportunity of yet another lock down to continue its remarkable growth and increase turnover.

The online casino market generated €12.7 million in 2019 an increase from €5.6 million generated in 2013. The online sports betting market has witnessed the highest growth rate and is the largest online product vertical in the local market reaching €38.7 million in 2020 from €10.9 million in 2013. The online lottery market in Malta is the smallest product vertical having generated €1.7 million of Gross Gaming Revenue in 2019.¹⁶

Despite challenges in connection with the cancellation of all sports events, other business verticals within the gaming industry saw sustained growth in their operations. The online gaming sector's reliance on technology meant that it was better placed than other sectors to cope with the unprecedented circumstances faced during these challenging times. As at the end of 2020, the number of gaming companies offering online services stood at 314 (in 2019 this stood at 284). The number of active player accounts registered on the websites licenced by the MGA grew by 18.1% during 2020 when compared with the corresponding period of 2019, reaching 36.2 million (in 2019 the number of player accounts stood at 30.6 million). With B2C Licences accounting for 62% of the total licence base, as at the end of 2020, there were 196 active B2C Licences and 122 active critical gaming supply licences (also known as business-to-business licences). The vast majority of active B2C Operators were in possession of an approval to offer Type 1 Gaming Services and Type 2 Gaming Services, standing at 164 and 118, respectively.¹⁷

8. FINANCIAL INFORMATION

8.1. Financial Information

8.1.1. Pro-forma Financial Information of the Issuer for FY2021

IZI Finance p.l.c. was registered as a public limited liability company in terms of the Act on 30 December 2021. The Company is a holding and finance company and does not intend to conduct any trading activities itself. Accordingly, it is economically dependent on the financial and operating performance of the Subsidiaries. On incorporation, the Issuer acquired the Subsidiaries from IZI Group p.l.c., which is also the Parent of the Group, as described in further detail below.

The IZI Finance Group has recently won both the Dragonara Casino Concession for another ten years terminating in 2031, as well as the National Lottery Concession for ten years terminating in 2032. As a result, the IZI Finance Group is at the start of a new phase of its development, and has embarked on a restructuring exercise to consolidate all its retail operations to become the largest land-based gaming operator in Malta. Consequently, on 30 December 2021, the Subsidiaries were acquired by the Issuer, through a share-for-share exchange, whereby IZI Finance p.l.c. issued 80 million ordinary shares having a nominal value of €1.00 each to its parent, IZI Group p.l.c., together with a deferred consideration payable to IZI Group p.l.c. of €20 million. The deferred consideration will be settled through the novation from IZI Group p.l.c. to the Issuer of loans having a principal amount of approximately €12.9 million and an amount in cash of €7.1 million payable at the discretion of the Issuer.

The financial statements set out in this review represent pro forma financial statements of the Issuer. The pro forma information described in this section (and as more fully set out in Annex I of this Registration Document) presents what the consolidated financial statements of the Issuer would have been had the Subsidiaries been owned by the Issuer with the shareholding and with all its current constituent components, for the entire period covered by the said pro forma information. An Accountant's Report on the pro forma financial information included has been prepared by Grant Thornton in compliance with the requirements of the Capital Markets Rules and is attached as Annex II to this Prospectus.

Since the transactions that led to the formation of the Issuer and its Subsidiaries constitute an internal reorganisation of businesses that were, and remain, controlled by Mr Johann Schembri, in terms of International Financial Reporting Standards ("IFRS"), the consolidated statutory financial statements that will first be prepared by the Issuer for the period ending 30 June 2022 will also cover a full twelve months, with comparatives, as if the Issuer and its Subsidiaries had been constituted as at 1 July 2021. The pro forma financial information for the year ending 30 June 2021 included in this Prospectus is therefore the Directors' best estimate of what the consolidated statutory financial statements would have represented had they been prepared and issued by the Issuer for FY2021, and therefore constitute a hypothetical scenario.

The financial year end of the Issuer and its Subsidiaries is 30 June. The pro forma financial statements for the year ended 30 June 2021 are based on the audited financial statements of the Subsidiaries for the year ended 30 June 2021 and reflect the consolidated unaudited position of the Issuer (together with its subsidiaries) for the year ended 30 June 2021 as if the Issuer and its subsidiaries had been constituted as at 1 July 2020.

¹⁵ H2 Gambling Capital

¹⁶ H2 Gambling Capital

¹⁷ MGA Annual Report, 2020

No adjustments to the results and financial position of the Subsidiaries were necessary for the purposes of arriving at the pro forma consolidated financial statements except solely to reflect the entries necessary in any process of accounting consolidation, and to reflect what the consolidated equity of the Issuer would have amounted to had the transactions that led to the formation of the Issuer and its Subsidiaries been executed on or before 30 June 2021. Furthermore, as the Issuer holds 60% of Peninsula Gaming Group Limited, which in turn owns the Dragonara Casino operations, in accordance with IFRSs, the pro forma table sets out the consolidation of 100% of the financial results (line by line item). A share of profits/losses is then apportioned to the non-controlling interests.

The report on the pro forma financial information prepared independently by the auditors of the Company, including a statement of the adjustments to equity made in arriving at the pro forma consolidated statement of financial position, is appended to the Registration Document as Annex I.

There has been no significant change in the financial or trading position of the Issuer since 30 June 2021 except for the successful conclusion of the tendering process for the concession to operate the National Lottery for the period 2022-2032.

Simultaneously with the Issuer's incorporation on 30 December 2021, the Issuer acquired all the share capital of the operating Subsidiaries of IZI Group p.l.c. in exchange for the issue of 80,000,000 ordinary shares having a nominal value of €1.00 each in favour of IZI Group p.l.c. together with a deferred consideration payable to IZI Group p.l.c. of €20 million (the "Restructuring"). The following is a description of the pro forma adjustment made to the consolidated results and financial position of the Subsidiaries for the financial year ended 30 June 2021 being the entries required to reflect the effect of the Restructuring implemented on 30 December 2021 as at 30 June 2021 (the "Reference Date"). The consolidated statement of financial position of the Subsidiaries includes the following adjustments:

- (a) the incorporation of the Issuer, which newly formed entity has acquired the Subsidiaries from its Parent for a consideration of €100 million. The consideration was settled through an issue of 80,000,000 ordinary shares having a nominal value of €1.00 each in favour of IZI Group p.l.c. together with a deferred consideration payable to IZI Group p.l.c. of €20 million. The deferred consideration will be settled through the novation from IZI Group p.l.c. to the Issuer of loans having a principal amount of approximately €12.9 million and a deferred consideration of €7.1 million payable at the discretion of the Issuer;
- (b) adjustments required to reflect the entries necessary in any process of accounting consolidation, these being the elimination of the investment in Subsidiaries, and accounting for goodwill arising on the acquisition of the Subsidiaries; and
- (c) adjustments relating to the inter-company loans. As the loans novated represents the balance of loans due by the Subsidiaries as at date of the Restructuring, upon consolidation in the pro-forma statement of financial position, these balances are netted off.

The entries relating to the Restructuring do not impact the consolidated income statement or consolidated cash flows as at the Reference Date.

The below is a summary of the pro forma financial information of the Issuer and its Subsidiaries covering FY2021 which ended 30 June 2021.

IZI Finance p.l.c.

Summary consolidated pro forma statement of comprehensive income for year ending 30 June 2021

€'000	Combined	Pro forma adjustments	Pro forma
Revenue	20,164	–	20,164
Other income	370	–	370
Staff costs	(5,565)	–	(5,565)
Gaming tax	(5,019)	–	(5,019)
Other operating expenses	(7,710)	–	(7,710)
EBITDA	2,240	–	2,240
Depreciation and amortisation	(2,368)	–	(2,368)
Operating profit	(128)	–	(128)
Finance costs	(1,237)	–	(1,237)
Profit/(loss) before tax	(1,365)	–	(1,365)
Tax (expense)/income	419	–	419
Profit/(loss) for the year	(946)	–	(946)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of right-of-use asset	(337)	–	(337)
Tax effect on revaluation	118	–	118
Other comprehensive income/(loss) for the year	(219)	–	(219)
Total comprehensive income/(loss) for the year	(1,165)	–	(1,165)

IZI Finance p.l.c.**Summary consolidated pro forma statement of financial position as at 30 June 2021**

€'000	Combined	Pro forma adjustments (a)	Consolidation adjustments (b), (c)	Pro forma
Assets				
Non-current assets				
Intangible assets	59	–	91,711	91,770
Investment in Subsidiaries	–	100,000	(100,000)	–
Property, plant and equipment	3,171	–	–	3,171
Right of use asset	42,426	–	–	42,426
Investment properties	1,088	–	–	1,088
Inter-company loans	(27,914)	–	27,914	–
Other non-current assets	928	–	–	928
Deferred tax asset	769	–	–	769
Total non-current assets	20,526	100,000	19,625	140,151
Current assets				
Inventories	246	–	–	246
Trade and other receivables	1,028	–	–	1,028
Cash and cash equivalents	1,356	–	–	1,356
Total current assets	2,630	–	–	2,630
Total assets	23,156	100,000	19,625	142,781
Equity				
Share capital	2,639	80,000	(2,639)	80,000
Accumulated (losses)/profits	5,650	–	(5,650)	–
Equity attributable to the owners of the parent	8,289	80,000	(8,289)	80,000
Non-controlling interest	5,685	–	–	5,685
Total equity	13,974	80,000	(8,289)	85,685
Liabilities				
Non-current liabilities				
Borrowings	8,176	–	–	8,176
Trade and other payables	2,861	7,082	–	9,943
Deferred tax liability	8,703	–	–	8,703
Other non-current liabilities	500	–	–	500
Lease liabilities	23,713	–	–	23,713
Total non-current liabilities	43,954	7,082	–	51,036
Current liabilities				
Borrowings	609	–	–	609
Trade and other payables	5,428	–	–	5,428
Inter-company loans	(40,832)	12,918	27,914	(0)
Current tax liability	23	–	–	23
Total current liabilities	(34,772)	12,918	27,914	6,060
Total liabilities	9,182	20,000	27,914	57,095
Total equity and liabilities	23,156	100,000	19,625	142,781

As illustrated in the following sub-sections, the main revenue contributor is the land-based casino, operated through Dragonara Gaming Limited, followed by retail gaming operated through Gaming Operations Limited, which between them generated 91% of the total revenue for FY2021. However, due to the outbreak of the COVID-19 pandemic, combined with closures of non-essential shops imposed by the Government of Malta between 15 March 2021 and 19 April 2021, as well as introduction of social distancing measures to curb the pandemic, this impacted the IZI Finance Group's performance and as a result, the IZI Finance Group generated revenue of €20.2 million in FY2021.

Although part of the IZI Finance Group's operating expenses are variable, a significant amount of its operating expenses, such as staff costs and administrative expenses are fixed in nature. Consequently, at an operating level, the IZI Finance Group recorded an EBITDA of €2.2 million, translating into an EBITDA margin of 11%, and a net loss after tax of €1.2 million.

During the year 2021, Dragonara Gaming Limited was awarded the Dragonara Casino Concession for another 10 years, and recently, National Lottery p.l.c. won the National Lottery Concession for 10 years, and expects to commence operations as from the Expected Take-Over Date. Despite the uncertainties brought about by the pandemic, the Group has seen improvements all throughout FY2021 as the pressures from COVID continue to diminish.

Non-current assets in the pro forma statement of financial position as at 30 June 2021 amounted to €145.8 million. Notable items include:

- (i) goodwill of €97.4 million which principally relates to the goodwill on acquisition of the Subsidiaries, based on a fair value of the Subsidiaries of €100 million; and
- (ii) right of use asset of €42.4 million, which comprises the leases of the 36 retail gaming stores operated by Gaming Operations Limited and the sub-emphyteusis lease in relation to the Dragonara Property.

Current assets as per the pro forma statement of financial position as at 30 June 2021 amounted to €2.6 million and primarily include inventory, trade receivables and cash balances. Current liabilities amounted to €6.0 million, made up of borrowings as to €0.6 million and trade and other payables of €5.5 million, as at the same date.

Non-current liabilities as per the pro forma statement of financial position at 30 June 2021 amounted to €51.0 million and mainly includes borrowings, deferred tax liability, trade and other payables (which includes the deferred consideration of €7.1 million) as well as lease liabilities on account of IFRS 16 - Leases.

The pro forma equity value of IZI Finance p.l.c. as at 30 June 2021 totalled €91.3 million.

8.1.1. Historical Financial Information of the Subsidiaries

Historically, the two key subsidiaries, generating over 90% of the Group's revenue were Gaming Operations Limited, which was incorporated in 2002, and Dragonara Gaming Limited which was incorporated in 2010. Gaming Operations Limited operates the retail gaming arm of the IZI Finance Group through a network of 36 retail stores under the IZIBET brand and a Bingo Hall (refer to section 7.3.2. for further information), whilst Dragonara Gaming Limited operates the Dragonara Casino (refer to section 7.3.3. for further information).

The financial information included hereinafter is extracted from the audited consolidated financial statements of Gaming Operations Limited and Dragonara Gaming Limited for the financial years ended 30 June 2018, 2019, 2020 and 2021. The said statements and the audit reports have been published and are available at the Issuer's registered office and on the Issuer's website.

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

Pursuant to Regulation (EC) No. 1606/2002 on the application of international accounting standards, the financial statements for the financial years ended 30 June 2018, 2019, 2020, 2021 were prepared in accordance IFRS as issued by the International Accounting Standards Board and endorsed by the European Union.

8.1.1.1. Gaming Operations Limited Gaming Operations Limited Statement of comprehensive income

€'000	FY2018	FY2019	FY2020	FY2021
Gross gaming revenue	9,782	10,299	8,651	7,374
Other income	159	162	221	610
Staff costs	(1,810)	(2,116)	(2,096)	(2,633)
Gaming tax	(1,633)	(2,103)	(1,870)	(1,697)
Other operating expenses	(3,473)	(3,363)	(2,169)	(1,380)
EBITDA	3,025	2,878	2,737	2,274
Depreciation and amortisation	(856)	(897)	(1,627)	(1,494)
Other income/(expenses) below EBITDA	–	28,666	(1,622)	(1,140)
Operating profit/(loss)	2,169	30,647	(511)	(361)
Finance costs	(38)	(22)	(420)	(369)
Profit/(loss) before tax	2,131	30,625	(932)	(729)
Tax (expense)/credit	(730)	(584)	243	231
Profit/(loss) for the year	1,402	30,041	(689)	(498)

Gaming Operations Limited generates revenue from three main streams: sports betting, EGMs operations and bingo operations. Pre-pandemic (i.e. FY2018 and FY2019), Gaming Operations Limited's revenue totalled approximately. €10.0 million per annum, principally generated equally between sports betting and EGMs. Revenue decreased to €8.7 million in FY2020, given that EGM and bingo operations were closed between 11 March 2020 and 5 June 2020 and sports betting was closed between 19 March 2020 and 21 May 2020, as a measure by the health authorities in an effort to control the spread of the pandemic. In FY2021, following further closures (11 March 2021 to 6 June 2021) in EGM and bingo operations, in addition to social distancing measures introduced by Government, the number of attendees decreased resulting in a decrease in revenues to €7.4 million. Whilst Gaming Operations Limited is not dependent on tourism, Gaming Operations Limited is dependent on foreign expatriates resident in Malta. Consequently, FY2020 and FY2021 revenue decreased as certain foreign expatriates residing in Malta relocated elsewhere due to the pandemic.

Staff costs increased from €1.8 million in FY2018 to €2.6 million in FY2021, following an increase in staff complement, combined with a recharge mechanism implemented by the Group. Due to this increase in staff costs, mitigated partially with the the implementation of IFRS 16 - Leases in FY2020, whereby operating lease expenses (previously accounted for in operating expenses and above EBITDA line) are now reflected in depreciation and net finance costs which are below the EBITDA level, EBITDA decreased from €3.0 million in FY2018 to €2.2 million in FY2021. This represents a decrease in EBITDA margin from 30.9% in FY2018 to 23.1% in FY2021.

In May 2019, Gaming Operations Limited sold the IZIBET brand, including tradenames and domains to Pinnacle IP Limited, a related company within the IZI Finance Group. Whilst this transaction resulted in a realised profit on disposal of assets of €29.0 million, a revenue-sharing fee is paid by Gaming Operations Limited to Pinnacle IP Limited annually. As these transactions are eliminated on a consolidated basis, they have been classified below EBITDA.

Finance costs mainly consist of finance costs on bank borrowings and finance lease liabilities (due to IFRS 16). Finance costs reached €0.4 million in FY2021 principally on account of IFRS 16.

As a result, Gaming Operations Limited registered a total comprehensive profit after tax of €30.0 million in FY2019, but registered losses of €0.7 million and €0.5 million in FY2020 and FY2021, respectively.

8.1.1.2. Dragonara Gaming Limited

Dragonara Gaming Limited

Statement of comprehensive income

€'000	FY2018	FY2019	FY2020	FY2021
Revenue	16,490	16,627	13,864	11,714
Other income	405	308	634	1,071
Staff costs	(3,831)	(4,051)	(3,577)	(3,594)
Gaming tax	(5,275)	(4,988)	(4,081)	(3,126)
Other operating expenses	(6,130)	(6,547)	(4,081)	(5,139)
EBITDA	1,658	1,349	2,759	926
Depreciation and amortisation	(1,626)	(1,501)	(1,592)	(928)
Operating profit/(loss)	32	(151)	1,167	(2)
Finance costs	(128)	(115)	(882)	(743)
(Loss)/profit before tax	(96)	(266)	285	(745)
Tax (expense)/credit	(155)	(93)	(295)	272
Loss for the year	(251)	(359)	(10)	(473)
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of right-of-use asset	-	-	21,162	(337)
Tax effect on revaluation	-	-	(7,318)	118
Other comprehensive income for the year, net of tax	-	-	13,843	(219)
Total comprehensive (loss)/profit for the year	(251)	(359)	13,833	(692)

Dragonara Gaming Limited generates revenue from two main streams: slot machines and live tables. Pre-pandemic (i.e. FY2018 and FY2019), its revenue totalled approximately €16.5 million per annum, of which approximately. €13.0 million was generated from slot machines, with the rest principally generated from live tables (approximately €3.5 million). Revenue decreased to €13.9 million in FY2020, given that the casino temporarily closed its operations between 17 March 2020 and 3 June 2020 and introduced social distancing measures in an effort to curb the pandemic. In FY2021, as result of a crippled tourism sector, and coupled with further closures (from 10 March 2021 to 6 June 2021), revenue decreased to €11.7 million.

Other income principally represents the tips deriving from Casino clients, which are split equally between the company and entitled staff, which however, included also one-off income in both FY2020 and FY2021.

Staff costs totalled approximately €4.0 million in FY2018 and FY2019 but decreased to approximately €3.5 million in FY2020 and FY2021, following a reduction in part-time workers due to the closure of the casino as imposed by Government and higher Group recharges.

At the operating level, EBITDA increased from €1.3 million in FY2019 to €2.8 million in FY2020 (+104%), representing an increase in EBITDA margin from 8.1% in FY2019 to 19.9% in FY2020. This increase was driven by the implementation of IFRS 16 (Leases) in FY2020, whereby operating lease expenses (previously accounted for in operating expenses and above EBITDA line) are now reflected in depreciation and net finance costs which are below the EBITDA level, as well as a decrease in free promotional credits given to customers, following closure of the casino. Although in FY2021 wages and salaries were managed through the Government wage supplement scheme (accounted for in other income), due to lower revenues and higher marketing spend, EBITDA margin decreased to 7.9%.

Finance costs mainly consist of of finance costs on bank borrowings and finance lease liabilities (IFRS 16). Finance costs have increased from €0.1 million in FY2018 to €0.7 million in FY2021 principally on account of IFRS 16.

During FY2020, Dragonara Gaming Limited revalued its Dragonara Property sub-emphyteusis, and recorded an income of €13.8 million, after taking into effect the deferred tax implications as per IAS 12. The revaluation is being amortised over the emphyteutical period of 62 years (as the lease is valid until 2083), with a corresponding unwinding of the deferred tax liability.

As a result, Dragonara Gaming Limited registered a total comprehensive profit after tax of €13.8 million in FY2020, but reverted to a loss of €0.7 million in FY2021.

The following table of cross-references sets out specific items set out in audited financial statements of the subsidiaries for the four financial years ended 30 June 2018, 2019, 2020 and 2021:

	Page number in Audited Financial Statements (2018)	Page number in Audited Financial Statements (2019)	Page number in Audited Financial Statements (2020)	Page number in Audited Financial Statements (2021)
Dragonara Gaming Limited				
Statement of Comprehensive Income	5	5	5	5
Statement of Financial Position	6	6	6	6
Statement of changes in equity	8	8	8	8
Statement of Cash Flows	9	9	9	9
Notes to the Financial Statements	10-26	10-28	10-31	10-33
Auditor's Report	27	29	32	34
Gaming Operations Limited				
Statement of Comprehensive Income	5	5	5	5
Statement of Financial Position	6	6	6	6
Statement of changes in equity	8	8	8	8
Statement of Cash Flows	9	9	9	9
Notes to the Financial Statements	10-30	10-32	10-33	10-32
Auditor's Report	31	33	34	33
Dragonara Catering Limited				
Statement of Comprehensive Income	4	4	4	4
Statement of Financial Position	5	5	5	5
Statement of changes in equity	7	7	7	7
Statement of Cash Flows	8	8	8	8
Notes to the Financial Statements	9-20	9-22	9-21	9-21
Auditor's Report	21	23	22	22
Dragonara Interactive Limited				
Statement of Comprehensive Income	5	5	5	5
Statement of Financial Position	6	6	6	6
Statement of changes in equity	8	8	8	8
Statement of Cash Flows	9	9	9	9
Notes to the Financial Statements	10-20	10-22	10-22	10-22
Auditor's Report	21	23	23	23

IZI Interactive Limited				
Statement of Comprehensive Income	4	4	4	4
Statement of Financial Position	5	5	5	5
Statement of changes in equity	6	6	6	6
Statement of Cash Flows	7	7	7	7
Notes to the Financial Statements	8-16	8-18	8-19	8-20
Auditor's Report	17	19	20	21
O2 Estates Limited				
Statement of Comprehensive Income	4	4	4	4
Statement of Financial Position	5	5	5	5
Statement of changes in equity	6	6	6	6
Statement of Cash Flows	7	7	7	7
Notes to the Financial Statements	8-14	8-15	8-15	8-16
Auditor's Report	15	16	16	17
St. George Developments Limited				
Statement of Comprehensive Income	4	4	4	4
Statement of Financial Position	5	5	5	5
Statement of changes in equity	7	7	7	7
Statement of Cash Flows	8	8	8	8
Notes to the Financial Statements	9-18	9-21	9-24	9-23
Auditor's Report	19	22	25	24
Pinnacle IP Limited				
Statement of Comprehensive Income			4	4
Statement of Financial Position			5	5
Statement of changes in equity			6	6
Statement of Cash Flows			7	7
Notes to the Financial Statements			8-17	8-17
Auditor's Report			18	18

The above financial statements are also available for inspection on the Company's website: www.izifinance.mt/.

9. LEGAL AND ARBITRATION PROCEEDINGS

On the 28 January 2022, proceedings were instituted in Malta under Article 469A of Chapter 12 of the laws of Malta before the First Hall, Civil Court. The application was filed by the entities comprising the 'Sisal Malta Consortium': (i) the Italian company Sisal Lottery Italia S.p.A, an affiliated company of Sisal S.p.a. (registration number 04900570963); (ii) the Austrian company Scientific Games International GmbH; and (iii) Eden Leisure Group Limited (C 4529); (collectively the "**Plaintiffs**") against the Ministry for the Economy and Industry, the Privatisation Unit, the MGA, the Ministry of Finance and National Lottery p.l.c. (collectively the "**Defendants**"). The Plaintiffs participated in the competitive process for the award of the National Lottery Concession. In their application, the Plaintiffs have requested the court to declare the process through which National Lottery p.l.c. was declared as the preferred bidder and the decision declaring National Lottery p.l.c. as the preferred proponent to be without effect. On 2 March 2022, National Lottery p.l.c. filed its reply before the First Hall, Civil Court rebutting the claims made by the Plaintiffs as being unfounded at law and in fact. The first sitting is scheduled for 23 March 2022.

Unless and until a court judgement is awarded in favour of the Plaintiffs, the IZI Finance Group, through its subsidiary National Lottery p.l.c. expects to continue to be able to operate the National Lottery uninterruptedly as the declared and rightful concessionaire. Of relevance is the fact that a request for a warrant of prohibitory injunction filed by the Plaintiffs in the First Hall, Civil Court on 3 December 2021 requesting the courts to cease the Defendants from taking any action to give effect to the decision of awarding of the concession to National Lottery p.l.c. as the preferred bidder, was finally rejected on 17 December 2021.

Other than the aforesaid, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened or of which the Issuer is aware) during the period covering 12 months prior to the date of the Prospectus which may have, or have had in the recent past, significant effects on the IZI Finance Group's financial position or profitability.

10. TREND INFORMATION

There has been no material adverse change in the prospects of the IZI Finance Group since 30 June 2021, being the financial year end of the Parent. The Parent transferred its operating Subsidiaries to the Issuer on 30 December 2021, being the same date that the Issuer was incorporated. The following is an overview of the most significant trends that are likely to have a material effect on the prospects of the IZI Finance Group:

Regulation

The gaming industry is an evolving industry with legislation and regulation introduced in order to address its changing nature as well as to ensure player protection. Increased regulation may encourage social acceptance of the industry which to this day, still has connotations with addiction and other related undesirable risks. However, increased regulation typically results in increased costs, licensing requirements, operational restrictions and administrative burdens for operators.

COVID -19

The COVID-19 pandemic has affected the gaming industry in terms of its performance, competitive landscape, and future outlook. While the industry has been and will continue to be affected by the pandemic, the gaming sector has also distinguished itself as one of the economic pillars that has been most resilient to the changes brought about by the pandemic. This is evident from the impact on industry employment which has recorded a growth rate of almost 12% in 2020. The resilience of the sector can be chiefly attributed to its take-up of sophisticated digital systems as well as to the sector's ability to adapt to changing circumstances by innovating and placing more focus on certain products, such as virtual sports which replaced bets on live sport events.

In its report of 2020, the MGA has stated that the operators in the industry expect the situation to improve by 2022, such that there are more positive prospects for the performance of the sector, particularly in terms of gaming revenue. The pandemic has accelerated the growth in technological innovations and has led the industry to explore new ways of distributing and delivering content to customers. The local gaming industry is expected to continue to benefit from these trends, and to experience activity growth within its jurisdiction on the strength of its regulatory environment and its innovative outlook. The Government of Malta remains committed to ensuring that Malta continues to be an attractive place of primary establishment and that the gaming industry has the resources and capabilities it needs to remain resilient.

Further information on the effect of COVID-19 on the gaming industry is contained in section 7.4.

Technological Development and Innovation

The gaming industry is a very dynamic industry that is driven by improvements in technology. Technology developments at the level of product (player experience) and distribution (access to products and services) are likely to have a positive impact on the industry as a whole while ensuring that products and services are offered in a fair, safe and transparent environment. Moreover, the cross over between product segments, such as for instance, e-sports and e-sports betting, live sports betting enabled through high-data transfer speeds and the innovative aspect within casino games, provide a strong backdrop onto which the industry is likely to continue to flourish.

11. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

11.1 THE BOARD OF DIRECTORS OF THE ISSUER

The Company's governance principally lies in its Board of Directors, responsible for the general governance of the Company and to set its strategic aims, for its proper administration and management and for the general supervision of its affairs. Its responsibilities include the oversight of the Company's internal control procedures and financial performance, and the review of the Company's business risks, thus ensuring such risks are adequately identified, evaluated, mitigated and managed, whilst opportunities are maximised and pursued appropriately.

The Memorandum provides that the Board of Directors shall be composed of a minimum of two and a maximum of seven directors.

As at the date of this Registration Document, the Board of Directors of the Issuer consists of seven Directors who are entrusted with the overall direction, administration and management of the IZI Finance Group. The Board currently consists of four executive Directors and three non-executive Directors (all of whom are considered to be independent directors for the purpose of the Capital Markets Rules).

Meetings of the Board of Directors are held at the registered office of the Issuer – Portomaso Business Tower, Level 11, St. Julians STJ 4011, Malta.

11.1.1. Executive directors

The executive Directors of the Company form part of the Company's executive team, entrusted with the day-to-day management of the IZI Finance Group, and constitute a majority of the Board. The individuals occupying such office are also directors or officers of other companies within the IZI Finance Group. The executive Directors are supported in this role by several consultants and key management, and benefit from the know-how gained by members and officers of the IZI Finance Group. The executive Directors of the Company are Johann Schembri, Franco De Gabriele, Christian Gernert and Joseph Mallia.

11.1.2. Non-executive directors

The non-executive Directors' main functions are to monitor the operations and performance of the executive Directors, as well as to review any proposals tabled by the executive Directors and the management team of the IZI Finance Group, bringing to the Board the added value of independent judgment and experience across various industries and market sectors, including prior experience with listed entities and multinational groups of companies.

As at the date of this Registration Document, the non-executive Directors of the Issuer are Jacqueline Camilleri, Stephanie Fabri and Otto Karasek.

11.1.3. Curriculum Vitae of the Directors

Christian Gernert (Executive Director and Chairman)

Dr Christian Gernert is the Chairman of the Board of Directors of the Issuer. Dr Gernert is a lawyer by profession having graduated from the University of Vienna, Austria with a PhD in Law. He is an accomplished executive with in-depth knowledge of the gaming legislation in Canada, the European Union, Liechtenstein, Switzerland, South Africa, the United Kingdom and the United States of America and has over 35 years of experience in the international gaming and sports betting industry. In particular, Dr Gernert has held management positions with Casinos Austria AG (08668723) and Century Casinos Inc. CNTY (NASDAQ) (SEC CIK#0000911147).

Currently, Dr Gernert is the owner and chief executive officer of Codego GmbH (Austria) UID: ATG57558413, a business and gaming consultancy service provider and has experience in providing consultancy services to various gaming companies, including, Novomatic Gaming industries GmbH (FN69548b), bwin.gr Limited (C 57513) and Speilbank Berlin (Germany) (HRA16057B). Dr Gernert is also the founder and member of the board of directors of PG Enterprise AG (Austria) (FN424384) and a member of the supervisory board of Cara AG (Liechtenstein) (1397), the latter being involved in the business support services industry.

Dr Gernert has occupied various other positions within gaming companies and as a result has acquired experience in the assessment, development, creation and operation of casinos. Dr Gernert has also been involved in the drafting of the Austrian Gaming Act, 2010 having advised the Austrian Government with respect to the Gaming Act's alignment with EU law requirements.

Johann Schembri (Executive Director and Chief Executive Officer)

Mr Johann Schembri is a seasoned expert in the gaming industry with over 25 years of experience in various market segments including sports betting, commercial bingos, casinos (both land-based and online) and gaming technology.

Mr Schembri brings to the fore unparalleled experience and knowledge of the local and international gaming market, having spearheaded several successful establishments in conjunction with reputable international gaming providers, including International Game Technology (IGT) (SEC CIK#0001619762), Playtech (07523438), PMU (77567125802757) and Novomatic Gaming Industries GmbH (FN69548b).

Mr Schembri has been instrumental in setting up different consortia with international gaming companies purposely established to operate and manage the Dragonara Casino. In the early 1990's prior to the establishment of IZI Group p.l.c. (formerly known as Pinnacle Gaming Group), Mr Schembri launched and operated a 'Parimutuel' betting system at the national racecourse of Malta, after which he set up the first-of-its kind nation-wide route operation of amusement with prizes (AWP's). In 2004, Mr Schembri established, together with other shareholders, the Pinnacle Gaming Group Limited (today known as IZI Group p.l.c.) following the liberalisation of commercial bingo through the enactment of the Lotteries and Other Games Act in 2001 (now repealed by the Gaming Act).

In 2010, the Pinnacle Group Gaming Limited together with Toss A Coin Limited, established Dragonara Gaming Limited which was awarded a concession to manage and operate a casino in and from the Dragonara Casino.

In 2012, Mr Schembri established the first network of 'Controlled Gaming Premises'.

Mr Schembri is the ultimate indirect majority shareholder and the Chief Executive Officer of the Dragonara Gaming Limited the operator of the Dragonara Casino. Mr Schembri was the Chairperson of the project implementation team for the casino operated in and from the Dragonara Casino and oversaw the transition of the Dragonara Casino management from the previous operator.

In 2021, Mr Schembri led a team of experts entrusted with completing the proposals for two core operations within the land-based gaming industry, the first for the sustained operations and management of the casino operated in and from the Dragonara Casino and the second for the operation of the National Lottery. Both proposals were successfully concluded providing the IZI Finance Group with the opportunity to operate two very important gaming assets, namely the Dragonara Casino (from 2021 until 2031) and the National Lottery (from 2022 until 2032).

Franco De Gabriele (Executive Director and Chief Commercial Officer)

Mr Franco De Gabriele joined IZI Group p.l.c. in November 2012 and forms an integral part of its management team. Mr De Gabriele's primary responsibility is to oversee the business development function within the IZI Finance Group. Mr De Gabriele has been working in business development and marketing operations within the telecoms and media industry and has extensive experience in the online sector including online gaming.

In his previous roles, Mr De Gabriele worked for top telecom companies in Malta such as Melita Cable Holdings Limited (C 12707) and GO p.l.c. (C 22334) and was also involved in a number of start-up operations within the sector. Mr De Gabriele has extensive experience in bringing new products and services to market both locally and internationally.

Joseph Mallia (Executive Director and Chief Financial Officer)

Mr Joseph Mallia has been involved in the operation of the Dragonara Casino since 30 November 2005 when the casino was managed by the previous operator, Groupe Barriere. He was then employed with Dragonara Gaming Limited on 30 June 2010, the date when Dragonara Gaming Limited was awarded the concession to operate and manage a casino in and from the Dragonara Casino. Mr Mallia occupies the position of Chief Financial Officer at IZI Group p.l.c. As part of the top management team, reporting directly to the Chief Executive Officer, Mr Mallia has been instrumental in providing leadership in developing and implementing financial reporting and controls to support accountability and the various decision-making processes of the strategic nature within the Group. Mr Mallia has a wealth of experience in the land-based casino and the overall gaming industry and is one of the finest financial executives in the business, with unparalleled experience in business modelling within the industry and forecasting trends in the market. His knowledge of the market through pre-established successful research models and his grasp of market developments are two of the most important strengths that he brings to the Group.

Stephanie Fabri (Independent Non-Executive Director)

Dr Stephanie Fabri is an independent non-executive director of the Issuer and a member of the Audit Committee. Dr Fabri is an economist by profession having completed her PhD in Management and Economics at Warwick Business School, University of Warwick, UK in 2018. Throughout her career, Dr Fabri was involved in economic consultancy work for a variety of projects, both of a private and public nature, and has provided assistance in government policy and project monitoring programmes.

Dr Fabri holds various board positions, contributing to the respective boards primarily from an economic perspective. Up until 2013, she sat as a director of the Communications Appeals Board at the Ministry of Infrastructure, Transport and Capital Projects. In 2020, the Ministry for the Environment, Climate Change and Planning appointed Dr Fabri as Chairperson of the Intelligent Planning Consultative Forum. She retains her seat as a non-executive director on the board of Malta Dairy Products Limited (C 7833), and most recently, in November 2021, was appointed as a member of the board of the Malta Stock Exchange. Dr Fabri has also been a lecturer of economics and management for several years and is presently both an academic and lecturer within the Faculty of Economics, Management, and Accountancy at the University of Malta.

Otto Karasek (Independent Non-Executive Director)

Dr Otto Karasek is an independent non-executive director of the Issuer and a member of the Audit Committee. Formerly the Chief Executive Officer of Merkanti Bank Limited (C 31608), Dr Karasek's has a vast amount of experience in the banking sector. Aside from this role as Chief Executive Officer of the bank, Dr Karasek also held a range of responsibilities in his role as executive director and as member of the personnel, remuneration and nomination committee and the credit committee. He was responsible for the operation and the business of BAWAG Group in Malta and the implementation of its business strategy. Prior to 2003, Dr Karasek filled various roles at BAWAG Austria in Vienna for over twenty years. Dr Karasek sits on the board of directors of several banks, among them Merkanti Bank Ltd, where he is also chairman of the remuneration and nomination committee, Depfa Bank p.l.c. (Irish company registration number 348819) and Depfa ACS Bank DAC (Irish company registration number 354382).

Dr Karasek holds a Masters degree in Business Administration from the Vienna University of Economics and Business.

Jacqueline Camilleri (Independent Non-Executive Director)

Ms Jacqueline Camilleri is an independent non-executive director of the Issuer and the Chairperson of the Audit Committee. Ms Camilleri is a certified public accountant and occupies the positions of director and chair of the audit committee on a number of publicly listed companies. Ms Camilleri also provides business advisory services with a particular focus on start-ups and businesses undergoing restructuring.

Ms Camilleri graduated from the Heriot-Watt University of Edinburgh Business School with a Master Degree in Business Administration after having obtained a B.A. (Hons.) degree in Accountancy from the University of Malta. She is a Fellow Member of the Malta Institute of Accountants.

Between 1990 and 1998, Ms Camilleri occupied various positions within the AX Holdings group of companies, including Financial Controller of AX Construction Limited (C 17438) and Finance and Administration Manager of the Capua Palace Hospital.

In 1998, Ms Camilleri joined the Foundation for Medical Services (FMS) as one of the team members responsible for the opening of Mater Dei Hospital. She has also gained work experience in the United Kingdom where she joined the National Health Service (NHS) and served as Directorate Management Accountant at the Stoke Mandeville Hospital.

Ms Camilleri has extensive experience in the consultancy sphere. She has provided financial consultancy services to the private and national health sector, which includes, inter alia, her role as Head of the Financial Monitoring and Control Unit (FMCU) within the Ministry for Health, the Elderly and Community Care. She has also worked on various consulting assignments, privatization processes, strategic reviews and business evaluations during her time as Manager at Malta Investment Management Company Limited (MIMCOL) (C 9588). In the last quarter of 2010, Ms Camilleri re-joined the Ministry for Health, the Elderly and Community Care as Director General for Finance and Administration. Between 2008 and 2013, she served as Vice Chairman of the Malta International Airport p.l.c. (C 12663) and lectured at the Institute of Healthcare (IHC) at the University of Malta between 2008 and 2011.

At the beginning of 2014 Ms Camilleri was appointed as Chief Executive Officer at Hilltop Gardens Retirement Village Limited (C 65735), a subsidiary of AX Holdings group of companies, where she took over the management and development of the Hilltop Gardens Retirement Village in its entirety.

In September 2017, Ms Camilleri took over the advisory position which led to the design and setting up the care home Golden Care and in April 2019 she was appointed as Chief Executive Officer at Golden Care Limited (C 89549). Between 2017 and 2020, Ms Camilleri also occupied the position of Chief Financial Officer in an advisory capacity within the Bonnici group of companies.

11.2. SENIOR MANAGEMENT AND ORGANISATIONAL STRUCTURE

In the day-to-day operations of the IZI Finance Group, the executive Directors are supported by senior management. Senior management are employed by the Parent who provides senior management services to the Issuer through a senior management services agreement. The senior management of the Issuer comprises:

- Johann Schembri (Chief Executive Officer)
- Franco De Gabriele (Chief Commercial Officer)
- Joseph Mallia (Chief Financial Officer)
- Neville Aquilina (Chief Risk & Compliance Officer)
- Albert Muscat (Chief Technology Officer)
- Joseph Bonanno (Chief Operating Officer)
- Svetlana Birca (Chief International Business Officer)

The curriculum vitae for Johann Schembri, Franco De Gabriele and Joseph Mallia may be found in section 11.1.3. above. The management expertise and experience of each of the members of senior management is set out below:

Neville Aquilina's career spans over 28 years in the Malta Police Force, with his last rank being that of Assistant Commissioner, the second highest ranking officer in the Force. Amongst the other high profile areas, Mr Aquilina was responsible for anti-money laundering and narcotics and has also worked for several years in the office of the Ombudsman as Senior Investigating Officer.

Amongst other qualifications, Mr Aquilina has obtained a Bachelor of Arts (Hons) in Criminology from the University of Malta. He has also graduated with a Master of Arts in (ADR) Mediation from the same university. Mr Aquilina has teaching experience having acted as a guest lecturer in criminology at the University of Malta and as a lecturer at the Malta Police Academy in criminal law, immigration law, crime prevention, community policing and police regulations and procedures.

Mr Aquilina's experience and integrity is aligned with the IZI Finance Group's focus on compliance in connection with player protection, responsible gaming and game integrity.

Albert Muscat is an experienced I.T. professional with over 28 years of experience having performed a variety of duties in multiple roles held within high profile companies such as Megabyte Limited (C 4657), Maltco and Micros Systems Inc. (SEK CIK 320345) before joining the Group in 2011.

Mr Muscat is currently reading for a Masters in Artificial Intelligence from the University of Malta. He has obtained a BSc in Computing and Information Systems, with a first class honours, from Goldsmiths, University of London. Mr Muscat manages the I.T. infrastructure and systems for the whole IZI Finance Group.

Joseph Bonanno is a seasoned professional with over 26 years of experience in the ICT and the land-based gaming industry focusing primarily on business analysis, information security, projects implementation, business processes and compliance.

Mr Bonanno joined the Group as Chief Operating Officer in 2022 after previously occupying senior roles at Megabyte Limited as Senior Oracle Technical Consultant and Oracle University Lecturer with specialisation in data warehousing and business intelligence, as well as various roles within Maltco, the most recent being that of Information Security Officer and Operations Director.

Svetlana Birca joined IZI Group p.l.c. in October 2010 and formed part of the top management team reporting directly to the Chief Executive Officer. Ms Birca holds a Master of Business Administration (MBA) degree and has been working in the casino sector for over 15 years having previously worked for nine years at Century casinos (Listed on NASDAQ – CNTY) before moving to Malta to join the management and operation of the Dragonara Casino. Ms Birca was primarily responsible for overseeing the entire casino operations and all other aspects of the day-to-day running of the Dragonara Casino before moving onto the role as Chief International Business Development for the IZI Finance Group.

In addition, the IZI Finance Group and its management are supported by various professional and industry specialists and consultants, who are engaged on an as needed basis, depending on the *ad-hoc* requirements of the operations of the IZI Finance Group or the projects that may be pursued by the IZI Finance Group from time to time.

11.3. POTENTIAL CONFLICTS OF INTEREST

Mr Johann Schembri is the main shareholder of IZI Group p.l.c. and therefore holds beneficial ownership interests in both the Issuer and all its Subsidiaries. Mr Schembri is also a director and Chief Executive Officer of IZI Group p.l.c. and all other Subsidiaries, while Mr Franco De Gabriele is the Chief Commercial Officer of IZI Group p.l.c. Dr Stephanie Fabri is a board member of the Malta Stock Exchange, and accordingly conflicts may arise since the Bonds are expected to be admitted to the Official List of the Malta Stock Exchange.

In view of the above, there is a potential conflict of interest between the aforementioned Directors' duties (as Directors) and their interests in and, or duties to various Subsidiaries.

The Audit Committee of the Issuer has the task of ensuring that any potential conflicts of interest that might arise pursuant to these different roles held by the Directors are handled in the best interest of the Issuer and according to law. The fact that the Audit Committee is constituted in its entirety by independent, non-executive Directors provides an effective measure to ensure that related party transactions (that will be vetted by the Audit Committee) have been entered into on an arms-length basis. Potential conflicts of interest situations regarding Board members are specifically regulated by the Act and by Article 66 of the Articles of Association, pursuant to which a Director is required to declare his interest in and shall be precluded from voting on any such contract, arrangement, transaction or proposal that is being discussed by the Board.

11.4. THE AUDIT COMMITTEE

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

The Board has set formal terms of establishment and the terms of reference of the Audit Committee which set out its composition, role and function, the parameters of its remit, as well as the basis for the processes that it is required to comply with.

The terms of reference of the Audit Committee include the committee's roles and functions relating to:

- (a) monitoring the financial reporting processes, financial policies and internal control structures;
- (b) maintaining communications on such matters between the Board, management and the external auditors; and
- (c) preserving the Issuer's assets by assessing the Issuer's risk environment and determining how to deal with those risks; and
- (d) supporting to the Board in its responsibilities in dealing with issues of risk, control and governance, and associated assurance of the Issuer.

In addition, the Audit Committee has the role and function of evaluating any proposed transaction to be entered into by the Issuer and a related party to ensure that the execution of any such transaction is at arm's length, on a commercial basis and ultimately in the best interests of the Issuer, as well as ensuring adherence with the requirements of the Capital Markets Rules relating to related party transactions, including any public disclosure requirements and, or shareholder approval requirements.

Furthermore, the Audit Committee has the role of assessing any potential conflicts of interest between the duties of the Directors and their respective private interests or duties unrelated to the Issuer.

The Audit Committee is made up entirely of non-executive Directors, the majority of whom are independent. Audit Committee members are appointed for periods of one year each, renewable for further periods of one year each, unless their appointment is terminated earlier by the Board, or unless they are removed or resign from their position as director of the Company earlier.

The Audit Committee is composed of Ms Jacqueline Camillieri (independent non-executive director), Dr Stephanie Fabri (independent non-executive director) and Mr Otto Karasek (independent non-executive director). Ms Jacqueline Camillieri is considered by the Board to be competent in accounting and, or auditing in terms of the Capital Markets Rules. The Chairman of the Audit Committee, appointed by the Board, is entrusted with reporting to the Board on the workings and findings of the Audit Committee. Ms Jacqueline Camillieri occupies the post of Chairman of the Audit Committee.

11.5. COMPLIANCE WITH CORPORATE GOVERNANCE

As a consequence of the Bond Issue, and in accordance with the terms of the Capital Markets Rules, the Issuer is required to comply with the provisions of the Code of Principles of Good Corporate Governance forming part of the Capital Markets Rules (the “Code”). The Issuer declares its full support of the Code and undertakes to fully comply with the Code to the extent that this is considered complementary to the size, nature and operations of the Issuer.

The Company supports the Code and is confident that the application thereof shall result in positive effects accruing to the Issuer, including its relations with the market at large, employees, key suppliers and customers, and other strategic stakeholders of the IZI Finance Group.

Going forward, in view of the reporting structure adopted by the Code, the Company shall, on an annual basis in its annual report, explain the level of the Issuer’s compliance with the principles of the Code, in line with the “comply or explain” philosophy of the Code, explaining the reasons for non-compliance, if any.

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

Principle 7 (Evaluation of the Board’s Performance): under the present circumstances, the Board of Directors does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board’s performance is evaluated on an ongoing basis by, and is subject to the constant scrutiny of, the Board itself, the Company’s shareholders, the market and the rules by which the Company is regulated as a listed company.

Principle 8 (Committees): The Board considers that the size and operations of the Issuer do not warrant the setting up of a remuneration and nominations committee.

12. SHARE CAPITAL AND MAJOR SHAREHOLDERS

12.1 SHARE CAPITAL OF THE ISSUER

The authorised share capital of the Issuer is €100,000,000 divided into 99,999,999 ordinary class ‘A’ shares of €1 each, and one ordinary class ‘B’ share of €1. The issued share capital of the Issuer is €80,000,001 divided into 80,000,000 ordinary class ‘A’ shares of one €1 each, and one ordinary class ‘B’ shares of one €1 and held as follows:

Name of Shareholder	Number of Shares	Class of Shares	% Paid Up
IZI Group p.l.c.	80,000,000	ordinary class ‘A’ shares	100%
Johann Schembri 540875(M)	1	ordinary class ‘B’ share	100%

Each ordinary class ‘A’ share confers the right to one vote at general meetings of the Issuer. Holders of ordinary class ‘A’ shares are entitled to receive notice of, and vote at any general meeting; receive dividend distributions as deemed fit by the Board of Directors; and participate in any asset distribution upon the dissolution or winding up of the Issuer. Ordinary class ‘B’ shares only have the right to receive notice of general meeting and the right to receive their paid-up nominal value on a winding up of the Issuer. Other than as aforesaid, all ordinary shares rank *pari passu* in all respects. The shares of the Issuer are not listed on the Malta Stock Exchange or any other regulated exchange, and no application for such listing has been made to date.

12.2 MAJOR SHAREHOLDER

Johann Schembri (540875M) is the ultimate majority shareholder of the Issuer, holding, as at the date of this Registration Document, 99.9% of the entire issued share capital of IZI Group p.l.c., the parent company of the Issuer.

In line with sound governance procedures and relevant regulatory requirements, measures have been instituted to ensure that the control exercised by Johann Schembri, as major shareholder, is not abused. These measures include: (a) the composition of the Board, which includes a balanced mix of executive and experienced, independent non-executive directors; and (b) the adoption of the governance rules set out in section 11.5. above of this Registration Document

To the knowledge of the Directors, there are no arrangements the operation of which may at some future date result in a change in control of the Issuer.

12.3 MEMORANDUM AND ARTICLES OF ASSOCIATION

The Memorandum and Articles of Association of the Issuer are registered with the Registrar of Companies at the Malta Business Registry. A full list of the objects for which the Issuer is established is set out in clause 3 of the Memorandum. These objects include, but are not limited to:

- (a) to act as a holding company and therefore to subscribe for, take, purchase, participate in or otherwise acquire, hold, manage, sell or otherwise dispose of, and deal in any manner whatsoever in shares, stocks, debentures, bonds, notes or other securities whatsoever solely for and on behalf of the Issuer, and options, warrants or other rights or interests whatsoever in any such securities of, and any interests whatsoever in, any company in any other part of the world as the Issuer may determine and in such manner, under such terms and conditions and for such consideration as the Issuer may think fit;
- (b) to carry on the business of financing or re-financing of the funding requirements of the business of any company forming part of the group of companies of which the Issuer forms part of and, or of any company that is controlled, directly or indirectly, by the same person or persons as the Issuer;
- (c) to issue bonds, commercial paper or any other instruments creating or acknowledging indebtedness and to sell or offer the same to the public;
- (d) to hold, apply for, register, purchase or by other means acquire, develop, exploit, protect and renew any trademarks, patents, patent rights, licenses, designs, royalties, copyrights, grants, options, protection and concessions and other intellectual property, and to grant licenses or rights in respect thereof; and
- (e) to purchase, develop, take on lease, exchange, or acquire under any other title and, or sell or dispose any title any immovable and movable property and any rights, whether real or personal connected thereto or emanating therefrom and any other rights privileges interests which the Issuer may consider necessary or convenient for the purposes of the business and operations of the Issuer.

13. MATERIAL CONTRACTS

The entities forming part of the IZI Finance Group have not entered into any material contracts that are not in the ordinary course of their respective business and which could result in the Issuer being under an obligation or entitlement that is material to their ability to meet their obligations to Bondholders in terms of the Prospectus.

14. DOCUMENTS AVAILABLE FOR INSPECTION AND INCORPORATED BY REFERENCE

For the duration of the Registration Document, the following documents are available for inspection at the registered office of the Issuer:

- (i) the Memorandum and Articles of Association;
- (ii) the audited consolidated financial statements of IZI Group p.l.c. for the financial years ended 30 June 2019, 2020 and 2021;
- (iii) the audited financial statements of each of the Issuer's Subsidiaries (other than National Lottery p.l.c.) for the financial years ended 30 June 2018, 2019, 2020 and 2021; and
- (iv) the financial analysis summary prepared by the Sponsor & Co-Manager.

The documents so incorporated by reference are available on the following hyperlink: <https://izifinance.mt/>

Annex I – Pro Forma Financial Information

1. Basis of preparation

IZI Finance p.l.c. was incorporated on 30 December 2021. Simultaneously with its incorporation, the Issuer acquired all the share capital of the operating Subsidiaries of IZI Group p.l.c. in exchange for the issue of 80,000,000 ordinary shares having a nominal value of €1.00 each in favour of IZI Group p.l.c. together with a deferred consideration payable to IZI Group p.l.c. of €20 million. The deferred consideration will be settled through the novation from IZI Group p.l.c. to the Issuer of loans having a principal amount of approximately €12.9 million and an amount in cash of €7.1 million, payable at the discretion of the Issuer.

The pro forma financial information has been prepared for illustrative purposes only, to show how the consolidated financial statements of the Subsidiaries including the Issuer, would have been impacted should the Restructuring implemented as of 30 December 2021, have been hypothetically carried out as at 1 July 2021. The pro forma financial statements for the year ended 30 June 2021 are based on the audited financial statements of the Subsidiaries for the year ended 30 June 2021 and reflect the consolidated unaudited position of the Issuer (together with its subsidiaries) for the year ended 30 June 2021 as if the Issuer and its subsidiaries had been constituted as at 1 July 2020.

The pro forma financial information comprises a pro forma consolidated income statement and statement of financial position for the financial year ended 30 June 2021. The pro forma financial information has been prepared by reference to the consolidated financial statements of the Subsidiaries as at the Reference Date, and superimposing the entries necessary to reflect the Restructuring that was implemented as at 30 December 2021. Because of its nature, the pro forma financial information does not represent the Company's actual financial position. The pro forma financial information is not intended to, and does not, provide all the information and disclosures necessary to give a true and fair view of the results of the operations and the financial position of the Company in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The pro forma financial information has been compiled on the basis of the accounting policies adopted by the Company taking into account the requirements of building block 3 of Annex 20 of the Prospectus Regulation.

IZI Finance p.l.c.

Summary consolidated pro forma statement of comprehensive income for year ending 30 June 2021

€'000	Pro forma
Revenue	20,164
Other income	370
Staff costs	(5,565)
Gaming tax	(5,019)
Other operating expenses	(7,710)
EBITDA	2,240
Depreciation and amortisation	(2,368)
Operating profit	(128)
Finance costs	(1,237)
Profit/(loss) before tax	(1,365)
Tax (expense)/income	419
Profit/(loss) for the year	(946)
Other comprehensive income	
Items that will not be reclassified subsequently to profit or loss	
Revaluation of right-of-use asset	(337)
Tax effect on revaluation	118
Other comprehensive income/(loss) for the year	(219)
Total comprehensive income/(loss) for the year	(1,165)

IZI Finance p.l.c.**Summary consolidated pro forma statement of financial position as at 30 June 2021**

€'000	Pro forma
Assets	
Non-current assets	
Intangible assets	91,770
Investment in Subsidiaries	–
Property, plant and equipment	3,171
Right of use asset	42,426
Investment properties	1,088
Inter-company loans	–
Other non-current assets	928
Deferred tax asset	769
Total non-current assets	140,151
Current assets	
Inventories	246
Trade and other receivables	1,028
Cash and cash equivalents	1,356
Total current assets	2,630
Total assets	142,781
Equity	
Share capital	80,000
Accumulated (losses)/profits	–
Equity attributable to the owners of the parent	80,000
Non-controlling interest	5,685
Total equity	85,685
Liabilities	
Non-current liabilities	
Borrowings	8,176
Trade and other payables	9,943
Deferred tax liability	8,703
Other non-current liabilities	500
Lease liabilities	23,713
Total non-current liabilities	51,036
Current liabilities	
Borrowings	609
Trade and other payables	5,428
Inter-company loans	(0)
Current tax liability	23
Total current liabilities	6,060
Total liabilities	57,095
Total equity and liabilities	142,781

Annex II – Accountant’s Report on Pro Forma Financial Information



The Board of Directors
IZI Finance p.l.c.
Portomaso Business Tower, Level 11
Portomaso, St Julian’s, STJ 4011
Malta Malta

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

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18 March 2022

Independent accountant’s assurance report on the compilation of pro forma financial information

Dear Members of the Board,

Report on the compilation of pro forma financial information included in a prospectus

We have completed our assurance engagement to report on the compilation of pro forma financial information of IZI Finance p.l.c. (the ‘Issuer’ and together with its fellow subsidiaries the ‘IZI Finance Group’) as prepared by the directors of the Issuer (the ‘Directors’). The pro forma financial information consists of the IZI Finance Group’s pro forma Consolidated Income Statement and the Consolidated Statement of Financial Position as at 30 June 2021 as set out in Annex A of the Issuer’s prospectus (the ‘Prospectus’). The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are specified in Annex 20 of EC Regulation 2019/980 (the ‘Regulation’) and described in the ‘Basis of Preparation’ section included in Annex A of the Prospectus (the ‘Applicable Criteria’).

The Issuer was incorporated on 30 December 2021 and on this date acquired full ownership of the Subsidiaries (as defined in the Registration Document). This acquisition was implemented through the intra group corporate restructuring (the ‘Restructuring’) outlined in Section 8.1 of the Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate how the combined financial position and combined income statements of the Subsidiaries would have been impacted should the Restructuring, implemented as of 30 December 2021, have been hypothetically carried out as at 1 July 2020.

The pro forma financial information comprises a pro forma consolidated income statement, and statement of financial position for the financial year ended 30 June 2021. In preparing the pro forma financial information, the Directors have extracted information about the IZI Finance Group’s results and financial position from the combined financial statements of the Subsidiaries that have been prepared for the financial year ended 30 June 2021.



Directors’ responsibility for the pro forma financial information

The Directors are responsible for compiling the pro forma financial information on the basis of the Applicable Criteria.

Our responsibilities

Our responsibility is to express an opinion, as required by Annex 20 of the EC Regulation 2019/980, about whether the pro forma financial information has been compiled, in all material respects, by the Directors on the basis of the Group’s accounting policies as described in the combined financial statements of the Subsidiaries for the year ended 30 June 2021 and the basis of preparation set out in Annex A of the Prospectus, and accordingly on the basis of the Applicable Criteria.

Basis of opinion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance engagements to report on the compilation of pro forma financial information included in a prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the pro forma financial information on the basis of the Applicable Criteria.

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

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction as at 30 June 2021, would have been as presented.

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

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

The procedures selected depend on the accountant’s judgment, having regard to the accountant’s understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Opinion

In our opinion:

- the pro forma financial information has been properly compiled on the basis stated;
and
- such basis is consistent with the accounting policies of the IZI Finance Group.

Yours faithfully

A handwritten signature in black ink, appearing to read "Oriana Abela".

Oriana Abela

Partner

Securities Note

Dated 22 March 2022

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

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

**in respect of an issue of up to
€30,000,000 4.25% unsecured bonds 2029
of a nominal value of €100 per bond, issued and redeemable at par by**

IZI | FINANCE plc

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED UNDER THE LAWS OF MALTA WITH
COMPANY REGISTRATION NUMBER C 101228

ISIN: MT0002631209

SPONSOR & CO-MANAGER

LEGAL COUNSEL

REGISTRAR & CO-MANAGER



CAMILLERI PREZIOSI
ADVOCATES



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

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

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK 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. A PROSPECTIVE INVESTOR SHOULD MAKE HIS OR HER OWN ASSESSMENT AS TO THE SUITABILITY OF INVESTING IN THE SECURITIES SUBJECT OF THIS SECURITIES NOTE.

APPROVED BY THE BOARD OF DIRECTORS

Johann Schembri

Franco De Gabriele

in their capacity as Directors of the Board and on behalf of Christian Gernert, Otto Karasek, Joseph Mallia, Stephanie Fabri and Jacqueline Camilleri

IMPORTANT INFORMATION

THIS SECURITIES NOTE CONTAINS INFORMATION ON AN ISSUE BY IZI FINANCE P.L.C. (THE “**ISSUER**”) OF UP TO €30,000,000 UNSECURED BONDS OF A NOMINAL VALUE OF €100 PER BOND ISSUED AT PAR, AND BEARING INTEREST AT THE RATE OF 4.25% PER ANNUM, PAYABLE ANNUALLY ON 14 APRIL OF EACH YEAR UNTIL THE REDEMPTION DATE (THE “**BONDS**”). THE ISSUER SHALL REDEEM THE BONDS ON THE REDEMPTION DATE UNLESS OTHERWISE PREVIOUSLY REPURCHASED FOR CANCELLATION BY THE ISSUER.

THIS SECURITIES NOTE SETS OUT THE CONTRACTUAL TERMS UNDER WHICH THE BONDS ARE ISSUED BY THE ISSUER AND SUBSCRIBED FOR BY A BONDHOLDER WHICH TERMS SHALL REMAIN BINDING UNTIL THE REDEMPTION DATE OF THE BONDS, UNLESS THEY ARE OTHERWISE CHANGED IN ACCORDANCE WITH THE TERMS OF THIS SECURITIES NOTE. NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS, TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS SECURITIES NOTE AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS OR 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.

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

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

THE PROSPECTUS IS VALID FOR A PERIOD OF TWELVE (12) MONTHS FROM THE DATE HEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO UPDATE THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.

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

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

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

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

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

ALL THE ADVISERS TO THE ISSUER NAMED IN THE REGISTRATION DOCUMENT UNDER THE HEADING "ADVISERS" IN SECTION 4.3. OF THE REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THE PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

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

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

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1. DEFINITIONS

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

Admission	admission of the Bonds to the Official List and to trading on the main market for listed securities of the MSE becoming effective in accordance with the Capital Markets Rules and the MSE Bye- Laws;
Applicant/s	a person or persons who subscribe(s) for the Bonds;
Application/s	the application to subscribe for Bonds made by an Applicant/s through PAFIs pursuant to Placement Agreements or through Authorised Financial Intermediaries pursuant to the Intermediaries' Offer;
Authorised Financial Intermediary/ies	the licensed stockbrokers and financial intermediaries listed in Annex II to this Securities Note;
Bond Issue Price	€100 per Bond;
Bondholder/s	any holder/s of Bonds from time to time, as evidenced by an electronic entry in the register of Bonds held by the CSD;
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;
Civil Code	means the Civil Code (Cap. 16 of the laws of Malta);
CSD	the Central Securities Depository of the Malta Stock Exchange having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
Interest Payment Date	14 April of each year between and including each of the years 2023 and 2029 provided that if any such day is not a Business Day such Interest Payment Date shall be carried over to the next following day that is a Business Day;
Intermediaries' Offer	an offer for subscription of Bonds made by the Issuer to the Authorised Financial Intermediaries through subscription agreements as further detailed in section 7.6 of this Securities Note;
Issue Date	25 April 2022;
MSE Bye-Laws	the bye-laws issued by the MSE;
Official List	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the MSE Bye-Laws;
PAFI/s	each of: <ul style="list-style-type: none"> (a) Bank of Valletta p.l.c., a public limited liability company registered under the laws of Malta, with company number C 2833, having its registered office at 58, Zachary Street, Valletta VLT 1130, Malta; and (b) Rizzo, Farrugia & Co (Stockbrokers) Ltd, a private limited liability company registered under the laws of Malta, with company registration number C 13102, having its registered office at Airways House, Fourth Floor, High Street, Sliema SLM 1551, Malta, <p>being the Authorised Financial Intermediaries which have executed a Placement Agreement;</p>
Placement Agreement/s	the placement agreements entered into between the Issuer and the PAFIs, as further detailed in section 7.4 of this Securities Note;
Redemption Date	14 April 2029;

Redemption Value	the nominal value of each Bond (€100 per Bond);
Registrar & Co-Manager	Bank of Valletta p.l.c., a public limited liability company registered under the laws of Malta with company registration number C 2833 and having its registered address at 58, Zachary Street, Valletta VLT 1130, Malta. Bank of Valletta p.l.c. is regulated by the MFSA and is licensed to carry out the business of banking and investment services in terms of the Banking Act (Chapter 371 of the laws of Malta) and the Investment Services Act (Chapter 370 of the laws of Malta);
Terms and Conditions	the terms and conditions of the Bonds set out in sections 5 and 7 of this Securities Note.

Unless it appears otherwise from the context:

- (a) words importing the singular shall include the plural and *vice versa*;
- (b) words importing the masculine gender shall include the feminine gender and *vice versa*;
- (c) the word “*may*” shall be construed as permissive and the word “*shall*” shall be construed as imperative;
- (d) all references in this Registration Document to “*Malta*” shall be construed as defined in article 124 (1) of the Constitution of Malta
- (e) any phrase introduced by the terms “*including*”, “*include*”, “*in particular*” or any similar expression is illustrative only and does not limit the sense of the words preceding those terms; and
- (f) any reference to a law, legislative act, and, or other legislation shall mean that particular law, legislative act and, or legislation as in force at the date of this Securities Note.

2. RISK FACTORS

2.1 GENERAL

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS. THE RISK FACTOR FIRST APPEARING UNDER EACH CATEGORY CONSTITUTES THAT RISK FACTOR THAT THE DIRECTORS OF THE ISSUER HAVE ASSESSED TO BE, AT THE DATE OF THIS SECURITIES NOTE, THE MOST MATERIAL RISK FACTOR UNDER SUCH CATEGORY. IN MAKING THIS ASSESSMENT OF MATERIALITY, THE DIRECTORS OF THE ISSUER HAVE EVALUATED THE COMBINATION OF: (I) THE PROBABILITY THAT A RISK FACTOR OCCURS; AND (II) THE EXPECTED MAGNITUDE OF THE ADVERSE EFFECT ON THE FINANCIAL CONDITION AND PERFORMANCE OF THE ISSUER AND ITS SECURITIES IF SUCH RISK FACTOR WERE TO MATERIALISE.

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

2.2 FORWARD-LOOKING STATEMENTS

This Securities Note contains statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, such as the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. Forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout the Prospectus, and in documents incorporated therein by reference, and include statements regarding the intentions, beliefs, or current expectations of the Issuer and, or the Directors concerning, amongst other things, the Issuer’s and, or the IZI Finance Group’s strategy and business plans, capital requirements, results of operations, financial condition, liquidity, prospects, the markets in which it operates and general market conditions. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer’s and, or the IZI Finance Group’s actual results of operations, financial condition, liquidity, and the development of its business may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the results of operations, financial condition, and, or liquidity of the Issuer and, or the IZI Finance Group are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

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

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

2.3 RISKS RELATING TO THE BONDS

2.3.1. Ranking of the Bonds

The Bonds constitute the general, direct, unconditional and unsecured obligations of the Company and shall at all times rank *pari passu*, without any priority or preference among themselves, and, save for such exceptions as may be provided by applicable law, without priority or preference to all present and future unsecured obligations of the Company. This means that any secured or privileged debts of the Company shall rank at all times ahead of the obligations of the Company under the Bonds, as a result of which the Bondholders may not be able to recover their investment in the Bonds in the case of insolvency or an equivalent situation, whether in full or in part. Furthermore, third-party security interests may be registered which will rank in priority to the Bonds against the assets of the Company, as the case may be, for so long as such security interests remain in effect.

2.3.2. No prior market for the Bonds

Prior to the Bond Issue, there has been no public market for the Bonds within or outside Malta. Due to the absence of any prior market for the Bonds, there can be no assurance that the price of the Bonds will correspond to the price at which the Bonds will trade in the market subsequent to the Bond Issue. The market price of the Bonds could be subject to significant fluctuations in response to numerous factors, including the occurrence of any of the risk factors identified in section 3 of the Registration Document.

2.3.3. Orderly and liquid secondary market

The existence of an orderly and liquid market for the Bonds depends on a number of factors, including but not limited to the presence of willing buyers and sellers of the Bonds at any given time and the general economic conditions in the market in which the Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer has no control.

2.3.4. Future Public Offers

No prediction can be made about the effect which any future public offerings of the Issuer's securities (including but not limited to the effects arising out of a change in the cash flow requirements of the Issuer or other commitments of the Issuer vis-à-vis the new security holders), or any takeover or merger activity involving the Issuer (including but not limited to a delisting, in full or in part, of the Bonds), will have on the market price of the Bonds prevailing from time to time.

2.3.5. Subsequent changes in interest rate

The Bonds shall carry a fixed interest rate. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. Investors should also be aware that the price of fixed rate bonds should theoretically move adversely to changes in interest rates. When prevailing market interest rates are rising, their prices decline and conversely, if market interest rates are declining, the prices of fixed rate bonds rise. This is called market risk since it arises only if a Bondholder decides to sell the Bonds before maturity on the secondary market.

2.3.6. Currency of reference

A Bondholder will bear the risk of any adverse fluctuations in exchange rates between the currency of denomination of the Bonds (Euro) and the Bondholder's currency of reference, if different. Such adverse fluctuations may impair the return of investment of the Bondholder in real terms after taking into account the relevant exchange rate.

2.3.7. Changes in law

The Terms and Conditions of the Bonds are based on Maltese law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of this Prospectus.

2.3.8. Continuing Obligations

After the Bonds are admitted to trading on the Official List of the MSE, the Issuer must remain in compliance with certain requirements. The Malta Financial Services Authority has the authority to suspend trading of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or of the integrity or reputation of the market. Furthermore, the Malta Financial Services Authority may discontinue the listing of the Bonds if, *inter alia*, it is satisfied that, owing to special circumstances, normal regular dealings in the Bonds are no longer possible, or upon the request of the Issuer or the MSE. Any such trading suspensions or listing revocations or discontinuations described above, could have a material adverse effect on the liquidity and value of the Bonds.

2.3.9. Amendments to or waivers of the Terms and Conditions of the Bonds

Should the Issuer wish to amend or waive any of the Terms and Conditions of the Bonds it may call a meeting of Bondholders in accordance with the provisions of section 5.13 of this Securities Note. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

3. PERSONS RESPONSIBLE AND CONSENT FOR USE

3.1 PERSONS RESPONSIBLE

This document includes information given in compliance with the Prospectus Regulation for the purpose of providing prospective investors with information on the Bonds. All of the Directors, whose names appear under the sub-heading "Directors of the Issuer" under the heading "Identity of Directors, Advisers and Auditors of the Issuer" in section 4 of the Registration Document, accept responsibility for the information contained in this Securities Note.

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

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

3.2 CONSENT FOR USE OF PROSPECTUS

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

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

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

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

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

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

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

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

Any resale, placement, or other offering of Bonds to an investor by an Authorised Financial Intermediary shall be made in accordance with any terms and other arrangements in place between such Authorised Financial Intermediary and such investor including as to price, allocations, and settlement arrangements. Where such information is not contained in the Prospectus, it shall be the responsibility of the respective Authorised Financial Intermediary at the time of such resale, placement, or other offering to provide the investor with that information.

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

Any new information with respect to Authorised Financial Intermediaries unknown at the time of approval of this Securities Note shall be made available through a company announcement which shall also be made available on the Issuer's website: www.izifinance.mt/.

4. ESSENTIAL INFORMATION

4.1 REASONS FOR THE ISSUE AND THE USE OF PROCEEDS

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €29.4 million will be utilised by the Issuer for the following purposes, in the amounts and order of priority set out below:

- (i) an amount of approximately €16.2 million will be used to part finance the IZI Finance Group's projected capital expenditure in connection with, and for the duration of the term of, the National Lottery Concession, which capital expenditure includes the following: (a) the installation of hardware, terminals and systems, the development of lottery software systems and back-office applications, as well as the investment in telecommunications equipment and services; (b) the rent of office space and a warehouse facility; (c) the modernisation and upgrading of National Lottery p.l.c.'s distribution network; (d) the development and registration of the National Lottery brand; and (e) investment in a staff and reseller training programme.
- (ii) an amount of approximately €8.5 million will be used to finance the IZI Finance Group's projected capital expenditure in connection with, and for the duration of the term of, the Dragonara Casino Concession, which capital expenditure includes: (a) upgrades to the casino management system and other software developments; (b) external and internal improvements to the Dragonara Casino building, consisting of structural, and redecoration works; (c) the purchase of new slot machine equipment, gaming tables equipment, food & beverage equipment, IT equipment, surveillance equipment and improvements to existing equipment; and (d) electrical and mechanical installations;
- (iii) an amount of approximately €3.9 million will be used to part finance the IZI Finance Group's projected capital expenditure for the years 2022 to 2025 in connection with the IZI Finance Group's retail gaming operations, which capital expenditure includes: (i) the purchase of new gaming equipment; and (ii) costs associated with the refurbishment of existing retail outlets operated by Gaming Operations Limited; and
- (iv) an amount of approximately €0.8 million will be used for general corporate funding purposes of the IZI Finance Group.

The Issuer has established a minimum aggregate subscription amount of €16.2 million on which the Bond Issue is conditional. In the event that the Bond Issue is under-subscribed to the effect that the total subscriptions for the Bonds does not equate to at least €16.2 million, the Bonds shall be deemed not to have been accepted by the Issuer, and the Issuer shall, through the Registrar and, or the Authorised Financial Intermediaries (as applicable), return the proceeds of the Bond Issue to the Applicants and the Bond Issue shall be cancelled forthwith.

In the event that the Bond Issue is under-subscribed, however the minimum subscription threshold of €16.2 million is met, the Issuer shall issue Bonds up to the amount subscribed for and the proceeds from the Bond Issue shall first be utilised for the purpose set out in section 4.1 (i) above, and any remaining balance shall be utilised for the purposes specified in section 4.1 (ii) (iii) and (iv), in the order of priority in which they appear above.

The Issuer shall on-lend the net bond proceeds to its Subsidiaries pursuant to the following intragroup loan agreements which it shall enter into:

- (i) an intragroup loan agreement by and between the Issuer, as lender, and National Lottery p.l.c., as borrower, in an amount of up to €16.2 million, for the purpose of part-financing the capital expenditure in connection with the National Lottery Concession;
- (ii) an intragroup loan agreement by and between the Issuer, as lender, and Dragonara Gaming Limited, as borrower, in an amount of up to €8.5 million, for the purpose of financing the capital expenditure in connection with the Dragonara Casino Concession;
- (iii) an intragroup loan agreement by and between the Issuer, as lender, and Gaming Operations Limited, as borrower, in an amount of up to €3.9 million, for the purpose of part-financing capital expenditure for the years 2022 to 2025 in connection with costs associated with the purchase of new gaming equipment and refurbishment of the IZI Finance Group's retail outlets.

The amount of €0.8 million to be used for general corporate funding purposes of the IZI Finance Group will be on-lent to the relevant Subsidiaries of the Issuer as and when the case so requires. The intragroup loan agreements shall be subject to the payment of interest at 5.75% per annum, and shall be repayable by the Redemption Date.

The obligation of the Issuer to advance the funds to the respective Subsidiaries is conditional upon, *inter alia*, the issue and allotment of the Bonds, which in turn is conditional upon the Bonds being admitted to the Official List.

4.2 EXPENSES

Professional fees, and costs related to publicity, advertising, printing, listing, registration, Sponsor, management, Registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €0.6 million in the aggregate. There is no particular order of priority with respect to such expenses.

The expenses pertaining to the Bond Issue shall be deducted entirely from the proceeds of the Bond Issue and accordingly, shall be borne exclusively by the Issuer.

4.3 ISSUE STATISTICS

Amount:	up to €30,000,000
Form:	the Bonds shall be issued in fully registered and dematerialised form and shall be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD;
Denomination:	Euro (€);
ISIN:	MT0002631209;
Minimum amount per subscription:	minimum of €5,000 and multiples of €100 thereafter, applicable to subscriptions by PAFIs pursuant to Placement Agreements and by Authorised Financial Intermediaries pursuant to the Intermediaries' Offer;
Redemption Date:	14 April 2029;
Plan of Distribution:	The Bonds are open for subscription by all categories of investors, as further described in section 7.3 of this Securities Note;
Bond Issue Price:	at par (€100 per Bond);
Status of the Bonds:	the Bonds shall constitute the general, direct, unsecured, and unconditional obligations of the Issue and shall at all times rank <i>pari passu</i> and without any priority or preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such obligations as may be mandatorily preferred by law, at all times rank at least equally with all the Issuer's present and future unsecured and unsubordinated obligations;
Listing:	the Malta Financial Services Authority has approved the Bonds for admissibility to listing and subsequent trading on the Official List of the Malta Stock Exchange. Application has been made to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List;
Placement Agreements:	the agreements by and between the Issuer and each of the PAFIs in respect of the amount of the Bond Issue reserved for subscription by the PAFIs for their own account or on behalf of their clients;
Intermediaries' Offer:	the subscription agreements to be entered into between the Issuer and Authorised Financial Intermediaries in respect of the amount of the Bond Issue reserved for subscription by Authorised Financial Intermediaries for their own account or on behalf of their clients;
Placement Date:	14:00 hours on 7 April 2022;
Intermediaries' Offer Date:	14:00 hours on 7 April 2022;
Interest:	4.25% per annum;

Interest Payment Date/s:	annually on 14 April as from 14 April 2023 (the first interest payment date);
Governing Law of Bonds:	the Bonds are governed by and shall be construed in accordance with Maltese law; and
Jurisdiction:	the Maltese courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds.

4.4 INTEREST OF NATUERAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for the subscription for the Bonds by Authorised Financial Intermediaries (which include the Sponsor & Co-Manager and the Registrar & Co-Manager) and the commissions payable thereto, and any fees payable in connection with the Bond Issue to the advisers listed in section 4 of the Registration Document, so far as the Issuer is aware no person involved in the Bond Issue has an interest material to the Bond Issue.

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

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

5.1 GENERAL

The principal terms of the Bonds are set out below:

- 5.1.1. Each Bond forms part of a duly authorised issue of 4.25% Bonds 2029 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €30,000,000. The Issue Date of the Bonds is expected to be 25 April 2022.
- 5.1.2. The currency of the Bonds is Euro (€).
- 5.1.3. The Bonds are expected to be listed on the Official List by 25 April 2022 and dealing can be expected to commence thereafter.
- 5.1.4. Subject to admission to listing of the Bonds to the Official List, the Bonds are expected to be assigned ISIN MT0002631209.
- 5.1.5. Unless previously purchased and cancelled, the Bonds shall be redeemable at par on the Redemption Date.
- 5.1.6. The issue of the Bonds is made in accordance with the requirements of the Capital Markets Rules, the Companies Act, and the Prospectus Regulation.
- 5.1.7. The minimum subscription amount of Bonds that can be subscribed for by PAFIs pursuant to Placement Agreements and by Authorised Financial Intermediaries through the Intermediaries' Offer is €5,000 and in multiples of €100 thereafter.
- 5.1.8. The Bond Issue is not underwritten.
- 5.1.9. There are no special rights attached to the Bonds other than the right of the Bondholders to the payment of capital and interest and in accordance with the ranking specified in section 5.2 hereunder.
- 5.1.10. All Applications shall be subject to the terms and conditions of the Bond Issue as set out in section 7 hereunder, the terms of which shall form an integral part hereof.

5.2 RANKING OF THE BONDS

The Bonds shall constitute the general, direct, unsecured, and unconditional obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such obligations as may be mandatorily preferred by law, at all times rank at least equally with all the Issuer's present and future unsecured and unsubordinated obligations.

5.3 RIGHTS ATTACHING TO THE BONDS

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

- (i) the repayment of capital;
- (ii) the payment of interest;
- (iii) to attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bonds; and
- (iv) enjoy all such other rights attached to the Bonds emanating from this Prospectus.

5.4 INTEREST

The Bonds shall bear interest from and including 14 April 2022 at the rate of 4.25% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment shall be effected on 14 April 2023 (covering the period 14 April 2022 to 13 April 2023 both days included). Any Interest Payment Date which falls on a day other than a Business Day shall be carried over to the next following day that is a Business Day.

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

5.5 THE LIMITS OF THE VALIDITY OF CLAIMS

In terms of article 2156 of the Civil Code, the right of Bondholders to bring claims for payment of interest and repayment of the principal on the Bonds is barred by the lapse of five years.

5.6 YIELD

The gross yield calculated on the basis of the interest on the Bonds, the Bond Issue Price and the Redemption Value of the Bonds is 4.25% per annum.

5.7 REGISTRATION, FORM, DENOMINATION AND TITLE

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

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

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

The Bonds shall be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100 provided that on subscription the Bonds shall be subscribed for a minimum of €5,000 per individual Bondholder. Authorised Financial Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €5,000 to each underlying client (for subscriptions through the Intermediaries' Offer or under the Placement Agreements, as the case may be).

Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading "*Transferability of the Bonds*" in section 5.11 of this Securities Note.

5.8 PAYMENTS

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

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

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

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

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

5.9 REDEMPTION AND PURCHASE

Unless previously purchased and cancelled, the Bonds shall be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on the Redemption Date.

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

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

5.10 EVENTS OF DEFAULT

The Bondholders, holding not less than seventy-five percent (75%) of the outstanding Bonds, may give notice to the Issuer that the Bonds are, and shall accordingly immediately become, due and payable at their nominal value together with interest accrued on the occurrence of any of the following events (each an **'Event of Default'**):

- 5.10.1. the Issuer fails to pay interest under the Bonds on an Interest Payment Date and such failure continues for a period of sixty (60) days after written notice thereof shall have been given to the Issuer by the Bondholders;
- 5.10.2. the Issuer fails to pay the principal amount of the Bonds when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by the Bondholders;
- 5.10.3. the Issuer fails duly to perform or shall otherwise be in breach of any other material obligation contained in the Prospectus and such failure is incapable of remedy or is not remedied within sixty (60) days after notice of such default shall have been given to the Issuer;
- 5.10.4. an order is made or an effective resolution is passed for winding up of the Issuer;
- 5.10.5. in terms of article 214(5) of the Companies Act, a court order or other judicial process is levied or enforced upon or sued out against a substantial part of the property of the Issuer and is not paid out, withdrawn, or discharged within one month;
- 5.10.6. the Issuer stops or suspends payments (whether of principal or interest) with respect to the Bonds or ceases or threatens to cease to carry on its business and such position is sustained for sixty (60) days after written notice thereof shall have been given to the Issuer by the Bondholders;
- 5.10.7. the Issuer is unable to pay its debts within the meaning of article 214(5) of the Companies Act, or any statutory modification or re-enactment thereof;

- 5.10.8. the Issuer substantially changes the object or nature of business as currently carried on;
- 5.10.9. any material indebtedness of the Issuer is not paid when due or becomes due and payable or any creditor of the Issuer becomes entitled to declare any such material indebtedness due and payable prior to the date when it would otherwise have become due or any guarantee or indemnity of the Issuer in respect of indebtedness is not honoured when due and called upon; PROVIDED THAT for the purposes of this provision, material indebtedness shall mean an amount exceeding €10,000,000;
- 5.10.10. it becomes unlawful at any time for the Issuer to perform all or any of its obligations to pay principal and interest under the Bonds; or
- 5.10.11. the Issuer is adjudicated or found bankrupt or insolvent, or an order is made by any competent court, or a resolution is passed by the Issuer or any other action is taken for the dissolution, liquidation, or winding-up of the Issuer.

Any notice, including any notice declaring Bonds due shall be made by means of a written declaration delivered by hand or registered mail to the registered office of the Issuer. Upon any such notice being made as aforesaid the said principal monies and interest accrued under the Bonds shall be deemed to have become immediately payable at the time of the Event of Default, which shall have happened as aforesaid.

5.11 TRANSFERABILITY OF THE BONDS

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

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

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

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

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

The minimum subscription amount of €5,000, described in section 5.7 above, shall only apply for subscriptions under the Placement Agreement by PAFIs or through the Intermediaries' Offer by Authorised Financial Intermediaries, as the case may be. No minimum holding requirement shall be applicable once the Bonds are admitted to listing on the Official List of the MSE and subsequent trading, subject to trading in multiples of €100.

5.12 FURTHER ISSUES

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further debentures, debenture stock, bonds, loan notes, or any other debt securities, either having the same terms and conditions as any outstanding debt securities or upon such terms as the Issuer may determine at the time of their issue.

5.13 MEETING OF BONDHOLDERS

- 5.13.1. The Bondholders' meeting represents the supreme authority of the Bondholders in all matters relating to the Bonds and has the power to make all decisions altering the terms and conditions of the Bonds.
- 5.13.2. Where the approval of the Bondholders is required for a particular matter, such resolution shall be passed at a Bondholders' meeting. Save as otherwise stated in section 5.13.13 below, resolutions passed at Bondholders' meetings shall be binding upon all Bondholders and prevail for all the Bonds.
- 5.13.3. The Issuer may from time-to-time call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which in terms of the Prospectus require the approval of a Bondholders' meeting and to effect any change to the applicable Terms and Conditions, including any change to a material term of the issuance of the Bonds or the Prospectus.

- 5.13.4. A meeting of the Bondholders may also be convened on the requisition of a Bondholder or Bondholders holding in aggregate, at the date of the deposit of the requisition, not less than 75% in aggregate nominal value of Bonds then outstanding, which requisition shall state the objects of the meeting and shall be signed by the requisitioning Bondholder/s and deposited at the registered office of the Issuer. The Issuer must then proceed duly to convene a meeting of Bondholders within 21 days from the date of the deposit of the requisition that complies with the requirements of this section.
- 5.13.5. A meeting of Bondholders shall be called by the Directors by giving all Bondholders listed on the register of Bondholders as at a date being not more than 30 days preceding the date scheduled for the meeting, not less than 14 days' notice in writing. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the Prospectus that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders.
- 5.13.6. Following a meeting of Bondholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution/s taken at the meeting, communicate to the Bondholders whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Bondholders in accordance with the provisions of this section at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.
- 5.13.7. The amendment or waiver of any of the Terms and Conditions may only be made with the approval of Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.
- 5.13.8. A meeting of Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose, at least two Bondholders present, in person or by proxy, representing not less than 50% in nominal value of the Bonds then outstanding, shall constitute a quorum. If a quorum is not present within 30 minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Bondholders present at that meeting. The Issuer shall within two days from the date of the original meeting publish by way of a company announcement the date, time, and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven days, and not later than 15 days, following the original meeting. At an adjourned meeting the number of Bondholders present, in person or by proxy, shall constitute a quorum and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.
- 5.13.9. Any person who in accordance with the Memorandum and Articles of Association of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of Bondholders.
- 5.13.10. Once a quorum is declared present by the chairman of the meeting, the Bondholders' meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting the Directors or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.
- 5.13.11. The voting process shall be managed by the company secretary of the Issuer under the supervision and scrutiny of the auditors of the Issuer.
- 5.13.12. The proposal placed before a meeting of Bondholders shall only be considered approved if at least 75% in nominal value of the Bondholders present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.
- 5.13.13. Save for the above, the rules generally applicable to proceedings at general meetings of shareholders of the Issuer shall *mutatis mutandis* apply to meetings of Bondholders.

5.14 AUTHORISATIONS AND APPROVAL

The Directors authorised the Bond Issue pursuant to a board of Directors' resolution passed on 15 March 2022.

The Malta Financial Services Authority approved the Bonds as eligible to listing on the Official List of the MSE pursuant to the Capital Markets Rules by virtue of a letter dated 22 March 2022.

5.15 NOTICES

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

5.16 GOVERNING LAW AND JURISDICTION

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

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

6. TAXATION

6.1 GENERAL

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

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

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

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

6.2 MALTA TAX ON INTEREST

Since interest is payable in respect of the Bonds which is the subject of a public issue and such interest should constitute "investment income" in terms of article 41(a)(iv)(1) of the Income Tax Act, Chapter 123 of the laws of Malta ("ITA"), unless the Issuer is instructed by a Bondholder to receive the interest gross of any withholding tax, or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of, interest shall be paid to such Bondholder net of a final withholding tax, currently at the rate of 15%, (10% in the case of certain types of collective investment schemes) of the gross amount of the interest, pursuant to article 33 of the ITA. Bondholders who do not fall within the definition of a "recipient" do not qualify for the said rate and should seek advice on the taxation of such income as special rules may apply.

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

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

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

6.3 EXCHANGE OF INFORMATION

In terms of applicable Maltese legislation, the Issuer and, or its agent are required to collect and forward certain information (including, but not limited to, information regarding payments made to certain Bondholders) to the Maltese Commissioner for Revenue. The Maltese Commissioner for Revenue will or may, in turn, automatically or on request, forward the information to other relevant tax authorities subject to certain conditions.

Relevant legislation includes, but is not limited to:

- (i) the implementation of Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended) which provides for the implementation of the regime known as the Common Reporting Standard (“**CRS**”) – incorporated into Maltese law through Legal Notice 384 of 2015 entitled the Cooperation with Other Jurisdiction on Tax Matters (Amendment) Regulations, 2015; and
- (ii) the Agreement between the Government of the United States of America and the Government of the Republic of Malta to Improve International Tax Compliance and to Implement FATCA – incorporated into Maltese law through Legal Notice 78 of 2014 (“**FATCA Legislation**”).

The CRS has been proposed by the OECD as a new global standard for the automatic exchange of financial account information between tax authorities in participating jurisdictions. The CRS requires Malta based financial institutions (“**FIs**”) (defined as such for the purposes of CRS) to identify and report to the Maltese tax authorities financial accounts held by a “Reportable Person” (as defined under the CRS Legislation), and certain entities with one or more Controlling Persons, as defined under the CRS Legislation, which is classified as a Reportable Person. Financial information relating to Bonds and the holders of the Bonds may fall within the purview of CRS and may be subject to reporting and information exchange provisions.

In particular with respect to CRS, the following information will be reported annually by the FIs to the Commissioner for Revenue in respect of each reportable account maintained by the FIs: (i) the name, address, jurisdiction of tax residence, tax identification number (TIN) and date and place of birth (in the case of an individual); (ii) the account number (or functional equivalent in the absence of an account number); (iii) the account balance or value as of the end of the relevant calendar year or other appropriate reporting period or, if the account was closed during such year or period, the closure of the account; (iv) the total gross amount paid or credited to the account holder with respect to the account during the calendar year or other appropriate reporting period with respect to which the FI is the obligor or debtor, including the aggregate amount of any redemption payments made to the account holder during the calendar year or other appropriate reporting period.

Under the FATCA Legislation, FIs in Malta (defined as such for the purposes of FATCA) are obliged to identify and report financial accounts held by Specified U.S. persons, as defined under the FATCA Legislation, and certain non-U.S. entities which are controlled by U.S. Controlling Persons, as defined under the FATCA Legislation, to Commissioner for Revenue. The latter is in turn required to exchange such information to the US Internal Revenue Service. Financial account information in respect of holders of the Bonds could fall within the scope of FATCA and they may therefore be subject to reporting obligations.

Pursuant to obligations under FACTA Legislation, FIs reserve the right to store, use, process, disclose and report any required information including all current and historical data related to the past and, or present account/s held by Reportable Persons, including, but not limited to, the name, address, date of birth, place of birth and U.S. tax identification number, the details of any account transactions, the nature, balances and compositions of the assets held in the account, to the Commissioner for Revenue.

The Commissioner for Revenue shall by automatic exchange framework for reciprocal information exchange, communicate to the other competent authority on annual basis, any relevant information that may fall to be classified as reportable, and vice versa.

FIs reserve the right to request any information and, or documentation required, in respect of any financial account, in order to comply with the obligations imposed under FATCA and CRS and any referring legislation. In the case of failure to provide satisfactory documentation and, or information, FIs may take such action as it thinks fit, including without limitation, the closure of the financial account.

6.4 MALTESE TAXATION ON CAPITAL GAINS ON TRANSFER OF THE BONDS

As the Bonds do not fall within the definition of “*securities*” in terms of article 5(1)(b) of the Income Tax Act, that is, “shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return”, to the extent that the Bonds are held as capital assets by the Bondholders, no tax on capital gains is chargeable in respect of transfer of the Bonds.

6.5 DUTY ON DOCUMENTS AND TRANSFERS

In terms of the Duty on Documents and Transfers Act (Cap. 364 of the laws of Malta), duty is chargeable, *inter alia*, on the transfer *inter vivos* or transmission *causa mortis* of marketable securities. A marketable security is defined in the said legislation as “a holding of share capital in any company and any document representing the same”.

Consequently, the Bonds should not be treated as constituting marketable securities within the meaning of the legislation and therefore, the transfer/transmission thereof should not be chargeable to duty.

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

INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND ANY FOREIGN TAX LEGISLATION APPLICABLE TO THE ACQUISITION, HOLDING AND DISPOSAL OF BONDS AS WELL AS INTEREST PAYMENTS MADE BY THE ISSUER. THE TAX LEGISLATION OF THE INVESTOR’S MEMBER STATE AND OF THE ISSUER’S COUNTRY OF INCORPORATION MAY HAVE AN IMPACT ON THE INCOME RECEIVED FROM THE SECURITIES. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE BONDS AND TO BONDHOLDERS. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO BONDHOLDERS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.

7. TERMS AND CONDITIONS OF THE BOND ISSUE

7.1 EXPECTED TIMETABLE OF THE BOND ISSUE

1.	Placement Date	7 April 2022
2.	Intermediaries’ Offer Date	7 April 2022
3.	Commencement of interest on the Bonds	14 April 2022
4.	Announcement of basis of acceptance	14 April 2022
5.	Dispatch of allotment letters	25 April 2022
6.	Expected date of admission of the Bonds to listing	25 April 2022
7.	Expected date of commencement of trading in the Bonds	26 April 2022

7.2 TERMS AND CONDITIONS OF THE BONDS

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

- 7.2.1. The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Official List of the MSE by no later than 25 April 2022. In the event that the said condition is not satisfied within 15 Business Days from the Intermediaries’ Offer Date, any Application monies will be returned without interest by direct credit into the Applicant’s bank account.
- 7.2.2. By submitting an Application, the Applicant is thereby confirming to the Issuer, the Registrar and the PAFI or Authorised Financial Intermediary through whom the Application is made, as applicable, that the Applicant’s remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer acting through the Registrar reserves the right to invalidate the relative Application. Furthermore, the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders, unless the Applicant makes payment in cleared funds and such consideration is accepted by the respective PAFI or Authorised Financial Intermediary, which acceptance shall be made in the PAFI or Authorised Financial Intermediary’s absolute discretion and may be on the basis that the Applicant indemnifies the PAFI or Authorised Financial Intermediary against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant’s remittance to be honoured on first presentation.

- 7.2.3. The contract created by the Issuer's acceptance of an Application filed by an Applicant, shall be subject to all the terms and conditions set out in this Securities Note and the Memorandum and Articles of Association of the Issuer. It is the responsibility of investors wishing to apply for the Bonds to inform themselves as to the legal requirements of so applying including any requirements relating to external transaction requirements in Malta and any exchange control in the countries of their nationality, residence, or domicile.
- 7.2.4. If an Application is submitted on behalf of another person, whether legal or natural, the person submitting such Application shall be deemed to have duly bound such other person, whether legal or natural, on whose behalf the Application has been submitted. The person submitting such Application shall be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions on their behalf. Such representative may be requested to submit the relative power of attorney, or resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Issuer and the Registrar, but it shall not be the duty or responsibility of the Registrar or Issuer to ascertain that such representative is duly authorised to submit an Application. Furthermore, in cases where the decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "**decision maker**") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be made available.
- 7.2.5. In the case of joint Applicants, reference to the Applicant in this Securities Note is a reference to each of the joint Applicants, and liability therefor is joint and several. The first person, as designated in the respective MSE account number quoted by the Applicant or the first named in the register of Bondholders shall, for all intents and purposes, be deemed to be such nominated person by all those joint holders designated in the MSE account number quoted by the Applicant or joint holders in the register, as the case may be. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held.
- 7.2.6. In the case of corporate Applicants or Applicants having separate legal personality, it shall not be incumbent on the Issuer or the Registrar to verify whether the person or persons purporting to bind such Applicant is, or are, in fact duly 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.
- 7.2.7. In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed *vis-à-vis* the Issuer to be the holder of the Bond/s so held and shall have the right to receive interest on the Bond/s and to vote at meetings of the Bondholders but shall not, during the continuance of the Bond/s, have the right to dispose of the Bond/s so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Bonds (which shall be due to the bare owner).
- 7.2.8. Applications in the name and for the benefit of minors shall be allowed provided that the Applicant already holds an account with the MSE. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / legal guardian/s signing the Application Form until such time as the minor attains the age of 18 years, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of 18 years.
- 7.2.9. In the event that a cheque accompanying an Application is not honoured on its first presentation, the PAFI or the Authorised Financial Intermediary and, or the Issuer acting through the Registrar reserve the right to invalidate the relative Application Form.
- 7.2.10. For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Subsidiary Legislation 373.01 of the laws of Malta), as amended from time to time, the Authorised Financial Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in articles 1.2(d) and 2.4 of the "Members' Code of Conduct" appended as Appendix 3.6 to Chapter 3 of the MSE Bye-Laws, irrespective of whether the said appointed Authorised Financial Intermediaries are MSE members or not. 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 the General Data Protection Regulation (GDPR) (EU) 2016/679 ("**GDPR**"), as may be amended from time to time, for the purposes and within the terms of the MSE Data Protection Policy as published from time to time.
- 7.2.11. It shall be incumbent on the respective PAFI or Authorised Financial Intermediary to ascertain that all other applicable regulatory requirements relating to subscription of Bonds by an Applicant are complied with, including without limitation the obligation to comply with all applicable requirements set out in Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No. 648/2012 ("**MiFIR**"), as well as applicable MFSA Rules for investment services providers.
- 7.2.12. No person receiving a copy of the Prospectus in any territory other than Malta may treat the same as constituting an invitation or offer to such person nor should such person in any event use the Prospectus, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person, or the Prospectus could lawfully be used without contravention of any registration or other legal requirements.

- 7.2.13. Applicants who are resident in, or who are citizens of, or who are domiciled in, or who have a registered address in, a jurisdiction other than Malta, may be affected by the law of the relevant jurisdiction. Those persons should consult their professional advisers (including tax and legal advisers) as to whether they require any governmental or other consents, or need to observe any other formalities, to enable them to subscribe for the Bonds. It is the responsibility of any person (including, without limitation, nominees, custodians, depositaries and trustees) outside Malta wishing to participate in the Bond Issue, to satisfy themselves as to full observance of the applicable laws of any relevant jurisdiction, including, but not limited to, obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes (of any nature whatsoever) due in such territories. The Issuer shall not accept any responsibility for the non-compliance by any person of any applicable laws or regulations of foreign jurisdictions.
- 7.2.14. The Bonds have not been and will not be registered under the Securities Act of 1933 of the United States of America and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.
- 7.2.15. The Bonds will be issued in multiples of €100.
- 7.2.16. The minimum subscription amount of Bonds that can be subscribed for by PAFIs pursuant to Placement Agreements and subscriptions by Authorised Financial Intermediaries pursuant to the Intermediaries' Offer is €5,000 and in multiples of €100 thereafter.
- 7.2.17. By not later than five Business Days following the Intermediaries' Offer Date, the Issuer shall announce the result of the Bond Issue. The announcement of the result of the Bond Issue shall be made through a company announcement which shall also be made available on the Issuer's website.
- 7.2.18. By completing and delivering an Application, the Applicant:
- (i) accepts to be irrevocably contractually committed to acquire the number of Bonds allocated to such Applicant at the Bond Issue Price and, to the fullest extent permitted by law, accepts to be deemed to have agreed not to exercise any rights to rescind or terminate, or otherwise withdraw from, such commitment, such irrevocable offer to purchase, and pay the consideration for, the number of Bonds applied for by the Applicant at the Bond Issue Price (as applicable) being made subject to the provisions of the Prospectus, the Application Form and the Memorandum and Articles of Association of the Issuer;
 - (ii) agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;
 - (iii) warrants that the information submitted by the Applicant is true and correct in all respects. All Applications need to include a valid MSE account number in the name of the Applicant/s. Failure to include an MSE account number will result in the Application being cancelled by the PAFI, Authorised Financial Intermediary or the Issuer (acting through the Registrar) and subscription monies will be returned to the Applicant. The details held by the MSE in relation to the MSE account number indicated, shall be deemed to be the correct details of the Applicant;
 - (iv) acknowledges the processing of any personal data for the purposes specified in the privacy notice published by the Issuer, which is available on the Issuer's website. The Applicant hereby acknowledges that the processing of personal data may validly take place, even without the Applicant's consent, in the circumstances set out in the GDPR and the Data Protection Act (Cap. 586 of the laws of Malta) and any applicable subsidiary legislation, as may be amended from time to time. The Applicant hereby confirms that he/she/it has been provided with and read the privacy notice;
 - (v) authorises the Issuer (or its service providers, including the CSD and, or the Registrar) and, or the relevant PAFI or Authorised Financial Intermediary, as applicable, to process the personal data that the Applicant provides in the respective form of Application, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the GDPR. The Applicant has the right to request access to and rectification of the personal data relating to him/her in relation to the Bond Issue. Any such requests must be made in writing and sent to the Issuer and sent to the CSD at the Malta Stock Exchange. The requests must be signed by the Applicant to whom the personal data relates;
 - (vi) confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer or the issue of the Bonds other than what is contained in the Prospectus and accordingly agree/s that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;

- (vii) warrants that the remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured: (i) the Applicant will not be entitled to receive a registration advice or to be registered in respect of such Bonds, unless and until a payment is made in cleared funds for such Bonds and such payment is accepted by the respective PAFI or Authorised Financial Intermediary (which acceptance shall be made in its absolute discretion and may be on the basis that the PAFI or Authorised Financial Intermediary is indemnified for all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of the Applicant's remittance to be honoured on first presentation at any time prior to unconditional acceptance by the Issuer acting through the Registrar of such late payment in respect of the Bonds);
- (viii) agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
- (ix) agrees to provide the Registrar and, or the Issuer, as the case may be, with any information which may be requested in connection with the subscription for the Bonds;
- (x) agrees that all Applications, acceptances of Applications and contracts resulting therefrom will be governed, and construed, in accordance with Maltese law, and to submit to the jurisdiction of the Maltese courts, and agrees that nothing shall limit the right of the Issuer to bring any action, suit or proceedings arising out of or in connection with any such Applications, acceptance of Applications and contracts resulting therefrom in any manner permitted by law in any court of competent jurisdiction;
- (xi) warrants that, where an Applicant submits an Application on behalf of another person or on behalf of a corporation or corporate entity or association of persons, the Applicant is duly authorised to do so and such person, corporation, corporate entity, or association of persons will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in the Terms and Conditions and accordingly will be deemed also to have given the confirmations, warranties and undertakings contained in the Terms and Conditions and undertake to submit a power of attorney or a copy thereto duly certified by a lawyer or notary public if so required by the Issuer or the Registrar;
- (xii) warrants that where the Applicant is under the age of 18 years, or where an Application is being lodged in the name and for the benefit of a minor, the Applicant is the parent/s or legal guardian/s of the minor;
- (xiii) warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with the Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bonds and, or his/her Application;
- (xiv) warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- (xv) represents that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the **"United States"**) or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
- (xvi) agrees that the advisers to the Bond Issue (listed in section 4.3. of the Registration Document) will owe the Applicant no duties or responsibilities concerning the Bonds or the suitability of the Applicant;
- (xvii) agrees that all documents in connection with the issue of the Bonds will be sent at the Applicant's own risk and may be sent by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as designated in the respective MSE account specified; and
- (xviii) renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of these Bonds.

7.2.19. Applications are to be lodged with PAFIs or any of the Authorised Financial Intermediaries.

7.3 PLAN OF DISTRIBUTION AND ALLOTMENT

The Bond Issue is open for subscription to all categories of investors, as follows:

- (i) an amount of €15 million in nominal value of Bonds has been reserved for the PAFIs which have entered into Placement Agreements with the Issuer (as further detailed in section 7.4 below); and
- (ii) the remaining balance of €15 million in nominal value of Bonds shall be made available for subscription by Authorised Financial Intermediaries through an Intermediaries' Offer (as further detailed in section 7.5 below).

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

Dealing in the Bonds shall not commence prior to the Bonds being admitted to the Official List.

7.4 PLACEMENT AGREEMENTS

The Issuer has entered into Placement Agreements with PAFIs whereby the Issuer bound itself to allocate a total amount of €15 million in nominal value of Bonds to such PAFIs, which in turn, bound themselves to subscribe to, for their own account or for the account of their underlying clients, a specified number of Bonds, subject to:

- (i) the Prospectus being approved by the Malta Financial Services Authority; and
- (ii) the Bonds being admitted to trading on the Official List.

In terms of the Placement Agreements, the PAFIs may subscribe for the Bonds either for their own account or for the account of underlying customers, including retail customers, and shall in addition be entitled to either:

- (i) distribute to the underlying customers any portion of the Bonds subscribed for upon commencement of trading; or
- (ii) complete a data file representing the amount they have been allocated in terms of the respective Placement Agreement as provided by the Registrar by latest 14:00 hours on 7 April 2022, (the "**Placement Date**").

PAFIs must effect payment to the Issuer for the Bonds subscribed to by not later than the Placement Date.

7.5 INTERMEDIARIES' OFFER

The Issuer has reserved €15 million in Bonds, for subscription by Authorised Financial Intermediaries pursuant to an Intermediaries' Offer. In this regard, the Issuer shall enter into subscription agreements with Authorised Financial Intermediaries whereby it shall bind itself to allocate a maximum of €15 million in Bonds.

The subscription agreements shall be subject to the terms and conditions of the Prospectus and are conditional on the Bonds being admitted to trading on the Official List. Moreover, the subscription agreements shall become binding on each of the Issuer and the respective Authorised Financial Intermediary upon delivery, provided that the Authorised Financial Intermediary would have paid the Registrar all subscription proceeds in cleared funds by 14:00 hours on 7 April 2022 (the "**Intermediaries' Offer Date**").

The minimum which each Authorised Financial Intermediary may apply for in terms of the applicable subscription agreement is €5,000 and in multiples of €100 thereafter and such minimum and multiples shall also apply to each underlying Applicant in the case of applications under nominee.

Completed subscription agreements, together with evidence of payment, are to reach the Registrar by the Intermediaries' Offer Date. The Issuer acting through the Registrar shall communicate the amount allocated under each subscription agreement by 12:00 hours on 8 April 2022. Where the Authorised Financial Intermediary has been allocated a lesser number of Bonds than the amount being subscribed for, such unsatisfied amount shall be refunded by the Registrar to the Authorised Financial Intermediary to the account specified in the respective subscription agreement by latest close of business on 11 April 2022.

In terms of the subscription agreements to be entered into, Authorised Financial Intermediaries may subscribe for the Bonds either for their own account or for the account of underlying customers and shall in addition be entitled to either:

- (a) distribute to the underlying customers any portion of the Bonds subscribed for upon commencement of trading; or
- (b) complete a data file representing the amount they have been allocated in terms of the respective subscription agreement as provided by the Registrar by 14:00 hours on 11 April 2022.

7.6 ALLOCATION POLICY

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

- (i). the amount of €15 million in nominal value of Bonds has been reserved for, and shall be allocated to, the PAFIs in accordance with Placement Agreements, details of which can be found in section 7.4 of this Securities Note;
- (ii). the remaining balance of €15 million in nominal value of the Bonds, shall be allocated on a pro rata basis to Authorised Financial Intermediaries pursuant to the Intermediaries' Offer, as further detailed in section 7.5 of this Securities Note.

The Issuer shall announce the result of the Bond Issue by not later than 14 April 2022.

7.7 PRICING

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

7.8 ADMISSION TO TRADING

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

The Bonds are expected to be admitted to the Official List with effect from 25 April 2022 and trading can be expected to commence thereafter.

7.9 ADDITIONAL INFORMATION

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

The financial analysis summary has been included in the form and context in which it appears with the authorisation of the Sponsor & Co-Manager, which has given and has not withdrawn its consent to the inclusion of such report herein.

The Sponsor & Co-Manager does not have any material interest in the Issuer. The Issuer confirms that the financial analysis summary has been accurately reproduced in the Securities Note and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

The business address of the Sponsor & Co-Manager is Airways House, Fourth Floor, High Street, Sliema SLM 1551, Malta.

Annex I – Authorised Financial Intermediaries

Name	Address	Telephone
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
MeDirect Bank (Malta) p.l.c.	The Centre, Tigne` Point, Sliema TPO 0001	25574400
Michael Grech Financial Investment	The Brokerage, Level 0A Services Ltd St Marta Street Victoria, Gozo VCT 2551	22587000
MZ Investment Services Ltd	61, St. Rita Street, Rabat RBT 1523	21453739
Rizzo, Farrugia & Co (Stockbrokers) Ltd	Fourth Floor, Airways House, High Street, Sliema SLM 1551	22583000



Rizzo, Farrugia & Co. (Stockbrokers) Ltd.
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Sliema SLM1551, Malta
T. (+356) 2258 3000 **E.** info@rizzofarrugia.com
W. www.rizzofarrugia.com

The Board of Directors
IZI Finance p.l.c.
Portomaso Business Tower, Level 11
Portomaso, St. Julian's, STJ 4011

22 March 2022

Dear Sirs,

IZI Finance p.l.c. – Financial Analysis Summary (the “**Analysis**”)

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

The purpose of the Analysis is that of summarising key financial data appertaining to IZI Finance p.l.c. (a public limited liability company registered under the laws of Malta bearing company registration number C 101228) (the “**Company**” or “**Issuer**” or “**Group**”). The data is derived from various sources or is based on our own computations and analysis of the following:

- (a) Historic financial data for the three years ended 30 June 2019 to 2021 has been extracted from the Issuer’s pro-forma consolidated financial statements for the three years in question, as and when appropriate.
- (b) The forecast data for the financial years ending 30 June 2022 and 2023 have been provided by management of the Issuer.
- (c) Our commentary on the results of the Issuer and on the respective financial position is based on the explanations provided by the Issuer.
- (d) The ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions as set out and defined within the Analysis.
- (e) Relevant financial data in respect of competitors as analysed in part C has been extracted from public sources such as the web sites of the companies concerned or financial statements filed with the Registrar of Companies.

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

Yours sincerely,

Vincent E Rizzo
Director

FINANCIAL ANALYSIS SUMMARY

2022

IZI | **FINANCE** plc

Prepared by Rizzo, Farrugia & Co (Stockbrokers) Ltd, in compliance with the Listing Policies issued by the Malta Financial Services Authority, dated 5 March 2013, as revised on 13 August 2021.

22 MARCH 2022



RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS

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IMPORTANT INFORMATION

PURPOSE OF THE DOCUMENT

IZI Finance p.l.c. (the “**Company**”, “**Issuer**” or “**Group**”) is issuing up to €30 million 4.25% unsecured bonds maturing in 2029, pursuant to a prospectus dated 22 March 2022 (the “**Bond Issue**”). In terms of the MFSA Listing Policies dated 5 March 2013 (as revised on 13 August 2021), bond issues targeting the retail market with a minimum subscription level of less than €50,000 have to include a Financial Analysis Summary (the “**FAS**”) which is to be appended to the Prospectus and which needs to be updated on an annual basis.

SOURCES OF INFORMATION

The information that is presented has been collated from a number of sources, including the Company’s pro-forma financial statements for the year ended 30 June 2021, the historic financial statements of the Group’s two largest operating subsidiaries, namely Dragonara Gaming Limited and Gaming Operations Limited, for the financial years ended 30 June 2018, 2019, 2020 and 2021 as well as forecasts for financial years ending 30 June 2022 and 2023, as well as information from management.

Forecasts included in this document have been prepared and approved for publication by the directors of the Company, as applicable, who undertake full responsibility for the assumptions on which these forecasts are based.

Wherever used, FYXXXX refers to financial year covering the period 1st July to 30th June. The financial information is being presented in thousands of Euro, unless otherwise stated, and has been rounded to the nearest thousand.

ABBREVIATIONS

DGL	Dragonara Gaming Limited
DIL	Dragonara Interactive Limited
EGM	Electronic Gaming Machines
FY	Financial year
GGR	Gross Gaming Revenue
GOL	Gaming Operations Limited
IIL	IZI Interactive Limited
MGA	Malta Gaming Authority
RNG	Random Number Generator

PART A BUSINESS AND MARKET OVERVIEW UPDATE

1. INTRODUCTION

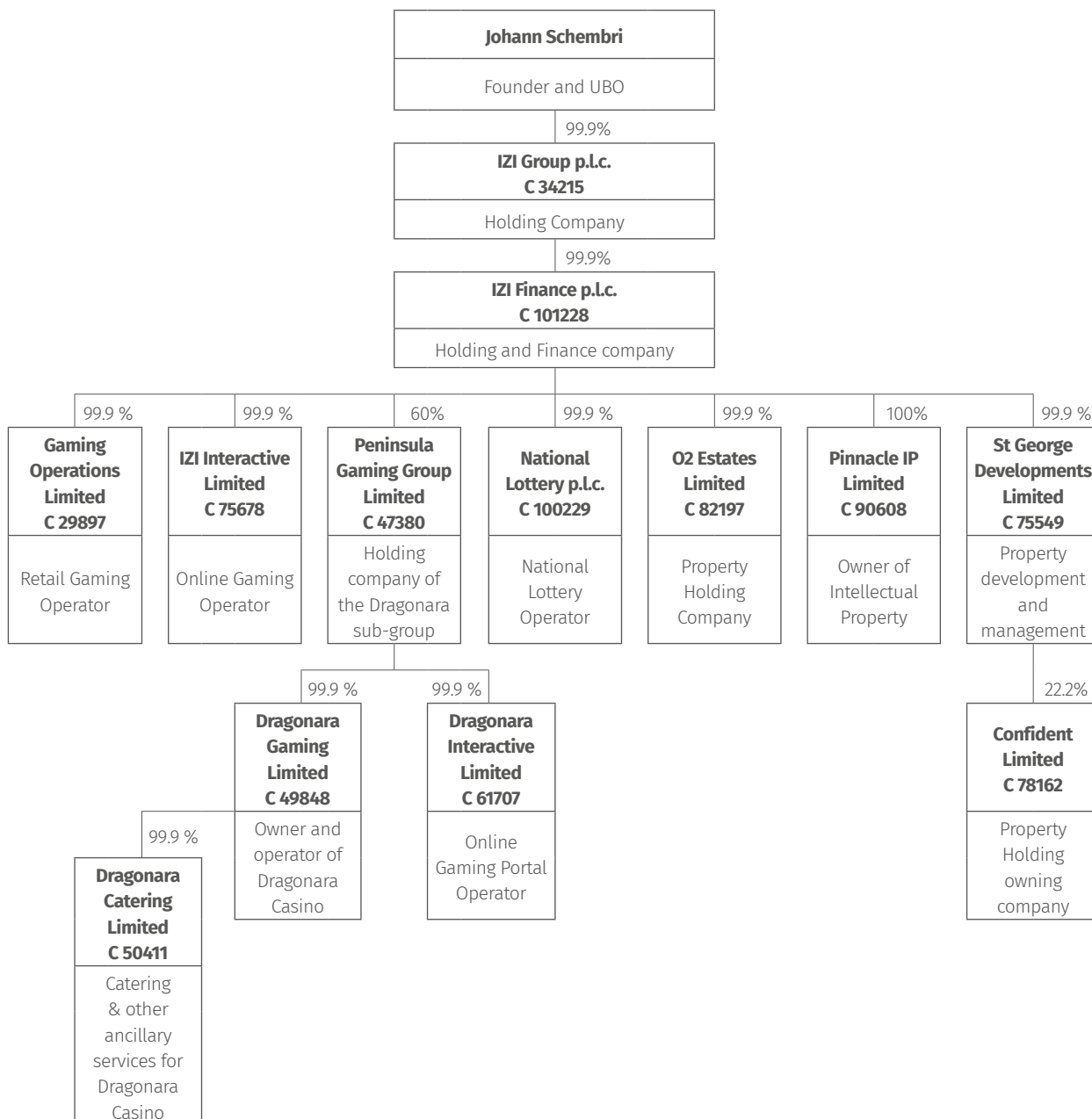
IZI Finance p.l.c. (the “**Issuer**”, the “**Company**” or the “**Group**”) is a holding company and a finance vehicle. The Company is the holder of various subsidiaries which operate in the gaming sector in Malta. Although the Issuer was set up on 30 December 2021, the Group has extensive experience in the sector, with the subsidiaries having been in business for a long number of years (the first company within the Group being set up in 2002) while the founding shareholder of the Group, Mr Johann Schembri, having been involved in the gaming sector since 1993. The Issuer will also serve as the finance vehicle of the Group and therefore will be responsible to raise the required financing.

The Group is a key player within a wide range of gaming business verticals, including casinos, video lottery terminals, fixed odds betting, pari mutuel betting, virtual games, e-sports betting and bingo. Following the signing of the concession agreement on 10 March 2022 and subject to the issue of a licence by the MGA, the Group will commence operating the National Lottery of Malta with effect from 5 July 2022.

The IZI Finance Group operates principally in the land-based gaming market but is also actively engaged in the online gaming sector.

2. GROUP STRUCTURE

The below organisation chart shows the main companies that form part of the Group and that are engaged in providing gaming services.



3. BUSINESS OVERVIEW

NATIONAL LOTTERY

In September 2021, the Group established a fully owned subsidiary namely National Lottery p.l.c. to serve as the proponent in an international request for proposals (RFP) issued by the Privatisation Unit of the Malta Government for the concession to manage and operate the National Lottery of Malta - the same concession operated by Maltco Lotteries Limited (C 32326) since 2004. Following the successful outcome of the tendering process in November 2021 with a bid of €105 million (payable €20 million upon issuance of licence from the MGA, €20 million six-months after the first payment and the remaining balance of €65 million is split evenly over the 10-year term of the concession), National Lottery p.l.c. entered into a concession agreement with the Ministry for the Economy and Industry on behalf of the Government of Malta in March 2022. The operation of the National Lottery will commence on 5 July 2022.

The National Lottery concession represented the next natural step in the lifecycle of the Group, providing the opportunity to operate the only gaming vertical absent in its portfolio – the National Lottery Games. To best leverage this opportunity, the Group partnered with several services providers including the world's leading lottery technology and services provider, namely, International Game Technology (IGT).

The National Lottery was first established by the Government of Malta in 1923 and was first privatised in 2004. Following the privatisation in 2004, the National Lottery gradually developed, and the operation has witnessed growth in many aspects of the business. However, the Group is of the view that the market potential of the National Lottery may be exploited further and there is room for growth in the provision of the National Lottery and other games. National Lottery p.l.c. will approach this opportunity by tapping into the strong inherent demand for the current games, deriving demand from new game concepts, and through the creation of a more effective and efficient distribution network, in line with European benchmarks, supported by the smart application of technology.

National Lottery p.l.c. has submitted an application for the issuance of the National Lottery Licence by the MGA. Once issued, the licence shall be valid for ten years commencing on 5 July 2022 and expiring on 4 July 2032. The National Lottery licence will cover Type 1 (lotteries), Type 2 (fixed odds betting) and Type 3 (pari-mutuel betting) gaming services and will comprise a revised and renewed portfolio of games.

The National Lottery concession provides National Lottery p.l.c. with the right to distribute, on an exclusive basis, the National Lottery Games and other games on a non-exclusive basis. The product portfolio of the National Lottery can be split into five categories and include: (i) televised draw-based games such as 'The Grand Lottery', 'Lotto' and 'Super 5'; (ii) monitor games including all those games the outcomes of which are determined by a RNG such as 'Keno', 'Virtual Games' and 'Digit Games'; (iii) instant scratch cards; (iv) sports betting; and (v) electronic gaming machines.

LAND BASED CASINO

Since 2010, Dragonara Gaming Limited ("**DGL**") has been the concessionaire of the Dragonara Casino located within the Dragonara Palace, a 19th century palace which is one of the most iconic properties in Malta. The casino was first established by the Government of Malta in 1964 in a bid to attract high-value tourism to Malta. In 2010, DGL (a subsidiary owned by Peninsula Gaming Group Limited in which the Issuer has a 60% shareholding) successfully tendered for the concession of the Dragonara Casino which it also successfully retained in 2021 for a further 10-years after again winning the international tender launched by the government of Malta in this respect.

In connection with the casino concession, DGL currently holds a B2C licence (covering Type 1, 2 & 3 gaming services) issued by the MGA which is valid until 31 July 2031. The Dragonara Casino offers a strong product portfolio featuring 265 slot machines and 15 live tables supported by the services of several reputable technology partners for the provision of slot machines and other gaming devices. Moreover, the service offering at Dragonara Casino is complimented by several in-house facilities including 140 parking bays (offering free parking to patrons), several dining facilities and a VIP lounge.

Moreover, DGL holds a temporary sub emphyteusis agreement over the title of the property constituting the Dragonara Casino. This sub-emphyteusis was granted by Casma Limited until March 2083. DGL is permitted to use the property exclusively for land-based casino and/or gaming activities, retail, catering, entertainment, hospitality, and tourism. The long-term lease enables the Group to consider further development.

RETAIL GAMING – SPORTS BETTING, EGM & BINGO HALLS

Gaming Operations Limited ("**GOL**"), a fully owned subsidiary incorporated in 2002, is the Group's retail gaming arm and over the years expanded its product offering which today includes sports betting, Electronic Gaming Machines ("**EGM**") and bingo halls. In 2015, GOL consolidated its sports betting and EGM operations under the IZIBET brand which today is regarded as the market leader in sports betting and retail gaming in Malta supported by the technology know-how it had built over the years. In May 2019, the IZIBET brand was sold to a fellow subsidiary of the Group, Pinnacle IP Limited, to which GOL pays royalties for the use of the brand.

GOL holds a B2C licence (covering Type 1, 2 & 3 gaming services) issued by the MGA which is valid until 4 October 2028 and renewable upon request. Through this licence, GOL operates 36 IZIBET retail stores across Malta and Gozo all of which are strategically placed in various localities according to the zoning regulations adopted by the MGA. Before the pandemic these stores, which offer sports betting, EGMs and bingo, attracted over 553,000 visitors per year.

In line with its mission to pursue growth opportunities through innovation, IZIBET has also launched the first retail mobile app betting application in the market called IZIAPP. This app allows players to prepare bet slips on their mobile phones and transfer their betting preferences to a self-service betting terminal in any one of the IZIBET stores, enabling customers to avoid queues and access certain game features outside the retail environment.

Malta's largest bingo hall located in St. Paul's Bay is also operated by Gaming Operations Limited under the 'Fairplay' brand. The Group intends to undergo a re-branding exercise of the bingo hall as "IZIBINGO" with the objective of capturing this retail operation under the IZIBET brand alongside the IZIBET betting stores.

GOL is also the authorised partner of the French state-owned company Pari-Mutuel-Urbain (PMU), Europe's largest pari-mutuel betting operator and the third largest pool betting company in the world, through which GOL provides exclusive off-track pari-mutuel and fixed-odds betting on French and other international horse racing events. GOL is also the first company to launch a sports betting brand (the IZIBET Brand) under which virtual sports and e-sports betting is provided from a retail network in Malta.

ONLINE GAMING

The online gaming segment is operated by IZI Interactive Limited ("**IIL**") which was incorporated in May 2016 to extend the reach of the Group to the ever-growing online gaming market with the support of various providers. Through the provision of online services, the Group can target a diverse audience through different deliver channels.

IIL operates and manages the domains: www.izibet.com and www.dragonara.com. Once the National Lottery becomes operational, the Group will offer lottery games, amongst others, through the online portal www.lottery.mt.

IIL holds a B2C licence (covering Type 1 & 2 gaming services) issued by the MGA which expires on 11 May 2027 and renewable upon request. IIL utilizes its MGA licence to also provide white label services to Dragonara Interactive Limited ("**DIL**") - a subsidiary owned by Peninsula Gaming Group Limited in which the Issuer has a 60% shareholding. This arrangement allows DIL to provide Type 1 and Type 2 gaming products via the Dragonara Casino brand.

As a result, the Group can leverage synergies by extending both the resources and the knowhow of the Group to effectively distribute, predominantly in the local market, casino and sports betting products under two very strong brand names, namely IZIBET and Dragonara.

REAL ESTATE

This business sector is a non-core activity of the Group and to date is only involved in one real-estate development project and holds a piece of arable land.

On 20 July 2019, St. George Developments Limited, a subsidiary of the Issuer, entered into a temporary emphyteusis, for a period of 30 years, for a property in St. Julian's. St. George Developments Limited bound itself to demolish the existing property and to construct a mixed-use development comprising residential units for rental purposes and a commercial outlet, to be used as a retail gaming store, at ground floor level.

The Group also owns 4,140 square metres of arable land located at Ta' Minka in Wardija.

4. CORPORATE GOVERNANCE AND MANAGEMENT

BOARD OF DIRECTORS

The Company's board of directors as at the date of this document comprises the following:

Christian Gernert	Executive Chairman
Johann Schembri	Chief Executive Officer
Joseph Mallia	Executive Director and Chief Financial Officer
Franco De Gabriele	Executive Director and Chief Commercial Officer
Jaqueline Camilleri	Non-Executive, Independent Director
Stephanie Fabri	Non-Executive, Independent Director
Otto Karasek	Non-Executive, Independent Director

The Company Secretary is Dr Louis de Gabriele.

SENIOR MANAGEMENT

The following is the senior management team within the Group:

Johann Schembri	Chief Executive Officer
Neville Aquilina	Chief Risk and Compliance Officer
Franco De Gabriele	Chief Commercial Officer
Albert Muscat	Chief Technology Officer
Joseph Bonanno	Chief Operating Officer
Svetlana Birca	Chief International Business Officer
Joseph Mallia	Chief Financial Officer

5. MAJOR ASSETS

The Issuer is a special purpose vehicle set up to act as a holding and financing company of the operating entities within the Group. Therefore, the assets described below are held indirectly through the Group's subsidiaries.

The Group's major assets include:

- (i) **intangible assets** – primarily consisting of goodwill created following the corporate restructuring undertaken in December 2021;
- (ii) **right of use assets** – comprising the leases related to the rented properties as well as the sub-empyteusis held over the property comprising the Dragonara Casino; and
- (iii) **property, plant and equipment** – comprising improvements to leased properties, gaming equipment, office and computer equipment, furniture, electrical and sanitary fittings, works in progress and motor vehicles,

which based on the pro-forma financial statements for the year ended 30 June 2021 were:

as at 30 June	2021 Pro-forma
Intangible Assets (Goodwill)	91,770
Right of use asset	42,426
Property, plant & equipment	3,171

An analysis of the Group's assets is included in section 9 of this FAS.

6. MARKET OVERVIEW ¹

ECONOMIC CONTRIBUTION

The gaming sector in Malta is one of the most important economic pillars given its significant contributions to country as it generated a total gross value added (GVA) of €924 million representing around 8% of the economy's total in 2020. Moreover, also accounting for the sector's indirect contribution to the local economy through links with other major sectors, the gaming sectors contribution to Malta's economy would increase to 10.2%.

The sector also ranks as an important pillar of employment in Malta. In fact, the 2020 Annual Report of the MGA indicates that the gaming sector in Malta contributed (directly and indirectly) to almost 5% of Malta's total workforce.

THE REGULATOR – MALTA GAMING AUTHORITY

The Gaming Act (Chapter 583 of the Laws of Malta) established the Malta Gaming Authority ('MGA') as the competent authority responsible for the oversight of the gaming sector in Malta.

MGA licences govern four types of gaming services as detailed hereunder:

- **Type 1:** including games of chance played against the house, where the outcome is determined by a random generator. This usually includes casino type games, such as blackjack, baccarat and roulette, lotteries and poker played against the house (casino);
- **Type 2:** including games of chance played against the house. However, the outcome of the game is not determined by a random generator but is instead determined by the result of a game or competition which is external to the game being played. The operator of the game will manage their risk by managing the odds offered to the player. This encapsulates sports betting and fixed odds betting;

¹ Malta Gaming Authority, 2021, Annual Report 2020, available from <https://www.mga.org.mt/wp-content/uploads/MGA-AR-2020-WEB.pdf>, [Accessed 13 January 2022]

- **Type 3:** including games of chance played not against the house but against other players. The operator is not exposed to gaming risk as it generates revenue by taking a commission or other charges based on the stakes or prize. This includes games such as peer to peer poker and peer to peer bingo. Betting exchanges and other commission-based games are also included; and
- **Type 4:** including controlled skill games which includes fantasy sports. Gaming revenue can be levied by software vendors taking commission on wagers placed.

GAMING IN MALTA

The gaming sector in Malta is split into five different categories as described below.

- A Gaming Premises – Casinos:** any premises accessible to the public, which is used or intended to be used for players to participate in a gaming service.

The land-based casino market in Malta is highly competitive. There are three casino concessions and four operative land-based casinos namely:

- Dragonara Casino (operated by Dragonara Gaming Limited);
- Oracle Casino located at the Dolmen Resort in Qawra;
- Portomaso Casino, St. Julians; and
- Casino Malta located at the Intercontinental Hotel in St. Julians

Management estimates that in 2019 and 2020, Dragonara Casino had a market share (in terms of GGR) of 30% but this increased to 37% in 2021.

- B Controlled Gaming Premises:** any premises intended to make available for use, to host or operate one or more gaming devices, but shall not include premises in which gaming is carried out in virtue of a concession by Government, or premises in which the only gaming which is carried out consists in tombola games.

The retail gaming market in Malta is a very competitive market. By the end of 2020, the number of approved Controlled Gaming Premises in Malta was 60 spread over 32 localities and operated by seven licensees. Most of the licensees have licences covering Type 1 and Type 2 games. However, only two licensees (one of which is GOL) have a licence covering Type 3 gaming services. The number of licenced gaming devices amounted to 521 in 2020 of which approximately 60% are held within Gaming Operations Limited's retail stores.

- C Gaming Premises – Commercial Bingo:** any premises licenced as a commercial bingo hall.

There are four commercial bingo halls located in Birkirkara, Qawra, Valletta and Paola. The demographics of this segment of the local gaming market is heavily skewed towards the '65+' age group.

- D National Lottery:** the National Lottery games (including Super 5 and Lotto) as defined by the Gaming Act and such other games as authorised by the MGA.

The National Lottery was established by the Government of Malta in 1923 and was first privatised in 2004. The National Lottery is operated under a concession granted by the Government of Malta for a term of 10 years and provides the concessionaire with the exclusive right to sell the National Lottery Games as well as Other Games on a non-exclusive basis. The National Lottery avails itself of the exclusive network of National Lottery agents in the market, through which it distributes the National Lottery Games Suite.

Since the first privatisation in 2004, the National Lottery has gradually developed, and the operation has witnessed growth in many aspects of the business with sales reaching €79.2 million in sales by 2011 which further grew to €96 million by the end of 2019 (the last year before the impact of COVID-19). In 2020 the total turnover of the then National Lottery operator stood at €77.6 million.

- E Online gaming:** comprising gaming services which are offered online.

The online gaming market in Malta, including casino, sports betting, poker, and bingo, has experienced exponential growth, registering an increase from €17.7 million in 2015 to €54.2 million in 2019. By the end of 2019 the online gaming market represented 50.65% of the total gaming industry in Malta.

As at the end of 2020, the number of gaming companies offering online services stood at 314 with B2C Licences accounting for 62% of the total licence base.

IMPACT OF THE PANDEMIC

The outbreak of the COVID-19 pandemic had an adverse impact on the gaming sector in Malta particularly the land-based activities given the lockdown measures imposed by the authorities for prolonged periods in 2020 and 2021. Nonetheless, the gaming sector in Malta has proved to be resilient in such an unprecedented challenging environment as the sector continued to register overall growth. In its 2020 Annual Report, the MGA attributes this resilience to the “take-up of sophisticated digital systems as well as to the sector’s ability to adapt to changing circumstances by innovating and placing more focus on certain products, such as virtual sports which replaced bets on live sport events.”

The operators within the sector are anticipated to recover from the adverse impacts of COVID-19 in 2022 supported by the accelerated growth in technological innovations which have led to new ways of distributing and delivering content to clients.

OUTLOOK

Looking ahead, the MGA stated that the gaming sector is “expected to continue to play a fundamental role in Malta, by directly generating employment and value added, attracting foreign investment and human capital, diversifying the economic base, and contributing to the growth of related activities.” Moreover, the MGA notes that whilst the pandemic and the evolving international regulatory requirements will continue to present fresh challenges, the sector is bound to continue growing.

PART B FINANCIAL ANALYSIS

7. FINANCIAL INFORMATION - INTRODUCTION

INTRODUCTION

The following sections provide an overview of the pro-forma financial information of the Issuer for the financial year ended 30 June 2021 (FY2021) as well as an outlook for the financial years ending 30 June 2022 (FY2022) and 2023 (FY2023).

All figures referred to in the following sections of the report have been supported by management information as necessary, except for the financial ratios, which ratios have been calculated by Rizzo, Farrugia & Co (Stockbrokers) Limited.

All amounts in the tables presented below are in thousands (€'000), unless otherwise specified, and have been subject to rounding.

The Issuer was incorporated in December 2021 and the only transaction was the transfer of the subsidiaries of the Group. As such, for the purposes of financial information presented, the Company prepared pro-forma consolidated statement of comprehensive income. The pro forma information described in this section presents what the consolidated financial statement of the Issuer would have been had the Subsidiaries been owned by the Issuer with the shareholding and with all its current constituent components, for the entire period covered by the said pro forma information.

COVID-19 UPDATE

As indicated in section 6, the gaming sector, especially the land-based casino and retail gaming outlets, in Malta was adversely impacted by the outbreak of the COVID-19 pandemic. As a result, the Group's performance was adversely impacted during the financial years ending 30 June 2020 and 2021 as the Group's two largest subsidiaries, namely DGL and GOL had to abide by the restrictive measures imposed by the local health authorities including closing the casino and the retail gaming outlets, respectively, between March and June 2020 as well as other periods during FY2021. The Group's online operations were insufficient to offset the lost business from the land-based operations. Following the relaxation of certain measures by the health authorities, the Group reopened the casino and its retail gaming outlets leading to a recovery in the number of patrons and hence a rebound in revenue and profitability. Going forward, the existing businesses are expected to operationally recover to pre-covid levels during the current financial year ending 30 June 2022.

8. INCOME STATEMENT

€'000	FY2021 Pro-forma	FY2022 Projected	FY2023 Projected
Revenue	20,164	28,054	81,862
Other income	370	311	478
Staff costs	(5,565)	(7,435)	(9,954)
Gaming tax	(5,019)	(7,238)	(25,221)
Other operating expenses	(7,710)	(8,553)	(25,498)
EBITDA	2,240	5,139	21,668
Depreciation and amortisation	(2,368)	(4,823)	(18,038)
Operating profit/(loss)	(128)	316	3,630
Finance costs	(1,237)	(1,824)	(4,775)
Profit/(Loss) before tax	(1,365)	(1,508)	(1,146)
Tax (expense)/credit	419	541	2,800
Profit/(Loss) after tax	(946)	(967)	1,654

HISTORIC ANALYSIS (PRO-FORMA FY2021)

Prior to the pandemic outbreak revenue was fairly stable with DGL (the operator of the Dragonara Casino) and GOL (the operator of the EGM and sports betting retail stores) ranking as the largest contributors as they accounted for more than 90% of the Group's total revenue.

As explained above, the financial performance of the Group was adversely impacted by the outbreak of the COVID-19 pandemic. In fact, in FY2021, the restrictive measures imposed by the health authorities had a direct and material adverse impact on the operations of the Group's two main operating subsidiaries referred to above. Revenues amounted to €20.2 million as all these measures resulted in a lower of number of visits by patrons to the Group's casino as well as EGM and sports betting retail stores.

In FY2021, the cost base of the Group's subsidiaries expanded on the back of the ramping up of marketing efforts as restrictions were lifted. Moreover, the subsidiaries continued to retain its staff compliment despite the further reduction in business activity hence yielding no cost savings in this regard apart from those emanating from the Government's wage subsidy scheme. Therefore, the Group's operational cost base (excluding rent) in FY2021 amounted to €18.3 million.

The Group's EBITDA of €2.2 million reflects the downturn in the business activity of the Group's subsidiaries particularly DGL and GOL.

After accounting for depreciation and amortisation charges of €2.4 million, the Group incurred an operating loss of €0.1 million.

Finance costs in FY2021 amounted to €1.2 million and mainly reflect expenses related to bank borrowings and interest on the finance lease liabilities.

Overall, the Group registered a pre-tax loss of €1.4 million in FY2021 given the adverse effects of COVID-19 on the Group's business as described above. After accounting for tax credits of €0.4 million, the Group registered a net loss of €0.9 million.

OUTLOOK FY2022 & FY2023

The projections for FY2022 and FY2023 assume that the Maltese gaming sector will recover to pre-COVID levels thereby enabling the Group's main operating subsidiaries to also recover as well as continue to grow going forward. Moreover, with effect from FY2023 the forecasts include the contribution of the National Lottery concession.

In FY2022, management expect revenue to reach €28 million thereby exceeding the level registered in FY2019 pre-COVID as activity is expected to recover in line with the evidenced improvements up until December 2021. Given the expected improvement in business activity as well as certain costs incurred in anticipation of the commencement of the National Lottery concession in FY2023, operating expenses are also expected to increase by 27.0% to €23.2 million. Nonetheless, in view of the high fixed cost element in the Group's cost base, the increase in costs is lower than that in the revenue line and therefore EBITDA is expected to reach €5.1 million in FY2022 compared to €2.2 million in FY2021.

Depreciation and amortisation charges are also anticipated to increase to €4.8 million in FY2022 compared to €2.4 million in the previous financial year, reflecting the higher depreciation charge following the investment in property, plant and equipment that is expected to be funded by the bond issue proceeds. The Bond, together with additional bank borrowings drawn down in FY2022, are expected to result in an increase of 47.5% in finance costs, to €1.8 million. As a result, these increases are expected to offset the improved EBITDA, leading to a pre-tax loss of €1.5 million. After accounting for a tax credit of €0.5 million, the net loss for FY2022 is expected to amount to just under a €1 million, similar to the position in FY2021.

FY2023 will comprise the start of the National Lottery concession, which is anticipated to materially improve the financial performance and position of the Group. In fact, revenue is projected to reach €81.9 million in FY2023 largely reflecting the inclusion of the National Lottery contribution but also further growth at DGL and GOL albeit to a lesser extent. Given the national outreach of the National Lottery concession, costs are also expected to surge and reach over €60 million in FY2023, reflecting the expansion of the Group's operations (including a larger staff complement and retail network) which naturally carry a higher cost base. Nevertheless, EBITDA is projected to increase from €5.1 million in FY2022 to €21.7 million in FY2023.

Depreciation and amortisation charges are also forecast to increase to €18 million in FY2023 (FY2022: €4.8 million), mainly reflecting the amortisation of the National Lottery concession fee of €105 million over the 10-year concession period as well as additional depreciation charges incurred following the capital investment that is planned to be undertaken.

Given the additional bank borrowings to be drawdown in FY2023 to finance the upfront payment of €40 million in connection with the National Lottery concession, a higher finance charge in connection with the additional lease liabilities upon the commencement of the National Lottery concession as well as accounting for a full year of interest on the bonds, the Group's finance costs are expected to rise from €1.8 million in FY2022 to €4.8 million in FY2023.

As a result, the Group is expected to incur a pre-tax loss of €1.1 million in FY2023 which represents a 24% improvement over the pre-tax loss of €1.5 million incurred in FY2022. The projected pre-tax loss is largely related to the first year of operations of the National Lottery concession which is expected to be loss-making following the various initiatives to be undertaken to update and expand the product portfolio as well as other operational improvements.

After accounting for a tax credit of €2.8 million, the Group's net profit is forecasted to reach €1.7 million compared to a net loss of just below €1 million in FY2022.

9. STATEMENT OF FINANCIAL POSITION

€'000	FY2021 Pro-forma	FY2022 Projected	FY2023 Projected
Assets			
Non-Current Assets			
Intangible assets	91,770	93,676	188,007
Property, plant and equipment	3,171	11,827	22,648
Right of use asset	42,426	41,807	43,983
Investment properties	1,088	1,878	1,812
Other non-current assets	928	897	897
Deferred tax asset	769	–	2,661
Total non-current assets	140,152	150,087	260,009
Current Assets			
Inventories	246	599	825
Trade and other receivables	1,028	621	857
Cash and cash equivalents	1,356	20,055	11,020
Total current assets	2,630	21,275	12,702
Total Assets	142,782	171,361	272,711
Liabilities			
Non-Current Liabilities			
Borrowings	8,176	37,737	71,641
Trade and other payables	9,943	8,678	66,588
Deferred tax liability	8,703	7,275	6,964
Other non-current liabilities	500	500	500
Leases Liabilities	23,713	23,304	26,152
Total non-current liabilities	51,035	77,493	171,845
Current Liabilities			
Borrowings	609	1,734	6,923
Trade and other payables	5,428	6,890	6,932
Lease liabilities	–	745	1,076
Current tax liability	23	–	–
Total current liabilities	6,060	9,369	14,932
Total Liabilities	57,096	86,862	186,777
Equity			
Share capital	80,000	80,000	80,000
Retained earnings	0	(921)	164
Equity attributable to the owners of the parent	80,000	79,079	80,164
Non-controlling interest	5,685	5,421	5,770
Total Equity	85,685	84,499	85,934
Total Equity & Total Liabilities	142,782	171,361	272,711

PRO-FORMA ANALYSIS (FY2021) & OUTLOOK (FY2022 – FY2023)**ASSETS**

As highlighted in section 5 of this report, the majority of the assets of the Group consist of intangible assets representing the goodwill resulting from the corporate restructuring undertaken during FY2022, rights over property (mainly comprising the retail gaming outlets and the Dragonara Casino) used in the operations of the Group (right of use assets) as well as the property, plant equipment (PPE) used throughout the Group's operations. In aggregate, these assets represented 96.2% of the Group's total assets as at 30 June 2021.

Going forward, these assets are expected to remain the major assets of the Group together with cash and cash equivalents. In fact, by 30 June 2023, the Group's intangible assets are anticipated to reach €188 million following the inclusion of the National Lottery concession of €105 million, which will be amortised over the concession period of 10 years. Similarly, PPE is expected to grow from €3.2 million as at 30 June 2021 to €22.6 million as at 30 June 2023 reflecting the investment undertaken upon the commencement of the National Lottery as well as other investments in gaming equipment projected for the Dragonara Casino as well as the Group's retail gaming outlets. Meanwhile, right of use assets are only expected to marginally increase to around €44 million as at 30 June 2023 driven by the expected increase in lease payments.

The only other significant change in the Group's asset base is cash and cash equivalents which are initially anticipated to increase from €1.4 million as at 30 June 2021 to €20.1 million as at 30 June 2022 reflecting the proceeds raised from the bond issue.

LIABILITIES

As at 30 June 2021, the Group's main liabilities include lease liabilities, trade and other payables, borrowings and a deferred tax liability. Going forward, these are expected to remain the elements of the Group's liabilities.

Lease Liabilities: The Group had €23.7 million in lease liabilities as at 30 June 2021 relating to the properties over which Group holds a right of use, namely the retail gaming outlets and the Dragonara Casino. These are anticipated to increase by 14.8% by FY2023 to €27.2 million as at 30 June 2023 following the projected increase in leases upon commencement of the National Lottery concession.

Trade and other payables: The Group had €15.4 million in trade and other payables as at 30 June 2021 comprising trade payables in the normal course of business. This includes a €7.1 million deferred consideration owed to IZI Group p.l.c. as part payment for the subsidiaries IZI Finance p.l.c. acquired from IZI Group p.l.c. and €5.5 million in statutory liabilities related to tax accruals. These latter liabilities will be paid over the next five years in line with the agreed repayment terms reached with the relative authorities. Payables are expected to increase materially to €66.6 million as at 30 June 2023, largely reflecting the part of the National Lottery concession fee which is payable throughout the concession period.

Borrowings: The Group had €8.8 million in bank borrowings as at 30 June 2021 that were drawn down to finance working capital requirements following the closure of premises due to the outbreak of the pandemic as well as to settle other payables. Going forward, the Group's borrowings (as detailed in the table hereunder) are expected to materially increase following the issuance of the Bond and a €41 million loan facility to mainly finance the upfront payment of the National Lottery concession.

In terms of borrowings, the Group's debt structure is composed of the following:

€'000	FY2021 Pro-forma	FY2022 Projected	FY2023 Projected
Borrowings			
Current	609	1,734	6,923
Non-Current	8,176	37,737	71,641
Total Debt	8,785	39,471	78,564
Less Cash	(1,356)	(20,055)	(11,020)
Net Debt	7,429	19,416	67,545

Deferred tax liability: The other major liability as at FY2021 was an €8.6 million deferred tax liability following the uplift in value recognised on the Dragonara property. This figure is expected to drop to just below €7 million by 30 June 2023 as the revaluation gain and corresponding deferred tax liability are amortised over the lease term (until March 2083).

EQUITY BASE

The Group's equity stood at €85.7 million at the end of FY2021, consisting primarily of the €80 million in share capital. Looking ahead, the equity base of the Group is expected to remain fairly stable as the aforementioned growth in assets is expected to be financed by debt. Furthermore, the Group's retained earnings remain relatively unchanged as the anticipated loss in FY2022 of €1 million will be offset by the net profit envisaged for FY2023 of €1.7 million.

10. STATEMENT OF CASH FLOWS

€'000	FY2022 Projected	FY2023 Projected
Net cash flows generated from operating activities	5,058	20,196
Net cash used in investing activities	(15,202)	(63,206)
Free Cash Flow to the Firm	(10,373)	(44,209)
Net cash generated from financing activities	28,842	33,975
Net movement in cash and cash equivalents	18,698	(9,035)
Cash and cash equivalents at the beginning of the year	1,356	20,055
Cash and cash equivalents at the end of the year	20,055	11,020

OUTLOOK FY2022 & FY2023

The cash generation capabilities of the Group are expected to considerably improve with the start of the National Lottery operations. In fact, whilst cash flows from operating activities are expected to amount to €5.1 million in FY2022, increasing to €20.2 million in FY2023.

During FY2022 and FY2023, the Group is anticipated to ramp up its investment with the National Lottery concession and related capital expenditure as well as other capital expenditure related to the Group's existing operations, namely the Dragonara Casino and the retail gaming. Moreover, in FY2023 the Group is anticipated to start settling the €105 million concession of which €40 million is due in FY2023 whilst the remaining €65 million will be split evenly over the 10-year concession period.

In anticipation of the National Lottery concession and the planned capital investment in the coming years, the Group is expecting to raise €30 million through a bond issue in FY2022 as well as drawdown a further €41 million in bank borrowings in FY2023.

11. RATIO ANALYSIS

The following set of ratios have been computed from the Company's figures, both historical and projections.

Note: where the ratios were non-comparable because of a negative return or a negative result, the ratio has been recorded as 'n/a'.

	FY2021 Pro-forma	FY2022 Projected	FY2023 Projected
EBITDA margin (EBITDA / Revenue)	11.1%	18.3%	26.5%
Operating Profit (EBIT) margin (Operating Profit (EBIT) / Revenue)	n/a	1.1%	4.4%
Net Profit margin (Profit for the period / Revenue)	n/a	n/a	2.0%
Return on Equity (Net Profit / Average Equity)	n/a	n/a	2.1%
Return on Capital Employed (Net Profit / Average Capital Employed)	n/a	n/a	0.8%
Return on Assets (Profit for the period / Average Assets)	n/a	n/a	0.7%
Current Ratio (Current Assets / Current Liabilities)	0.4x	2.3x	0.9x
Cash Ratio (Cash & cash equivalents / Current Liabilities)	0.2x	2.1x	0.7x
Interest Coverage ratio (EBITDA / Net finance costs)	1.8x	2.8x	4.5x
Gearing Ratio (Net debt / [Net Debt + Total Equity])	8.0%	18.7%	44.0%
Gearing Ratio (2) [Total debt / (Total Debt plus Total Equity)]	9.3%	31.8%	47.8%
Net Debt to EBITDA (Net Debt / EBITDA)	3.3x	3.8x	3.1x

Source: Management information

The financial performance of the Group has been adversely impacted by the outbreak of COVID-19 and as a result, the profitability and liquidity ratios, including the EBITDA margin, Return on Equity and current ratio have all weakened during FY2021.

Similarly, the interest coverage ratio had fallen and slipped below 2 times by FY2021, although this means that the Group could still service its outstanding debt. In FY2021, the Group's gearing was very low when comparing its level of debt with equity. However, in view of the adverse effect of COVID-19 on the Group's financial performance the net debt to EBITDA was relatively elevated at 3.3 times.

Nonetheless, as the Group's performance is anticipated to rebound from the effects of the pandemic during the current financial year FY2022, its ratios are also expected to improve on the back of the anticipated uplift in the performance of the Group's operations particularly the retail gaming operations and the Dragonara Casino. Meanwhile, in anticipation of the planned capital investment for its existing businesses as well as the start of the National Lottery concession, the Group plans to raise fresh debt capital which in turn is expected to lead to a more leveraged position albeit to still acceptable levels.

The commencement of the National Lottery concession in FY2023 is expected to generate further improvements in the Group's ratios from the first year of operations. Moreover, notwithstanding the further increase in borrowings, the Group is still expected to be in a comfortable position to meet its debt service obligations (interest coverage expected to rise to 4.5 times in FY2023) whilst leverage would still be maintained at sustainable levels as evidenced by the net debt to EBITDA of 3.1 times.

PART C COMPARATIVES

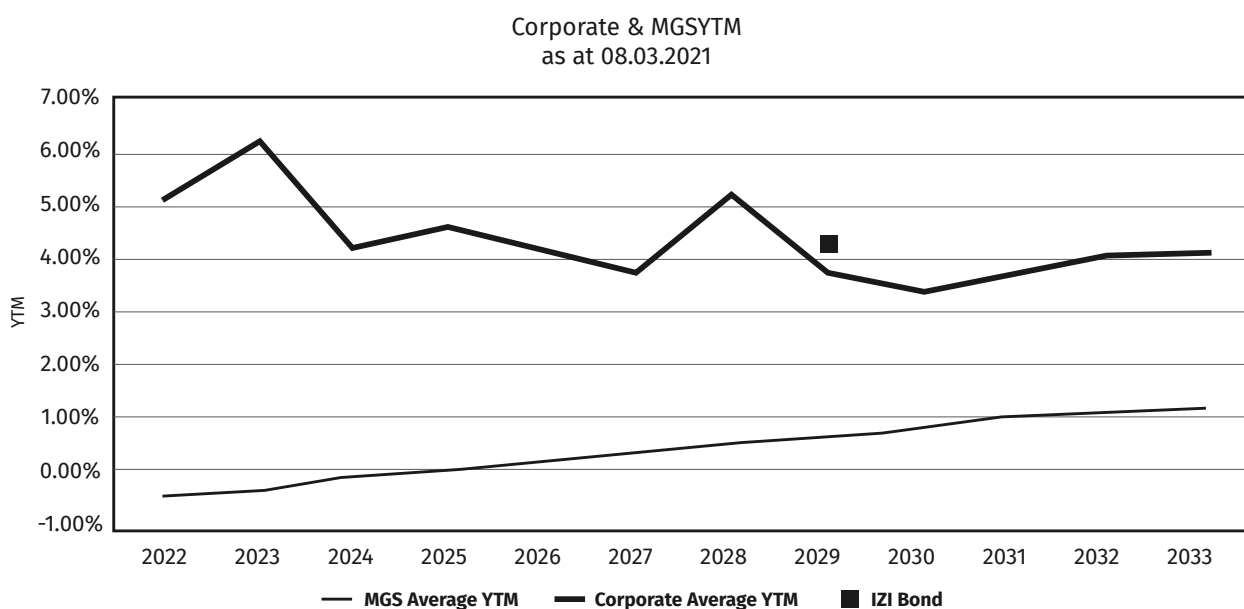
The table below compares the Company's bonds with other local corporate bonds having maturities closest to the Company's bonds. The list excludes issues by financial institutions. The comparative set includes local groups whose assets, strategy and level of operations vary significantly from those of the Company and are therefore not directly comparable. Nevertheless, the table below provides a sample of some comparatives:

Bond Details	Amounts Outstanding (€'millions)	Gearing*	Net Debt to EBITDA	Interest Cover	YTM
3.65% Stivala Group Finance p.l.c. 2029 (Secured)	15,000,000	26.3%	11.4	2.3	3.3%
3.80% Hili Finance Company p.l.c. 2029	80,000,000	74.2%	4.6	3.4	3.8%
3.75% AX Group p.l.c. 2029	10,000,000	25.6%	7.0	3.0	3.8%
3.75% TUM Finance p.l.c. 2029 (Secured) (Puttable)	20,000,000	37.2%	3.0	9.0	3.7%
4.00% Cablenet Communication Systems p.l.c. 2030	40,000,000	66.5%	1.6	9.1	3.8%
4.25% IZI Finance p.l.c. 2029	30,000,000	8.0%	3.3	1.8	4.3%

Source: Yield to Maturity from rizzofarrugia.com, based on bond prices of 8 March 2022. Ratio workings and financial information quoted have been based on the respective issuers' unadjusted published financial data (or their guarantors, where and as applicable)

*Gearing – (Net Debt / Net Debt + Total Equity)

The following shows the average yield to maturity of listed corporate bonds and MGS covering an eleven-year period, and how the Company's bond priced at 4.25% compares to such average yields. All the yields presented hereunder are as at 8 March 2022.



At 4.25%, the Company's bonds are priced 43 basis points above the equivalent average corporate bonds YTM for 2029 maturities and at a 355 basis points premium over the average MGS YTM for 2029 maturities.

PART D GLOSSARY

INCOME STATEMENT EXPLANATORY DEFINITIONS

Revenue	Total revenue generated by the company from its business activity during the financial year.
EBITDA	Earnings before interest, tax, depreciation and amortization, reflecting the company's earnings purely from operations.
EBIT	Earnings before interest and tax.
Depreciation and Amortisation	An accounting charge to compensate for the reduction in the value of assets and the eventual cost to replace the asset when fully depreciated.
Finance Income	Interest earned on cash bank balances and from the intra-group companies on loans advanced.
Finance Costs	Interest accrued on debt obligations.
Net Profit	The profit generated in one financial year.

CASH FLOW STATEMENT EXPLANATORY DEFINITIONS

Cash Flow from Operating Activities	The cash used or generated from the company's business activities.
Cash Flow from Investing Activities	The cash used or generated from the company's investments in new entities and acquisitions, or from the disposal of fixed assets.
Cash Flow from Financing Activities	The cash used or generated from financing activities including new borrowings, interest payments, repayment of borrowings and dividend payments.

STATEMENT OF FINANCIAL POSITION EXPLANATORY DEFINITIONS

Assets	What the company owns which can be further classified in Current and Non-Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Liabilities	What the company owes, which can be further classified in Current and Non-Current Liabilities.
Current Liabilities	Obligations which are due within one financial year.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Equity	Equity is calculated as assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.

PROFITABILITY RATIOS

EBITDA Margin	EBITDA as a percentage of total revenue.
Operating Profit Margin	Operating profit margin is operating profit achieved during the financial year expressed as a percentage of total revenue.
Net Profit Margin	Net profit margin is profit after tax achieved during the financial year expressed as a percentage of total revenue.
Return on Equity	Return on equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing profit after tax by shareholders' equity.
Return on Capital Employed	Return on capital employed (ROCE) indicates the efficiency and profitability of a company's capital investments, estimated by dividing operating profit by capital employed.
Return on Assets	Return on assets (ROA) measures the rate of return on the assets of the company. This is computed by dividing profit after tax by total assets.

LIQUIDITY RATIOS

Current Ratio The current ratio is a financial ratio that measures whether a company has enough resources to pay its debts over the next 12 months. It compares a company's current assets to its current liabilities.

Cash Ratio Cash ratio is the ratio of cash and cash equivalents of a company to its current liabilities. It measures the ability of a business to repay its current liabilities by only using its cash and cash equivalents and nothing else.

SOLVENCY RATIOS

Interest Coverage Ratio This is calculated by dividing a company's EBITDA of one period by the company's net finance costs of the same period.

Gearing Ratio The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance a company's assets, and is calculated by dividing a company's net debt by net debt plus shareholders' equity.

Net Debt to EBITDA This is the measurement of leverage calculated by dividing a company's interest-bearing borrowings net of any cash or cash equivalents by its EBITDA.

