

LifeStar



PROSPECTUS

4th May 2021

PROSPECTUS

Dated: 4th May 2021



LifeStar Insurance p.l.c.

a public limited liability company registered under the laws of Malta with company registration number C 29086 and with its registered office situated at LifeStar Insurance p.l.c., Testaferrata Street, Ta' Xbiex XBX1403, Malta

This Prospectus is issued in respect of:

An offer for sale of 18,518,519 ordinary shares in LifeStar Insurance p.l.c. by LifeStar Holding p.l.c. at an offer price of €0.54 per share

and

An offer of 6,570,000 ordinary shares in LifeStar Insurance p.l.c. by LifeStar Holding p.l.c. to its shareholders in exchange for their ordinary shares in LifeStar Holding p.l.c. at an exchange ratio of 1 LifeStar Holding p.l.c. share for 1 share in LifeStar Insurance p.l.c.

THIS PROSPECTUS HAS BEEN APPROVED BY THE LISTING AUTHORITY, WHICH IS THE COMPETENT AUTHORITY IN MALTA FOR THE PURPOSES OF THE PROSPECTUS REGULATION. THE LISTING AUTHORITY HAS ONLY APPROVED THIS PROSPECTUS AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION AND SUCH APPROVAL OF THIS PROSPECTUS BY THE LISTING AUTHORITY SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE COMPANY AND/OR THE SHARES BEING THE SUBJECT OF THIS PROSPECTUS.

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

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY FINANCIAL INSTRUMENTS. PROSPECTIVE INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SHARES AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH THEIR OWN INDEPENDENT FINANCIAL ADVISORS.

Sponsor

**CURMI &
PARTNERS**

Legal Counsel

ganado
advocates

Registrar

BOV
Bank of Valletta

Approved by the Directors of the Company:

Prof. Paolo Catalfamo

As Director of the Company and on behalf of each of Cristina Casingena, Joseph C Schembri and Mark Bamber

Important Information

THIS PROSPECTUS CONTAINS INFORMATION ON THE COMPANY, THE SHARE OFFER, THE EXCHANGE OFFER, AND THE SHARES IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES, THE COMPANIES ACT AND THE PROSPECTUS REGULATION.

THIS PROSPECTUS HAS BEEN FILED WITH THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, WITH THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND WITH THE MALTA BUSINESS REGISTRY IN ACCORDANCE WITH THE COMPANIES ACT. THIS PROSPECTUS IS PUBLISHED IN ELECTRONIC FORM ON THE WEBSITE OF THE LISTING AUTHORITY AND IS ALSO AVAILABLE, IN PRINTED FORM, FREE OF CHARGE, FROM THE REGISTERED OFFICE OF THE COMPANY.

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THE SHARES TO LISTING ON THE OFFICIAL LIST OF THE MALTA STOCK EXCHANGE, WHICH MEANS THAT THE SHARES ARE IN COMPLIANCE WITH THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS OF INVESTING IN THE SHARES AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN THE SHARES.

ACCEPTING THE SHARE OFFER AND/OR THE EXCHANGE OFFER INVOLVES CERTAIN RISKS AND SPECIAL CONSIDERATIONS. A NUMBER OF RISK FACTORS RELATING TO THE COMPANY, THE ACQUISITION OF THE SHARES, THE EXCHANGE OFFER AND THE SHARES ARE SET OUT IN SECTION 1 BELOW, AND YOU ARE ENCOURAGED TO READ THEM CAREFULLY. IF YOU NEED ADVICE YOU SHOULD CONSULT A LICENSED STOCKBROKER OR AN INVESTMENT ADVISOR LICENSED UNDER THE INVESTMENT SERVICES ACT.

THE COMPANY CONFIRMS THAT (I) THIS PROSPECTUS CONTAINS ALL MATERIAL INFORMATION WITH RESPECT TO THE COMPANY, THE SHARE OFFER, THE EXCHANGE OFFER AND THE SHARES; (II) THE INFORMATION CONTAINED HEREIN IN RESPECT OF THE COMPANY, THE SHARE OFFER, THE EXCHANGE OFFER AND THE SHARES IS ACCURATE IN ALL MATERIAL RESPECTS AND IS NOT MISLEADING; (III) ANY OPINIONS AND INTENTIONS EXPRESSED HEREIN ARE HONESTLY HELD AND BASED ON REASONABLE ASSUMPTIONS; (IV) THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT, WHETHER FACT OR OPINION, IN THIS PROSPECTUS MISLEADING IN ANY MATERIAL RESPECT; AND (V) ALL REASONABLE ENQUIRIES HAVE BEEN MADE TO ASCERTAIN ALL FACTS AND TO VERIFY THE ACCURACY OF ALL STATEMENTS CONTAINED HEREIN.

NO PERSON HAS BEEN AUTHORISED TO GIVE ANY INFORMATION, ISSUE ANY ADVERTISEMENT OR MAKE ANY REPRESENTATION WHICH IS NOT CONTAINED OR CONSISTENT WITH THIS PROSPECTUS OR ANY OTHER DOCUMENT PRODUCED IN RELATION TO THE COMPANY, THE SHARE OFFER, THE EXCHANGE OFFER AND/OR THE SHARES AND, IF GIVEN OR MADE, SUCH INFORMATION, ADVERTISEMENT OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE COMPANY.

UNLESS OTHERWISE STATED, THE CONTENTS OF THE COMPANY'S WEBSITE (OR ANY OTHER WEBSITE REFERRED TO HEREIN) OR ANY OTHER WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE COMPANY'S WEBSITE DO NOT FORM PART OF THE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA

CONTAINED IN SUCH WEBSITE AS A BASIS FOR A DECISION TO ACQUIRE THE SHARES AND/OR ACCEPT THE EXCHANGE OFFER.

ALL THE ADVISORS TO THE COMPANY HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE COMPANY IN RELATION TO THIS PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE CONTENTS OF AND ANY INFORMATION CONTAINED IN THE PROSPECTUS, ITS COMPLETENESS OR ACCURACY OR ANY OTHER STATEMENT MADE IN CONNECTION THEREWITH. ACCORDINGLY, NONE OF THE ADVISORS OR ANY PERSON MENTIONED IN THIS PROSPECTUS, OTHER THAN THE COMPANY AND ITS DIRECTORS, SHALL BE RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS PROSPECTUS, IN ANY SUPPLEMENT, AND IN ANY DOCUMENTS INCORPORATED BY REFERENCE, AND ACCORDINGLY, TO THE EXTENT PERMITTED BY THE LAWS OF ANY RELEVANT JURISDICTION, NONE OF THESE PERSONS ACCEPTS ANY RESPONSIBILITY AS TO THE ACCURACY AND COMPLETENESS OF THE INFORMATION CONTAINED IN ANY OF THESE DOCUMENTS.

EACH PERSON RECEIVING THIS PROSPECTUS ACKNOWLEDGES THAT SUCH PERSON HAS NOT RELIED ON ANY OF THE ADVISORS IN CONNECTION WITH ITS INVESTIGATION OF THE ACCURACY OF SUCH INFORMATION OR ITS INVESTMENT DECISION AND EACH PERSON MUST RELY ON (A) ITS OWN EVALUATION OF THE COMPANY AND THE SHARES AND THE MERITS AND RISKS INVOLVED IN INVESTING IN THE SHARES AND (B) THEIR OWN LEGAL ADVISORS, ACCOUNTANTS AND OTHER FINANCIAL ADVISORS AS TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE COMPANY AND WHETHER TO ACQUIRE THE SHARES AND/OR ACCEPT OR DECLINE THE EXCHANGE OFFER.

SHAREHOLDERS SHOULD NOT TREAT THE CONTENTS OF THE PROSPECTUS AS ADVICE RELATING TO LEGAL, TAXATION, INVESTMENT OR ANY OTHER MATTERS. SHAREHOLDERS SHOULD INFORM THEMSELVES, IN CONSULTATION WITH THEIR INDEPENDENT ADVISORS, ON: (A) THE LEGAL REQUIREMENTS WITHIN THEIR OWN COUNTRIES FOR THE PURCHASE, HOLDING, TRANSFER OR OTHER DISPOSAL OF SHARES; (B) ANY FOREIGN EXCHANGE RESTRICTIONS APPLICABLE TO THE PURCHASE, HOLDING, TRANSFER OR OTHER DISPOSAL OF SHARES WHICH THEY MIGHT ENCOUNTER; AND (C) THE INCOME AND OTHER TAX CONSEQUENCES WHICH MAY APPLY IN THEIR OWN COUNTRIES AS A RESULT OF THE PURCHASE, HOLDING, TRANSFER OR OTHER DISPOSAL OF SHARES.

THE PROSPECTUS AND/OR ANY OTHER DOCUMENT PRODUCED IN RELATION TO THE COMPANY, THE SHARE OFFER, THE EXCHANGE OFFER AND/OR THE SHARES AND/OR THE DELIVERY OF ANY SHARES MAY NOT BE TAKEN AS AN IMPLICATION THAT (I) THE INFORMATION CONTAINED IN SUCH DOCUMENTS IS ACCURATE AND COMPLETE SUBSEQUENT TO THEIR RESPECTIVE DATES OF ISSUE, (II) THERE HAS BEEN NO ADVERSE CHANGE IN THE FINANCIAL CONDITION OF THE COMPANY SINCE SUCH DATES OR (III) ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE MATTERS CONTAINED IN THIS PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

THIS PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR THE PURPOSES OF AN OFFER, INVITATION OR SOLICITATION TO ANY PERSON (I) IN ANY JURISDICTION IN WHICH SUCH OFFER, INVITATION OR SOLICITATION IS NOT AUTHORISED, (II) IN ANY JURISDICTION IN WHICH ANY PERSON MAKING SUCH OFFER, INVITATION OR SOLICITATION IS NOT QUALIFIED TO DO SO OR (III) TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER, INVITATION OR

SOLICITATION. THE DISTRIBUTION OF THIS 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 SHARES, ALL THE RIGHTS AND OBLIGATIONS OF THE HOLDERS THEREOF AND THE COMPANY, AND ANY NON-CONTRACTUAL OBLIGATIONS ARISING OUT OF OR IN CONNECTION WITH THE SHARES AND/OR THE SHARE OFFER AND/OR THE EXCHANGE OFFER, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH MALTESE LAW. THE COURTS OF MALTA SHALL HAVE EXCLUSIVE JURISDICTION TO SETTLE ANY DISPUTES THAT MAY ARISE OUT OF OR IN CONNECTION WITH THE SHARES, ALL THE RIGHTS AND OBLIGATIONS OF THE SHAREHOLDERS AND/OR THE COMPANY, AND ANY NON-CONTRACTUAL OBLIGATIONS ARISING OUT OF OR IN CONNECTION WITH THE SHARES.

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

THIS PROSPECTUS IS TO BE READ IN ITS ENTIRETY AND CONSTRUED IN CONJUNCTION WITH ANY SUPPLEMENT HERETO AND ANY DOCUMENTS THAT ARE INCORPORATED HEREIN BY REFERENCE.

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

THIS PROSPECTUS IS VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE HEREOF. THE OBLIGATION TO SUPPLEMENT THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES WILL NO LONGER APPLY WHEN THE PROSPECTUS IS NO LONGER VALID

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Definitions

The following words and expressions shall bear the following meanings, except where the context otherwise requires:

Authorised Intermediaries	the licensed stockbrokers and financial intermediaries listed in Annex E of this Prospectus;
Board	the board of directors of the Company;
BOV	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 office situated at 58, Zachary Street, Valletta, VLT 1130, Malta;
BOV Guarantee Agreement	the guarantee agreement entered into on 2 June 2020 between the Company and BOV, pursuant to which the Company guaranteed a €3 million loan granted to LifeStar Holding by BOV, as described in Section 8.1;
BUPA	BUPA Global Designated Activity Company Insurance Limited, a company incorporated in Ireland, with registration number 623889;
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
CSD	the central registration system for dematerialised financial instruments in Malta operated by the MSE (of Garrison Chapel, Castille Place, Valletta VLT 1063, Malta) and authorised in terms of the Financial Markets Act;
CSD Register	the register of Shares held and maintained by the CSD on behalf of the Company
Companies Act	the Companies Act, Chapter 386 of the laws of Malta;
Company	LifeStar Insurance p.l.c., a public limited liability company registered under the laws of Malta with company registration number C 29086 and having its registered office situated at Testaferrata Street, Ta' Xbiex XBX1403, Malta (formerly 'GlobalCapital Life Insurance Limited');

Corporate Governance Code	the Code of Principles of Good Corporate Governance set out as Appendix 5.1 to Chapter 5 of the Listing Rules;
Cut-Off Date	3rd May 2021;
Data Protection Act	the Data Protection Act (Chapter 586 of the Laws of Malta);
Directors	the directors of the Company;
Eligible Own Funds (EOF)	own funds, including “Basic Own Funds” and “ancillary own funds” approved by the regulator, which fall within the meaning of Solvency II and are eligible to form part of the capital items required to meet the Solvency Capital Requirement.
Eligible Shareholders	holders of LSH Shares entered in the LSH Register on the Cut-off Date;
Euro or €	the lawful currency of the Eurozone, being the region comprised of Member States of the European Union that have and continue to adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union and by the Treaty of Amsterdam;
Exchange Date	28 th May 2021;
Exchange Offer	the offer of 6,570,000 Shares made by the Selling Shareholder to Eligible Shareholders to exchange their LSH Shares for Shares, at an exchange ratio of one (1) LSH Share for one (1) Share in the Company, pursuant to the Exchange Offer Terms and Conditions;
Exchange Offer Acceptance Form	the Exchange Offer acceptance form, a copy of which is set out in Annex to this Prospectus;
Exchange Offer Applicant	a person whose name, or persons whose names in the case of joint applicants, appear in the registration details of an Exchange Offer Acceptance Form;
Exchange Offer Closing Date	3:00 pm on 19 th May 2021 (or such earlier date as may be determined by LifeStar Holding and/or the Company in the case of over-subscription);

Exchange Offer Commencement Date	6 th May 2021;
Exchange Offer Period	the period from (and including) the Exchange Offer Commencement Date to (and including) the Exchange Offer Closing Date;
Exchange Offer Terms and Conditions	the Terms and Conditions of the Exchange Offer as set out in Section 18.2 to this Prospectus and references to numbered 'Conditions' within Section 18.2 shall be construed accordingly;
Financial Instruments	the instruments listed in the Second Schedule of the Investment Services Act (Chapter 370 of the Laws of Malta), as amended from time to time;
Financial Markets Act	the Financial Markets Act, Chapter 345 of the laws of Malta;
GDPR	Regulation (EU) 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;
GlobalCapital Financial Management	GlobalCapital Financial Management Limited, a private limited liability company registered under the laws of Malta with company registration number C 30053 and having its registered office situated at LifeStar, Testaferrata Street, Ta' Xbiex XBX1403, Malta;
Group	the group of companies of which the Company forms part, known as the 'LifeStar' group (formerly the 'GlobalCapital' group);
Group Employees	those persons employed by the Group as at 31 March 2021;
IDD	Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (recast);
Insurance Business Act	the Insurance Business Act, Chapter 403 of the laws of Malta;
Investar	Investar p.l.c., a public limited liability company registered in Malta with registration number C 65310

	and having its registered office situated at Testaferrata Street, Ta' Xbiex XBX, Malta;
Insurance Distribution Act	the Insurance Distribution Act, Chapter 487 of the laws of Malta;
Intermediaries' Offer	the offer of Shares, pursuant to this Prospectus, by the Company to the Authorised Intermediaries, for their own account and/or for the purposes of allocating the Shares to their own clients;
Investment Services Act	the Investment Services Act, Chapter 370 of the laws of Malta;
LifeStar Health	LifeStar Health Limited, a private limited liability company registered in Malta with registration number C 6393 and having its registered office situated at Testaferrata Street, Ta' Xbiex XBX1403, Malta (formerly 'GlobalCapital Health Insurance Agency Limited');
LifeStar Holding (LSH) or Selling Shareholder	LifeStar Holding p.l.c., a public limited liability company registered in Malta with registration number C 19526 and having its registered office situated at Testaferrata Street, Ta' Xbiex XBX, Malta (formerly 'GlobalCapital p.l.c.');
LifeStar Policyholder(s)	any person(s) who as at 31 March 2021 was and/or were the legal holder(s) of a policy for securing an insurance contract with the Company and/or LifeStar Health (as agent of BUPA), whether such person is an individual or any other legal or natural person, which is responsible for the payment of premiums under the policy of insurance;
Listing Authority	the Board of Governors of the MFSA, appointed as Listing Authority under the MFSA Act and established in terms of the Financial Markets Act;
LifeStar Holding Bondholders	the holders of the LSH Bonds entered in the LSH Bond Register on the Cut-Off Date;
Listing Rules	the listing rules issued by the Listing Authority in respect of the Official List, as amended from time to time;
LSH Bonds	the €10,000,000 5.00% unsecured bonds maturing 2nd June 2021 (ISIN: MT0000171216) issued by

	LifeStar Holding pursuant to a prospectus dated 12th May 2016;
LSH Register	the register of holders of LSH Shares maintained by the CSD;
LSH Bond Register	the register of holders of LSH Bonds maintained by the CSD;
LSH Shares	the ordinary shares in LifeStar Holding, which are listed and traded on the Official List of the MSE;
MSE	Malta Stock Exchange p.l.c., as originally constituted by the Financial Markets Act, bearing company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
MSE Bye-Laws	the bye-laws of and issued by the MSE;
Memorandum and/or Articles of Association	the memorandum and/or articles of association of the Company in force at the time of publication of this Prospectus;
MFSA	Malta Financial Services Authority as established under the MFSA Act;
MFSA Act	the Malta Financial Services Authority Act (Chapter 330 of the laws of Malta);
Offer Price	€0.54 per Share;
Official List	the list prepared and published by the MSE as its official list in accordance with the MSE Bye-Laws;
Overseas Shareholder	Eligible Shareholders who are resident in, or nationals or citizens of, jurisdictions outside Malta or to nominees of, or custodians or trustees for, citizens or nationals of other countries;
Preferred Applicants	Eligible Shareholders; LifeStar Holding Bondholders; Group Employees; and LifeStar Policyholders collectively
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, and repealing Directive 2003/71/EC;
Quadrant Italia	Quadrant Italia S.R.L. is single-member limited liability company registered under the laws of Italy with company registration number 08555651002 and having its registered office situated at Via Bruxelles, 34, Rome, Italy, CAP 00198;
Registrar	Bank of Valletta p.l.c., a public limited liability company registered under the laws of Malta with company registration number C2833 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 (Cap. 371 of the laws of Malta) and the Investment Services Act (Cap. 370 of the laws of Malta);
SCR or Solvency Capital Requirement	the total amount of capital that insurance and reinsurance companies in the European Union (EU) are required to hold under the EU's Solvency II directive, taking into consideration all quantifiable risks, including non-life underwriting, life underwriting, health underwriting, in addition to market, credit, operational, and counterparty risks;
SCR ratio	measure of amount of total funds that insurers or life insurers hold relative to their SCR; calculated as Eligible Own Funds divided by the SCR, and is required to be at least 100%;
Shareholders	the persons registered as holders of the Shares in the CSD Register;
Shares	the ordinary shares of the Company having a nominal value of € 0.1414779585 each and with ISIN MT0000170119;
Share Offer	the offer of 18,518,519 Shares by the Selling Shareholder to the Authorised Intermediaries, for their own account and/or for the purposes of allocating Shares to their own clients, being made pursuant to, and in accordance with the terms and conditions of, this Prospectus, provided that the number of Shares referred to above may, at the Company's sole discretion, be increased (for the purposes of satisfying

	any oversubscriptions by Share Offer Applicants) by such number of Shares which are offered to, but not accepted by, Eligible Shareholders pursuant to the Exchange Offer;
Share Offer Application Form	the form of application to acquire Shares from the Selling Shareholder, a copy of which is set out in Annex to this Prospectus;
Share Offer Applicant	a person or persons whose name or names (in the case of joint applicants) appear in the registration details of a Share Offer Application Form;
Share Offer Closing Date	3:00 p.m. on 19 th May 2021 (or such earlier date as may be determined by LifeStar Holding and/or the Company in the case of over-subscription);
Share Offer Period	the period between 6 th May 2021 and 19 th May 2021 (or such earlier date as may be determined by LifeStar Holding and/or the Company in the case of over-subscription) during which the Shares will be available for subscription by the general public;
Share Offer Terms and Conditions	the Terms and Conditions of the Share Offer as set out in Section 17.2 to this Prospectus and references to numbered 'Conditions' within Section 17.2 shall be construed accordingly;
Solvency II	Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on The Taking-Up and Pursuit of the Business of Insurance and Reinsurance (Solvency II) (Recast) as amended by Directive 2011/89/EU of the European Parliament and of the Council of 16 November 2011, Directive 2012/23/EU of the European Parliament and of the Council of 12 September 2012, Council Directive 2013/23/EU of 13 May 2013, Directive 2013/58/EU of the European Parliament and of the Council of 11 December 2013 and Directive 2014/51/EU of the European Parliament and of the Council of 16 April 2014, and as may be further amended from time to time and as supplemented by Commission Delegated Regulation 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance;

Sponsor	Curmi & Partners Ltd, an MFSA authorised investment services firm (in terms of the Investment Services Act) registered under the laws of Malta with company registration number C 3909 and having its registered office at Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102, Malta;
Subordinated Bond Issue	subject to the approval of the Listing Authority, an issue of €10 million (which may potentially be increased to €13 million) 4% unsecured subordinated bonds due 2026-2031 to be issued by the Company pursuant to a prospectus published on or around the date of this Prospectus;
Supplement	any supplement to this Prospectus that may be issued from time to time by the Company;
U.S. Person	has the meaning given to such term in Regulation S under the Securities Act of 1933 of the United States of America, as amended;
United States	the United States of America, its territories or its possessions, or any area subject to its jurisdiction;
Value of In-force Business (VIF)	means the present value at valuation date of future profits expected to emerge from all active insurance contracts at valuation date, after allowance for the cost of financial guarantees and options, the cost of non financial risks and the cost of holding the required capital;
Voting Rights	voting rights (or any interest therein) attributable to Shares.

Any reference in the Prospectus to “Malta” is to the “Republic of Malta”.

Unless it otherwise required by the context:

- (a) words in this Prospectus importing the singular shall include the plural and vice versa;
- (b) words in this Prospectus importing the masculine gender shall include the feminine gender and vice versa;
- (c) the word “may” in this Prospectus shall be construed as permissive and the word “shall” in this Prospectus shall be construed as imperative; and
- (d) the word “person” shall refer to both natural and legal persons.

Summary

THIS SUMMARY HAS BEEN APPROVED BY THE LISTING AUTHORITY AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE LISTING AUTHORITY ONLY APPROVES 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 issued in accordance with the provisions of the Prospectus Regulation. Capitalised terms used but not otherwise defined in this Summary shall have the meanings assigned to them in the 'Definitions' section of the Prospectus.

A. INTRODUCTION AND WARNINGS

Prospective investors are hereby warned that:

- this summary should be read as an introduction to the Prospectus;
- any decision to invest in the Shares should be based on consideration of the Prospectus as a whole by the prospective investor;
- a prospective investor may lose all or part of the capital invested in subscribing for Shares;
- where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under Maltese law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated;
- civil liability attaches only to those persons who have tabled the Summary including any translation thereof and who applied for its notification, but only if the Summary, when read together with the other parts of the Prospectus, is misleading, inaccurate or inconsistent; or does not provide key information in order to aid investors when Summary whether to invest in the Shares; and
- this Prospectus is valid for a period of 12 months from the date of the Prospectus. The obligation to supplement the Prospectus (and the Summary) in the event of significant new factors, material mistakes or material inaccuracies will no longer apply when the Prospectus is no longer valid.

International Securities Identification Number (ISIN) of the Shares: MT0000170119

Identity and Contact Details of the Company:

Legal & Commercial Name: LifeStar Insurance p.l.c.
Company Registration Number: C 29086
Registered Office Address: LifeStar, Testaferrata Street, Ta' Xbiex XBX 1403, Malta
LEI: 213800RJG2OCEN9KIW48
Telephone Number: +356 21 342 342
E-mail Address: info@lifestarinsurance.com
Website: <https://lifestarinsurance.com/>

The Share Offer and Exchange Offer in respect of the Shares (being ordinary shares in the Company) are being made by LifeStar Holding p.l.c., a public limited liability company registered in Malta with registration number C19526 and having the same registered office as the Company. Its website is <https://lifestarholding.com/> and its email address is info@lifestarholding.com. LifeStar Holding's Legal Entity Identifier (LEI) number is 213800IT1601U2UXH389.

The address of the Listing Authority is Malta Financial Services Authority, Triq I-Imdina, Zone 1, Central Business District, Birkirkara CBD 1010, Malta. Its telephone number is +356 2144 1155 and its website is www.mfsa.mt.

B. KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

The issuer of the Shares is the Company, LifeStar Insurance p.l.c., a public limited liability company registered in Malta in terms of the Companies Act. The Company's Legal Entity Identifier (LEI) number is 213800RJG2OCEN9KIW48.

Principal Activities of the Company

The Company is licensed by the MFSA to carry out Class I (Life and Annuity) and Class III (Linked Long Term) business. The Company provides life insurance products offering a comprehensive range of protection, savings, investment and pension products. The Company provides both single premium and regular premium interest-sensitive saving products, unit-linked insurance-based investment products, pension products as well as protection products including level and decreasing term, critical illness and group life policies.

Major Shareholders

As at the date of the Prospectus, all of the Company's Shares, save for sixteen Shares which are owned by Investar, are held by LifeStar Holding. Prof. Paolo Catalfamo is the ultimate controller of LifeStar Holding, by virtue of his ownership of 99.99% of the issued share capital of Investar, which in turn is the major shareholder of LifeStar Holding, holding approximately 78.1% of LifeStar Holding's share capital.

Directors of the Company

As at the date of this Prospectus, the Board is composed of the following four (4) Directors:

Paolo Catalfamo	Non-Executive Director & Chairman
Cristina Casingena	Executive Director
Joseph C. Schembri	Independent Non-Executive
Mark Bamber	Independent Non-Executive

Statutory Auditors of the Company

Grant Thornton Limited of Fort Business Centre, Level 2, Triq L-Intornjatur, Zone 1 Central Business District Birkirkara, CBD 1050, Malta, have been appointed as the Company's statutory auditors until the end of the next annual general meeting of the Company. Grant Thornton is a registered audit firm with the Accountancy Board of Malta in terms of the Accountancy Profession Act (Chapter 281 of the laws of Malta) with registration number AB/26/84/22.

What is the key financial information regarding the issuer?

The below tables show the main financial information and relevant ratios of the issuer:

Income Statement

	2020	2019	2018
	Eur 000	Eur 000	Eur 000
Net premiums	11,549	10,365	10,517
Net benefits and claims	10,301	8,346	7,139
Earnings before tax	554	2,120	(1,292)
Balance on the long-term business of insurance technical account	(1,338)	500	(1,313)
Total non-technical account	1,892	1,620	20
Total comprehensive income attributable to the shareholders of the Company	1,164	2,557	380

Balance Sheet

	2020	2019	2018
	Eur 000	Eur 000	Eur 000
Investments including financial assets related to unit linked contracts	101,395	94,163	88,442
Total assets	161,955	151,166	135,021
Insurance contract liabilities	124,426	112,534	99,491
Total liabilities	131,725	122,099	106,268
Total equity	30,230	29,067	28,753
Solvency cover ratio	168%	174%	158%

What are the key risks that are specific to the issuer?

Insurance Business Risk - The Company is engaged in Class I (life and annuity) and Class III (linked long term) insurance activities, which are subject to insurance risk. If not adequately managed, this could have a material adverse effect on the operations, financial performance and financial position of the Company.

Insurance business risk may be influenced by macroeconomic changes, changes in customer behaviour, changes in public health, pandemics, and catastrophic events. Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk and geographical location. The principal risk that the Company faces relate to the underwriting of its insurance contracts is that the actual claims and benefit payments exceed

the carrying amount of the insurance liabilities, for example because the frequency or severity of claims and benefits are greater than estimated. Being an insurance company specialising in Class I (life and annuity) and Class III (linked long term) insurance activities, the following are the Company's key underwriting risks: frequency and severity of claims, lapse and surrender rates, policy expenses, reinsurance, and distribution channels.

Insurance Regulatory Risk - The Company is subject to a broad regulatory framework, relating, in particular, to its insurance business. As a result, the Company operates in a highly regulated environment. The Company is licensed by the MFSA under the Insurance Business Act and its subsidiary LifeStar Health under the Insurance Distribution Act. The Company is required to comply with the Solvency II regime that provides for risk-sensitive standards in relation to capital requirements. In the event that the Company has inadequate capital resources to meet the applicable regulatory capital requirements, the Company could be subjected to regulatory sanctions which may have a detrimental effect on the ongoing insurance business activity of the Company and LifeStar Health. Sanctions may include limitations on its ability to write additional business, increased supervision by regulators or implementation of resolution plans which may negatively impact operations, financial performance and the financial condition of the Company, and in the most extreme case could lead to the suspension or termination of the Company's and/or LifeStar Health's insurance business activity. In addition, the imposition of fines could have a material adverse effect on the Company and LifeStar Health.

Legal, Compliance and Litigation Risk - The Company is exposed to various forms of legal and compliance risk due to the extent and complexity of its operations and its regulatory obligations. Future changes to the existing regulatory framework for the Company may be significant, and include increased cost of capital due to stricter own funds requirements and additional administrative costs. In particular, the implementation of Solvency II and the IDD has caused a substantial increase in the regulation, including increased (quantitative and qualitative) capital and disclosure requirements, conduct requirements and restrictions on certain types of transactions. In recent years, the Company has experienced increasing levels of compliance risk as regulators pursued investigations into historical and existing activities, and the Company remains in regular communication with the MFSA in relation to possible breaches of regulations. The direct and indirect costs of regulatory breaches can be significant, the level of inherent legal and compliance risk faced by the Company will continue to remain high for the foreseeable future.

Strategic and Business Risk - Strategic risk is the risk associated with the future business plans and strategies of the Company. Improper strategic choices or errors in their implementation, as well as lack of responsiveness to changes in the economic environment, can have a significant impact on the operational performance and financial results.

Business risk is the risk associated with the particular business and operating circumstances of the Company, including the market environment. The insurance markets are highly competitive, with several factors affecting the Company's relative position, including financial strength, range of product lines and brand strength. The Company faces competitors that are larger, have greater financial resources or a greater market share, offer a broader range of products or have higher bonus rates, claims-paying ratios, or products delivering superior returns. The Company also competes with subsidiaries and/or associated companies of national and multi-national banking, insurance, and other investment services firms which are authorised in Malta and/or which have established a branch and/or provide their services in Malta on a cross border basis under the European Union's freedoms of establishment and services on a cross border basis. Competition in the insurance industry is also affected by the high level of consolidation, both at national and an international level, in the markets in which the Company operates. The Company's business is limited to the business of insurance, which exposes the Company to a concentration in this sector and the risk that any downturn in or related to the insurance industry will have a more significant impact on the Company than would be the case if the Company's operations were more diversified. Additionally, the Company's business is substantially limited to the Maltese insurance market, and does not benefit from geographical diversification.

Operational Risk - Operational risk refers to the risk of loss arising from inadequate or failed internal processes, people, systems, or from external events. This risk encompasses all exposures faced by the Company's functions in the course of conducting the Company's business, including but not limited to, underwriting, accounting and financial reporting, business continuity, claims management, information technology and data processing, legal and regulatory compliance, outsourcing and reinsurance. The company is exposed to the following types of operational risk: failure of business practices, internal systems and controls, IT risk, data protection risk, recruiting and retaining personnel, fraud client service, product quality and business practices.

Change of Control Risk - Any potential change in ownership or control of the Company may potentially have a negative impact on the Group's business operations and financial results, or its future prospects. New shareholders or a new majority shareholder may be in a position to change the business and financial strategy in a way that has a negative impact on the operations, the financial performance or the financial profile of the Company.

Risks Associated with the Company's Indebtedness - The Company may continue to fund its operations and future growth by incurring debt. Borrowings under any bank credit facilities may be at variable interest rates, which may expose the Company to the risk of increases in interest rates. The agreements regulating the borrowings may impose certain operating restrictions and financial covenants on the Company, which could limit the Company's activities including the ability to obtain future financing, implement capital expenditures, or withstand a future downturn in business. A portion of the cash flow generated from operations would be utilised to repay the Company's debt obligations, reducing the amount of cash flows which would otherwise be available for other purposes. A substantial deterioration in operating cash flows and profitability could make it difficult for the Company to service interest payments and principal repayments on its borrowings. Any failure to satisfy debt obligations could result in a default under the terms of current and future financing arrangements, thereby having a materially adverse effect on the Company's financial profile.

Pandemic Risk - The Company may be adversely affected by the wider macroeconomic effect of the ongoing COVID-19 pandemic as described in the risks related to insurance business above, and any possible future outbreaks. While the final effects of the COVID-19 pandemic are at this stage difficult to assess, it is possible that it will have substantial negative effect on the economies where the Company operates. These effects may also take place in case of any possible future outbreaks. Such effects may also result in the insolvency of the Company's counterparties, which could affect the operations of the Company, as well as its financial standing. Lastly, in case of an economic downturn, the price of the Company's Shares and the possibility of the Company to acquire further financing may be adversely affected.

Property Valuation Risk - The valuations of the Company's property assets are prepared by AP Valletta Ltd. Valuation of property is inherently subjective due to the individual nature of each property and the assumptions upon which valuations are carried out. There can be no assurance that such valuations of the properties will reflect actual market values and the Company may be negatively affected by a decline in capital and rental values of the properties, resulting in potential impairments in value.

Financial Markets Risk - The Company invests in a range of investment assets including bonds, equities, property, intra-group loans, and other financial assets and investment securities. A decrease in the value of these assets, particularly relative to expected returns, liabilities or other contracted obligations, will directly or indirectly impact the financial performance and condition of the Company. Investment returns generated during a financial period have a substantial impact on the performance of Company for that period. The performance of financial markets also has an impact on the general demand by customers for financial products and services. Such trends could also have an adverse effect on liquidity, capital resources, and the ability to raise capital, if required. The Company has, in fact, experienced a decrease in the value of its investments as a direct result of the decline in Maltese equity markets caused by the COVID-19 pandemic as at 31 December 2020.

Interest rate risk is considered as a major specific risk for the Company derived from financial markets. The Company's operations are subject to interest rate fluctuations, and its exposure to interest rate risk is driven primarily by the movements in the prices and cash flows of assets and liabilities caused by such fluctuations. The Company is also exposed to foreign exchange risk as a result of investments that are denominated in currencies other than the Euro.

Risk associated to agreement with BUPA - LifeStar Health is an appointed insurance agent of BUPA. The termination or modification of this appointment or any other material arrangements for any reason whatsoever could have a significant and adverse effect on the business of LifeStar Health and consequently on the Issuer, particularly if LifeStar Health is not able to renew or replace this arrangement with alternative arrangements on similar or equally favourable terms. Any adverse economic, market or other circumstances which may impact negatively on LifeStar Health's operations may be accentuated in their impact on the Company as they may in turn necessitate the impairment of goodwill carried on the Company's balance sheet.

C. KEY INFORMATION ON THE SHARES

What are the main features of the Shares?

Securities:	Ordinary shares denominated in Euro (ISIN: MT0000170119)
Amount offer:	6,570,000 Shares offered pursuant to Exchange Offer; 18,518,519 Shares offered pursuant to Share Offer
Nominal Value:	€0.1414779585 per Share
Share Offer Price:	€0.54 per Share
Exchange Ratio:	1 LSH Share for 1 Share
Rights:	The Shares form part of the only class of ordinary shares in the Company and accordingly have the same rights and entitlements as all other Shares in issue in the Company.
Status:	The Shares are in fully registered and dematerialised form.
Transferability:	The Shares are freely transferable

The ability to pay dividends in the future and the extent of any dividend distribution will depend upon, among other factors, the profits available for distribution for the relevant year, the Company's target SCR ratio, applicable capital and solvency requirements, the Company's capital generation capacity, the Board's view on the prevailing market outlook and on the growth strategy, any debt servicing and repayment requirements, cash flows, working capital requirements, investment opportunities, capital expenditure, the availability of distributable reserves in terms of the Companies Act and regulatory approval. Prior to distributing any dividends, the Company will ensure that the resulting reduced Eligible Own Funds in terms of both quality and/or quantity will remain at a level appropriate to respect its risk profile. The Company has a target SCR ratio of 140%. The payment of any dividend shall be subject to the Company maintaining an SCR ratio of 140% or higher. For the purpose of establishing the dividend to be paid in any particular period, the MFSA has indicated that the Company should not take into account a number of intragroup loan receivables due to it.

Where will be Shares be traded?

Application has been made to the MSE for the Shares to be listed and traded on the Official List of the MSE.

What are the key risks that are specific to the Shares?

Suitability of Investment - An investment in the Company may not be suitable for all investors and prospective Shareholders are urged to consult their advisors as to the suitability or otherwise of acquiring the Shares before such acquisition. In the event that an investor does not seek professional advice and/or does not read and fully understand the provisions of this Prospectus, there is a risk that such investor may acquire an investment which is not suitable for his or her risk profile.

No Prior Market - As at the date of this Prospectus, there has been no public market for the Shares within or outside Malta. Due to the absence of any prior market for the Shares, there can be no assurance that the price of the Shares will correspond to the price at which the Shares will trade in the market subsequent to the Share Offer. The market price of the Share could be subject to significant fluctuations in response several factors.

Orderly and Liquid Market - There can be no assurance that an active secondary market for the Shares will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that a Shareholder will be able to sell or otherwise trade in the Shares at all.

Dividend Payment Risk - As a matter of Maltese law, a company can only pay dividends to the extent that it has distributable reserves and sufficient cash available for this purpose. The Company's ability to pay dividends in the future, and the relevant timing and amount thereof, is affected by a number of factors, principally its ability to generate income and cash flow from operations. The ability of the Company to pay dividends is also subject to applicable local laws and other restrictions, including their respective regulatory, solvency, capital and leverage requirements, statutory reserves, financial and operating performance and applicable tax laws. These laws and restrictions could limit the payment of dividends and distributions to holders of the Shares. The Company is subject to a broad regulatory framework, and regulated companies have over the years been requested to maintain increasingly higher levels and quality of capital and liquidity. For the purpose of establishing the dividend to be paid in any particular period, the MFSA has indicated that the Company should not take into account a number of intragroup loan receivables due to it.

D. KEY INFORMATION ON THE SHARE OFFER, EXCHANGE OFFER AND THE ADMISSION TO TRADING ON A REGULATED MARKET

Under which conditions and timetable can I invest in the Shares?

This Prospectus is being published in respect of (1) an offer for sale of 18,518,519 Shares by LifeStar Holding at an offer price of €0.54 per Share (the Share Offer); and (2) an offer of 6,570,000 ordinary shares in the Company by LifeStar Holding to its shareholders in exchange for their ordinary shares in LifeStar Holding at an exchange ratio of 1 LifeStar Holding share for 1 share in the Company (the Exchange Offer). The Share Offer and the Exchange Offer are conditional on the aggregate number of (a) subscriptions received for Shares pursuant to Share Offer Application Forms; and (b) Shares applied for by Eligible Shareholders pursuant to Exchange Offer Acceptance Forms, equating to at least 25% of the issued share capital of the Company

The total expenses in connection with the Share Offer and the Exchange Offer are estimated not to exceed €200,000 in the aggregate, and shall be deducted from the proceeds of the Share Offer, and accordingly shall be borne exclusively by LifeStar Holding.

1. The Share Offer

The Share Offer is open to all categories of investors, although preference will be given to Preferred Applicants. Share Offer Applicants may apply to participate in the Share Offer by completing a Share Offer Application Form, which will be available at the offices of the Authorised Intermediaries, from the Company's registered address, and on the Company's and LifeStar Holding's website: <https://lifestarinsurance.com/investor-relations/> and <https://lifestarholding.com/investor-relations/> respectively. Share Offer Application Forms are to be lodged with an Authorised Intermediaries and applications are subject to a minimum initial subscription of 1,000 Shares and must be accompanied by the full payment due for the Shares applied for.

Physical copies of Share Offer Application Forms can be delivered to the registered address of an Authorised Intermediary, while scanned copies can be sent electronically to the email address provided by the Authorised Intermediary. In either case, Share Offer Application Forms must be received by any Authorised Intermediary no later than 19th May 2021, or such earlier date as may be determined by LifeStar Holding and/or the Company in the event of over-subscription.

The key dates relating to the Share Offer are as follows:

30th April 2021	Suspension of trading in LSH shares
3rd May 2021	Cut-Off Date
4th May 2021	Prospectus Date
5th May 2021	Share Offer Application Forms sent to Preferred Applicants
6th May 2021	Share Application Forms made available
6th May 2021	Share Offer Opening Date
19th May 2021	Share Offer Closing Date (or such earlier date as may be determined by LifeStar Holding and/or the Company in the case of over-subscription)
25th May 2021	Announcement of basis of acceptance (including Intermediaries' Offer results)
28th May 2021	Refund of monies (if applicable)
31st May 2021	Expected date of admission of the Shares to listing
1st June 2021	Expected date of commencement of trading in the Shares

2. The Exchange Offer

The Exchange Offer is only available to shareholders of LifeStar Holding whose name is registered in LifeStar Holding's register of members as at the cut-off date ("Eligible Shareholders"). Eligible Shareholders may accept the Exchange Offer in respect of all or part of their LSH Shares. Eligible Shareholders may not transfer their right to subscribe to Shares under the Exchange Offer to any other person. If an Eligible Shareholder chooses to accept the Exchange Offer in respect of part of their LSH shares, the amount which the Eligible Shareholder wants to exchange should be clearly stated in the Exchange Offer Acceptance Form.

Individual Exchange Offer Acceptance Forms were mailed to all Eligible Shareholders shown in the LSH Register as holding LSH Shares on the Cut-Off Date. Exchange Offer Acceptance Forms will be available from the offices of the Authorised Intermediaries, from the Company's registered address and the following websites <https://lifestarinsurance.com/investor-relations/> and <https://lifestarholding.com/investor-relations/> respectively. Eligible Shareholders have the duration of the Exchange Offer Period to decide whether to accept the Exchange Offer in respect of the LSH Shares they hold. Exchange Offer Acceptance Forms should be submitted to an Authorised Intermediary.

LifeStar Holding has publicly declared its intention to de-list the LSH Shares following the conclusion of the Exchange Offer. Eligible Shareholders who do not avail themselves of the Exchange Offer will likely remain holding unlisted LSH Shares once these are de-listed. Holding shares in an unlisted entity could have adverse consequences. There can be no assurance (both prior to and post de-listing of the LSH Shares) that a holder of LSH Shares will be able to sell or otherwise trade in the LSH Shares at all. Failure to accept the Exchange Offer may therefore implicate that a holder of LSH Shares will be holding de-listed, illiquid shares.

The key dates and periods relating to the Exchange Offer are as follows:

30th April 2021	Suspension of trading in LSH shares
3rd May 2021	Cut-Off Date
4th May 2021	Prospectus Date
5th May 2021	Exchange Offer Forms sent to LSH shareholders
6th May 2021	Exchange Offer Opening Date
19th May 2021	Exchange Offer Closing Date (or such earlier date as may be determined by LifeStar Holding and/or the Company in the case of over-subscription)
6th May 2021 to 19th May 2021	Exchange Offer Period
Any Business Day before the Exchange Date	Exchange Offer declared unconditional
28th May 2021	Exchange Date
31st May 2021	Expected date of admission of the Shares to listing
1st June 2021	Expected date of commencement of trading in the Shares

Who is the offeror?

The Share Offer and Exchange Offer are being made LifeStar Holding p.l.c., a public limited liability company registered in Malta with registration number C 19526 and having its registered office situated at Testaferrata Street, Ta' Xbiex XBX1403, Malta.

Why is this prospectus being produced?

The Share Offer (which is not underwritten) represents partial realisation of LifeStar Holding's investment in the Company, equivalent to a disposal of at least 25% and up to 38.71% of the Company's Shares. The net proceeds from the Share Offer, expected to amount to €10 million, shall be for the benefit of LifeStar Holding shall be applied by LifeStar Holding for the following purposes (1) to redeem the LSH Bonds; and (2) in the event that the LSH Bonds are redeemed in full, for general corporate purposes including, but not limited to, the repayment, in whole or in part, of the the BOV MDB Covid-19 Assist Loan and the consequent termination of the BOV Guarantee Agreement.

The Exchange Offer is being conducted pursuant to and to implement the Group's restructuring plans as previously announced to the market by LifeStar Holding.

Pursuant to the Exchange Offer and the Share Offer, LifeStar Holding's holding in the Company will be diluted by 25% to 38.71%.

Potential conflicts of interest

Apart from serving as a director and chairman of LifeStar Holding, LifeStar Health Limited and GlobalCapital Financial Management, Paolo Catalfamo is also a director and holds all (except for one) of the shares in Investar, which as at the date of this Prospectus (a) indirectly holds 78.1% of the Company's Shares (through its shareholding in LifeStar Holding) and (b) holds sixteen (16) Shares directly. Accordingly, Prof Catalfamo may be subject to potential conflicts of interests between his interest in Investar, his position as a director of LifeStar Holding and his position as a Director of the Company. Furthermore, Mr Joseph Schembri sits on the board of directors of LifeStar Holding and is the chairman of the Company's Audit Committee. Accordingly, he has an interest (though not necessarily a conflicting one) in the success of the Share Offer and the Exchange Offer.

1. RISK FACTORS

1.1 General

ACCEPTING THE EXCHANGE OFFER AND/OR INVESTING IN THE SHARES, INVOLVES CERTAIN RISKS, INCLUDING BUT NOT LIMITED TO THOSE RISKS DESCRIBED IN THIS SECTION. THE FOLLOWING RISKS ARE THOSE IDENTIFIED BY THE COMPANY AS AT THE DATE OF THIS PROSPECTUS. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, TOGETHER WITH THEIR INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE COMPANY.

THE RISK FACTORS BELOW HAVE BEEN CATEGORISED UNDER THREE MAIN CATEGORIES, ACCORDING TO WHETHER THE RISKS UNDER REVIEW RELATE TO: (I) THE COMPANY AND ITS BUSINESS; (II) THE SHARES; AND (III) EXCHANGE OFFER.

THE RISK FACTOR APPEARING FIRST UNDER EACH SUB-CATEGORY CONSTITUTES THAT RISK FACTOR THAT THE DIRECTORS HAVE ASSESSED TO BE THE MOST MATERIAL RISK FACTOR UNDER SUCH CATEGORY AS AT THE DATE OF THIS PROSPECTUS. 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 OF THE COMPANY, IF THE RISK FACTOR WERE TO MATERIALISE.

SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES THAT MAY OR MAY NOT OCCUR AND THE COMPANY IS NOT IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. SHOULD ANY OF THE RISKS DESCRIBED BELOW MATERIALISE, THEY COULD HAVE A SERIOUS ADVERSE EFFECT ON THE COMPANY'S FINANCIAL RESULTS.

THE RISKS AND UNCERTAINTIES DISCUSSED BELOW MAY NOT BE THE ONLY ONES THAT THE COMPANY FACES. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE THE DIRECTORS OF THE COMPANY MAY NOT CURRENTLY BE AWARE OF, COULD WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE COMPANY. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CAREFULLY READ, CONSIDER AND UNDERSTAND THE PROSPECTUS AS A WHOLE BEFORE INVESTING IN THE COMPANY. IN ADDITION, PROSPECTIVE INVESTORS OUGHT TO BE AWARE THAT RISKS MAY BE AMPLIFIED DUE TO A COMBINATION OF RISK FACTORS.

1.2 Forward Looking Statements

This document includes statements that are or may be deemed to be “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including but not limited to the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements are based purely on the intentions, beliefs or current expectations of the Company and/or the Directors. There can be no assurance that the results and events contemplated by the forward-looking statements contained in this Prospectus will occur.

Forward-looking statements, by their very nature, involve substantial uncertainties because they relate to events and depend on circumstances that may or may not occur in the future, many of which are beyond the Company’s control. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Company’s actual results of operations and financial condition may, as a result of many different factors, differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the results of operations and financial condition of the Company are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Subject to its legal and regulatory obligations (including those under the Listing Rules), 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 statement is based.

1.3 Risks Relating to the Company and its Business

1.3.1 Insurance Business Risk

The Company is engaged in Class I (life and annuity) and Class III (linked long term) insurance activities, which are subject to insurance risk. If not adequately managed, this could have a material adverse effect on the operations, financial performance and financial position of the Company.

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount and timing of the resulting claim. This risk is random and therefore unpredictable.

Depending on the insurance product, this risk is influenced by macroeconomic changes, changes in customer behaviour, changes in public health, pandemics, and catastrophic events. Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk and geographical location. The principal risk that the Company faces

related to the underwriting of its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities, for example because the frequency or severity of claims and benefits are greater than estimated. Being an insurance company specialising in Class I (life and annuity) and Class III (linked long term) insurance activities, the following are the Company's key underwriting risks.

Frequency and severity of claims – The Company's business of long-term insurance is based on assumptions for trends in aspects including mortality, morbidity, life expectancy, lapse rates, and interest rates. For contracts where death is the insured risk, the most significant factor that could increase the overall frequency of claims are events that cause changes in life expectancy, morbidity and mortality, including epidemics or widespread changes in lifestyle resulting in earlier or more claims than expected. For contracts with fixed and guaranteed benefits and fixed future premiums there are no mitigating terms and conditions that reduce the insurance risk accepted.

Key assumptions are determined by actuarial principles and used in statistical or actuarial models in the estimation of claims, actuarial reserves and the VIF but actual events and trends may differ from what was assumed, resulting in unanticipated losses or the requirement to adjust such assumptions. Changes to assumptions may also be required due to regulatory developments, which in turn may result in the need to modify product pricing, also reducing profitability. Changes in these assumptions or incorrect assumptions may lead to an increase of the actuarial reserves for the life insurance business and to changes in the value of VIF.

Lapse and surrender rates – Lapses relate to the termination of policies due to non-payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Company's experience and vary by product type, policy duration and sales trends. More specifically, an increase in lapse rates early in the life of the policy would tend to reduce profitability, but later increases are broadly neutral in effect.

Policy Expenses – Operating expenses assumptions reflect the projected costs of acquiring, maintaining and servicing in-force policies and associated overhead expenses. An increase in the level of expenses, or higher than anticipated costs, would reduce the Company's profitability.

Reinsurance – The Company transfers a portion of the risk exposures in its insurance business to third party entities through reinsurance arrangements. These reinsurers assume such portions of the losses incurred by the Company in its insurance operations on the basis of the payment by the Company of reinsurance premiums to the reinsurers. The availability of, and costs associated with, reinsurance is dependent on the general market environment. The lack of available reinsurance protection or the availability of reinsurance protection at increased costs or unfavourable terms, and/or the untimely payment by reinsurers, could have a material adverse effect on the operations, financial performance and financial position of the Company. Additionally, if a reinsurer fails to pay a claim for any reason, the Company remains liable for payment to the policyholder.

Should the Company be unable to cede certain risks to reinsurance companies at an economical cost, thus retaining larger proportions of risks for its own account and increasing its exposure to uncertainty on the probability of occurrence, this could also have a negative impact on the operations, financial performance and financial position of the Company.

Distribution channels – The Company distributes its insurance products through third-party distributors that include tied insurance intermediaries and insurance brokers. The Company may accordingly be exposed to the risk of distributors seeking to terminate their business relationship, which could lead to a loss of business. Additionally, LSI is exposed to the risk that its distribution partners seek to change the terms of underlying distribution agreements in a manner that negatively impacts the Group. The Company may also be exposed to the risk of its third-party distributors mis-selling policies.

1.3.2 Insurance Regulatory Risk

The Company is subject to a broad regulatory framework, relating, in particular, to the insurance business. As a result the Company operates in a highly regulated environment. The Company is licensed by the MFSA under the Insurance Business Act and its subsidiary LifeStar Health under the Insurance Distribution Act.

In particular, Solvency II, encompasses requirements on Eligible Own Funds, the calculation of technical provisions, valuation of assets and liabilities, governance structure and regulatory reporting and disclosure. The Company is required to comply with the Solvency II regime that provides for risk-sensitive standards in relation to capital requirements, aims to align capital requirements for insurance companies with those applicable to banks and investment firms in order to avoid regulatory arbitrage, as well as to align regulatory capital with economic capital and provides an enhanced degree of public disclosure. The Solvency II regime created a stricter and more comprehensive regulatory framework (compared to the supervisory and solvency rules existing pre-2016 (i.e. the ‘Solvency I’ regime) for insurance and re-insurance companies within the European Union.

In the event that the Company has inadequate capital resources to meet the applicable regulatory capital requirements, the Company could be subjected to regulatory sanctions which may have a detrimental effect on the ongoing insurance business activity of the Company and LifeStar Health. Restrictions may include limitations on its ability to write additional business, increased supervision by regulators or implementation of resolution plans which may negatively impact operations, financial performance and the financial condition of the Company, and in the most extreme case could lead to the suspension or termination of the Company’s and/or LifeStar Health’s insurance business activity. In addition, the imposition of fines could have a material adverse effect on the Company and LifeStar Health. Moreover, the violation of regulatory requirements would result in intensified supervision of the Company and LifeStar Health and, accordingly, to an increase in operational expenses. The imposition of any public regulatory sanctions or fines against the Company and/or LifeStar Health could also lead to a loss of confidence among customers and business partners and could also materially adversely affect the financial position and earnings of the Company or LifeStar Health.

In addition to aspects relating to solvency, the overall framework for the design, marketing and distribution of products are defined by regulation. The Company's product design, the period of retention of products and its required reserves for future liabilities are influenced by legislation and government policy. Any changes thereto, and/ or differing interpretation and regulatory application, may have a detrimental effect on the Group's strategy and profits.

Future legislation or regulations, or changes in the interpretation or operation of existing laws and regulations on business may impact the Company in an unpredictable manner. The range of products offered, the terms and conditions applicable on these products, distribution channels, capital requirements, dividends payable, financial results and financing requirements may be adversely affected by any changes in Government policies, laws and/ or regulations.

1.3.3 Legal, Compliance and Litigation Risk

The Company is exposed to various forms of legal and compliance risk due to the extent and complexity of its operations and its regulatory obligations.

Governmental and other regulatory authorities continue to introduce proposals to strengthen the regulatory and supervisory framework for the insurance services industry, including stricter own funds requirements, liquidity standards, and the regulation of types of business considered as potentially high risk.

Future changes to the existing regulatory framework for the Company may be significant, and include increased cost of capital due to stricter own funds requirements and additional administrative costs. In particular, the implementation of Solvency II and the IDD has caused a substantial increase in the regulation, including increased (quantitative and qualitative) capital and disclosure requirements, conduct requirements and restrictions on certain types of transactions.

The Company is also at risk of regulatory sanctions or fines related to conduct of business and financial crime, with the incidence of regulatory proceedings against insurance service firms increasing.

In recent years, the Company has experienced increasing levels of compliance risk as regulators pursued investigations into historical and existing activities, and the Company remains in regular communication with the MFSA in relation to possible breaches of regulations. The direct and indirect costs of regulatory breaches can be significant, the level of inherent legal and compliance risk faced by the Company will continue to remain high for the foreseeable future.

Judicial and regulatory decisions that are unfavourable to other regulated companies operating in the same sector as the Company may also have implications for the Company, in particular where the same or similar business practices or contractual provisions have historically also been adopted by the Company.

As of the date of this Prospectus, the Company is not involved in any material disputes. However, there is a risk that the Company may become involved in disputes, the target of claims or subject to other litigation in the future, in respect of, for example, regulatory compliance, contract matters, or customer-related issues. Any negative outcomes of such disputes will have a negative effect on the Company's business, financial results and/or financial position.

Disputes and claims can disrupt normal operations, entail substantial costs, and result in a loss of confidence in the Company, even if overruled.

1.3.4 Strategic and Business Risk

Strategic risk is the risk associated with the future business plans and strategies of the Company. Improper strategic choices or errors in their implementation, as well as lack of responsiveness to changes in the economic environment, can have a significant impact on the operational performance and financial results.

The Company's strategy may involve the expansion and/or downsizing of certain operating activities, the targeting of new markets (both in terms of type of activity and geographical location), the development of new products and services, and mergers and acquisitions. The strategy may also relate to aspects such as internal processes, corporate restructuring, and the target financial position of the Company.

Business risk is the risk associated with the particular business and operating circumstances of the Company, including the market environment. The insurance markets are highly competitive, with several factors affecting the Company's relative position, including financial strength, range of product lines and brand strength.

The Company faces competitors that are larger, have greater financial resources or a greater market share, offer a broader range of products or have higher bonus rates, claims-paying ratios, or products delivering superior returns. The Company also competes with subsidiaries and/or associated companies of national and multi-national banking, insurance, and other investment services firms which are authorised in Malta and/or which have established a branch and/or provide their services in Malta on a cross border basis under the European Union's freedoms of establishment and services on a cross border basis. Competition in the insurance industry is also affected by the high level of consolidation, both at national and an international level, in the markets in which the Company operates.

Competitive pressures could result in a reduction in margins on a number of the Company's products and services and may affect the Company's ability to maintain or increase profitability.

Concentration risk may arise because of excessive exposures to one counterparty or a group of connected counterparties, or may also arise in terms of geographies, industries, and products.

The Company's business is limited to the business of insurance, which exposes the Company to a concentration in this sector and the risk that any downturn in or related to the insurance industry will have a more significant impact on the Company than would be the case if the Company's operations were more diversified. Additionally, the Company's business is substantially limited to the Maltese insurance market, and does not benefit from geographical diversification.

Reputational risk, that could be associated with aspects including conflicts of interest, regulatory compliance, human resources behaviour, and the reputation and financial soundness of major shareholders, could have a negative impact on the Company. Reputational harm could result in amongst other things, loss of market share and increased compliance and financing costs.

1.3.5 Operational Risk

Operational risk refers to the risk of loss arising from inadequate or failed internal processes, people, systems, or from external events. This risk encompasses all exposures faced by the Company's functions in the course of conducting the Company's business, including but not limited to, underwriting, accounting and financial reporting, business continuity, claims management, information technology and data processing, legal and regulatory compliance, outsourcing and reinsurance. The company is exposed to the following types of operational risk:

- *Failure of business practices, internal systems and controls* - The Company has constructed a framework of business practices and internal controls to minimise the risks of a material failure in the Group's business processes and systems. However, no system of internal controls can completely eliminate the risk of error, interruption of activity due to system failures, financial loss, fraudulent actions, disclosure of materially incorrect or untimely financial information, or reputational damage. The Company's risk management methods may leave it exposed to unidentified, unanticipated or incorrectly quantified risks, which could lead to material losses or material increases in liabilities. Risk mitigation strategies may prove less effective than anticipated, including in relation to its reinsurance arrangements.
- *IT Risk* – The Company relies on complex IT systems, which could be considerably impaired by internal and external factors. The Company is dependent on the functioning of an efficient IT system (hardware and software). IT systems are susceptible to a number of risks, such as computer viruses, hackers, or damage to critical IT hardware. The partial or complete failure of the Company's IT systems, accompanied by a breakdown in back-up resources, could lead to a significant disruption of business processes, a temporary shutdown of business operations, claims for damages and/ or a loss of customers. Should such events or similar events occur and lead to damages or lost revenues, there could be a material adverse effect on the Company's operations, financial results and financial position.
- *Data Protection Risk* - The Company is subject to significant regulation regarding the use of personal customer data since it processes personal customer data as part of its

business. With respect to sensitive personal data, the Company must comply with strict data protection and privacy laws and regulations that restrict the Company's ability to collect and use personal information relating to customers and potential customers, including the use of that information for marketing purposes. The Company is also at risk from cyber-crime and fraudulent activity, where data could be wrongfully appropriated, lost or disclosed, stolen or processed in breach of data protection laws. The Company could be subject to enforcement action by relevant regulatory authorities, face liability under data protection laws and be exposed to reputational harm. The GDPR became effective on 25 May 2018. The GDPR introduced substantial changes to data protection law, including an increased emphasis on businesses being able to demonstrate compliance with their data protection obligations, which required significant investment by the Company in its compliance strategies. In addition, relevant supervisory authorities are given the power to impose fines of up to four percent (4%) of an undertaking's annual global group turnover or €20 million (whichever is the greater) for failure to comply with provisions of the GDPR.

- *Recruiting and retaining personnel* - Recruiting and retaining qualified personnel, including in management and key positions, is critical to the success of the Company's business, but there can be no assurance of the Company's ability to attract and retain such personnel. The operational and financial performance of the Company are to a significant degree dependent on the existing market and industry knowledge of its management and other key employees. The loss of such human resources will have a negative impact if it is not possible to fill the vacant positions with equally qualified executives within an appropriate time period;
- *Fraud* - Acts intended to defraud, misappropriate property or circumvent the law by an internal or external party. Such manipulation, if not countered by effective control, could lead to financial losses;
- *Client service, Product quality and Business Practices* - Lack of productivity and poor customer service, including failure to execute or process transactions timely and accurately with clients and other counterparties, can have a negative impact on the Company's operations and financial performance.

1.3.6 Change of Control Risk

Any potential change in ownership or control of the Company may potentially have a negative impact on the Group's business operations and financial results, or its future prospects. New shareholders or a new majority shareholder may be in a position to change the business and financial strategy in a way that has a negative impact on the operations, the financial performance or the financial profile of the Company.

1.3.7 Risks Associated with the Company's Indebtedness

The Company may continue to fund its operations and future growth by incurring debt. Borrowings under any bank credit facilities may be at variable interest rates, which may expose the Company to the risk of increases in interest rates. The agreements regulating the borrowings may impose certain operating restrictions and financial covenants on the Company, which could limit the Company's activities including the ability to obtain future

financing, implement capital expenditures, or withstand a future downturn in business. A portion of the cash flow generated from operations would be utilised to repay the Company's debt obligations, reducing the amount of cash flows which would otherwise be available for other purposes.

The use of borrowings presents the risk that the Company may be unable to service interest payments and principal repayments or comply with other requirements of its facility agreements. A substantial deterioration in operating cash flows and profitability could make it difficult for the Company to service interest payments and principal repayments on its borrowings. The Company could be at risk of default on the occurrence of certain unexpected events. Any failure to satisfy debt obligations could result in a default under the terms of current and future financing arrangements, thereby having a materially adverse effect on the Company's financial profile. In such an event, the Company may be obliged to sell some of its assets to meet such obligations or seek alternative finance to repay such borrowings. Defaults may also lead to the enforcement of security over certain assets. Borrowings may not be able to be refinanced or the terms of any refinancing may be less favourable than the existing terms of borrowing.

1.3.8 Pandemic Risk

In December 2019, the 2019 novel coronavirus (COVID-19) surfaced in Wuhan, China. The World Health Organization declared a global emergency on January 30, 2020 with respect to the outbreak then characterized it as a pandemic on March 11, 2020. While COVID-19 is still spreading and the final implications of the pandemic are difficult to estimate at this stage, it is clear that it will affect the lives of a large portion of the global population and cause significant effects. At this time, the pandemic has caused state of emergencies being declared in various countries, travel restrictions being imposed, quarantines being established, and various institutions and companies being closed.

While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether or to what extent this outbreak and potential financial impact may extend to countries outside of those currently impacted. Given that the impacts of the pandemic are relatively unknown and rapidly evolving, the extent to which the Coronavirus pandemic may impact the Company's future results is uncertain.

Further to the above, the Company may be adversely affected by the wider macroeconomic effect of the ongoing COVID-19 pandemic as described in the risks related to insurance business above, and any possible future outbreaks. While the final effects of the COVID-19 pandemic are at this stage difficult to assess, it is possible that it will have substantial negative effect on the economies where the Company operates. These effects may also take place in case of any possible future outbreaks. Such effects may also result in the insolvency of the Company's counterparties, which could affect the operations of the Company, as well as its financial standing. Lastly, in case of an economic downturn, the price of the Company's Shares and the possibility of the Company to acquire further financing may be adversely affected.

1.3.9 Property Valuation Risk

The valuations of the Company's property assets are prepared by AP Valletta Ltd, with company registration number C 47097 and with its registered office situated at 4 Sappers Street, Valletta VLT 1320. Valuation of property is inherently subjective due to the individual nature of each property and the assumptions upon which valuations are carried out. In providing a market value for the properties held by the Company, certain assumptions are made, which ultimately may cause the actual value to be materially different from any future values that may be expressed or implied by such forward-looking statements or anticipated on the basis of historical trends as reality may not match the assumptions. There can be no assurance that such valuations of the properties will reflect actual market values and the Company may be negatively affected by a decline in capital and rental values of the properties, resulting in potential impairments in value.

1.3.10 Financial Markets Risk

Financial markets risk relates to the risk that the Company may be negatively impacted by financial losses derived from movements in the value of, or income from, certain assets. Market risk can arise, inter alia, from adverse changes, including increased volatility, in interest rates, bond prices, inflation, credit spreads, foreign exchange rates, currencies, equity prices, inflation, corporate earnings, liquidity shortages, systemic shocks, and other factors.

The Company invests in a range of investment assets including bonds, equities, property, intra-group loans, and other financial assets and investment securities. A decrease in the value of these assets, particularly relative to expected returns, liabilities or other contracted obligations, will directly or indirectly impact the financial performance and condition of the Company. Investment returns generated during a financial period have a substantial impact on the performance of the Company for that period. The performance of financial markets also has an impact on the general demand by customers for financial products and services. Such trends could also have an adverse effect on liquidity, capital resources, and the ability to raise capital, if required. The Company has, in fact, experienced a decrease in the value of its investments as a direct result of the decline in Maltese equity markets caused by the COVID-19 pandemic as at 31 December 2020.

Interest rate risk is considered as a major specific risk for the Company derived from financial markets. The Company's operations are subject to interest rate fluctuations, and its exposure to interest rate risk is driven primarily by the movements in the prices and cash flows of assets and liabilities caused by such fluctuations. Interest-earning assets and interest-bearing liabilities may mature or re-price at different times or at different amounts, and such mismatch may have a negative impact on the financial performance of the Company. Movements in interest rates result in fluctuations in the cash flows and values of assets, relative to the expected profile of liabilities. Whilst the Group targets the matching of liability cash flows by maintaining an investment portfolio with an appropriate profile, it may not be possible to eliminate all asset-liability mismatches. Since the Company maintains a substantial portion of its investment portfolios in fixed income assets, increases in interest rates may result in substantial asset write-downs. The Company's sales of, in particular, unit-linked products,

could be adversely impacted by prevailing expected investment returns and levels of volatility in financial markets, which in turn are impacted by fluctuation in interest rates.

The Company's exposure to foreign exchange risk arises primarily from investments that are denominated in currencies other than the Euro. Exchange rate fluctuations could lead to variability in, and have an adverse impact on, the operations, financial performance and financial position of the Company.

1.3.11 Risk associated to agreement with BUPA

LifeStar Health is an appointed insurance agent of BUPA. The termination or modification of this appointment or any other material arrangements for any reason whatsoever could have a significant and adverse effect on the business of LifeStar Health and consequently on the Company, particularly if LifeStar Health is not able to renew or replace this arrangement with alternative arrangements on similar or equally favourable terms. Any adverse economic, market or other circumstances which may impact negatively on LifeStar Health's operations may be accentuated in their impact on the Company as they may in turn necessitate the impairment of goodwill carried on the Company's balance sheet.

1.3.12 Credit risk

Credit risk is the risk that one party to a financial transaction might fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk in different areas. These include investments, in addition to exposures to reinsurers, insurance distributors, customers and trading counterparties. Due to insolvency, lack of liquidity, an economic downturn, management errors or other reasons, these investments or parties may no longer be in a position to satisfy their obligations towards the Company.

There is the risk that the issuers of debt instruments, including in particular corporate and sovereign bonds, held in investment portfolios, default on their obligations, which in turn will negatively impact the financial performance and position of the Company. Declines in debt prices as a result of changes in the perception of the creditworthiness of issuers, which will also negatively impact the financial performance and position of the Company. Other financial assets that could potentially subject the Company to concentrations of credit risk consist of trade and other receivables, including receivables from related parties, and receivables from customers.

With respect to reinsurance, the Company is exposed to the risk that the relevant reinsurer may not fulfil its reinsurance obligation when due. Additionally, the Company is exposed to counterparty default risk related to other activities that could include hedging, banking, and custody agreements.

1.3.13 Liquidity risk

Liquidity risk is the risk that the Company, even if not insolvent, may not have sufficient financial resources to meet its obligations when due, or can only obtain such financial resources at disadvantageous terms. Liquidity risk for the Company, which may arise from

mismatches in the timing of cash flows relating to assets, liabilities and off-balance sheet instruments, is also related to the risk of not having sufficient liquidity to meet insurance claims from the insurance business. Additionally, liquidity is also required by the Company to pay operating costs, taxes, debt servicing costs and the repayment of debt due.

Internal sources of liquidity for the Company primarily include insurance premiums receivable, income from other operations, cash inflows from investment portfolios, and other assets including, in particular, cash and assets that are easily convertible to cash. Liquidity risk may arise or increase due to certain assets being relatively illiquid, with such assets including real estate, unlisted equities and private placement investments.

The Group may need to sell assets, both illiquid assets and assets that would typically be considered as liquid, to raise liquidity during periods when market conditions are unfavourable, resulting in asset sales at prices that are lower than was previously expected. This will have a negative impact on the operations, financial performance and financial position will be negatively impacted. In terms of the insurance business, such a scenario may be driven by assets being insufficiently liquid to match obligations from contracted liabilities, or to provide for unanticipated requirements driven by higher-than-expected claims.

In addition to internal sources of liquidity, the Company may seek additional capital and financing to provide further liquidity resources. The availability of such sources of liquidity may depend on several factors, including general conditions in the economy and financial markets, health of the banking system, investor sentiment, and investors' perception of the Company. If the Company does not have access to adequate sources of liquidity due to a deterioration in such trends, its operations, financial performance and financial position will be negatively impacted.

1.4 Risks Relating to the Shares

1.4.1 Suitability of Investment

An investment in the Company may not be suitable for all recipients of this Prospectus and prospective Shareholders are urged to consult their advisors as to the suitability or otherwise of acquiring the Shares before such acquisition. An informed investment decision can only be made by investors after they have read and fully understood the risk factors associated with an investment in the Shares and the inherent risks associated with the Company's business. In the event that an investor does not seek professional advice and/or does not read and fully understand the provisions of this Prospectus, there is a risk that such investor may acquire an investment which is not suitable for his or her risk profile.

1.4.2 No Prior Market

As at the date of this Prospectus, there has been no public market for the Shares within or outside Malta. Due to the absence of any prior market for the Shares, there can be no assurance that the price of the Shares will correspond to the price at which the Shares will trade in the market subsequent to the Share Offer. The market price of the Share could be

subject to significant fluctuations in response to numerous factors, including the occurrence of any of the risk factors set out in Section 1 of this Prospectus.

1.4.3 Orderly and Liquid Market

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

The price at which the Shares will trade and the price which the Shareholders may realise for the Shares will be influenced by a large number of factors, some specific to the Company, its operations, and some which are peculiar to the business sectors in which the Company operates, the performance of the Company's operations, large purchases or sales of the Shares, liquidity (or absence of liquidity) in the Shares, currency fluctuations, legislative or regulatory changes relating to the business of the Company and general economic conditions over which the Company may have no control.

In any event, stock markets (including the Maltese stock market) have from time to time experienced substantial price and volume fluctuations, which in addition to general economic and political conditions, could adversely affect the market price of the Shares. A public trading market having the desired characteristics of depth and liquidity depends *inter alia* upon the presence in the marketplace of willing buyers and sellers of the shares at any given time, which presence is dependent upon the individual decisions of investors over which the Company has no control.

1.4.4 Dividend Payments Risk

As a matter of Maltese law, a company can only pay dividends to the extent that it has distributable reserves and sufficient cash available for this purpose.

The Company's ability to pay dividends in the future, and the relevant timing and amount thereof, is affected by a number of factors, principally its ability to generate income and cash flow from operations.

The ability of the Company to pay dividends is also subject to applicable local laws and other restrictions, including their respective regulatory, solvency, capital and leverage requirements, statutory reserves, financial and operating performance and applicable tax laws. These laws and restrictions could limit the payment of dividends and distributions to holders of the Shares. The Company is subject to a broad regulatory framework, and regulated companies have over the years been requested to maintain increasingly higher levels and quality of capital and liquidity.

The Company may not pay dividends if the Directors believe this would cause the Company to be less adequately capitalised or that there are otherwise insufficient distributable reserves or for various other reasons. Future dividends will depend on, among other factors, the Company's future profits, financial position, capital investment plans, debt service obligations, any restrictive covenants on debt incurred, working capital requirements, general economic conditions, regulatory approval and other factors that the Directors deem significant from time to time.

For the purpose of establishing the dividend to be paid in any particular period, the MFSA has indicated that the Company should not take into account the intragroup loan receivables described in Section 13.

The prospective dividend policy set out in the section 15.3 should be read and construed accordingly.

1.4.5 Future Dilution

Other than in connection with the Share Offer (which relates to an offering of existing Shares by the Selling Shareholder), the Company currently has no plans for any issuance of further ordinary or other shares. However, it is possible that the Company may decide to offer additional shares in the future. Future offerings of new shares, or the availability for sale of substantial amounts of shares in the public market, could dilute the holdings of Shareholders not partaking in such offer or sale of shares. Furthermore, it could also adversely affect the prevailing market price of the Shares and may make it more difficult for Shareholders to sell Shares at a time and price that they deem appropriate and could also impair the Company's ability to raise capital through future offers of equity securities. In addition, no prediction can be made about the effect which any future public offerings of the Company's securities (including but not limited to the effects arising out of a change in the cash flow requirements of the Company or other commitments of the Company vis-à-vis the new security holders), or any takeover or merger activity involving the Company (including but not limited to a de-listing, in full or in part, of the Shares), will have on the market price of the Shares prevailing from time to time.

1.4.6 Ranking Risk

The Shares represent equity interests in the Company that entitle the holder to rank *pari passu* with all other holders of ordinary Shares in the Company upon any distribution of assets in a winding up. The Shares of the Company are subordinated to any other debt instruments in the Company's capital structure and will therefore be subject to greater credit risk than any other debt instruments of the Company.

1.4.7 Changes to Governing Law

The terms and conditions of the admission to trading of the Shares 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. Similarly, no prediction can be made about the effect which any future public offerings of the Company's Shares, or any takeover or merger activity involving the Company, will have on the market price of the Shares prevailing from time to time.

1.4.8 Liquidity and Volatility Risk

Application has been made to seek a listing of the Shares on the MSE, which is a smaller and less liquid market than the more developed stock markets in Europe and/or the United States. Furthermore, the limited liquidity of the market for the Shares could increase the price volatility of the Shares and may impair the ability of a holder of Shares to sell such Shares in the market in the amount and at the price and time such holder wishes to do so. The price at which the Shares will be traded, as well as the sales volume of the Shares traded, will indeed be subject to fluctuations. The price of the Shares may fall in response to market appraisal of the Company's strategy, if the Company's operating results and/or prospects fall short of the expectations of market analysts or Shareholders, or in response to regulatory changes affecting the Company's operations. However, these movements may not necessarily be caused by the Company's business activity or its results of operations. The price of the Shares could also, for example, be subject to significant fluctuations due to a change in sentiment in the market regarding the Shares and/or securities of other financial institutions. The fluctuations could also result from national and global economic and financial conditions and the market perception of Company and various other factors and events.

1.4.9 Suspension of Trading

After the Shares are admitted to trading on the Official List, the Company must remain in compliance with various ongoing regulatory requirements, including the continuing obligations and other requirements set out in the Listing Rules. The Listing Authority has the authority to suspend trading of the Shares if, among other things, it believes that such a suspension is required for the protection of investors or of the integrity or reputation of the market. Furthermore, the Listing Authority may discontinue the listing of the Shares if, inter alia, it is satisfied that, owing to special circumstances, normal regular dealings in the Shares are no longer possible, or upon the request of the Company or the MSE. Any such trading suspensions or listing revocations/discontinuations described above, could have a material adverse effect on the liquidity and value of the Shares.

1.4.10 Shares in Public Hands

In terms of the Listing Rules, the Company must have at least twenty-five per centum (25%) of its listed share capital in the hands of the public. Should the number of shares in public hands, at any time following the conclusion of the Share Offer and the Exchange Offer, fall below this threshold, the Company would no longer meet this requirement, which may in turn lead to the de-listing of the Shares from the Official List. The de-listing of the Shares would have adverse effects on the marketability and transferability of the Shares and on the fiscal implications of any transfers of the Shares.

1.4.11 Exchange Rate Risk

A Shareholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Shares (Euro) and the Shareholder's currency of reference, if different.

1.4.12 Prior approval for qualifying shareholding

The Insurance Business Act requires any person, or persons acting in concert, who have taken a decision either to:

(a) acquire, directly or indirectly, a qualifying shareholding in the Company (i.e. 10% of the Shares or more);

(b) increase, directly or indirectly, an existing shareholding which is not a qualifying shareholding so as to cause it to become a qualifying shareholding in the Company; or

(c) further increase, directly or indirectly, such qualifying shareholding in the Company as a result of which the proportion of the voting rights or of the capital held would reach or exceed 20%, 30% or 50%, or so that the Company would become its subsidiary

to notify the MFSA in writing of any such decision, indicating the size of the intended shareholding and providing any relevant information required pursuant to the Insurance Rules. If any person takes or decides to take any action set out above without obtaining prior MFSA approval, then, the Insurance Business Act authorises the MFSA to *inter alia* declare the transaction as null and void. Accordingly, prospective investors should assess the regulatory implications of acquiring any Shares, particularly where there is any possibility of them reaching any of the aforementioned thresholds as a result, and should seek independent legal advice before deciding to acquire any Shares.

1.5 Risks Relating to the Exchange Offer

1.5.1 Risks relating to the Acceptance of the Exchange Offer

The Exchange Offer is a share for share exchange offer, pursuant to which Eligible Shareholders are being offered the possibility of exchanging their LSH Shares for Shares in accordance with and subject to the terms of the Exchange Offer and this Prospectus. If an Eligible Shareholder accepts the Exchange Offer, the Eligible Shareholder will become a Shareholder of the Company and all the risks relating to the Company that are highlighted above will become relevant.

1.5.2 Risk of Exchange Offer Lapsing

The Exchange Offer is subject to a number of conditions. In the event that one or more of the conditions as set out in the Exchange Offer Terms and Conditions is not fulfilled or not waived, the Exchange Offer will lapse. The conditions to which the Exchange Offer is subject are set out Section 18.2 (Exchange Offer Terms and Conditions).

1.5.3 Risk of Not Accepting the Exchange Offer

LifeStar Holding has publicly declared its intention to de-list the LSH Shares following the conclusion of the Exchange Offer. Eligible Shareholders who do not avail themselves of the Exchange offer will likely remain holding unlisted LSH Shares once these are de-listed. Holding shares in an unlisted entity could have adverse consequences. Unlisted securities may not enjoy the same liquidity as listed securities. Although the secondary market for the LSH Shares is presently not particularly active or liquid, the LSH Shares will become even less liquid once they are de-listed, and it will arguably be more difficult for Shareholders to trade their LSH Shares post de-listing. There can be no assurance in either case (both prior to and post de-listing of the LSH Shares) that a holder of LSH Shares will be able to sell or otherwise trade in the LSH Shares at all. Holders of listed securities are also entitled to greater protection of rights and information about an issuer and its business than holders of unlisted securities. Furthermore, investors and potential investors in listed securities benefit from certain protections from insider trading and other practices of market abuse potentially resulting in financial loss, whereas the markets for unlisted securities are not so regulated. Any eventual sale of such shares by the Shareholder may entail different tax consequences to selling shares admitted on the Official List of the Stock Exchange

THE FOREGOING RISK FACTORS ARE NOT EXHAUSTIVE AND DO NOT PURPORT TO BE A COMPLETE LIST OF ALL OF THE RISKS AND CONSIDERATIONS INVOLVED IN INVESTING IN THE SHARES. IN PARTICULAR, THE COMPANY'S PERFORMANCE MAY BE AFFECTED BY CHANGES IN MARKET OR ECONOMIC CONDITIONS AS WELL AS LEGAL, REGULATORY AND TAX REQUIREMENTS APPLICABLE TO THE COMPANY AND/OR THE SHARES.

2. PERSONS RESPONSIBLE AND STATEMENT OF APPROVAL

2.1 Persons Responsible

All of the Directors whose names appear under Section 9.1 of this Prospectus are the persons responsible for all of the information contained in this Prospectus. To the best of the knowledge and belief of the Directors the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect its import, and the Directors have taken all reasonable care to ensure that this is the case. The Directors accept responsibility accordingly.

2.2 Consent for use of Prospectus

Consent required in connection with the use of the Prospectus during the Share Offer Period by the Authorised Intermediaries.

For the purposes of any acquisition of Shares subject to the Share Offer through any of the Authorised Intermediaries during the Share Offer Period, and any subsequent resale, placement or other offering of the Shares by such Authorised Intermediaries in circumstances

where there is no exemption from the requirement to publish a prospectus under the Prospectus Regulation, the Company consents to the use of this Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale, placement or other offering of the Shares, provided this is limited only:

- (i) in respect of the Shares subscribed for through Authorised Intermediaries during the Share Offer Period;
- (ii) to any resale or placement of the Shares taking place in Malta; and/or
- (iii) to any resale or placement of the Shares taking place within the period of sixty (60) days from the date of the Prospectus.

Other than any condition set out in this section, there no other conditions attached to the consent given by the Company hereby which are relevant for the use of the Prospectus. Neither the Company nor its advisers take any responsibility for the actions of the Authorised Intermediaries, 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 Shares.

Other than as set out above, neither the Company nor the Sponsor 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 Shares by any person in any circumstances.

Any such unauthorised offers are not made on behalf of the Company or the Sponsor and neither the Company nor the Sponsor have any responsibility or liability for the actions of any person making such offers. Investors should enquire whether an intermediary is considered to be an Authorised Intermediary in terms of the Prospectus. A list of Authorised Intermediaries is set out in Annex E.

If the investor is in doubt as to whether it can rely on the Prospectus and/or who is responsible for its contents, it should obtain legal advice.

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

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

Any resale, placement or other offering of the Shares to an investor by an Authorised Intermediary will be made in accordance with any terms and other arrangements in place between such Authorised Intermediary and such investor including as to price, allocations

and settlement arrangements. Where such information is not contained in the Prospectus, it will be the responsibility of the relevant Authorised Intermediary at the time of such resale, placement or other offering to provide the investor with that information and neither the Company nor the Sponsors have any responsibility or liability for such information.

Any Authorised Intermediary using this Prospectus in connection with a resale, placement or other offering of the Shares subsequent to the Share Offer shall, limitedly for the period of sixty (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 Company and the conditions attached thereto. The consent provided herein shall no longer apply following the lapse of such period.

Any new information with respect to Authorised Intermediaries unknown at the time of this Prospectus will be made available by the Company through a company announcement which will be made available on the Company's website.

2.3 Authorisation Statement

This Prospectus has been approved by the Listing Authority as the competent authority in Malta for the purposes of the Prospectus Regulation. The Listing Authority has only approved this Prospectus 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 Company and/or the Shares (as the subject of this Prospectus). Prospective investors should make their own assessment as to the suitability of investing in the Shares.

3. ADVISORS AND STATUTORY AUDITORS

3.1 Advisors

Legal Counsel

Ganado Advocates
171, Old Bakery Street
Valletta, VLT 1455
Malta

Reporting Accountants

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

Sponsor

Curmi & Partners Ltd
Finance House, Princess Elizabeth Street
Ta' Xbiex XBX 1102
Malta

The services of the Company's legal counsel, reporting accountants, Sponsor and other advisors in respect of this Prospectus are limited to the specific matters upon which they have been consulted. There may be other matters that would have a bearing on the Company or an investment in the Shares upon which such advisors have not been consulted. The Company's legal counsel, reporting accountants, Sponsor and other advisors do not undertake to monitor the compliance by the Company with its obligations as described in this Prospectus, nor do they monitor the Company's activities for compliance with applicable laws. Additionally, the Company's advisors have relied and continue to rely upon information furnished to them by the Company and the Directors, and have not investigated or verified nor will they investigate or verify the accuracy and completeness of information set out herein concerning the Company, the Company's service providers or any other parties involved in the Listing (including all of their respective affiliates, directors, officers, employees and agents). Moreover, the Company's legal counsel accepts no responsibility for any description of matters in this Prospectus that relate to (and any issues arising from) any applicable law that is not Maltese law.

3.2 Statutory Auditors

Grant Thornton Limited of Fort Business Centre, Level 2, Triq L-Intornjatur, Zone 1 Central Business District Birkirkara, CBD 1050, Malta, have been appointed as the Company's statutory auditors until the end of the next annual general meeting of the Company. Grant Thornton is a registered audit firm with the Accountancy Board of Malta in terms of the Accountancy Profession Act (Chapter 281 of the laws of Malta) with registration number AB/26/84/22.

4. GENERAL INFORMATION ON THE COMPANY, LIFESTAR HOLDING AND THE GROUP

4.1 The Company

Legal & Commercial Name:	LifeStar Insurance p.l.c.
Company Registration Number:	C 29086
Legal Form:	Public limited liability company established under the Companies Act
Legal Entity Identification Number:	213800RJG2OCEN9KIW48
Place of Registration & Domicile:	Malta
Date of Registration:	21 December 2001
Registered Office Address:	LifeStar Insurance p.l.c., Testaferrata Street, Ta' Xbiex, Malta, XBX 1403
Telephone Number:	+356 21 342 342
E-mail Address:	info@lifestarinsurance.com
Website:	https://lifestarinsurance.com/

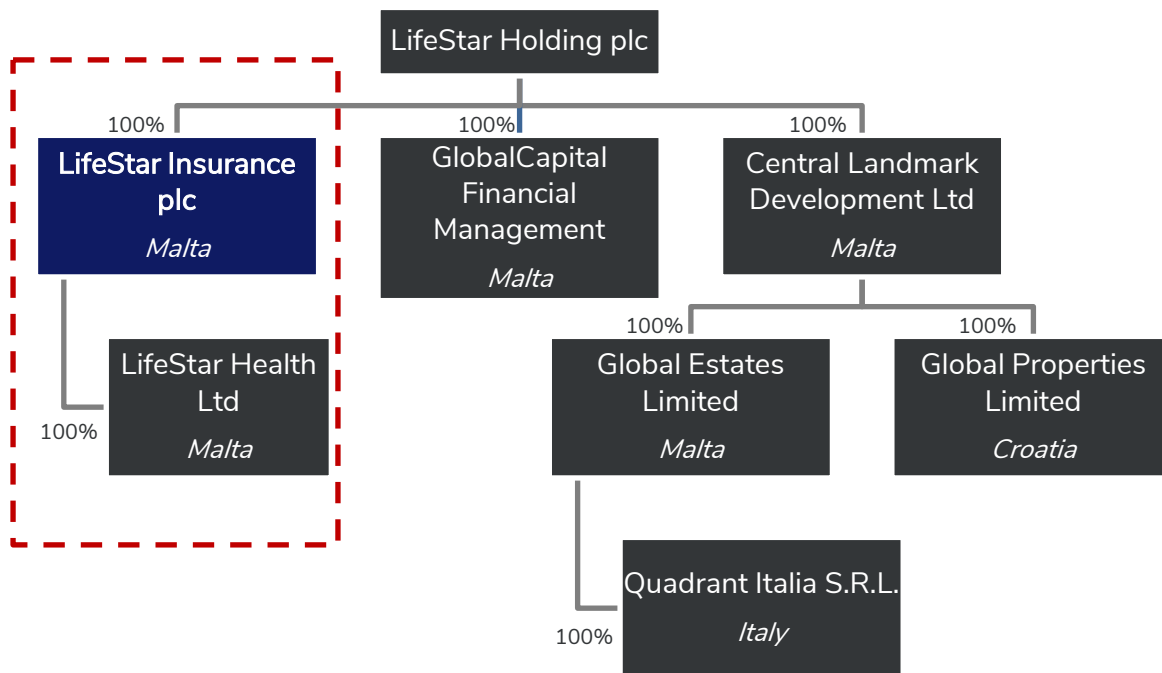
Unless it is specifically stated herein that particular information is incorporated by reference into this Prospectus, the contents of the Company's website (or any other website referred to herein) or any other website directly or indirectly linked to the Company's website do not form part of the Prospectus. Accordingly, no reliance ought to be made by any investor on any information or other data contained in such website as a basis for a decision to invest in the Shares.

4.2 LifeStar Holding

Legal & Commercial Name:	LifeStar Holding p.l.c.
Company Registration Number:	C 19526
Legal Form:	public limited liability company established under the Companies Act
Legal Entity Identification Number:	213800ITI6O1U2UXH389
Place of Registration & Domicile:	Malta
Date of Registration:	21 December 1995
Registered Office Address:	LifeStar Holding p.l.c., Testaferrata Street, Ta' Xbiex, Malta, XBX 1403
Telephone Number:	+356 21 342 342
E-mail Address:	info@lifestarholding.com
Website:	https://lifestarholding.com

4.3 Group Organisational Structure

The following diagram illustrates the corporate structure of the Group as at the date of the Prospectus:



Note: LifeStar Health has a fully paid up share capital of €174,702.98 divided into 70,000 profit participating ordinary "A" shares of approximately €2.33 each, all held by the Company, and 5,000 non-profit participating "B" shares of approximately €2.33 each held by BUPA Investments Limited (of BUPA House, 15 – 19 Bloomsbury Way, London WC1A 2BA, United Kingdom). All the shares in LifeStar Health carry equal voting rights.

5. BUSINESS OVERVIEW

5.1 Business Overview of the Company

5.1.1 Historical Development and Recent Events

The Company (formerly, British American Insurance Co. (Malta) Ltd) was incorporated on 21 December 2001, with registration number C 29086.

On 15 January 2003, the MFSA authorised the Company to carry on long-term business of insurance in Malta as principal under Class I (Life and Annuity) and on 6 July 2007 the MFSA licensed the Company under Class III (Linked Long Term), in terms of the Insurance Business Act. In January 2003, the Company took over the Maltese insurance business portfolio of BAI Co (Mtius) Ltd (registration number O6007513 (formerly British American Insurance Co. (Mtius) Ltd)), which had been carrying on life assurance business in Malta since 1965.

The Company's total assets increased from €134.6 million in 2018 and €150.2 million in 2019 to €160.5 million in 2020 representing a compound annual growth rate of 9.2%.

Whilst gross written premium was €12.0 million in both 2018 and 2019, it has increased by 9.7% in 2020, reaching €13.2 million.

Over the years, the Company has abided by regulatory obligations including the Solvency II Directive (Directive 2009/138/EC), which stipulates the minimum capital requirement and the Solvency Capital Requirement it is expected to maintain. The Company's SCR ratio was 158% as at the end of 2020 (2019: 174%), in excess of its regulatory obligations and of its own target SCR ratio of 140%. Further information about the Company's SCR ratio is set out in Section 8.

During recent periods in particular, the Company has been undertaking a number of restructuring and transformation initiatives, with the objective of further enhancing operational efficiencies, long-term profitability and corporate governance structures.

The Company continues to monitor the impact of the COVID-19 outbreak, which has the potential of impacting both the insurance operations (as a result of the impact on demand for discretionary life, health, and mortgage linked life insurance) and the investment portfolio. However, the Company is of the view that the main impact so far of the COVID-19 outbreak has been limited to the volatility in financial markets and its effect on investment returns.

The Share Offer, the net proceeds of which shall be to the benefit of LifeStar Holding and constitute the part realization of LifeStar Holding's stake in the Company, are part of a wider restructuring of the Group.

5.1.2 Principal Activities and Markets

The Company is a provider of life insurance products offering a comprehensive range of protection, savings, investment and pension products. The Company provides both single

premium and regular premium interest-sensitive saving products, unit-linked insurance-based investment products, pension products as well as protection products including level and decreasing term, critical illness and group life policies.

The Company provides two main innovative products, namely a Cancer Care Plan and Real Life Plan, both being the first of their kind on the market. Beneficiaries of the Cancer Care Plan receive a sum of up to €100,000 in the event of a cancer diagnosis. Amongst other things, the Cancer Care Plan has been designed to help provide for loss of income; cover short term debts; and help for day-to-day treatment expenses. The Real Life Plan is a unit-linked, whole of life policy, based on the insured's preferences, investment goals and risk tolerance which allows customers to choose the funds they want to invest in. As a plan with a choice of death benefit, customers may also choose the type of payment which is made to beneficiaries. The Company also introduced pension products in 2020, also enhancing cross-selling opportunities and its range of products.

In general, the Company is able to offer a personalised and flexible service through its network of tied insurance intermediaries.

The Company expects to continue to grow organically, targeting opportunities in the protection and unit-linked markets.

In addition to the technical contribution to the profit and loss account generated from the above listed segments, the Company also earns income on its investment portfolio. The Company manages a wide range of financial investments, including equities, fixed income securities and, to a lesser extent, investment properties.

Investment performance remains key to the Company's overall profitability as is typically the case with most life insurers. The Company's strategic asset allocation is determined following thorough investigations and asset liability modelling and aims to maximise returns subject to pre-defined risk tolerance limits that safeguard against unwanted market risk. The Company's investment portfolio is managed by experienced portfolio managers and their performance is reviewed at least quarterly by the Company's Asset Liability Committee (ALCO) and the Board.

The Company also owns a majority stake in LifeStar Health, formerly GlobalCapital Health Insurance Agency Limited, which is duly licensed by the MFSA to act as an insurance agent for Sickness Insurance (General Business) and acts as a branch of BUPA, which has passported into Malta under the EU provisions of Freedom of Establishment.

The agency activity conducted in Malta by LifeStar Health constituted the first BUPA agency of its sort outside the United Kingdom. As the exclusive agent in Malta for BUPA, LifeStar Health is engaged in the promotion, administration and provision of health insurance cover for individuals and groups in Malta. LifeStar Health also provides BUPA with client and back-office support services in respect of its local business in Malta. Accordingly, the economic viability of LifeStar Health depends on its business arrangement with BUPA, the termination or modification of which could have a significant and adverse effect on the business of LifeStar Health and consequently on the Company.

The following table summarises the total gross premium income of the Company which comprises individual insurance contracts and group insurance contracts.

€000	2018	2019	2020
Periodic premiums	5,220	6,777	6,740
Single Premiums	6,798	5,255	6,456
Total gross premium income	12,018	12,032	13,196
Individual insurance contracts	11,538	11,572	12,796
Group insurance contracts	480	460	400
Total gross premium income	12,018	12,032	13,196

5.1.3 Strategy and Objectives

The Company aspires to be the best life insurance company in Malta by providing value for money and innovative insurance solutions. The Company's aim is for its brand to be synonymous with innovation.

The Company's goal is to add long-term value to its shareholders by growing the business sustainably and ensuring strong profitability.

The Company's key objectives include:

- enhancing its market share through sustainable growth;
- expanding its business in other European and non-European markets;
- improving the efficiency of the sales network by implementing paperless processes;
- diversifying the distribution by identifying cheaper and more efficient distribution channels;
- enhancing customer experience and operational efficiency by implementing new technology and artificial intelligence solutions;
- enhancing its product suite with innovative and flexible insurance products and propositions;
- maintaining the highest standards of corporate governance;
- attracting and retaining qualified human resources;
- creating a dynamic organisation which encourages personal and career development.

In line with the key objectives outlined above, in 2018, the Group embarked on a major restructuring process in the run-up to rebranding by streamlining procedures, introducing efficient working practices, and reorganising the management structure to bring about better performance, improved corporate governance and enhanced competitiveness in the market.

The Company recently implemented a front office system, a digital tool for the sales force which replaced the traditional processes with more efficient, cheaper and paperless processes. This digital solution is expected to enhance drastically the sales process and the customer experience.

The Company is also seeking a strategic distribution partner in the local market to further diversify its distribution channels and increase its market share, whilst considering strategic partnerships in other EU and non-EU jurisdictions.

The Company has been investing in the recruitment of highly qualified personnel, covering key tasks including senior management, product development, and business analysis. Business processes and internal controls are being enhanced, with a particular focus on business continuity and disaster recovery. The Group also invested in areas of regulatory and compliance risk, including upgrades of Anti Money Laundering and Funding Terrorism (AMLFT) policies and technology.

The Company is in the process of acquiring a new accounting system in preparation for the implementation of the new insurance accounting standards IFRS17 effective from 01 January 2023. This will also give the Company the opportunity to engage into a transformation of the finance function by reviewing and automating the operations of the financial and reporting processes as well as enhancing the granularity of management information. Timely and comprehensive reports should allow management to monitor better the performance of the Company and take immediate corrective actions when necessary.

As from the beginning of 2020, the Company engaged a new reinsurer in order to reduce the counter party and concentration risk exposure to one reinsurer, also reducing underwriting costs and streamlining operational processes.

With respect to the investment side of its business, the Company has implemented a new investment policy framework, enhancing its asset and liability management in order to reduce the volatility of its profit and loss account. The Company's investment strategy seeks to preserve capital and assets, while maintaining liquidity and maximising returns for its customers and shareholders.

In 2020 the Group rebranded to "LifeStar". The new name is part of the Group's rebranding effort and reflects the strategic decision of the Group to concentrate on what it does best - insurance.

5.1.4 Trend Information

Trends in the insurance industry

According to the National Statistics Office ("NSO") figures, in 2019, Malta's gross domestic product increased by 6.8% over that registered in 2018.

Statistics published by the Malta Insurance Association ("MIA") indicate that Malta's non-life insurance penetration rate was 1.65%, while the penetration rate of life insurance was 2.86% in 2019¹.

¹ Source: Malta Insurance Association Annual Report 2020

In Europe, the life insurance premium spent per capita declined from €1,246 in 2018 to €1,163 in 2019. According to statistics published by Insurance Europe (<https://www.insuranceeurope.eu>) an average of €2,085 per capita was spent on insurance in Europe in 2019 - €1,163 was spent on life insurance and €248 on health and €680 on other non-life insurance.

In Malta, a per capita average of €439.10 was spent on non-life business insurance in 2019, compared to €406.28 in 2018. On the other hand, insurance density in the long-term business segment decreased in 2019: on a per capita basis, an average of €764.17 was spent on long-term business, compared to an average of €839.95 in 2018.

According to MIA statistics, in 2019, total insurance premia in Malta amounted to €595.62 million, decreasing by 3.17% over the total insurance business of €615.09 million which had been generated in 2018.

The decrease in total insurance premia in 2019 was mainly due to the life insurance decline of 8.76%, which followed increases of 5.29% (2018) and 10.24% (2017).

Non-life insurance business experienced a rise of 8.39% in 2019, compared to the increases of 9.49% in 2018 and 7.66% in 2017.

Health Insurance grew by 8.33% in 2019, following a rise of 10.62% in 2018.

The insurance sector was not spared from the impact of COVID-19 and while it's far too early to consider the effects this pandemic may have had on the industry, the sector continues to face challenges which are possibly unprecedented in recent history.

Trends in the life insurance industry

According to the MIA report, in the domestic market, life insurance business is carried out by five insurance companies, with the demand for life insurance products having experienced a drop of 8.76% in 2019, to €378.26 million, as compared with 2018. Life premiums for 2019 represented 63.51% of the total life and non-life premiums.

The number of single premium policies in 2019 increased by 4.5% over 2018, after experiencing an increase of 10.78% in the previous year. On the other hand, the number of periodic premium policies had experienced a 1.69% increase in 2019, after dropping minimally by 0.49% in 2018.

Benefits paid under life policies increased by 20.47%, from €246.62 million in 2018 to €297.11 million in 2019. Maturity payments amounted to €201.97 million and represented 67.98% of all benefits, whereas the portion of surrender payments decreased minimally in 2019 to 24.04% of all benefits. Death benefits experienced a substantial drop from €43.07 million in 2018 to €23.7 million in 2019 reflecting a drop in the proportion of all benefits from 17.47% in 2018 to 7.98% in 2019.

In 2019, 82.08% of the life premiums originated from financial institutions, 2.02% came from brokers, whilst 11.82% was sourced from insurance intermediaries. Direct employees were responsible for generating 3.91% of this business and a minor 0.17% was classified as generated from 'other sources'.

Trends in the health insurance industry

With reference to the MIA report, the basket of insurers who contributed to local health insurance market consists of 9 companies.

The gross written premium in the private health insurance sector reached €36.52 million, having increased by 8.33% in 2019. This increase compares well with the second-highest ever increase registered in 2018 (over 2017) where premiums written registered an increase of 10.62%. The highest recorded increase is the one registered in 2015 at 11.97%.

Health insurance claims amounted to €18.17 million in 2019, compared to €17.70 million in the previous year. The loss ratio dropped from 54.59% in 2018 to 51.35% after having decreased progressively on an annual basis since 2014, when it stood at 64.39%. It had remained rather stable in 2017 and 2018.

Health insurance premiums remained stable over 2018 and 2019 and represented 16.8% of the total non-life written gross premiums.

5.1.5 Investments

The Company did not make any material investments during the three-year period ending 31 December 2020.

Other than its majority stake in LifeStar Health (as set out in Section 5.1.2), the Company does not have, as at the date of this Prospectus, any material investments that are in progress or for which firm commitments have already been made.

The Company does not have, as at the date of this Prospectus, any joint venture arrangements in place in which the Group holds a portion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.

There are no environmental issues that may affect the Company's utilisation of its tangible fixed assets.

5.1.6 Regulatory Environment

The Company and LifeStar Health are licensed by the MFSA under the Insurance Business Act and the Insurance Distribution Act respectively. Accordingly, both companies are subject to solvency capital requirements under European law.

Solvency II stipulates requirements on Eligible Own Funds, the calculation of technical provisions, valuation of assets and liabilities, regulatory reporting and disclosures as well as the governance structure of insurance companies. The Company has had to comply with the Solvency II regime as from 01 January 2016 in accordance with its statutory obligations. Solvency II provides for risk-sensitive standards in relation to capital requirements, aims to align capital requirements for insurance companies with those applicable to banks and investment firms in order to avoid regulatory arbitrage, as well as to align regulatory capital with economic capital and bring about an enhanced degree of public disclosure. The Solvency

II regime has created a stricter and more comprehensive regulatory framework (compared to the supervisory and solvency rules existing pre-2016 i.e. the 'Solvency I' regime) for insurance and re-insurance companies within the EU. As a result, solvency and capital ratio requirements for insurance and reinsurance companies have become more onerous compared to the previous Solvency I regime and also result in solvency capital ratios becoming more volatile.

In the event that the Company should, at any time, have inadequate Eligible Own Funds to meet the applicable regulatory capital requirements, the Company could be subjected to regulatory sanctions which may have a detrimental effect on the ongoing insurance business activity of the Company, and in the most extreme case could lead to the suspension or termination of the Company's insurance business activity. In addition, the imposition of fines could have a material adverse effect on the assets, financial position and earnings of the Company. Moreover, the violation of regulatory requirements could lead to intensified supervision of the Company and, accordingly, to an increase in operational expenses.

The Company is also subject to certain sections of the IDD which regulates how insurance products are designed and distributed in the European Union. Violation of the regulatory requirements of IDD could lead to the distribution of certain products being terminated, which will impact the revenue of the Company.

The Company is also subject to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("**SFDR**"). The SFDR requires financial market participants (including the Company) to make pre-contractual and ongoing disclosures to investors regarding the integration of sustainability risks and impacts of adverse sustainability as well as the promotion of ESG characteristics and sustainable investments. The Company is currently implementing processes and policies to ensure full compliance with SFDR.

6. FINANCIAL INFORMATION

6.1 Historical Financial Information

For the financial years ended 31 December 2018, 2019 and 2020, the Company and LifeStar Health prepared separate financial statements, which have all been audited and filed with the Malta Business Registry and/or the Listing Authority and shall be deemed to be incorporated by reference in, and form part of, this Prospectus.

As LifeStar Holding prepares consolidated financial statements, in line with the provisions of Section 174 of the Companies Act, the Company was not required to prepare consolidated financial statements for the Company and LifeStar Health.

As from financial year ended 31 December 2020, the Company prepared consolidated financial statements for the Company and LifeStar Health, a copy of which has been audited and filed with the Malta Business Registry and the Listing Authority. Such financial statements, together with the auditors' reports thereon, shall be deemed to be incorporated by reference in, and form part of, this Prospectus. This Prospectus also makes reference to the consolidated financial statements of the Company and LifeStar Health for the financial years ended 31 December 2018 and 2019. Whilst the consolidated accounts for years ended 31 December 2018 and 2019 have not been audited, the separate financial statements of the individual companies were audited as noted above.

The aforementioned financial statements are also available for inspection as set out in Section 21 of this Prospectus.

These financial statements of the Company and the consolidated financial statements have been drawn up in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

There has been no significant change in the financial position or performance of the Company or LifeStar Health since 31 December 2020 (being the end of the last financial period in respect of which the Company and LifeStar Health has published financial information).

Table of key cross-references

Key References

Information incorporated by reference in the Prospectus	Page Number in Annual Reports		
	Financial year ended 31 December 2020	Financial year ended 31 December 2019	Financial year ended 31 December 2018
LifeStar Insurance p.l.c. – consolidated financial statements			
Consolidated Statements of Comprehensive Income	5-6	n/a	n/a
Consolidated Statements of Financial Position	7	n/a	n/a
Consolidated Statements of Cash Flows	10	n/a	n/a
Notes to the Consolidated Financial Statements	11-69	n/a	n/a
Independent Auditors' Reports	70-75	n/a	n/a

LifeStar Insurance p.l.c. – separate financial statements			
Statements of Comprehensive Income	5-6	5-6	4-5
Statements of Financial Position	7	7	6
Statements of Cash Flows	10	9	8
Notes to the Financial Statements	11-68	10-68	9-57
Independent Auditors' Reports	69-74	69-76	58-65
LifeStar Health Limited – separate financial statements			
Income Statements	4	1	1
Statements of Financial Position	5	2	2
Statements of Cash Flows	n/a	n/a	n/a
Notes to the Financial Statements	6-16	3-13	3-12
Independent Auditors' Reports	17-19	14-16	13-15

6.2 Selected Financial Information

6.2.1 Statement of comprehensive income

The table below sets out a condensed statement of comprehensive income of the Company and its subsidiary LifeStar Health for the financial years ended 31 December 2018, 31 December 2019, and 31 December 2020. The financial information for the financial years ended 31 December 2019 and 2020 was extracted from the audited consolidated financial statements of the Company.

Consolidated statement of comprehensive income for the financial year ended

€000	2018	2019	2020
Earned premiums, net of reinsurance			
Gross premiums written	12,018	12,032	13,196
Outward reinsurance premiums	(1,500)	(1,667)	(1,648)
Earned premiums, net of reinsurance	10,517	10,365	11,549
Net investment income	845	4,062	1,579
Investment contract fee income	933	1,361	1,727
Total technical income	12,296	15,788	14,855
Benefits and claims incurred, net of reinsurance			
Benefits and claims paid			
- gross amount	7,772	9,150	11,309
- reinsurers' share	(783)	(479)	(956)
	6,989	8,670	10,353
Change in the provision for claims			
- gross amount	(110)	(190)	41
- reinsurers' share	260	(135)	(93)
	150	(325)	(52)
Benefits and claims incurred, net of reinsurance	7,139	8,346	10,301
Change in other technical provisions, net of reinsurance -			
Insurance contracts			
- gross amount	4,199	5,672	2,064
- reinsurers' share	(3,927)	(4,074)	(3,204)
	272	1,598	(1,140)
Investment contracts with DPF - gross	3,012	1,588	2,418

Investment contracts without DPF - gross	92	127	90
Change in other technical provisions, net of reinsurance	3,376	3,312	1,368
Net operating expenses	3,094	3,630	4,524
Total technical charges	13,608	15,287	16,193
Balance on the long-term business of insurance technical account	(1,313)	500	(1,338)
Net investment Income	362	1,741	677
Commission and fees receivable	1,775	1,688	2,148
Commission payable	(86)	(85)	(83)
Other expenses (net of other non-technical income)	(1,196)	(1,602)	(926)
Finance charges	(34)	(34)	-
Movement in impairment provisions on receivables	(802)	(87)	76
Profit/(loss) before tax	(1,292)	2,120	554
Tax	354	(363)	366
Profit/(loss) after tax	(938)	1,757	921
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Increment in value of in-force business (net of deferred tax)	1,468	888	68
Revaluation of property, plant and equipment (net of deferred tax)	-	-	248
<i>Items that will be reclassified subsequently to profit or loss</i>			
Net loss on AFS financial assets (net of deferred tax)	(150)	(89)	(73)
Total comprehensive income	380	2,557	1,164

The Company's total technical income averaged at c. €14.3 million over the last three years, increasing from €12.3 million in FY2018 to €15.8 million in FY2019 (increase of 28.3%), but declining by 5.9% in FY2020, to €14.9 million. These fluctuations in technical income are attributable to investment income, given that earned premiums net of reinsurance were stable at c. €10-11 million per year which are principally generated on ordinary business. In fact, during FY2019, the Company generated investment income of €4.1 million following the positive performance of the local and international investment markets. However due to the COVID-19 pandemic, there was a negative performance in the local and international investment markets, particularly local equities, which resulted in the Company generating investment income of €1.6 million. These fluctuations in the investment market also contributed to the variations in net investment income (attributable to shareholders), from €0.4 million in FY2018, up to €1.7 million in FY2019, and decreasing to €0.7 million in FY2020. This variability was the main source of the resultant variability in the Company's bottom line.

Total technical charges have increased from €13.6 million in FY2018 to €16.1 million in FY2020. This increase is principally due to maturing and surrendering of policies, given that benefits and claims paid increased by €3.2 million, from €6.9 million in FY2018 to €10.2 million in FY2020, which is equivalent to a CAGR of 20%. The increase in technical charges is also attributable to higher net operating expenses, particularly insurance commission expenses and recharges of wages and salaries (including management fees), but was offset by a decrease in changes of technical provisions. As a result, total technical charges were higher than the technical income generated by €1.3 million in each of FY2018 and FY2020, whilst the Company generated a technical account surplus of €0.5 million in FY2019.

The commissions and fees receivable represent premia written by LifeStar Health in line with its agreements with BUPA. Although the pandemic resulted in a decrease in travel insurance as well as a decrease in premia from clients operating in the hospitality industry, this was compensated with clients postponing operations and treatments. As a result, commissions and fees receivable increased from €1.8 million in FY2018 to €2.2 million in FY2020.

Other expenses principally relate to LifeStar Health and consist of wages and salaries, professional fees, IT costs and depreciation, as well as expenses relating to the Company, which are allocated to the non-technical account, characterised predominantly by recharges, salaries and professional fees.

Finance charges were constant over the period, amounting to €34k per annum in FY2018 and FY2019, relating to interest on preference shares. As the preference shares were redeemed in FY2019 and paid in FY2020, there were no finance charges due in FY2020. The movement in provision for impairment for FY2018 relates to the impairment of a balance due from LifeStar Holding p.l.c.

Effective tax rate averaged at c. 22% of loss/profit before tax during FY2018 and FY2019, but increased to 66% during FY2020 due to Adjustment for tax rate differences on investment property revaluation and income not subject to taxation.

At a consolidated level, the Company and LifeStar Health generated a loss of €0.9 million in FY2018, a profit of €1.8 million and €0.8 million in FY2019 and FY2020 respectively – averaging at a profit of €0.5 million per annum.

Other comprehensive income includes the increment in value of in-force business and revaluation of property, plant and equipment net of deferred tax movements, both of which will not be reclassified subsequently to profit and loss, and net losses and related deferred tax consideration on available-for-sale financial assets which will be reclassified subsequently to profit and loss.

6.2.2 Statement of financial position

The table below sets out the statement of financial position of the Company and its subsidiary LifeStar Health for the financial years ended 31 December 2018, 31 December 2019, and 31 December 2020. The financial information for the financial years ended 31 December 2018, 2019 and 2020 was extracted from the audited consolidated financial statements of the Company.

Statement of financial position

€000	31-Dec-18	31-Dec-19	31-Dec-20
Assets			
Intangible assets	11,577	12,208	12,387
Right of use asset	-	20	14
Property, plant and equipment	2,049	1,978	2,072

Investment property	15,240	15,538	17,763
Investment in group undertakings	-	-	-
Other investments	73,202	78,626	83,632
Taxation receivable	778	1,080	233
Deferred tax asset	-	130	1
Reinsurers' share of technical provisions	13,359	17,568	20,749
Receivables:			
Other receivables	6,637	6,508	7,296
Prepayments and accrued income	1,754	1,915	2,013
Cash at bank and in hand	10,424	15,395	15,593
Asset held-for-sale	-	200	200
Total assets	135,021	151,166	161,955
Equity and liabilities			
Capital and reserves			
Share capital	9,970	9,170	9,170
Other reserves	10,831	11,631	11,874
Capital redemption reserve	-	-	800
Retained earnings	7,951	8,265	8,386
Total equity	28,753	29,067	30,230
Technical provisions:			
Insurance contracts	60,690	66,362	68,427
Investment contracts with DPF	24,689	26,277	28,695
Investment contracts without DPF	12,789	18,763	26,248
Provision for claims outstanding	1,323	1,133	1,057
Lease liability	-	21	15
Taxation payable	-	-	31
Deferred tax liability	1,937	2,292	1,452
Payables:			
Payables arising out of direct insurance operations	4,476	4,354	4,843
Payables due to immediate parent undertaking	34	868	-
Payables due to group undertakings	-	378	224
Other payables	95	143	98
Accruals and deferred income	235	1,510	637
Total liabilities	106,268	122,099	131,725
Total equity and liabilities	135,021	151,166	161,955

The Company and its subsidiary's total assets as at 31 December 2020 amounted to €162.0 million (31 December 2019: €151.2 million). These mainly comprise:

- Intangible assets of €12.4 million of which €10.5 million relates to the value of in-force business;
- Investment property portfolio with a value of €17.8 million. Refer to Section 7.1 for further detail;
- Other investments of €83.6 million relate to its portfolio of financial assets, out of which €74.9 million of assets are carried at fair value through profit and loss (FVTPL), €3.1 million relate to loans and receivables and €3.0 million are term deposits. The remaining investments relate to available-for-sale investments (€1.2 million) and investments in equity measured at cost (€1.4 million). Further detail on the investments is set out in section 7.2;
- Reinsurers share of technical provisions of €20.7 million;
- Other receivables of €7.3 million with the majority of the balance being receivable from related parties, and the Company's intermediate parent; and

- Cash at bank and in hand of €15.6 million.

Total liabilities as at 31 December 2020 amounted to €131.7 million (31 December 2019: €122.1 million), and consist of:

- Total technical provisions of €124.4 million. €68.4 million of the balance relates to long term insurance contracts, €28.7 million to investment contracts with discretionary participation feature, and €26.2 million to investment contracts without discretionary participation feature.
- Deferred tax liability of €1.5 million relating to fair value gains on investments, property tax, and other temporary differences.
- Total payables of €5.2 million, out of which €4.8 million are payables arising out of direct insurance operations (due to policyholders, reinsurers etc); and
- Accruals and deferred income of €0.6 million.

Total equity amounted to €30.2 million as at 31 December 2020. This is made up of €9.2 million share capital, other reserves of €11.9 million, €0.8 million capital redemption reserve and accumulated retained earnings of €8.4 million. The capital redemption reserve relates to the redemption of preference shares, which shares were redeemed during year ended 31 December 2019, but paid during year ended 31 December 2020.

6.2.3 Statement of cash flows

The table below sets out a condensed consolidated statement of cash flows of the Company and its subsidiary LifeStar Health for the financial years ended 31 December 2018, 2019 and 2020. The financial information for the financial years ended 31 December 2019 and 2020 was extracted from the audited consolidated financial statements of the Company.

Statement of cash flow for the year ended 31 December

€000	2018	2019	2020	Total 2018-2020
Cash generated from/(used in) operations				
Net cash flow generated from/(used in) operating activities	4,799	6,253	1,271	12,323
Dividends received	362	632	255	1,249
Interest received	2,033	1,859	1,177	5,069
Tax refund on tax at source	(390)	(236)	681	55
Tax paid on rental income	-	-	(91)	(91)
Net cash generated from/(used in) operating activities	6,805	8,508	3,292	18,605
Cash flows (used in)/generated from investing activities				
Purchase of intangible assets	(62)	(54)	(348)	(464)
Purchase of property, plant and equipment	(16)	(22)	(64)	(102)
Purchase of investments at fair value through profit or loss	(11,850)	(7,034)	(12,445)	(31,330)
Purchase of investments at available-for-sale	(17)	(726)	(323)	(1,066)
Purchase of investments in equity measured at cost	(1,719)	(126)	-	(1,845)
Purchase of term deposits	-	(3,502)	(1,010)	(4,513)
Proceeds on disposal of investments at fair value through profit or loss	10,601	7,972	7,977	26,550

Proceeds on disposal of available-for-sale investments	366	167	474	1,006
Net proceeds from other investments - loans and receivables	(3,010)	(212)	1,942	(1,280)
Proceeds on disposal of term deposits	-	-	1,502	1,502
Net cash (used in)/generated from investing activities	(5,709)	(3,537)	(2,294)	(11,540)
Cash flows generated from financing activities				
Interest on preference shares paid	(34)	-	-	(34)
Payment of preference shares	-	-	(800)	(800)
Net cash generated from financing activities	(34)	-	(800)	(834)
Movement in cash and cash equivalents	1,062	4,971	198	6,231
Cash and cash equivalents at the beginning of year	9,362	10,424	15,395	9,362
Cash and cash equivalents at the end of the year	10,424	15,395	15,593	15,593

During the period 1 January 2018 to 31 December 2020, the Company including its subsidiary LifeStar Health generated total cash from operating activities of €18.6 million.

Between 1 January 2018 and 31 December 2020, the Company acquired financial assets for its investment portfolio of €38.8 million, however disposed of €27.6 million of its investment portfolio. As a result, the majority of €11.5 million of the cash generated from operating activities was used to further increase the Company's investment portfolio.

Financing activities cash flows over the period relate to the payment of interest on its preference shares, as well as the redemption of its preference shares during FY2019, which was paid in FY2020. During 2017, the MFSA adopted a specific dividend restriction policy on the Company. As a result, no dividends have been paid between 1 January 2018 and 31 December 2020.

The Company together with its subsidiary had a total of €15.6 million in cash and cash equivalents as at 31 December 2020.

7. OVERVIEW OF INVESTMENTS HELD BY THE COMPANY

7.1 Overview of investment property portfolio

The Company's investment property comprises offices in Ta' Xbiex, Gzira and Mosta and a retail outlet in Fgura, all of which are rented to third parties on an arms' length basis. The investment property was revalued upwards from €15.5 million as at 31 December 2019 to €17.8 million as at 31 December 2020, with the increase attributable mainly to the offices situated at The Strand, Gzira and the head office in Ta' Xbiex.

7.2 Overview of other investments portfolio

Articles 41(3) and Article 44(2) of Directive 2009/138/EU ("the Solvency II Directive") require insurance undertakings to have an Investment Policy which governs the investment strategy of the Company.

The Company manages its investment portfolio to adequately fund the Company's technical reserves, the solvency capital requirements and surplus assets, contribute to the growth of surplus for the benefit of the shareholders and in the interest of policyholders and beneficiaries.

The Company's investment strategy is to maximize return subject to adhering to the Company's risk appetite and prudent person principle.

The key elements of the investment strategy are to:

- Ensure sufficient levels of liquid assets are held to meet all claims and expenses arising as part of normal business activity both as they fall due and in a stress scenario;
- Manage interest rate risk and liquidity risk over the long time, primarily through matching the non-linked liabilities on a IFRS basis with assets of similar duration, yield and currency;
- Cover the (non-negative) technical provisions, SCR and risk margin, with easily realizable high quality, low volatility, safe assets;
- Limit investment credit risk by investing within the credit rating limits;
- Review residual mismatched interest or credit risk exposure and recommend mitigating measures;
- Subject to the above, choose assets to maximize yields, where possible.

In order to optimize the management of different liabilities and its specific objectives, the asset portfolio has been split in different asset buckets with different strategic asset allocation addressing the specific objectives of each asset bucket. Further analysis of the investment portfolio is set in the following section, whilst a summary of the investment portfolio by measurement category is set out in the table below:

Overview of investment portfolio

€000	31-Dec-18	31-Dec-19	31-Dec-20
Fair value through profit or loss	65,085	67,144	74,930
Available-for-sale investments	1,019	1,490	1,205
Investments in equity measured at cost	2,250	1,222	1,362
Loans and receivables	4,849	5,267	3,124
Term deposits	-	3,502	3,010
Total investments	73,202	78,626	83,632

As illustrated in the above table, investments measured at fair value through profit or loss ('FVTPL'), account for 89% of investments as at 31 December 2020. The section below provides an analysis of investments accounted for in this category.

7.2.1 Investments at fair value through profit or loss

As set out below, investments measured at FVTPL principally consist of local and foreign investments in equity securities and units in unit trusts, collective investment schemes, government bonds and corporate bonds. As illustrated below, investments in collective schemes represents 34% of the portfolio as at 31 December 2020, whilst listed shares and government bonds represent 29% and 22% of the portfolio respectively.

Investments at fair value through profit or loss

€000	31-Dec-18	31-Dec-19	31-Dec-20
Equity securities and units in unit trusts:			
Listed shares	16,208	18,839	21,387
Collective investment schemes	940	646	750
	17,148	19,485	22,137
Assets held to cover linked liabilities:			
Collective investment schemes	12,157	18,005	25,400
Debt securities - fixed interest rate:			
Government bonds	19,552	17,533	16,221
Corporate bonds	16,229	12,121	11,173
	35,781	29,655	27,394
Total investments at fair value through profit or loss	65,085	67,144	74,930

Of the €11.2 million corporate bonds held as at 31 December 2020, 17.7% relate to the energy sector, 14.9% relate to the banking sector, whilst the remaining 67.4% relate to various industries, as set out in the table below.

Breakdown of debt securities at FVTPL by industry

€000s	31-Dec-18	31-Dec-19	31-Dec-20
Banks	3,960	2,259	1,662
Energy	2,516	2,635	1,985

Government	19,552	17,533	16,221
Other	9,754	7,227	7,526
	35,781	29,655	27,394

Maturity of fixed income debt securities classified as fair value through profit or loss are summarised below:

Maturity of fixed income debt securities

€000	2018	2019	2020
Within 1 year	4,254	2,828	3,232
Between 1 and 2 years	2,015	2,440	779
Between 2 and 5 years	8,661	5,492	6,092
Over 5 years	20,849	18,894	17,292
	35,781	29,655	27,394

The weighted average effective interest rate at the statement of financial position date was 5% in both 2018 and 2020, but increased to 6% in 2019.

The movements in investments classified as FVTPL for the three-year period are summarised as follows:

Movements in investments measured at FVTPL

€000s	2018	2019	2020
Year ended 31 December			
Balance at 1 January	66,951	65,085	67,144
Additions	11,850	7,034	12,445
Disposals	(10,661)	(7,972)	(7,977)
Net fair value and foreign exchange movements	(3,115)	2,996	3,318
Balance as at 31 December	65,025	67,144	74,930
At 31 December			
Cost	60,633	59,695	64,163
Accumulated fair value and foreign exchange gains	4,452	7,449	10,767
Net book amount	65,085	67,144	74,930

7.3 Return generated on the investment portfolio

Investment performance remains key to the Company's overall profitability, and as set out in the table below, the Company generated an aggregate return of €9.3 million on its total investment portfolio between FY2018 and FY2020 which includes both investment income as well as movements in fair value. Of this, €4.9 million was generated on the Company's investment property whilst €4.4 million was generated on the other investments.

Investment return and fair value movements

€000	FY2018	FY2019	FY2020
Investment income			
Rental income from investment property	580	611	690
Dividends received from:			
- investments at fair value through profit or loss	467	739	227

- available-for-sale investments	19	50	18
Interest receivable from:	-	-	-
- other loans and receivables	458	591	314
- investments at fair value through profit or loss	1,564	1,265	1,096
- available-for-sale investments	11	3	1
Other income	2	37	91
	3,101	3,295	2,437
Investment charges and expenses			
Investment management charges	(127)	(38)	(47)
Amortisation of premium	(60)	-	-
Loans and receivables write off	-	(16)	-
Reversal of impairment/(impairment loss) on non-quoted equity	-	(1,222)	205
	(187)	(1,276)	158
Movement in fair value			
Net fair value gain on investment property	474	498	2,056
Net fair value gain/ (loss) on investment – bonds	(1,801)	1,745	(473)
Net fair value gain/ (loss) on investment – equity and collective investment schemes	(379)	1,540	(1,922)
	(1,707)	3,783	(339)
Total investment return	1,207	5,802	2,256
Allocated as follows:			
Technical profit and loss account	845	4,062	1,579
Non-technical profit and loss account	362	1,741	677

During FY2020, the Company generated investment income of €2.4 million. Of this, €0.7 million relates to rental income from investment property, which based on investment property of €17.8 million as at 31 December 2020 equates to a return of 3.9%. The remaining €1.7 million was generated from the Company's other investments, which based on a portfolio of €83.6 million as at 31 December 2020 equates to a return of 2.1%. Furthermore, due to the pandemic, there was a negative performance of the local and international investment markets on its investment portfolio and as a result, the Company registered a negative fair value movement of €2.4 million on its portfolio.

8. CAPITAL RESOURCES

The Company and its subsidiary's operations are financed solely through equity and reserves, given that it has no loans with third parties or related parties. The consolidated equity value amounted to €30.2 million as at 31 December 2020, comprising share capital of €9.2 million, capital redemption reserve of €0.8 million; accumulated retained earnings of €8.4 million and other reserves of €11.9 million. The other reserve includes: (i) €10.1 million being the value of in-force business; (ii) €1.3 million relating to the property revaluation reserve; and (iii) €0.4 million relating to unrealised gains.

The Directors are not aware of any material change in the Company's borrowing and funding structure since the end of the latest financial year ended 31 December 2020, save for the Subordinated Bond Issue which is being undertaken by the Company concurrently with the Share Offer and the Exchange Offer made by LifeStar Holding pursuant to this Prospectus.

8.1 Capitalisation and indebtedness

This section summarises the consolidated capitalisation and indebtedness of the Company as at the date of this Prospectus.

Statement of Capitalisation

	Date of this Prospectus
Total current debt (including current portion of non-current debt)	0
Guaranteed	0
Secured	0
Unguaranteed	0
Total non-current debt (including current portion of non-current debt)	0
Guaranteed	0
Secured	0
Unguaranteed	0
Shareholder equity	€ 30,230,250
Share capital	€ 9,169,870
Legal reserve	€ 800,000
Other reserves and retained earnings	€ 20,260,381

The Company's objectives when managing capital are:

- to comply with the insurance capital requirements required by the Maltese insurance regulator, the MFSA;
- to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing insurance contracts commensurate with the level of risk.

In order to maintain or adjust the capital structure, the Company may issue new shares, subordinated bonds or capitalise contributions received from its shareholders.

As of 1 January 2016, the Solvency II Directive (2009/138/EC) came into force with new regulatory requirements that ascertain the level of capital required on the basis of the risks the Company undertakes. Solvency II also outlines how the Eligible Own Funds shall be derived by converting the statement of financial position from an IFRS perspective to one where assets and liabilities are measured in line with their underlying economic value.

The Directors are actively involved in the implementation of the Solvency II rules and these are highly embedded in the Company's operations and regular monitoring of the SCR is considered crucial.

The Company is required to hold regulatory capital for its long term insurance business in compliance with the Solvency II Directive. The Solvency II Directive stipulates the Minimum Capital Requirement ("MCR") and the SCR that the Company is required to hold. The MCR and SCR must be maintained at all times throughout the year.

Based on the audited SCR calculations as at 31 December 2020, the Company has complied with the capital and solvency requirements as stipulated in the rules issued by the MFSA. Going forward, the Company is also expected to continue meeting the Solvency II requirements, based on the projected SCR calculations. In the case of any solvency gap, the Directors will have to put in place a capital plan aimed to ensure that the Company will have adequate 'Own Funds' to meet the required SCR.

	2018	2019	2020
SCR	15.5 mil	15.8 mil	15.6 mil
Own Funds	26.06 mil	27.49 mil	24.6mil
SCR ratio	168%	174%	158%

The Company maintains a solid capital position. At the 31 December 2020, the SCR amounted to €15.6 million, €15.8 million in 2019 and €15.5 million in 2018 respectively.

The Eligible Own Funds available to cover this requirement amounted to €24.6million as at 31 December 2020, €27.49 million in 2019 and €26.06 million in 2018. Hence, the ratio of Eligible Own Funds to SCR at the reference date amounted to 158% (174% in 2019 and 168% in 2018). The Company has a target SCR ratio of 140%.

The Company also undertakes re-insurance to mitigate the underwriting risks. The re-insurance strategies undertaken by the Company enables it to reap SCR efficiencies. The Board reviews the SCR ratio on a quarterly basis to ensure there is a sufficient capital to meet the Company's operational needs.

The Company is expected to maintain a robust capital position which is highly resilient to stressed conditions.

In order to ensure that it retains sufficient levels of liquidity during the Covid-19 pandemic, LifeStar Holdings entered into a loan agreement with BOV, dated 2 June 2020 (as amended on 31 December 2020) pursuant to which LifeStar Holdings obtained a €3 million loan from BOV under the Malta Development Bank ("MDB") COVID-19 Guarantee Scheme approved by the European Commission on 2 April 2020 under the "Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak" published on 19 March 2020 (the "BOV MDB Covid-19 Assist Loan"). The BOV MDB Covid-19 Assist Loan benefits from the support of a guarantee by the MDB (the "MDB Guarantee"). As a result of the MDB Guarantee, LifeStar Holdings benefits from an interest rate that is lower than the standard interest rate charged by BOV on similar facilities. In addition, LifeStar Holdings also benefits from a reduced collateral requirement, such that it is required to provide less collateral to BOV as security for the loan, than would typically be required by BOV in respect of similar facilities.

On 2 June 2020, the Company entered into the BOV Guarantee Agreement with BOV, pursuant to which the Company guaranteed the said €3 million loan granted to LifeStar Holdings by BOV. The aggregate amount payable by the Company under the guarantee is limited to €3 million together with interest. This guarantee is considered by the MFSA to encumber the Company's own funds in terms of Solvency II. In accordance with regulatory guidance received from the MFSA, the Company has deducted an amount equivalent to €3 million from Eligible Own Funds, which has resulted in the deterioration of the SCR ratio mentioned above. The SCR ratio without the said encumbrance would be 177%. LifeStar Holding intends to take steps to settle the BOV MDB Covid-19 Assist Loan and, consequently, to terminate the BOV Guarantee Agreement in the near future which will remediate the encumbrance on own funds of the Company. The Company expects to maintain a robust capital position which is highly resilient to stressed conditions.

On 26 February 2009, the Company issued 343,440 preference shares, having a nominal value of €2.329373 per share and bore interest at the rate of 4.25% per annum to GlobalCapital Holdings Limited (which subsequently merged with LifeStar Holding), which preference shares matured in February 2019. Upon obtaining the necessary regulatory approval, GlobalCapital Holdings Limited redeemed all of the said 343,440 preference shares at the redemption price of €800,000 on 5 June 2020.

Consolidated statement of indebtedness

Date of this Prospectus

A	Cash	€ 15,593,372
B	Cash equivalents	0
C	Other current financial assets	€ 83,632,062
D	Liquidity (A+B+C)	€ 99,225,434
E	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	0
F	Current portion of non-current financial debt	0
G	Current financial indebtedness (E+F)	0
H	Net current financial indebtedness (G-D)	(€99,225,434)
I	Non-current financial debt (excluding current portion and debt instruments)	0
J	Debt instruments	0
K	Non-current trade and other payables	0
L	Non-current financial indebtedness (I+J+K)	0
M	Total financial indebtedness (H+L)	(€99,225,434)

8.2 Working Capital Statement

The Board, after reasonable inquiry, is of the opinion that the working capital available to the Company and its subsidiary LifeStar Health is sufficient for the Company's and its subsidiary's present business requirements for the next twelve (12) months of operations. Given that the Share Offer being made pursuant to this Prospectus is being made by LifeStar Holding, and any income generated therefrom will be for the exclusive benefit of LifeStar Holding, the statement provided in this Section 8.2 does not take into consideration the income generated from the Share Offer.

9. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT OF THE COMPANY

9.1 Directors and Officers

The Memorandum of Association of the Company provides that the business and affairs of the Company shall be managed and administered by a Board of not less than three (3) and not more than nine (9) Directors. Directors of the Company are appointed by means of an ordinary resolution taken in general meeting.

The Company is currently managed by a Board of four (4) Directors who are responsible for the overall direction, management and strategy of the Company. As at the date of this Prospectus, the Board is composed of the following persons:

Name	Designation	Date of Appointment
Paolo Catalfamo	Non-Executive Director & Chairman	11 December 2015
Cristina Casingena	Executive Director	3 September 2018
Joseph C. Schembri	Independent Non-Executive	9 June 2015
Mark Bamber	Independent Non-Executive	23 April 2021

The Board currently consists of one (1) executive Director, who is entrusted with the Company's day-to-day management and three (3) non-executive Directors, the majority of whom are also independent of the Company and the Group. The main functions of the non-executive Directors are to monitor the operations and performance of the executive Directors, as well as to review any proposals tabled by the executive Directors. In their capacity as members of the Audit Committee (as described in Section 10.1 below), the non-executive Directors sitting on the Audit Committee also have a crucial role in monitoring the activities and financial performance of the Company.

In addition to the Directors, the senior management of the Company comprises:

Name	Designation
Jonathan Camilleri	Chief Operations Officer
Roberto Apap Bologna	Chief Finance Officer
Adrian Mizzi	Chief Information Officer
Michael Schembri	Head of Legal & Compliance

The business address of the Directors and the senior managers is that of the Company. The *curriculum vitae* of each the Directors and senior managers are set out in Section 9.2 below.

A list of all current and past directorships of Board members and senior managers over the past five (5) years is set out at Annex A of this Prospectus.

None of the Directors or the senior managers have been: (a) convicted in relation to fraud or fraudulent conduct; (b) made bankrupt or associated with any liquidation or insolvency caused by action of creditors; (c) the subject of any official public incrimination or sanction by any statutory or regulatory authority; or (d) disqualified by a court from acting as director or manager.

Other than Prof. Catalfamo's indirect interest of 78.1% in the Company through Investar (refer to Sections 9.3 and 12 below), none of the Directors or senior managers currently hold any Shares or options over Shares directly.

The company secretary of the Company is Dr. Clinton Calleja, holder of Maltese identity card number 210080(M).

9.2 Curriculum Vitae of the Directors and Senior Managers

Directors

Paolo Catalfamo

Apart from being the Company's chairman, Prof Paolo Catalfamo is the founder of Investar, based in Malta, Luxembourg, Switzerland and the US, and Adjunct Professor at the Villanova University in Philadelphia. He serves as Chairman of LifeStar Holding, LifeStar Health Limited and Chairman of GlobalCapital Financial Management, the latter two being regulated by the Malta Financial Services Authority. He's a board member of Centtrip Ltd, a London-based fintech company regulated by the UK Financial Conduct Authority. Previously, he served as Deputy Chairman and CEO for Italy and Southern Europe of Franklin Templeton, the third largest independent asset management group worldwide.

Joseph C. Schembri

Mr Schembri is a consultant with Baker Tilly Malta. Mr Schembri is a certified public accountant and auditor. He was an audit partner of Joseph Tabone & Co and Senior Partner of KPMG Malta, as well as a board member of the KPMG regional practice specialising in Financial Services. Mr Schembri has also acted for a three-year period as director of EneMalta Corporation and as a member on the Disciplinary Committee of the Malta Institute of Accountants. Mr Schembri was actively involved in the setting up of a KPMG member firm in Libya, acting as risk management principal as well as audit principal for foreign owned oil and gas clients operating in Libya. Mr. Schembri is the chairman of the Audit and Risk Committee and he also sits on the Remuneration and Nominations Committees of the Board.

Cristina Casingena

Mrs Casingena is the Chief Executive Officer and a director of the Company. She is an actuary by profession with 25 years' experience in the life insurance industry. Before joining LifeStar Insurance, Mrs. Casingena worked for nine years with HSBC Life Assurance (Malta) Ltd where she had different roles including Head of Asset-Liability Management, Solvency II lead, Head of Business Management and Chief Investment Officer. Mrs. Casingena worked also in the Romanian life insurance market where she held various actuarial roles. She graduated from

the West University of Timisoara, Romania, Faculty of Mathematics and she has a Masters in Actuarial Science from the Academy of Economic Studies, Bucharest, Romania. Mrs. Casingena is actively involved in the local actuarial community and she is currently the President of the Malta Actuarial Society.

Mark Bamber

Mr Bamber is a mature and experienced professional. He is a qualified and highly experienced econometrician, and holds a long track record as an entrepreneurial business advisor. He held several senior positions in KPMG over two decades, and was a partner of the firm in Malta and overseas for over fifteen years. Mr. Bamber has advised multiple entities in the public and private sectors on diverse business issues. Mr. Bamber brings banking experience and familiarity with prudential and supervisory regulation. Mr. Bamber holds a Bachelor's degree in Business Management from the University of Malta, a Master of Science in Financial Economics from the University of London, UK and a Masters in Business Administration from the Henley Management College & Brunel University, UK.

Senior Managers

Jonathan Camilleri

Mr Camilleri is the Group Chief Operations Officer. Having worked in the Insurance Industry since October 2006, Mr. Camilleri has a wealth of experience, acquired through occupying the role of Life Operations Manager for LifeStar Insurance as well as Managing Director & Bupa Branch Manager for the LifeStar Health. Before joining the Company, Mr. Camilleri worked for a composite Insurance Company authorised by the MFSA for eight years where he held various posts, including that of Manager of the Life Department. Mr. Camilleri holds a Bachelor's degree in Banking & Finance and Management and a Master's in Business Administration, both from the University of Malta.

Roberto Apap Bologna

Mr Apap Bologna is the Group Chief Financial Officer. Mr. Apap Bologna joined the company on 01 October 2020 to head the Finance Function of the Group. His main areas of responsibility include the co-ordination of regulatory reporting of financial information relating to the various group entities.

Before joining LifeStar Mr Apap Bologna held various senior financial positions with one of Malta's leading financial institutions. He then headed the Finance function of a local composite insurance company. Mr Apap Bologna holds a B. Accountancy (Hons) degree from the University of Malta and is also an Associate of the Chartered Institute of Bankers. He is a Certified Public Accountant and a member of the Malta Institute of Accountants.

Adrian Mizzi

Mr Mizzi is the Group Chief Information Officer and is responsible for the IT aspects of the Group. Previously he was a Director at a Big 4 firm and headed the IT Advisory division. He is a seasoned IT professional who has worked extensively in the strategy formulation and management of information technology. As a senior IT leader, he was involved with

numerous organisations in various industries where he helped them to apply IT for cost reduction, competitive advantage and compliance requirements. Mr. Mizzi was involved in setting up the IT operations of two of the three mobile operators in Malta.

Mr Mizzi holds an engineering warrant and an MBA with distinction from the University of Malta.

Michael Schembri

Mr Schembri is presently the Group Head of Compliance & Legal Department. He joined the Group in 2015 moving in from a compliance position with a US based Forex Broker in Malta and a previous stint with GlobalCapital in 2011. Previously, Mr Schembri worked with two local banks, starting off his career as a pupil worker with Mid Med Bank Limited and then moving on to Bank of Valletta plc, where he graduated in Financial Services and completed a Masters in Business Administration, both through Universities in the UK. He has also obtained distinctions in a compliance diploma approved by the local regulator and certificates in Anti Money Laundering and Financial Crime Combat through the International Compliance Association of the UK.

9.3 Conflicts of Interest

Apart from serving as a director and chairman of LifeStar Holding, LifeStar Health Limited and GlobalCapital Financial Management, Prof. Paolo Catalfamo is also a director and holds all (except for one) of the shares in Investar, which as at the date of this Prospectus (a) indirectly holds 78.1% of the Company's Shares (through its shareholding in LifeStar Holding) and (b) holds sixteen (16) Shares directly. Accordingly, Prof Catalfamo may be subject to potential conflicts of interests between his interest in Investar, his position as a director of LifeStar Holding and his position as a Director of the Company.

Furthermore, Mr Joseph Schembri sits on the board of directors of LifeStar Holding and is the chairman of the Company's Audit Committee. Accordingly, he has an interest (though not necessarily a conflicting one) in the success of the Share Offer and the Exchange Offer.

The Audit Committee of the Company 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 Company and according to law. The fact that the Audit Committee is constituted in its entirety by independent, non-executive Directors, as stated in Section 10.1, 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 Companies Act and by Articles 138 - 139 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.

Other than as stated in this Section 9.3, and save for the possible subscription for Shares pursuant to the Share Offer by Authorised Intermediaries, and any fees payable to them, so far as the Company is aware, no other person involved in the Share Offer and/or the Exchange

Offer has an interest, conflicting or otherwise, material to the Share Offer or the Exchange Offer.

9.4 Remuneration and Benefits

The aggregate amount of remuneration paid during the financial year ended 31 December 2020 to Directors (including any contingent or deferred compensation) by the Company and LifeStar Health for services rendered in all capacities (to the Company and LifeStar Health, as its subsidiary) amounted to €25,000.

The aggregate amount of remuneration paid during the financial year ended 31 December 2020 to senior managers (including any contingent or deferred compensation) by the Company and LifeStar Health for services rendered in all capacities (to the Company and LifeStar Health, as its subsidiary) amounted to €362,000.

Neither the Company, nor LifeStar Health granted any benefits in kind to any of the Directors or senior managers (for services rendered in all capacities to the Company and LifeStar Health) during the same period.

Neither the Company nor LifeStar Health have set aside or accrued for the benefit of the Directors or the senior managers, during the financial year ended 31 December 2020, any amounts for pension, retirement or similar benefits. Senior management have life and health insurance included as employee benefits which are offered to all employees as part of their salary package.

9.5 Terms of Office

Each of the Directors was originally appointed on the respective dates set out in Section 9.1 above. Directors are typically appointed from one annual general meeting of the Company to the next.

9.6 Termination Benefits

None of the Directors are party to service contracts with the Company or LifeStar Health that provide for benefits upon termination of employment.

10. BOARD COMMITTEES & CORPORATE GOVERNANCE

The Board has established, an Audit and Risk Committee, a Remuneration Committee, and a Nomination Committee.

10.1 Audit and Risk Committee

The Audit and Risk Committee (“**Audit Committee**”) assists the Board in fulfilling its supervisory and monitoring responsibilities, according to detailed terms of reference that reflect the requirements of the Listing Rules as well as current good corporate governance best practices. The terms of reference of the Audit Committee established by the Board establish 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 Audit Committee, which meets at least four times a year, is a sub-committee of the Board and is directly responsible and accountable to the Board.

The primary purpose of the Audit Committee is to assist the Directors in conducting their role effectively so that the Company’s decision-making capability and the accuracy of its reporting and financial results are maintained at a high level at all times.

The members of the Audit Committee as the date of this Prospectus are the following:

Joseph Schembri (Chairman)

Mark Bamber (Member)

The Audit Committee is constituted in its entirety by independent non-executive Directors (each of whom satisfies the independence criteria set out in the Listing Rules). In accordance with the Listing Rules, the member/s of the Audit Committee that is designated as competent in auditing and accounting is Joseph C. Schembri, who is also the chairman of the Audit Committee.

Until 27 April 2021, the Company’s Audit Committee was composed of 3 members, being Mr Joseph Schembri, Mr Mark Bamber, and Mr Nicolas Hornby Taylor. However, due to the demise of Mr Hornby Taylor on 27 April 2021, the Company’s Audit Committee is currently composed of 2 members. The Company is making every effort to appoint another Audit Committee member as soon as possible.

10.2 Remuneration and Nomination Committee

The Board has established a Remuneration and Nomination Committee, which performs the functions of a remuneration committee and of a nomination committee (in each case in compliance with the requirements of the Corporate Governance Code).

The Remuneration and Nomination Committee is composed of the following members:

Mark Bamber (Chairman)

Joseph Schembri (Member)

Remuneration Function

The Remuneration and Nomination Committee monitors, reviews, and advises on the Company's remuneration policy as well as approves the remuneration packages of senior executives and management. The main activities of the Remuneration and Nomination Committee include devising appropriate policies and remuneration packages to attract, retain, and motivate Directors and senior management of a high calibre in order to well position the Company and LifeStar Health within the insurance market and its areas of business.

At the end of every financial year, the Remuneration and Nomination Committee will draw up a report which will be included in the Company's Annual Report. A performance management system has been implemented across the Group. This system is intended to (a) enhance the existing systems used to define key performance indicators and (b) improve the assessment of performance of the Company's employees including members of senior management.

Nomination Function

The Remuneration and Nomination Committee is responsible for making recommendations for appointment to the Board and for reviewing in order to ensure that appointments to the Boards are conducted in a systematic, objective and consistent manner. It is also responsible for the review of performance of the Company's Board members and committees, the appointment of senior executives and management and the development of a succession plan for senior executives and management. Additionally, this committee monitors, reviews and advises on the Company's remuneration policy as well as approves the remuneration packages of senior executives and management.

10.3 Other Management Committees

The Company has also established a number of other committees as described below.

Executive Committee (EXCO)

The Company's EXCO operates as a direct management committee under the authority of the Board and is responsible for the overall delivery of the Company's strategy.

EXCO also acts as Product and Pricing Committee with the prime responsibility of approving and overseeing the implementation of new products, new terms for new and existing products and marketing campaigns. The EXCO is also tasked with the approval and oversight of the performance of all products and with ensuring that products, product designs and product distribution are aligned with their intended target market and with the identified customers' needs.

EXCO meets at least ten times a year and executes the first line management responsibilities.

The EXCO is composed of Cristina Casingena (CEO); Roberto Apap Bologna (CFO), Jonathan Camilleri (Chief Operations Officer), Adrian Mizzi (Chief Information Officer), Chris Chetcuti

(Head of Sales), Jonathan Portelli (Life Operations Manager), Rebeca Alexiu (Product Manager), Enrico Depasquale (Compliance Manager); Maria Michaelides (Actuarial Function – Deloitte Cyprus) and Dimitris Dimitriou (Risk Manager – Deloitte Cyprus).

Asset and Liability Committee (ALCO)

ALCO's primary responsibilities are to report and advise the Board on all matters pertaining to the balance sheet (asset and liabilities) and investments of the Company's monies. ALCO is also responsible for managing balance sheets, associated risks and earnings (economic, IFRS) and capital levels to achieve performance objectives within prescribed risk parameters.

ALCO reviews and submits to the Board for approval the Company's investment policy on an annual basis and ensures that the investments of the Company are in compliance with the prudent person principle as directed by the article 132 of the Solvency II Directive.

ALCO monitors the investment performance of the Company on a regular basis and ensures that an appropriate governance framework is in place for the appointment and monitoring of the activity of external or internal asset managers. ALCO has the oversight responsibility of any outsourced investment management arrangement.

ALCO meets at least quarterly and executes the first line management responsibilities.

The ALCO is composed of Cristina Casingena (CEO), Roberto Apap Bologna (CFO), Konrad Camilleri (Investment Manager), Keith Huber (Independent Investment Advisor), Enrico Depasquale (Compliance Officer), Dimitris Dimitriou (Risk Manager – Deloitte Cyprus), Maria Michaelides (Actuarial Function – Deloitte Cyprus).

Risk Management Committee (RMC)

RMC operates as a direct management committee under the authority of the Board and is responsible for the overall enterprise-wide management of all risk within the Company or impacting the Company.

RMC is responsible for the ongoing monitoring, assessment, reporting and management of the risk environment and the effectiveness of the risk management framework.

RMC meets at least quarterly and executes the second line of defense responsibilities.

The RMC is composed of Cristina Casingena (CEO), Roberto Apap Bologna (CFO), Jonathan Camilleri (Chief Operations Officer), Dimitris Dimitriou (Risk Manager – Deloitte Cyprus), Maria Michaelides (Actuarial Function – Deloitte Cyprus) and Enrico Depasquale (Compliance Manager).

10.4 Compliance with Corporate Governance Requirements

The Company declares its full support of the Corporate Governance Code and undertakes to fully comply with the Corporate Governance Code. The Company shall also, on an annual basis in its annual report, detail the level of the Company's compliance with the principles of the Corporate Governance Code, explaining the reasons for non-compliance, if any. The Company is currently reviewing its Corporate Governance policies to ensure that it is compliant with the Corporate Governance Code.

11. EMPLOYEES

The average number of persons employed by the Company during the years 2018, 2019, 2020 and as at the date of this Prospectus are as follows:

Year	2018	2019	2020	Date of Prospectus
Number of employees (rounded up to the nearest figure)	24	27	27	28

All employees of the Company are located in the Company's head office in Ta' Xbiex, Malta. The Company has a sales network of forty three (43) self-employed tied insurance intermediaries, who also operate from the Company's head office in Ta' Xbiex, Malta. The Company also has an office in Gozo which is used for sales meetings from time to time.

The Company outsources its actuarial and risk functions to Deloitte Cyprus and its internal audit function to KPMG Malta.

12. MAJOR SHAREHOLDER

As at the date of this Prospectus, the Company's issued share capital is €9,169,867.99, divided into 64,814,817 Shares of €0.1414779585 each (all fully paid up), with 64,814,801 Shares held by LifeStar Holding. LifeStar Holding is a public company listed on the Official List and principally serves as a holding and investment company. LifeStar Holding does not itself undertake any trading activities. Accordingly, LifeStar Holding is economically dependent on the financial and operating performance of the business of its subsidiaries (including the Company). LifeStar Holding operates exclusively in and from Malta, and its subsidiaries operate primarily in the following business sectors:

- Business of insurance;
- Investment and advisory services;
- Insurance intermediation activities; and
- Property holding and management.

Based on the information currently available to the Company, those shareholders who hold, directly or indirectly, more than 5% of the Company's shares as of the date of this Prospectus (and the percentage of their respective shareholdings) are:

- Investar – 78.1%;
- Rizzo Farrugia & Co (Stockbrokers) Ltd (registration number C13102) (as nominee for clients' accounts) – 10.11%

On the basis of LifeStar Holding's most recent annual report, as filed with the Malta Business Registry and the MSE (and available at <https://lifestarholding.com/investor-relations/>), and based on the information currently available to the Company, Prof. Paolo Catalfamo is the ultimate controller of LifeStar Holding, by virtue of his ownership of 99.99% of the issued share capital of Investar, which in turn is the major shareholder of LifeStar Holding, holding approximately 78.1% of LifeStar Holding's share capital. As a result, the Company could be deemed to be indirectly controlled by Prof. Catalfamo.

A diagram of the structure of the Group can be found in Section 4.3.

As announced in a company announcement published by LifeStar Holding on 7 September 2020, following the Exchange Offer and the Share Offer, LifeStar Holding intends to de-list the LSH Shares.

LifeStar Holding, as a company with its shares listed on the Official List, has to date complied with and continues to comply with the Corporate Governance Code with a view to ensuring that the relationship with any major shareholders, including Investar, and the rest of the Group remains at arm's length, including adherence to rules on related party transactions that require the sanction of the LifeStar Holding's audit committee, which is constituted in its entirety by independent, non-executive Directors. LifeStar Holding's audit committee has the task of ensuring that any potential abuse is managed, controlled and resolved in the best interests of LifeStar Holding. The composition of LifeStar Holding's board of directors,

composed entirely of non-executive directors and the majority of whom are independent, also minimises the possibility of any abuse of control by any major shareholder.

The Company intends to adopt the same measures described above in line with the Corporate Governance Code, including adherence to rules on related party transactions that require the sanction of the Company's Audit Committee, which is also constituted in its entirety by independent, non-executive Directors. The fact that the majority of the Board is composed of independent non-executive Directors further minimises the possibility of any abuse of control by any major shareholder.

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

13. RELATED PARTY TRANSACTIONS

During the financial years ending 31 December 2018, 31 December 2019, and 31 December 2020 and up to the date of this Prospectus, the Company entered into a number of related party transactions with Central Landmark Development Limited, Quadrant Italia, and LifeStar Holding. These transactions are reported in the audited financial statements of the Company for the respective financial years. The Company entered into a novation and loan note agreement with each of Central Landmark Development Limited, Quadrant Italia, and LifeStar Holding as of 01 January 2021, whereby the principal amounts and terms of the balances due by each of the said companies to the Company as at 31 December 2020, have been substituted, with effect from 01 January 2021, by the loan notes referred to in the table below:

Type of Transaction	Counterparty / Obligor	Date of Transaction	Terms	Principal amount due as at the date of the Prospectus (€)
Loan notes	Central Landmark Development Limited	01/01/2021	Secured, interest at 3% per annum, due 31/12/2025	286,861
Loan notes	Quadrant Italia	01/01/2021	Secured, interest at 3% per annum, due 31/12/2025	4,256,739
Loan notes	LifeStar Holding	01/01/2021	Secured, interest at 3% per annum, due 31/12/2025	3,021,297

The payment of capital and interest in respect of the abovementioned loan notes is secured with a first ranking pledge over 499 ordinary shares held by LifeStar Holding and 1 ordinary share held by GlobalCapital Financial Management, in Central Landmark Development Limited, a private limited liability company registered under the laws of Malta with company

registration number C 34858 and having its registered office situated at LifeStar, Testaferrata Street, Ta' Xbiex XBX1403, Malta.

As at the date of this Prospectus, the total principal amount due under the related party transactions described above is €7,564,897, which amounts to 57% of the Company's turnover during 2020 and 25% of the Company's assets and liabilities as at 31 December 2020.

14. MATERIAL CONTRACTS

Other than the BOV Guarantee Agreement (as set out in Section 8.1), neither the Company nor any of the other companies forming part of the Group is party to any contract, not being a contract entered into in the respective company's ordinary course of business, giving rise to an obligation or entitlement which is material to the Group as at the date of the Prospectus.

15. ADDITIONAL INFORMATION

15.1 Share Capital

As at the date of this Prospectus, the Company's authorised share capital is €50,000,000, divided into 353,411,942 Shares of €0.1414779585 each. The Company's issued share capital is €9,169,867.99, divided into 64,814,817 Shares of €0.14147795853 each, all fully paid up and held as follows:

- 64,814,801 Shares held by LifeStar Holding; and
- 16 Shares held by Investar

Upon obtaining the necessary regulatory approval, on 5 June 2020, GlobalCapital Holdings Limited (which subsequently merged with LifeStar Holding) redeemed 343,440 preference shares (which had a nominal value of €2.329373 each and matured in February 2019) in the Company at the redemption price of €800,000 (the "**Redemption**"). Following the Redemption, the Company's shareholders amended the share capital clause in the Memorandum of Association and re-classified the Company's share capital such that it no longer includes any preference shares, but only ordinary shares (as detailed above).

15.2 Memorandum and Articles of Association of the Company

Objects

The principal objects of the Company are set out in clause 4 of the Memorandum of Association, which are, in summary, to carry on the business of an insurance company. A copy of the Memorandum and Articles of Association is available for inspection as set out in Section 21 of this Prospectus.

Share Rights

All Shares in the Company rank *pari passu* amongst themselves. In this respect, each Share carries one (1) vote and Shareholders are entitled to (a) receive notice of, attend and vote at general meetings of the Company; (b) participate in any dividend or other distributions of profits of the Company; and (c) a return of the nominal value of their Shares upon liquidation, and to participate in any surplus distribution.

15.3 Dividend policy

The ability to pay dividends in the future and the extent of any dividend distribution will depend upon, among other factors, the profits available for distribution for the relevant year, the Company's target SCR ratio, applicable capital and solvency requirements, the Company's capital generation capacity, the Board's view on the prevailing market outlook and on the growth strategy, any debt servicing and repayment requirements, cash flows, working capital requirements, investment opportunities, capital expenditure, the availability of distributable reserves in terms of the Companies Act and regulatory approval. The obligation to seek regulatory approval prior to paying dividends is a standard licensing condition imposed on all MFSA-licensed insurance companies.

In addition to this standard licensing condition, the MFSA had, since 30 May 2017, also adopted a specific dividend restriction policy on the Company. The stated purpose of the dividend restriction policy was to safeguard the Company's policyholders and claimants from the depletion of the Company's assets in view of the Group's financial position. The MFSA has since confirmed to the Company that this specific dividend restriction policy has been lifted and no longer applies.

The level of dividend distribution approval is subject to a number of tests which ensure that dividend payments will not exceed thresholds of prudence. Prior to distributing any dividends, the Company will ensure that the resulting reduced Eligible Own Funds in terms of both quality and/or quantity will remain at a level appropriate to respect its risk profile.

The Company's assessment of its overall solvency needs will be forward-looking and will aim to take due account of levels of uncertainty in financial markets and the economic environment, as well as the repercussions of such uncertainty on the Company's business model and solvency, liquidity and financial position together with the risk appetite statement of the Company. The Company has a target SCR ratio of 140%. The payment of any dividend shall be subject to the Company maintaining an SCR ratio of 140% or higher.

For the purpose of establishing the dividend to be paid in any particular period, the MFSA has indicated that the Company should not take into account the intragroup loan receivables described in Section 13. It should, however, be noted that the Company's SCR ratio is expected to improve should the Subordinated Bond Issue be fully subscribed.

In line with such a prudent capital management approach, the Company will also seek a balance between investing in sustainable growth and the generation of an attractive level of income for shareholders.

As at financial year end 31st December 2020, the Company's Solvency ratio was 158%.

The Company has accumulated retained earnings of €8,386,012. Subject to its dividend policy stated above, the Company intends to gradually pay out dividends over the coming financial years such that its current SCR ratio gradually moves towards its target SCR ratio.

15.4 Legal and arbitration proceedings

There have not been any governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Company is aware) during the twelve (12) months prior to the date of this Prospectus that may have or have had a significant effect on the Company's and/or the Group's financial position or profitability.

16. INFORMATION ABOUT THE SHARES TO BE ADMITTED TO TRADING

16.1 General

The Shares are ordinary shares in the Company having a nominal value of €0.1414779585 per Share. The 64,814,817 Shares being admitted for trading on the MSE by the Company constitute the entire issued share capital of the Company as at the date of this Prospectus.

The ISIN of the Shares is MT0000170119.

The Shares have been created in terms of the Companies Act.

The Shares are in fully registered and dematerialised form and are represented in uncertificated form by the appropriate entry in the CSD Register maintained on behalf of the Company at the CSD in accordance with the requirements of the MSE, or in such other form as may be determined from time to time by applicable law, the requirements of the MSE or the Company.

The currency of the Shares is Euro (€).

16.2 Rights attaching to the Shares

The Shares form part of the only class of ordinary shares in the Company and accordingly have the same rights and entitlements as all other Shares in issue in the Company. The following is an overview of the rights attaching to the Shares.

16.2.1 Dividends

The Shares carry the right to participate in any distribution of dividend declared by the Company *pari passu* with any and all other Shares in the Company. Dividends shall be deemed to be non-cumulative. As a rule, dividends can only be paid if there are profits available for distribution. The Company's dividend policy is described in Section 15.3.

16.2.2 Voting rights

Each Share entitles the holder thereof to one (1) vote at meetings of Shareholders.

16.2.3 Capital distributions

All Shares carry the right for the holders thereof to participate in any distribution of capital made, whether in the context of a winding up or otherwise, *pari passu* with all other Shares of the Company.

16.2.4 Transferability and restrictions

The Shares are freely transferable and following Listing, shall be transferable only in whole in accordance with the rules and procedures of the Official List applicable from time to time. No minimum holding requirement is applicable once the Shares are admitted to Listing.

Any person becoming entitled to a Share in consequence of the death or bankruptcy of a Shareholder may, upon such evidence being produced as may from time to time properly be required by the Company or the CSD, elect either to be registered himself as holder of the Share or to have another 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 Share, or procuring the transfer of the Share, in favour of that person.

All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Shares 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 Company shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Company.

16.2.5 Pre-emption

Subject to article 88 of the Act, and article 15 of the Articles of Association, in issuing and allotting new Equity Securities the Company:

- (a) shall not allot any Equity Securities on any terms to any person unless an offer has first been made to each existing Shareholder to allot to him at least on the same terms, a proportion of those Equity Securities which is as nearly as practicable equal to the aggregate proportion of Shares held by him (in nominal value); and
- (b) shall not allot any of those Equity Securities so offered to any person not being a Shareholder, prior to the expiration of any period of offer made to existing Shareholders in terms of article 16(a) of the Articles, or prior to a negative or positive reply from all such Shareholders, in respect of such offer.

Any such Equity Securities not subscribed for by the existing Shareholders in terms of their pre-emption rights may be offered for subscription to any other person/s under the same or other conditions which however cannot be more favourable than an offer made under article 15(a) of the Articles of Association.

Notwithstanding the above, any right of pre-emption referred to in article 15 of the Articles of Association may be restricted or withdrawn by (i) an extraordinary resolution of the general meeting or (ii) the Board, provided that the Board is authorised to issue Equity Securities in accordance with article 85 of the Act and for so long as the Board remains so authorised.

For the purpose of this Section, “**Equity Securities**” means Shares, another class of shares, or any other securities or instruments (including but not limited to warrants or options in relation to Shares), that can be converted or exchanged into, or which carry the right to subscribe for, Shares or another class of shares.

16.2.6 Conversion and redemption of Shares

In terms of the Articles and the relevant provisions of the Companies Act, the Company may by extraordinary resolution convert any paid-up shares into stock, and re-convert any stock into paid-up shares of any denomination. Further details on the rights of conversion are included in the Articles. The Shares are not redeemable or convertible into any other form of security.

16.2.7 Mandatory takeover bids, squeeze-out and sell-out rights

Chapter 11 of the Listing Rules, implementing the relevant provisions of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004, regulates the acquisition by a person or persons acting in concert of the control of a company and provides specific rules on takeover bids and the squeeze-out and sell-out mechanisms. The Shareholders may be protected by the said Listing Rules in the event that the Company is the subject of a Takeover Bid (as defined therein). The Listing Rules may be viewed on the official website of the Listing Authority (<https://www.mfsa.mt/listing-rules-in-full/>).

Chapter 11 of the Listing Rules may be subject to changes following the publication of this Prospectus. Accordingly, prospective investors should consult with their advisors as to the implications of such changes as and when amendments to Chapter 11 of the Listing Rules take effect.

17. THE SHARE OFFER

17.1 General Information on the Share Offer

A reference to Shares in this Section 17.1 shall be construed as a reference to those Shares which are subject to the Share Offer.

At an annual general meeting of LifeStar Holding held on 9 October 2020, and at a board meeting held on 26 April 2021, the shareholders and directors, respectively, of LifeStar Holding approved the Share Offer (i.e. the offer to the public of 18,518,519 Shares in the Company held by LifeStar Holding at the Offer Price, which number may, at the Company's sole discretion, be increased (for the purposes of satisfying any over-subscriptions by Share Offer Applicants) by the number of Shares which are offered to, but not accepted by, Eligible Shareholders pursuant to the Exchange).

For the full Share Offer Terms and Conditions, please refer to Section 17.2 below.

The Share Offer represents partial realisation of the Selling Shareholder's investment in the Company, equivalent to a disposal of at least 25% and up to 38.71%. The Share Offer does not constitute an issuance of additional Shares by the Company and, accordingly no funds are being raised for use by the Company pursuant to the Share Offer.

Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, selling commissions (if any), and other miscellaneous expenses in connection with the Share Offer and the Exchange Offer are estimated not to exceed €200,000 in the aggregate, and shall be deducted from the proceeds of the Share Offer, and accordingly shall be borne exclusively by LifeStar Holding. There is no particular order of priority with respect to such expenses.

The net proceeds from the Share Offer, expected to amount to €10 million, shall be for the benefit of LifeStar Holding shall be applied by LifeStar Holding for the following purposes, in the order of priority set out below:

(1) to redeem the LSH Bonds; and

(2) in the event that the LSH Bonds are redeemed in full, for general corporate purposes including, but not limited to, the repayment, in whole or in part, of the the BOV MDB Covid-19 Assist Loan (as set out in Section 8.1) and the consequent termination of the BOV Guarantee Agreement.

Eligible Investors

Subject to the exception of 'Overseas Investors' as set out (and as qualified) below, any person, whether natural or legal, shall be eligible to submit a Share Offer Application Form. Any one person should not submit more than one Share Offer Application Form for Shares in his own name or for his own benefit.

Overseas Investors

The Share Offer is being made in Malta. The Share Offer is not being made to persons resident in, or who are citizens of, or who have a registered address in, countries other than Malta. No person downloading a copy of the Prospectus (or part thereof) or a Share Offer Application Form in any territory other than Malta, may treat the same as constituting an invitation or offer to him/her, nor should he/she in any event deal with the Share Offer Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him/her or the Share Offer Application Form could lawfully be used or dealt with without contravention of any legal or regulatory requirements. Having considered the circumstances, the Company has formed the view (due to the onerous requirements involved in the registration of this Prospectus in any territory other than Malta and/or compliance with the relevant legal or regulatory requirements) not to accept completed Share Offer Application Forms from investors residing in or citizens of a country other than Malta, except where, *inter alia*, in the absolute discretion of the Company, it is satisfied that such action would not result in a contravention of any applicable legal or regulatory requirement in the relevant jurisdiction.

Share Offer Application Form and method of payment

Share Offer Application Forms will be available at the offices of the Authorised Intermediaries listed in Annex E, from the Company's registered address, and on the Company's and LifeStar Holding's website: <https://lifestarinsurance.com/investor-relations/> and <https://lifestarholding.com/investor-relations/> respectively. A copy of the Share Offer Application Form can be found in Annexes B and C.

Preferred Applicants may subscribe for the Shares by submitting Share Offer Application Form 'A' whereas other Applicants may subscribe for the Shares by submitting Share Offer Application Form 'B'. Share Offer Application Forms are to be lodged with any of the Authorised Intermediaries. Physical copies can be delivered to the registered address of an Authorised Intermediary listed in Annex E below, while scanned copies can be sent electronically to the email address provided by the Authorised Intermediary. In either case, Share Offer Application Forms must be received by any Authorised Intermediary no later than 3:00 pm on 19th May 2021, or such earlier date as may be determined by LifeStar Holding and/or the Company in the event of over-subscription.

All Share Offer Application Forms must be accompanied by the full payment due for the Shares applied for. In the event that any cheques accompanying the Share Offer Application Forms are not honoured on their first presentation, the Company, LifeStar Holding, Authorised Intermediaries and/or the Registrar reserve the right to invalidate the relative Share Offer Application Form.

Refunds and undersubscription

In the event that a Share Offer Applicant has not been allocated any Shares or has been allocated a number of Shares which is less than the number applied for, the Share Offer

Applicant shall receive a full refund or, as the case may be, the balance of the price of the Shares applied for but not allocated, without interest, by credit transfer to such account indicated in the Share Offer Application Form, at the Share Offer Applicant's sole risk within five (5) Business Days from the date of announcement of basis of acceptance. The Company shall not be responsible for any loss or delay in transmission or any charges in connection therewith.

In the event that, following the Share Offer Period and the Exchange Offer Period, the aggregate amount of total subscriptions received for Shares pursuant to Share Offer Application Forms together with the total number of Shares applied for by Eligible Shareholders pursuant to Exchange Offer Acceptance Forms, do not equate to at least 25% of the issued share capital of the Company:

- (i) no transfer of Shares will be made;
- (ii) for the purposes of the Share Offer, the transfer of the Shares shall be deemed not to have been accepted by LifeStar Holding; and
- (iii) all proceeds received from Share Offer Applicants shall be refunded, without interest, by direct credit into the Share Offer Applicant's bank account as indicated by the Share Offer Applicant on the relevant Share Offer Application Form. All refunds in this respect shall be made within ten (10) Business Days from the expiration of the Share Offer Period.

Given that Investar is a majority shareholder of LifeStar Holding, any Shares held by Investar will not be considered for the purposes of calculating the amount of Shares in the hands of the public in terms of Listing Rule 3.26.

Oversubscription

If, on the Exchange Offer Closing Date and the Share Offer Closing Date, (a) the number of Shares applied for by Share Offer Applicants exceeds the number of Shares being offered pursuant to the Share Offer, and (b) the number of Shares accepted by Eligible Shareholders pursuant to the Exchange Offer is less than the amount of Shares offered in connection therewith, the Company and/or LifeStar Holding reserve the right, but not the obligation, to offer any excess Shares not taken up in the Exchange Offer by Eligible Investors to Share Offer Applicants, to satisfy any excess subscriptions as aforesaid, which offer shall be made in accordance with the Share Offer allocation policy described below.

Minimum Share Offer Application Forms

All Share Offer Application Forms for Shares shall be for a minimum of 1,000 Shares and in multiples of 1,000 Shares thereafter.

Pricing

The Share Offer Price has been fixed by LifeStar Holding at €0.54 per Share.

Selling commission

Selling commission is payable to the Authorised Intermediaries based on the value of the Shares allocated to Share Offer Applicants applying through such Authorised Intermediaries at the rate of 1.5% on the value of Shares allocated as aforesaid.

Results of the share offer

LifeStar Holding (as Selling Shareholder) together with the Company and the Registrar shall determine, and LifeStar Holding (or the Company) shall announce by way of a Company Announcement, the basis of acceptance of Share Offer Application Forms and allocation policy to be adopted by not later than 26th May 2021.

Intention to acquire

The Selling Shareholder and the Company do not have any knowledge whether any member of the management, supervisory or administrative bodies of the Company or any single investor has the intention of participating in the Share Offer by acquiring more than five per cent (5%) of the issued share capital of the Company.

Plan of Distribution

The Share Offer is open to all categories of investors. The Share Offer will be distributed by the Authorised Intermediaries participating in the Intermediaries' Offer.

Applications shall be subject to a minimum initial subscription of 1,000 Shares. In the case of subscriptions by Authorised Intermediaries on account of their underlying customers, the amount per underlying application must also be for a minimum subscription of 1,000 Shares.

Authorised Intermediaries applying for Shares may do so for their own account or for the account of their underlying clients, including retail clients, and shall, in addition, be entitled to distribute any portion of the Shares subscribed to their underlying clients upon commencement of trading or instruct the Registrar to issue a portion of the Shares subscribed by them directly to their underlying clients.

Dealings in the Shares shall not commence prior to admission to trading of the Shares by the MSE or prior to the said notification.

Allocation Policy

The Company shall allocate the entirety of the Share Offer, to Authorised Intermediaries participating in the Intermediaries' Offer. The Shares shall be allocated amongst Share Offer Applicants in accordance with an allocation policy as determined by the Selling Shareholder, the Company and the Registrar. In determining the allocation policy, the Company will be giving preference to Preferred Applicants. The Company, the Selling Shareholder and the

Registrar will endeavour, through the allocation policy to be adopted, that there will be a sufficiently dispersed shareholder base, to facilitate the development of an active secondary market in the Shares. Within five (5) Business Days from closing of the Share Offer Period, the Company and/or LifeStar shall announce the results of the Share Offer and shall determine and announce the basis of acceptance of applications and the allocation policy to be adopted through a Company Announcement.

It is expected that an allotment advice will be made available to Share Offer Applicants by the CSD shortly after listing of the Shares. The registration advice and other documents and any monies returnable to Share Offer 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). Such monies will not bear interest while retained as aforesaid. Dealing shall commence upon admission to trading of the Shares by the Malta Stock Exchange, and subsequent to the above-mentioned notification.

Withdrawal Rights

If the Company is required to publish a Supplement, Share Offer Applicants who have applied for Shares under the Share Offer shall have at least two (2) Business Days following the publication of the relevant Supplement during which they can withdraw their application to acquire Shares in its entirety provided that the new factor, material mistake or inaccuracy (requiring the publication of a Supplement) arose between the date of approval of the Prospectus by the Listing Authority and admission to trading of the Shares. The right to withdraw an application to acquire Shares in these circumstances will be available to all investors under the Share Offer. If the Share Offer Application Form is not withdrawn within the stipulated period, any Share Offer Application Form for Shares under the Share Offer will remain valid and binding. Details of how to withdraw a Share Offer Application Form will be made available in the context of the aforesaid if and when a supplement to the prospectus is published.

Timetable

The key dates relating to the Share Offer are as follows:

30th April 2021	Suspension of trading in LSH shares
3rd May 2021	Cut-Off Date
4th May 2021	Prospectus Date
5th May 2021	Share Offer Application Forms sent to Preferred Applicants
6th May 2021	Share Application Forms made available
6th May 2021	Share Offer Opening Date
19th May 2021	Share Offer Closing Date (or such earlier date as may be determined by LifeStar Holding and/or the Company in the case of over-subscription)
25th May 2021	Announcement of basis of acceptance (including Intermediaries' Offer results)
28th May 2021	Refund of monies (if applicable)
31st May 2021	Expected date of admission of the Shares to listing
1st June 2021	Expected date of commencement of trading in the Shares

17.2 Share Offer Terms and Conditions

Reference to 'Shares' in these Terms and Conditions of the Share Offer shall imply a reference to the Shares that are subject to the Share Offer.

1. General Terms and Conditions of the Share Offer

- (a) The transfer of Shares to successful Share Offer Applicants is conditional upon the Shares being admitted to the Official List. In the event that the Shares are not admitted to the Official List, any Share Offer Application Form monies received by LifeStar Holding will be returned, without interest, by direct credit into the Share Offer Applicant's bank account indicated by the Share Offer Applicant on the relative Share Offer Application Form.
- (b) The contract created by LifeStar Holding's acceptance of a Share Offer Application Form shall be subject to all of the Share Offer Terms and Conditions and any other related terms and conditions set out in the remainder of this Prospectus, the Memorandum and Articles of the Company and in the respective Share Offer Application Form. It is the responsibility of investors wishing to acquire Shares to inform themselves 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.
- (c) Subject to all other terms and conditions set out in the Prospectus, each of LifeStar Holding, the Company and Authorised Intermediaries reserve the right to reject, in whole or in part, or to scale down, any Share Offer Application Form, including multiple or suspected multiple Share Offer Application Forms, and to present any cheques and/ or drafts for payment upon receipt. The right is also reserved to refuse any Share Offer Application Form which in the opinion of LifeStar Holding, the Company or Authorised Intermediaries is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents. Only original Share Offer Application Forms will be accepted, and photocopies/facsimile copies will not be accepted.
- (d) In the case of joint Share Offer Application Forms, reference to the Share Offer Applicant in the Share Offer Terms and Conditions is a reference to each of the joint Share Offer Applicants, and liability thereof is joint and several. The person whose name shall be inserted in the field entitled "Applicant" on the Share Offer Application Form, or first-named in the register of Shareholders shall, for all intents and purposes, be deemed to be such nominated person by all those joint holders whose names appear in the field entitled "Additional (Joint) Applicants" in the Share Offer Application Form or joint holders in the register of Shareholders, as the case may be. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Share/s (as applicable) so held.
- (e) In the case of corporate Share Offer Applicants or Share Offer Applicants having separate legal personality, the Share Offer Application Form must be signed by a person/s

authorised to sign and bind such Share Offer Applicant. It shall not be incumbent on the Selling Shareholder to verify whether the person or persons purporting to bind such a Share Offer Applicant is or are in fact authorised. Share Offer Application Forms by corporate Share Offer Applicants have to include a valid legal entity identifier (“LEI”) which must be unexpired. Share Offer Application Forms without such information or without a valid LEI will not be accepted.

- (f) In respect of a Share held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register of Shareholders. The usufructuary shall, for all intents and purposes, be deemed vis-à-vis the Company to be the holder of the Share/s so held and shall have the right to receive dividends distributed to Shareholders and to vote at meetings of the Shareholders, but shall not, during the continuance of the Share/s, have the right to dispose of the Share/s so held without the consent of the bare owner. Details of the usufructuary should be included in the section “Minor’s Parents/Legal Guardians/ Decision Maker/ Usufructuary” in the Share Offer Application Form, and should also be signed by both the bare owner and also the beneficiary.
- (g) Share Offer Application Forms in the name and for the benefit of minors shall be allowed provided that the Share Offer Applicant already holds an MSE account and that the Share Offer Application Form is signed by both parents or the legal guardian/s. Details of the minor’s parents, legal guardians or decision makers should be included in the section “Minor’s Parents/Legal Guardians/ Decision Maker/ Usufructuary” in the Share Offer Application Form. Any Shares allocated pursuant to such a Share Offer Application Form shall be registered in the name of the minor as a Shareholder, with dividends payable (as applicable) to the parents / legal guardian/s signing the Share Offer Application Form until such time as the minor attains the age of eighteen (18) years, following which all dividends shall be paid directly to the registered holder, provided that the Company has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. This requirement shall continue to operate even after the expiry of the Prospectus.
- (h) All applications for the Shares must be submitted on the appropriate Share Offer Application Form within the time limits established therein, including the minimum application subscriptions in an initial application amount of 1,000 Shares, and applications in excess of the said minimum must be in multiples of 1,000 Shares.
- (i) Share Offer Application Forms are to be lodged with any of the Authorised Intermediaries. Physical copies can be delivered to the registered address Authorised Intermediary, while scanned copies can be sent electronically to the email address provided by the Authorised Intermediary. In either case, Share Offer Application Forms must be received by no later than 3:00 pm on 19th May 2021, or such earlier date as may be determined by LifeStar Holding and/or the Company in the event of over-subscription.
- (j) All Share Offer Application Forms must be accompanied by the full price due for the Shares applied for, in Euro (€), and payments may be made in cash, by bank transfer, or by cheque payable to the respective Authorised Intermediary accepting the Share Offer

Application Form according to the instructions in the Share Offer Application Form. In the event that a cheque accompanying a Share Offer Application Form is not honoured on its first presentation, LifeStar Holding, the Company, Authorised Intermediaries and/or the Registrar reserve the right to invalidate the relative Share Offer Application Form.

- (k) In the event that a Share Offer Applicant has not been allocated any Shares or has been allocated a number of Shares which is less than the number applied for, the Share Offer Applicant shall receive a full refund or, as the case may be, the balance of the price of the Shares applied for but not allocated, without interest, by credit transfer to such account indicated in the Share Offer Application Form, at the Share Offer Applicant's sole risk within five (5) Business Days from the date of announcement of basis of acceptance. The Company shall not be responsible for any loss or delay in transmission or any charges in connection therewith.
- (l) For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Subsidiary Legislation 373.01), all appointed Authorised 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 "Code of Conduct for Members of the Malta Stock Exchange" appended as Appendix 3.6 of the MSE Bye-Laws, irrespective of whether the said appointed Authorised Intermediaries are MSE Members or not. Such information shall be held and controlled by the MSE in terms of the Data Protection Act and/or the GDPR, as amended, for the purposes and within the terms of the MSE's data protection and privacy policy as published from time to time.
- (m) It shall be incumbent upon the respective Authorised Intermediary to ascertain that all other applicable regulatory requirements relating to the subscription of the Shares by a Share Offer Applicant are complied with, including without limitation the obligation to comply with all applicable requirements set out in Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, and 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, in each case as amended, as well as applicable MFSA Rules for investment services providers.
- (n) By not later than 25th May 2021, LifeStar Holding shall announce the results of the Share Offer through a company announcement issued by it or by the Company.
- (o) No person receiving or downloading a copy of the Prospectus (or part thereof) or a Share Offer Application Form in any territory other than Malta, may treat the same as constituting an invitation or offer to him/her, nor should he/she in any event deal with the Share Offer Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him/her or the Share Offer Application Form could lawfully be used or dealt with without contravention of any legal or regulatory requirements.
- (p) The acquisition of Shares by persons resident in, or who are citizens of, or who are domiciled in, or who have a registered address in, a jurisdiction other than Malta, may be

affected by the law of the relevant jurisdiction. Those persons should consult their professional advisors (including tax and legal advisors) as to whether they require any governmental or other consents, or need to observe any other formalities, to enable them to acquire the Shares. It is the responsibility of any person (including, without limitation, nominees, custodians, depositaries and trustees) outside Malta wishing to participate in the Share Offer, to satisfy himself/herself/ itself as to full observance of the applicable laws of any relevant jurisdiction, including, but not limited to, obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes (of any nature whatsoever) due in such territories. LifeStar Holding, the Company and their respective advisors shall not accept any responsibility for the non-compliance by any person of any applicable laws or regulations of foreign jurisdictions.

- (q) The Shares have not been and will not be registered under the Securities Act of 1933 of the United States of America (as amended) 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.
- (r) Certificates will not be delivered to Shareholders in respect of the Shares in virtue of the fact that the entitlement to the Shares will be represented in an uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Company by the CSD. There will be entered in such electronic register the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies) and MSE account numbers of the Shareholders and particulars of the Shares held by them respectively, and the Shareholders shall have, at all reasonable times during business hours, access to the register of Shareholders held at the CSD for the purpose of inspecting information held on their respective account.
- (s) The CSD will issue, upon a request by a Shareholder, a statement of holdings to such Shareholder evidencing his/her/its entitlement to the Shareholder held in the register kept by the CSD.
- (t) Share Offer Applicants may opt to subscribe for the online e-portfolio of the MSE by filling in the respective fields in the Application Form. The Shareholder's statement of holdings evidencing entitlement to the Shares held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facilities on <https://eportfolio.borzamalta.com.mt/>. Further details on the e-portfolio may be found on <https://eportfolio.borzamalta.com.mt/Help>.
- (u) By completing and delivering any Share Offer Application Form, the Share Offer Applicant:
 - (i) accepts to be irrevocably contractually committed to acquire the number of Shares allocated to such Share Offer Applicant at the Offer 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 Shares

specified in the Share Offer Application Form submitted by the Share Offer Applicant (or any smaller number of Shares for which the Share Offer Application Form is accepted) at the Offer Price (as applicable) being made subject to the provisions of the Prospectus, these Share Offer Terms and Conditions, the Share Offer Application Form and the Memorandum and Articles of Association of the Company;

- (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 Company and the Share Offer contained therein;
- (iii) warrants that the information submitted by the Share Offer Applicant in the Share Offer Application Form is true and correct in all respects. All Share Offer Application Forms need to include a valid MSE account number in the name of the Share Offer Applicant/s. Failure to include an MSE account number will result in the Share Offer Application Form being cancelled by LifeStar Holding, the Company and/or the relevant Authorised Intermediary and transfer monies will be returned to the Share Offer Applicant in accordance with the conditions laid out above;
- (iv) In the event of a discrepancy between the personal details (including name and surname and the Share Offer Applicant's address) appearing on the Share Offer Application Form and those held by the MSE in relation to the MSE account number indicated on the Share Offer Application Form, the details held by the MSE shall be deemed to be the correct details of the Share Offer Applicant;
- (v) acknowledges the processing of any personal data for the purposes specified in the privacy notice published by the Company, which is available on the Company's website on <https://lifestarinsurance.com/privacy-policy/>. The Share Offer Applicant hereby acknowledges that the processing of personal data may validly take place, even without the Share Offer Applicant's consent, in the circumstances set out in the GDPR and the Data Protection Act and any applicable subsidiary legislation, as may be amended from time to time. The Share Offer Applicant hereby confirms that the Share Offer Applicant has been provided with and has read the privacy notice;
- (vi) authorises Lifestar Holding and the Company (or its services providers, including the CSD and/or any of the Authorised Intermediaries) to process the personal data that the Share Offer Applicant provides in the Share Offer Application Form, for all purposes necessary and subsequent to the securities applied for, as the case may be, in accordance with the Data Protection Act. The Share Offer Applicant has the right to request access to and rectification of the personal data relating to him/her as processed in relation to the Shares applied for, as the case may be. Any such requests must be made in writing and sent to Lifestar Holding at the address indicated in the Prospectus and sent to the CSD at the MSE. The requests must further be signed by the Share Offer Applicant to whom the personal data relates;
- (vii) confirms that in making such Share Offer Application Form no reliance was placed on any information or representation in relation to the Company, the Shares, or the Share Offer 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;

- (viii) agrees that any refund of unallocated Share Offer Application Form monies, without interest, will be paid by direct credit, at the Share Offer Applicant's own risk, to the bank account as indicated in the Share Offer Application Form. Neither LifeStar Holding nor the Company nor the Registrar shall be responsible for any loss or delay in transmission or any charges in connection therewith;
- (ix) warrants that the remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured: the Share Offer Applicant will not be entitled to receive a registration advice or to be registered in respect of such Shares, unless and until a payment is made in cleared funds for such Shares and such payment is accepted by LifeStar Holding and/or by the respective Authorised Intermediary (which acceptance shall be made in their absolute discretion and may be on the basis that the Company and/or LifeStar Holding are indemnified for all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of the Share Offer Applicant's remittance to be honoured on first presentation at any time prior to unconditional acceptance by the respective Authorised Intermediary or the Selling Shareholder of such late payment in respect of the Shares); the Selling Shareholder may, without prejudice to other rights, treat the agreement to allocate such Shares as void and may allocate such Shares to another person, in which case the Share Offer Applicant will not be entitled to a refund or payment in respect of such Shares (other than return of such late payment);
- (x) agrees that the registration advice and other documents and any monies returnable to the Share Offer 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;
- (xi) agrees to provide LifeStar Holding and/or the Company and/or Authorised Intermediaries (acting through their agents or advisors), with any information which it/they may request in connection with the Share Offer Application Form;
- (xii) agrees that all Share Offer Application Forms, acceptances of Share Offer Application Forms 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 LifeStar Holding or the Company to bring any action, suit or proceedings arising out of or in connection with any such Share Offer Application Forms, acceptance of Share Offer Application Forms and contracts resulting therefrom in any manner permitted by law in any court of competent jurisdiction;
- (xiii) warrants that, where a Share Offer Applicant signs and submits a Share Offer Application Form on behalf of another person or on behalf of a corporation or corporate entity or association of persons, the Share Offer 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 these Share Offer Terms and Conditions and accordingly will be deemed also to have given the confirmations, warranties and undertakings contained in these Share Offer 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 LifeStar Holding and/or the Company and/or Authorised Intermediaries (which may act through any advisor and/or intermediary)

- (xiv) warrants that where the Share Offer Applicant is under the age of eighteen (18) years, or where an Share Offer Application Form is being lodged in the name and for the benefit of a minor, the person/s signing the Share Offer Application Form is/are the parent/s or legal guardian/s of the minor;
- (xv) warrants, in connection with the Share Offer Application Form, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his/her Share Offer Application Form in any territory, and that the Share Offer Applicant has not taken any action which will or may result in LifeStar Holding, the Company or their advisors acting in breach of the regulatory or legal requirements of any territory in connection with the Shares, and/or his/her Share Offer Application Form;
- (xvi) warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- (xvii) represents that the Share Offer Applicant is not a U.S. person as well as not to be accepting the invitation set out in the Prospectus from within United States or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
- (xviii) agrees that the advisors to LifeStar Holding and the Company listed in Section 3 of this Prospectus will owe the Share Offer Applicant no duties or responsibilities (fiduciary or otherwise) concerning the Shares or the suitability thereof to the Share Offer Applicant;
- (xix) agrees that all documents in connection with the Share Offer will be sent at the Share Offer Applicant's own risk and may be sent by post at the address (or, in the case of joint Share Offer Application Forms, the address of the first named Share Offer Applicant) as set out in the Share Offer Application Form;
- (xx) renounces to any rights the Share Offer Applicant may have to set off any amounts the Share Offer Applicant may at any time owe the Company against any amount due to the Share Offer Applicant in respect of the Shares.

18. THE EXCHANGE OFFER

18.1 General Information on the Exchange Offer

At an annual general meeting of LifeStar Holding held on 9 October 2020, and at a board meeting held on 26 April 2021, the shareholders and directors, respectively, of LifeStar Holding approved the Exchange Offer, pursuant to which, LifeStar Holding will offer to exchange 1 LSH Share for 1 Share.

General terms and conditions of the Exchange Offer

Eligible Shareholders may accept the Exchange Offer in respect of all or part of their LSH Shares. If an Eligible Shareholder chooses to accept the Exchange Offer in respect of part of their LSH shares, the amount which the Eligible Shareholder wants to exchange should be clearly stated in the Exchange Offer Acceptance Form.

Individual Exchange Offer Acceptance Forms were mailed to all Eligible Shareholders shown in the LSH Register as holding LSH Shares on the Cut-Off Date. Copies of the Prospectus will be available from the offices of the Authorised Intermediaries listed in Annex E, from the Company's registered address and the following websites <https://lifestarinsurance.com/investor-relations/> and <https://lifestarholding.com/investor-relations/> respectively. Eligible Shareholders have the duration of the Exchange Offer Period to decide whether to accept the Exchange Offer in respect of the LSH Shares they hold. Shareholders may accept the Exchange Offer by completing the Exchange Offer Acceptance Form. Exchange Offer Acceptance Forms should be submitted to an Authorised Intermediary listed in Annex E below.

The Exchange Offer is conditional, meaning that certain conditions must be fulfilled for LifeStar Holding to be bound by the Exchange Offer Acceptance Forms received from Shareholders and for the Exchange Offer to complete.

Pursuant to the Exchange Offer and the Share Offer, LifeStar Holding's holding in the Company will be diluted by 25% to 38.71%.

LifeStar Holding has publicly declared its intention to de-list the LSH Shares following the conclusion of the Exchange Offer. Eligible Shareholders who do not avail themselves of the Exchange Offer will likely remain holding unlisted LSH Shares once these are de-listed. Holding shares in an unlisted entity could have adverse consequences. There can be no assurance (both prior to and post de-listing of the LSH Shares) that a holder of LSH Shares will be able to sell or otherwise trade in the LSH Shares at all. Failure to accept the Exchange Offer may therefore implicate that a holder of LSH Shares will be holding de-listed, illiquid shares.

Depending on the results of the Exchange Offer and the Share Offer, LifeStar Holding's shareholding in the Company following the Exchange Offer and the Share Offer will be

reduced from 99.99% to no more than 75% and no less than 61.29% of the issued share capital of the Company.

For the full Exchange Offer Terms and Conditions, please refer to Section 18.2 below.

Listing and trading

It is intended that trading in the shares of LifeStar Holding be suspended from three (3) Business Days prior to the Cut-Off Date up to the Exchange Date. On or immediately following the Exchange Date, Eligible Shareholders who have accepted the Exchange Offer will receive the following documents from the CSD:

- (a) a statement that they no longer hold the shares in LifeStar Holding for which an Exchange Offer Acceptance Forms has been received; and
- (b) a registration advice confirming the number of Shares which they hold in the Company.

It is intended that the Shares will be admitted to the Official List on the Exchange Date and dealing in such Shares will commence on the Business Day following admission to the Official List. Consequently, trading in the Shares may commence prior to the above-mentioned notification to the Eligible Shareholder by the CSD.

Non-transferability of rights of Eligible Shareholders

Eligible Shareholders may not transfer their right to subscribe to Shares under the Exchange Offer to any other person.

Undersubscription

In the event that, following the Share Offer Period and the Exchange Offer Period, the aggregate amount of total subscriptions received for Shares pursuant to Share Offer Application Forms together with the total number of Shares applied for by Eligible Shareholders pursuant to Exchange Offer Acceptance Forms, do not equate to at least 25% of the issued share capital of the Company:

- (i) no exchange of Shares will be made; and
- (ii) for the purposes of the Exchange Offer, the transfer of the Shares shall be deemed not to have been accepted by LifeStar Holding.

The maximum number of Shares that may be subscribed pursuant to Exchange Offer and the Share Offer amount to (in the aggregate) 38.71% of the issued share capital of the Company. Accordingly, given the limited number of Shares being offered pursuant to this Prospectus and the requirement that at least 25% of the Shares shall be in held in the hands of the public in in terms of Listing Rule 3.26, Investar, as the majority shareholder of LifeStar Holding, has waived its right to participate in the Exchange Offer in the first instance, but has reserved the

right to submit an Exchange Offer Acceptance Form in respect of such number of Shares (or part thereof) that are not taken up by other Eligible Shareholders in the Exchange Offer and that are not otherwise needed to satisfy any oversubscription of the Share Offer (in terms of Section 17.1). Any Shares acquired by Investar will not be considered for the purposes of calculating the amount of Shares held in the hands of the public in terms of Listing Rule 3.26.

Timetable

The key dates and periods relating to the Exchange Offer are as follows:

30th April 2021	Suspension of trading in LSH shares
3rd May 2021	Cut-Off Date
4th May 2021	Prospectus Date
5th May 2021	Exchange Offer Forms sent to LSH shareholders
6th May 2021	Exchange Offer Opening Date
19th May 2021	Exchange Offer Closing Date (or such earlier date may be determined by LifeStar Holding and/or the Company in the case of over-subscription)
6th May 2021 to 19th May 2021	Exchange Offer Period
Any Business Day before the Exchange Date	Exchange Offer declared unconditional
28th May 2021	Exchange Date
31st May 2021	Expected date of admission of the Shares to listing
1st June 2021	Expected date of commencement of trading in the Shares

18.2 Exchange Offer Terms and Conditions

1. Conditions of the Exchange Offer

The Exchange Offer is only being made available to Eligible Shareholders. The Exchange Offer is conditional and is subject to the following conditions:

- (a) Approval by the Listing Authority of the Shares being admitted to listing on a regulated market and approval by the Registrar of Companies, and the Malta Financial Services Authority on any matter which relates to or is incidental to the Listing and/or the Exchange Offer.
- (b) Admission of the Shares to trading on the Official List, or the Listing Authority and the MSE agreeing to admit the Shares to the Official List subject to any conditions that may be imposed.
- (c) All notifications and filings which are necessary for the completion of the Exchange Offer having been made.

The conditions referred to above must be determined to be fulfilled by LifeStar Holding by 11.00 p.m. on the last Business Day before the Exchange Date at which point the Exchange Offer will be declared by LifeStar Holding to be unconditional. In the event that any of the conditions 1(a) – (c) (inclusive) have not been fulfilled by 11 p.m. on the last Business Day before the Exchange Date, the Exchange Offer will lapse automatically.

LifeStar Holding shall be under no obligation to determine to be or remain satisfied or to treat as fulfilled any condition 1(a) – (c) (inclusive) by a date earlier than the Exchange Date, notwithstanding that other conditions of the Exchange Offer may at an earlier date have been waived or fulfilled and that there are, at such earlier date, no circumstances indicating that any condition may not be capable of fulfilment.

Unless the context requires otherwise, any reference in the Prospectus or in the Exchange Offer Acceptance Form to the “**Exchange Offer becoming unconditional**” means (a) all of conditions 1(a) – (c) (inclusive) above being fulfilled, as determined by the Company, and (b) the Exchange Offer being declared unconditional by a Company Announcement of LifeStar Holding and/or of the Company and references to the Exchange Offer not becoming unconditional shall be construed accordingly.

2. Further Terms of the Exchange Offer

The following further terms and conditions apply to the Exchange Offer, unless the contrary is expressed or the context requires otherwise.

i. Delivery

Exchange Offer Acceptance Forms are to be lodged with or an Authorised Intermediary listed in Annex E. Physical copies can be delivered to an Authorised Intermediary’s registered address, while scanned copies can be sent electronically to the email address provided by the Authorised Intermediary. In either case, Exchange Offer Acceptance Forms must be received by Authorised Intermediaries between 6th May 2021 and 19th May 2021 by no later than 3.00 pm.

ii. Acceptance Period

- (a) The Exchange Offer will be open for acceptance from 9.00 a.m. on the Exchange Offer Commencement Date until 3.00 p.m. on the Exchange Offer Closing Date.
- (b) The Exchange Offer shall not be capable of becoming unconditional after 11.00 p.m. on the last Business Day prior to the Exchange Date.
- (c) The Company and/or Authorised Intermediaries and/or LifeStar Holding shall not be obliged to accept any Exchange Offer Acceptance Forms delivered after the Exchange Offer Closing Date.

- (d) The Company and/or Authorised Intermediaries and/or LifeStar Holding reserve the right to treat as valid or invalid (as the case may be) in whole or in part Exchange Offer Acceptance Forms of the Exchange Offer which are not entirely in order.

iii. Announcements

- (a) On satisfaction or waiver of all of the Conditions 1(a) – (d), LifeStar Holding and/or the Company will, by 6.00 p.m. on the Exchange Date, make a Company Announcement declaring that the Exchange Offer has become unconditional. The announcement will also specify (unless otherwise permitted by the Listing Authority) the:
 - (i) total number of LSH Shares for which Exchange Offer Acceptance Forms have been received;
 - (ii) corresponding number of Shares acquired by Eligible Shareholders; and
 - (iii) aggregate percentage of the total number of LSH Shares and Shares in issue that each of the foregoing figures respectively represent.
- (b) Where an announcement is not made by 11.59 p.m. on the Exchange Date, the Exchange Offer will lapse.

3. General

- (a) If, in respect of any LSH Shares, for the purposes of a determination in respect of Condition 1(a) or otherwise, or an Authorised Intermediary receives more than one Exchange Offer Acceptance Form, the relevant Authorised Intermediary shall recognise only the latest Exchange Offer Acceptance Form received provided that it is received on or before the Exchange Offer Closing Date.
- (b) If the Exchange Offer lapses for any reason, it shall cease to be capable of acceptance and both the LifeStar Holding and the Eligible Shareholders shall cease to be bound by Exchange Offer Acceptance Forms received on or before the time at which the Exchange Offer lapses.
- (c) Copies of the Prospectus are available from the Company's and LifeStar Holding's registered office addresses, as set out in this Prospectus, and are also available for download from the Company's and LifeStar Holding's websites (<https://lifestarinsurance.com/investor-relations/>) and (<https://lifestarholding.com/investor-relations/>) respectively.
- (d) The terms, provisions, instructions and authorities contained in or deemed to be incorporated in the Exchange Offer Acceptance Form constitute part of the terms of the Exchange Offer. The provisions of these Exchange Offer Terms and Conditions shall be deemed to be incorporated in and form part of each Exchange Offer Acceptance Form.

Words and expressions defined in this document have the same meanings when used in the Exchange Offer Acceptance Form, unless the context otherwise requires.

- (e) (i) The Exchange Offer, the Exchange Offer Acceptance Form, all contracts made pursuant to the Exchange Offer, all action taken or made or deemed to be taken or made pursuant to any of these terms and the relationship between an Eligible Shareholder and LifeStar Holding shall be governed by and interpreted in accordance with Maltese law.

(ii) Execution of an Exchange Offer Acceptance Form by or on behalf of an Eligible Shareholder will constitute that person's agreement that the Courts of Malta are to have exclusive jurisdiction to settle any dispute which may arise in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by the Exchange Offer and the Exchange Offer Acceptance Form or otherwise arising in connection with the Exchange Offer and the Exchange Offer Acceptance Form, and for such purposes that he irrevocably submits to the jurisdiction of the Maltese Courts.
- (f) Any omission to despatch the Prospectus or the Exchange Offer Acceptance Form or any notice required to be despatched under the terms of the Exchange Offer to, or any failure to receive the same by, any Eligible Shareholder, or should be made, shall not invalidate the Exchange Offer in any way or create any implication that the Exchange Offer has not been made to any such Eligible Shareholder. Subject to section 4 of these Exchange Offer Terms and Conditions, the Exchange Offer extends to any such person and to all Eligible Shareholders to whom this document, the Exchange Offer Acceptance Form and any related documents may not be despatched and who may not receive such documents, and such persons may collect copies of those documents from the Company and/or from LifeStar Holding.
- (g) All powers of attorney, appointments as agent and authorities on the terms conferred by or referred to in these Exchange Offer Terms and Conditions or in the Exchange Offer Acceptance Form are given by way of security for the performance of the obligations of the Eligible Shareholder concerned.
- (h) Without prejudice to any other provisions of this Prospectus, LifeStar Holding and/or the Company and/or Authorised Intermediaries reserve the right to treat Exchange Offer Acceptance Forms as valid or invalid (as the case may be) if received at any place or places or in any manner determined by it or them or otherwise than as set out in this Prospectus or in the Exchange Offer Acceptance Form.
- (i) All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from any Eligible Shareholders will be delivered by or sent to or from them (or their designated agents) at their risk. No acknowledgement of receipt of any Exchange Offer Acceptance Form, communication, and/or other document will be given by or on behalf of the Company and/or LifeStar Holding.

- (j) LifeStar Holding and/or the Company and/or Authorised Intermediaries reserve the right to notify any matter (including the making of the Exchange Offer) to all or any Eligible Shareholder(s) whom LifeStar Holding and/or Authorised Intermediaries and/or the Company know to be nominees, trustees or custodians for such Eligible Shareholder(s) with registered addresses outside Malta by announcement or paid advertisement in any daily newspaper published and circulated in Malta, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any such Eligible Shareholders to receive or see such notice. All references in this Prospectus to notice in writing shall be construed accordingly.
- (k) Execution of an Exchange Offer Acceptance Form will constitute an instruction to the Company that, upon the Exchange Offer becoming unconditional, all mandates and other instructions or notices recorded in the records of LifeStar Holding immediately prior to the Exchange Offer becoming unconditional in relation to the relevant LSH Shares will apply, unless and until revoked or varied, continue in full force, *mutatis mutandis*, in relation to the Shares issued to the relevant Eligible Shareholders pursuant to the Exchange Offer.
- (l) All references in these Exchange Offer Terms and Conditions to any statute or statutory provision shall include a statute or statutory provision which amends, consolidates or replaces the same (whether before or after the date of this document).
- (m) In the case of LSH Shares held jointly by two or more persons:
 - (i) reference to the Exchange Offer Applicant or Eligible Shareholder in this Prospectus and these Exchange Offer Terms and Conditions is a reference to each Exchange Offer Applicant or Eligible Shareholder, as the case may be, and any liability of the Exchange Offer Applicant or Eligible Shareholder is joint and several; and
 - (ii) acceptances shall only be valid provided that they are signed by all the holders of the applicable LSH Shares as indicated in the LSH Register.
- (n) In the case of LSH Shares held subject to usufruct, Exchange Offer Acceptance Forms shall only be valid provided that they are signed by both the usufructuary and the bare owner(s). Details of the usufructuary should be included in the section “Minor’s Parents/Legal Guardians/ Decision Maker/ Usufructuary” in the Exchange Offer Acceptance Form.
- (o) Exchange Offer Acceptance Forms in the name and for the benefit of minors shall be valid provided that they are signed by both parents or by the legal guardian/s and details thereof included in the section “Minor’s Parents/Legal Guardians/ Decision Maker/ Usufructuary” in the Exchange Offer Acceptance Form. Any Shares allocated pursuant to such an Exchange Offer Acceptance Form shall be registered in the name of the minor as shareholder, with dividends payable to the parents or legal guardian/s signing the Exchange Offer Acceptance Form until such time as the minor attains the age of eighteen (18) years, following which all dividends shall be payable directly to the registered holder,

provided that the Company has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. In the latter case the relative MSE form is to be duly filled in and presented to the MSE CSD. This requirement shall continue to operate even after the expiry of the Prospectus.

- (p) An Exchange Offer Acceptance Form may be signed by a duly authorised agent on behalf of an Eligible Shareholder provided that the Authorised Intermediaries may require that the said agent submit a power of attorney or a copy thereof duly certified by a lawyer or notary public or other evidence confirming the agent's authority.
- (q) By completing and delivering an Exchange Offer Acceptance Form, the Exchange Offer Applicant:
 - (i) authorises the Company and/or the CSD to include his name or in the case of joint Exchange Offer Applicants, the name of the representative, in the CSD Register in respect of the Shares allotted to him;
 - (ii) when signing the Exchange Offer Acceptance Form on behalf of another party or on behalf of a legal person or other organisation, the Exchange Offer Applicant warrants that he has due authority to do so and such legal person or other organisation will also be bound accordingly and will also be deemed to have given the confirmations, warranties and undertakings contained in these Exchange Offer Terms and Conditions and undertakes to submit a power of attorney or a copy thereof duly certified by a lawyer or notary public or other evidence confirming the Exchange Offer Applicant's authority, if so required by the LifeStar Holding and/or the Company and/or Authorised Intermediaries;
 - (iii) warrants that he is not under the age of 18 years or if lodging an Exchange Offer Acceptance Form in the name and for the benefit of a minor, warrants that he is the parent or legal guardian/s of the minor;
 - (iv) confirms that, in the case of an Exchange Offer Acceptance Form relating to a joint acceptance, the representative shall be deemed the holder of the LSH Shares;
 - (v) acknowledges the processing of any personal data for the purposes specified in the privacy notice published by the Company, which is available on the Company's website on <https://lifestarinsurance.com/privacy-policy/>. The Exchange Offer Applicant hereby acknowledges that the processing of personal data may validly take place, even without the Exchange Offer Applicant's consent, in the circumstances set out in the GDPR and the Data Protection Act and any applicable subsidiary legislation, as may be amended from time to time. The Exchange Offer Applicant hereby confirms that the Exchange Offer Applicant has been provided with and has read the privacy notice;
 - (vi) authorises the LifeStar Holding and the Company (or its services providers, including the CSD and/or any of the Authorised Intermediaries) to process the personal data

that the Exchange Offer Applicant provides in the Exchange Offer Acceptance Form, for all purposes necessary and subsequent to the securities applied for, as the case may be, in accordance with the Data Protection Act. The Exchange Offer Applicant has the right to request access to and rectification of the personal data relating to him/her as processed in relation to Exchange Offer, as the case may be. Any such requests must be made in writing and sent to Lifestar Holding at the address indicated in the Prospectus and sent to the CSD at the MSE. The requests must further be signed by the Exchange Offer Applicant to whom the personal data relates;

4. Overseas Shareholders

- (a) The making of the Exchange Offer in jurisdictions outside Malta and/or to Overseas Shareholders may be affected by the laws of the relevant jurisdictions. Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of any Overseas Shareholder wishing to accept the Exchange Offer to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Exchange Offer, including obtaining any governmental, exchange control or other consents which may be required, or compliance with other necessary formalities needing to be observed and payment of any issue, transfer or other taxes or duties due in such jurisdiction. Any such Overseas Shareholder will be responsible for any such issue, transfer or other taxes or other payments by whomsoever payable and LifeStar Holding (and any person acting its behalf including the Company and their respective advisors) shall be fully indemnified and held harmless by such Shareholder for any such issue, transfer or other taxes or duties as the Company (and any person acting on its behalf) may be required to pay. If you are an Overseas Shareholder and you are in doubt about your position, you should consult your independent professional advisor in the relevant jurisdiction.
- (b) In particular the Exchange Offer is not being made to U.S. Persons or in or into, and is not capable of acceptance in or from, the United States. In addition, subject to certain exceptions, the Exchange Offer will not be made, directly or indirectly, in or into or by use of the mails or any means or instrumentality (including, without limitation, by means of facsimile or electronic transmission, telephone or internet) of interstate or foreign commerce of, or any facilities of a securities exchange of, or in or into, the United States. Accordingly, subject to certain exceptions, copies of this document, the Exchange Offer Acceptance Form and any related offering documents are not being mailed by LifeStar Holding (or any person acting on its behalf) in or into the United States.

Persons receiving such documents (including without limitation, custodians, trustees and nominees) must not mail, forward, or distribute or send them, directly or indirectly, in, into or from the United States or use the United States mails or any such means or instrumentality or facility for any purpose, directly or indirectly, in connection with the Exchange Offer. Doing so may invalidate any purported acceptance of the Exchange Offer. Persons wishing to accept the Exchange Offer must not use such mails or any such

means or instrumentality or facility directly or indirectly for any purpose directly or indirectly related to acceptance of the Exchange Offer.

Unless specifically excepted by the Company pursuant to the Exchange Offer Terms and Conditions, envelopes containing the Exchange Offer Acceptance Form should not be postmarked in the United States or otherwise dispatched from the United States and all accepting Eligible Shareholders must provide addresses outside the United States for the receipt of the consideration to which they are entitled under the Exchange Offer.

- (c) If, in connection with the making of the Exchange Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Exchange Offer Acceptance Form or any related offering documents, in, into or from the United States or uses the mails of, or any means or instrumentality (including without limitation, facsimile or electronic transmission, telephone or internet) of interstate or foreign commerce of, or any facility of a national securities exchange of, the United States in connection with such forwarding, such person should:
 - (i) inform the recipient of such fact;
 - (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
 - (iii) draw the attention of the recipient to this paragraph (c).
- (d) These provisions and any other terms of the Exchange Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific holders of LSH Shares or on a general basis by the Company in its absolute discretion. Subject thereto, the provisions of this paragraph (d) supersede any other terms of these Exchange Offer Terms and Conditions that are inconsistent with them. References in this paragraph (d) to a holder of LSH Shares include references to any Exchange Offer Applicant and if more than one, the provisions of this paragraph (d) shall apply to them jointly and severally.
- (e) The availability of Shares to be distributed to Eligible Shareholders pursuant to the Exchange Offer to Overseas Shareholders may be affected by the laws of the relevant overseas jurisdiction. Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of any Overseas Shareholder acquiring Shares to satisfy himself/herself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the acquiring of LSH Shares, including the obtaining of any governmental, exchange control or other consents which may be required, or compliance with other necessary formalities needing to be observed and payment of any issue, transfer or other taxes or duties due in such jurisdiction.
- (f) The LSH Shares to be issued in connection with the Exchange Offer have not been, nor will they be, registered under the Securities Act of 1933 of the United States of America

(as amended) or under the securities laws of any state of the United States. Accordingly, the LSH Shares may not (unless an exemption under relevant securities laws applies) be offered, sold or delivered, directly or indirectly, in or into the United States or any other jurisdiction outside Malta if to do so would constitute a violation of relevant laws of, or require registration thereof in, such jurisdiction or to, or for the account or benefit of, a person located in the United States.

5. Exchange Offer Acceptance Forms

Eligible Shareholders can choose to accept the Exchange Offer in respect of all or part of their LSH Shares by indicating in the Exchange Offer Acceptance Form that they would like to accept the Exchange Offer in respect of all or part of their LSH shares. If an Eligible Shareholder chooses to accept the Exchange Offer in respect of part of their LSH shares, the amount which the Eligible Shareholder wants to exchange should be clearly stated in the Exchange Offer Acceptance Form.

Each Eligible Shareholder by whom, or on whose behalf, an Exchange Offer Acceptance Form is executed and delivered to an Authorised Intermediary irrevocably undertakes, represents, warrants and agrees to and with LifeStar Holding (so as to bind him, his personal or legal representatives, heirs, successors and assigns) to the following effect:

- (a) that the execution of the Exchange Offer Acceptance Form shall constitute:
 - (i) an acceptance of the Exchange Offer in respect of all of the specified number of LSH Shares inserted in the Exchange Offer Acceptance Form; and
 - (ii) an authority to the Lifestar Holding and/or the Company or their agents (including the Sponsor and/or Authorised Intermediaries) to execute any further documents and give any further assurances which may be required in connection with any or the foregoing and/or an undertaking to execute any further documents and give any further assurances which may be required to enable the Company to obtain the full benefit of the terms of this Condition 5 and/or to perfect any of the authorities expressed to be given under this Condition 5;

and in each case on and subject to the terms and conditions set out or referred to in the Prospectus and in the Exchange Offer Acceptance Form and that each such acceptance and election shall be irrevocable provided that if the total number of LSH Shares inserted in the Exchange Offer Acceptance Form is greater than the number of LSH Shares held by the relevant Eligible Shareholder but the Exchange Offer Acceptance Form is signed, it will be deemed to be an acceptance of the Exchange Offer in respect of all of such Eligible Shareholder's LSH Shares;

- (b) for the purposes of the Exchange Offer Terms and Conditions and the Exchange Offer Acceptance Form the LSH Shares comprised in an acceptance mean the number of LSH Shares inserted in the Exchange Offer Acceptance Form or, if no number is inserted, or the number inserted is greater than the relevant Eligible Shareholder's entire holding of

LSH Shares as indicated in LSH Register immediately prior to the time the relevant Exchange Offer Acceptance Form is processed by them, then it shall mean the relevant Eligible Shareholder's entire holding of LSH Shares as indicated in LSH Register immediately prior to the time the relevant Exchange Offer Acceptance Form is processed by them.

(c) that such Eligible Shareholder:

- (i) has not received or sent copies or originals of the Prospectus, the Exchange Offer Acceptance Form or any related offering documents in, into or from the United States, has not utilised in connection with the Exchange Offer, directly or indirectly, the mails of or any means of instrumentality (including, without limitation, by means of facsimile or electronic transmission, telephone or internet) of interstate or foreign commerce of, or any facilities of a securities exchange of, the United States;
- (ii) if an Overseas Shareholder, has observed the laws of the relevant jurisdiction, obtained all requisite governmental, exchange control and other required consents, complied with all necessary formalities and paid any issue, transfer or other taxes or other requisite payments due in any such jurisdiction in connection with such acceptance and has not taken or omitted to take any action that will or may result in the Company, LifeStar Holding, and any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Exchange Offer or his acceptance thereof;
- (iii) is accepting the Exchange Offer from outside the United States and was outside the United States when the Exchange Offer Acceptance Form was delivered;
- (iv) is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given all instructions with respect to the Exchange Offer from outside the United States;
- (v) is not acquiring and will not hold the Shares for the account or benefit of a U.S. person or with a view to or for the purposes of the offer, sale or delivery, directly or indirectly, of any Shares in or into the United States; and
- (vi) has not been mailed or otherwise sent the Exchange Offer Acceptance Form in, into or from the United States or signed in any of those jurisdictions and such shareholder is accepting the Exchange Offer from outside the United States.

(d) that the execution of the Exchange Offer Acceptance Form and its delivery to the Company constitutes, subject to the Exchange Offer becoming unconditional in all respects in accordance with its terms, the irrevocable and separate appointment of each of the Company, LifeStar Holding and any director of, or any person authorised by them (including the Registrar and Authorised Intermediaries), as such Eligible Shareholder's

mandatory (the “**mandatory**”) and an irrevocable instruction and authorisation to the mandatory:

- (i) to complete and execute all or any form(s) of transfer and/or other document(s) at the discretion of the mandatory in relation to the LSH Shares in favour of LifeStar Holding or such other person or persons as LifeStar Holding or its agents may direct in connection with acceptance of the Exchange Offer;
 - (ii) to deliver such form(s) of transfer and/or other document(s) in the mandatory’s discretion and/or the certificate(s) and/or other document(s) of title relating to such LSH Shares for registration within six (6) months of the Exchange Offer becoming unconditional in all respects; and
 - (iii) to execute all such other documents and do all such other acts and things as may in the mandatory’s opinion be necessary or expedient for the purpose of, or in connection with, the acceptance of the Exchange Offer pursuant to the Exchange Offer Acceptance Form and to vest the LSH Shares in LifeStar Holding;
- (e) that the execution of the Exchange Offer Acceptance Form and its delivery to the Company constitutes, subject to the Exchange Offer becoming unconditional in all respects, an irrevocable authority and request, subject to the provisions of Condition 5:
- (i) to LifeStar Holding or its agents to procure the registration of the transfer of the LSH Shares pursuant to the Exchange Offer and the delivery of any document(s) of title in respect of the LSH Shares to LifeStar Holding or as it may direct;
 - (ii) to the Company and its agents to procure that such Eligible Shareholder’s name is entered on the CSD Register in respect of the Shares to which he becomes entitled pursuant to the Exchange Offer;
 - (iii) to the Company and LifeStar Holding or their respective agents, to record and act on any instructions with regard to payments or notices or dividend mandates which have been entered in the records of the Company in respect of such Eligible Shareholder’s holding(s) of LSH Shares as if such notices or mandates have been given in respect of its holding of Shares;
 - (iv) constitutes an authority to the Company and/or its agents from such Eligible Shareholder to send any notice, circular, warrant, document or other communication which may be required to be sent to him/her as a member of the Company (including any share certificate(s) or other document(s) of title);
 - (v) constitutes an authority to LifeStar Holding or any director of LifeStar Holding to sign any consent to short notice of a general or separate class meeting as his attorney and/or agent and on his behalf and/ or to attend and/or execute a form of proxy in respect of such LSH Shares appointing any person nominated by LifeStar Holding to attend general and separate class meetings of LifeStar Holding (and any adjournments thereof) and to exercise the votes attaching to such shares on his

behalf, where relevant, such votes to be cast so far as possible to satisfy any outstanding condition of the Exchange Offer; and

- (vi) will also constitute the agreement of such Eligible Shareholder not to exercise any of such rights without the consent of LifeStar Holding and the irrevocable undertaking of such Eligible Shareholder not to appoint a proxy to attend any such general meeting or separate class meeting;
- (f) that he/she/it is the sole legal and beneficial owner of the LSH Shares in respect of which the Exchange Offer is accepted or he/she/it is the legal owner of such LSH Shares and he/she/it has the necessary capacity and authority to execute the Exchange Offer Acceptance Form(s);
- (g) that the LSH Shares in respect of which the Exchange Offer is accepted are transferred fully paid up and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other third party rights of any nature whatsoever and together with all rights attaching them, including the right to receive and retain all dividends and distributions (if any) declared, made or paid after the Exchange Date;
- (h) that the Exchange Offer Terms and Conditions shall be deemed to be incorporated in, and form part of, the Exchange Offer Acceptance Form which shall be read and construed accordingly;
- (i) that, if he accepts the Exchange Offer, he will do all such acts and things as shall be necessary or expedient to vest the LSH Shares referred to in this Condition 5 or the shares deemed to be referred to in this Condition 5 in LifeStar Holding or its nominee(s) or such other persons as it may decide;
- (j) that he agrees to ratify each and every act or thing which may be done or effected by LifeStar Holding, the Company or any of their respective directors, officers or agents (including Authorised Intermediaries), as the case may be, in the exercise of any of his powers and/or authorities under this document;
- (k) that the execution of the Exchange Offer Acceptance Form constitutes his agreement to the Exchange Offer Terms and Conditions; and
- (l) that if any of the Exchange Offer Terms and Conditions shall be unenforceable or invalid or shall not operate so as to afford LifeStar Holding, the Company or any director of any of them the benefit or authority expressed to be given therein, he shall with all practicable speed do all such acts and things and execute all such documents as may be required to enable LifeStar Holding, the Company and/or any director of any of them to secure the full benefits of Exchange Offer Terms and Conditions.

References in this Condition 5 to a Shareholder shall include references to the person or persons executing an Exchange Offer Acceptance Form, and if more than one person executes an Exchange Offer Acceptance Form, the provisions of this Condition 5 shall apply to them jointly and severally.

19. TAXATION

19.1 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 Shares, including their acquisition, holding and disposal as well as any income and/or gains derived therefrom or made on their disposal. The following is a summary of the anticipated tax treatment applicable to shareholders in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive.

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

This information is being given solely for the general information of investors who do not deal in the acquisition and disposal of securities in the course of their normal trading activity. The precise implications for shareholders will depend, among other things, on their particular circumstances and on the classification of the Shares from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

19.2 Taxation of the Company

The Company should be subject to corporate income tax in Malta on its world-wide profits and gains at the standard rate of 35%. Certain exemptions or lower tax rates may apply in respect of particular sources of income.

19.3 Information to investors in the Ordinary Shares

19.3.1 Acquisition pursuant to Exchange Offer

Shares in the Company are being offered by Selling Shareholder to Eligible Shareholder in exchange for their LSH Shares at an exchange rate of 1 LSH Share for 1 Share.

The transfer of the LSH Shares in exchange for Shares in the Company is deemed to be a disposal for the purposes of taxation. However, in accordance with the current legislation, if and for as long as the LSH Shares are listed on the MSE and such shares are held by the investors as capital assets, no tax on capital gains should be payable in Malta on the exchange of the LSH Shares.

The acquisition of Shares should not trigger a Maltese income tax liability.

19.3.2 Acquisition of Shares from the Selling Shareholder

The Selling Shareholder will be offering for sale 18,518,519 Shares in the Company.

The acquisition thereof by prospective investors should not trigger a Maltese tax liability.

19.3.3 Tax on dividends

In general, distributions of dividends from the profits of the Company to its shareholders should not be subject to further tax in Malta.

Under the full imputation system, the shareholder may be entitled to claim a tax refund of the difference between the tax payable on the grossed-up dividend and the tax paid by the Company on its profits out of which the dividend is paid. However, in certain circumstances, the amount of dividend that may be declared and for which a credit for the tax paid at the level of the Company may be claimed, may be limited.

Tax refunds may not be claimed on profits distributed from the Final Tax Account or profits on which tax for which the refund is being claimed by the shareholder has been relieved at the level of the Company by way of certain credits and/or deductions.

Dividends distributed to a person, other than a company, resident, or deemed to be resident, in Malta, from profits allocated to the untaxed account should be subject to a 15% withholding tax. In specific circumstances, such withholding tax may also apply to non-resident persons. In such cases, the Company should withhold 15% from the amount of the dividend and remit such tax to the Commissioner for Revenue.

The taxpayer may in certain circumstances opt to declare the gross dividend distributed from the untaxed account in the tax return and claim a refund on the difference between the 15% withholding tax and the personal tax rate applicable to the shareholder (if the tax rate applicable to the shareholder is less than 15%).

19.3.4 Tax on capital gains

In accordance with the current legislation, if and for as long as the Shares are listed on the MSE, and such Shares are held as capital assets, no tax on capital gains should be payable in Malta on the transfer of these Shares.

19.3.5 Duty on documents and transfers

In accordance with the current legislation, if and for as long as the Shares are listed on the MSE, no duty on documents and transfers should be payable in Malta on the transfer of these Shares.

19.3.6 Exchange of Information

In terms of the applicable Maltese legislation, the Company and/or its agent are required to collect and forward certain information, including but not limited to, information regarding payments made to certain Shareholders, to the Commissioner for Revenue who will or may automatically or on request, forward the information to other relevant tax authorities subject to certain conditions.

The provisions of Directive 2011/16/EU and subsequent amending directives on Administrative Cooperation in the field of Taxation which provides for the implementation of the Common Reporting Standard (CRS) into Maltese legislation. The legislation provides that Malta based financial institutions (MFIs) are obliged to identify and report to the Commissioner for Revenue Financial Accounts held by a Reportable Person and certain entities, with one or more Controlling Persons which is classified as a Reportable Person, each term as defined in the CRS legislation.

Financial information relating to Shares and the holders thereof may fall within the purview of CRS and may be subject to reporting and information exchange provisions.

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

Furthermore, the relevant provisions of the Foreign Tax Compliance Act (FATCA) have also been implemented into Maltese law. Under the FATCA legislation, FIs in Malta are obliged to identify and report Financial Accounts held by Specified US persons, and certain non-US entities which are controlled by US Controlling Persons to the Commissioner for Revenue, each term as defined in the FATCA legislation. Malta and the US shall annually exchange the information obtained pursuant to the legislation on an automatic basis. Financial Account information in respect of holders of the shares could fall within the scope of FACTCA and they may therefore be subject to reporting obligations.

In particular, FIs reserve the right to store, use, process, disclose and report any required information including current and historical data related to the past and/or present accounts held by Reportable Persons.

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

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 THE SHARES AS WELL AS DISTRIBUTION OF DIVIDENDS MADE BY THE COMPANY. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE SHARES AND DOES NOT CONSITTUTE LEGAL OR TAX ADVICE.

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

This Prospectus does not contain any statement or report attributed to any person as an expert.

The Company confirms any other information sourced from third parties and contained and referred to in this Prospectus has been accurately reproduced in this Prospectus and that there are no facts of which the Company is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

21. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents (or copies of the same) are available for physical inspection at the Company's registered office and on the Company's website (www.lifestarinsurance.com) for the duration of the validity of the Prospectus:

- (a) The Memorandum and Articles of Association of the Company;
- (b) The audited financial information of the Company for the financial years ended 31 December 2018, 31 December 2019 and 31 December 2020, together with the auditors' reports thereon;
- (c) The audited financial information of LifeStar Health for the financial years ended 31 December 2018, 31 December 2019 and 31 December 2020, together with the auditors' reports thereon;
- (d) The audited consolidated financial information for the Company for the financial year ended 31 December 2020, together with the auditors' report thereon.

Annex A: List of Directorships of Directors

Prof. Paolo Catalfamo (Non-Executive Director and Chairman)

Company Name	Registration number	Date of appointment	Date of resignation
LifeStar Holding Plc	C 19526	16/09/2015	n/a
Global Capital Holdings Limited	C 29873 (Struck off following merger with LifeStar Holding plc)	16/09/2015	n/a
Central Landmark Development Limited	C 34858	16/10/2015	n/a
LifeStar Health Limited	C 6393	30/12/2015	n/a
Global Capital Financial Management Limited	C 30053	11/12/2015	n/a
Investar Plc	C 65310	26/05/2014	n/a
Investar Technologies Plc	C 84925	14/02/2018	n/a
Palladium Plc	C 87116	04/07/2018	n/a
Palladium VFA Agent Limited	C 88248	11/09/2018	n/a
Palladium Exchange Limited	C 88252	11/09/2018	n/a
Paolo and Vasilisa Catalfamo Foundation	LPF 251	08/08/2017	n/a
Centtrip Holdings Limited	10573558	27/07/2018	n/a

Joseph C Schembri (Independent Non-Executive Director)

Company Name	Registration number	Date of appointment	Date of resignation
LifeStar Holding Plc	C 19526	09/06/2015	n/a
Global Capital Holdings Limited (Struck off on 1 December 2020)	C 29873	09/06/2015	01/12/2020
Central Landmark Development Limited	C 34858	09/06/2015	n/a
LifeStar Health Limited	C 6393	09/06/2015	n/a
Global Capital Financial Management Limited	C 30053	09/06/2015	n/a
Quadrant Italia SRL	08555651002	09/06/2015	n/a
Dizz Finance Plc	C 71189	15/01/2016	n/a
D Shopping Malls Finance Plc	C 87809	13/08/2018	n/a

Kronospan Holdings West SE	SE 10	20/02/2020	n/a
Agora Estates Plc	C 91408	09/04/2019	n/a
SMDL Holdings Limited	C 46228	13/02/2009	n/a
Investar Technologies Plc	C 84925	14/02/2018	n/a

Cristina Maria Casingena (Executive Director)

N/A

Mark Bamber (Independent Non-Executive Director)

Company Name	Registration number	Date of appointment	Date of resignation
KPMG audit and accountancy practice (civil partnership)	n/a	January 2003	31/12/2017
MB Economics Limited	C 89992	20/12/2018	n/a
The Founders Limited	C 88987	30/04/2019	06/05/2020
Gate Technology Ltd	C 89337	19/10/2020	n/a
Stivala Group Finance plc	C 82218	01/03/2021	n/a

Jonathan Camilleri

Company Name	Registration number	Date of appointment	Date of resignation
LifeStar Health Limited	C 6393	25/09/2018	n/a

Robert Apap Bologna, Adrian Mizzi, Michael Schembri

N/A

ANNEX B – Exchange Offer Acceptance Form

FOR PERSONS ACCEPTING IN RESPECT OF ALL OR PART OF THEIR OFFEREE SHARES

This Exchange Offer Acceptance Form is intended for those Shareholders who wish to ACCEPT the Exchange Offer in respect of ALL OR PART of their LSH Shares.

Lifestar Holding p.l.c. has publicly declared its intention to de-list the LSH Shares following the conclusion of the Exchange Offer. Eligible Shareholders who do not avail themselves of the Exchange offer will likely remain holding unlisted LSH Shares once these are de-listed. Holding shares in an unlisted entity could have adverse consequences. There can be no assurance (both prior to and post de-listing of the LSH Shares) that a holder of LSH Shares will be able to sell or otherwise trade in the LSH Shares at all. FAILURE TO ACCEPT THE OFFER OR ACCEPTING PART OF THE OFFER WOULD THEREFORE IMPLICATE THAT YOU WILL BE HOLDING DE-LISTED, ILLIQUID SHARES.

This Exchange Offer Acceptance Forms should be read in conjunction with the Prospectus issued by the Company dated 4th May 2021 (the “Prospectus”). The provisions of the Prospectus are deemed to be incorporated in, and form part of, this Exchange Offer Acceptance Form and should be read carefully by each Eligible Shareholder. Capitalised terms used in this Exchange Offer Acceptance Form have the meanings given to them in the Prospectus unless otherwise indicated.

This Exchange Offer Acceptance Form must NOT be used by persons residing in the United States.

IF YOU ARE IN ANY DOUBT ABOUT THE EXCHANGE OFFER, THE EXCHANGE OFFER ACCEPTANCE FORM OR THE ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO IMMEDIATELY SEEK FINANCIAL ADVICE FROM YOUR OWN PERSONAL FINANCIAL ADVISER.

The Exchange Offer is not being made, directly or indirectly, in or into, or by the use of the mails or by any means or instrumentality (including, without limitation, by means of telephone, facsimile, telex, or internet or other forms of electronic communication) of interstate or foreign commerce of, or any facilities of a securities exchange of the United States and will not be capable of Acceptance by any such use, means, instrumentality or facility or from within the United States. Accordingly, the Prospectus, the Exchange Offer Acceptance Form and any other related documents are not being, and must not be, directly or indirectly, mailed or otherwise distributed or sent in or into the United States. Doing so may render invalid any purported Acceptance of the Exchange Offer. Custodians, nominees and trustees should observe these restrictions and should not send or distribute this document or the accompanying documents in or into the United States.

EXCHANGE OFFER ACCEPTANCE FORM

LIFESTAR INSURANCE P.L.C.

Exchange Offer

Procedure for Acceptance

- This Exchange Offer Acceptance Form may only be used to accept the Exchange Offer in respect of ALL OR PART of an Eligible Shareholder’s LSH Shares
- Please follow the instructions and notes for guidance set out herein (including those on the back page if applicable).
- The information on the back page of this Exchange Offer Acceptance Form may help to answer queries you may have about the procedure for accepting the Exchange Offer.
- Please return this Exchange Offer Acceptance Form, duly completed and signed, by post, during normal business hours, by hand or via e-mail, either to any of the Authorised Intermediaries listed in Annex E of the Prospectus or via e-mail to the e-mail address provided by such Authorised Intermediary, as soon as possible, but in any event so as to be received by no later than 3.00 pm on the Exchange Offer Closing Date.
- An Exchange Offer Acceptance Form contained in an envelope postmarked in the United States, or otherwise appearing to the Company or its agents to have been sent from United States, will not constitute a valid Acceptance.

ACCEPTANCE FORM RELATING TO THE EXCHANGE OFFER

On the Terms and subject to the Conditions set out in the Prospectus:

ACCEPTANCE OR DECLINE OF OFFERREE SHARES									
<input type="checkbox"/> I ACCEPT the Exchange Offer in respect of ALL my LSH Shares <input type="checkbox"/> I ACCEPT the Exchange Offer in respect of PART of my LSH Shares Number of LSH Shares for which I am accepting the Exchange Offer: <input style="width: 500px; height: 20px;" type="text"/>									
APPLICANT									
<input type="checkbox"/> Non-Resident			<input type="checkbox"/> Minor (Under 18)		<input type="checkbox"/> Corporate			<input type="checkbox"/> CIS	
TITLE (Mr/Mrs/Ms/..)			FULL NAME & SURNAME / REGISTERED NAME						
ADDRESS							POST CODE		
MSE A/C NO. (mandatory)		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	DATE OF BIRTH	NATIONALITY
ID CARD/ PASSPORT/COMPANY REF.NO. LEGAL ENTITY IDENTIFIER (LEI)					DOCUMENT NUMBER		COUNTRY OF ISSUANCE		
E-MAIL ADDRESS					TEL NO.		MOBILE NO. (mandatory for e-portfolio registration)		
Already Registered for e-Portfolio <input type="checkbox"/>				Please register me for e-Portfolio <input type="checkbox"/>			Please do NOT register me for e-Portfolio <input type="checkbox"/>		
ADDITIONAL (JOINT) APPLICANTS (please use additional application form if space is not sufficient)									
TITLE (Mr/Mrs/Ms/..)			FULL NAME & SURNAME				DATE OF BIRTH		
I.D. CARD / PASSPORT NO.			DOCUMENT NUMBER				COUNTRY OF ISSUANCE		
TITLE (Mr/Mrs/Ms/..)			FULL NAME & SURNAME				DATE OF BIRTH		
I.D. CARD / PASSPORT NO.			DOCUMENT NUMBER				COUNTRY OF ISSUANCE		
MINOR'S PARENTS/LEGAL GUARDIANS/ DECISION MAKER/ USUFRUCTUARY (to be completed ONLY where applicable)									
TITLE (Mr/Mrs/Ms/..)			FULL NAME & SURNAME				DATE OF BIRTH		
I.D. CARD / PASSPORT NO.			DOCUMENT NUMBER				COUNTRY OF ISSUANCE		
TITLE (Mr/Mrs/Ms/..)			FULL NAME & SURNAME				DATE OF BIRTH		
I.D. CARD / PASSPORT NO.			DOCUMENT NUMBER				COUNTRY OF ISSUANCE		
DIVIDEND									
BANK					IBAN				
<p>I/We have fully understood the instructions for completing this Application Form, and am/are making this Application on the basis of the Prospectus, and subject to its Terms and Conditions (as defined therein) which have been explained to me/us, and which I/we fully accept.</p> <p>I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the Shares in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MIFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.</p>									
Signature/s of Applicant/s			Financial Intermediary				Date		
(All parties are to sign in the case of a joint Application) (Parent/s or legal guardian/s are/is to sign if Applicant is a minor) (Bare owner/s and usufructuary/ies to sign in the case of holdings that are subject to usufruct)									
FINANCIAL INTERMEDIARY'S STAMP					FINANCIAL INTERMEDIARY'S CODE				
					<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>				

Further notes about completing and lodging this exchange offer acceptance form

Any Exchange Offer Acceptance Form which has been validly executed will not be invalidated by the subsequent additional signature of any person/s whose name/s do not appear in the Company's Register of Members.

In order to avoid delay and inconvenience to yourself, the following points may assist you:

1. If an individual is a registered holder

In order to be valid, this Exchange Offer Acceptance Form must be signed personally by the registered holder and the relative box marked.

2. If a joint holder or usufructuary

In order to be valid, this Exchange Offer Acceptance Form must be signed personally by all the joint holders and the relative panel filled in appropriately. In the case of shares held in usufruct both the usufructuary and the bare owner must both sign the Exchange Offer Acceptance Form personally. The relative panel with usufructuary details needs also to be filled in accordingly.

3. If a minor

In order to be valid, the Exchange Offer Acceptance Form must be signed by both parents or by the legal guardian/s of such minor and the relative box marked. In the case of a legal guardian, documentary evidence of the legal guardian's appointment may be requested by the Company.

4. If a body corporate

In the case of a body corporate, the name of the entity, exactly as registered, and the registration number are to be inserted (unless these are already pre-printed) and relative box marked appropriately. Applications must be signed by duly authorized representatives indicating the capacity in which they are signing. A valid Legal Entity Identifier ("LEI") needs to be inserted in the space provided and failure to include a valid LEI code, will result in the Application being cancelled by the Registrar.

5. If a holder is away from home (ex. Abroad or on holiday)

Send this Exchange Offer Acceptance Form and the Prospectus by the quickest means (ex. Air mail) to the Shareholder, but not in or into the United States, for execution or, if he/she has executed a power of attorney giving sufficient authority, have this Exchange Offer Acceptance Form signed by the attorney. In the latter case, the power of attorney (or a copy thereof duly certified by a lawyer or a notary) may be requested by the Company. No other signatures are acceptable.

6. If the sole holder of the offeree shares has died

Any person becoming entitled to LSH Shares upon the death of a holder of such LSH Shares may, upon such evidence being produced as may, from time to time, be properly required by the Company or the Stock Exchange, execute the Exchange Offer Acceptance Form on their own behalf.

7. If this Exchange Offer Acceptance Form is signed under mandate

The completed Exchange Offer Acceptance Form should be lodged with the Eligible Shareholder accompanied by the original mandate (or a copy thereof duly certified by a lawyer or notary) if requested by the Company. The mandate will be noted by the Company and returned as directed.

8. If you are not resident in Malta

The attention of Eligible Shareholders not resident in Malta is drawn, in particular, to section 4 of the Terms and Conditions of the Exchange Offer as set out in the Prospectus.

Dividends, if any, will be paid by direct credit to the bank account (which must be in Euro and held with a local bank) bearing a valid IBAN as indicated by the Applicant, or to such other bank account indicated by the Shareholder to the MSE.

The Company reserves the right to treat as valid any Acceptance of the Exchange Offer which is not entirely in order. Notwithstanding minor errors, a form which would otherwise be valid and the LSH Shares referred to therein are available for Acceptance, and it is signed by or on behalf of an Eligible Shareholder and delivered to the Authorised Intermediary, may be treated as valid for an Acceptance.

The Exchange Offer Period will open at 9.00am hours on 6th May 2021 and will close at 3.00pm on 19th May 2021 (or such earlier date as may be determined by LifeStar Holding and/or the Company in the case of over-subscription). Completed Acceptance Forms are to be delivered to the Authorised Intermediary (physically or via e-mail) listed in Annex E of the Prospectus, during normal office hours by not later than 3:00 pm on the 19th May 2021. Any Acceptance Form received by the Authorised Intermediary after 3.00 pm on the 19th May 2021 may be rejected. Remittances by post are made at the risk of the Applicant and the Company disclaims all responsibility for any such remittances not being received by the closing date indicated above. The Company reserves the right to refuse any Acceptance Form, which appears to be in breach of the general terms and conditions of the Prospectus.

ANNEX C – SHARE OFFER APPLICATION FORM A



LifeStar Insurance plc
Offer of Shares

18,518,519 ordinary shares at €0.54 per share

PREFERRED APPLICANTS

This application form is not transferable and entitles you to subscribe for Ordinary Shares in LifeStar Insurance p.l.c. as a Preferred Applicant, as defined in the Prospectus dated 4th May 2021.

Please read the notes overleaf before completing this Application Form. Mark 'X' if applicable. Unless otherwise indicated, each of the panels below is to be completed.

APPLICATION FORM
Application No.

A APPLICANT			
<input type="checkbox"/> Eligible Shareholder <input type="checkbox"/> Bondholder <input type="checkbox"/> Group Employee <input type="checkbox"/> LifeStar Policy Holder			
<input type="checkbox"/> Non-Resident		<input type="checkbox"/> Minor (Under 18)	<input type="checkbox"/> Corporate
<input type="checkbox"/> CIS			
TITLE (Mr/Mrs/Ms/...)		FULL NAME & SURNAME / REGISTERED NAME	
ADDRESS			POST CODE
MSE A/C NO. (mandatory)		DATE OF BIRTH	NATIONALITY
ID CARD/ PASSPORT LEGAL ENTITY IDENTIFIER (LEI)		DOCUMENT NUMBER	COUNTRY OF ISSUANCE
E-MAIL ADDRESS		TEL NO.	MOBILE NO. (mandatory for e-portfolio registration)
Already Registered for e-Portfolio <input type="checkbox"/>		Please register me for e-Portfolio <input type="checkbox"/>	Please do NOT register me for e-Portfolio <input type="checkbox"/>
B ADDITIONAL (JOINT) APPLICANTS (please use additional application form if space is not sufficient)			
TITLE (Mr/Mrs/Ms/..)		FULL NAME & SURNAME	DATE OF BIRTH
I.D. CARD / PASSPORT NO.		DOCUMENT NUMBER	COUNTRY OF ISSUANCE
TITLE (Mr/Mrs/Ms/..)		FULL NAME & SURNAME	DATE OF BIRTH
I.D. CARD / PASSPORT NO.		DOCUMENT NUMBER	COUNTRY OF ISSUANCE
C MINOR'S PARENTS/LEGAL GUARDIANS/ DECISION MAKER/ USUFRUCTUARY (See Note 6) (to be completed ONLY where applicable)			
TITLE (Mr/Mrs/Ms/..)		FULL NAME & SURNAME	DATE OF BIRTH
I.D. CARD / PASSPORT NO.		DOCUMENT NUMBER	COUNTRY OF ISSUANCE
TITLE (Mr/Mrs/Ms/..)		FULL NAME & SURNAME	DATE OF BIRTH
I.D. CARD / PASSPORT NO.		DOCUMENT NUMBER	COUNTRY OF ISSUANCE
D I/WE APPLY TO PURCHASE AND ACQUIRE THE AMOUNT SET OUT BELOW:			
NUMBER OF SHARES IN FIGURES		NUMBER OF SHARES IN WORDS	
Shares in LifeStar Insurance p.l.c. (in multiples of 1000 Shares) at a price of €0.54 per share (the 'Offer Price') as defined in the Prospectus dated 4 th May 2021 (the 'Prospectus') payable in full upon application and subject to the terms of the Prospectus, including the terms and conditions of the Share Offer; and the memorandum and articles of association of LifeStar Insurance p.l.c			
AMOUNT PAYABLE		€	
E DIVIDEND AND REFUND MANDATE (completion of this panel is mandatory)			
BANK		IBAN	
I/We have fully understood the instructions for completing this Application Form, and am/are making this Application on the basis of the Prospectus, and subject to its Terms and Conditions (as defined therein) which have been explained to me/us, and which I/we fully accept. I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the Shares in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MIFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.			
Signature/s of Applicant/s		Financial Intermediary	Date
(All parties are to sign in the case of a joint Application) (Parent/s or legal guardian/s are/is to sign if Applicant is a minor) (Bare owner/s and usufructuary/ies to sign in the case of holdings that are subject to usufruct)			
FINANCIAL INTERMEDIARY'S STAMP		FINANCIAL INTERMEDIARY'S CODE	

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 4th May 2021.

1. This Application is governed by the Terms and Conditions of Application contained in the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the same meaning ascribed to them in the Prospectus.
2. The Application Form is to be completed in BLOCK LETTERS.
3. Applicants are to insert full personal details in Panel A. In the case of an application by more than one person (including husband and wife) full details of all individuals – including I.D. Card Numbers – must be given in Panels A and B but the person whose name appears in Panel A shall, for all intents and purposes, be deemed to be the registered holder of the Shares.
4. LifeStar Employees are to insert the required personal details in Panel A.
In the case of an Application by more than one person (including husband and wife) full details of all individuals must be given in Panels A and B but the person whose name appears in Panel A shall, for all intents and purposes, be deemed to be the registered holder of the Ordinary Shares.
5. Upon submission of an Application Form, shareholders who do opt to have an online e-banking facility (by marking the appropriate box in panel A) will receive by mail at their registered address a handle code to activate the new e-portfolio login. The Shareholder's statement of holdings evidencing entitlement to Shares held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Those shareholders who opt not to avail themselves of this facility should indicate such on the Application Form. Further detail on the e-portfolio is found on <https://eportfolio.borzamalta.com.mt/Help>.
6. Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or by the legal guardian/s and an MSE account already held at the CSD. Any Shares allocated pursuant to such an Application shall be registered in the name of the minor as Shareholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Company has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. Panel C must be inserted with full details of the parents/legal guardians.
7. Applicants who are Non-Resident in Malta for tax purposes must indicate their passport number in Panel B. The relative box in Panel A must also be marked appropriately.
8. In the case of a body corporate, the name of the entity exactly as registered, and the registration number are to be inserted in Panel A. A valid Legal Entity Identifier ("LEI") needs to be inserted in Panel A. **Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar.** Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
9. **APPLICANTS ARE TO INDICATE THEIR MSE ACCOUNT NUMBER IN PANEL A. FAILURE TO DO SO WILL RESULT IN REJECTION OF THE APPLICATION FORM. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM WITH THE DETAILS (INCLUDING REGISTERED ADDRESS), AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE. IF DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MSE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF, A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE WILL HAVE TO BE EFFECTED.**
10. **PREFERRED APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM.**
11. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "decision maker") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in Panel C.
12. Where an Applicant quotes an MSE account number which is held subject to usufruct, both the bare owner/s and the usufructuary/ies are to sign this Application Form.
13. The amount applied for must be in for a minimum of 1000 shares and in multiples of 1000 Ordinary Shares thereafter. The Applicant must ensure that the relative Application Form is accompanied by payment of the full price of the amount of Shares applied for. Payment of the amount, must be made in Euro in cleared funds to the respective Authorised Intermediary. In the event that the cheque accompanying the Application Form is not honoured on the first presentation to the Company, the Registrar, LifeStar Holding and/or the Authorised Intermediary reserve the right to invalidate the relative Application.
14. If any Application is not accepted, after the closure of the subscription lists or is accepted for fewer shares than those applied for, the monies of the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the bank account as indicated in the application form.
15. Dividends, if any, will be paid by direct credit to the bank account (which must be in Euro and held with a local bank) bearing a valid IBAN as indicated by the Applicant in panel E, or to such other bank account indicated by the Shareholder to the MSE.
16. The Company reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions of the Offer as contained in the Prospectus.
17. The Offer Period will open at 9.00am hours on 6th May 2021 and will close at 3.00pm on 19th May 2021 (or such earlier date as may be determined by LifeStar Holding and/or the Company in the case of over-subscription). Completed Application Forms are to be delivered to the Authorised Intermediary listed in Annex E of the Prospectus, physically or via e-mail, during normal office hours by not later than 3.00 pm on the 19th May 2021. Any applications received by the Authorised Intermediary after 3.00 pm on the 19th May 2021 may be rejected. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not being received by the closing date indicated above. The Company reserves the right to refuse any Application, which appears to be in breach of the general terms and conditions of the Prospectus.
18. By completing and delivering an Application Form you (as the Applicant(s)):
 - i. acknowledge that the Company may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the Laws of Malta);
 - ii. acknowledge that the Company may process such personal data for all purposes necessary for and related to the Shares applied for; and
 - iii. acknowledge that you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Company. Any such requests must be made in writing and addressed to the Company. The request must be signed by yourself as the Applicant to whom the personal data relates.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. An investor should consult an independent financial advisor, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.

ANNEX D – SHARE OFFER APPLICATION FORM B



LifeStar Insurance plc

Offer of Shares

18,518,519 ordinary shares at €0.54 per share

GENERAL PUBLIC

APPLICATION FORM

Application No. _____

Please read the notes overleaf before completing this Application Form. Mark 'X' if applicable. Unless otherwise indicated, each of the panels below is to be completed.

A	APPLICANT		
	<input type="checkbox"/> Non-Resident	<input type="checkbox"/> Minor (Under 18)	<input type="checkbox"/> Body Corporate/ Body Of Persons
	<input type="checkbox"/> CIS- Prescribed Funds		
	TITLE (Mr/Mrs/Ms/..)	FULL NAME & SURNAME / REGISTERED NAME	
	ADDRESS		POST CODE
	MSE A/C NO. (if applicable)	DATE OF BIRTH	NATIONALITY
	ID CARD/ PASSPORT LEGAL ENTITY IDENTIFIER (LEI)	DOCUMENT NUMBER	COUNTRY OF ISSUANCE
	E-MAIL ADDRESS	TEL NO.	MOBILE NO.
Already Registered for e-Portfolio <input type="checkbox"/>	Please register me for e-Portfolio <input type="checkbox"/>	Please do NOT register me for e-Portfolio <input type="checkbox"/>	
B	ADDITIONAL (JOINT) APPLICANTS (please use additional application form if space is not sufficient)		
	TITLE (Mr/Mrs/Ms/..)	FULL NAME & SURNAME	DATE OF BIRTH
	I.D. CARD / PASSPORT NO.	DOCUMENT NUMBER	COUNTRY OF ISSUANCE
	TITLE (Mr/Mrs/Ms/..)	FULL NAME & SURNAME	DATE OF BIRTH
C	MINOR'S PARENTS/LEGAL GUARDIANS/ DECISION MAKER/ USUFRUCTUARY (See Note 5) (to be completed ONLY where applicable)		
	TITLE (Mr/Mrs/Ms/..)	FULL NAME & SURNAME	DATE OF BIRTH
	I.D. CARD / PASSPORT NO.	DOCUMENT NUMBER	COUNTRY OF ISSUANCE
	TITLE (Mr/Mrs/Ms/..)	FULL NAME & SURNAME	DATE OF BIRTH
D	I/We apply to purchase and acquire the amount set out below		
	NUMBER OF SHARES IN FIGURES	NUMBER OF SHARES IN WORDS	
	Shares in LifeStar Insurance p.l.c. (in multiples of 1000 Shares) at a price of €0.54 per share (the 'Offer Price') as defined in the Prospectus dated 4th May 2021 (the 'Prospectus') payable in full upon application and subject to the terms of the Prospectus, including the terms and conditions of the Share Offer; and the memorandum and articles of association of LifeStar Insurance p.l.c		
	AMOUNT PAYABLE €		
E	DIVIDEND AND REFUND MANDATE (completion of this panel is mandatory)		
	BANK	IBAN	
	I/We have fully understood the instructions for completing this Application Form, and am/are making this Application on the basis of the Prospectus, and subject to its Terms and Conditions (as defined therein) which have been explained to me/us, and which I/we fully accept. I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the Shares in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MIFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.		
	Signature/s of Applicant/s (All parties are to sign in the case of a joint Application) (Parent/s or legal guardian/s are/is to sign if Applicant is a minor) (Bare owner/s and usufructuary/ies to sign in the case of holdings that are subject to usufruct)	Financial Intermediary	Date
	FINANCIAL INTERMEDIARY'S STAMP	FINANCIAL INTERMEDIARY'S CODE	

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 4th May 2021.

1. This Application is governed by the Terms and Conditions of Application contained in the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the same meaning ascribed to them in the Prospectus.
2. The Application Form is to be completed in BLOCK LETTERS.
3. Applicants are to insert full personal details in Panel A. In the case of an application by more than one person (including husband and wife) full details of all individuals – including I.D. Card Numbers – must be given in Panels A and B but the person whose name appears in Panel A shall, for all intents and purposes, be deemed to be the registered holder of the Shares.
4. Upon submission of an Application Form, Shareholders who opt to have an online banking facility (by marking the appropriate box in panel A) will be registered by the CSD for the online e-portfolio facility and will receive by mail at their registered address a handle code to activate the new e-portfolio login. The shareholder's statement of holdings evidencing entitlement to Shares held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>.
5. Applications in the name and for the benefit of minors shall be allowed provided that they already hold an MSE account and are signed by both parents or by the legal guardian/s. The relative box in Panel A must also be marked appropriately. Any Shares allocated pursuant to such an Application Form shall be registered in the name of the minor as Shareholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Company has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.
6. Applicants who are Non-Resident in Malta for tax purposes must indicate their passport number in Panel B. The relative box in Panel A must also be marked appropriately.
7. In the case of a body corporate, the name of the entity exactly as registered, and the registration number are to be inserted in Panel A. A valid Legal Entity Identifier ("LEI") needs to be inserted in Panel A. **Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar.** Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
8. **APPLICANTS ARE TO INDICATE THEIR MSE ACCOUNT NUMBER IN PANEL A. FAILURE TO DO SO WILL RESULT IN REJECTION OF THE APPLICATION FORM. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM WITH THE DETAILS (INCLUDING REGISTERED ADDRESS), AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE.**
9. Where an Applicant quotes an MSE account number which is held subject to usufruct, both the bare owner/s and the usufructuary/ies are to sign this Application Form.
10. The amount applied for must be in for a minimum of 1000 shares and in multiples of 1000 Ordinary Shares thereafter. The Applicant must ensure that the relative Application Form is accompanied by payment of the full price of the amount of Shares applied for. Payment of the amount, must be made in Euro in cleared funds to the respective Authorised Intermediary. In the event that the cheque accompanying the Application Form is not honoured on the first presentation the Company, the Registrar, LifeStar Holding and/or the Authorised Intermediaries reserve the right to invalidate the relative Application.
11. If any Application is not accepted, after the closure of the subscription lists or is accepted for fewer shares than those applied for, the monies of the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the bank account as indicated in the application form.
12. Dividends, if any, will be paid by direct credit to the bank account (which must be in Euro and held with a local bank) bearing a valid IBAN as indicated by the Applicant in panel E, or to such other bank account indicated by the Shareholder to the MSE.
13. The Offer Period will open at 9.00am hours on 6th May 2021 and will close at 3.00pm on 19th May 2021 (or such earlier date as may be determined by LifeStar Holding and/or the Company in the case of over-subscription). Completed Application Forms are to be delivered to the Authorised Intermediary (physically or via e-mail) listed in Annex E of the Prospectus, during normal office hours by not later than 3.00 pm on the 19th May 2021. Any applications received by the Authorised Intermediary after 3.00 pm on the 19th May 2021 may be rejected. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not being received by the closing date indicated above. The Company reserves the right to refuse any Application, which appears to be in breach of the general terms and conditions of the Prospectus.
14. By completing and delivering an Application Form you (as the Applicant(s)):
 - i. acknowledge that the Company may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the Laws of Malta);
 - ii. acknowledge that the Company may process such personal data for all purposes necessary for and related to the Shares applied for; and
 - iii. acknowledge that you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Company. Any such requests must be made in writing and addressed to the Company. The request must be signed by yourself as the Applicant to whom the personal data relates.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. An investor should consult an independent financial advisor, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.

Annex E: Authorised Intermediaries

Name	Address	Telephone
Bank of Valletta p.l.c.	BOV Centre, Cannon Road, St Venera SVR 9030	22751732
Curmi & Partners Ltd	Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	21347331
Calamatta Cuschieri Investment Services Ltd	Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034	25688688
Jesmond Mizzi Financial Advisors Ltd	67/3, South Street, Valletta VLT 1105	23265696
Michael Grech Financial Investment Services Ltd	The Brokerage, Level 0 A, St Marta Street, Victoria, Gozo VCT 2550	21554492
MZ Investment Services Ltd	61, St Rita Street, Rabat RBT 1523	21453739
Rizzo, Farrugia & Co (Stockbrokers) Ltd	Airways House, Fourth Floor, High Street, Sliema SLM 1551	22583000

T: 21 342 342

E: info@lifestarinsurance.com

W: www.lifestarinsurance.com

A: LifeStar Building, Testaferrata Street,
Ta ' Xbiex, XBX 1403, Malta

LifeStar Insurance plc (C29086) is authorised under the Insurance Business Act, Cap 403 and is regulated by the MFSA.