



SUMMARY

dated 25 October 2021

Hili Properties p.l.c.

registered as a public limited liability company

under the laws of Malta with company registration number C 57954

Legal Counsel

Sponsor & Joint Manager

Registrar & Joint Manager



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

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

Approved by the Directors

Pier Luca Demajo

Georgios Kakouras

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



A. INTRODUCTION AND WARNINGS

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

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

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

The Shares will have the following ISIN code: MT0000940107

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

Details of the Malta Financial Services Authority:

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

B. KEY INFORMATION ON THE ISSUER

WHO IS THE ISSUER OF THE SECURITIES?

General

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

Principal Activities

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

Shares and Ownership

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

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



Key Managing Directors

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

Statutory Auditors

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

WHAT IS THE KEY FINANCIAL INFORMATION REGARDING THE ISSUER?

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

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

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

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

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

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



C. KEY INFORMATION ON THE SECURITIES

WHAT ARE THE MAIN FEATURES OF THE SECURITIES?

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

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

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

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

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

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

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

WHERE WILL THE SECURITIES BE TRADED?

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

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

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

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

WHY IS THE PROSPECTUS BEING PRODUCED?

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

Conflicts of Interest in relation to the Issue

None



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

General Terms and Conditions

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

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

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

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

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

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

Expected Timetable of the Offer

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

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

Admission to Trading on a Regulated Market and Plan for Distribution

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

Amount and Percentage of Immediate Dilution resulting from the Issue

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

Expenses

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

