

SUMMARY

Dated 25 March 2022

This Summary is issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules issued by the MFSA and of the Prospectus Regulation.

In respect of an issue of €12.5 million 4.5% Secured Bonds 2032
of a nominal value of €100 per Bond issued at par by

G3 FINANCE PLC

a public limited liability company registered in terms of the laws of Malta
with company registration number C 94829

Guaranteed* by G3 Holdings Limited (C 94828)

ISIN: MT0002641208

**Prospective investors are to refer to the Guarantee contained in Annex II of the Securities Note forming part of the Prospectus for a description of the scope, nature and terms of the Guarantee and also to refer to sub-section 5.5 of the Securities Note for a description of the Collateral. Reference should also be made to the sections entitled "Risk Factors" contained in the Prospectus for a discussion of certain risk factors which should be considered by prospective investors in connection with the Bonds and the Guarantee provided by the Guarantor, as well as the Collateral granted by the G3 Group.*

Legal Counsel



Sponsor, Manager & Registrar



THIS SUMMARY HAS BEEN APPROVED BY THE MFSA AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MFSA 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/OR THE SECURITIES THAT ARE THE SUBJECT OF THIS SUMMARY.

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

Approved by the Directors

A handwritten signature in black ink, appearing to be 'Daniel Grima'.

Daniel Grima

A handwritten signature in black ink, appearing to be 'Jonathan Grima'.

Jonathan Grima

in their capacity as Directors and for and on behalf of John Grima, Alexander Grima, Albert Grech, Juanita Bencini and Michael Lewis Macelli.

This Summary is prepared in accordance with the requirements of the Prospectus Regulation and the delegated acts issued thereunder. This Summary contains key information which will enable investors to understand the nature and the risks associated with the Issuer, the Guarantor and the Bonds.

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

1 Introduction and Warnings

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

| | |
|--|--|
| Issuer | G3 Finance plc, a public company registered under the laws of Malta with company registration number C 94829 and having legal entity identifier number (LEI) 485100UR3YCHCUPRSD15 |
| Address | 'The Pergola', Adenau Street, Mellieha MLH 2014, Malta |
| Telephone number | +356 2152 3912 |
| Website | www.g3.com.mt |
| Guarantor | G3 Holdings Limited (C 94828) |
| Nature of the securities | Secured Bonds up to a maximum amount of €12,500,000, bearing an interest rate of 4.5% per annum, payable annually in arrears on 6 April of each year until 6 April 2032 |
| Collateral granted by the G3 Group | G3 Properties Limited has agreed to grant the Collateral in favour of the Security Trustee for the benefit of Bondholders, as Primary Beneficiaries, in terms of the Security Trust Deed and the Deed of Hypothec, and for such purpose shall appoint the Security Trustee to hold and administer the Collateral under trust. The Collateral will secure the claim of the Security Trustee, for the benefit and in the interest of Bondholders, for the repayment of the amount of the principal and interest under the Bonds by a preferred claim over the Collateral |
| ISIN of the Bonds | MT0002641208 |
| Competent authority approving the Prospectus | The Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Chapter 330 of the laws of Malta). The MFSA 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 |
| Address, telephone number and official website of the competent authority approving the Prospectus | Malta Financial Services Authority, Triq l-Imdina, Zone 1, Central Business District, Birkirkara CBD 1010, Malta. The telephone number of the competent authority is +356 2144 1155. The official website of the competent authority is https://www.mfsa.mt/ |
| Prospectus approval date | 25 March 2022 |

Prospective investors are hereby warned that:

- i. this Summary should be read as an introduction to the Prospectus. It is being provided to convey the key characteristics and risks associated with the Issuer, the Guarantor and the Bonds being offered pursuant to the Prospectus. It is not, and does not purport to be, exhaustive and investors are warned that they should not rely on the information contained in this Summary in making a decision as to whether to invest in the securities described in this document;
- ii. any decision of the investor to invest in the securities should be based on consideration of the Prospectus as a whole by the investor;
- iii. an investor may lose all or part of the capital invested by subscribing for Bonds;
- iv. where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and

- v. civil liability attaches only to those persons who have tabled the Summary, but only if the Summary, when read together with the other parts of the Prospectus, is misleading, inaccurate or inconsistent or does not provide key information in order to aid investors when considering whether to invest in such securities.

2 Key Information on the Issuer

2.1 Who is the Issuer of the Bonds?

2.1.1 Domicile and Legal Form, LEI and Country of Incorporation of the Issuer

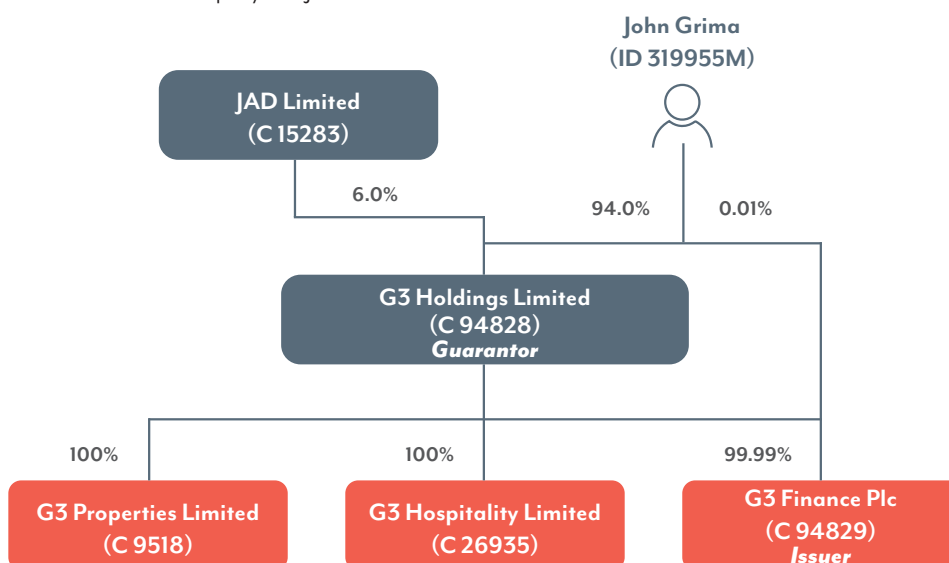
The Issuer is G3 Finance plc, a public company registered in terms of the Companies Act (Chapter 386 of the laws of Malta), with company registration number C 94829 and its registered office is at 'The Pergola', Adenau Street, Mellieha MLH 2014, Malta. The Issuer is incorporated and is domiciled in Malta. Its LEI number is 485100UR3YCHCUPRSD15.

2.1.2 Principal Activities of the Issuer

The Issuer was incorporated on 11 February 2020 as a private limited liability company, registered and incorporated in terms of the Companies Act with company registration number C 94829. The Issuer subsequently changed its status from a private company to a public company with effect from 11 March 2022. The principal object of the Issuer is to act as a financing and investment company of any company or other body corporate or another entity duly formed or incorporated in its relevant jurisdiction, or of any number of such entities, and, in particular, but without prejudice to the generality of the foregoing, to carry on the business of financing or re-financing of the funding requirements of the business of its subsidiaries and, or associated companies. The issue of bonds falls within the objects of the Issuer. The Issuer's intended purpose is to act as a financing company, serving as a vehicle through which the G3 Group will continue to finance its future projects. In this respect, the Issuer is economically dependent principally on the financial and operating performance of the businesses of the G3 Group entities, presently centred around the operation and management of the Pergola Hotel & Spa and the Solana Hotel & Spa through G3 Hospitality Limited. The Issuer operates exclusively in and from Malta.

2.1.3 Major Shareholders

The authorised and issued share capital of the Issuer is €252,000 divided into 252,000 Ordinary shares of a nominal value of €1.00 each, being fully paid up and subscribed for, allotted and taken up by the Guarantor, other than 3 Ordinary shares which are subscribed for, allotted and taken up by Mr John Grima.



2.1.4 Directors of the Issuer

As at the date of the Prospectus, the Board of Directors of the Issuer is composed of the following 7 individuals: John Grima (Executive Director and Chairman), Daniel Grima (Executive Director), Jonathan Grima (Executive Director), Alexander Grima (Non-Executive Director), Albert Grech (Non-Executive Director), Juanita Bencini (Independent, Non-Executive Director) and Michael Lewis Macelli (Independent, Non-Executive Director).

2.1.5 Statutory Auditors

The annual statutory financial statements of the Issuer for the financial year ended 31 December 2020 were audited by PricewaterhouseCoopers of 78, Mill Street, Qormi QRM 3101, Malta. PricewaterhouseCoopers (accountancy board registration number AB/26/84/38) is a firm registered as a partnership of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Chapter 281 of the laws of Malta).

2.2 What is the key financial information regarding the Issuer?

The key financial information regarding the Issuer is set out below (presented in thousands):

| | FY2021 | FY2020 |
|--|--------|--------|
| Loss for the year | (82) | (2) |
| | FY2021 | FY2020 |
| Net Financial Debt | - | - |
| | FY2021 | FY2020 |
| Net cash flows from operating activities | n/a | n/a |
| Net cash flows from financing activities | n/a | n/a |
| Net cash flows from investing activities | n/a | n/a |

2.3 What are the key risks specific to the Issuer?

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

2.3.1 Issuer's Exposure to and Dependence on the G3 Group and its Business

As a finance company, the assets of the Issuer will comprise loans issued to G3 Group companies. In this respect, the Issuer is dependent on the business prospects of G3 Group companies, particularly G3 Hospitality Limited which owns the Pergola Hotel & Spa and operates the Pergola Hotel & Spa and the Solana Hotel & Spa, and G3 Properties Limited which currently owns the Solana Hotel & Spa. Consequently, the operating results and cash flows of G3 Group companies have a direct effect on the Issuer's financial position and performance. As such, the risks intrinsic in the business and operations of the G3 Group shall have a direct effect on the financial position of the Issuer. In the event that general market and economic conditions were to experience a downturn, these weakened conditions may have an adverse impact on the financial position and operational performance of the G3 Group's business activities, potentially having a negative effect on the Issuer's financial position, cash flows, operational performance and its ability to fulfil its obligations in respect of the repayment of principal and interest under the Bonds punctually when due.

2.3.2 The Issuer's Dependence on Payments Due by Related G3 Group Companies

In view of the Issuer's recent incorporation, it has a limited trading history. In so far as the Bonds are concerned, the Issuer is dependent, including for the purpose of servicing interest payments on the Bonds and the repayment of the principal amount on the Redemption Date, on the receipt of interest payments and loan repayments from G3 Group companies. The ability of G3 Group companies to effect payments to the Issuer will depend on the cash flows and earnings of such G3 Group companies, which may be restricted by external factors beyond the control of the Issuer. The occurrence of such factors could, in turn, negatively affect the ability of the Issuer to meet its obligations in connection with the payment of interest on the Bonds and repayment of principal when due.

3 Key Information on the Bonds

3.1 What are the Main Features of the Securities?

The key features of the Bonds are set out below:

Each Bond forms part of a duly authorised issue of 4.5% secured bonds 2032 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €12.5 million. The Issue Date of the Bonds is expected to be 6 April 2022. The Bonds are secured by the granting of the Collateral in favour of the Security Trustee for the benefit of Bondholders, as primary beneficiaries, in terms of the Security Trust Deed. The Bond Issue is guaranteed by G3 Holdings Limited.

The currency of the Bonds is Euro (€).

Subject to admission to listing of the Bonds to the Official List, the Bonds are expected to be assigned ISIN: MT0002641208.

The Bonds are redeemable on 6 April 2032. The Bonds shall bear interest from and including 6 April 2022 at the rate of 4.5% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be affected on 6 April 2023 (covering the period 6 April 2022 up to and including 5 April 2023).

The Bonds, as and when issued and allotted, shall constitute the general, direct and unconditional obligations of the Issuer, shall be secured by means of the Collateral granted in terms of the Security Trust Deed and shall be guaranteed in respect of both the interest due and the principal amount under said Bonds by the Guarantor jointly and severally. The Bonds shall, at all times, rank *pari passu*, without any priority or preference among themselves, but shall rank with priority and preference as regards the Security Property, save for such exceptions as may be provided by applicable law, with first ranking and priority over the Security Property.

The minimum subscription amount of Bonds that can be subscribed for by Applicants is €2,000, and in multiples of €100 thereafter.

There are no special rights attached to the Bonds other than the right of the Bondholders to payment of interest and capital, the benefit of the Collateral through the Security Trustee, seeking recourse from the Guarantor pursuant to the Guarantee, and in accordance with the ranking specified in the Prospectus.

The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole (in multiples of €100) in accordance with the rules and regulations of the MSE applicable from time to time. The minimum subscription amount of €2,000 shall only apply upon original subscription of the Bonds. No minimum holding requirement shall be applicable once the Bonds are admitted to listing on the Official List of the MSE and commence trading thereafter, subject to trading in multiples of €100.

3.2 Where will the Securities be Traded?

Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on its Official List. The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 6 April 2022 and trading is expected to commence on 7 April 2022. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

3.3 Is there a Guarantee Attached to the Securities?

The Bonds are guaranteed by the Guarantor, G3 Holdings Limited (C 94828). The Guarantor guarantees the due and punctual performance of all the obligations undertaken by the Issuer under the Bonds and, without prejudice to the generality of the foregoing, undertakes to pay all amounts of principal and interest which have become due and payable by the Issuer to Bondholders under the Bonds, within sixty (60) days from the date such amount falls due and remains unpaid by the Issuer.

3.3.1 Domicile and Legal form, LEI and County of Incorporation of the Guarantor

G3 Holdings Limited is a company registered under the laws of Malta with company registration number C 94828 and having its registered office at 'The Pergola', Adenau Street, Mellieha MLH 2014, Malta. Its LEI number is 485100NW2C4XPCBIGQ59.

3.3.2 Key Financial Information of the Guarantor

The Guarantor was incorporated in 2020. The operating companies of the Group, G3 Hospitality Limited and G3 Properties Limited, have however been in existence long before the Guarantor. For this reason, this sub-section sets out the combined financial statements of G3 Hospitality Limited and G3 Properties Limited for the financial years ending 31 December 2019 and 2020, and the interim period up to 30 September 2021 (with comparable figures, where applicable). These combined financial statements, therefore, effectively portray the financial performance and financial position of the Group during this period. (presented in thousands):

| Income Statement | FY2020 | FY2019 | Sep-21 | Sep-20 |
|--|---------------|---------------|---------------|---------------|
| Normalised EBITDA | (170) | 2,785 | (514) | 1,060 |
| Profit/(Loss) before tax | (676) | 1,327 | (629) | 780 |
| Statement of Financial Position | FY2020 | FY2019 | Sep-21 | |
| Net financial debt | 6,840 | 5,914 | 7,271 | |
| Cash Flows Statement | FY2020 | FY2019 | Sep-21 | Sep-20 |
| Net cash flows from operating activities | 1,729 | 1,740 | 474 | 1,841 |
| Net cash flows from financing activities | 990 | (371) | 1,036 | 661 |
| Net cash flows from investing activities | (2,655) | (1,463) | (496) | (2,403) |

3.3.3 Key Risks Specific to the Guarantor

As stated above, the risks of the Issuer are indirectly those of the G3 Group and, in turn, all risks relating to the G3 Group are the risks relevant to the Issuer. The most material risk factors specific to the Guarantor which may negatively impact the operations and financial position of the Guarantor should the circumstances mentioned therein materialise are set out below:

3.3.3.1 COVID-19 pandemic and possible similar future outbreaks

Different regions in the world have, from time to time, experienced outbreaks of various viruses. The widespread global pandemic of the infectious disease COVID-19 is continuing to take place and ensuing restrictions remain in force. Over recent months, the pandemic has caused state of emergencies being declared in various countries, travel restrictions being imposed, quarantines been established and various institutions and companies being closed. The ongoing COVID-19 pandemic and any possible future outbreaks of viruses may have a significant adverse effect on the Issuer and the Group.

3.3.3.2 The hotel industry could be adversely affected by natural disasters, terrorist activity and war

Natural disasters, the spread of contagious disease (as specifically contemplated above), industrial action, travel-related accidents, terrorist activity and war, and the targeting of hotels and popular tourist destinations in particular, have, in the past, had a significant negative impact on the hotel industry globally and such events could have a similarly negative impact on the industry in the future. Events such as COVID-19 and the immediately aforementioned could directly or indirectly affect travel patterns and reduce the number of business and leisure travellers and reduce the demand for hotel accommodation at the Group's hotels. Such a decrease could have an adverse impact on occupancy levels and/or room rates at the hotels owned and operated by the Group.

3.3.3.3 Substitute touristic products

Customers' preference may shift towards alternative hospitality solutions, like online private accommodation aggregators, which trend has been on the increase over recent years. If the G3 Group does not anticipate and respond quickly enough to

capitalise on such changing trends, its operating results could be adversely affected. At a local level, the consistent growth in tourist arrivals registered over recent years up to and including 2019 has fuelled significant investment in hotel development and private accommodation which contributed to a rise in the local bed supply. The compounded rise of tourist beds on offer can lead to an oversupply in the number of beds and can contribute to a decline in occupancies and/or room rates. If this were to happen, this will hit accommodation revenues and yields, reduce profits and negatively affect the level of return on investment registered over recent years.

3.3.3.4 Competition

The hospitality business is competitive in nature and the number of players in this industry in Malta is substantial, with competitors possibly having longer operating histories, greater name recognition, larger customer bases and greater financial, technical, marketing and other resources than the G3 Group. The G3 Group may face competition from existing competitors and/or from new market entrants. Additionally, new competitors may enter the market and control larger operations and additionally may be able to provide services at lower rates. If the G3 Group is not able to compete successfully, the Group's earnings could be adversely affected.

3.4 What are the Key Risks that are Specific to the Bonds?

The most material risk factors specific to the Bonds are set out below:

- There can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. There can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price, or at all.
- Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.
- The Bonds shall be secured by the Collateral and, accordingly, shall rank with priority and preference as regards the Security Property. Notwithstanding that the Bonds constitute the general, direct, unconditional and secured obligations of the Issuer, as guaranteed by the Guarantor, they may rank after causes of preference which may arise by operation of law. There can be no guarantee that privileges accorded by law in specific situations will not arise during the course of the business of the Issuer and/or G3 Properties Limited and/or G3 Hospitality Limited, as applicable, which may rank with priority or preference over the Collateral.
- There can be no guarantee that the value of the Collateral over the term of the Bonds will be sufficient to cover the full amount of interest and principal outstanding under the Bonds, which could have a material adverse effect on the recoverability of all the amounts that may be outstanding under the Bonds.

4 Key information on the offer of the Bonds and Admission to Trading

4.1 Under which Conditions and Timetable can I Invest in these Bonds?

The Bonds are open for subscription by all categories of investors, including the general public, through Authorised Intermediaries.

The Issuer has entered into Placement Agreements with a number of Authorised Intermediaries whereby the Issuer bound itself to allocate the entire amount of €12.5 million in nominal value of Bonds to such Authorised Intermediaries, which, in turn, bound themselves to subscribe to, for their own account or for the account of their underlying clients, in aggregate the entire amount of €12.5 million in nominal value of Bonds, subject to (i) the Prospectus being approved by the Malta Financial Services Authority, (ii) the Guarantee being granted; (iii) the Collateral being constituted in favour of the Security Trustee in accordance with the provisions of the Security Trust Deed, and (iv) the Bonds being admitted to trading on the Official List.

4.1.1 Expected Timetable of Principal Events

| | | |
|---|---|---------------|
| 1 | Placement date | 28 March 2022 |
| 2 | Commencement of interest | 6 April 2022 |
| 3 | Expected date of constitution of Collateral | 6 April 2022 |
| 4 | Expected date of admission of the Bonds to listing | 6 April 2022 |
| 5 | Expected date of commencement of trading in the Bonds | 7 April 2022 |

4.1.2 Allocation Policy

The Issuer shall allocate the Bonds to the Authorised Intermediaries in accordance with the Placement Agreements.

4.2 Why is this Prospectus being produced?

4.2.1 Use of Proceeds

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €12.1 million, will be on-lent by the Issuer to G3 Hospitality Limited pursuant to the Loan Agreement and shall be utilised for the following purposes, in the amounts and order of priority set out below:

- i. an amount of *circa* €5.4 million will be used for the purpose of repaying financing facilities taken out by the Group with Bank of Valletta plc;
- ii. an aggregate amount of *circa* €3.4 million will be used in furtherance of the Group's growth strategy of increasing its property portfolio, as set out below:
 - a. an amount of *circa* €1.4 million will be used for the purpose of financing the acquisition by G3 Hospitality Limited of a plot of land in the vicinity of the Pergola Hotel & Spa;
 - b. an amount of *circa* €2.0 million will be used for the purpose of financing the acquisition of a plot of land adjacent to the Solana Hotel & Spa, which land is earmarked for future development as an extension to the existing Solana Hotel & Spa; and
- iii. the remaining balance of net Bond Issue proceeds in an amount of *circa* €3.3 million will be used for the general corporate funding purposes of the G3 Group.

The issue and allotment of the Bonds is conditional upon: (i) the Guarantee being granted; (ii) the Collateral being constituted in favour of the Security Trustee in accordance with the provisions of the Security Trust Deed; and (iii) the Bonds being admitted to the Official List. In the event that any one or more of the aforesaid conditions is not satisfied, the Security Trustee shall, through the Registrar, return the proceeds of the Bond Issue to Applicants.

4.2.2 Underwriting

The Bond Issue is not underwritten.

4.2.3 Conflicts of Interest

Save for the possible subscription for Bonds by Authorised Intermediaries (which include the Sponsor) and any fees payable to Rizzo, Farrugia & Co. (Stockbrokers) Ltd as Sponsor, Manager & Registrar in connection with the Bond Issue, so far as the Issuer is aware no person involved in the Issue has an interest material to the Bond Issue.