

BASE PROSPECTUS

DATED 20 JULY 2023

This document is a Base Prospectus issued in accordance with the provisions of the Prospectus Regulation in respect of an:

NOTE ISSUANCE PROGRAMME

by



UNITED FINANCE PLC

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED UNDER THE LAWS OF MALTA
WITH COMPANY REGISTRATION NUMBER C 26598

with the joint and several guarantee of

UNITED GROUP LIMITED

A PRIVATE LIMITED LIABILITY COMPANY REGISTERED UNDER THE LAWS OF MALTA
WITH COMPANY REGISTRATION NUMBER C 10233

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

THE MFSA ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE BASE PROSPECTUS OR APPLICABLE FINAL TERMS, MAKES NO REPRESENTATIONS AS TO THEIR ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER, FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE BASE PROSPECTUS AND APPLICABLE FINAL TERMS, INCLUDING ANY LOSSES INCURRED BY INVESTING IN ANY SECURITIES ISSUED BY THE ISSUER.

A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF THE ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN FINANCIAL ADVISOR.

APPROVED BY THE BOARD OF DIRECTORS

A handwritten signature in blue ink, appearing to read "Edmund Gatt Baldacchino".

Edmund Gatt Baldacchino

Signing in his own capacity as director of the Issuer and on behalf of each of
Simon Gatt Baldacchino, James Bonello, Kevin Rapinett and Joseph F.X. Zahra.

NOMINEE & PLACEMENT AGENT



MZ INVESTMENTS

LEGAL COUNSEL



CAMILLERI PREZIOSI

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GENERAL DESCRIPTION OF THE NOTE ISSUANCE PROGRAMME

Under the Note Issuance Programme the Issuer may, from time to time, issue Global Notes, in one or more tranches, in favour of the Nominee and Placement Agent. This Base Prospectus sets out the contractual terms under which the Global Notes are to be issued by Issuer, in one or more tranches, in favour of the Nominee and Placement Agent, and the subsequent transfer of participations in the Global Notes through the issue of Participation Notes, pursuant to and under the terms and conditions of the applicable Final Terms. The Participation Notes shall be made available to all categories of investors.

The maximum aggregate principal amount of the Global Notes from time to time outstanding under the Note Issuance Programme will not exceed €10,000,000.

Global Notes will be issued in Tranches. Each Tranche will consist of one Global Note. All Tranches will be identical in all respects except for the issue amount, the Issue Dates, the Rates of Interest, the Interest Payment Dates, Issue Prices, and Redemption Dates. One or more Tranches, which are expressed to be consolidated and forming a single Series and identical in all respects, may form a single Series of Notes. Global Notes may be issued as part of an existing Series or as a new Series and the specific terms governing each Tranche will be set forth in the applicable Final Terms. The method of distribution of each Tranche will be stated in the applicable Final Terms.

The Issuer shall notify the public of the method of publication of the Final Terms by means of electronic publication on its website (<http://www.unitedgroup.com.mt/>). Any notice so given will be deemed to have been validly given on the date of such publication. Notes will be issued in such denominations as may be determined by the Issuer and as indicated in the applicable Final Terms.

IMPORTANT INFORMATION

THIS BASE PROSPECTUS CONTAINS INFORMATION ON: (I) THE ISSUER, THE GUARANTOR, AND THE BUSINESS OF THE GROUP OF WHICH THEY FORM PART; AND (II) THE NOTE ISSUANCE PROGRAMME, IN ACCORDANCE WITH THE REQUIREMENTS OF THE ACT AND THE PROSPECTUS REGULATION.

NO BROKER, DEALER, SALESMAN, OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR, OR THEIR RESPECTIVE DIRECTORS, TO ISSUE ANY ADVERTISEMENT, OR TO GIVE ANY INFORMATION, OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THIS BASE PROSPECTUS AND THE NOTE ISSUANCE PROGRAMME OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS BASE PROSPECTUS AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR, THEIR RESPECTIVE DIRECTORS, OR ADVISORS.

THE MFSA ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE BASE PROSPECTUS AND APPLICABLE FINAL TERMS, MAKES NO REPRESENTATIONS AS TO THEIR ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE BASE PROSPECTUS OR ANY FINAL TERMS.

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

THE GLOBAL NOTES AND THE PARTICIPATION NOTES SHALL NOT BE ADMITTED TO LISTING ON ANY REGULATED MARKET.

THE BASE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER: (I) BY ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (II) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE BASE 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.

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

THE BASE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY SECURITIES MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE BASE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OR PERFORMANCE OF THE ISSUER, THE GUARANTOR, OR THE GROUP SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE BASE 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 BASE PROSPECTUS IS VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE HEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO PUBLISH A SUPPLEMENT TO THE BASE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES. THE MFSA IS NOT REQUIRED TO APPROVE THE INDIVIDUAL FINAL TERMS THAT MAY BE ISSUED PURSUANT TO THIS BASE PROSPECTUS FROM TIME TO TIME IN RESPECT OF ONE OR MORE TRANCHES OF NOTES.

A COPY OF THIS BASE PROSPECTUS HAS BEEN SUBMITTED TO THE MFSA IN SATISFACTION OF THE PROSPECTUS REGULATION AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES AT THE MALTA BUSINESS REGISTRY IN ACCORDANCE WITH THE ACT.

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

ALL THE ADVISORS TO THE ISSUER AND THE GUARANTOR NAMED IN THIS BASE PROSPECTUS UNDER THE HEADING "ADVISORS" IN SECTION 4 OF THIS BASE PROSPECTUS HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTOR IN RELATION TO THE BASE PROSPECTUS. SAVE WITH RESPECT TO THE NOMINEE AND PLACEMENT AGENT INsofar as ITS OBLIGATIONS TOWARDS PARTICIPATION NOTEHOLDERS ARE CONCERNED, THE SAID ADVISORS HAVE NO CONTRACTUAL, FIDUCIARY, OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE BASE PROSPECTUS, OR ANY SUPPLEMENT THEREOF, AND ANY FINAL TERMS.

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

THE DIRECTORS OF THE ISSUER CONFIRM THAT WHERE INFORMATION INCLUDED IN THE BASE PROSPECTUS HAS BEEN SOURCED FROM A THIRD PARTY, SUCH INFORMATION HAS BEEN ACCURATELY REPRODUCED AND AS FAR AS THE DIRECTORS OF THE ISSUER ARE AWARE AND ARE ABLE TO ASCERTAIN FROM INFORMATION PUBLISHED BY THAT THIRD PARTY, NO FACTS HAVE BEEN OMITTED WHICH WOULD RENDER THE REPRODUCED INFORMATION INACCURATE OR MISLEADING.

THE 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 BASE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISORS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE SECURITIES OF THE ISSUER.

1. DEFINITIONS

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

Act	the Companies Act (Cap. 386 of the laws of Malta);
Applicant/s	a person or persons who subscribe/s for Participation Notes;
Base Prospectus	this document in its entirety;
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;
Capital Markets Rules	the capital markets rules issued by the MFSA, as may be amended from time to time;
Directors or Board of Directors	the directors of the Issuer whose names are set out in section 9.1 of the Base Prospectus under the heading “ <i>The Board of Directors of the Issuer</i> ”;
Euro or €	the lawful currency of the Republic of Malta;
Fiduciary Asset	the rights attaching to and emanating from the Global Note/s and the Nominee and Placement Agent Agreement including the right of payment of principal and interest under the Global Note/s;
Final Terms	the final terms issued by the Issuer from time to time in the form as set out in this Base Prospectus, which final terms shall be applicable to the Tranche of Notes in respect of which they are drawn up;
GB Buildings	shall have the meaning assigned to it in section 7.3.1 of this Base Prospectus;
Global Note/s or Note/s	the Global Note/s to be issued by the Issuer in favour of the Nominee and Placement Agent representing the amount due by the Issuer to the Nominee and Placement Agent and creating, acknowledging and representing the indebtedness of the Issuer to the Nominee and Placement Agent under the terms and conditions set out in the form of Annex A1 to the Base Prospectus;
Global Noteholder	the holder of the Global Note/s issued from time to time pursuant to the Note Issuance Programme and the applicable Final Terms;
Group or United Group	collectively UGL, the Issuer, and the Subsidiaries;
Guarantee	the joint and several guarantee, dated 10 July 2023, granted by the Guarantor as security for the punctual performance of the Issuer’s payment obligations under the Note Issuance Programme. A copy of the Guarantee is appended to the Base Prospectus as Annex B;
Guarantor	UGL;
Hertz Brand	the multi-brand franchise portfolio, consisting of ‘Hertz’, ‘Thrifty’, ‘Dollar’ and ‘Firefly’;
Interest or Rate of Interest	the rate of interest payable in respect of the relevant Tranche of Notes as specified in the applicable Final Terms;
Interest Payment Date/s	the date/s specified in the applicable Final Terms for when interest on the relevant Tranche of Notes falls due;
Issue	the issue of Notes pursuant to the Note Issuance Programme and the applicable Final Terms;
Issuer	United Finance p.l.c., a public limited liability company registered under the laws of Malta, with company registration number C 26598 and having its registered office at United Group of Companies, Pinto Business Centre, Level 4, Triq il-Mithna, Qormi QRM 3104, Malta;
Maturing Bonds	the €8,500,000 5.3% unsecured bonds due to mature in 2023, pursuant to a prospectus dated 6 October 2014 with ISIN MT0000131228;
Memorandum and Articles of Association	the memorandum and articles of association of the Issuer in force at the time of publication of the Base Prospectus in the form as registered with the Registrar of Companies at the Malta Business Registry. The terms “ Memorandum ”, “ Articles ” and “ Articles of Association ” shall be construed accordingly;
Motors Inc. Limited	Motors Inc. Limited, a private limited liability company registered under the laws of Malta, with company registration number C 75758 and having its registered office at Cars International Limited, Mdina Road, Qormi QRM 9010, Malta;
MFSA	the Malta Financial Services Authority, appointed as the competent authority to approve prospectuses for the purposes of the Financial Markets Act (Cap. 345 of the laws of Malta);

Nominee and Placement Agent	MZ Investment Services Ltd, a private limited liability company registered under the laws of Malta with company registration number C 23936 and having its registered office at 61, MZ House, St Rita Street, Rabat RBT 1523, Malta;
Nominee and Placement Agent Agreement	the agreement entered into by and between the Issuer and the Nominee and Placement Agent dated 20 July 2023;
Noteholders	collectively, the Global Noteholder and Participation Noteholders;
Note Issuance Programme or Programme	the note issuance programme of up to €10,000,000 unsecured notes being made by the Issuer pursuant to this Base Prospectus (and any supplement thereto) and the applicable Final Terms;
Offer	the offer for participation in the relevant Tranche of Global Notes through the issuance of Participation Notes;
Offer Amount	the offer of up to €10,000,000;
Participation Note	a transferable note of a nominal value of €1,000 issued by the Nominee and Placement Agent to a Participation Noteholder acknowledging the interest of the person named therein in the Global Note, and evidencing an entry in the Register of Investors;
Participation Noteholder	a holder of a Participation Note;
Pender Ville Limited	Pender Ville Limited, a private limited liability company registered under the laws of Malta, with company registration number C 36675 and having its registered office at Pendergardens Business Centre, 14, Level 1, Pendergardens, St Andrews Roads, St Julians STJ 9023, Malta;
Prospectus Regulation	Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended, and in accordance with the provisions of Commission Delegated Regulation No. 2019/979 and Commission Delegated Regulation No. 2019/980 issued thereunder;
Redemption Date	the redemption date of the relevant Tranche of Notes as specified in the applicable Final Terms;
Redemption Value	the nominal value of each Note to be paid on the relevant Redemption Date;
Register of Global Noteholders	the register maintained by the Issuer identifying the holder of the Global Note;
Register of Investors	the register to be maintained by the Nominee and Placement Agent identifying the Participation Noteholders from time to time;
Registered Investor	a person participating in the Global Notes and whose interest and benefit therein is recognised by the Nominee and Placement Agent by means of an entry in the Register of Investors;
Series	one or more Tranches, which are expressed to be consolidated and forming a single series and identical in all respects;
Subscription Agreement	the agreement to be entered into between the Nominee and Placement Agent and Participation Noteholders subscribing for the Participation Notes;
Subscription Date	the date on which Participation Notes, representing the relevant Tranche of Notes, are subscribed for and issued in accordance with this Base Prospectus and the applicable Final Terms;
Subscription Period	the period during which the Participation Notes, representing the relevant tranche of Global Notes, are to be issued, details of which will be specified in the applicable Final Terms;
Subsidiaries	an entity over which UGL has control, excluding the Issuer. In terms of the International Financial Reporting Standards adopted by the European Union, a group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The term “Subsidiary” shall be construed accordingly. The term “Subsidiaries” shall collectively refer to the said entities;
Tranche or Tranche of Notes	the tranche of Global Notes identical in all respects in various tranches, except for the applicable Issue Dates, Rate of Interests, Interest Payment Dates, Issue Prices, and, or Redemption Dates which may from time to time be issued as part of the Series to which this Base Prospectus relates;
Tranche I	the Global Note of an aggregate principal amount of up to a maximum of €1,100,000 redeemable at its nominal value on the Redemption Date as further described in the applicable Final Terms;
UGL	United Group Limited, a private limited liability company registered under the laws of Malta, with company registration number C 10233 and having its registered office at United Group of Companies, Pinto Business Centre, Level 4, Triq il-Mithna, Qormi QRM 3104, Malta;

UGL Affiliates	collectively, Motors Inc. Limited, Cars International Limited and Pender Ville Limited;
United Catering Company Limited	United Catering Company Limited, a private limited liability company registered under the laws of Malta, with company registration number C 82591 and having its registered office at United Group of Companies, Pinto Business Centre, Level 4, Triq il-Mithna, Qormi QRM 3104, Malta;
United Department Stores Limited	United Department Stores Limited, a private limited liability company registered under the laws of Malta, with company registration number C 39811 and having its registered office at United Group of Companies, Pinto Business Centre, Level 4, Triq il-Mithna, Qormi QRM 3104, Malta;
United Developments Limited	United Developments Limited, a private limited liability company registered under the laws of Malta, with company registration number C 102451 and having its registered office at United Group of Companies, Pinto Business Centre, Level 4, Triq il-Mithna, Qormi QRM 3104, Malta;
United Estates Limited	United Estates Limited, a private limited liability company registered under the laws of Malta, with company registration number C 77947 and having its registered office at United Group of Companies, Pinto Business Centre, Level 4, Triq il-Mithna, Qormi QRM 3104, Malta; and
United Garage Limited	United Garage Limited, a private limited liability company registered under the laws of Malta, with company registration number C 3032 and having its registered office at United Group of Companies, Pinto Business Centre, Level 4, Triq il-Mithna, Qormi QRM 3104, Malta.

Unless it appears otherwise from the context:

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

2. RISK FACTORS

2.1 GENERAL

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISORS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THIS BASE PROSPECTUS AND APPLICABLE FINAL TERMS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY, OR MAY NOT, OCCUR AND NEITHER THE ISSUER, NOR THE GUARANTOR, ARE IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

THE RISK FACTORS BELOW ARE DIVIDED INTO RISKS RELATING TO: (I) THE ISSUER PER SE; (II) THE GUARANTOR AND THE BUSINESS OF THE UNITED GROUP; AND (III) RISKS RELATING TO THE GLOBAL NOTES AND PARTICIPATION NOTES. IN TURN, CATEGORY (II) HAS BEEN SUB-CATEGORISED INTO: (A) ECONOMIC AND FINANCIAL RISKS; (B) BUSINESS AND OPERATIONAL RISKS; (C) LEGAL AND REGULATORY RISKS; AND (D) ADDITIONAL RISKS SPECIFIC TO THE REAL ESTATE AND PROPERTY DEVELOPMENT SECTORS.

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

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS ADVERSE EFFECT ON THE ISSUER'S AND, OR THE GUARANTOR'S FINANCIAL RESULTS, FINANCIAL CONDITION, OPERATIONAL PERFORMANCE, BUSINESS AND, OR TRADING PROSPECTS, AS WELL AS THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES ISSUED BY IT FROM TIME TO TIME, AND, OR THE ABILITY OF THE GUARANTOR TO FULFIL ITS OBLIGATIONS UNDER THE GUARANTEE. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS AS AT THE DATE OF THIS BASE PROSPECTUS, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER AND, OR GUARANTOR FACE OR COULD FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S DIRECTORS ARE NOT CURRENTLY AWARE OF, OR THAT THE DIRECTORS CURRENTLY DEEM IMMATERIAL, INDIVIDUALLY OR CUMULATIVELY, MAY WELL RESULT IN A MATERIAL ADVERSE IMPACT ON THE ISSUER'S AND, OR THE GUARANTOR'S FINANCIAL RESULTS, FINANCIAL CONDITION, OPERATIONAL PERFORMANCE, BUSINESS, AND, OR TRADING PROSPECTS AND ON THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE NOTES AND, OR ON THE ABILITY OF THE GUARANTOR TO FULFIL ITS OBLIGATIONS UNDER THE GUARANTEE. IN ADDITION, PROSPECTIVE INVESTORS OUGHT TO BE AWARE THAT RISK MAY BE AMPLIFIED DUE TO A COMBINATION OF RISK FACTORS.

THE BASE PROSPECTUS AND THE APPLICABLE FINAL TERMS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, AND, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH SECURITIES ISSUED BY THE ISSUER: (I) IS NOT INTENDED TO PROVIDE THE BASIS FOR ANY CREDIT OR OTHER EVALUATION; (II) IS NOT AND SHOULD NOT BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE GUARANTOR, THEIR RESPECTIVE DIRECTORS, ANY OF THE ADVISORS LISTED IN SECTION 4.2 BELOW OR THE NOMINEE AND PLACEMENT AGENT THAT ANY RECIPIENT OF THE BASE PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE ISSUER, INCLUDING THE NOTES, AND, THEREFORE, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THE BASE PROSPECTUS; AND (III) CONTAIN STATEMENTS THAT ARE, OR MAY BE DEEMED TO BE, "FORWARD LOOKING STATEMENTS".

2.2 FORWARD-LOOKING STATEMENTS

Forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "forecasts", "projects", "anticipates", "expects", "envisages", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places within this Base Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer's and, or the Guarantor's directors concerning, amongst other things, the Issuer's and, or the Guarantor's strategy and business plans, financial condition and performance, results of operations, liquidity, prospects, investments, and the markets in which the Issuer and the Group operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may, or may not occur, in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer's and, or the Guarantor's actual operational results, financial condition and performance, and trading prospects may differ materially from the impression created by the forward-looking statements contained in the Base Prospectus. In addition, even if the results of the operational results, financial condition and performance, and trading prospects of the Issuer and, or the Guarantor are consistent with the forward-looking statements contained in this Base Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, those factors identified under section 2 of this Base Prospectus headed "Risk Factors" and elsewhere in this Base Prospectus.

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

2.3 RISKS RELATING TO THE ISSUER

2.3.1 Issuer's dependence on the Guarantor, the United Group and the UGL Affiliates

As further described in section 7.1, "Principal Activities of the Issuer", of this Base Prospectus, the Issuer is the financing arm of the United Group, having as its main activity the carrying on of the business of a financing company within the United Group. As at 31 December 2022, the Issuer's current assets amounted to €9,911,558 and were represented, in the amount of €8,325,657, by loans and other receivables from United Group companies.

The financial performance and financial position of the Issuer is largely dependent, including for the purpose of servicing interest payments on the Notes and the repayment of the principal on maturity date, on receipt of interest and loan repayments from the Guarantor (the parent company of the Issuer), and from the Subsidiaries. The Guarantor is in turn dependent on the Subsidiaries and the UGL Affiliates. Accordingly, the operating results of the United Group and the UGL Affiliates have a direct effect on the Issuer's financial position and therefore the risks intrinsic in the business and operations of the United Group and the UGL Affiliates have a direct effect on Issuer. In the event that any one or more of the Guarantor, the Subsidiaries and, or the UGL Affiliates underperforms in any one financial year or otherwise experience adverse fluctuations in cash flows, volatility in cash flows, liquidity strains or other financial difficulties, such underperformance or adverse financial position and operational results may, in turn, adversely affect the financial position and operational results of the Group, and in turn, the Issuer, and impact negatively the market value of the securities issued by the Issuer from time to time, including the Notes, and, or, the ability of the Issuer to meet its obligations towards holder of its debt or other securities, including its obligations towards Noteholders under the Note Issuance Programme.

The ability of Group companies to effect interest payments and loan repayments to the Issuer will depend on their respective cash flows and earnings which may be restricted by: changes in applicable laws and regulations; the terms of agreements to which they are or may become party, including the indenture governing their existing indebtedness, if any; or other factors beyond the control of the Issuer. The additional risks specific to the other companies forming part of the Group upon which the Issuer depends are set out in section 2.4 below. The occurrence of any such factor could have an adverse effect on the financial position and performance of the Issuer which may, in turn, negatively affect its ability to meet its obligations in respect of the payment of interest on the Notes and repayment of principal when due.

2.4 RISKS RELATING TO THE GUARANTOR AND THE BUSINESS OF THE UNITED GROUP

2.4.1 Economic and financial risks of the Group

2.4.1.1 Risks relating to the war in Ukraine

In response to the invasion of Ukraine by Russia, several industries implemented boycotts, bans and other forms of retaliation against Russia. Global geopolitical risks have soared since Russia's invasion of Ukraine, with periods of elevated geopolitical risks having historically been associated with sizable negative effects on global economic activity.

The war in Ukraine has caused an ongoing humanitarian crisis in Europe, as well as volatility in financial markets globally, heightened inflation, and shortages and increases in the prices of energy, oil, gas and other commodities. The continuance or aggravation of the war, including its extension to other countries in the region, could lead to further increases in energy, oil and gas prices and heightened inflationary pressures, which in turn could lead to further increases in interest rates and market volatility.

While the Group does not have a physical presence in Russia and Ukraine and its direct exposure to Russian or Ukrainian markets and assets is not material, the impact of the war in Ukraine and resulting sanctions on global markets and institutions, the impact on macroeconomic conditions generally, and other potential future geopolitical tensions and consequences arising from the conflict remain uncertain and may exacerbate the Group's operational risk. Episodes of economic and market volatility and pressure on supply chains and inflation may continue to occur and could worsen if the war persists or increases in severity. As a result, the Group's businesses, results of operations and financial position could be adversely affected by any of these factors directly or indirectly arising from the war in Ukraine.

2.4.1.2 Risks relating to the Group's financing

Projects undertaken by the United Group have been part-financed through bank financing and through the issuance of the Maturing Bonds. The Group has a material amount of debt and may incur additional debt in connection with its strategic development and future growth.

The Group's borrowings are subject to fixed interest rates, save in the case of one of its bank facilities, which applies a variable interest rate. The latter renders the Group vulnerable to increases in interest rates. The agreements regulating the bank debt of the companies forming part of the United Group impose significant financial covenants on the said companies, whether they act in their capacity as borrowers or guarantors under the respective loan agreements. These covenants could limit the ability of the said companies to obtain future secured financing, make capital expenditure, withstand a future downturn in business or economic conditions generally, or otherwise inhibit the ability of the Group to complete major projects on commercially viable terms, or at all, and conduct all necessary corporate and business activities.

2.4.1.3 Dependence on the Maltese market and exposure to economic conditions

As at the date of this Base Prospectus, the United Group's business activities are concentrated in, and aimed at, the Maltese market. Accordingly, the United Group is highly susceptible to the economic trends that may from time to time be felt in Malta, including fluctuations in consumer demand, financial market volatility, inflation, the property market, interest rates, exchange rates, direct and indirect taxation, wage rates, utility costs, government spending and budget priorities and other general market, economic and social factors. Negative economic factors and trends in Malta, particularly those having an effect on consumer demand, would have a negative impact on the business of the United Group.

United Group's operations have been affected, to some degree, by an increase in inflation and rising interest rates. High inflation rates could lead to an increase in costs, resulting in a reduction in operating profit. This could moreover lead to higher interest rates, which could, in turn, increase the cost of borrowing. As further described in section 8 of this Base Prospectus, inflation is expected to remain persistently high over the course of FY2023, particularly due to the increased prices for import goods, tourism services and housing maintenance services. The recoverability of amounts loaned by the Issuer to UGL and the Subsidiaries is dependent on the performance of the respective entities, a number of which have been affected by the said increases as aforesaid.

2.4.1.4 Exposure to economic conditions in jurisdictions outside of Malta

The United Group is exploring potential investment opportunities outside of Malta with a view to expanding its business activities and operations to other jurisdictions in Europe. Should the United Group's prospective investment opportunities materialise, the Group will also be susceptible to the economic trends that may from time to time be felt in such jurisdictions.

Furthermore, as the Group's contactors and other key stakeholders are expected to be spread across different international markets, the Group is consequently susceptible to adverse economic developments and trends overseas. Weak economic conditions or tightening of the credit markets may affect the solvency of its suppliers or customers, which could lead to disruptions in its business operations, accelerated payments to suppliers, increased bad debts or a reduction in its revenue, which may impact the Group's ability to recoup the debts owed to it, and in turn to fulfil its own obligations. Any future expansion of the Group's operations into other markets would render it susceptible to adverse economic developments and trends affecting such other markets.

2.4.1.5 Risks relating to rising costs for materials, resources, and utilities

The Group's operations in the real estate sector necessitates the availability of certain resources (including human resources), materials, and utilities, at cost-effective prices.

The Group's principal operational risks relate to its ability to deliver projects within agreed upon project deliverables, including project design specifications, quantity requirements, the involvement of qualified and skilled personnel, adequacy of resources and equipment, technical and industry standards, certification requirements, scheduled programme of works, fitting and finishing specifications and, ultimately, within project budgeted costs and stipulated project deadlines. Non-compliance with the Group's committed projected deliverables could result in significant penalties (including daily penalties for mere delay), fines, pre-liquidated damages, or other damages, and, or early termination of project contracts and related contracts. Furthermore, the Group may be susceptible to liability for costs, expenses, losses, the forfeit of or reduction in project revenue, or other liabilities incurred to remedy defects or repairs.

As a result of the COVID 19 pandemic, and more recently, the war in Ukraine, the prices of raw materials have been subject to substantial increases caused by a combination of heightened market demand and low availability, ongoing global supply chain challenges, increase in shipping costs, shortages in containers, ships, and human resources. Accordingly, a surge in prices has been witnessed for, *inter alia*, aluminium, steel, copper, oil, wood, and paper. Should the volatility in prices continue in an upward trajectory over the rest of the year as well as subsequent years, the Group may be negatively affected if these increased costs are not capable of being reflected in increased charges for the delivery of certain products and services of the Group.

The Group may be unable to maintain an adequate stock of the materials and resources it requires, including the appropriate workforce for the Group's development projects resulting in increased costs and project delays. The Group's inability to comply with its obligations in the real estate sector could adversely impact the Group's relations with its customers and suppliers, prejudice its goodwill, prejudice its contractual commitments and, or could result in a material adverse effect on the financial position, financial performance, and operational results of the Group.

2.4.1.6 Risks relating to the economic repercussions of the COVID-19 pandemic and any pandemics which may break out in future

Although the COVID-19 pandemic has largely subsided, certain adverse effects of the pandemic continue to impact the macroeconomic environment and may persist for some time. Should the ongoing or residual effects of the pandemic continue for an extended period of time, or worsen, the Group's business, financial position, results of operations and prospects could be adversely affected.

The pandemic adversely impacted various industries, with certain industry sectors and market segments having been affected more harshly than others. The tourism sector has emerged as one of the sectors most severely impacted by the pandemic, particularly in view of the temporary decline in travel demand as a result of travel bans, travel restrictions, and a greater aversion to unnecessary travel. As the vehicle rental business is correlated to the tourism industry, the Group's operations within the vehicle rental sector were significantly impacted by the disruptive effects of the pandemic, resulting in a 46% reduction in revenue generated from its vehicle rental business in 2020 (when compared to revenue generated in 2019). While revenue generated by the Group from its vehicle rental business has recovered considerably, there is no guarantee that a new COVID-19 wave, or the outbreak of any other highly contagious disease, would not result in the reimposition of travel restrictions, which would adversely impact the tourism sector and, in turn, the vehicle rental business. Should this risk materialise, this could negatively impact the operational results and financial performance of the Group.

The extent to which the consequences of the COVID-19 pandemic affect the Group's business, financial condition, liquidity and results of operations will depend on future developments that remain uncertain, including the rate of distribution and administration of vaccines globally, the severity and duration of any resurgence of pandemic variants, future actions taken by governments, central banks and other third parties in response to the pandemic, and the effects on the Group's customers, counterparties, employees and third-party service providers.

Any future outbreak of any other highly contagious diseases or other public health emergency may also have similar adverse effects on the Group's business, financial condition, liquidity and results of operations.

2.4.2 Business and operational risks of the Group

2.4.2.1 Risks relating to new projects pursued by the United Group

The United Group may, from time to time, venture into further new projects in line with its business development strategy. As specified in section 7.6 of this Base Prospectus, the Group is exploring potential investment opportunities in and outside of Malta, specifically in the hospitality, renewable energy, and real estate and property development sectors. The investment in new projects may result in a number of unforeseen risks. In particular, there is no assurance that the Group will secure attractive commercial rates for the said new projects. For the foregoing reason, the success of any new projects pursued by the United Group entails an element of uncertainty. Accordingly, new projects pursued by the Group may result in an increase in the Group's expenditure and may adversely affect its profitability and financial position.

2.4.2.2 Risks relating to distribution and franchise agreements and relations with suppliers and agents

The Subsidiaries and the UGL Affiliates operating within the automotive sector, car rental and leasing sector, and retail sector are dependent on franchise, distributor, and supply agreements entered into with international brand owners and manufacturers. The continued distribution of products is therefore largely contingent on the strength of its relationships with its existing franchisors, distributors, and suppliers.

Some of the franchise, distributor, and supply agreements which certain companies within the United Group rely on for their operations may be terminated by notice and, or are due to terminate in the short term, albeit subject to renewal. There is no guarantee that the respective companies will manage to secure the necessary renewals of such agreements or that any renewal will be subject to the same terms and conditions. Furthermore, no assurances can be given that these companies will be able to identify, retain or add franchisees to its portfolio.

Should any of the franchise agreements be terminated, not be renewed, or be renewed on less favourable terms, the profitability and financial condition of the Group may be adversely affected.

Any deterioration or change in relationships with franchisors, suppliers, manufacturers and, or foreign agent/s (as applicable) for any reason whatsoever could potentially have an adverse effect on the profitability of the respective operating company and the Group as a whole.

2.4.2.3 Risks relating to changes in consumer preferences and demand

The success of the Guarantor, the Subsidiaries, and the UGL Affiliates in the automotive, car rental and leasing, retail, and real estate sectors is dependent on their ability to manufacture and, or offer products that have a strong consumer appeal. Such sectors are susceptible to fluctuations in consumer trends because of changes in taste, consumer habits, general economic conditions, social trends, consumer attitude, consumer satisfaction and any other similar factors which are linked to consumer demand as further described below:

Automotive Sector: Motors Inc. Limited is the exclusive distributor in the territory of Malta of several brands of cars and other vehicles. The automotive business is dependent on automotive trends in the design, styling, technology, production, merchandising and pricing of products. The vehicle models which Motors Inc. Limited brings to market may not always reflect the prevailing market trends or customer needs at any given time, and the new models it launches may not be well received by the market or achieve the expected sales.

Additionally, sales in the automotive business are subject to changes in the general condition of the economy, the readiness of consumers to buy and obtain the necessary financing, as well as the possible introduction of measures by governments to stimulate or reduce demand. The automotive industry is also subject to the constant renewal of product offerings through frequent launches of new models. A negative trend in the automotive industry could have a material adverse effect on the business of Motors Inc. Limited and as a result the prospects of the Guarantor.

Car Rental and Leasing Sector: United Garage Limited presently holds the rights to, as well as leases and rents out cars under, the Hertz Brand in Malta. The car rental and leasing business is dependent on trends in the design, styling, technology, production, merchandising and pricing of products. The car models made available for lease and rental by United Garage Limited may not always reflect the prevailing market trends or customer needs at any given time, whereas new models launched may not be well received by the market.

Additionally, the rent-a-car business is, to a certain extent, affected by seasonality during the year. High demand for car rentals usually coincides with periods with increased international business and, or tourist arrivals. Any occurrence that disrupts rental activity during such high rental periods, such as a slowdown in air travel, could result in lower revenues and profitability of the United Garage Limited, which would have a material adverse effect on its business, financial condition, results of operations and prospects.

Real Estate Sector: United Estates Limited, United Developments Limited and the Issuer are involved in the lease and, or sale of residential and commercial properties in Malta. These real estate projects are also subject to changing preferences of the style and location of immovable properties in Malta.

Retail Sector: United Department Stores Limited is authorised to sell retail products under the M•A•C Cosmetics make-up brand. The retail sector is linked to local and international fashion trends and consumer demand is also connected to brand reputation and trust. The success of the styles and trends of the M•A•C Cosmetics make-up brand depends, to a large extent, on the preferences of consumers and their perception of the brand.

The success of the Guarantor, the Subsidiaries and the UGL Affiliates in their business operations is dependent on their ability to swiftly anticipate, capitalise and adapt to changes in consumer attitude and preferences. Should they fail to do so, they may experience a reduction in revenue which could have a material adverse effect on their operational results and financial condition as well as the group of companies within the United Group.

2.4.2.4 Risks relating to public relations and product quality issues

The product brands and brand images are key to the business of the Guarantor, the Subsidiaries and the UGL Affiliates. The inability of the applicable company or their franchisors to maintain a positive brand image could have a material adverse effect on the relative company's results of operations. It cannot be predicted whether advertising, marketing and promotional programs will have the desired impact on its products' branding and on consumer preferences. In addition, negative public relations, and product quality issues, whether real or perceived, or allegations of product contamination, even when false or unfounded, could tarnish the image and could cause consumers to choose other products. The relative companies could thus suffer a decrease in sales as a result of reduction in value of a particular brand. The brand image of the products offered by the Guarantor, its Subsidiaries, and the UGL Affiliates can also be adversely affected by unfavourable reports, studies and articles, litigation, or regulatory or other governmental action, whether involving a company's products or those of competitors. Furthermore, a serious event or circumstance may also prejudice ongoing business relationships with third parties, including franchisors and business partners.

2.4.2.5 Risks relating to competition

The Guarantor, the Subsidiaries, and the UGL Affiliates face competition in all product categories and markets in which they operate:

Automotive Sector: the success of the automotive sector largely depends on the strength of the brand of the cars which Motors Inc. Limited is authorised to sell, the marketing strength of its competitors in Malta and consumer demand for alternative brands of cars which Motors Inc. Limited is not authorised to distribute. This company faces competition from other vehicle manufacturers and distributors in Malta. The market share of Motors Inc. Limited is subject to variations from year to year due to factors including but not limited to pricing competitiveness, with Motors Inc. Limited's market share of 'new car registrations' in Malta for the year ended 2022 estimated at 15.33% (FY21:18.88%).

Car Rental and Leasing Sector: The car rental and leasing sector is highly competitive and pricing is one of the primary competitive factors in the industry. If United Garage Limited's competitors decide to compete aggressively on the basis of pricing, the United Garage Limited risks losing rental volume if it does not adjust its offerings to counteract its competitors' actions. The internet has increased pricing transparency among car rental and leasing companies by enabling cost-conscious customers to more easily obtain and compare the rates available from various companies. This transparency may increase the prevalence and intensity of price competition in the future, and as a result may impact negatively the financial results of United Garage Limited, and in turn, the United Group.

Real Estate Sector: United Estates Limited, the real estate arm of the United Group, as well as the Issuer as the current owner of GB Buildings, may find it difficult to attract lessees during periods when market rents are increasing, or if there is strong competition for tenants from competing office buildings and, or as a result of an increased availability of commercial premises for competitive prices. With respect to developments to be undertaken, similar developments to those being made by United Developments Limited may result in the company being unable to sell and, or rent the said immovable properties at the expected prices.

Retail Sector: United Department Stores Limited is authorised to sell retail products under the M•A•C Cosmetics make-up brand. United Department Stores Limited operates in a highly competitive landscape in the retail sector in view of local and international saturation of the cosmetics market. If United Department Stores Limited fails to deliver an effective, coherent and consistent strategy to respond to competitors it may lose market share and, or experience declining profitability.

Severe competition in the sectors within which the Guarantor, the Subsidiaries and the UGL Affiliates operate, and changes in economic and market conditions could adversely affect the business and operating results of the United Group.

2.4.2.6 Risks relating to key senior management and other personnel

The growth and success of the United Group is partially attributable to the efforts and abilities of its personnel, specifically the members of their executive management team and other key personnel, including executive, management, sales, and project management personnel and upon their ability to attract, develop and retain such key personnel to manage and grow the business.

The inability of the Group to attract and, or retain highly skilled and qualified personnel with the necessary sector-specific experience and expertise, could have an adverse effect on a Group company's operational results, business relationships with both partners and customers and accordingly, its ability to meet its strategic objectives. Moreover, if a member of the executive management team were to be unable or unwilling to continue in their present position, particularly if this member were to be lost to one of the Group's competitors, a Group company might not be able to replace the said member within the short term, which could have a material adverse effect on the business, operational results and financial condition of the respective Group company, and its ability to meet its strategic objectives.

2.4.2.7 Risks relating to the information systems and technology utilised by the Group

United Garage Limited is increasingly dependent on the proper and uninterrupted operations of its computer systems, information processing and management systems software and telecommunications networks, electronic communication networks, access to the internet, as well as the systems and services of other third parties (collectively the "**LT. Systems**"). Internet bookings for car rental reservations is one of the most important sales channels transforming the customer experience and increasing price pressure in the car rental industry due to increased competitive transparency. The popularity of internet booking is due, among other things, to its ease of use (including for last minute bookings) and the fact that it enables price and service comparisons. This led to increasing the intensity of competition.

The operational activities of United Garage Limited may become subject to a failure, disruption or other interruption in its I.T. Systems. Such event may arise as a result of a various factors that may be out of the control of the Group, as a result of (without limitation) natural disasters, electricity outages and, or technical malfunctions which could be malicious due to errors, negligence or force majeure.

If the company does not timely and adequately react to the growing importance of internet bookings for car rentals or relative technical changes and does not take appropriate measures accordingly, it may experience reduced demand and pricing for its vehicles and services, which may have a material adverse effect on its business, financial condition, results of operations and prospects.

Any of the foregoing risks could have a material adverse effect on the United Garage Limited's business, results of operations, financial condition and prospects, and in turn on the Issuer.

2.4.2.8 Risks connected with the Group's insurance cover

The Group has maintained insurance at levels determined by the Group to be appropriate in light of the cost of cover and the risk profiles of the sectors in which the Group operates. However, it may be difficult and may take time to recover losses from insurers, as and when necessary. In addition, the Group may not be able to recover the full amount from the insurer due to procedural restrictions or formalities, or due to substantive exclusions, exemptions, limitations on coverage, de minimis liability coverage limitations, prescriptive time periods and limitations, reporting or other disclosure requirements, licensing or other authorisation or registration requirements, breach of restrictive covenants or undertakings, breach of warranties and, or, representations, as well as restrictions or formalities relating to the initiation of, and control over, litigation, investigations or other proceedings relating thereto.

No assurance can be given that the Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates. In addition, changes in legislation or judicial interpretation, or the issuance or alteration of directives, orders, or other measures (whether interim or otherwise), by the relevant authorities may impact the ability to recoup losses under insurance coverage held by the Group. Furthermore, the actions, or inactions of employees or other officials of the Group, or of contractors, sub-contractors, outsourcing parties, or other third parties engaged by the Group from time to time, may affect the ability of the Group to successfully make a claim under its insurance policies.

2.4.2.9 Risks associated with environmental, social and governance considerations and the failure by the Group to implement a sustainable business model

There is a growing expectation for companies to integrate sustainability risks and consider sustainability factors in their day-to-day management and their decision-making processes. With an increased emphasis on environmental, social and governance ("ESG") considerations at global level, the implementation of sustainable factors in the Group's business model is expected to come under increased scrutiny by investors, regulators, and the public at large. Towards the objective of implementing a more sustainable business model, the United Group is committed towards the continued assessment of material sustainability risks, being environmental, social or governance events or conditions, the occurrence of which could cause an actual or potential material negative impact on the value of the investment.

Risks relating to the impact of climate change, through physical and transitional channels, including but not limited to, physical risks related to severe weather events, the rise in sea level, and other natural disasters; and transition risks attributable to regulatory, technological, and market or pricing changes, could have economic, operational and financial impacts on the Group, and accordingly the failure by the Group to manage these risks over the short, medium, and long term could have a material adverse effect on the Group's business operations, financial performance and prospects. In particular, the United Group is exposed to environmental risks by way of its supply chain in the construction and property development sectors. A shortage in the supply of construction materials could have a material adverse effect on the business operations of the Group.

From a governance perspective, risks may arise relating to lack of good governance and the inadequacy of proper control. Said risks cover a wide spectrum of areas including financial crime, regulatory compliance, ethical marketing, customer data integrity, and fraud. Should the Group fail to manage these risks, the Group's business operations and reputation may be materially adversely affected.

The failure by the Group to maintain an ESG strategy promoting the integration of environmental, social and governance considerations into its business model may have a material adverse effect on the Group's competitiveness in the sectors within which it operates. More specifically, in the context of its operations within the automotive and car rental and leasing industries, the failure by the Group to adopt sustainability practices and measures, and moreover, the failure to meet standards that demonstrate a commitment to reducing carbon emissions and promoting increased efficiency, could result in the Group losing loyal customers as well as failing to attract new customers who have grown more conscious of environmental and societal issues. This may, in turn, have a material negative impact on the Group's competitive position in the automotive and car rental and leasing sectors. More generally, in respect of all sectors within which it operates, the failure by the Group to implement a sustainable business model could have a negative effect on the Group's reputation and public image, as well as its relationship with clients, suppliers, business partners and other stakeholders. This in turn, may have a material adverse impact on the Group's business activities, revenues, financial condition, and operations.

2.4.3 Legal and Regulatory risks

2.4.3.1 Risks relating to legal and regulatory changes, as well as new industry standards and practices

The operations of the Group are subject to regulatory requirements applicable to all sectors within which they operate including laws and regulations relating to health and safety, environmental, bribery and corruption, data privacy and information protection, financial, accounting and tax. Regulatory changes may require significant changes to the way the business operates and may inhibit a Group company's strategy with respect to the markets in which the respective company operates, brand protection, and use or transmission of customer data.

A Group company may be unable to anticipate the implications of legal and regulatory changes in a given sector, which necessitate a re-evaluation of processes from both a fiscal and operational perspective. Moreover, as the United Group will be expanding its business activities and operations to jurisdictions outside of Malta, in particular in light of the Group's potential investment in new projects located in Europe, the Group may be subject to laws and regulations in said jurisdictions as well regulatory developments relating to same. This may result in a loss of revenue for the respective sector and the profitability of the Group as a whole.

2.4.3.2 Risks relating to litigation

Since the United Group operates in industries which involve the continuous provision of services to customers, and such operations necessarily require continuous interaction with customers, suppliers, employees, regulatory authorities and other stakeholders or interested persons, the United Group is exposed to the risk of litigation.

All litigation is expensive, time-consuming and may divert management's attention away from the operation of the business. In addition, the Issuer cannot be certain that its insurance coverage will be sufficient to cover one or more substantial claims. Furthermore, it is possible that if complaints, claims or legal proceedings such as the aforementioned were to be brought against a direct competitor of the Issuer, the latter could also be affected due to the adverse publicity brought against, and concerns raised in respect of the industry in general.

Although as stated in section 14 under the heading "*Legal and Arbitration Proceedings*", insofar as the Directors are aware, the Issuer is not involved in any governmental, legal or arbitration proceedings which may have, or have had, during the 12 months preceding the date of this Base Prospectus, a significant effect on the Issuer's financial condition or operational performance, no assurance can be given that disputes which could have such effect would not arise in the future. Exposure to litigation or fines imposed by regulatory authorities may affect the Group's, and in turn, the Issuer's reputation even though the monetary consequences may not be significant.

2.4.3.3 Risks relating to personal data protection and privacy laws

In the ordinary course of its business, the Group companies receive, process, transmit and store information relating to identifiable individuals ("**personal data**"). As a result, the Group is subject to various local laws and EU regulations relating to the collection and processing of personal data. These laws impose operational requirements for companies receiving or processing personal data and provide for significant penalties for non-compliance. These requirements with respect to personal data have subjected and may continue in the future to subject the Group companies to, among other things, additional costs and expenses and have required and may in the future require costly changes to their business practices and information security systems, policies, procedures, and practices.

Security controls over personal data, the training of employees on data privacy and data security, and the policies, procedures, and practices implemented, or which may be implemented in the future, may not prevent the improper disclosure of personal data by the Group companies. Unauthorised access or improper disclosure of personal data in violation of personal data protection or privacy laws could harm the reputation of the Group, cause loss of consumer confidence, subject Group companies to regulatory enforcement actions (including fines), and result in private litigation against them, which could result in loss of revenue, increased costs, liability for monetary damages, fines and, or criminal prosecution, all of which could negatively affect the business and operating results of the Group.

2.4.4 Additional risks specific to the real estate and property development sectors

2.4.4.1 Risks specific to the real estate sector

The Group, namely the Issuer (as the current owner of GB Buildings), the Guarantor, and United Estates Limited, in aggregate, own a portfolio of immovable properties, whereas United Developments Limited will primarily focus its activities as a developer of properties acquired for development and resale as further detailed in section 7.5. The Group companies operating within the real estate sector are thus susceptible to risks which are intrinsic to the real estate sector. The local property market may be negatively affected by a number of factors such as political developments, government regulations, changes in planning or tax laws, interest rate changes, inflation, the availability of financing and the profits which different investments may provide. These factors are likely to cause property prices to change, and an increase in supply and, or a reduction in demand in the property market to which the respective companies are exposed, could negatively impact their financial performance which, in turn, could negatively impact the financial performance of the Group.

The Issuer (as the current lessor of GB Buildings), the Guarantor, and United Estates Limited are susceptible to risks relating to the rental market. The health of the property and commercial rental market may be affected by a number of factors such as national economy, political developments, government regulations, changes in planning or tax laws, interest rate fluctuations, inflation, the availability of financing, and yields of alternative investments. An increase in the supply of commercial space could impact negatively upon capital values and income streams of the property.

The Group's operating and other expenses could increase without a corresponding increase in revenue. The factors which could materially increase operating and other expenses include:

- i. unforeseen increases in the costs of maintaining the property;
- ii. material increases in operating costs that may not be fully recoverable from tenants; and
- iii. increases in the rate of inflation above the level of annual increments contracted with tenants.

These factors could have an adverse effect on the Group's financial condition and results.

2.4.4.2 Risks relating to the rental income of the Group's commercial properties

The Issuer (as the current owner of GB Buildings), United Estates Limited, and Pender Ville Limited lease property they own to third parties, as well as operating and trading companies within the United Group. The revenue generated by these activities is dependent on the lease agreements with lessees and accordingly, the lessees' fulfilment of obligations under such agreements. There can be no assurance that the lessees will be in a position, at all times, to meet their obligations throughout the term, whether due to insolvency, lack of liquidity, market or economic downturns, operational failure or other reasons which are beyond the companies' control.

As a number of commercial leases are those entered into between operating and trading companies within the United Group, both the risks inherent to United Group's operations as well as the risks inherent to the market within which they operate will affect the ability of those companies to operate efficiently, which in turn could have an effect on their ability to pay the rent due. Similarly, current commercial leases with third parties not forming part of the Group will be susceptible to risks inherent to the industries in which such third parties operate as well as the risks specific to the business.

Moreover, these companies are also susceptible to the risk that lessees may terminate (prior to the lease expiration date) or elect not to renew their lease agreements, and, in such instances, there is no guarantee that new lessees will be willing to lease the properties in question and, or that the lease agreements will be concluded on equally favourable terms.

The failure to maintain a good relationship with existing lessees, to renew lease agreements or enter into new lease agreements with new lessees on similar or more favourable terms, could have a material adverse effect on United Group's profitability in the real estate sector and its operational results as a whole.

2.4.4.3 Risks relating to title over immovable property

The United Group's proposed developments are dependent on the performance of a due diligence exercise on the good title over the land or immovable property being acquired and, or developed. In doing so, the Group would typically rely on third parties to conduct a significant portion of this due diligence exercise, including legal reports on root of title, property valuations, as well as building and environmental surveys. To the extent that the Group, or its third-party advisors, fail to identify defects in title or erroneously assess the materiality or implication of the findings of the due diligence exercise, including environmental liabilities, structure or operational defects, or other material issues, the Group may, notwithstanding that it proceeds with the intended acquisition or development, subsequently be exposed to claims and, or liabilities relating to such issues. Should any claims of this nature, prove successful, they could have a material adverse effect on the Group's business and operations.

2.4.4.4 Risks relating to property development

Property development projects are subject to a number of specific execution risks, including the risk of cost overruns, the risk of rental or sales transactions not being effected at the prices and within the timeframes envisaged, the risk of insufficiency or lack of availability of resources to complete projects in the manner and within the timeframes envisaged, delays or refusals in obtaining all necessary zoning, land use, building, development, modifications, occupancy and other required permits and authorisations, including such permits and authorisations from the planning and environment protection authorities as well as the necessary planning consents, general industry trends, including changes to market conditions such as the oversupply of similar properties and a reduction in demand thereof, changes to laws, rules and regulations which may impact the property development sector as well as high levels of activity in the property development sector which may place a strain on the availability of human and other capital resources required to undertake and complete the developments that United Developments Limited is undertaking or may wish to undertake, from time to time.

Property development is also susceptible to risks associated with the construction industry, including risks associated with the health and safety of persons engaged for the purposes of the development, such as the risk of serious injury or even fatality. There can be no assurance that United Development Limited's and the Group's health and safety policies and practices will prove effective in ensuring the health and safety on its property development sites, which non-effectiveness may expose it to liability for damages, as well as to the risk of adverse publicity.

If such risks were to materialise this could have a negative effect on the revenue generation, financial performance, and financial position of United Developments Limited and the Group as a whole.

2.4.4.5 Risks relating to the engagement and, or involvement of third parties in connection with the development of immovable property and counterparty risks

The Group, particularly United Developments Limited, may from time to time rely on third-party service providers such as architects, building contractors and suppliers for the construction and completion of its developments. Such commercial relationships give rise to counter-party risks in those instances where such third parties do not perform in line with the respective company's expectations and in accordance with its contractual obligations. If these risks were to materialise, this will result in development delays in completion which could have an adverse impact on the business, financial condition, results of operations and prospects of the Group, especially as a result of its inability to sell the units by a certain date. Accordingly, this could have a material adverse impact on the cash flows and revenue generation of United Developments Limited and the Group as a whole.

2.4.4.6 Risks relating to the selling of property

The Group may from time to time seek to dispose of real estate assets, to generate additional capital for investment, to improve its cashflows, or because an asset may be under-performing financial targets or be deemed suitable for disposal. There can be no assurance that real estate assets in the Group's portfolio will be transferred and disposed of at the carrying value or estimated value. It may be difficult to dispose of the Group's properties at their carrying values on account of: (a) market conditions; (b) the size or value of the overall portfolio; (c) the specialised nature of the properties in question; (d) specific local market conditions; (e) regulatory risks including, albeit not limited to, the delay in obtaining or the inability to obtain the necessary permits and, or authorisations; or (f) other local or international economic factors influencing the Group's operations or assets. It may also prove necessary to dispose of properties at values which the respective directors consider are reasonable in the circumstances prevailing at the time, but which represent discounts to book values or earlier property valuation reports, in order to satisfy other commercial demands of the Group and deliver the long-term strategy objectives.

2.4.4.7 Risks relating to property valuations

The valuations referred to in this Base Prospectus are prepared by an independent qualified architect in accordance with the valuation standards published by the Royal Institution of Chartered Surveyors ('RICS'). However, the valuation of property is intrinsically subjective and based on several assumptions at a given point in time. From time to time, the property-owning companies within the Group seek valuations of their property portfolio from experts. In providing a market value of the respective properties, certain assumptions are taken, which ultimately may cause the actual values to be materially different from any future values that may be expressed, implied or anticipated on the basis of historical trends as reality may not match the assumptions. For this reason, the Group may purchase and, or may have purchased property on the basis of inaccurate valuations. Moreover, property valuations are largely dependent on current and, or, expected market conditions which may fluctuate from time to time. There can be no assurance that such property valuations will reflect actual market values.

2.5 RISKS RELATING TO THE GLOBAL NOTES AND THE PARTICIPATION NOTES

2.5.1 Notes not traded on any regulated market

The Global Notes and Participation Notes are transferable but shall not be traded on any regulated market or other trading facility and, as a result, there may be no liquid market for the Participation Notes. The market for the Participation Notes may be less liquid than a regulated market or other trading facility, and accordingly, Participation Noteholders may find it more difficult to identify willing buyers for their Participation Notes. Participation Noteholders who wish to sell their Participation Notes may be unable to do so at an acceptable price, or at all, if insufficient liquidity exists in the market for the Participation Notes. The ease of transferability of the Global Notes and Participation Notes depends on factors beyond the Issuer's control which could impact the trading value of the Global Notes and Participation Notes, such as the willingness or otherwise of potential buyers and sellers of the Global Note and Participation Notes. The trading value of the Global Notes and Participation Notes may also be impacted by other factors, such as the time remaining for maturity of the Global Notes and Participation Notes, the outstanding amount of the Global Notes and Participation Notes, and the level, direction and volatility of market interest rates generally.

2.5.2 Status and ranking of the Global Notes and Participation Notes and additional indebtedness or security

The Global Notes, as and when issued and allotted, shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall be jointly and severally guaranteed in respect of both the interest due and the principal amount under said Notes by the Guarantor. The Global Notes shall, at all times, rank *pari passu*, without any priority or preference among themselves, and save for such exceptions as may be provided by applicable law, without priority or preference to all present and future unsecured obligations of the Issuer. This means that any secured or privileged debts of the Issuer shall rank at all times ahead of its obligations under the Note Issuance Programme, as a result of which the Participation Noteholders may not be able to recover their investment in the Participation Notes in the case of insolvency or an equivalent situation, whether in full or in part. Furthermore, third party security interests may be registered which will rank in priority to the Global Notes against the assets of the Issuer and, or the Guarantor for so long as such security interests remain in effect, which registration may further impede the ability of the Participation Noteholders to recover their investment upon enforcement of such security interests, whether in full or in part.

2.5.3 No prior market for the Notes

There has been no public market for the Participation Notes within or outside Malta. Due to the absence of any prior market for the Notes, there can be no assurance that the price of the Participation Notes will correspond to the price at which the Participation Notes will trade in the market subsequent to the Issue. The market price of the Participation Notes could be subject to significant fluctuations in response to numerous factors, including the occurrence of any of the risk factors identified in section 2 of this Base Prospectus.

2.5.4 Future Public Offers

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

2.5.5 Subsequent changes in interest rates

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

2.5.6 Currency of reference

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

2.5.7 Amendments to the terms and conditions of the Notes

In the event that the Issuer wishes to amend any of the terms and conditions of the Global Notes it shall call upon the Nominee and Placement Agent to call a meeting of Participation Noteholders in accordance with the provisions of section 12 of Annex 1B to this Base Prospectus. These provisions permit defined majorities to bind all Participation Noteholders, including Participation Noteholders who do not attend and vote at the relevant meeting and Participation Noteholders who vote in a manner contrary to the majority.

2.5.8 Changes in law

The terms and conditions of the Global Notes and the terms and conditions of the Participation Notes are based on Maltese law in effect as at the date of this Base 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 Base Prospectus.

2.6 RISKS SPECIFIC TO THE GUARANTEE

In view of the fact that the Global Notes are being guaranteed by the Guarantor on a joint and several basis, the Nominee and Placement Agent shall be entitled to request the Guarantor to pay both the interest due and the principal amount under said Notes if the Issuer fails to meet any amount when due in terms of the Base Prospectus. The Guarantee also entitles the Nominee and Placement Agent to take action against the Guarantor without having to first take action against the Issuer, if the Issuer fails to pay any sum payable by it to Nominee and Placement Agent pursuant to the terms and conditions of the Global Notes. The strength of this undertaking on the part of the Guarantor and, therefore, the level of recoverability by the Nominee and Placement Agent from the Guarantor of any amounts due under any of the Global Notes, is dependent upon and directly linked to the financial position and solvency of the Guarantor.

3 RESPONSIBILITY, AUTHORISATION STATEMENT AND CONSENT FOR USE

3.1 RESPONSIBILITY

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

3.2 AUTHORISATION STATEMENT

This Base Prospectus has been approved by the MFSA as the competent authority in Malta for the purposes of the Prospectus Regulation. The MFSA has only approved this Base 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 Issuer and the Notes (as the subjects of the Base Prospectus).

3.3 CONSENT FOR USE OF BASE PROSPECTUS

The Issuer has given its express written consent to the Nominee and Placement Agent, MZ Investment Services Ltd (C 23936) at 61, MZ House, St Rita Street, Rabat RBT 1523, Malta, for the use of the Base Prospectus by the same Nominee and Placement Agent for the purpose of final placement and, or subsequent resale of the Participation Notes taking place within the period of 60 days from the date of this Base Prospectus, or at a period as detailed in the applicable Final Terms regarding a subsequent Tranche or Tranches of Notes. The Issuer accepts full responsibility for the content of the Base Prospectus also with respect to any subsequent resale or final placement of the Participation Notes by the Nominee and Placement Agent.

The Nominee and Placement Agent will only be permitted to use the Base Prospectus in the Republic of Malta.

There are no other conditions attached to the consent given by the Issuer to the Nominee and Placement Agent which are relevant for the use of the Base Prospectus.

The Nominee and Placement Agent is the only financial intermediary that is permitted to use the Base Prospectus for the purpose of final placement of the Participation Notes. Should there be any new information with respect to the Nominee and Placement Agent, such information shall be made available on its website.

All information on the terms and conditions of the Participation Notes which are offered to any investor by the Nominee and Placement Agent is to be provided by the Nominee and Placement Agent to the investor prior to such investor subscribing to any Participation Notes. Any interested investor has the right to request that the Nominee and Placement Agent provide the investor with all and any information on the Base Prospectus, including the terms and conditions of the Participation Notes.

The Nominee and Placement Agent using the Base Prospectus in connection with a resale or placement of Participation Notes subsequent to the Offer shall, limitedly for the period of 60 days from the date of the Base Prospectus or at a period detailed in the applicable Final Terms, publish on its website a notice to the effect that it is using the Base Prospectus for such resale and placement in accordance with the consent of the Issuer and the conditions attached thereto. The consent provided herein shall no longer apply following the lapse of such period, as applicable.

Other than as set out above, neither the Issuer, nor the Nominee and Placement Agent, has authorised (nor do they authorise or consent to the use of the Base Prospectus in connection with) the making of any public offer of the Participation Notes by any person in any circumstances. Any such unauthorised offers are not made on behalf of the Issuer or the Nominee and Placement Agent and neither the Issuer nor the Nominee and Placement Agent has any responsibility or liability for the actions of any person making such offers.

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

No person has been authorised to give any information or to make any representation not contained in or inconsistent with the Base Prospectus. If given or made, such information and, or representation must not be relied upon as having been authorised by the Issuer or the Nominee and Placement Agent. The Issuer does not accept responsibility for any information not contained in the Base Prospectus.

Any resale, placement or offering of Participation Notes to an investor by the Nominee and Placement Agent will be made in accordance with any terms and other arrangements in place between such Nominee and Placement Agent and such investor, including as to price, allocations, and settlement arrangements. Where such information is not contained in the Base Prospectus, it will be the responsibility of the Nominee and Placement Agent at the time of such resale, placement or offering to provide the investor with that information, and the Issuer has no responsibility or liability for such information.

4. ADVISORS AND AUDITORS OF THE ISSUER AND THE GUARANTOR

4.1 ADVISORS

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

Legal Advisors of the Issuer and the Guarantor

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

Nominee and Placement Agent

Name: **M.Z. Investment Services Limited**
Address: 61, M.Z. House,
St Rita Street, Rabat, RBT 1523, Malta

The services of the Issuer's and Guarantor's advisors in respect of this Base 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 Issuer, the Guarantor, or an investment in the Notes upon which the Issuer's and Guarantor's advisors have not been consulted. The Issuer's and Guarantor's advisors do not undertake to monitor the compliance by the Issuer and Guarantor with their obligations as described in this Base Prospectus, nor do they monitor the Issuer's and Guarantor's activities for compliance with applicable laws. Additionally the Issuer's and Guarantor's advisors have relied and continue to rely upon information furnished to them by the Issuer, the Guarantor and their respective directors, and have not investigated or verified, nor will they investigate or verify the accuracy and completeness of information set out herein concerning the Issuer, the Guarantor, the Issuer's service providers or any other parties involved in the Note Issuance Programme (including all of their respective affiliates, directors, officers, employees and agents). Moreover, the Issuer's and Guarantor's legal counsel and the other advisors accept no responsibility for any description of matters in this Base Prospectus that relate to, and any issues arising from, any applicable law that is not Maltese law.

4.2 STATUTORY AUDITORS

Name: **PricewaterhouseCoopers**
Address: PwC Malta, 78, Mill Street, Zone 5, Central Business District Qormi, CBD 5090, Malta

The annual statutory financial statements of the Issuer and the Guarantor for the financial years ended 2020, 2021 and 2022 have been audited by PricewaterhouseCoopers. Pricewaterhouse Coopers is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta). The Accountancy Board registration number of AB/26/84/38.

5. INFORMATION ABOUT THE ISSUER AND THE GUARANTOR

5.1 GENERAL INFORMATION ABOUT THE ISSUER

Full legal and commercial name	United Finance p.l.c.
Registered address	United Group of Companies, Pinto Business Centre, Level 4, Triq Il-Mithna, Qormi QRM 3104, Malta
Place of registration and domicile	Malta
Company registration number	C 26598
Legal Entity Identifier ('LEI')	529900PZWCDY8SRY5C30
Date of registration	26 June 2000
Legal form	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act.
Telephone number	+356 2338 8000
Email	info@unitedgroup.com.mt
Website	http://www.unitedgroup.com.mt/

Unless it is specifically stated herein that particular information is incorporated by reference into this Base Prospectus, the contents of the Issuer's website or any other website directly or indirectly linked to the Issuer's website, or any other website referred to herein, do not form part of the Base 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 Participation Notes.

5.2 GENERAL INFORMATION ABOUT THE GUARANTOR

Full legal and commercial name	United Group Limited
Registered address	United Group of Companies, Pinto Business Centre, Level 4, Triq Il-Mithna, Qormi QRM 3104, Malta
Place of registration and domicile	Malta
Company registration number	C 10233
Legal Entity Identifier ('LEI')	4851005H90AJFNGI5W26
Date of registration	13 January 1989
Legal form	The Guarantor is lawfully existing and registered as a private limited liability company in terms of the Act.
Telephone number	+356 2338 8000
Email	info@unitedgroup.com.mt
Website	www.unitedgroup.com.mt/

Unless it is specifically stated herein that particular information is incorporated by reference into this Base Prospectus, the contents of the Guarantor's website or any other website directly or indirectly linked to the Guarantor's website, or any other website referred to herein, do not form part of the Base 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 Participation Notes.

5.3 HISTORICAL DEVELOPMENT OF THE UNITED GROUP

The United Group was established in 1926 as a family-owned business in Malta, when Carmelo Gatt Baldacchino set up a small transportation company in Malta engaged in the field of bus and chauffeur-driven services. On the demise of Carmelo Gatt Baldacchino, his son, Charles Gatt Baldacchino, took over the business.

With the rapid growth of the tourism industry in Malta in the 1960's, Charles Gatt Baldacchino, diversified business activities of the Group by establishing operations in destination management services, including leisure and excursion services for leading international tour operators. With the continued growth of the tourism industry in Malta and the lack of proper transportation facilities and infrastructure to handle such growth, Charles Gatt Baldacchino ventured into car rental services. In 1961, the Group was granted the Hertz franchise for Malta, a franchise still held today.

In 1982, the Group expanded its operations and acquired the franchise of a European car manufacturer and ventured into the motor vehicle dealership operations. In 2011, United Automobile Limited (a former member of the Group) merged its motor vehicle dealership business with the business of Easysell Kia (Malta) Limited via a new entity, Cars International Limited, owned in equal portions by the United Group and the Tumas Group, and thereafter, in 2016, further merged its activities with that of Pater Group via the creation of a new entity, Motors Inc. Limited. The Group today retains a 33.33% equity holding in Motors Inc. Limited which operates a multi-brand dealership for KIA®, Alfa®, Jeep®, Fiat®, Iveco®, and Hyundai®. The aforesaid merging of business interests has resulted in a more cost-effective and efficient operational structure, which has in turn enhanced customer service within the Group's motor vehicle business.

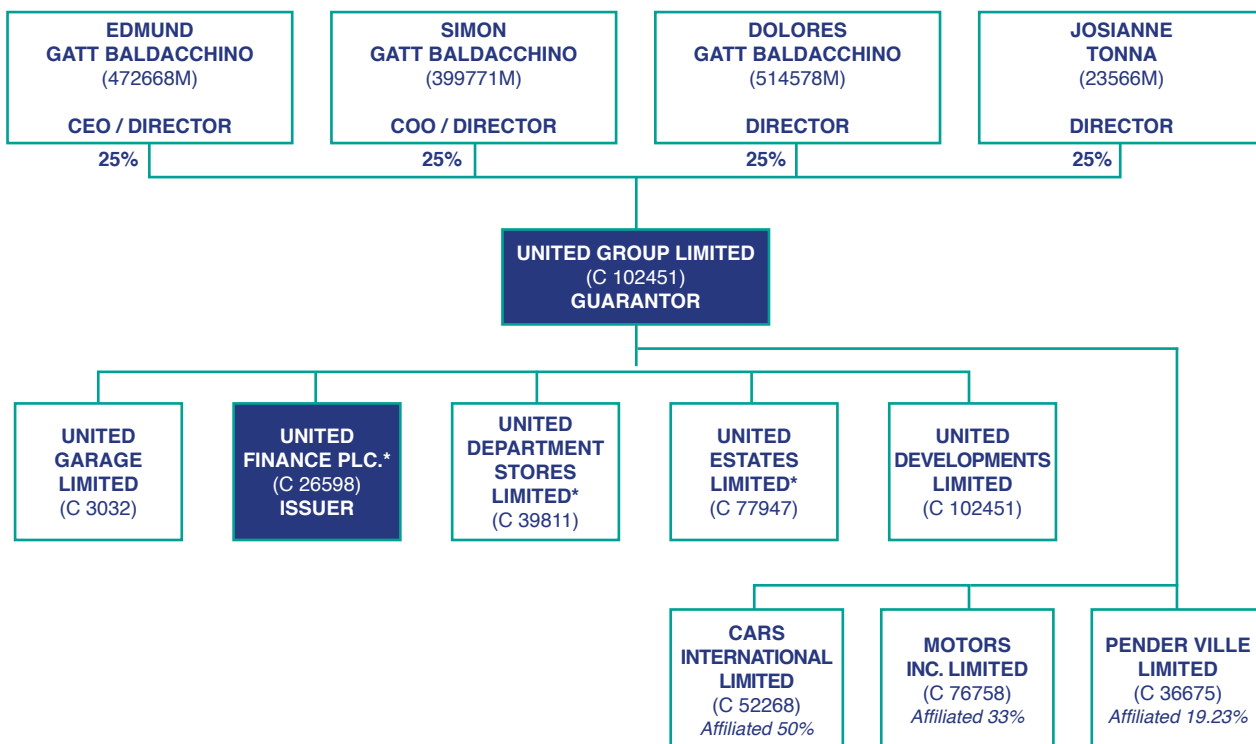
In 2005, the Group ventured into the fashion retail business and operated a department store under franchise for the then well-renowned 'Debenhams' brand. The Group also operated a number of outlets for other well-renowned fashion brands. In April 2020, Debenhams (UK) announced that they had entered administration and, in May 2021, announced that they will be closing shop. The winding up of the UK company resulted in the withdrawal of the franchise internationally. Although the Debenhams stores in Malta had been operated independently from the UK under a franchise agreement, operations were nonetheless intrinsically tied to the UK company for the granting of the franchise as well as the supply of merchandise. As a consequence of the closure of Debenhams UK, in June 2021 the United Group ceased its fashion retail operations, save for its operation of one M.A.C. Cosmetics® outlet.

The Group has been active in the real estate sector since the 1980's. In 1992, the Group acquired a prominent site in Ta' Xbiex for the purpose of developing a motor vehicle showroom, and thereafter proceeded to develop the airspace and transform the building into a business centre, known as 'GB Buildings'. In 2005, the Group was active in leading a group of investors to join forces in the acquisition and development of the Pender Place site and the Mercury House site in St Julian's, Malta. Penderville Limited was set up in July 2005 for such purpose, with the United Group retaining an investment of 19.23% equity interest. Moreover, in 2017, the Group acquired a site in Qormi adjacent to the Mriehel bypass and developed said site into a state-of-the-art business centre, known as 'Pinto Business Centre'. Further information on the Group's major property investments and developments can be found in Section 7.3.3 of this Base Prospectus.

In June 2022, the Group set up United Developments Limited for the purpose of acquiring various sites and properties in Malta for eventual development and resale.

5.4 ORGANISATIONAL STRUCTURE OF THE UNITED GROUP

The organisational structure of the United Group as at the date of this Base Prospectus is illustrated in the organigram hereunder, indicating the position of the Issuer and the Guarantor within the Group:



*United Group Limited holds the entire issued share capital of its subsidiary companies save for:

- (i) 1 share held in the Issuer by United Garage Limited;
- (ii) 2 shares held in United Department Stores Limited by United Garage Limited;
- (iii) 1 share held in United Estates Limited by United Garage Limited;
- (iv) 12 shares held in United Developments Limited by United Estates Limited.

As depicted in the organigram above, the Issuer is a subsidiary of UGL, the Guarantor. The Issuer was incorporated on the 26 June 2000 as the finance company of the United Group and is economically dependent on the operational results, the financial position and the financial performance of the Guarantor, the Subsidiaries, and the UGL Affiliates. A brief overview of the activities of the Subsidiaries and the UGL Affiliates is set out below:

- I. **United Estates Limited** was incorporated on 4 November 2016. It is the main operating entity within the United Group's real estate division. As at the date of this Base Prospectus, United Estates Limited owns investment property, including Cosmana Navarra, Pinto Building Centre, and leases out said properties to third parties. As further described in section 7.1.3 of this Base Prospectus, by the end of this year, GB Buildings (currently owned by the Issuer) will also form part of United Estates Limited's property portfolio;
- II. **United Garage Limited** was incorporated on 3 April 1957. Through United Garage Limited, the United Group operates a car rental and leasing business under the Hertz Brand;
- III. **United Developments Limited** was incorporated on 1 June 2022. The company was set up with the intention of acquiring properties for development and eventual sale of individual residential units;
- IV. **United Department Stores Limited** was incorporated on 25 October 2006. It is the operating entity within the United Group's retail division and currently operates one M.A.C. Cosmetics® outlet in Sliema, Malta;

- V. **Cars International Limited** was incorporated on 15 March 2011. UGL owns 50% of Cars International Limited, which operates in the automotive sector;
- VI. **Motors Ins. Limited** was incorporated on 25 May 2016, following the merger of Cars International Limited with Pater Group. UGL owns 33.33% of Motors Inc. Limited, which constitutes the automotive arm of the Group and operates a multi-brand dealership for KIA®, DFM®, Alfa®, Jeep®, Fiat®, Iveco® and Hyundai®; and
- VII. **Pender Ville Limited** was incorporated on 22 July 2005. The United Group has an interest in Pendergardens, located in St. Julians, Malta, through the ownership of 19.23% of the equity capital of Pender Ville Limited.

United Catering Company Limited (C 82591), incorporated on 18 September 2017, has no assets and is no longer in operation. As at the date of this Base Prospectus, United Catering Limited is in the process of being merged with UGL, which merger by acquisition is expected to be completed in Q4 of 2023. The aforementioned company has been excluded from the Group organisational chart to reflect the position of the United Group post-restructuring.

6. FUNDING STRUCTURE AND SOLVENCY

Loan facilities

As at 31 December 2022, the aggregate bank financing obtained by the Group from local credit institutions amounts to approximately €12,429,259. The Issuer may finance, in part or in full, the repayment of (i) the loan facility obtained by UGL from a local credit institution in the amount of €2,150,000 ("**Loan Facility**"); and (ii) of the rescheduled overdraft obtained by United Department Stores Limited from a local credit institution in the amount of €377,685 ("**Rescheduled Overdraft**") from the proceeds of this Note Issuance Programme.

2014 bond issue

In 2014, the Issuer tapped into the capital markets with a €8,500,000 bond issue pursuant to a prospectus dated 2 June 2014. The bonds are redeemable on 6 November 2023. On 19 June 2023, the Issuer announced that it intends to finance the redemption of the Maturing Bonds using the funds to be received from United Estates Limited in consideration for the sale of GB Buildings, referred to in section 7.1.3 of this Base Prospectus.

Other than the foregoing, the Directors are not aware of any material change in the Issuer's and, or the Guarantor's borrowing and funding structure since the end of the latest financial year ending 31 December 2022.

The Directors expect the Issuer's and Guarantor's working capital and funding requirements to be met by a combination of the following sources: (i) interest and loan repayments from Group companies; (ii) bank financing; (iii) the proceeds from the Notes; and (iv) dividend and management fees from the existing and new investments.

7. BUSINESS OVERVIEW

7.1 PRINCIPAL ACTIVITIES OF THE ISSUER

The Issuer is a subsidiary of UGL, the Guarantor. The principal activity of the Issuer is to act as a finance company for the United Group. The Issuer does not itself carry on any trading activities apart from: (i) the raising of capital and advancing thereof to members of the United Group as and when the demands of its business so requires; and (ii) the leasing of GB Buildings to third parties and a Group company (this trading activity is expected to elapse upon the transfer of GB Buildings to United Estates Limited). Accordingly, the Issuer is economically dependent on the operations and performance of the United Group.

7.2 PRINCIPAL ACTIVITIES OF THE GUARANTOR

The Guarantor, UGL, is the parent company of the Issuer. It is the holding company of the United Group having investments in a number of subsidiaries involved in the following sectors:

- (i) real estate and property development;
- (ii) car rental and leasing;
- (iii) automotive importation and dealership; and
- (iv) retail.

The four abovementioned primary divisions of the United Group are described further in section 7.3 below.

7.3 OVERVIEW OF THE BUSINESS OF THE UNITED GROUP

The core business activities of the United Group are organised into four primary business divisions (i) real estate and property development; (ii) car rental and leasing; (iii) automotive; and (iv) retail.

7.3.1 Real estate and property development

The United Group has been involved in the real estate sector for the last two decades, developing and managing a portfolio of properties, both commercial and residential, for resale and lease. The Group has adopted a strategy to consolidate its property portfolio under one brand, 'United Estates', which was launched to give the property arm of the Group its own identity and put the 'United' stamp on the real estate market.

The United Group has developed sites for resale as well as investment property for commercial purposes. As at 31 December 2023, the immovable property owned by the United Group was valued at €22,071,269.

As at the date of this Base Prospectus, the United Group's property portfolio comprises the following:

GB Buildings	<p>The United Group's portfolio comprises a property positioned in the corner between Triq Abate Rigord and Triq il-Watar, Ta' Xbiex. The property, known as 'GB Buildings', has a net floor area of 2,510m² and comprises a large-scale showroom at ground floor and basement levels, and multiple offices in the overlying four floors.</p> <p>In 1990, United Automobile Limited (a former member of the United Group) acquired GB Buildings from a third party under the title of perpetual emphyteusis. As at the date of this Base Prospectus, GB Buildings is owned by the Issuer. On 19 June 2023, the Issuer issued a company announcement (127/2023) pursuant to which the board of directors announced that they had approved the sale and transfer, by the Issuer, of GB Buildings, to United Estates Limited. The sale and transfer is being made against a consideration of around €8.4 million and is expected to take place between Q3 and Q4 of 2023.</p> <p>As at the date of this Base Prospectus, the occupancy rate at GB Buildings is at 100% and all leases are with third parties.</p>
Pinto Business Centre	<p>Pinto Business Centre is an iconic landmark building in the Central Business District of Malta, owned, developed and operated by United Estates Limited. The business centre boasts luxurious features and facilities and a distinguishable standard, offering 3,400m² of office space spread over five floors, and 104 parking spaces for employees and visitors.</p> <p>Construction works for the development of this commercial property commenced in 2018, and the centre was thereafter completed. The majority of the business centre is leased out to third parties, while half of the penthouse of the fourth floor is leased out to a related party, UGL. The intragroup lease between UGL, as lessee, and United Estates Limited, as lessor, is subject to a term of 5 years, commencing 1 February 2021 and expiring on 31 January 2026.</p> <p>As at the date of this Base Prospectus, the property is fully occupied.</p>
Cosmana Navarra	<p>Cosmana Navarra is a traditional Maltese 17th century townhouse located in the suburbs of Mdina, on the corner of St. Paul's Piazza, which originally belonged to Cosmana Navarra (1600-1687). The building, now owned and operated by United Estates Limited, has a vernacular façade, that includes a closed timber balcony and two neoclassic columns. On the inside it features baroque architecture, the decorative archways from a room to the other, the former courtyard and several spacious rooms upstairs.</p> <p>The property is operated as a restaurant (formerly 'The Cosmana Navarra Restaurant') by a third-party operator. A new lease commenced in March 2023 for the continuation of the operation of the property as a restaurant under a new name, 'Ambra'. The current lease is for a term of ten years.</p>
Zeus Apartment	<p>The Zeus Apartment, owned by UGL, is a property situated in Gozo, held by the Group for capital investment purposes.</p>
Pendergardens	<p>The United Group has an interest in Pendergardens located in St. Julians, Malta through the ownership of 19.23% of the equity capital of Pender Ville Limited. The Pendergardens Group was set up in July 2005 to acquire and develop the Pender Place site which covers an area of 18,500m² (known as 'Pendergardens') and the Mercury House site having a footprint of 8,500m² (known as 'The Exchange').</p> <p>Pendergardens covers an area of 18,500m², offering 5,500m² of office space over seven floors, 270 apartments, a supermarket (operated by Wellbee's Supermarket), a wellness centre and outdoor pool, and a public underground car park consisting of circa 500 parking spaces. As at the date of this Base Prospectus, all residential units forming part of Pendergardens have been sold. The Issuer is presently involved in the operation of the public car park and management of the Pendergardens Business Centre and retail podium under Block 16 and 17.</p> <p>In 2009, an area measuring 950m² of The Exchange was sold to FIMBank plc, an international trade finance bank listed on the Malta Stock Exchange, and the remaining area of 7,550m² was sold to developer Joseph Portelli.</p>

The United Group is constantly looking for new opportunities for further property developments.

7.3.2 Car rentals and leasing

The United Group offers a variety of services and products relating to rental and leasing of vehicles and, owning one of the largest fleets in Malta, has been a leader in the car rental and leasing industry since its inception.

The United Group operates the car rental and lease business under the Hertz Brand through United Garage Limited. United Garage Limited, a subsidiary of UGL, has been operating in the car rental and leasing industry in Malta as part of the United Group for over 60 years, with the first franchise agreement having been entered into by the late Charles Gatt Baldacchino with, at the time, Hertz American Express International Limited, in November 1961, making Hertz Malta the longest tenured franchisee in Europe.

Vehicle rental business

United Garage Limited is licensed by Hertz International to use the Hertz Brand in conducting its vehicle rental business, which involves the short-term rental of passenger vehicles or vans for periods of less than one year, pursuant to a franchise agreement. In terms of said agreement, Hertz International Limited, as the owner of the trademark and controller of the Hertz Brand, grants United Garage Limited the exclusive right and licence to use the Hertz Brand in the conduct of its rent-a-car activities in accordance with the instructions of Hertz International Limited and, or Hertz System, Inc.

Over the years, United Garage Limited has also expanded its offering and is multi-brand franchise operator of the whole Hertz Brand portfolio. In 2014, United Garage Limited launched a new brand in Malta, namely 'Firefly', owned by Hertz. 'Firefly' addresses the budget value segment of the car rental market. In this respect, United Garage Limited prices the 'Firefly' fleet of vehicles at highly competitive rates, enabling the company to increase its market spread and maintain a better pricing and yield model for its branded fleet. Three years later, in 2017, Hertz Global Holdings Inc. announced the launch of the 'Thrifty' brand and the 'Dollar' brand under the new leadership of Hertz Malta. The multi-brand portfolio, consisting of 'Hertz', 'Thrifty', 'Dollar' and 'Firefly', offers customers more rental locations, a diverse fleet, including compact, economy, intermediate and standard vehicles as well as a new, user-friendly website.

Hertz International Limited and United Garage Limited are currently party to a franchise agreement pursuant to which United Garage Limited is granted the exclusive right to operate the vehicle rental business in Malta and the non-exclusive right to use the trademarks of the Hertz brand in the operation of the franchised business.

Vehicle leasing business

Aligned with the Group's commitment to expand its operations, in 1996, United Garage Limited also diversified its activities into car leasing and fleet management, which it operates under the 'Hertz Leasing' brand. This was a natural extension of the company's rent-a-car activities.

United Garage Limited has been operating 'Hertz Leasing' for over 25 years, offering both passenger cars and LCVs (light commercial vehicles) to third parties. United Garage Limited owns and manages a fleet of self-drive and leasing vehicles, and has over the years established a network of strategically located 'Hertz' branded retail outlets at vantage points around Malta, including Malta International Airport and main tourist resorts, thus ensuring a convenient and efficient service to customers.

Pursuant to a licence agreement, Hertz International Limited granted United Garage Limited the exclusive right and licence to use the Hertz Brand in conducting its vehicle leasing and fleet management businesses, specifically the business of leasing vehicles to customers under a lease agreement for a period of at least twelve months, and the additional business of vehicle management services to the customer, including but not limited to, vehicle servicing, maintenance and repair costs.

7.3.3 Automotive importation and dealership

The United Group has been operating within the automotive business since 1982. Motors Inc. Limited operates the automotive arm of the United Group and has established itself as the exclusive distributor in the territory of Malta of a wide range of brands of cars and vehicles, from the most economical to the most technologically advanced, whilst also offering maintenance, repair and after-sales services.

As a result of increased competition over the years in the local market, both from importers of new and used motor vehicles, in July 2011, the United Group, through Cars International Limited (C 52268), merged its car dealership business with the operations of Easysell Limited (C 9778). Cars International Limited is equally owned by the UGL and the Tum Invest Limited (C 69572).

In September 2016, Cars International Limited merged its car dealership operations with that of Pater Holding Company Limited (C 3334), via the incorporation of a new entity, Motors Inc. Limited, which, as at the date of this Base Prospectus, is equally owned by the UGL, Tum Invest Limited, and Pater Holding Company Limited. As a result of the merger, the United Group owns 33.33% of Motors Inc. Limited. The United Group's principal objectives supporting this joint venture is to provide customers with greater choice and benefits, as well as to provide employees with increased personal and professional growth opportunities, ingredients that are expected to result in a more cost effectiveness and efficient operation structure, through economies of scale, and ultimately, market expansion of the Group.

Motors Inc. Limited operates a multi-brand dealership for a number of brands that include KIA®, DFM®, Alfa Romeo®, Jeep®, Fiat®, Iveco® and Hyundai®. Furthermore, Motors Inc. Limited also imports a selection of electric two-wheel transport under the brand CTYRYD®.

Aside from importing new cars and commercial vehicles, Motors Inc. Limited also offers a new experience in acquiring used vehicles. Their 'Approved Used' service intends to set the benchmark in the used car market by undergoing rigorous checks conducted by qualified Motors Inc. Limited technicians and ensuring that the vehicles meet stringent sets of quality criteria, thereby providing customers with high level of reassurance.

Motors Inc. Limited operates from premises located in Qormi, Malta, housing all of its motor vehicles showrooms and aftersales facilities.

7.3.4 Retail

The United Group, through its subsidiary United Department Stores Limited, has over twenty years of experience in the retail sector, and has represented various high-street brands throughout the years, including but not limited to its appointment as franchisee in Malta for the Debenhams brand until the global closure of the franchise in May 2021.

As at the date of this Base Prospectus, United Department Stores Limited operates M.A.C. Cosmetics®, located in Tigne Street, Sliema. The renowned cosmetics brand was brought to Malta by the United Group in 2015 following the entry into a supply agreement with United Department Stores Limited. The store in Tigne Street, Sliema, is sub-leased to United Department Stores Limited.

7.4 BUSINESS DEVELOPMENT STRATEGY

The United Group has developed from a family-owned business to a professional group of companies, underpinned by the United Group's belief in growth to be followed by a well-laid out strategic plan. This has translated into diversification for the Group, which today is active in the automotive, car leasing and rental, real estate and retail sectors. The United Group believes in diversification not only by way of a business strategy but also as a risk management policy for the benefit of all its stakeholders.

The Group's investments were executed through the acquisition of new operations as well as through strategic joint ventures with well-established business partners that share and complement the Group's core business values. The Group's strategy is to consolidate and grow the market share of its current business portfolio while maintaining its ongoing pursuit for new, prudent, and sustainable investment and business opportunities.

To sustain business growth and competitiveness, the Group has streamlined its organisational structure to improve efficiency and enhance through the recruitment of professional management and strict cooperate governance its strategic focus at operational level. With a view to expanding the United Group's operations and further diversifying its portfolio, the Issuer's strategy is that of raising finance to be thereafter advanced to operating members of the United Group, in order for the Group to partake in new, strategic investment opportunities.

7.5 NEW REAL ESTATE AND PROPERTY DEVELOPMENT FOR RESALE PROJECTS

The United Group is seeking to acquire a number of properties in various localities in Malta. To this end, the Group is in discussions with third parties in connection with the acquisition of a number of properties that have been identified by the Group as property developments for resale. In addition to the acquisition and subsequent development of a number of properties as further described below, the Group is also seeking to develop a property owned by UGL in Sliema, Malta.

The United Group intends to finance part or all of said investments through the Note Issuance Programme.

7.5.1 Acquisition and development of the Mosta Property

As at the date of this Base Prospectus, the United Group is seeking to acquire one site in Mosta earmarked for development by United Developments Limited and subsequent resale.

On 17 May 2022, UGL, in its capacity as purchaser, and two individuals, in their capacity as sellers, entered into a promise of sale agreement, pursuant to which UGL agreed to acquire from the sellers a semi-detached villa in Triq Sir Temi Zammit, Mosta, ("**Mosta Property**") free and unencumbered, for a consideration in the amount of €960,000, which amount is payable by UGL, in favour of the sellers, as follows: (i) the sum of €96,000 was paid upon signing of the promise of sale agreement; and (ii) the balance is to be paid in full and final settlement on the deed of sale.

On 9 November 2022, the Planning Authority granted UGL a full development permit (bearing reference number PA/05448/22) for the demolition of the existing terraced house and for the development of a new building having a height of at least five floors (consisting of nine apartments, two pools at roof level, and basement garages) on the site currently occupied by the Mosta Property, valid for a period of five years from the date of publication of such decision, which permit will cease to be valid if the development is not completed by the end of the five years. The promise of sale has been extended, and the final deed of sale is expected to be signed by the end of July 2023.

On 11 May 2023, UGL entered into a promise of assignment agreement pursuant to which UGL agreed to assign a portion of the Mosta Property to a third-party contractor, such that on the final deed of sale, a portion of the Mosta Property will be acquired directly by the third-party contractor. Upon acquisition of their respective portions, the third-party contractor will be undertaking the demolition, excavation, construction, and development of the Mosta Property, pursuant to a contract of works dated 11 May 2023.

Finally, on the final deed of sale, UGL shall novate all of its rights and obligations relating to its portion of the Mosta Property to United Developments Limited. Upon such substitution, United Developments Limited will have acquired UGL's portion of the Mosta Property and will be vested with all outstanding rights and obligations of UGL in connection with the acquisition and development of the property.

The Group intends to part-finance the acquisition of the Mosta Property through Tranche I of this Note Issuance Programme.

7.5.2 Acquisition and development of the Ta' Xbiex Property I

United Developments Limited is seeking to acquire a property situated in Ta' Xbiex – a terraced house in Triq il-Qaws, Ta' Xbiex, including its overlying airspace and undertrain (“**Ta' Xbiex Property I**”).

Pursuant to a promise of sale agreement dated 7 September 2022, an individual seller promised and bound itself to sell unto United Developments Limited, Ta' Xbiex Property I, free and unencumbered, for a consideration in the amount of €500,000, which amount is payable by United Developments Limited, in favour of the seller, as follows: (i) the amount of €184,000 is to be paid by United Developments Limited once the seller would have procured all the necessary approvals and building permits; and (ii) the remaining balance is to be paid in full and final settlement on the deed of sale, earmarked for 1 September 2023, and extendable up to 30 October 2023 in the case that the resolute condition described below is not fulfilled by the earlier date (hereinafter referred to as “**Ta' Xbiex POS**”).

The Ta' Xbiex POS A is subject to the resolute condition stipulated in favour of United Developments Limited, as the purchaser, that a full development executable permit for the demolition of the existing Ta' Xbiex Property I and for the development of a maisonette at ground floor level and five overlying apartments, be issued by the Planning Authority, without any modifications, restrictions or reservations, prior to the publication of the deed of sale, and the official permits are delivered to United Developments Limited. On 30 June 2023, the Planning Authority granted United Developments Limited conditional approval for the issuance of the abovementioned building permit. The full development permit is expected to be issued once the conditions set by the Planning Authority, which are merely procedural and not considered material, are fulfilled.

The development of Ta' Xbiex Property I will allow for the resale of seven independent residential properties.

On the same date as entry into Ta' Xbiex POS (7 September 2022), United Developments Limited entered into a second promise of sale agreement, this time in its capacity as seller, with the same individual (the latter this time appearing in its capacity as purchaser) for the sale of a maisonette, still to be constructed, forming part of Ta' Xbiex Property I, for a consideration in the amount of €250,000 due in full and final settlement on the deed of sale, earmarked to take place by 13 June 2024, which amount the parties have agreed to set off against the balance due by United Developments Limited in favour of the seller pursuant to the Ta' Xbiex POS. United Developments Limited has been granted the unilateral right to withdraw from this promise of sale without consequences in the event that Ta' Xbiex Property (on which the maisonette is planned to be constructed) is not so acquired pursuant to Ta' Xbiex POS.

7.5.3 Acquisition and development of the Ta' Xbiex Property II

United Developments Limited is furthermore seeking to acquire a property adjacent to Ta' Xbiex Property I (“**Ta' Xbiex Property II**”). On 21 March 2023, United Developments Limited entered into a promise of sale agreement by virtue of which United Developments Limited, as purchaser, agreed to acquire Ta' Xbiex Property II, free and encumbered, for a consideration in the amount of €492,000 due on the final deed of sale, which is earmarked for 21 March 2024.

The promise of sale in respect of this Ta' Xbiex Property II is also subject to a resolute condition stipulated in favour of United Developments Limited that a full development executable permit for the demolition of the Ta' Xbiex Property II and for the development of a new building having a height of at least seven floors (including receded level) on the site now occupied by the Ta' Xbiex Property II, be issued by the Planning Authority, without any modifications, restrictions or reservations, prior to the publication of the deed of sale. On 9 May 2023, United Developments Limited applied to the Planning Authority for the issuance of the abovementioned building permit.

The development of Ta' Xbiex Property II will allow for the resale of a minimum of seven independent residential properties.

The Group intends to part-finance the acquisition of Ta' Xbiex Property II through Tranche I of this Note Issuance Programme.

7.5.4 Development of the Sliema Property

In addition to the real estate projects described above, another property development project to which the United Group has committed to in the foreseeable future is the proposed development of a property in Sliema, owned by UGL, located at 12, Triq Sant' Antnin c/w, Triq Markizi Zimmermann Barbaro, Sliema (the “**Sliema Property**”).

The Group is in the course of developing the airspace, covering an area of 95m², at the Sliema Property. Based on the height limitations for the area under consideration, the airspace can accommodate three additional levels. On 28 October 2021, the Group obtained a development permit (bearing reference number PA/03534/21) from the Planning Authority for the development of a duplex penthouse. As at the date hereof, one of the additional levels, accommodating an apartment, has been completed in shell form.

The Group identified that an additional floor, at sixth floor level, may be developed over said duplex penthouse and on 8 March 2023, proceeded to submit a second application (bearing reference number PA/00970/23) for the proposed development of a sixth floor and a domestic storage area at a receded seventh floor level. The development permit is expected to be issued by 23 June 2023.

Development works commenced in 2022 and are expected to continue in 2023 following the issue of the abovementioned development permit. As at the date of this Base Prospectus, a promise of sale agreement has been entered into by UGL with a third party for the sale of the apartments still to be developed.

The Group intends to finance the development of the additional floors at the Sliema Property through Tranche I of this Note Issuance Programme.

7.6 OTHER POTENTIAL INVESTMENT OPPORTUNITIES

The Group is exploring potential investment opportunities with a view to expanding its business operations in new sectors across jurisdictions in and outside of Malta, including but not limited to investments in the renewable energy sector and the hospitality sector, as well as investments in real estate and property development projects in and outside of Malta. As at the date of this Base Prospectus, the Group has identified investment opportunities in these sectors in countries such as Austria and Italy - negotiations relating to such potential investment opportunities are underway and updates to the market in this regard will be provided as and when appropriate.

The Issuer may, from time to time, issue Notes in one or more tranches for the purpose of funding any of the investment opportunities which go on to materialise, subject to fulfilment of the necessary regulatory and disclosure requirements.

8. TREND INFORMATION

8.1 TREND INFORMATION OF THE ISSUER

There has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements.

The Issuer is dependent on the business prospects of the Group and, therefore, the trend information of the Guarantor (detailed below) has a material effect on its financial position and prospects.

8.2 TREND INFORMATION OF THE GROUP

There has been no material adverse change in the prospects of the Guarantor since the date of its last published audited financial statements.

The following is an overview of the most significant recent trends affecting the Guarantor and the markets in which it operates.

Economic Update¹

The Maltese economy grew strongly by 6.9% in 2022, driven by domestic demand and export of services, benefiting from the further recovery in tourism. Growth is forecast to moderate to 3.9% in 2023, as high inflation affects household disposable incomes and consumption. GDP growth is then set to reach 4.1% in 2024, supported by continuing net migration flows. Sizeable government measures helped to keep energy prices unchanged in Malta. They are expected to remain in place also in 2023 and 2024. As a result, the general government deficit stood at 5.8% in 2022, among the highest in the EU. It is expected to gradually decrease in 2023 and 2024. In consequence of robust GDP growth, public debt is forecast to remain below 60% of GDP.

Supported by strong growth in private consumption and investment, real GDP growth reached 6.9% in 2022. Growth also benefited from the strong performance of the services sectors in general. Tourism in 2022 rebounded quickly and above earlier expectations, both in terms of total number of visitors and tourism expenditures. The growth impact of a marked jump in gross fixed capital formation, related to a large one-off equipment purchase operation, was compensated by a strong increase in imports, resulting in a negative contribution of net exports.

In 2023, real GDP is forecast to grow at a slower pace, by 3.9%, as high inflation limits private consumption and the positive impulse from tourism, following the post-pandemic re-opening, moderates. In 2024, real GDP growth is expected to pick up to 4.1%.

Malta maintains a high pace of employment growth. Employment increased by an impressive 6.0% in 2022. Demand for labour increased across various sectors of the economy, both public and private, and was especially strong in tourism and administrative services. The labour force is set to continue growing at a robust pace in 2023 and 2024 in line with population growth as the country continued to attract foreign workers. Labour and skills shortages are expected to remain the main limiting factors for the Maltese economy over the forecast horizon. Malta's unemployment rate fell to 2.9% in 2022 and is expected to remain around this level in 2023 and 2024.

Harmonised Index of Consumer Prices (HICP) inflation in 2022 reached 6.1%, even though the energy prices were fixed at 2020 levels by government intervention. The Maltese authorities further confirmed their commitment to limiting energy inflation in 2023 and 2024. Nonetheless, inflation in 2023 is expected to stay high at 5.4%, pushed by increasing prices for imported goods (especially food), tourism services and housing maintenance services. In 2024, inflation is projected to slow to 2.8% as price growth in Malta's main trade partners moderates.

¹ Economic Forecast – Spring 2023 (European Commission Institutional Paper 200 May '23).

Property

The NSO's Property Price Index (PPI) – which is based on actual transactions involving apartments, maisonettes and terraced houses – continued to increase in annual terms, albeit at a slower pace. The annual rate of change stood at 5.9% in the fourth quarter of 2022, from 6.3% in the third quarter of 2022 (see chart below). House price inflation in Malta was higher when compared to the euro area, where prices increased q-o-q by 3.0%.



Residential property prices continue to be supported by numerous factors, including the Government schemes supporting demand for property, such as the first-time and second-time buyers' schemes, the purchase of properties located in Urban Conservation Areas (UCA), purchases of property in Gozo, as well as refund schemes for restoration expenses. The recovery of tourism and normalisation of migrant workers flows from pandemic lows may have also shored up demand for property and contributed to the recent increase in property prices.¹

In 2021, the number of final deeds of sale relating to residential property amounted to 14,368 compared to 11,057 deeds in 2020 (+30%). The value of deeds completed in 2021 amounted to €3,155.3 million, an increase of 48% when compared to the prior year (2020: €2,126.6 million).

During 2022, 14,305 final deeds of sale were concluded, a decrease of 63 deeds from a year earlier (2021: 14,368 deeds). The value of the afore-mentioned deeds amounted to €3,248.8 million compared to €3,161.9 million in 2021 (+€86.9 million or +2.7%)².

In the first quarter of 2023, 3,088 final deeds were registered, an annual decrease of 9.4%. The value of the deeds registered during this period went up by 3.2% over the same quarter of the previous year and amounted to €789.9 million.³

The number of residential building permits issued in 2022 amounted to 1,271 permits (2021: 1,633 permits) for the development of 9,599 residential units (2021: 7,578 residential units). As shown in the below chart, the number of units in 2022 (9,599) reflects a decrease of 26% from the all-time high of 12,885 units in 2018.⁴ During the first quarter of 2023, 496 building permits for a total of 2,540 new dwellings were approved. When compared to the same quarter of the previous year, the number of building permits decreased by 18.6% while the number of approved new dwellings decreased by 20.7%.⁵

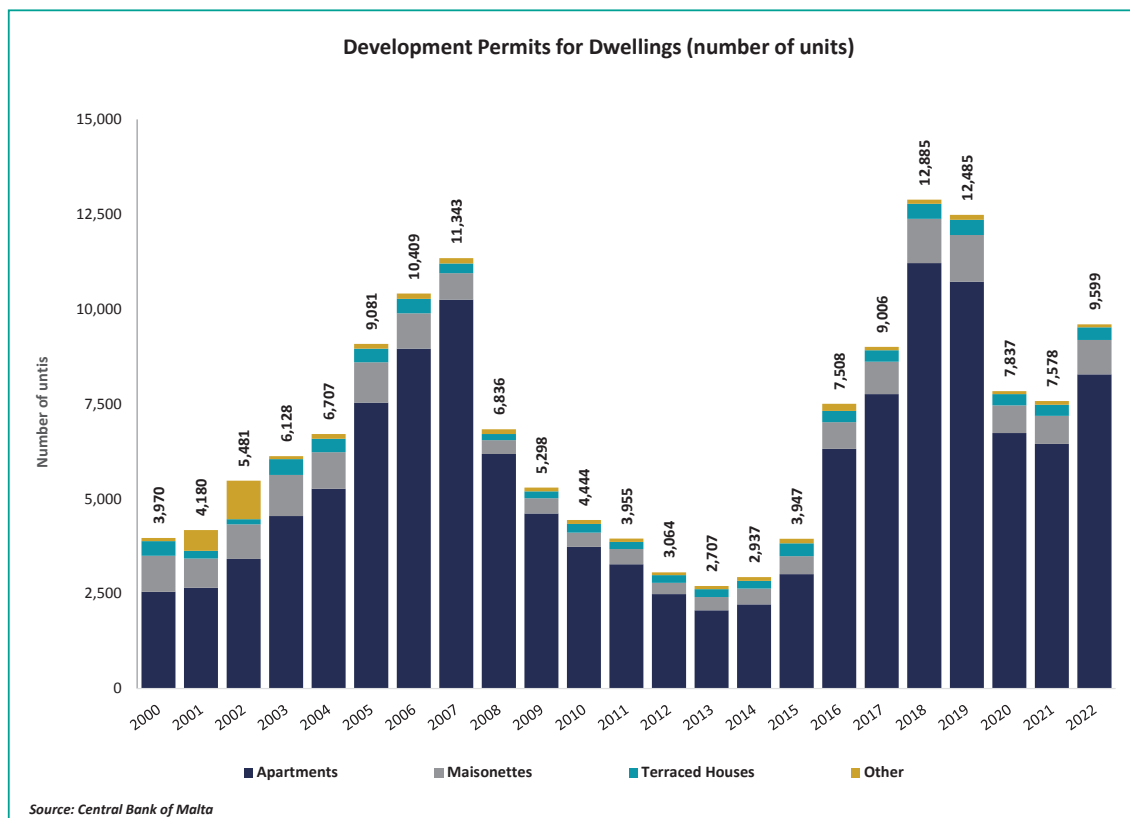
¹ Central Bank of Malta Quarterly Review (2023 Vol. 56 No. 1; page 43).

² National Statistics Office Malta – News Release 006/2023.

³ National Statistics Office Malta – News Release 059/2023.

⁴ <https://www.centralbankmalta.org/real-economy-indicators> (Development Permits for Dwellings, by Type).

⁵ National Statistics Office Malta – News Release 084/2023.

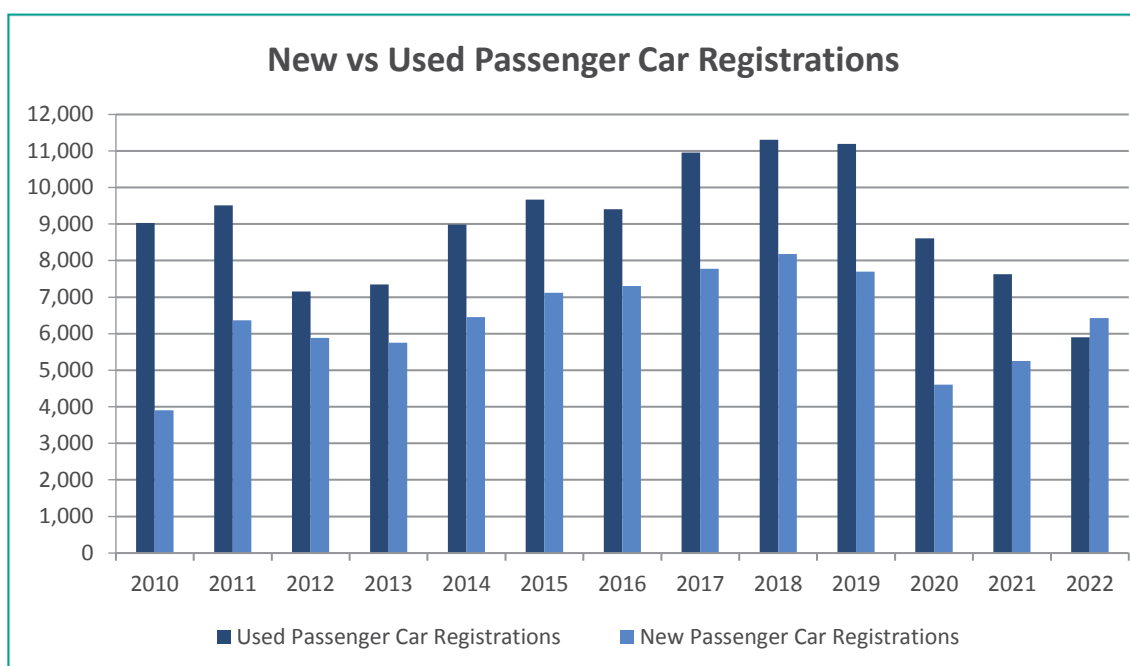


Market data relating to commercial property in Malta (which includes industrial, logistics, warehousing, retail, hospitality and a predominant portion in the office asset class) is not available and thus makes it more difficult to gauge the health of this sector.

The Group's property portfolio principally comprises two commercial buildings offering office space in Ta' Xbiex (known as 'GB Buildings') and Central Business District (known as 'Pinto Business Centre'). As at the date of the Base Prospectus, both properties are fully occupied.

Importation of Vehicles

Statistics published by the National Statistics Office Malta¹ relating to the automotive sector in Malta is provided in the table below.



¹ National Statistics Office Malta – Motor Vehicles Q4/2022 (New Release 023/2023).

The COVID-19 outbreak in March 2020 adversely impacted various industries across the business spectrum, causing a cutback in business operations across many sectors, including the motor vehicle segment. Moreover, the disruptive effects of the crisis and uncertainty of the duration thereof has impacted discretionary expenditure by consumers. In 2022, new passenger car registrations decreased by 4.3% from 12,877 vehicles in 2021 to 12,328 vehicles (-34.7% or 6,561 vehicles when compared to 2019).

Newly licensed passenger cars put on the road during Q1 2023 amounted to 3,039 compared to 3,061 in Q1 2022. Newly licensed 'new' motor vehicles amounted to 1,601 or 52.7% of the total (Q1 2022: 1,552 or 50.7%), whereas newly licensed 'used' motor vehicles totalled 1,438 or 47.3% (Q1 2022: 1,509 or 49.3%).¹

Market share of Motors Inc. Limited: Motors Inc. Limited's market share of 'new car registrations in Malta' in 2022 is estimated at 15.33% (FY2021: 18.88%). The Group expects the market share of any particular brand to vary from year to year, due to factors such as, pricing competitiveness and exchange rates. However, on a combined basis, the varied mix retailed by Motors Inc. Limited should enable it to maintain a consistent overall market share on an annual basis.

Vehicle rentals and leasing

The car rental and leasing sector is highly competitive and pricing is one of the primary competitive factors in the industry. The internet has increased pricing transparency among car rental and leasing companies by enabling cost-conscious customers to more easily obtain and compare the rates available from various companies. Apart from the above, competition amongst car rental industry participants is also based on vehicle availability and quality, service, reliability, rental locations and product innovation.

The vehicle rental business is correlated to the tourism industry and as such, performance in FY2020 and FY2021 was significantly impacted by the COVID-19 pandemic. As health concerns and travel restrictions abated in FY2022, the Group's vehicle rental business recovered considerably. Further improvements in operational performance are expected in FY2023.

The Directors believe that the reputation of the Hertz Brand, together with the Firefly and Dollar/Thrifty brands, will enable the Group to better compete across multiple market segments and thereby improve its market share.

9. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

9.1 THE BOARD OF DIRECTORS OF THE ISSUER

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

NAME	DESIGNATION
Mr Joseph F. X. Zahra	Chairman & Independent Non-Executive Director
Mr Edmund Gatt Baldacchino	Executive Director & Group CEO
Mr Simon Gatt Baldacchino	Non-Executive Director & Group COO
Mr James Bonello	Independent Non-Executive Director
Mr Kevin Rapinett	Independent Non-Executive Director

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

Dr Donald Vella, holder of identity card number 579782M of Amber Court, Flat 5, Triq it-Tabib Gregorio Mifsud, Qrendi, Malta, was appointed as the company secretary of the Issuer on 1 January 2022.

9.2 CURRICULA VITAE OF DIRECTORS OF THE ISSUER

Mr Joseph F. X. Zahra (Chairperson & Independent Non-Executive Director of the Issuer)

Joseph F X Zahra is an economist and a director of SurgeAdvisory, a corporate strategy consultancy. He co-founded MISCO, an independent economic and management consultancy operating in Malta and Cyprus in 1983, and he was managing director of the group of companies between 1983 and 2016.

Mr Zahra held several public appointments including that of director of the Central Bank of Malta (1992-96), Chairman of Bank of Valletta plc (1998-2004), Chairman of Maltacom plc (2003) and Chairman of Middlesea Insurance plc (2010-12), and also sits as chairman or director on a number of private and publicly listed companies. Mr Zahra led the National Euro Changeover Committee (NECC) that had the responsibility to introduce the Euro in Malta in 2008.

In 2011, Pope Benedict XVI appointed Mr Zahra as the International Auditor in the then Prefecture for Economic Affairs of the Vatican, and in July 2013, Pope Francis elected him to lead the commission for the reforms of the economic and administrative structures of the Holy See (COSEA) and was consequently appointed Vice Coordinator of the newly formed Council for the Economy (2014-2020).

¹ National Statistics Office Malta – Motor Vehicles Q1/2023 (New Release 071/2023).

Mr Edmund Gatt Baldacchino (Executive Director of the Issuer)

Mr Edmund Gatt Baldacchino is a director, shareholder and current chief executive officer of the Issuer, the Guarantor and all the Subsidiaries. He initiated and directed various expansions and diversification programs which resulted in the evolution of the United Group to its present level of development. He is also chairman of Pender Ville Limited and serves as director on the board of Motors Inc. Limited.

Mr Simon Gatt Baldacchino (Non-Executive Director of the Issuer)

Mr Simon Gatt Baldacchino is a director, shareholder and currently serves as chief operations officer of the Issuer and the Guarantor. He is the managing director of United Garage and United Department Stores Limited. He also holds directorship positions on companies the United Group directly holds interests in, including Cars International, Motors Inc. Limited and Penderville Limited.

Mr James Bonello (Independent Non-Executive Director of the Issuer)

Mr James Bonello has held several senior management positions at HSBC Bank (Malta) p.l.c. (C 3177), including that of Head of Commercial Banking and Executive Director on the Bank's Board. He retired from these positions in March 2004 after close to 40 years of active service in the banking sector. In 2004, Mr Bonello was appointed Secretary General of the Malta Bankers' Association. He served for ten years on the Council of the Institute of Bankers (Malta Centre), also serving as President in the last two years of his tenure. Mr Bonello is former President of the Malta Centre of the Institute of Financial Services and has served for three years as Chief Executive of the Malta International Business Authority (now the Malta Financial Services Authority).

Mr Kevin Rapinett (Independent Non-Executive Director of the Issuer)

Mr Kevin Rapinett enjoyed a rewarding career of 33 years in the banking and finance industry. He occupied senior positions at HSBC Bank Malta ranging from head of global markets and investment banking, managing director and stockbroker of HSBC Stockbrokers (Malta)Ltd (C 27430) and head of wholesale credit risk and deputy chief risk officer. In 2012, Kevin was appointed as head of corporate banking during which time he was also seconded to HSBC Commercial Banking in London. In March 2020, Mr Rapinett was appointed group chief executive officer of the Halmann Vella Group. He currently sits on the Council of the Malta Chamber of Commerce, Enterprise and Industry and is a non-executive director of M&Z (Marketing) Limited (C 23061). He previously served as non-executive director of MedservRegis p.l.c. (C 28847).

9.3 THE BOARD OF DIRECTORS OF THE GUARANTOR

As at the date of this Base Prospectus, the Board of Directors of the Guarantor is constituted by the following persons:

NAME	DESIGNATION
Mr Joseph FX Zahra	Non-Executive Director & Chairperson
Mr Edmund Gatt Baldacchino	Executive Director & CEO
Mr Simon Gatt Baldacchino	Executive Director & COO
Ms Dolores Gatt Baldacchino	Non-Executive Director
Ms Josianne Tonna	Non-Executive Director
Mr Kevin Rapinett	Non-Executive Director

The business address of the directors of the Guarantor is the same as that of the Guarantor.

Equinox International Limited, with company registration number C 29674 of Level 3, Valletta Buildings, South Street, Valletta, VLT 1103, was appointed as the company secretary of the Guarantor on 1 January 2022.

9.4 CURRICULA VITAE OF DIRECTORS OF THE GUARANTOR

Mr Edmund Gatt Baldacchino (Executive Director of the Issuer; CEO and director of the Guarantor)
(Please refer to the curriculum vitae included in section 9.2 above).

Mr Simon Gatt Baldacchino (Non-Executive Director of the Issuer; COO and director of the Guarantor)
(Please refer to the curriculum vitae included in section 9.2 above).

Mr Joseph F. X. Zahra (Independent Non-Executive Director of the Issuer; Non-Executive Director of the Guarantor)
(Please refer to the curriculum vitae included in section 9.2 above).

Mr Kevin Rapinett (Independent Non-Executive Director of the Issuer; Non-Executive Director of the Guarantor)
(Please refer to the curriculum vitae included in section 9.2 above).

Ms Dolores Gatt Baldacchino (Non-Executive Director of the Guarantor)

Dolores Gatt Baldacchino joined the family business in 1998. At the time she was exposed to the various functions within the Group. She worked in various areas of the Group and today she is a Non-Executive Director on the Guarantor and various Subsidiaries as well as a shareholder of the Guarantor.

Josianne Tonna (Non-Executive Director of the Guarantor)

Josianne Tonna joined the family business way back in 1984. At the time she was exposed to the various functions within the respective companies operated by the Group. She joined as a director and shareholder within the business and eventually took on board the travel division. Today Ms Tonna is a Non-Executive Director on the Guarantor and various Subsidiaries as well as a shareholder of the Guarantor.

9.5 SENIOR MANAGEMENT

The Board of Directors of the Issuer and the Guarantor is supported by Mr Karl Portelli who occupies the role of group financial controller of the Issuer. Mr Portelli reports directly to the CEO. His brief curriculum vitae is set out below:

Mr Karl Portelli (Group Financial Controller)

Karl Portelli holds the position of Group Financial Controller at the United Group. He commenced his professional career in the finance department of the Mizzi Organisation, where he worked closely with senior managers at the organisation's head office. During his tenure at the Mizzi Organisation, Mr Portelli completed his studies and acquired the designation of Certified Public Accountant. From 2016 to 2020, he served as the Financial Controller of several companies within the AX Group. In May 2020, Mr Portelli joined the United Group, heading the finance department. Moreover, Mr Portelli is a member of the PAIB Committee of the Malta Institute of Accountants.

9.6 POTENTIAL CONFLICTS OF INTEREST

As at the date of this Base Prospectus, the Issuer has identified and managed the following roles which may give rise to conflicts of interest:

- (i) Mr Edmund Gatt Baldacchino, Mr Simon Gatt Baldacchino, Joseph F.X. Zahra, and Mr Kevin Rapinett are directors of the Issuer and the Guarantor; and
- (ii) Mr Edmund Gatt Baldacchino and Mr Simon Gatt Baldacchino are also directors of United Garage Limited.

Conflicts of interest could potentially arise in relation to transactions involving the Issuer and the Guarantor, and the Issuer and United Garage Limited.

Other than those disclosed above, the Directors are not aware of any potential conflicts of interest which could relate to their roles within the Issuer, the Guarantor or any member of the United Group and their respective private interests and, or their other duties.

The Memorandum and Articles of Association of the Issuer require any Director who in any way, whether directly or indirectly, has an interest in a contract or proposed contract or in any transaction or arrangement (whether or not constituting a contract) with the Issuer to declare the nature of his interest at a meeting of the Directors. Furthermore, said Director shall not be permitted to vote at that meeting in respect of any contract or arrangement in which he has, either directly or indirectly, a personal material interest. Where appropriate, the Board of Directors of the Issuer also consults the Audit Committee and, or external legal counsel to ensure that situations giving rise to a conflict of interest, actual or perceived, is managed in a suitable and effective manner and in the best interests of the Issuer, in accordance with the Directors' general duties at law and in accordance with the provisions of the Capital Markets Rules governing conflicts of interest and transactions with related parties.

10. BOARD PRACTICES

10.1 AUDIT COMMITTEE OF THE ISSUER

The terms of reference of the Audit Committee consist of, *inter alia*, its support to the Board of Directors of the Issuer in its responsibilities in dealing with issues of financial reporting; risk; control and governance; and associated assurance. The Board has set formal terms of establishment and the terms of reference of the Audit Committee that 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 is a sub-committee of the Board and is directly responsible and accountable to the Board. The Board reserves the right to change these terms of reference from time to time. The Audit Committee meets at least six times a year.

Briefly, the Audit Committee is expected to deal with and advise the Board on:

- a) its monitoring responsibility over the financial reporting processes, financial and accounting policies, the audit process, internal control structures, and external audit activities;
- b) maintaining communications on such matters between the Board, management and the independent auditors; and
- c) preserving the company's assets by understanding the company's risk environment and determining how to deal with those risks.

In addition, the Audit Committee also has the role and function of scrutinising and evaluating any proposed transaction to be entered into by the Issuer and a related party, to ensure that the execution of any such transaction is at arm's length and on a commercial basis and ultimately in the best interests of the Issuer.

The Audit Committee is made entirely of independent Non-Executive Directors and is composed of James Bonello who acts as Chairman, Kevin Rapinett, and Joseph F.X. Zahra. James Bonello and Joseph F.X. Zahra are the independent Non-Executive Director considered by the Board to be the directors competent in accounting and, or auditing matters.

10.2 COMPLIANCE WITH CORPORATE GOVERNANCE

At the date of this Base Prospectus, the Issuer has debt securities listed on the Official List of the Malta Stock exchange and accordingly is subject to, and complies with, the principles set out in the provisions of the Code of Principles of Good Corporate Governance forming part of the Capital Markets Rules (the “Code”). Going forward, the Issuer remains committed to fully support the Code and undertakes to comply with the Code to the extent that this is considered complementary to the size, nature and operations of the Issuer.

The Issuer is confident that the application of the Code has resulted, and is expected to continue to result, in positive effects accruing to the Issuer, its management and organisational set-up, its corporate strategy and its day-to-day activities.

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

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

Principle 7: Evaluation of the Board’s Performance (Code provision 7.1)

The Board has not appointed a committee for the purpose of undertaking an evaluation of the Board’s performance in accordance with the requirements of Code Provision 7.1.

The Board believes that the size of the Issuer and the Board itself does not warrant the establishment of a committee specifically for the purpose of carrying out a performance evaluation of its role. Whilst the requirement under Code Provision 7.1 might be useful in the context of larger companies having a more complex set-up and a larger Board, the size of the Issuer’s Board is such that it should enable it to evaluate its own performance without the requirement of setting up an ad hoc committee for this purpose. The Board shall retain this matter under review over the coming year.

Principle 8A: Remuneration Committee (Code provision 8.A.1) and Nominations Committee (Code provision 8.B.1)

The Board has not established a Remuneration and, or Nominations Committee. The Board has formulated the view that the size, structure, and management of the Issuer are such that the establishment of an *ad hoc* Remuneration Committee is not warranted, and the responsibility for establishment, review and implementation of the Issuer’s remuneration policies has been retained within the remit of the Board itself. In particular, the current remuneration policy of the Issuer comprises purely fixed-rate remuneration, with no entitlement to any performance-based remuneration, or any entitlement to share options, retirement pensions benefit or other retirement based benefits.

Furthermore, the Board believes that the procedure for the nominations and appointment of directors as contained in the Articles of Association are commensurate to the size and operations of the Issuer, and does not consider the requirement to establish an *ad hoc* Nominations Committee to be necessary for the Issuer. Instead, the Board takes on the role of periodically assessing the skills, knowledge and experience of individual directors for the Board to have the appropriate level of collective skill, knowledge and experience that would endow the Board with the requisite collective competence for the proper functioning, management and oversight of the Issuer by the Board.

11. SHARE CAPITAL AND MAJOR SHAREHOLDERS

11.1 SHAREHOLDING OF THE ISSUER

As at the date of this Base Prospectus, the Issuer has an authorised share capital of €2,500,000 divided into 2,500,000 ordinary shares of a nominal value of one Euro (€1.00) each. The issued share capital of the Issuer is that of €2,329,373 divided into 2,329,373 ordinary shares of a nominal value of one Euro (€1.00) each, which are subscribed to and allotted as fully paid-up shares as follows:

NAME OF SHAREHOLDER	NUMBER OF SHARES	% PAID UP
United Group Limited (C 10233) United Group of Companies, Pinto Business Centre, Level 4, Triq il-Mithna, Qormi QRM 3104, Malta	2,329,372	100%
United Garage Limited (C 3032) United Group of Companies, Pinto Business Centre, Level 4, Triq il-Mithna, Qormi QRM 3104, Malta	1	100%

The shares of the Issuer are not listed on the Malta Stock Exchange or any other regulated exchange, and no application for such listing has been made to date.

The Issuer adopts measures in line with the Code to ensure that the relationship with UGL is retained at arm's length, including adherence to the Capital Markets Rules regarding related party transactions.

There is no capital of the Issuer which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Issuer is to be put under option. To the best of the Issuer's knowledge, there are no arrangements in place as at the date of this Base Prospectus which may, at a subsequent date, result in a change in control of the Issuer.

11.2 SHAREHOLDING OF THE GUARANTOR

There is no single shareholder which controls the Guarantor. The issued share capital of the Guarantor is held as follows:

NAME OF SHAREHOLDER	NUMBER OF SHARES	% PAID UP
Edmund Gatt Baldacchino (427668M)	5,749 ORDINARY A 4,726 ORDINARY B	100%
Simon Gatt Baldacchino (399771M)	5,749 ORDINARY A 4,726 ORDINARY C	100%
Dolores Gatt Baldacchino (514578M)	5,749 ORDINARY A 4,726 ORDINARY E	100%
Josianne Tonna (23566M)	5,749 ORDINARY A 4,726 ORDINARY D	100%

There is no capital of the Guarantor which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Guarantor is to be put under option. To the best of the Guarantor's knowledge, there are no arrangements in place as at the date of this Base Prospectus which may, at a subsequent date, result in a change in control of the Guarantor.

12. FINANCIAL INFORMATION CONCERNING THE ISSUER'S AND GUARANTOR'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

12.1 HISTORICAL FINANCIAL INFORMATION

The historical financial information pertaining to the Issuer and Guarantor for each of the years ended 31 December 2020, 31 December 2021 and 31 December 2022 has been extracted from the respective audited financial statements. The said financial statements are incorporated by reference in this Base Prospectus and may be accessed at the following hyperlink: <http://www.unitedgroup.com.mt/financial-type/financial-reports/>.

The table below provides a cross-reference list to key sections of the financial statement of the Issuer and Guarantor for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022.

	2020	2021	2022
United Finance p.l.c.:			
Independent auditor's report	9 – 19	39	37
Statement of comprehensive income	22 – 23	11 – 12	11
Statement of financial position	20 – 21	9 – 10	9 – 10
Statement of changes in equity	24	13	12
Statement of cash flows	25	14	13
Notes to the financial statements	26 – 51	15 – 38	14 – 36
United Group Limited:			
Independent auditor's report	5 – 9	5 – 9	5 – 9
Statement of comprehensive income	12 – 13	12 – 13	12
Statement of financial position	10 – 11	10 – 11	10 – 11
Statement of changes in equity	14 – 16	14 – 15	13 – 14
Statement of cash flows	17	16	15
Notes to the financial statements	18 – 63	17 – 61	16 – 59

United Group Limited

Consolidated Statement of Comprehensive Income for the financial year 31 December

	2020	2021	2022
	Actual	Actual	Actual
	€'000	€'000	€'000
<i>Retail</i>	4,552	1,441	303
<i>Automotive</i>	1,693	2,328	3,267
<i>Catering</i>	96	-	-
<i>Management fees</i>	251	511	419
<i>Rental income</i>	454	841	1,125
Total revenue	7,046	5,121	5,114
Cost of sales	(5,552)	(3,546)	(3,044)
Net operating income / (expenses)	(747)	302	119
EBITDA	747	1,877	2,189
Depreciation and amortisation	(2,106)	(1,151)	(960)
Movement in fair value of investment property	1,258	3,364	-
Operating profit / (loss)	(101)	4,090	1,229
Share of results of associates & jointly controlled entities	52	350	461
Net finance costs	(1,120)	(1,032)	(1,222)
Profit / (loss) before tax	(1,169)	3,408	468
Taxation	(100)	(168)	-
Profit / (loss) for the year	(1,269)	3,240	468
Movement in fair value of financial assets	(93)	-	-
Total comprehensive income / (expense) for the year	(1,362)	3,240	468

United Group Limited**Consolidated Statement of Cash flow****for the financial year 31 December**

	2020	2021	2022
	Actual	Actual	Actual
	€'000	€'000	€'000
Net cash from / (used in) operating activities	772	(55)	612
Net cash from / (used in) investing activities	(2,571)	(841)	(1,136)
Net cash from / (used in) financing activities	1,204	1,572	1,747
Net movement in cash and cash equivalents	(595)	676	1,223
Cash and cash equivalents at beginning of year	(1,688)	(2,283)	(1,607)
Cash and cash equivalents at end of year	(2,283)	(1,607)	(384)

United Group Limited
Consolidated Statement of Financial Position
as at 31 December

	2020	2021	2022
	Actual	Actual	Actual
	€'000	€'000	€'000
ASSETS			
Non-current assets			
Property, plant and equipment	5,006	4,649	4,756
Investment property	17,491	21,525	21,940
Investments in associates & joint ventures	7,198	7,548	8,009
Right-of-use assets	3,512	589	598
Deferred tax assets	782	932	932
Trade and other receivables	79	54	286
	<u>34,068</u>	<u>35,297</u>	<u>36,521</u>
Current assets			
Inventories	1,048	130	123
Trade and other receivables	951	1,795	1,189
Cash and cash equivalents	1,231	770	1,744
	<u>3,230</u>	<u>2,695</u>	<u>3,056</u>
Total assets	<u>37,298</u>	<u>37,992</u>	<u>39,577</u>
EQUITY			
Called up share capital	25	25	25
Retained earnings	6,652	9,891	10,360
	<u>6,677</u>	<u>9,916</u>	<u>10,385</u>
LIABILITIES			
Non-current liabilities			
Borrowings and bonds	14,433	10,235	9,364
Lease liabilities	2,791	467	392
Other non-current liabilities	4,022	4,340	4,215
	<u>21,246</u>	<u>15,042</u>	<u>13,971</u>
Current liabilities			
Bank overdrafts	3,514	2,377	2,128
Borrowings	563	6,444	9,198
Lease liabilities	967	150	253
Other current liabilities	4,331	4,063	3,642
	<u>9,375</u>	<u>13,034</u>	<u>15,221</u>
	<u>30,621</u>	<u>28,076</u>	<u>29,192</u>
Total equity and liabilities	<u>37,298</u>	<u>37,992</u>	<u>39,577</u>

Group revenue in FY2021 decreased by €1.9 million, from €7.0 million in FY2020 to €5.1 million, mainly on account of the closure of the fashion retail outlets in June 2021. On the other hand, revenue from the automotive segment (being car rentals and car leasing) increased by 38% (y-o-y) to €2.3 million in view of the gradual re-opening of the travel industry. During the year, the Group continued to lease out space at the Pinto Business Centre and as such, rental income almost doubled from €454,000 in FY2020 to €841,000 in FY2021.

Notwithstanding the decrease in revenue, the Group reported an improvement in EBITDA of €1.2 million (y-o-y) to €1.9 million on account of a reduction in cost of sales and a net positive variance in net operating income/expenses of €2.1 million and €1.0 million respectively from the prior year.

Since the Group terminated most of the lease obligations relating to the retail outlets, depreciation & amortisation decreased from €2.1 million in FY2020 to €1.2 million following the reduction of amortisation of right-of-use assets. Similarly, net finance costs decreased by €88,000 to €1.0 million on account of the non-recurrence of certain rent interest.

In FY2021, the Group increased the fair value of GB Buildings and Pinto Business Centre by €3.4 million.

Share of results of associates & jointly controlled entities comprises the Group's investment in Pendergardens and Motors Inc. Ltd. In FY2021, the share of profits thereof increased from €52,000 in FY2020 to €350,000. The Group registered a profit for the year amounting to €3.2 million compared to a loss of €1.3 million in FY2020.

In FY2022, the Group's total revenue remained broadly unchanged from FY2021 at €5.1 million. Revenue generated from the automotive segment increased by 40% (or €1.0 million) to €3.3 million due to the further recovery of the travel and hospitality sectors. Furthermore, rental income increased from €0.8 million in FY2021 to €1.1 million in FY2022 as GB Buildings and Pinto Business Centre reached full occupancy. On the other hand, in view of the closure of substantially all fashion retail stores in FY2021, revenue from this segment decreased by €1.1 million to €0.3 million.

EBITDA amounted to €2.2 million compared to €1.9 million in FY2021. In the prior year, the Group benefited from COVID-19 related grants amounting to *circa* €450,000, which were terminated in the initial months of FY2022.

Depreciation & amortisation charges and net finance costs were little changed from the previous year. Overall, total comprehensive income for FY2022 amounted to €0.5 million compared to €3.2 million in FY2021. In the previous year, the Group's profit was positively impacted by an uplift of €3.4 million in the carrying value of GB Buildings and Pinto Business Centre.

In the Statement of Financial Position, total assets as at 31 December 2022 increased by €1.6 million (y-o-y) to €39.6 million mainly on account of capital expenditure relating to property, plant and equipment and improvements to investment property. In current assets, receivables decreased y-o-y by €0.6 million to €1.2 million, while cash balances improved from €0.8 million in 2021 to €1.7 million in 2022. Borrowings increased y-o-y by €1.6 million to €21.3 million.

13. SIGNIFICANT CHANGE IN THE ISSUER'S AND GUARANTOR'S FINANCIAL OR TRADING POSITION

There has been no material adverse change in the prospects of the Issuer and the Guarantor since the date of publication of their latest audited financial statements, nor has there been any significant adverse change in the financial or trading position of the Issuer and, or the Guarantor since the end of the last financial period for which financial information has been published to the date of this Base Prospectus.

14. LEGAL AND ARBITRATION PROCEEDINGS

The Board of Directors of the Issuer and the Guarantor are not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened or of which the Issuer and, or the Guarantor are aware) during the period covering 12 months prior to the date of the Base Prospectus which may have, or have had in the recent past, significant effects on the Group's financial position or profitability.

15. MEMORANDUM AND ARTICLES OF ASSOCIATION

15.1 OBJECTS OF THE ISSUER

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

- (i) the carrying on the business of a finance and investment company and in particular but without prejudice to the generality of the foregoing the financing or re-financing of the funding requirements of the business of UGL or any of its subsidiaries and, or associated companies;
- (ii) the borrowing and raising of money for the purpose of its business and to secure the repayment of the money borrowed by hypothecation or other charge upon the whole or part of the movable and immovable assets or property of the Issuer present and future;
- (iii) the investment of capital and other moneys of the Issuer in the purchase or subscription of any shares, stocks, debentures or other securities; and
- (iv) the issuance of bonds, commercial paper or other instruments creating or acknowledging indebtedness and the sale or offer thereof to the public.

In pursuance of the said principal objects, the Issuer will enter into loan agreements with the Subsidiaries for the purpose of financing their investment needs from time to time.

15.2 OBJECTS OF THE GUARANTOR

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

- (i) subscribing for, purchasing or otherwise acquiring and holding, for the purpose of producing or come any shares (whether such shares be fully paid or not) stock, bonds, debentures, or other securities in any company or body;
- (ii) promoting, financing, organizing or dealing within in any manner, any project, scheme, or development connected with industrial and immovable property, and acting as consultant, manager, or developer of any of such project, scheme or development; and
- (iii) borrowing, raising or securing the payment of money for the purpose of or in connection with the Issuer's business, securing the repayment of any money borrowed by hypothecation, charge or lien upon the whole or part of any movable and immovable property or assets of the company, present or future.

16. MATERIAL CONTRACTS

Save as disclosed herein, neither the Issuer, the Guarantor, nor any of the other companies forming part of the Group, are party to any contract that is not in the ordinary course of business of the respective Group company, which could result in any member of the Group being under an obligation or entitlement that is material to the Group as at the date of this Base Prospectus.

17. INFORMATION CONCERNING THE GLOBAL NOTES AND THE PARTICIPATION NOTES

17.1 KEY STATISTICS OF THE NOTES

Denomination:	Euro (€);
Amount:	up to €10,000,000;
Issue Price:	at par (€1,000 per Participation Note);
Issue Date:	shall be the issue date set out in the applicable Final Terms;
Listing:	no application has been made for the Global Notes and Participation Notes to be admitted to listing on a regulated market or other trading platform;
Plan of Distribution:	the Global Notes shall be issued and distributed by the Issuer to the Nominee and Placement Agent to be held by the Nominee and Placement Agent for the benefit of Participation Noteholders. The Participation Notes are open for subscription to prospective Participation Noteholders through the Nominee and Placement Agent;
Minimum amount per application:	any minimum application amounts will be specified in the applicable Final Terms;
Interest:	shall be the rate of interest set out in the applicable Final Terms;
Interest Payment Date(s):	shall be the interest payment date set out in the applicable Final Terms;
Redemption Date:	shall be the redemption date set out in the applicable Final Terms;
Redemption Value:	at par (€1,000 per Participation Note);
Form:	the Global Notes shall be issued in fully registered and dematerialised form;
Underwriting:	the Global Notes are not underwritten;
No Credit Rating:	the Issuer has not sought, nor does it intend to seek, the credit rating of an independent agency and there has been no assessment of the Notes by any independent rating agency;
Governing Law:	the Base Prospectus and the Global Notes issued under the Note Issuance Programme shall be issued under and shall governed by and construed in accordance with the laws of Malta;
Jurisdiction:	the Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Base Prospectus and the Global Notes.

17.2 Reasons for the offer and Use of Proceeds

The proceeds from the Issue are expected to amount to approximately €10,000,000. The amount of *circa* €1,100,000 of the proceeds, which shall constitute Tranche I of the Issue and which net of estimated expenses is expected to amount to approximately €1,011,395, shall be applied to the financing, in part or in full, of the acquisition and, or the development of a number properties in various localities in Malta (further described in section 7.5 of this Base Prospectus), and for general corporate funding purposes of the United Group.

In addition to the said Tranche I of the Issue, the Issuer reserves the right to issue further tranches of Notes during the lifetime of this Base Prospectus for the purpose of financing, in part or in full, *inter alia*, the repayment of the Loan Facility and the

Rescheduled Overdraft further described in section 6 of this Base Prospectus, potential investment opportunities such as those referred to in section 7.6 of this Base Prospectus, and other property development projects in Malta which will not be financed through Tranche I of the Issue (such as those described in section 7.5 of this Base Prospectus). Further information on the intended use of proceeds of each Tranche would be disclosed in the applicable Final Terms.

17.3 Estimated Expenses

Professional fees, and costs related to publicity, advertising, printing, Nominee and Placement Agent fees, selling commission, and other miscellaneous expenses in connection with the Note Issuance Programme are estimated not to exceed €230,800 in the aggregate.

There is no particular order of priority with respect to such expenses. The expenses pertaining to the Note Issuance Programme shall be deducted from the proceeds of the Note Issuance Programme and shall be borne exclusively by the Issuer. Any additional expenses that may be incurred in connection with the issuance of a specific Tranche of Notes shall be specified in the applicable Final Terms.

17.4 Status and Ranking of the Notes

The Global Notes shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall be jointly and severally guaranteed in respect of both the interest due and the principal amount under said Notes by the Guarantor. The Notes shall, at all times, rank *pari passu*, without any priority or preference among themselves and save for such exceptions as may be provided by applicable law, without priority or preference to all present and future unsecured obligations of the Issuer. This means that any secured or privileged debts of the Issuer shall rank at all times ahead of its obligations under the Note Issuance Programme, as a result of which the Participation Noteholders may not be able to recover their investment in the Participation Notes in the case of insolvency or an equivalent situation, whether in full or in part. Furthermore, third party security interests may be registered which will rank in priority to the Notes against the assets of the Issuer and, or the Guarantor for so long as such security interests remain in effect.

17.5 Additional Indebtedness and Encumbrances

The Notes do not restrict the Issuer and the Guarantor's ability to incur additional indebtedness (including through the issuance of additional notes or other debt securities) or to secure that indebtedness in the future, which actions may negatively affect the Issuer or Guarantor's financial position and their ability to make payments in respect of the Notes, when due. Moreover, such indebtedness may have a prior ranking than the Notes, in which case it could rank ahead of the Notes in the event of a dissolution and winding up of the Issuer or the Guarantor.

17.6 Rights of Participation Noteholders

Investors wishing to participate in any Tranche of Notes will be able to do so by duly executing a Subscription Agreement in relation to the Participation Notes. Execution of the Subscription Agreement will entitle such investor:

- i. to participate in the relevant Global Note with respect to the rights and benefits under such Global Note in the proportion that the amount of that subscription constitutes in relation to the face value of the Global Note;
- ii. to have his name entered in the Register of Investors by the Nominee and Placement Agent as a Registered Investor in the Global Note;
- iii. to receive, from the Nominee and Placement Agent, an acknowledgement of his interest in the Global Note through the issue of a Participation Note;
- iv. to all such rights and benefits applicable to Participation Noteholders as set out in the Base Prospectus and applicable Final Terms; and
- v. to all such applicable rights and benefits applicable to Participation Noteholders as set out in the Nominee and Placement Agent Agreement.

Upon execution of the Subscription Agreement, an investor will also be bound by and be deemed to have notice of, all the provisions of the Nominee and Placement Agent Agreement and the terms and conditions of the applicable Global Note and Final Terms.

The Participation Note shall entitle the Participation Noteholders to rank *pari passu* according to the rights and interests held by each Participation Noteholder in the Fiduciary Asset in accordance with the terms of the Nominee and Placement Agent Agreement.

17.7 Yield

The gross yield in respect of each Tranche, which shall be calculated on the basis of the applicable Interest, the Issue Price and the Redemption Value of the Global Notes at the applicable Redemption Date, shall be specified in the applicable Final Terms.

17.8 Redemption

The Issuer will redeem the Global Notes (together with payment of interest accrued thereon) at their Redemption Value on such date indicated in the Final Terms as being the Redemption Date. If the Redemption Date or is not a Business Day, then the redemption shall occur on the following Business Day.

18. FORM OF THE FINAL TERMS

FORM OF FINAL TERMS

dated [●]

NOTE ISSUANCE PROGRAMME OF A MAXIMUM OF

[●]

ISIN: [●]

Series No: [●]

Tranche No: [●]

(amount of Note)

issued by:



UNITED FINANCE PLC

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED UNDER THE LAWS OF MALTA
WITH COMPANY REGISTRATION NUMBER C 26598

with the joint and several guarantee of

UNITED GROUP LIMITED

A PRIVATE LIMITED LIABILITY COMPANY REGISTERED UNDER THE LAWS OF MALTA
WITH COMPANY REGISTRATION NUMBER C 10233

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus of the Issuer dated [●] which was approved by the MFSA on [●] 2023 [and the Supplement to the Base Prospectus dated [●]] which [together]¹ constitute[s] a base prospectus for the purposes of the Prospectus Regulation].

This document constitutes the Final Terms of the Global Note to be issued through Series [●] Tranche [●] of the Note Issuance Programme by the Issuer in favour of the Nominee and Placement Agent, described herein for the purposes of Article 8 the Prospectus Regulation and must be read in conjunction with such Base Prospectus [as so supplemented]. These Final Terms also contain information relative to the issue by the Nominee and Placement Agent of transferable notes acknowledging the interest of the person named therein in the Tranche [●] Global Note. This document must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Tranche of Notes under these Final Terms is only available on the basis of the combination of these Final Terms and the Base Prospectus. A summary of the issue of this Tranche of Notes is annexed to these Final Terms.

The Base Prospectus [and the supplement thereto] [is]/[are] available for viewing at the office of the Issuer and on the websites of: (a) the MFSA on <https://www.mfsa.mt/our-work/capital-markets-supervision/#CMS>; and (b) the Issuer on (<http://www.unitedgroup.com.mt/investors-area/>) and copies may be obtained free of charge from the registered office of the Issuer.

The following is a description of the main terms of the Global Note:

1 Issuer	United Finance p.l.c. (C 26598)
2 Series Number	[●]
3 Tranche Number	[●]
4 Specified Currency	Euro (€)
5 Aggregate Nominal Amount	
(i) Series	[●]
(ii) Tranche	[●]
6 Issue Price of Tranche Net Proceeds	[●] [●]

¹ Delete if no Supplement is published.

7	Specified Denomination	€[•] (€1,000 per Participation Note)
8	Number of Notes offered for subscription	1 Global Note (up to a maximum of [•] Participation Notes)
9	(i) Issue Date (ii) Interest Commencement Date	[•] [•]
10	Redemption Date	[•] unless previously purchased for cancellation by the Issuer.
11	Early Redemption Date/s (if applicable)	[•]
12	Redemption Value	[•]
13	Register Cut-Off Date	[•]

INTEREST

14	Rate of Interest	[•]% per annum
15	Interest Payment Date/s	(i) for the purposes of the Global Note, [•] of each year between and including each of the years [•] and the year [•], provided that if any such day is not a Business Day, such interest payment date will be carried over to the next following day that is a Business Day; (ii) for the purposes of the Participation Notes, [•] of each year between and including each of the years [•] and the year [•], provided that if any such day is not a Business Day, such interest payment date will be carried over to the next following day that is a Business Day.

GENERAL PROVISIONS

16	Taxation	As per section 19 (“ Taxation ”) of the Base Prospectus.
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PURPOSE OF FINAL TERMS

These Final Terms comprise the Final Terms required for the offer for subscription and issue of the Tranche of Notes described herein pursuant to the Notes Issuance Programme of a maximum of €10,000,000, in terms of the Base Prospectus dated [•] 2023.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Board of Directors of the Issuer by: [•]

PART B - OTHER INFORMATION

1. Reasons for the offer, estimated net proceeds and total expenses

Reasons for the Offer / Use of Proceeds	[•]
Estimated Expenses	[•]
Estimated Net Proceeds	[•]
Conditions to which the Offer is subject	[•]

2. Yield

Yield	[•]
Method of Calculation of Yield	[•]

3. Expected Timetable

Subscription Period	[•]
Commencement of interest	[•]
Announcement of basis of acceptance	[•]
Refund of unallocated monies, if any	[•]
Issuance of the Global Note	[•]
Issuance of Participation Notes certificates	[•]

The Nominee and Placement Agent reserves the right to, following consultation with the Issuer, shorten or extend the closing of the Subscription Period, in which case, the remaining events set out above will be brought forward or moved backwards (as the case may be) in the same chronological order set out above. In the event that the timetable is revised as aforesaid, the Interest Payment Dates and the Maturity Date may change, in which case the revised dates will be communicated by the Issuer by company announcement and, or on its website, without the requirement to amend these Final Terms.

4. Method of Distribution and Allocation

Plan of Distribution and Allotment	[•]
Reservation of Tranche, of part thereof, in favour of specific class of investors	[•]
Minimum amount of application	€[•] and multiples of €[•] thereafter.
Description of application process	[•]
Oversubscription and refund	[•]
Payment and deliver	[•]
Allocation policy	[•]
Results of the offer	[•]

5. Interests of Natural and Legal Persons involved in the Issue

[•]

6. Third Party information and Statement by Experts and Declarations of any interest

[•]

[ANNEX 1 - ISSUE SPECIFIC SUMMARY]

[Issue specific summary to be inserted]

19. TAXATION

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 Participation Notes, including their acquisition, holding and transfer as well as on any income derived therefrom or on any gains derived on the transfer of such Participation Notes. The following is a summary of the anticipated tax treatment applicable to Participation Noteholders 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.

Kindly note that the below overview is limited to the key Malta tax considerations. Investors and prospective investors are advised to seek counsel from their tax advisors outside Malta, where any foreign tax considerations may be relevant.

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

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

19.1 Malta tax on interest

The Maltese income tax treatment of any interest, discount or premium derived from the Participation Notes or depends on whether such income falls within the definition of 'investment income' under the Income Tax Act (Chapter 123 of the Laws of Malta) (the "ITA"). The ITA exhaustively lists the categories of investment income which qualify as investment income for Maltese tax purposes.

"Investment income" as defined under the ITA includes "interest, discounts or premiums payable in respect of a public issue by a company, entity or other legal person howsoever constituted and whether resident in Malta or otherwise".

Since interest is payable in respect of Participation Notes which is the subject of a public issue, unless the Issuer is instructed by a Participation Noteholder to receive the interest gross of any withholding tax, or if the Participation Noteholder does not fall within the definition of “recipient” in terms of Article 41(c) of the Income Tax Act (Cap. 123 of the laws of Malta, hereinafter the “**Income Tax Act**”), interest shall be paid to such Participation Noteholder net of a final withholding tax, currently at the rate of fifteen per cent (15%) (ten per cent (10%) in the case of certain types of collective investment schemes) of the gross amount of the interest, pursuant to Article 33 of the Income Tax Act. Participation Noteholders who do not fall within the definition of a “recipient” do not qualify for the said rate and should seek advice on the taxation of such income as special rules may apply.

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

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

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

19.2 Maltese taxation of capital gains on transfers of the Participation Notes

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

19.3 Duty on documents and transfers

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

Consequently, the Participation Notes should not be treated as constituting marketable securities within the meaning of the legislation and therefore, the transfer/transmission thereof should fall outside the scope of the Duty on Documents and Transfers Act.

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 NOTES AS WELL AS INTEREST PAYMENTS MADE BY THE ISSUER. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE NOTES AND TO NOTEHOLDERS. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO NOTEHOLDERS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.

19.4 Exchange of information

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

Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU, 2015/2376, 2016/881 and 2016/2258) provides for the implementation of the Common Reporting Standard (“**CRS**”) into Maltese legislation. The CRS has been proposed by the OECD as a new global standard for the automatic exchange of financial account information between tax authorities in participating jurisdictions. CRS has been transposed into Maltese legislation by virtue of the Cooperation with Other Jurisdictions on Tax Matters Regulations, Subsidiary Legislation 123.127 (“**CRS Legislation**”). Malta based financial institutions (“**FIs**”) (defined as such for the purposes of CRS) are obliged to identify and report to the Maltese tax authorities financial accounts held by a Reportable Person, as defined under the CRS Legislation, and certain entities with one or more Controlling Persons, as defined under the CRS Legislation, which is classified as a Reportable Person. Financial information relating to Notes and the holders of the Notes may fall within the purview of CRS and may be subject to reporting and information exchange provisions.

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

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

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the Netherlands and the Isle of Man) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Participation Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Participation Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Participation Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Participation Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Participation Notes, neither the Issuer nor the Guarantor will be required to pay additional amounts as a result of the withholding.

In particular, FIs reserve the right to store, use, process, disclose and report any required information including all current and historical data related to the past and, or present account/s held by Reportable Persons, including, but not limited to, the name, address, date of birth, place of birth and US TIN, the details of any account transactions, the nature, balances and compositions of the assets held in the account, to the Maltese competent authority.

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

INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTSESE AND ANY FOREIGN TAX LEGISLATION APPLICABLE TO THE ACQUISITION, HOLDING AND DISPOSAL OF NOTES AS WELL AS INTEREST PAYMENTS MADE BY THE ISSUER. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE NOTES AND TO NOTEHOLDERS. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO PARTICIPATION NOTEHOLDERS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.

20. PROPERTY VALUATION REPORT

The Issuer commissioned Architect Adrian Mangion on behalf of Archi+, and Architect Gareth Dimech on behalf of Dimech Architects & Associates, to issue property valuation reports (the “**Valuation Reports**”).

The following are the details of Architect Adrian Mangion:

Business Address: BS Buildings, Mosta Road, Lija LJA 9012

Qualifications: B.E.&A. (Hons) A.&C.E.

The following are the details of Architect Gareth Dimech:

Business Address: 4, Mediterranean Street, St. Julian's, SGN 1871

Qualifications: B.E & A. (Hons.) (Melit.), MSc. (Surrey), A. & C.E.

The valuation reports drawn up by Dimech Architects & Associates are dated 4 July 2023; and the valuation report drawn up by Archi+ is dated 12 July 2023.

The valuation reports are accessible on the Issuer's website at the following link: <http://www.unitedgroup.com.mt/investors-area/> and are deemed to be incorporated by reference in this Base Prospectus.

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

Save for the Valuation Reports, the Prospectus does not contain any statement or report attributed to any person as an expert.

The Valuation Report has been included in the form and context in which it appears with the authorisation of Architect Adrian Mangion at Archi+ and Gareth Dimech at Dimech Architects & Associates, who have given and have not withdrawn their consent to the inclusion of such reports herein, and who do not have any material interest in the Issuer.

The Issuer confirms that the Valuation Reports have been accurately reproduced in the Base Prospectus and as far as the Issuer is aware and is able to ascertain from the information contained therein, no facts have been omitted which render the reproduced information inaccurate or misleading.

22. AUTHORISATIONS AND APPROVAL

The establishment of the Note Issuance Programme was authorised by the Board of Directors of the Issuer on 19 June, 2023. The Guarantee being given by the Guarantor in respect of the Notes has been authorised by a resolution of the board of directors of the Guarantor dated 10 July 2023.

23. NOTICES

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

24. DOCUMENTS ON DISPLAY

For the duration period of this Base Prospectus the following documents (or certified copies thereof) shall be available for inspection at the registered address of the Issuer:

- (i) the Memorandum and Articles of Association of the Issuer and Guarantor;
- (ii) the Guarantee;
- (iii) the property valuation reports issued by Dimech Architects & Associates and Archi+;
- (iv) the Annual Financial Reports of the Issuer for the years ended 31 December 2020, 2021, and 2022;
- (v) the Audited Consolidated Financial Statements of the Guarantor for the years ended 31 December 2020, 2021, and 2022.;
and
- (vi) Nominee and Placement Agent Agreement.

Documents (i) - (v) are also available for inspection in electronic form on the Issuer's website at <http://www.unitedgroup.com.mt/>

ANNEX A1: TERMS AND CONDITIONS OF THE GLOBAL NOTES

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE €10,000,000 GLOBAL NOTES BY THE ISSUER IN TERMS OF THE NOMINEE AND PLACEMENT AGENT AGREEMENT AND THE BASE PROSPECTUS.

THE ISSUE OF THE GLOBAL NOTES IS BEING MADE SUBJECT TO THE PROVISIONS OF THE NOMINEE AND PLACEMENT AGENT AGREEMENT DATED 20 JULY 2023 AND OF THESE TERMS AND CONDITIONS. A PARTICIPATION NOTEHOLDER AS WELL AS ANY PERSON HAVING AN INTEREST UNDER THE GLOBAL NOTES IS DEEMED TO HAVE INVESTED ONLY AFTER HAVING RECEIVED, READ AND UNDERSTOOD THE CONTENTS OF THIS DOCUMENT AND THEREFORE ONLY AFTER HAVING FULL KNOWLEDGE OF THE INFORMATION CONTAINED IN THIS DOCUMENT AND IS ACCORDINGLY DEEMED TO HAVE ACCEPTED ALL THE TERMS AND CONDITIONS SET OUT IN THIS DOCUMENT AND THE NOMINEE AND PLACEMENT AGENT AGREEMENT.

ALL THE TERMS USED HEREIN SHALL, UNLESS THE CONTEXT OTHERWISE REQUIRES OR UNLESS OTHERWISE DEFINED, HAVE THE SAME MEANING ATTRIBUTED TO THEM IN THE BASE PROSPECTUS AND THE NOMINEE AND PLACEMENT AGENT AGREEMENT.

1. GENERAL

The issuance of the Global Notes has been duly authorised by a resolution of the Board of Directors of the Issuer of 19 June 2023, by virtue of the powers contained in the Memorandum and Articles of Association.

The Global Notes shall be issued to the Nominee and Placement Agent, as Nominee and Placement Agent for and for the benefit of the Registered Investors, which shall constitute the Fiduciary Asset.

The Global Notes shall constitute the Issuer as the true and lawful debtor of the Offer Amount in favour of the Nominee and Placement Agent on behalf of the Registered Investors.

Unless previously purchased and cancelled, the Global Notes shall be redeemable at the nominal value including accrued but unpaid interest on the Redemption Date.

2. FORM, DENOMINATION AND TITLE

The Global Notes shall be issued in fully certificated and registered form, without coupons. The Global Notes shall be issued to the Nominee and Placement Agent for the Offer Amount and the Nominee and Placement Agent shall be entered in the Register of Global Noteholders as the holder of the Global Notes. The Nominee and Placement Agent shall hold the Global Notes as Nominee and Placement Agent for the benefit of the Registered Investors.

3. INTEREST

The Global Notes shall bear interest at the Rate of Interest on each Interest Payment Date, as specified in the applicable Final Terms.

The Global Notes shall cease to bear interest from and including the Redemption Date unless, upon due presentation, payment of the principal in respect of the Global Notes is improperly withheld or refused, or unless the Issuer defaults in respect of payment, in any of which event interest shall continue to accrue at the rate specified above plus one per cent (1%) above the European Central Bank's refinancing rate, but in any event not in excess of the maximum rate of interest allowed by Maltese law. In terms of article 2156 of the Civil Code (Chapter 16 of the laws of Malta), the right of Global Noteholders to bring claims for payment of interest and repayment of the principal on the Notes is barred by the lapse of five years.

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

4. STATUS OF THE GLOBAL NOTES

The Global Notes constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall be jointly and severally guaranteed in respect of both the interest due and the principal amount under said Notes by the Guarantor. The Global Notes shall, at all times, rank *pari passu*, without any priority or preference among themselves and save for such exceptions as may be provided by applicable law, without priority or preference to all present and future unsecured obligations of the Issuer. This means that any secured or privileged debts of the Issuer shall rank at all times ahead of their obligations under the Note Issuance Programme.

Furthermore, third party security interests may be registered which will rank in priority to the Global Notes against the assets of the Issuer and, or the Guarantor for so long as such security interests remain in effect.

5. PAYMENTS

Payment of the principal amount (with interest accrued and unpaid to the Redemption Date) as well as payment of interest on the Global Notes shall be made in Euro to the person in whose name such Global Notes are registered as at the close of business fifteen (15) days prior to the date set for redemption or fifteen (15) days prior to the relevant Interest Payment Date (as the case may be) against surrender of the Global Note at the registered office of the Issuer or at such other place in Malta as may be notified by the Issuer. Such payment shall be affected by direct credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the Global Noteholder. The Issuer shall not be responsible for any loss or delay in

transmission. Such payment shall be affected within seven (7) days of the date set for redemption or the Interest Payment Date (as the case may be).

All payments with respect to the Global Notes are subject in all cases to any pledge (duly constituted) of the Global Notes and to any applicable fiscal or other laws and regulations. In particular, but without limitation, all payments by the Issuer in respect of the Global Notes shall be made gross of any amount to be deducted or withheld for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed or levied by or on behalf of the Government of Malta or authority thereof or therein having power to tax.

No commissions or expenses shall be charged to the Global Noteholder in respect of such payments.

6. REDEMPTION

Unless previously purchased and cancelled, the Global Notes shall be redeemed at the nominal value (together with interest accrued and which has remained unpaid to the date set for redemption) on the Redemption Date.

The redemption of the Global Notes shall take place by payment of all principal and interest accrued until the Redemption Date. The notice of redemption shall be effective only on actual receipt by the Nominee and Placement Agent, shall be irrevocable, and shall oblige the Issuer to make, and the Nominee and Placement Agent to accept, such redemption on the date specified in the notice.

All or part of the Global Notes being redeemed shall be cancelled forthwith and may not be re-issued or re-sold.

7. COVENANTS BY THE ISSUER AND THE GUARANTOR

The Issuer and the Guarantor hereby covenant in favour of the Nominee and Placement Agent for the benefit of Registered Investors, that at all times during which any of the Global Notes shall remain outstanding:

- (a) they shall, until the Global Notes have been redeemed, pay to the Nominee and Placement Agent, for the benefit of the Participation Noteholders, interest under the Global Note on each Interest Payment Date and the principal amount of the Global Notes at the Rate of Interest on the Redemption Date;
- (b) they shall keep proper books of account, and shall deliver to the Nominee and Placement Agent at least five days before the annual general meeting of the Issuer each year a copy of the balance sheet and profit and loss account of the Issuer and Guarantor certified by the auditors of the Issuer and Guarantor respectively and copies of the auditors' and directors' reports thereon, together with copies of any other documents required by law to be attached thereto; and
- (c) they shall carry on and conduct their business in a proper and efficient manner.

8. REPRESENTATION AND WARRANTIES OF THE ISSUER AND GUARANTOR

(1) The Issuer and the Guarantor represent and warrant to the Nominee and Placement Agent and each Participation Noteholder, and each of the Nominee and Placement Agent and Participation Noteholder rely on such representations and warranties, that:

- (a) they are duly registered and validly existing under the laws of Malta and have the power to carry on their business as it is now being conducted and to hold their properties and other assets under valid legal title;
- (b) they have the power to execute, deliver, and perform their obligations under this document and the Nominee and Placement Agent Agreement, and that all necessary corporate, shareholder and other action has been duly taken to authorise the execution, delivery and performance of the same, and further that no limitation on the powers of the Issuer to borrow or guarantee shall be exceeded as a result of the Nominee and Placement Agent Agreement;
- (c) this document and the Nominee and Placement Agent Agreement constitute valid and legally binding obligations of the Issuer and the Guarantor;
- (d) the execution and performance of their obligations under and in compliance with the provisions of this document and the Nominee and Placement Agent Agreement by the Issuer and the Guarantor shall not: (i) contravene any existing applicable law, statute, rule or regulation or any judgement, decree or permit to which the Issuer is subject; (ii) conflict with or result in any breach of any terms of or constitute a default under any bond or other instrument to which the Issuer is a party, or is subject, or by which it or any of its property is bound; (iii) contravene any provision of the Issuer's and Guarantor's memorandum or articles of association;
- (e) no litigation, arbitration or administrative proceeding is taking place, pending or, to the knowledge of the officers of the Issuer and Guarantor, threatened against the Issuer and, or Guarantor which could have a material adverse effect on the business, assets or financial condition of the Issuer and, or Guarantor; and
- (f) the Base Prospectus contains all material information with respect to the Issuer and Guarantor and that all information contained therein is in every material respect true and accurate and not misleading and that there are no other facts in relation to the Issuer and the Guarantor, their business and financial position, the omission of which would in the context of issue of the Global Notes make any statement in the Base Prospectus misleading or inaccurate in any material respect.

(2) The Issuer and Guarantor further represent and warrant to the Nominee and Placement Agent and each Participation Noteholder that rely on such representations and warranties, that: (a) every consent, authorization, approval or registration with, or declaration to governmental or public bodies or authorities or courts, required by the Issuer and Guarantor in connection with

the execution, validity, enforceability of the Agreement or the performance of its obligations under the Nominee and Placement Agent Agreement have been obtained or made and are in full force and effect and there has been no default in the observance of any of the conditions or restrictions, if any, imposed on, or in connection with, any of the same; (b) no default mentioned in this document or the Nominee and Placement Agent Agreement has occurred and is continuing.

9. FUNCTIONS AND POWERS OF THE NOMINEE AND PLACEMENT AGENT

The Nominee and Placement Agent may, but shall not be bound to, unless requested to do so in writing by not less than seventy-five percent (75%) in value of the Registered Investors, enforce or take any step to enforce the covenants in clause 7 hereof, and (subject to any such request as aforesaid) may waive on such terms and conditions as it shall deem expedient any of the covenants and provisions hereinabove contained and on the part of the Issuer to be performed and observed.

The Nominee and Placement Agent shall only be bound to monitor financial information relating to the Issuer and Guarantor, on behalf of the Registered Investors, as shall be forwarded to the Nominee and Placement Agent by the Issuer and Guarantor on an annual basis.

Without prejudice to the powers and reliefs conferred on the Nominee and Placement Agent by applicable law and by the Nominee and Placement Agent Agreement, the Nominee and Placement Agent shall have the following powers:

- (a) to employ and pay at the reasonable cost of the Issuer in discharge of its duties any agent to do anything or transact any business to be done or transacted under the Nominee and Placement Agent Agreement or the Base Prospectus, without being under any liability for any default of such agent; PROVIDED THAT prior to employing any agent as aforementioned, notice in writing of the estimated costs to be incurred is to be given to the Issuer;
- (b) to rely on the advice of any lawyer, broker, surveyor, valuer or accountant or other professional person without incurring any liability for so relying notwithstanding that such professional person may have been employed by the Issuer or may otherwise not be disinterested and without incurring liability for any error in the transmission of any such advice or by reason of the same not being authentic; and
- (c) to delegate any of its discretions under the Base Prospectus and the Nominee and Placement Agent Agreement to any officer or servant of the Nominee and Placement Agent believed by it to be competent and responsible and to delegate any of its powers and duties under the Base Prospectus and the Nominee and Placement Agent Agreement to such persons (including any such officer or servant as aforesaid) as it shall think fit, and to confer power to sub-delegate, without incurring any liability for the default of any person to whom such discretions powers or duties are delegated or sub-delegated;

And generally the Nominee and Placement Agent shall not be liable for any error of judgment committed in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts and its officers and agents shall be entitled to be indemnified by the Issuer so far as may be lawful in respect of all liabilities incurred in the execution of the Nominee and Placement Agent relationship arising in terms of the Nominee and Placement Agent Agreement.

10. EVENTS OF DEFAULTS

The Nominee and Placement Agent may at its discretion, and shall upon the request in writing of not less than seventy-five percent (75%) in value of the Registered Investors, by notice in writing to the Issuer and the Guarantor declare that the Global Notes are, and shall accordingly immediately become, due and payable at their nominal value together with interest accrued on the occurrence of any of the following events (each an “**Event of Default**”):

- a) the Issuer fails to pay interest under the Global Notes on an Interest Payment Date and such failure continues for a period of sixty (60) days after written notice thereof shall have been given by the Global Noteholder;
- b) the Issuer fails to pay the principal amount of the Global Notes when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given by the Nominee and Placement Agent to the Issuer;
- c) the Issuer or Guarantor fail to duly perform or shall otherwise be in breach of any other material obligation contained in the Base Prospectus and such failure is incapable of remedy or is not remedied within sixty (60) days after notice of such default shall have been given to the Issuer or Guarantor;
- d) an order is made or an effective resolution is passed for winding up of the Issuer or Guarantor;
- e) in terms of article 214(5) of the Companies Act, a court order or other judicial process is levied or enforced upon or sued out against a substantial part of the property of the Issuer or Guarantor and is not paid out, withdrawn, or discharged within one month;
- f) the Issuer stops or suspends payments (whether of principal or interest) with respect to the Global Notes or ceases or threatens to cease to carry on its business and such position is sustained for sixty (60) days after written notice thereof shall have been given to the Issuer by the Global Noteholder;
- g) the Issuer or Guarantor is unable to pay its debts within the meaning of article 214(5) of the Companies Act, or any statutory modification or re-enactment thereof;
- h) the Issuer or Guarantor substantially change the object or nature of their business as currently carried on;

- i) any material indebtedness of the Issuer or Guarantor is not paid when due or becomes due and payable or any creditor of the Issuer or Guarantor becomes entitled to declare any such material indebtedness due and payable prior to the date when it would otherwise have become due or any guarantee or indemnity of the Issuer in respect of indebtedness is not honoured when due and called upon; PROVIDED THAT for the purposes of this provision, material indebtedness shall mean an amount exceeding €2,000,000;
- j) it becomes unlawful at any time for the Issuer or Guarantor to perform all or any of its obligations to pay principal and interest under the Global Notes; or
- k) the Issuer or Guarantor is adjudicated or found bankrupt or insolvent, or an order is made by any competent court, or a resolution is passed by the Issuer or Guarantor or any other action is taken for the dissolution, liquidation, or winding-up of the Issuer.

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

11. REGISTER OF GLOBAL NOTEHOLDERS

The Issuer shall maintain a register, at its registered office or at such other place in Malta as the Board of the Issuer may determine, in which it shall enter the name and address of the Nominee and Placement Agent as the holder of the Global Notes, together with particulars of the Global Notes. A copy of such register shall at all reasonable times during business hours be open to inspection by the Nominee and Placement Agent at the registered office of the Issuer.

In the event that any Global Notes represented by a certificate shall be worn out, defaced, destroyed or lost, it may be replaced on such evidence being produced and such indemnity (if any) being given as the Issuer may at its discretion require and in accordance with the Global Notes register, and in the case of wearing out, or defacement, or change of address of the Global Noteholder, on delivery of the old certificate, and in the case of destruction or loss, on the execution of such indemnity as is considered necessary, and in any case upon the payment of €50 (fifty Euro). In case of destruction or loss, the person to whom such replacement certificate is given shall also bear and pay to the Issuer all expenses incidental to the investigation by the Issuer of the evidence of such destruction or loss and to such indemnity.

12. FURTHER ISSUES

The Issuer may, from time to time, without the consent of the Global Noteholder, create and issue further bonds, notes, debentures or any other debt securities having such terms as the Issuer (as applicable) may determine at the time of their issue.

13. GOVERNING LAW AND JURISDICTION

The Global Notes have been created, and the Offer relating thereto is being made, in terms of the Act. From its inception the Global Note, and all contractual arrangements arising therefrom, shall be governed by and shall be construed in accordance with Maltese law.

Any legal action, suit, action or proceeding against the Issuer arising out of or in connection with a Global Note shall be brought exclusively before the Maltese Courts and the Global Noteholder shall be deemed to acknowledge that it is submitting to the exclusive jurisdiction of the Maltese Courts as aforesaid.

14. NOTICES

Notices will be mailed to the Global Noteholder at its registered address and shall be deemed to have been served at the expiration of twenty-four (24) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Global Noteholder at its registered address and posted.

ANNEX A2: TERMS AND CONDITIONS OF THE PARTICIPATION NOTES

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE €10,000,000 PARTICIPATION NOTES BY THE NOMINEE AND PLACEMENT AGENT.

THE ISSUE OF THE PARTICIPATION NOTES IS BEING MADE SUBJECT TO THE PROVISIONS OF THE NOMINEE AND PLACEMENT AGENT AGREEMENT DATED 20 JULY 2023 AND OF THESE TERMS AND CONDITIONS. A PARTICIPATION NOTEHOLDER AS WELL AS ANY PERSON HAVING AN INTEREST UNDER THE GLOBAL NOTES IS DEEMED TO HAVE INVESTED ONLY AFTER HAVING RECEIVED, READ AND UNDERSTOOD THE CONTENTS OF THIS DOCUMENT AND THEREFORE ONLY AFTER HAVING FULL KNOWLEDGE OF THE INFORMATION CONTAINED IN THIS DOCUMENT AND IS ACCORDINGLY DEEMED TO HAVE ACCEPTED ALL THE TERMS AND CONDITIONS SET OUT IN THIS DOCUMENT AND THE NOMINEE AND PLACEMENT AGENT AGREEMENT.

ALL THE TERMS USED HEREIN SHALL, UNLESS THE CONTEXT OTHERWISE REQUIRES OR UNLESS OTHERWISE DEFINED, HAVE THE SAME MEANING ATTRIBUTED TO THEM IN THE PROSPECTUS AND THE NOMINEE AND PLACEMENT AGENT AGREEMENT.

1. GENERAL

The Global Notes shall constitute the Issuer as the true and lawful debtor of the Offer Amount in favour of the Nominee and Placement Agent on behalf of the Registered Investors. The Participation Notes constitute the beneficial interest of the Participation Noteholders in the Global Note including the right to payment of principal and interest under the Global Notes.

The Participation Notes shall bear interest at the rate specified in the applicable Final Terms and in accordance with the terms and conditions set out therein.

The Participation Notes shall be redeemable at their nominal value including accrued but unpaid interest on the Redemption Date.

The Participation Notes are freely transferable, provided that any individual holder of Participation Notes shall maintain at all times a minimum holding as may be specified in the applicable Final Terms.

2. FORM, DENOMINATION AND TITLE

The Participation Notes shall be issued in fully certificated and registered form, without coupons.

Participation Notes shall be issued under the signature of a duly authorised signatory of the Nominee and Placement Agent.

The Nominee and Placement Agent shall maintain a Register of Investors which shall identify the Registered Investors from time to time. An entry in the Register of Investors shall be conclusive evidence of the beneficial interest of the person or persons named therein in the Global Note. The Register of Investors shall contain the following information:

- Name of the Registered Investor;
- Address of the Registered Investor;
- Identity Card number (in the case of an individual);
- Company Registration Number (in the case of a company);
- The value expressed in euro (€) of the beneficial interest of the Registered Investor in the Global Note; and
- Date of entry into the Register of Investors.

Every Registered Investor shall be entitled to be entered in the Register of Investors as a participant in the Global Notes and shall be entitled to receive from the Nominee and Placement Agent a Participation Note acknowledging the Registered Investors' beneficial interest in the Global Notes and evidencing the appropriate entry in the Register of Investors.

Any such Participation Note issued by the Nominee and Placement Agent in favour of a single or joint Registered Investor shall be for an amount not below the amount specified in the applicable Final Terms.

Joint Registered Investors shall be entitled to only one entry in the Register of Investors and accordingly to only one Participation Note. Such Participation Note shall be issued and delivered to that joint Registered Investor whose name first appears in the Register of Investors and the Nominee and Placement Agent shall not be bound to register more than three (3) persons as the joint Registered Investors.

3. INTEREST

The Participation Notes shall bear interest as at rate specified in the applicable Final Terms.

4. PAYMENTS

Payment of the principal amount (with interest accrued and unpaid to the Redemption Date) as well as payment of interest on the Participation Notes shall be made in Euro to the person in whose name such Participation Note is registered as at the close of business fifteen (15) days prior to the date set for redemption or fifteen (15) days prior to the relevant Interest Payment Date (as the case may be) against surrender of the Participation Note at the registered office of the Nominee and Placement Agent or at such other place in Malta as may be notified by the Nominee. Such payment shall be affected by direct credit or transfer to a

Euro account (or any other account to which Euro may be credited or transferred) specified by the Participation Noteholder. The Nominee and Placement Agent shall not be responsible for any loss or delay in transmission. The Nominee and Placement Agent shall affect payments of principal or interest within three (3) Business Days from the date of actual receipt of payment thereof from the Issuer.

All payments with respect to the Participation Notes are subject in all cases to any pledge (duly constituted) of the Participation Notes and to any applicable fiscal or other laws and regulations. In particular, but without limitation, all payments by the Nominee and Placement Agent in respect of the Participation Notes shall be made net of any amount which the Nominee and Placement Agent is compelled to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed or levied by or on behalf of the Government of Malta or authority thereof or therein having power to tax.

No commissions or expenses shall be charged to the Participation Noteholders in respect of such payments.

The Nominee and Placement Agent shall only be under an obligation to effect payments of principal or interest to the Participation Noteholders if it has effectively received such payments from the Issuer. No liability shall attach to the Nominee and Placement Agent if it fails to affect such payments to Participation Noteholders when such failure is due to the nonpayment thereof by the Issuer.

Payment of the principal and, or interest by the Issuer to the Nominee and Placement Agent under the Global Note shall relieve the Issuer from any further liability, to the extent of the payment made, towards the Participation Noteholders and the Participation Noteholders shall have no right or claim against the Issuer should they not receive the relative payment from the Nominee and Placement Agent.

5. REDEMPTION

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

Each Registered Investor may, even before the Redemption Date, apply to the Nominee and Placement Agent to have its Participation Notes or any part thereof cancelled, provided that in the case of a request for cancellation, the cancellation request shall be for any amount and in multiples of €1,000. The Nominee and Placement Agent may, but shall be under no obligation to, accede to such request, to be made in writing, by a Registered Investor. In the event that the Nominee and Placement Agent accedes to the Registered Investor's request it shall cancel the entry of such Registered Investor in the Register of Investors and the Participation Notes of the Registered Investor concerned in whole or in part, as the case may be, for the nominal value of the Participation Notes or that part thereof which is being cancelled. In such event (i) the Nominee and Placement Agent shall pay to the Registered Investor concerned the nominal value of that Registered Investor's Participation Notes and accrued and unpaid interest thereon; and (ii) the Nominee and Placement Agent shall be deemed to have a beneficial interest in the Global Note for the nominal value corresponding to the cancellation.

The Nominee and Placement Agent may also receive requests from persons willing to have a beneficial interest in the Global Note. The Nominee and Placement Agent may, from its own beneficial interest in the Global Note, if any, accede to such request, but shall be under no obligation to do so. In the event that the Nominee and Placement Agent accedes to such request it shall register the beneficial interest of such person in the Global Note in the Register of Investors and issue a Participation Note in terms of the provisions of these terms and conditions, against payment by the applicant of the value of his/her Participation Note.

In the event that the Issuer redeems the Global Note in whole or in part, the Nominee and Placement Agent shall redeem an equivalent amount of Participation Notes, such amount to be split between the Participation Noteholders according to their participation in proportion to the aggregate holding of Participation Notes.

Upon an early redemption, the Participation Notes shall be cancelled in whole or in part. The Participation Noteholder shall hand over the Participation Note, and in case of a redemption in part, receive a new Participation Note stating the new amount of the Participation Note.

The Nominee and Placement Agent may, at its discretion, charge a fee to Registered Investors for each cancellation and subsequent entry made in the Register of Investors, which fee shall not exceed €60 per cancellation or subsequent entry.

6. COVENANTS BY THE ISSUER AND THE GUARANTOR

The Issuer and the Guarantor hereby covenant in favour of the Nominee and Placement Agent for the benefit of Registered Investors, that at all times during which any of the Global Note shall remain outstanding:

- (a) they shall, until the Global Notes have been redeemed, pay to the Nominee and Placement Agent, for the benefit of the Participation Noteholders, interest under the Global Note at the rate specified in the applicable Final Terms on each Interest Payment Date and the principal amount of the Global Note on the Redemption Date;
- (b) they shall keep proper books of account, and shall deliver to the Nominee and Placement Agent at least five (5) days before the annual general meeting of the Issuer each year a copy of the balance sheet and profit and loss account of the Issuer and the Guarantor certified by the auditors of the Issuer and the Guarantor and copies of the auditors' and directors' reports thereon, together with copies of any other documents required by law to be attached thereto; and
- (c) they shall carry on and conduct their business in a proper and efficient manner.

7. REPRESENTATION AND WARRANTIES

- (1) The Issuer and the Guarantor represent and warrant to the Nominee and Placement Agent and each Participation Noteholder, and each of the Nominee and Placement Agent and Participation Noteholder rely on such representations and warranties, that:
- (a) They are duly registered and validly existing under the laws of Malta and has the power to carry on their business as it is now being conducted and to hold its properties and other assets under valid legal title;
 - (b) They have the power to execute, deliver, and perform their obligations under this document;
 - (c) The Global Notes constitute valid and legally binding obligations of the Issuer and the Guarantor;
 - (d) The execution and performance of their obligations under and in compliance with the provisions of the Global Notes by the Issuer and the Guarantor shall not: (i) contravene any existing applicable law, statute, rule or regulation or any judgement, decree or permit to which the Issuer is subject; (ii) conflict with or result in any breach of any terms of or constitute a default under any bond or other instrument to which the Issuer is a party, or is subject, or by which it or any of its property is bound; (iii) contravene any provision of the Issuer's and Guarantor's memorandum or articles of association;
 - (e) No litigation, arbitration or administrative proceeding is taking place, pending or, to the knowledge of the officers of the Issuer and Guarantor, threatened against the Issuer which could have a material adverse effect on the business, assets or financial condition of the Issuer; and
 - (f) The Base Prospectus contains all material information with respect to the Issuer and that all information contained therein is in every material respect true and accurate and not misleading and that there are no other facts in relation to the Issuer, its business and financial position, the omission of which would in the context of issue of the Global Note make any statement in the Base Prospectus misleading or inaccurate in any material respect.
- (2) The Issuer further represents and warrants to the Nominee and Placement Agent and each Participation Noteholder that rely on such representations and warranties, that:
- (a) every consent, authorisation, approval or registration with, or declaration to governmental or public bodies or authorities or courts, required by the Issuer in connection with the execution, validity, enforceability of the Nominee and Placement Agent Agreement or the performance of its obligations under the Nominee and Placement Agent Agreement has been obtained or made and are in full force and effect and there has been no default in the observance of any of the conditions or restrictions, if any, imposed in, or in connection with, any of the same; and
 - (b) no default mentioned in this document or the Nominee and Placement Agent Agreement has occurred and is continuing.

8. FUNCTIONS AND POWERS OF THE NOMINEE AND PLACEMENT AGENT

The Nominee and Placement Agent may, but shall not be bound to, unless requested to do so in writing by not less than seventy-five percent (75%) in value of the Registered Investors, enforce or take any step to enforce the covenants in clause 6 hereof, and (subject to any such request as aforesaid) may waive on such terms and conditions as it shall deem expedient any of the covenants and provisions hereinabove contained and on the part of the Issuer to be performed and observed.

The Nominee and Placement Agent shall only be bound to monitor financial information relating to the Issuer and Guarantor, on behalf of the Registered Investors, as shall be forwarded to the Nominee and Placement Agent by the Issuer and Guarantor on an annual basis.

The Nominee and Placement Agent shall have the following powers:

- (a) to rely on the advice of any lawyer, broker, surveyor, valuer or accountant or other professional person without incurring any liability for so relying notwithstanding that such professional person may have been employed by the Issuer or may otherwise not be disinterested and without incurring liability for any error in the transmission of any such advice or by reason of the same not being authentic;
- (b) to delegate any of its discretions under the Base Prospectus and the Nominee and Placement Agent Agreement to any officer or servant of the Nominee and Placement Agent believed by it to be competent and responsible and to delegate any of its powers and duties under the Prospectus and the Nominee and Placement Agent Agreement to such persons (including any such officer or servant as aforesaid) as it shall think fit, and to confer power to sub-delegate, without incurring any liability for the default of any person to whom such discretions powers or duties are delegated or sub-delegated;

9. EVENTS OF DEFAULTS (UNDER THE GLOBAL NOTES)

The Nominee and Placement Agent may at its discretion, and shall upon the request in writing of not less than seventy-five percent (75%) in value of the Registered Investors, by notice in writing to the Issuer and the Guarantor declare that the Global Notes are, and shall accordingly immediately become, due and payable at their nominal value together with interest accrued on the occurrence of any of the following events (each an "Event of Default"):

- a) the Issuer fails to pay interest under the Global Note on an Interest Payment Date and such failure continues for a period of sixty (60) days after written notice thereof shall have been given to the Issuer by the Global Noteholder;
- b) the Issuer fails to pay the principal amount of the Notes when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by the Global Noteholder;

- c) the Issuer or Guarantor fail to duly perform or shall otherwise be in breach of any other material obligation contained in the Base Prospectus and such failure is incapable of remedy or is not remedied within sixty (60) days after notice of such default shall have been given to the Issuer or Guarantor;
- d) an order is made or an effective resolution is passed for winding up of the Issuer or Guarantor;
- e) in terms of article 214(5) of the Companies Act, a court order or other judicial process is levied or enforced upon or sued out against a substantial part of the property of the Issuer or Guarantor and is not paid out, withdrawn, or discharged within one month;
- f) the Issuer stops or suspends payments (whether of principal or interest) with respect to the Global Notes or ceases or threatens to cease to carry on its business and such position is sustained for sixty (60) days after written notice thereof shall have been given to the Issuer by the Global Noteholder;
- g) the Issuer or Guarantor is unable to pay its debts within the meaning of article 214(5) of the Companies Act, or any statutory modification or re-enactment thereof;
- h) the Issuer or Guarantor substantially change the object or nature of their business as currently carried on;
- i) any material indebtedness of the Issuer or Guarantor is not paid when due or becomes due and payable or any creditor of the Issuer or Guarantor becomes entitled to declare any such material indebtedness due and payable prior to the date when it would otherwise have become due or any guarantee or indemnity of the Issuer in respect of indebtedness is not honoured when due and called upon; PROVIDED THAT for the purposes of this provision, material indebtedness shall mean an amount exceeding €2,000,000;
- j) it becomes unlawful at any time for the Issuer or Guarantor to perform all or any of its obligations to pay principal and interest under the Global Notes; or
- k) the Issuer or Guarantor is adjudicated or found bankrupt or insolvent, or an order is made by any competent court, or a resolution is passed by the Issuer or Guarantor or any other action is taken for the dissolution, liquidation, or winding-up of the Issuer.

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

10. REGISTRATION AND REPLACEMENT OF THE PARTICIPATION NOTES

A register of the Participation Notes shall be maintained by the Nominee and Placement Agent at its registered office or at such other place in Malta as the Nominee and Placement Agent may determine, wherein there will be entered the names and addresses of the Participation Noteholders and particulars of the Participation Notes held by them respectively and a copy of such register will at all reasonable times during business hours be open to inspection by Participation Noteholders at the registered office of the Nominee and Placement Agent.

Any person becoming entitled to a Participation Note in consequence of bankruptcy or winding-up of a Participation Noteholder may, upon such evidence being produced as may from time to time properly be required by the Nominee, request in writing the redemption and cancellation of such Participation Note followed by the issuance of a new Participation Note of the same amount and may elect either to be registered himself as Participation Noteholder or to have some person nominated by him registered as Participation Noteholder.

All redemptions are subject to any pledge (duly constituted) of the Participation Notes and to any applicable laws and regulations.

In the event that any Participation Note represented by certificate shall be worn out, defaced, destroyed or lost, it may be replaced on such evidence being produced and such indemnity (if any) being given as the Nominee and Placement Agent may at its discretion require and in accordance with the Participation Note register, and in the case of wearing out, or defacement, or change of address of the Participation Noteholder, on delivery of the old certificate, and in the case of destruction or loss, on the execution of such indemnity as is considered necessary, and in any case upon the payment of fifty euro (€50). In case of destruction or loss, the person to whom such replacement certificate is given shall also bear and pay to the Nominee and Placement Agent all expenses incidental to the investigation by the Nominee and Placement Agent of the evidence of such destruction or loss and to such indemnity.

The Nominee and Placement Agent shall be required to provide the Issuer with an updated copy of the register of Participation Noteholders, including extracts therefrom, as may be required by the Issuer from time to time, and the Participation Noteholder shall by entering into the Subscription Agreement relative to the Participation Notes taken up by him be deemed to have given his express, unequivocal and irrevocable consent to the communication of such information to the Issuer.

11. TRANSFERABILITY OF THE PARTICIPATION NOTES

The Participation Notes are freely transferable and once registered by the Nominee and Placement Agent, may be transferable in whole for the minimum face value as specified in the applicable Final Terms.

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

The cost and expenses of effecting any registration of transfer, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the person to whom the transfer has been made. Any person to whom the transfer has been made shall, upon such evidence being produced as may from time to time properly be required by the Nominee and Placement Agent, request in writing the transfer of such Participation Note from a registered Participation Noteholder and may elect either to be registered himself as Participation Noteholder or to have some person nominated by him registered as Participation Noteholder.

The Nominee and Placement Agent will not register the transfer of Participation Notes for a period of 15 days preceding the due date for any payment of interest on the Participation Notes.

12. MEETINGS OF PARTICIPATION NOTEHOLDERS

The provisions of the Base Prospectus and, or of the relevant Final Terms in respect of one or more Tranches, and, or of the Nominee and Placement Agent Agreement may be amended with the approval of Registered Investors at a meeting called by the Nominee and Placement Agent, in accordance with the terms hereunder, for the purpose of consultation with Participation Noteholders or for the purpose of any of the following: (i) considering and approving any matter affecting their interest, including the amendment, modification, waiver, abrogation or substitution of any of the terms and conditions and the rights of the Participation Noteholders; (ii) considering and approving the exchange or substitution of the Participation Notes by, or the conversion of the Participation Notes into, shares, debentures or other obligations or securities of the Issuer; and (iii) obtaining the consent of Participation Noteholders on other matters which in terms of the Base Prospectus require the approval of a meeting of Participation Noteholders.

In the event that the Issuer wishes to amend any of the provisions set out in the Base Prospectus, relevant Final Terms, or of the Nominee and Placement Agent Agreement, it shall call upon the Nominee and Placement Agent, in writing, seeking its consent to such amendment or amendments. The Nominee and Placement Agent, prior to granting or refusing such consent, shall call a meeting of Participation Noteholders registered in the Register of Investors as at that date, by giving such Participation Noteholders not less than 14 days' notice in writing, setting out in the notice the time, place and date set for the meeting and the matters to be discussed thereat, including sufficient information on any amendment of the Base Prospectus, relevant Final Terms, or the Nominee and Placement Agent Agreement that is proposed to be voted upon at the meeting and seeking the approval of the Participation Noteholders registered as aforesaid. Following a meeting of Participation Noteholders held in accordance with the provisions contained hereunder, the Nominee and Placement Agent shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Issuer whether its consent to a request of the Issuer is granted or withheld. Subject to having obtained the necessary approval by the said Participation Noteholders in accordance with the terms set out hereunder at a meeting called for that purpose as aforesaid, any such proposed amendment or amendments to the provisions set out in the Base Prospectus, relevant Final Terms, or Nominee and Placement Agent Agreement shall subsequently be given effect to by the Issuer in consultation with the Nominee and Placement Agent.

For all intents and purposes, it is hereby set out that any meeting of Participation Noteholders shall be held in accordance with the provisions of the Nominee and Placement Agent Agreement and the procedure set out below:

- i. A meeting of Participation Noteholders shall be called by giving Participation Noteholders not less than fourteen (14) days' notice in writing, setting out in the notice the time, place and date set for the meeting and the matters to be discussed thereat.
- ii. A meeting of Participation Noteholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose at least two Participation Noteholders present, in person or by proxy, representing not less than fifty per cent (50%) in nominal value of the Participation Notes then outstanding, shall constitute a quorum. If a quorum is not present within 30 minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Participation Noteholders present at that meeting. An adjourned meeting shall be held not earlier than five (5) days, and not later than 15 days, following the original meeting. At an adjourned meeting the number of Participation Noteholders present, in person or by proxy, shall constitute a quorum; and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.
- iii. Once a quorum is declared present by the Chairman of the meeting (who shall be the person who in accordance with the Memorandum and Articles of Association would chair a general meeting of members of the Issuer), the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting, the Directors or their representative shall present to the Participation Noteholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken, including but not limited to why the terms and conditions of Issue of the Participation Notes ought to be amended as proposed by the Issuer. The meeting shall allow reasonable and adequate time to Participation Noteholders to present their views to the Issuer and the other Participation Noteholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Participation Noteholders present at the time at which the vote is being taken, and any Participation Noteholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.
- iv. The voting process shall be managed by the Company Secretary under the supervision and scrutiny of the auditors of the Issuer.
- v. The proposal placed before a meeting of Participation Noteholders shall only be considered approved if at least seventy-five percent (75%) in nominal value of the Participation Noteholders present at the meeting at the time at which the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.

Save for the above, the rules generally applicable to the Issuer during general meetings of shareholders of the Issuer shall apply *mutatis mutandis* to meetings of Participation Noteholders.

13. PARTICIPATION NOTES HELD JOINTLY

In respect of a Participation Note held jointly by several persons (including but not limited to husband and wife), the joint Participation Noteholders shall nominate one of their number as their representative and his/her name will be entered in the register with such designation. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Participation Note so held. In the absence of such nomination and until such nomination is made, the person first named on the register in respect of such Participation Note shall, for all intents and purposes, be deemed to be the registered holder of the Participation Note so held. The Nominee and Placement Agent shall not be bound to register more than three persons as the joint Registered Investors.

14. PARTICIPATION NOTES HELD SUBJECT TO USUFRUCT

In respect of a Participation Note held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall for all intents and purposes be deemed, vis-a-vis the Nominee and Placement Agent, to be the holder of the Participation Note so held and shall have the right to receive interest on the Participation Note, but shall not, during the continuance of the Participation Note, have the right to dispose of the Participation Note so held without the consent of the bare owner.

15. GOVERNING LAW AND JURISDICTION

The Participation Notes and all contractual arrangements arising therefrom are governed by and shall be construed in accordance with Maltese law.

Any legal action, suit, action or proceeding against the Issuer arising out of or in connection with a Participation Note shall be brought exclusively before the Maltese Courts and the Participation Noteholders shall be deemed to acknowledge that they are submitting to the exclusive jurisdiction of the Maltese Courts as aforesaid.

16. NOTICES

Notices will be mailed to Participation Noteholders at their registered addresses and shall be deemed to have been served at the expiration of twenty-four (24) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Participation Noteholder at his/ her registered address and posted.

ANNEX B – THE GUARANTEE

To: **Nominee and Placement Agent**
MZ Investments Services Ltd
61, St Rita Street,
Rabat, RBT 1523
Malta:

Re: **GUARANTEE AND INDEMNITY**

Date: 10 July 2023

Reference is made to the note issuance programme of up to €10,000,000 unsecured notes (“**Note Issuance Programme**” or “**Notes**”) by United Finance p.l.c., a public limited liability company registered under the laws of Malta and bearing company registration number C 26598 (the “**Issuer**”), pursuant to and subject to the terms and conditions contained in the Base Prospectus (as such term is defined hereunder) and the applicable Final Terms (as such term is defined hereunder).

1. **INTERPRETATION**

In this Guarantee, unless the context otherwise requires:

- (a) capitalised or defined terms used in this Guarantee shall have the same meaning as that set out in the Base Prospectus;
- (b) “**writing**” or “**in writing**” shall mean any method of visual representation and shall include facsimile transmissions, telexes and other such electronic methods.

2. **DEFINITIONS**

For the purposes of this Guarantee, the following capitalised terms shall have the meaning below:

- (a) “**Indebtedness**” means any and all moneys, obligations and liabilities now or hereafter due, owing or incurred by the Issuer under the Note Issuance Programme to the Nominee and Placement Agent in terms of the Base Prospectus and in any and all cases whether for principal, interests, capitalised interests, charges, disbursements, or otherwise and whether for actual or contingent liability; and
- (b) “**Guarantor**” means United Group Limited, a company registered under the laws of Malta and bearing company registration number C 10233; and
- (c) “**Base Prospectus**” means the prospectus to be dated 20 July 2023, and any supplements thereto, pursuant to which the Issuer shall offer the Notes to the public pursuant to the Note Issuance Programme.

3. **TERMS OF THE GUARANTEE**

3.1 **Covenant to Pay**

3.1.1 For the purposes of the Guarantee, the Guarantor, as primary obligor, hereby jointly and severally with the Issuer, irrevocably and unconditionally guarantees to the Nominee and Placement Agent the payment of, and undertakes on first written demand made in accordance with clause 3.11 below to pay, any Indebtedness to the Nominee and Placement Agent at any time due or owing under the Note Issuance Programme on the occurrence of an Event of Default that is continuing in accordance with the Base Prospectus and applicable Final Terms.

3.1.2 Such payment shall be made in the currency in force in Malta at the time the payment falls due.

3.1.3 All payments shall be made to the Nominee and Placement Agent without any withholding for taxes (and in so far as this obligation exists under any law the payment shall be grossed up by the amount of withholding) and without set-off for any amounts which may be then owing to the Guarantor by the Issuer.

This Guarantee shall apply to all Notes in accordance with the terms of the Base Prospectus and applicable Final Terms.

3.2 **Guarantor as Joint and Several Surety**

The Guarantor will be liable under this Guarantee as joint and several surety with the Issuer.

3.3 **Maximum Liability**

The amount due by the Guarantor to the Nominee and Placement Agent for the benefit of the Registered Investors under this Guarantee, shall be up to and not in excess of the aggregate of: (i) the amount of Notes subscribed to which shall not be in excess of €10,000,000, (ii) the interest due under the Notes as at the date of payment under the Guarantee; and (iii) the costs and expenses relating to the protection, preservation, collection or enforcement of the Registered Investors’ rights against the Issuer and/or the Guarantor.

3.4 Continuing and Unconditional Liability

3.4.1 The liability of the Guarantor under this Guarantee shall be continuing until such time as the Indebtedness is fully repaid and shall in no way be prejudiced or affected, nor shall it in any way be discharged or reduced, by reason of:

- a. the bankruptcy, insolvency or winding up of the Issuer or the Guarantor; or
- b. the incapacity or disability of the Issuer or any other person liable for any reason whatsoever; or
- c. any change in the name, style, constitution, any amalgamation or reconstruction of either the Issuer or the Guarantor;
- d. the Nominee and Placement Agent for the benefit of the Registered Investors conceding any time or indulgence, or compounding with, discharging, releasing or varying the liability of the Issuer or any other person liable or renewing, determining, reducing, varying or increasing any accommodation or transaction or otherwise dealing with the same in any manner whatsoever or concurring in, accepting or in any way varying any compromise, composition, arrangement or settlement or omitting to claim or enforce or extract payment from the Issuer or any other person liable; or
- e. any event, act or omission that might operate to exonerate the Guarantor without settlement in full of the Indebtedness towards the Nominee and Placement Agent for the benefit of the Registered Investors.

3.4.2 The liability of the Guarantor under this Guarantee shall be decreased from time to time to the extent, if any, that the Issuer or the Guarantor shall have made any irrevocable payment of the Indebtedness.

3.5 Indemnity

As a separate and alternative stipulation, the Guarantor unconditionally and irrevocably agrees that any Indebtedness which although expressed to be payable by the Issuer in terms of the Base Prospectus, is for any reason (whether or not now known or becoming known to the Issuer, Guarantors or the Nominee and Placement Agent) not recoverable from the Guarantor, will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid by it to the Nominee and Placement on written demand. This indemnity constitutes a separate and independent obligation from the other obligations in this Guarantee and gives rise to a separate and independent cause of action.

3.6 Representations and Warranties

3.6.1 The Guarantor represents and warrants, as at the date of this Guarantee, that:

- (i) that it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business;
- (ii) that it has power to grant this Guarantee and that this Guarantee is duly authorised and all corporate action has been taken by the Guarantor in accordance with its deeds of constitution and the laws of its incorporation and regulation;
- (iii) that this Guarantee constitutes and contains valid and legally binding obligations of the Guarantor enforceable in accordance with its terms;
- (iv) that this Guarantee does not and will not constitute default with respect to or run counter to any law, by-law, articles of incorporation, statute, rule, regulation, judgement, decree or permit to which the Guarantor is or may be subject or any agreement or other instrument to which the Guarantor is a party or is subject or by which it or any of its property is bound;
- (v) that this Guarantee shall not result in or cause the creation or imposition of or oblige a Guarantor to create any encumbrance on any of that Guarantor's undertakings, assets, rights or revenues;
- (vi) that it is in no way engaged in any litigation, arbitration or administrative proceeding of a material nature (which for the purposes of this Guarantee shall mean proceedings relative to a claim amounting to at least €2 million) and nor is it threatened with any such procedures;
- (vii) that the obligations of the Guarantor under this Guarantee constitute general, direct and unsecured obligations of the Guarantor and rank *pari passu* with all other present and future unsecured obligations, with the exception of any obligations which are mandatorily preferred by law;
- (viii) that it is not in material breach of or in default under any agreement relating to indebtedness to which it is a party or by which it may be bound nor has any default occurred in its regard;
- (ix) that all the information tendered in connection with the negotiation and preparation of this Guarantee is accurate and true and there has been no omission of any material facts; and
- (x) that the granting of this Guarantee is in the commercial interest of the Guarantor and that the Guarantor acknowledges that it is deriving commercial benefit therefrom.

3.6.2 As from the date of this Guarantee, until such time as the Indebtedness is paid in full to the Nominee and Placement Agent, and for as long as this Guarantee shall remain in force, the Guarantor shall hold true, good and valid all the representations and warranties given under this clause.

3.7 Deposit and Production of the Guarantee

The instrument creating this Guarantee shall be deposited with and held by the Issuer at its registered address for the benefit of the Nominee and Placement Agent, and in turn the Registered Investors, until all obligations of the Guarantor have been discharged in full, and until such time, the Guarantor acknowledges the right of the Nominee and Placement Agent to obtain a copy of the instrument creating the Guarantee.

3.8 Subrogation

Until all amounts which may be payable under the terms of the Notes have been irrevocably paid in full, the Guarantor shall not by virtue of this Guarantee be subrogated to any rights of the Nominee and Placement Agent or claim in competition with the Bondholders against the Issuer.

3.9 Benefit of the Guarantee and No Assignment

This Guarantee is to be immediately binding upon the Guarantor in favour of the Nominee and Placement Agent for the benefit of the Registered Investors. The Guarantor shall not be entitled to assign or transfer any of its obligations under this same Guarantee.

3.10 Amendments

The Guarantor has the power to veto any changes to the terms and conditions of the Notes which are issued with the benefit of its Guarantee.

3.11 Demand and Payments

3.11.1 Any Indebtedness shall be due by the Guarantor under this Guarantee as a debt, which is certain, liquidated and due, and the Guarantor shall be jointly and severally obligated to pay such Indebtedness upon first written demand by the Nominee and Placement Agent, representing the request of not less than 75% in value of Registered Investors. All demands shall be sent to the address as is stated below in clause 9 as the same may be changed by notice in writing by one party to the other. Subject to clause 8.2 and 8.3 below, such payment shall be due on the seventh Business Day following the Nominee's first written demand to the Guarantor to pay.

3.11.2 The demand shall be accompanied by a statement by the Nominee representing that there exist, at the time of the demand, an Event of Default that is continuing pursuant to the terms of the Base Prospectus and applicable Final Terms.

3.12 Notices

Any notice required to be given by any party hereto to the other party shall be deemed to have been validly served if delivered by hand or sent by pre-paid registered letter through the post or by facsimile to such other party at his address given herein or such other address as may from time to time be notified to the other party for this purpose and any notice so served shall be deemed to have been served, if delivered by hand, at the time of delivery, or if by post, seven days after posting and if by facsimile, at the time of transmission of the facsimile, provided that in the case of a change in the details of specified below, a company announcement by the Issuer to this effect shall constitute sufficient and proper notice to the Nominee and Placement Agent for the purposes of this clause.

For the purposes of this Guarantee, the proper addresses and facsimile numbers of the Guarantors are:

(i) **United Group Limited**

Registered address: United Group of Companies, Pinto Business Centre, Level 4, Triq il-Mithna, Qormi, QRM 3104 Malta
Attention: Edmund Gatt Baldacchino / Simon Gatt Baldacchino

(i) **United Finance p.l.c.**

Registered address: United Group of Companies, Pinto Business Centre, Level 4, Triq il-Mithna, Qormi, QRM 3104 Malta
Attention: Edmund Gatt Baldacchino

3.13 Governing Law and Jurisdiction

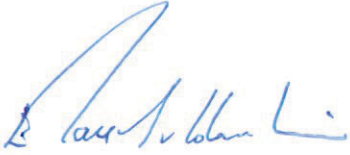
This Guarantee is governed by and shall be construed in accordance with Maltese Law.

Any dispute, controversy or claim arising out of or relating to this Guarantee or as to the interpretation, validity, performance or breach thereof shall be referred to and finally resolved by arbitration under the UNCITRAL Rules of Arbitration in accordance with the provisions of Part V (International Arbitration) of the Arbitration Act, 1996. Any arbitration commenced pursuant to this clause shall take place in Malta and be administered by the Malta Arbitration Centre. The number of arbitrators shall be three, one arbitrator to be appointed by each of the Parties or, in default, by the Malta Arbitration Centre, whereas the third arbitrator shall be appointed by the first two arbitrators or, if they fail to agree on such an appointment, by the Malta Arbitration Centre. No appeal shall lie from any such award given.

[Signature page to follow]



Edmund Gatt Baldacchino
duly authorised for and on behalf of
United Finance plc



Edmund Gatt Baldacchino
duly authorised for and on behalf of
United Group Limited



Simon Gatt Baldacchino
duly authorised for and on behalf of
United Group Limited