

REGISTRATION DOCUMENT

Dated 28 June 2024

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



HAL MANN VELLA GROUP P.L.C.

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED UNDER THE LAWS OF MALTA
WITH COMPANY REGISTRATION NUMBER C 5067

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

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

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN FINANCIAL ADVISOR.

APPROVED BY THE BOARD OF DIRECTORS



Martin Vella
Director



Mark Vella
Director

signing in their own capacity as directors of the Issuer and on behalf of each of Joseph Vella, Miriam Schembri, Arthur Galea Salomone and Mario P. Galea as their duly appointed agents.

Legal Counsel to the Issuer



Security Trustee



Sponsor



Manager & Registrar



IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON HAL MANN VELLA GROUP P.L.C., IN ITS CAPACITY AS ISSUER, IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES OF THE MALTA FINANCIAL SERVICES AUTHORITY, THE COMPANIES ACT AND THE PROSPECTUS REGULATION.

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

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

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

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

THIS 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 SUPPLEMENT THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.

IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS 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 OF ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH SECURITIES AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE, OR DOMICILE.

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

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

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

ALL THE ADVISORS TO THE ISSUER NAMED IN THIS REGISTRATION DOCUMENT UNDER THE HEADING ENTITLED “**ADVISORS**” IN SECTION 3.3 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

UNLESS INCORPORATED BY REFERENCE IN THIS REGISTRATION DOCUMENT, THE CONTENTS OF THE ISSUER’S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER’S WEBSITE DO NOT FORM PART OF THE PROSPECTUS. 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 SECURED BONDS.

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

TABLE OF CONTENTS

1.	DEFINITIONS	5
2.	RISK FACTORS	7
2.1	Risks Relating to the Issuer	8
2.2	Sector-Specific Risks Common to the Group's Principal Operating Activities	8
2.3	Other Sector-Specific Risks Relating to Manufacturing, Products, and General Contracting Services	9
2.4	Other Sector-Specific Risks Relating to Property Development, Sales and Letting	10
2.5	Other Risks Relating to the Group and its Business	12
3.	DIRECTORS, SENIOR MANAGEMENT, ADVISORS AND AUDITORS	15
3.1	Directors	15
3.2	Senior Management	15
3.3	Advisors	16
3.4	Auditor of the Issuer	16
3.5	Security Trustee	16
4.	INFORMATION ABOUT THE ISSUER	16
4.1	Historical Development of the Issuer	16
4.2	Overview of the Issuer's Business and Principal Activities	16
4.3	History and Development of the Group	17
4.4	Group Organisational Structure	18
4.5	Group Operations	19
4.6	Major Property Assets of the Group	22
4.7	ESG and Sustainability Initiatives of the Group	23
5.	TREND INFORMATION AND FINANCIAL PERFORMANCE	24
5.1	Trend Information	24
5.2	Historical Financial Information	25
6.	ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES	28
6.1	Board of the Issuer	28
6.2	<i>Curriculum Vitae</i> of Directors	28
6.3	Management Structure	29
6.4	<i>Curriculum Vitae</i> of Members of Senior Management	29
6.5	Conflict of Interest	29
6.6	Board Practices	30
7.	MAJOR SHAREHOLDERS	31
8.	LEGAL AND ARBITRATION PROCEEDINGS	31
9.	SHARE CAPITAL OF THE ISSUER	31
10.	MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE ISSUER	32
11.	MATERIAL CONTRACTS	32
12.	PROPERTY VALUATION REPORT	32
13.	STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST	32
14.	DOCUMENTS AVAILABLE FOR INSPECTION AND INCORPORATED BY REFERENCE	32

1. DEFINITIONS

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

2014 Bonds or Exchangeable Bonds	the €30 million 5% secured bonds of a nominal value of €100 per bond, issued at par by the Issuer, pursuant to a prospectus dated 6 October 2014 and having ISIN: MT0000811209;
2014 Bond Issue	the issue of 2014 Bonds;
Bondholder	a holder of Secured Bonds whose name and other details are registered from time to time in the register of Bondholders maintained at the CSD;
Capital Markets Rules	the capital markets rules published by the MFSA in terms of the Financial Markets Act, as amended from time to time;
Code	the code of principles of good corporate governance, published by the MFSA;
Companies Act	the Companies Act, Cap. 386 of the laws of Malta;
Directors or Board	the directors of the Issuer whose names are set out in section 3.1 of this Registration Document under the heading entitled “ Directors, Senior Management, Advisors and Auditors ”;
E-Pantar Property	the commercial building measuring 5,256 square metres, situated on Pantar Road, Lija, Malta;
Early Redemption Date	any date falling between 26 July 2031 to 25 July 2034, at the sole option of the Issuer, on which the Issuer shall be entitled to redeem, all or part of the principal amount of the Bonds and all interests accrued up to the date of early redemption, by giving not less than 60 days’ notice to the Bondholders. The term “Early Redemption” shall be construed accordingly;
Euro or €	the lawful currency of the Republic of Malta;
Financial Markets Act	the Financial Markets Act, Cap. 345 of the laws of Malta;
Group	the Issuer and its direct or indirect Subsidiaries;
Hal Far Site	the land located in Hal Far, Malta, comprising a portion of land measuring 14,323 square metres and a second portion of land measuring 8,124 square metres as further detailed in section 4.6 of this Registration Document;
Hal Mann Lija Property	the property measuring <i>circa</i> 28,500 square metres, represented in the diagram set out in section 6.4.3.1 of the Securities Note, divided into: (i) developed land over which a number of commercial and industrial buildings have been developed; and (ii) land which is currently not developable and is used for industrial activities, located in the limits of Lija, Malta;
HMH	Hal Mann Holdings Ltd, a private limited liability company registered under the laws of Malta bearing company registration number C 2215 and having its registered office at Hal Mann Vellsix Offices 159, St Paul Street, Imgarr, Malta;
HMI	Hal Mann International Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 21050 and having its registered office at Hal Mann, The Factory, Mosta Road, Lija, Malta;
HMK	HMK Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 95411 and having its registered office at The Factory, Mosta Road, Lija, Malta;
HMK International	HMK International Ltd, a private limited liability company registered under the laws of Malta bearing company registration number C 46978 and having its registered office at The Factory, Mosta Road, Lija, Malta;
HML	Hal Mann (Letting) Ltd, a private limited liability company registered under the laws of Malta bearing company registration number C 53109 and having its registered office at Hal Mann, The Factory, Mosta Road, Lija, Malta;
HM Properties	Hal Mann Properties Ltd, a private limited liability company registered under the laws of Malta bearing company registration number C 39013 and having its registered office at Hal Mann Properties Ltd., Mosta Road, Lija, Malta;
HMS	Halmann Solar Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 61110 and having its registered office at The Factory, Mosta Road, Lija, Malta;
HMV	Hal Mann Vella Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 28088 and having its registered office at Hal Mann Vella Limited Mosta Road, Lija, Malta;
HMVH	Halmann Velsud Holdings Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 103794 and having its registered office at The Factory, Mosta Road, Lija, Malta;

Huli Aparthotel	the Huli Aparthotel, located in St. Paul's Bay, Malta, comprising a block of 26 units (17 studio apartments and nine one-bedroomed apartments), spread over five floors, a restaurant, pool, and deck area, built over a site measuring <i>circa</i> 425 square metres;
Hypothecated Property	collectively, Site A, Site B, and the Imgarr Land;
Imgarr Land	the undeveloped site of <i>circa</i> 855 square metres located at Triq Sir Harry Luke, Triq Il-Ghansar c/w Triq Id-Daghbien, Imgarr, Malta;
INDIS Malta Ltd	INDIS Malta Ltd., previously "Malta Industrial Parks Limited", a private limited liability company registered under the laws of Malta bearing company registration number C 28965 and having its registered office at 88, Msida Valley Road, Birkirkara, Malta;
Issuer	Hal Mann Vella Group p.l.c., a public limited liability company registered under the laws of Malta bearing company registration number C 5067 and having its registered office at The Factory, Mosta Road, Lija, Malta;
Klikk Finance	Klikk Finance p.l.c., a public limited liability company registered under the laws of Malta bearing company registration number C 52833 and having its registered office at Hal Mann, The Factory, Mosta Road, Lija, Malta;
Lija Factory	the factory of <i>circa</i> 8,850 square metres, forming part of Site B within the Hal Mann Lija Property;
Malta Financial Services Authority or MFSA	the Malta Financial Services Authority, established in terms of the Financial Markets Act as the competent authority to approve prospectuses of any offer of securities to the public in Malta;
Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act, bearing company registration number C 42525, and having its registered office at Garrison Chapel, Castille Place, Valletta, Malta;
Mavina Holiday Complex	the Mavina Holiday Complex located in Qawra, St. Paul's Bay, Malta, comprising five blocks of 66 rooms, including an outdoor swimming pool, café, and a small restaurant built over a plot of land measuring <i>circa</i> 1,550 square metres;
MHC	Mavina Holiday Complex Ltd, a private limited liability company registered under the laws of Malta bearing company registration number C 1728 and having its registered office at The Factory, Mosta Road, Lija, Malta;
NAVI Building	the commercial building measuring <i>circa</i> 1,200 square metres, referred to as the "NAVI Building", situated on Pantar Road, Lija, Malta;
ODA Lija Site	the undeveloped site of <i>circa</i> 8,450 square metres, forming part of Site B within the Hal Mann Lija Property;
Official List	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;
Prospectus	collectively, this Registration Document, the Securities Note and the Summary;
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC;
Redemption Date	26 July 2034 or the Early Redemption Date;
Registration Document	this document in its entirety;
Secured Bonds	the €23,000,000 secured bonds of a nominal value of €100 per bond payable in full upon subscription, redeemable at the Redemption Value on the Redemption Date, and bearing interest at a rate of 5.35% per annum, as described in further detail in the Securities Note;
Securities Note	the securities note issued by the Issuer dated 28 June 2024, forming part of the Prospectus;
Security Trustee	FJV Fiduciary Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 23197 and having its registered office at FJVA Business Centre 1, Industry Street, Zone 5, Central Business District, Qormi, Malta, authorised to act as trustee in terms of the Trust and Trustees Act, Cap. 331 of the laws of Malta;
Site A	developed site of <i>circa</i> 1,000 square metres, forming part of the Hal Mann Lija Property;
Site B	the site of <i>circa</i> 17,300 square metres, which includes the Lija Factory and the ODA Lija Site, located in the limits of Lija, forming part of the Hal Mann Lija Property;
Site D	the site of <i>circa</i> 1,250 square metres, located in the limits of Lija, forming part of the Hal Mann Lija Property;

Sponsor	M.Z. Investment Services Limited, a private limited liability company registered under the laws of Malta, bearing company registration number C 23936, and having its registered office at 63, M.Z. House, St. Rita Street, Rabat RBT 1523, Malta, licensed by the MFSA and a member of the MSE;
Subsidiary	means an entity over which the Issuer has control. In terms of the International Financial Reporting Standards adopted by the European Union, a group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The term “ Subsidiaries ” shall collectively refer to such entities;
Sudvel	Sudvel Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 35806 and having its registered office at Hal Mann Vella, The Factory, Mosta Road, Lija, Malta;
Summary	the summary issued by the Issuer dated 28 June 2024, forming part of the Prospectus;
Trust Deed	the trust deed entered into by and between the Issuer and the Security Trustee dated 28 June 2024;
Valuation Report	the property valuation report on the Hypothecated Property dated 18 June 2024 incorporated by reference in the Prospectus; and
Zokrija Limited	Zokrija Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 77908 and having its registered office at Hal Mann Vella Group, The Factory, Mosta Road, Lija, Malta.

Unless it appears otherwise from the context:

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

2. RISK FACTORS

BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE SECURITIES ISSUED BY THE ISSUER, 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 THE PROSPECTUS. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

THE RISK FACTORS BELOW HAVE BEEN CATEGORISED UNDER CERTAIN CATEGORIES, ACCORDING TO SUBJECT-MATTER. THE RISK FACTOR FIRST APPEARING UNDER EACH CATEGORY CONSTITUTES THAT RISK FACTOR WHICH THE DIRECTORS HAVE ASSESSED TO BE THE MOST MATERIAL RISK FACTOR UNDER SUCH CATEGORY AS AT THE DATE OF THIS REGISTRATION DOCUMENT. IN MAKING THIS ASSESSMENT OF MATERIALITY, THE DIRECTORS HAVE EVALUATED THE COMBINATION OF: (I) THE PROBABILITY THAT THE RISK FACTOR OCCURS; AND (II) THE EXPECTED MAGNITUDE OF THE ADVERSE EFFECT ON THE FINANCIAL CONDITION AND PERFORMANCE OF THE ISSUER OR THE GROUP, IF THE RISK FACTOR WERE TO MATERIALISE.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER’S AND, OR THE GROUP’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. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE ISSUER AS AT THE DATE OF THE PROSPECTUS, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER AND, OR THE GROUP FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER’S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL RESULTS, FINANCIAL CONDITION, OPERATIONAL PERFORMANCE, BUSINESS AND, OR TRADING PROSPECTS OF THE ISSUER AND, OR THE GROUP.

THE PROSPECTUS, 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 DIRECTORS, THE SPONSOR, MANAGER AND REGISTRAR OR ANY OF THE AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THE PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION

THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE ISSUER (PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT); AND

(III) CONTAIN STATEMENTS THAT ARE, OR MAY BE DEEMED TO BE, "FORWARD LOOKING STATEMENTS".

Forward-looking Statements

The Prospectus and the documents incorporated therein by reference or annexed thereto, contain forward-looking statements that include, among others, statements concerning the Issuer's and, or, the Group's strategies and plans relating to the attainment of their respective objectives, capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts and which may involve predictions of future circumstances. Investors can generally identify forward-looking statements by the use of terminology such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", or similar phrases. These forward-looking statements are inherently subject to a number of risks, uncertainties, and assumptions. Important factors that could cause actual results to differ materially from the expectations of the Issuer and, or the Group include those risks identified under the heading "Risk Factors" and elsewhere in the Prospectus.

Accordingly, the Issuer cautions prospective investors that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied by such statements, that such statements do not bind the Issuer with respect to future results and no assurance is given that the projected future results or expectations covered by such forward-looking statements will be achieved.

2.1 Risks Relating to the Issuer

2.1.1 Risks associated with the dependence of the Issuer on its Subsidiaries

As further described in section 4.2 of this Registration Document, the principal activity of the Issuer is to hold assets (primarily shares in its Subsidiaries and immovable property) and to act as the financing arm of the Group. As a finance and holding company, a material portion of the Issuer's assets consist of loans granted to its Subsidiaries and shares held in its Subsidiaries, with one of the main revenue-generating activities of the Issuer being the receipt of interest income on funds advanced to its Subsidiaries. In addition, the Issuer has, historically but not consistently, been in receipt of dividend income. Although the Issuer also holds certain immovable property directly and derives rental income therefrom, the majority of its income is dependent on the operational results, the financial position, and the financial performance of its Subsidiaries. Consequently, the financial and operational results of its Subsidiaries have a direct effect on the Issuer's financial position.

The ability of a Subsidiary of the Issuer to effect payments of principal and interest to the Issuer in the repayment of a loan, and the distribution of dividends by a Subsidiary of the Issuer, in favour of the Issuer, is dependent on the cash flows and earnings of the relative Subsidiary, which may be restricted by: (i) changes in applicable laws and regulations; (ii) the terms of agreements to which they are, or may become, party, including agreements governing their existing indebtedness, if any; (iii) risks of delays in completion of development projects; (iv) slowdowns in the tempo of property rentals, and, or property or product sales; and, or (v) other factors beyond the control of the relative Subsidiary.

The distribution of a dividend to the Issuer will also depend on, amongst other factors, the profit for the year, the view of the board of directors of the respective Subsidiary on the prevailing market outlook and future investments, any debt servicing requirements, the cash flows of the relative Subsidiary, working capital requirements, and the requirements of the Companies Act. In terms of Maltese law, a company may not make a distribution except out of profits available for distribution or if the directors of the respective company conclude that it would not be in the company's best interests. Any of the foregoing could limit the payment of dividends to the Issuer or, if the Subsidiary does pay a dividend to the Issuer, the amount thereof and which could, in turn, limit the Issuer's ability to make interest payments to Bondholders.

2.2 Sector-Specific Risks Common to the Group's Principal Operating Activities

The Group is principally engaged in the following two operating activities (the "**Principal Operating Activities**"):

- (a) *Manufacturing, products, and general contracting services:* This generally involves the manufacture, importation and supply of various natural and composite stones and other construction related materials as well as services related to design, installation and maintenance and other sub-contracted work; and
- (b) *Property development, sales and letting:* This generally comprises the acquisition and development of real estate as well as the leasing of office space and residential properties to third-parties.

The following risks are common to both of the Principal Operating Activities referred to above and therefore may, directly or indirectly, adversely impact the entirety of the Group's revenue generating activities.

2.2.1 Risks relating to the local property market

The Group's Principal Operating Activities are inherently linked to construction and real estate in Malta. These sectors rely intrinsically on the state of the local property market which is a highly competitive industry and may be impacted 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 Group is exposed, could negatively impact its financial performance.

2.2.2 Risks relating to health and safety

One of the most significant risks the Group is exposed to is related to the health and safety of employees and third-parties, including the risk of serious injury or even fatality.

This risk is materially relevant to the Group's Principal Operating Activities as it is of fundamental importance in manufacturing and contracting as well as in property construction, development, and maintenance. In carrying out its Principal Operating Activities, the Group is required to adopt, maintain, and constantly review and update rigorous health and safety policies and practices. Any failure in health and safety performance may result in penalties for non-compliance with the relevant regulatory requirements, and a failure which results in a major or significant health and safety incident, such as injury to, or fatality of, members of the factory or construction workforce, as well as visitors or bystanders, may be costly in terms of potential liabilities arising as a result, as well as the generation of adverse publicity having a negative impact on the Group's reputation. There can be no assurance that the Group's health and safety policies and practices will prove effective in ensuring the health and safety in its factories, offices and on its property development sites, which may expose the Group to liability for damages, as well as to the risk of adverse publicity. These risks may adversely impact the Group's financial condition, results of its operations and its prospects.

2.2.3 The Group may be exposed to environmental liabilities

The Group may become liable for the costs of removal, investigation, or remediation of any hazardous or toxic substances that may be located on, or in, or which may have migrated from, a property owned or occupied by it, which costs may be substantial. The Group may also be required to remove or remediate any hazardous substances that it causes or knowingly permits at any property that it owns or may in future own. Laws and regulations, which may be amended over time, may also impose liability for the presence of certain materials or substances or the release of certain materials or substances into the air, land or water or the migration of certain materials or substances from a property investment, including asbestos, and such presence, release or migration could form the basis for liability to third parties for personal injury or other damages. These environmental liabilities, if realised, could have a material adverse effect on the Group's business, financial condition and results of operations.

In addition, further to the increasing strictness of various environmental regulations, the Group may also be forced to incur significant costs to ensure its buildings and projects, both new and existing, meet the minimum standards required or imposed on it by applicable regulations. Abiding with such regulations may increase the Group's expenses for various projects and there is no guarantee that the Group will be able to impose a corresponding increase in its own fees with its clients, and as a result, this could have a negative impact on the Group's business, results of operations and, or cash flows.

2.3 Other Sector-Specific Risks Relating to Manufacturing, Products, and General Contracting Services

The Group generates approximately 75% of its revenues from manufacturing operations and general contracting services and therefore the Issuer considers the following risks to be material to Group's overall ability to maintain and continue to generate revenues going forward.

2.3.1 Risks relating to competition and the award and execution of projects

The generation of revenue from the execution of projects depends heavily on the Group's competitiveness in the market and its ability to bid for and ultimately be awarded the execution of such projects. There can be no guarantee that future projects will be awarded to the Group and the failure to bid for and ultimately be awarded the execution of such projects may have a material and adverse effect on the Group's financial condition and operations.

Furthermore, for certain third-party projects, the Group relies on strategic relationships with other entities, such as contractors and sub-contractors, joint venture arrangements, suppliers, and business partners. Such business alliances are set up to enhance the likelihood that contracts are adjudicated in favour of the purposely formed consortium, thereby benefiting the Group indirectly. Any failure by the Group and, or the Group's business partners to bid for and ultimately be awarded such projects may adversely impact the Group's financial condition. It is also possible that disputes with such partners may arise or that the interests of the Group and its joint venture partners may not be aligned. There can be no guarantee that such issues will not have adverse consequences for the Group. Furthermore, failure to maintain these relationships may have a material and adverse effect on the Group's financial condition and operations.

2.3.2 Supplier failure and increase in supply costs

The Group is reliant on its supply chain, in particular, in relation to the supply of high-performance cements, marble and granite aggregates, and natural stones. The failure of one or more suppliers to deliver high quality materials on a timely basis could damage the reputation of the Group in its market, increase the cost of manufacturing, products, and general contracting services, thereby causing the Group to delay delivery requirements on contractual commitments with customers. Such supplier failure and additional costs could have a material adverse effect on the Group's business and results of operations.

2.3.3 Risks relating to the supply of finished products

The Group is associated with high product quality, which is an important reason why customers buy products from the Group. In certain projects, the Group undertakes to source third-party finished products directly. Although the Group requires its suppliers to satisfy certain standards regarding the quality and specification of their products, there is a risk that on delivery such supplies are of a lower quality standard. In the event of a product, whether of a third-party supplier or of the Group, being defective or inferior, there is a risk that relationships with customers could be affected. The inadvertent supply of defective or inferior products by the Group to their customers could have a material adverse effect on the Group's business, results of operations and overall financial position.

2.3.4 Risks relating to the temporary title over the Hal Far Site

The Group's manufacturing activities are currently carried out from two locations in Malta, one in Lija/Mosta and a second in Hal Far. The Hal Far Site (which comprises two separate portions of land) is held by HMI by way of: (i) temporary emphyteusis granted unto HMI by INDIS Malta Ltd for a period of 65 years, effective as from 20 August 2015; and (ii) temporary emphyteusis granted unto HMI by INDIS Malta Ltd for a period of 35 years, effective as from 15 April 2021, with an option to extend by a further 30 years.

The two emphyteutical grants are subject to a number of onerous terms and conditions, including terms relating to minimum employment commitments, minimum investment in machinery, permitted use, payment of annual ground-rent, maintenance of adequate insurance cover, development permits, and maintenance and repairs, among others. Failure to abide with the terms and conditions to which the emphyteutical grants are subject may have an adverse material effect on the operations of the Group, including as a result of the imposition of contractual penalties or the enforcement of an event of default under the said emphyteutical deeds, the occurrence of which may entitle INDIS Malta Ltd to terminate the respective emphyteutical grant.

The inability of the Group to carry out its operations at the Hal Far Site at any time due to failure to adhere with the terms and conditions of the emphyteutical grants could have a material adverse effect on the results of the operations of the Group and its financial performance and financial condition.

2.3.5 Risks relating to a disruption in the manufacturing cycle

If any of the Group's machinery or wider manufacturing facilities are critically damaged or impaired this could severely reduce or suspend the Group's production capacity for an extended time period. Moreover, the inability to fully and efficiently utilise the Group's facilities could result in increased costs or significant delays and could also result in breaches of customer agreements and have an impact on the Group's products and reputation.

The production of the Group's products is an industrial process that requires specialised equipment, and which may be subject to breakdowns and other problems. Any disruption in production equipment and capacity could have a material adverse effect on the Group's business, financial condition and operating results.

2.3.6 Risks relating to the investment in machinery for new and improved products

The Group has initiated an expansion programme aimed at growing the Group's manufacturing business. The expansion will require an investment of close to €7 million and will include the upgrading of existing facilities and the introduction of a new range of products in natural stone and terrazzo. It will also cover the development of new facilities for the production of niche concrete products and will support the production of terrazzo and reconstituted stone building products which can be used as an alternative to traditional natural limestone solid blocks and concrete hollow blocks. The Group is subject to the risk that such investment will not reap the returns expected by management. To the extent that these new and, or improved products are not successful once produced and offered for sale to consumers, the investment made by the Group may be, to varying extents, lost and any resultant financial losses may adversely impact the overall financial results of the Group.

2.4 Other Sector-Specific Risks Relating to Property Development, Sales and Letting

2.4.1 Risks relating to general construction services and property development

The majority of the Group's revenue is generated from the rendering of general construction services and property development. The Group's construction and development projects are subject to a number of specific risks, which include:

- the risk of insufficiency or lack of availability of resources to complete development projects in the manner, at the cost, or within the timeframe envisaged;
- the risk of cost overruns and unexpected increases in project execution costs;
- the risk of rental or sales transactions not being concluded at the prices and within the timeframes envisaged, which may lead to difficulty in obtaining payment from third parties as well as risks of ultimate unfeasibility of development projects;
- 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, together with legal complexities and uncertainties regarding the rights of the Group to obtain legal title over certain properties, and inconsistencies and inaccuracies in the land registrations system;
- covenants, conditions, restrictions and easements relating to the properties or their use, whether arising out of law or by way of contractual arrangement;
- laws, rules and regulations, including in relation to acquisition, development, construction, planning, zoning, environmental protection, health and safety, financing, taxation, fiscal policies, insurance and trade restrictions which may impact the development sector;
- although the local property development market has experienced high levels of activity in recent years, there can be no assurance that similar levels of growth or activity will be maintained, particularly in light of increased scrutiny and regulatory intervention; and, or
- high levels of activity in the sector may place a strain on the availability of human and other capital resources required to undertake and complete the development projects that the Group is committed to, or may wish to undertake, from time to time.

The occurrence of any of the risks described above could have a material adverse effect on the Group's business, financial condition and results of operations, including by increasing the projected costs and times for completion of ongoing development projects.

2.4.2 Risks associated with rental income of the Issuer's and the Group's property portfolios

The Issuer and its Subsidiaries are susceptible to risks relating to the rental market. The health of the residential and commercial rental market may be affected by a number of factors such as economic and 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 and, or a reduction in demand for, commercial space could impact negatively upon capital values and income streams of the Issuer and its Subsidiaries. In particular, the demand for commercial real estate has been critically affected by changing trends following the global COVID-19 pandemic. Such changing trends have resulted in a larger portion of the workforce choosing to work from home and businesses, as a result, requiring less office space. Should such trends continue, worsen, or be aggravated by additional factors which negatively impact the demand for commercial real estate, this could have a material impact on the ability of the Group to source tenants for its commercial properties and which in turn, could have a material adverse impact on the Group's ability to generate rental income.

In addition, the Group could also be exposed to factors which could materially increase operating and other expenses in the carrying out of its rental activities. These could include, but are not limited to:

- increases in the costs of maintaining the property;
- material increases in operating costs that may not be fully recoverable from tenants; and
- 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.

In addition, the revenue generated from the Group's property rental activities is dependent in the main part on tenants fulfilling their obligations under their lease agreements. There can be no assurance that the tenants will be in a position, at all times, to perform their obligations, whether due to insolvency, lack of liquidity, market or economic downturns, operational failure or other reasons which are beyond the Group's control, which failure may have a material adverse effect on the financial condition of the Group, the results of its operations and its prospects.

Current commercial leases with third-parties are susceptible to risks inherent to the industries in which such third-parties operate as well as the risks specific to their businesses.

The Group derives material portions of its rental income from a relatively small number of large lease agreements. The Group is susceptible to the risk that tenants (particularly tenants of such large leases) may attempt to terminate, or elect not to renew, their respective lease agreements. Failure to maintain a good relationship with existing tenants, or to renew lease agreements, or enter into new lease agreements, on similar or more favourable terms, could have a material adverse effect on the Group's business, the results of its operations, prospects, financial position, and performance.

Market valuations of the Group's property are performed by independent professional architects every two years or earlier whenever their fair values differ materially from their carrying amounts. In the year when a market valuation is not performed, an assessment of the fair value is performed to reflect market conditions at the year-end date. The results of such valuations or assessment may impact the Group's financial results.

2.4.3 Risks relating to title over immovable property

The Issuer's and its Subsidiaries' property acquisitions and 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. Although the Group is not currently subject to any such claims, should any future claims be lodged and prove successful, they could have a material adverse effect on the Group's business and operations.

2.4.4 Liquidity risk in the real estate market

Properties such as those in which the Group has invested, and may in the future invest in, are illiquid assets, and planning regulations may further reduce the number and types of potential purchasers should the Group decide to sell certain properties. Such illiquidity could have a material adverse effect on the Group's ability to vary its portfolio of properties or to dispose of or liquidate the same, whether in full or in part, in a timely fashion and on commercially acceptable terms. In turn, this illiquidity could have a material adverse effect on the Group's financial condition, the results of operations and its prospects. The Group may be unable to divest of its property investments on favourable terms and conditions, including but not limited to price, which may result in the inability of the Group to achieve its desired return on investments.

2.4.5 Risks associated with ability to obtain necessary planning and development permits and maintaining ongoing compliance therewith

Securing planning approvals by the competent planning and environment authorities in a timely manner is of key importance to the Group's property development activities. There can be no certainty that any given planning application will result in planning approvals being granted, or that if granted, such will not be on unduly onerous or restrictive terms,

which, may materially and adversely affect the Group's business. Additionally, time delays to the expected timescale for the granting of planning approval may result in a reduction in the number of units that are available for sale or rent within a proposed timeframe.

Opposition to the Group's proposed developments, and, or appeals lodged against the Group's applications for planning and development permits may also cause, or oblige, the Group to adjust development plans on any pending or future projects, which adjustments may result in a combination of increased development costs and, or reduced revenues estimated to be generated from its development projects. In other instances, such adjustments may be so extensive as to render the development project unfeasible, as a result of which the Group may have to abandon its development project altogether, in which case it may be unable to recover any or all of the development costs, charges and other expenses incurred by prior to such abandonment.

If any delays or refusals in obtaining the necessary planning permissions (including the issuance of full development permits) were to materialise, this could have a material adverse effect on the business, financial condition and profitability of the Group. Where long-term development projects are still at an outline development permit stage, the Group may also be susceptible to the imposition of conditions in the full development permit relating to the internal layout and configuration of the property under development, which conditions may adversely affect the revenue generating capacity of the property in question.

Furthermore, local and national planning policies are subject to change, which could consequently impact the Group's development strategy. Moreover, the Group is susceptible to the risks relating to its ability to continue to adhere with all terms and conditions of its permits, licences and any authorisations, at all times, the inability of which may expose the Group to the imposition of penalties, sanctions or other punitive measures, as well as the risk of temporary suspension or permanent closure of its establishments and the revocation of such permits, licences and, or other authorisations.

2.4.6 Risks arising from reliance on third-party contractors and sub-contractors

For the completion of property development projects that it may engage in from time-to-time, the Group would place a degree of reliance on counterparties such as contractors and sub-contractors engaged in the demolition, excavation, construction, and, or finishing of developments. Such counterparties (which may include both third- parties as well as related parties) may default on their obligations to the Group due to, among other reasons, their insolvency, lack of liquidity, lack of reliability, lack of performance, sub-standard work, market or economic downturns, operational failure or other reasons which are beyond the Group's control. Such default could have a material adverse impact on any development projects of the Group, including the ability of the Group to complete projects within stipulated deadlines or specifications, failure of which may result in the imposition of contractual or regulatory fines or penalties, loss of revenue and reduced profitability of the Group. In addition, the Group's ability to source third-party contractors or sub-contractors having the sector-specific expertise or resources necessary to bid for, undertake and successfully complete development projects could have an adverse effect on the Group's competitive positioning in the property development market.

2.4.7 Risks associated with restoration projects and works

With particular reference to the Group's property restoration projects, the restoration and preservation of unique buildings, museums, and other historical structures entails having specifically talented and trained employees to carry out projects of this nature, which employees may not be available for recruitment at the time, or in the volumes, and at the cost, envisaged by the Group. In addition, the Group may be exposed to claims for liability for damage to historical structures, the imposition of fines or other penalties for such damage, or the continued eligibility of the Group to participate in competitive tenders for restorations works.

2.5 Other Risks Relating to the Group and its Business

2.5.1 Dependence on the Maltese market and exposure to economic conditions

The Group's business activities are concentrated in, and aimed at, the Maltese market. Accordingly, the 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 Group. In particular, 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.

2.5.2 Risks relating to the global economy and financial markets

The operations of the Group are affected by conditions in the global economy and financial markets. Over the past months, inflation rates have risen in the European Union ("EU") and in most countries over the world due to a number of factors, including but not limited to, the Russian invasion of Ukraine, leading to higher energy and commodity prices. Inflation pressures may, in turn, result in periods of significant volatility in the financial markets and may increase the risks of recession. Changes in overall economic conditions, inflation, interest rates, consumer and business spending, recession, and other factors which are beyond the Group's control, such as adverse impacts arising from tensions between Israel and Palestine or another public health crisis such as the COVID-19 pandemic, may have an adverse effect on the Group's business and financial performance.

2.5.3 Risks relating to the Group's financing and investment strategies

The Group may not be able to obtain the capital it requires for the continued operation of its business and investments. No assurance can be given that sufficient financing will be available on commercially reasonable terms. In addition, the Group may be exposed to a variety of financial risks associated with the unpredictability inherent in financial markets, including market risk (such as the risk associated with fluctuations in fair values of investments), credit risk (the risk of loss by the Issuer due to its debtors not respecting their commitments), foreign exchange rate risk, and interest rate risk (such as the risk of potential changes in the value of financial assets and liabilities in response to changes in the level of market interest rates and their impact on cash flows). Any downturn or weakness in the capital markets or banking environment may limit the Group's ability to raise capital for completion of projects that have commenced or for development of future properties. Failure to obtain, or delays in obtaining, the capital required to complete current or future development and improvement projects on commercially reasonable terms, including increases in borrowing costs or decreases in loan availability, may limit the Group's growth, and adversely affect its business, financial condition, results of operations and prospects.

2.5.4 The Group's indebtedness could adversely affect its financial position

The Group may, from time-to-time, incur additional debt for the purpose of refinancing indebtedness as well as to fund future growth in terms of acquisitions and developments. Borrowings under any bank credit facilities may be at variable interest rates, which would render the Group vulnerable to increases in interest rates. Agreements regulating the Group's bank debt may impose significant operating restrictions and financial covenants on the Group. These restrictions and covenants could limit the Group's ability to obtain future financing, incur capital expenditure, withstand a future downturn in business or economic conditions generally, or otherwise inhibit the Group's ability to freely conduct the necessary corporate activities. In the event that the Group's generated cash flows were to be required to make principal and interest payments on any further prospective debt, this could give rise to a reduction in the amount of cash available for distribution by the Group, which would otherwise be available for funding of the Group's working capital, capital expenditure, development costs, and other general corporate costs, or for the distribution of dividends. The Issuer may in certain cases also be required to provide guarantees for debts contracted by its Subsidiaries. Defaults under financing agreements could lead to the enforcement of security over property owned by the Group, where applicable, and, or cross-defaults under other financing agreements.

2.5.5 The Group's insurance policies

Historically, 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 industry sectors in which the Group operates. With respect to losses for which the Group is covered by its policies, it may be difficult and may take time to recover such losses from insurers. 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, licencing 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. Furthermore, the insurance policies may be pledged or otherwise granted as security in favour of third-party financiers or other third-parties, and the Group may not be able to recover amounts thereunder where such security subsists.

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 (including but not limited to governmental departments or authorities, planning authorities, health and safety authorities, environmental authorities, among others) may impact the ability to recoup losses under the applicable insurance coverage.

2.5.6 Risk of loss of key personnel or the inability to attract and retain talent

The Group's success is heavily dependent upon its ability to attract, develop and retain key personnel to manage and grow the business, including key executive, management, sales, services, and other specialized staff. The Group's inability to attract, develop and retain key personnel could have an adverse effect on the expansion of the Group's business.

2.5.7 The risk of exposure to claims and litigation is inherent in the Group's operations

Since the Group operates in a variety of industries which involve the continuous provision of goods and services to customers and such operation necessarily requires continuous interaction with customers, suppliers, employees, authorities, and other stakeholders, the Group is exposed to the risk of litigation from such stakeholders. Adverse publicity from such allegations may adversely affect the turnover generated by the Group regardless of whether such allegations are true or whether the Group is ultimately held liable.

All litigation is expensive, time consuming and may divert management's attention away from the operation of the business of the Group. In addition, the Group 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 Group, the latter could also be affected due to the adverse publicity brought against, and concerns raised in respect of the industry in general.

As at the date hereof, the Group is not involved in any governmental, legal or arbitration proceedings, which may have a significant effect on the Group's financial condition or operational performance, however 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 reputation even though the monetary consequences may not be significant.

2.5.8 Risks relating to the complex and constantly evolving regulatory environment in which the Group operates

The Group operates in a complex regulatory environment, as a result of which it is subject to a vast array of rules and regulations, including but not limited to those relating and applicable to environmental and energy performance of buildings, property acquisition, property development, construction, health and safety, anti-money laundering and counter-terrorist financing, and ongoing disclosure and reporting obligations, among others. Moreover, the regulatory environment in which the Group operates is constantly evolving, with the introduction of new rules and regulations, or the amendment or overhaul of existing ones. Furthermore, the Group's business and activities may be subject to a variety of terms and conditions under the relevant permits, licences, or other authorisations, technical specifications, drawings, standards, and other conditions relating to its manufacturing activities and its real estate activities which terms and conditions may vary on a project-by-project basis, and may depend on the nature, scale and complexity of the project in question. In addition, the Group is susceptible to changes in the application and, or interpretation of such rules and regulations, permits, licences or other authorisations whether as a result of judicial interpretation or due to decisions, orders, directives, and, or guidelines issued by the competent authorities.

The inability of the Group to meet its ongoing regulatory and legal requirements, whether in whole or in part, or the inability of the Group to equip itself to comply with forthcoming legislation or regulation in a timely and suitable manner, may expose it to the risk of regulatory sanctioning, including but not limited to, the imposition of public reprimands, administrative penalties, temporary suspension of activities, or even revocation of licences, permits, or other authorisations, whether in whole or in part. In addition, lack of compliance with legal and regulatory requirements may negatively affect the reputation and goodwill of the Group and may result in a loss of existing or potential business, and, or a weakened competitive advantage. If any of these risks were to materialise, they could have a material adverse effect on the operational results, financial performance, and financial position of the Group.

2.5.9 Risks relating to the failure to implement environmental, social and governance considerations

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. As environmental, social and governance ("ESG") considerations gain greater prominence on the national and global agenda, the Group continues to embed strategic ESG goals across all of its business sectors with a view to contributing to a more sustainable economy.

The business activities of the Group may have a significant impact on environmental factors, including but not limited to, waste management, energy efficiency, air and water pollution, and on social factors, including but not limited to, employment considerations of workers and the health and safety thereof. In particular, the Group recognizes its exposure to environmental risks in its service delivery. In particular, a shortage in supply of raw materials and construction materials could have a material adverse effect on the business operations of the Group. The failure by the Group to continue to implement sustainability practices into its business operations may result in the Group's reputation and public image, as well as its relationship with clients, suppliers, business partners and other stakeholders, being negatively affected. This in turn, may have a material adverse impact on the business activities, revenues, financial condition, and operations of the Group, and as a result could negatively affect the Issuer's financial condition and, or prospects.

Moreover, the Group will, in the near future, become subject to certain sustainability reporting obligations of Directive (EU) 2022/2464 of the European Parliament and of the Council as regards corporate sustainability reporting of 14 December 2022 (the "CSRD"), and accordingly, the failure by the Group to transition to more sustainable practices in preparation for its upcoming sustainability reporting obligations may expose the Group to regulatory fines and penalties. This in turn, may have a material adverse impact on the business activities, revenues, financial condition, and operations of the Group, and as a result could negatively affect the Issuer's financial condition and, or prospects.

2.5.10 Risks connected with the collection, processing and storage of personal data

Whenever personal data is collected, processed and stored by the Group, the activity conducted is subject to the rules governing the processing of personal data in terms of the Data Protection Act (Cap. 586 of the laws of Malta) and the subsidiary legislation issued thereunder (the "DPA") as well as Regulation (EU) No. 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "GDPR").

The Group is subject to a number of obligations concerning the processing of personal data, including but not limited to ensuring that: (i) personal data is processed fairly, lawfully and in a transparent manner; (ii) personal data is always processed in accordance with good practice; (iii) personal data is only collected for specific, explicitly stated and legitimate purposes and not further processed in a manner that is incompatible with those purposes; (iv) all reasonable measures are taken to complete, correct, restrict, block or erase personal data to the extent that such data is incomplete or incorrect, having regard to the purposes for which they are processed; (v) personal data collected is adequate, limited and relevant to what is necessary in relation to the purposes for which they are processed (vi) personal data is not kept for a period longer than is necessary; and (vii) personal data is processed in manner that ensures appropriate security of the personal data. Additionally, prior to processing personal data, the Group must ensure that the personal data undergoing processing is justified under at least one of the lawful bases stipulated within the GDPR. Where consent is deemed to be the appropriate legal basis, the Group must ensure that the person to whom the personal data relates has unambiguously, freely, specifically, and informatively given his consent for such processing.

The Group has adapted its internal procedures to comply with the DPA and the GDPR. However, the Group remains exposed to the risk that personal data collected could be damaged or lost, disclosed, or otherwise unlawfully processed for purposes other than as permitted in the DPA and the GDPR. The possible damage, loss, unauthorised processing, or disclosure of personal data could have a negative impact on the activity of the Group, in reputational terms too, and could lead to the imposition of fines. In addition, any changes to the applicable laws and, or regulations, even at an EU level, could have a negative impact on the Group's activities, including the need to incur costs for adapting to the new regulations.

3. DIRECTORS, SENIOR MANAGEMENT, ADVISORS AND AUDITORS

3.1 Directors

As at the date of this Registration Document, the Board is constituted as follows:

Name	Designation
Martin Vella ID Card: 525264(M)	Chairman and Executive Director
Joseph Vella ID Card: 468258(M)	Executive Director
Mark Vella ID Card: 296963(M)	Executive Director
Arthur Galea Salomone ID Card: 299662(M)	Independent Non-Executive Director
Miriam Schembri ID Card: 790260(M)	Non-Executive Director
Mario P. Galea ID Card: 522554(M)	Independent Non-Executive Director

The business address of the Directors is The Factory, Mosta Road, Lija, Malta.

The *curriculum vitae* of each Director is set out in section 6.2 below.

Dr Louis de Gabriele is the company secretary of the Issuer. His business address is Level 3, Valletta Buildings, South Street, Valletta, Malta.

This Registration Document includes information given in compliance with the Capital Markets Rules and the Prospectus Regulation for the purpose of giving information on the Issuer. All of the Directors, whose names appear under this section 3.1 of this Registration Document, accept responsibility for the information contained herein.

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 Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

The persons listed under section 3.3 entitled "**Advisors**" have advised and assisted the Directors in the drafting and compilation of the Prospectus, but they do not make any representation or statement unless otherwise expressly stated in the Prospectus, and each of them disclaims any responsibility for any representations and other statements made in the Prospectus.

3.2 Senior Management

The Issuer is managed directly by its Board. As further detailed in section 6.3 of this Registration Document, the Group also employs a number of individuals which form part of the Group's senior management team. The Group adopts a centralised management structure whereby it can deploy senior management personnel to perform duties in different parts of the Group depending on the requirements of each Subsidiary - those services are then recharged to the Subsidiary where they are from time to time deployed.

In addition to the senior management team detailed in section 6.3 of this Registration Document, the Issuer employs management personnel and, or other employees devoted to the operations undertaken by a respective Group company.

3.3 Advisors

Legal Counsel to the Issuer

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

Reporting Accountants in terms of the MFSA Listing Policies

Name: KPMG Malta
Address: Portico Building, Marina Street, Pieta, Malta

Sponsor

Name: M.Z. Investment Services Limited
Address: 63, MZ House, St. Rita Street, Rabat, Malta

Manager & Registrar

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

3.4 Auditor of the Issuer

As at the date of this Registration Document, the auditors of the Issuer are HLB CA Falzon, certified public accountants and auditors holding a warrant to practice the profession of auditor in terms of the Accountancy Profession Act, Cap. 281 of the laws of Malta. The Accountancy Board registration number of HLB CA Falzon is AB/26/84/106. The financial information relating to the Issuer for the financial years ended 31 December 2021, 2022, and 2023 was audited by HLB CA Falzon.

Name: HLB CA Falzon
Address: Central Office Buildings Block A, Level 1, Mosta Road, Lija, Malta.

3.5 Security Trustee

Name: FJV Fiduciary Limited
Address: FJVA Business Centre 1, Industry Street, Zone 5, Central Business District, Qormi, Malta.

The Security Trustee is licensed by the MFSA to act as a trustee in terms of the Trusts and Trustees Act, Cap. 331 of the laws of Malta.

4. INFORMATION ABOUT THE ISSUER

4.1 Historical Development of the Issuer

4.1.1 Introduction

Full Legal and Commercial Name of the Issuer: Hal Mann Vella Group p.l.c.
Registered Address: The Factory, Mosta Road, Lija LJA 9016, Malta.
Place of Registration and Domicile: Malta
Registration Number: C 5067
Legal Entity Identifier: 21380032UJDLSYKD103
Date of Registration: 1 July 1980
Legal Form: The Issuer is lawfully existing and registered as a public limited liability company in terms of the Companies Act
Telephone Number: +356 21433636
Email: info@halmannvella.com
Website: <https://www.hmvellagroup.com/>

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

4.2 Overview of the Issuer's Business and Principal Activities

The Issuer was established in 1980. It is the parent, holding and finance company of the Group and is primarily focused on establishing and monitoring strategic direction and Group development. The Issuer has several investments in a number of undertakings which operate the business of the Group and is therefore dependent on the business prospects, operating results, and financial position of said undertakings.

The Issuer is also active in property development, sales and letting as further detailed in section 4.5.2.1 of this Registration Document.

On 6 October 2014, the Issuer published a prospectus in respect of the offer of the 2014 Bonds which were subsequently admitted to listing on the Official List on 11 November 2014. Pursuant to the 2014 Bond Issue, the Issuer raised €30 million in bond proceeds which funds were used for the purposes of refinancing existing bank facilities, financing the modernisation of the Group's factories, an investment in new plant and machinery, the development of the E-Pantar Property and other general corporate funding purposes of the Group.

The Issuer's obligations under the 2014 Bond Issue are secured by certain collateral provided by the Issuer to FJV Fiduciary Limited (C 23197), in its capacity as security trustee for the benefit of holders of the 2014 Bonds. The offering of 2014 Bonds by the Issuer was made with the benefit of the joint and several corporate guarantee of Sudvel. The security package granted to FJV Fiduciary Limited (C 23197), as security trustee, comprised: (a) a first-ranking general hypothec over the assets of the Issuer, present and future, for the amount of €30 million, interest thereon and any other amounts due under the 2014 Bonds; (b) a first-ranking special hypothec over the Hal Mann Lija Property for the amount of €30 million, interest thereon and any other amounts due under the 2014 Bonds; (c) a first-ranking general hypothec over the assets of Sudvel (as guarantor of the Issuer's obligations under the 2014 Bonds), present and future, for the amount of €30 million, interest thereon and any other amounts due under the 2014 Bonds; and (d) a first-ranking special hypothec over the E-Pantar Property and the portion of the NAVI Building (being 50%) belonging to Sudvel (as guarantor of the Issuer's obligations under the 2014 Bonds), for the amount of €30 million, interest thereon and any other amounts due under the 2014 Bonds.

4.3 History and Development of the Group

The Group was founded in 1954 and was, initially, solely involved in the manufacture of terrazzo tiles for the local market. Over the last seven decades, the business progressed with the launch of new products to the market, including the manufacture of new tiles, such as resin tiles, and also the supply of marble, granite, and natural stone. Eventually, the Group complemented its manufacturing operations by providing contractual services and has since collaborated on a number of major projects both locally and overseas, as further detailed in section 4.5.1.2 of this Registration Document.

Today, the Group is a multi-layered product and service Group, and is principally engaged in the following two operating activities:

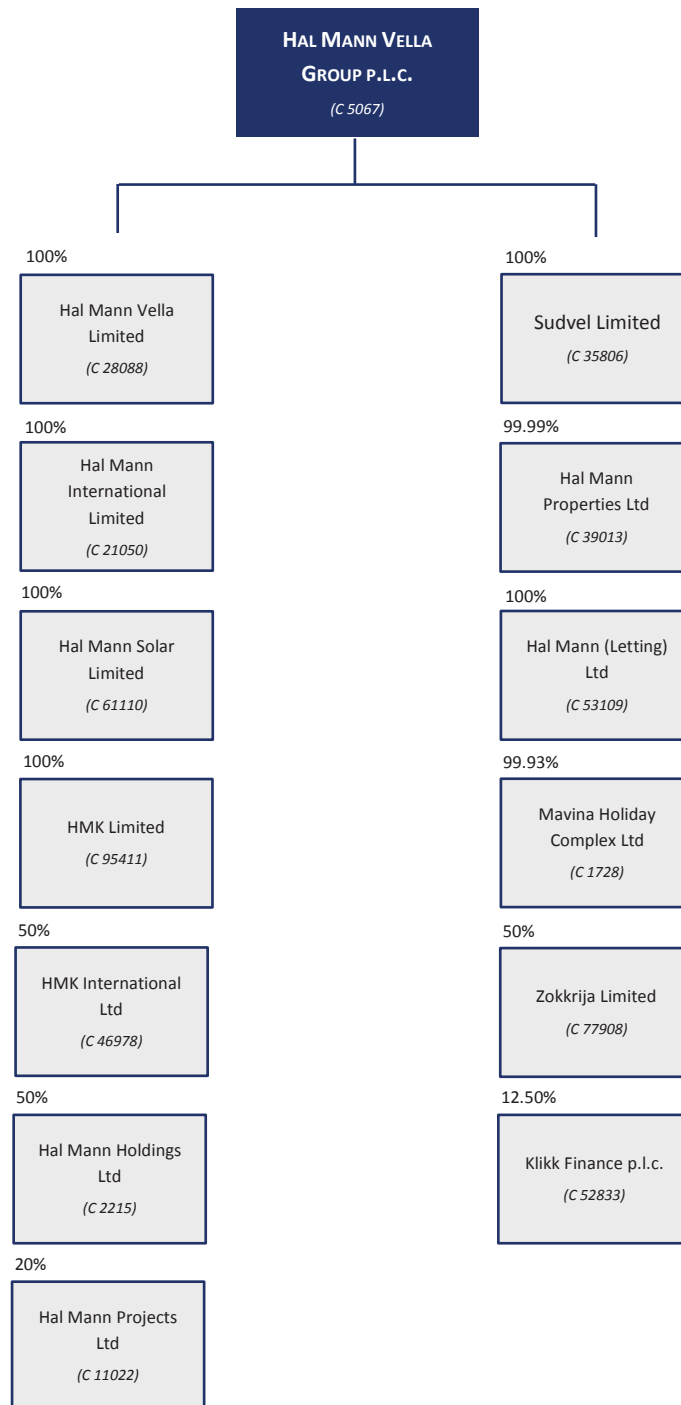
- (i) *Manufacturing, products, and general contracting services* – these activities include the manufacture and, or importation of natural and composite stone, pre-cast elements, tiles, terrazzo, travertine, onyx, quartzite, porphyry, marble, and granite. The Group also imports and distributes a number of ceramic tiles and sanitaryware brands; and
- (ii) *Property development, sales and letting* – these activities comprise the acquisition and development of real estate as well as the leasing of office space and residential properties to third parties.

Historically, the Group was also involved in the local hospitality, through the ownership and operation of two hotels, Mavina Holiday Complex, in Qawra, St. Paul's Bay, Malta, and the Huli Aparthotel in St. Paul's Bay, Malta. As at the date of this Registration Document, the Group no longer operates the two hotels. The Huli Aparthotel is leased to third parties, whereas the Mavina Holiday Complex is currently non-operational and is subject to a promise of sale agreement. The Group was also active until 2016 in the local apparel sector through the operation of a number of retail outlets representing a number of international brands.

Over the years, the Group has also been involved in the acquisition and development of property around Malta and Gozo. As at the date of this Registration Document, the Group's property portfolio consists of several commercial and residential properties, for development, sale, rent as well as for investment purposes, as further detailed in sections 4.5.2. and 4.6 of this Registration Document.

The Group employs over 200 people with various skills and experience, including craftsmen, architects, and engineers. Additionally, the Group also engages several subcontractors for the provision of certain services, including tile laying, installations, building services and metalwork.

4.4 Group Organisational Structure



The organisational structure of the Group is depicted above. The Group is ultimately owned by several individuals as further detailed in section 7 of this Registration Document. A brief overview of the business activities of the Group companies is set out below:

MHC was registered in Malta as a private limited liability company on 5 July 1969 with company registration number C 1728. MHC was set up to operate the Mavina Holiday Complex and the Huli Aparthotel properties.

HMH was registered in Malta as a private limited liability company on 23 June 1970 with company registration number C 2215. It was set up to subscribe for, take, purchase and, or otherwise acquire and hold shares, securities, and, or other interests in other companies, on behalf of the Group.

HMI was registered in Malta as a private limited liability company on 11 February 1997 with company registration number C 21050. HMI is one of the key operating companies of the Group. It is principally engaged in the manufacturing and assembling of terrazzo tiles, marble and granite as well as purchasing the material required for the manufacturing activities of the Group.

HMV was registered in Malta as a private limited liability company on 24 April 2001 with company registration number C28088. HMV is one of the key operating companies of the Group and is involved in various Group activities related to the Group's manufacturing, products, and general contracting services. HMV is principally engaged in the transportation and delivery of all matters relating to the construction industry and related complimentary works, the retail of terrazzo, marble stone and granite as well as turnkey projects and other incidental activities.

Sudvel was registered in Malta as a private limited liability company on 8 March 2005 with company registration number C 35806. It holds a significant portion of the Group's properties including, albeit not limited to, the E-Pantar Property and 50% of the NAVI Building.

HM Properties was registered in Malta as a private limited liability company on 27 June 2006 with company registration number C 39013. It was set up to acquire property and engage in property development.

Klikk Finance was registered in Malta as a private limited liability company on 12 May 2011 with company registration number C 52833. It was subsequently converted to a public limited liability company in 2017. Klikk Finance is principally engaged in financing the operations of its Subsidiary, Klikk Limited (C 30425). As a finance and holding company, Klikk Finance issued €2 million unsecured bonds (ISIN: MT0001541201) on Prospects, in accordance with a company admission document dated 3 July 2017.

HML was registered in Malta as a private limited liability company on 13 June 2011 with company registration number C 53109. It owns a number of properties and holds a lease on a Valletta property.

HMS was registered in Malta as a private limited liability company on 10 July 2013 with company registration number C 61110. HMS is principally engaged in the operation and maintenance of photovoltaic systems in Malta.

HMK was registered in Malta as a private limited liability company on 13 May 2020 with company registration number C 95411. HMK is principally engaged in the importation, supply, sale and, or assembly of prefabricated structures and material relating to prefabricated structures and raised flooring.

HMVH was registered in Malta as a private limited liability company on 16 November 2022 with company registration number C 103794. HMVH was set up pursuant to a corporate restructuring of the Group whereby HMVH was transferred all the shares in the Issuer, as further detailed in section 7 of this Registration Document.

HMK International Limited (C 46978), Zokrija Limited (C 77908) and Hal Mann Projects Limited (C 11022) are non-trading companies of the Group and are in the process of being liquidated.

In addition to the above companies, the Group also holds a small nominal share in other non-operating companies namely, Baik Limited (C 19917) and Hal Mann Qawra Towers Limited (C 38517) and Hal Mann Construction Ltd (C 9762).

4.5 Group Operations

As provided in section 4.3 of this Registration Document, the Group's operations are divided into two streams of operating activities: (i) manufacturing, products, and general contracting services; and (ii) property development, sales and letting, as detailed hereunder.

4.5.1 Manufacturing, products, and general contracting services

4.5.1.1 General overview and description of services

The Subsidiaries of the Issuer involved in manufacturing, products and general contracting services are primarily responsible for the manufacture of tiles and pre-cast elements, the importation and fabrication of marble, granite, natural and composite stone, and tendering for contracts. The Group's operations in this segment comprise retail customer facing (B2C) activities as well as business to business (B2B) activities. The B2C activities of the Group are carried out through the Group's flagship showroom and adjacent retail outlet in Lija, Malta. Such activities are complemented by the provision of services pertaining to laying and finishing works. The Group's B2B activities relate to its involvement in larger projects of both a commercial and residential nature. For the purposes of its activities, the Group utilises state-of-the-art digital equipment, and a purposely built logistics and distribution hub. Such activities are carried out from two manufacturing plants in Malta; one in Lija and a second in Hal Far.

The Group's range of services also include the professional expertise of an in-house team who help on aspects related to design, installation, maintenance, logistics, deliveries, and other subcontracted work. The Group is a key general contracting services player tendering for turnkey projects and participates as a sub-contractor for a number of projects which vary in scope, size, duration, complexity, and value, as subcontractor.

Manufacturing

The Group sources stone directly from suppliers and quarries around the world, including mainly Italy, Spain, and Turkey, whilst Maltese hardstone is extracted from local quarries. Specialised equipment and manufacturing processes are employed for crafting custom stone elements, including façade cladding, hard landscaping, external area features, complementary pieces, and engineered tiles. Additionally, HMI has the ability to create terrazzo tiles and precast elements tailored to client specifications. The Group also fabricates surfaces, including kitchen tops, from a range of quartz and engineered surfaces.

Distribution and supply

The Group either directly or through a network of subcontractors undertakes the laying and installation of its fabricated products. Other subcontracted works and products include joinery works, metal and aluminium works and plastering and painting works, which do not form part of the Group's core products and services line. The Group is the supplier for Silestone quartz and the engineered surface Dekton and Infinity. It is also the distributor of several ceramic tiles and sanitaryware brands such as Alpi, AXA, Keope, Marca Corona, and Mirage.

4.5.1.2 Key completed and ongoing projects

Over the years the Group has worked on several landmark local projects including, albeit not limited to, Hilton Malta, Smart City, Skyparks Business Centre, Farsons Brewery, Valletta Waterfront, Quad Central, Trident Park, Iniala Hotel, Rosselli Hotel, Central Bank of Malta, Triton Square, Valletta City Gate, The Citadel Gozo, the U.S. Embassy, St. James Cavalier, the Marriott Hotel and St. Dominic Basilica.

Some of the principal contracts currently being handled by the Group include the Gozo Museum, St. Johns Co-Cathedral, and Midi Q3.

4.5.1.3 Business strategy

The Group is committed to maintaining a strong presence in the local market. As a result, it constantly seeks to have the latest machinery and technology for the purpose of providing competitively priced and attractive products that not only target the retail market but also address commercial and client custom requirements.

As at the date of this Registration Document, the Group is currently undertaking a *circa* €7 million investment that includes the building infrastructure of a new factory, plant and machinery, refurbishment of existing machinery, and digitalisation of existing machinery. Through this investment the Group will introduce a new range of products in the natural stone and terrazzo products offering, including sustainable products. The investment in new facilities as well as the upgrade of existing machinery and equipment shall improve the efficiency of manufacturing processes for existing products, particularly terrazzo tiles, whilst enabling the production of new products. The expansion project is expected to be completed in 2024.

A key priority of the Group's business strategy for this segment is the rationalisation of existing operations to generate greater efficiencies and minimise costs whilst continuously improving the quality and variety of the Group's products and service, through the better use of IT systems and data processes. The Group's IT infrastructure recently underwent an overhaul following significant investment in a new enterprise resource planning (ERP) cloud solution. The implementation of the ERP software in 2023 will support the Group in managing day-to-day activities including accounting, procurement and project management.

4.5.2 Property Development, Sales and Letting

Through its property sales, development and letting companies, the Group constructs and develops a mix of residential and commercial properties which are then sold or leased. Said projects involve land owned by the Group as well as newly purchased sites.

4.5.2.1 Property-owning companies

The Group companies involved in the property development, sales and letting sector are the Issuer, HM Properties, HML, MHC, and Sudvel.

4.5.2.1.1 The Issuer

The Issuer directly holds several properties of the Group including, *inter alia*, part of the Hal Mann Lija Property (the rest is owned by Subsidiaries of the Issuer), an undeveloped plot of land of *circa* 855 square metres in Imgarr, Malta, and a retail outlet in Republic Street, corner with Old Theatre Street, in Valletta, which it holds by title of lease. The Issuer also owns several residential properties and sites across the islands of Malta and Gozo.

The Hal Mann Lija Property comprises a site of *circa* 28,500 square metres located at a corner formed between Pantar Road, Lija and the junction between Valletta Road, Mosta and Mosta Road, Lija, and is therefore referred to as located in the limits of Lija or the limits of Mosta, Malta. The property comprises a number of portions of land which were acquired separately over a period of years.

The Hal Mann Lija Property is divided into developed and undevelopable land. The developed land was developed in stages and comprises a factory, showroom, and offices, with underlying car-parking. The undevelopable land has a current permitted use for surface storage and other industrial activities, in support of the primary industrial activities of the Group.

4.5.2.1.2 Sudvel

Sudvel owns a significant portion of the Group's property including the E-Pantar Property and 50% of the NAVI Building, both of which forming part of the Hal Mann Lija Property. The remaining 50% of the NAVI Building is owned by third parties.

The E-Pantar Property was constructed over an area of land of 5,256 square metres and includes an office space spread over three levels, an underlying basement which accommodates *circa* 250 car spaces, and external space. The entire property is centrally air-conditioned and serviced with the latest technologies. Saving the roof, the E-Pantar Property is currently being leased to the Authority for Transport in Malta for a period of ten years, from Q3 2017.

The NAVI Building is situated on Pantar Road, Lija, Malta, and consists of a two-storey development and two underground levels of car spaces / storage area. The ground floor of the development is used for warehousing whilst the first floor is utilized as office space. A new mezzanine floor within the ground floor level of the building was recently introduced to increase the available rental area and thus improve the value of the property. Works on this mezzanine floor were completed during 2024. The majority of the building is currently being leased to third parties.

4.5.2.1.3 MHC

MHC is the owner of the Mavina Holiday Complex, in Qawra, St. Paul's Bay, Malta, and the Huli Aparthotel in St. Paul's Bay, Malta. In 2016, MHC terminated its direct operation of both hotels, and since then leased the said properties to third parties.

The Mavina Holiday Complex is a three-star apart hotel, built over a plot of land in the late 1980s, measuring *circa* 1,550 square metres.

On 7 December 2022, MHC entered into a promise of sale agreement for the sale of the Mavina Holiday Complex, for the amount of €7 million. This was made public by means of a company announcement of the Issuer on 18 January 2023. The promise of sale agreement is subject to several conditions, including the issuance of the necessary Planning Authority planning authorisations for the redevelopment of the complex. Upon the final deed of sale, the Group shall no longer generate any rental income therefrom.

The promise of sale agreement is valid and effective up to 31 August 2024.

4.5.2.1.4 HML

HML also owns a property in Old Bakery Street, Valletta, which it acquired in 2019. The property comprises five floors and has a net usable internal area of *circa* 688 square metres. The property was recently rehabilitated and serviced with the latest technologies, including a data wiring system and heating and cooling systems. Following the renovation and conversion of the property, the property was leased as an office space to the Ministry for the National Heritage, the Arts and Local Government.

HML owns three apartments and five car spaces within a residential block located on Spinola Road, in St. Julian's, Malta. The apartments are leased on a long-term basis.

HML holds by way of title of lease, expiring in the year 2037, an 18-room property in Merchants Street, Valletta. As at the date of this Registration Document, the property is sub-leased to third parties and is being used as a boutique hotel and restaurant under the names "Guest House de la Valette" and "TaNadia", respectively.

4.5.2.1.5 HM Properties

Through its property development company, HM Properties, the Group is in the process of completing a number of property development projects in Kappara, Imgarr, Malta, Ghajnsielem, Attard and Santa Venera.

The development in Kappara, San Gwann, comprises four semi-detached villas located on Triq Antonio Schembri c/w Triq il-Gamiema. Two separate projects were completed in Imgarr, Malta. The first project involved the construction of an additional ten apartments (two of which are penthouses) over an existing development located on a new road between Triq il-Ghansar and Triq Sir Harry Luke. The second project consisted of the development of a small block of residential units and four garages located on Triq id-Daghbien. The block of residential units comprises two apartments and a duplex penthouse. As at the date of this Registration Document, the Kappara and Imgarr projects have been completed and all units sold or on a promise of sale agreement.

HM Properties is in the process of constructing two developments: one in Ghajnsielem and a second in Attard. The Ghajnsielem development is currently being constructed over three separate plots located on Triq Sant' Antnin, and Triq il-Patri Anton Marija Cesal Ofm. In 2021, the Planning Authority in Malta issued a full development permit (with reference number PA/06155/20) for the excavation of the site and the construction of 12 basement level garages and six overlying terraced houses at ground and first floor levels. In 2023, the Planning Authority in Malta issued a full development permit (with reference number PA/07781/22) for the development of a site located at 43, Zell Am See, Triq il-Ballut, Misrah Kola, Attard. The permit covers the demolition of the existing terraced house, followed by the excavation of the site and the construction of a residential block of five apartments with underlying semi-basement car parking facilities over the site in Attard.

In addition to the abovementioned projects, HM Properties also has plans to develop a project on Triq Misrah il-Barrieri c/w, Triq is-Sol, Santa Venera. A planning application (with reference number PA/02948/24) was submitted to the Planning Authority in Malta for the construction of one class 4B shop, one class 4A clinic, both at first basement level and 29 residential units at ground, first, second, third and receded floor levels. The application also includes the construction of 20 garages at third basement level, 19 garages at second basement level and seven garages at first basement level. An additional planning application (with tracking number 280075) has been submitted to increase the number of units, resulting in a total of 46 units.

4.5.2.2 Business strategy

The business strategy of the property development, sales and letting segment of the Group centers around a dual approach aimed at maximising returns and expanding the property portfolio. The Group intends to continue pursuing small to medium-sized property development projects on sites owned by the Group, leveraging existing resources and expertise. This involves identifying and developing properties with potential for growth and value creation. Additionally, the strategy includes acquiring new sites to expand the development pipeline and capitalise on emerging opportunities in the market.

Simultaneously, the property segment will remain a crucial pillar of the Group's strategy, leveraging the strength of its property portfolio. This involves further exploiting the portfolio by expanding investments in both residential and commercial properties. By strategically allocating resources to acquire and develop properties with long-term potential for rental income and capital appreciation, the Group aims to enhance its overall revenue streams and asset value. This balanced approach to property development and investment underscores the Group's commitment to sustained growth and value creation in the real estate sector.

4.6 Major Property Assets of the Group

As detailed in section 4.5.2 of this Registration Document, the Group has a varied property portfolio which comprises residential and commercial properties as well as undeveloped sites, in several locations across Malta and Gozo.

The following list sets out the property assets owned by the Group having a carrying value of *circa* €2 million or higher:

Property	Title	Approximate Size (square metres)	Current Use
Investment Properties			
Huli Aparthotel	Owned by the Group	425	Hotel
E-Pantar Property	Owned by the Group	5,256	Offices and parking facilities
Lija Showroom, outside parking and internal road	Owned by the Group	2,450	Showroom and offices
Site A	Owned by the Group	1,000	Offices
Site B (including the Lija Factory and the ODA Lija Site)	Owned by the Group	17,300	Factory and undeveloped land
Site D	Owned by the Group	1,250	Storage
Commercial property in Valletta	Owned by the Group	210	Offices
NAVI Building	50% owned by the Group	1,200	Offices, parking facilities and warehouse
Imgarr Land	Owned by the Group	855	Land for development
Right of Use Asset			
Factory in Hal Far (Site 1) ¹	Emphyteutical grant	14,323	Factory
Factory in Hal Far (Site 2) ¹	Emphyteutical grant	8,124	Factory
Property in Valletta	Leased from third parties	145	Boutique hotel and restaurant
Properties on Promise of Sale Agreement			
Mavina Holiday Complex	Owned by the Group	1,550	Hotel
Madliena Villa	Owned by the Group	130	Residential

¹ Hal Far Site 1 and Hal Far Site 2 jointly make up the Hal Far Site.

The Hal Far Site

Through HMI, the Group holds the Hal Far Site, which comprises two separate portions of land, by way of title of temporary emphyteusis from INDIS Malta Ltd. INDIS Malta Ltd is a government owned company which is responsible for the administration of government-owned estates and related facilities across Malta and Gozo.

The first portion of land measuring 14,323 square metres was granted by way of temporary emphyteusis by INDIS Malta Ltd by virtue of a deed of temporary emphyteusis dated 20 August 2015, in the records of Notary Tiziana Maria Refalo (the “**2015 Hal Far Grant**”). The second plot of land measuring a total of 8,124 square metres was granted by way of temporary emphyteusis by INDIS Malta Ltd by virtue of a deed of temporary emphyteusis dated 15 April 2021, in the records of Notary Ian Castaldi Paris (the “**2021 Hal Far Grant**”). The 2021 Hal Far Grant enabled the extension of the Group’s existing facilities.

The term of the 2015 Hal Far Grant is for a period of 65 years commencing from 20 August 2015, the date of the deed of emphyteusis. The term of the 2021 Hal Far Grant is for an initial period of 35 years commencing from the date of the deed of emphyteusis, with the option to renew the term one further period of 30 years, at the discretion of HMI, as emphyteuta.

Pursuant to the 2015 Hal Far Grant, the Group expanded its manufacturing facilities to this site. Growth and diversification of the business required investment in a more efficient logistics and warehousing centre. In 2021, the Group completed the construction of a new warehouse measuring 1,100 square metres with *circa* 2,200 pallet positions, over the portion of land granted by way of emphyteusis in 2015. Pursuant to the 2021 Hal Far Grant, the Group initiated a further investment of *circa* €7 million as better described under Section 4.5.1.3.

4.7 ESG and Sustainability Initiatives of the Group

The Group recognises its role and responsibility towards the environment and society at large and prioritises the implementation of several ESG and sustainability considerations in its operations and governance structure. The business strategy of the Group is to operate in an ethical, mindful, and accountable manner, whilst ensuring the profitability and competitiveness of its activities. The Group is mindful of the fact that a number of its activities have an impact on the surrounding environment, the communities, and people it serves and accordingly, is committed to minimising the impact thereof.

Environmental and sustainability considerations

The Group has invested in solar panels installed on the roofs of several Group properties, namely its factories and other commercial properties. Over the coming years, the Group intends to increase its investment in this technology through the purchase and installation of additional solar panels.

Water is vital element in the Group’s production process. Given the Group’s reliance on this resource, the Group has installed treatment systems in its factories enabling the recycling of at least one million litres of water per day.

The E-Pantar Property, being one of the largest properties in the Group’s property portfolio, has several sustainability features over and above the installation of solar panels. Such features include a second-class water system from rainwater, a ventilated façade to improve thermal performance, double glazed external apertures to reduce heat gains / losses and thermal insulation on the roof to reduce heat gain within the building.

Social considerations

The Group prioritises social responsibility by actively engaging in initiatives that contribute to the well-being of individuals and society as a whole. Through its commitment to social considerations, the Group strives to make a positive impact in various aspects of community welfare and employee support.

The Group supports several philanthropic organizations dedicated to aiding individuals and communities in need. By supporting these organizations, the aim is to uplift and empower those facing challenges and contribute to the betterment of society at large.

Recognizing the importance of inclusivity, the Group employs a diverse workforce that includes individuals from all walks of life, including those who may be considered vulnerable. Employment practices eliminate barriers based on age, disability, race, religion, sexual orientation, and other factors.

The Group provides a range of benefits to its employees aimed at ensuring that every individual has access to the resources and support they need to thrive. This includes health insurance coverage to safeguard against medical emergencies and illnesses. Additionally mental health support services is provided to address the holistic well-being of our employees, recognizing the importance of mental health in overall wellness.

The commercialisation of sustainability initiatives

All-natural waste generated within the manufacturing process is reused and recomposed into new products within the Group’s facilities. All other waste generated in the factories, facilities and sites is separated and most of which is recycled through third parties.

In addition to the Group’s investment in existing systems and technologies as detailed above, the Group has extended its sustainability initiatives to the manufacturing of new products from material waste, which has been

an ongoing research project of the Group. The Group's investment in product innovation contemplates the creation of sustainable products and solutions from waste products which would otherwise need to be discarded. Rather than discarded, waste products are reused and recomposed to form new products, allowing the Group to realise a new revenue stream. As a result, the Group is able to improve revenue whilst simultaneously contributing to waste reduction and the recycling of said products.

Reconstituted stone products will be an alternative to traditional natural limestone stone blocks and traditional concrete hollow blocks. The Group's investment in reconstituted stone production will bring to fruition the Group's ten-year old vision that sustainability and circular economy will gain importance in the local industry.

5. TREND INFORMATION AND FINANCIAL PERFORMANCE

5.1 Trend Information

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

At the time of publication of this Registration Document, the Issuer considers that its future performance is intimately related to that of the entire Group, particularly since members of the Group will constitute its only trading partners as borrowers. The Issuer, as the parent company of the Group, considers that generally the Group will be subject to the normal business risks associated with the industries in which it is involved and does not anticipate any trends, uncertainties, demands, commitments, or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of the Group and its business, at least with respect to the current financial year. The Group's business activities are concentrated in, and aimed at, the Maltese market.

An overview² of the most significant recent trends affecting the Group and the market in which the Group operates is provided below.

The Maltese economy continues to grow robustly driven by strong exports and domestic demand. Tourism flows bounced back to well above pre-pandemic levels and the strong inflow of workers is boosting domestic demand. After reaching 5.60% gross domestic product ("GDP") growth in 2023, the Maltese economy is expected to achieve a growth rate of 4.60% in 2024 and 4.30% in 2025. The government deficit stood at 4.90% of GDP in 2023, and it is expected to only gradually decrease in 2024 and 2025. Thanks to robust nominal GDP growth, the public debt-to-GDP ratio is forecast to increase only slightly despite the still high primary deficit.

In 2023, real GDP growth reached 5.60%, 1.6 percentage points higher than projected in autumn. Both private consumption and exports came much stronger than expected, resulting from significantly higher immigration and tourism flows. Besides exceptionally strong immigration, Malta's economy continues to benefit from a low pass-through of monetary policy to retail interest rates and from government measures that have kept energy prices stable at 2020 levels.

Tourism reached pre-pandemic levels in 2023. The number of tourist arrivals increased by more than 26% in the first two months of 2024, although tourism expenditure grew at a slightly slower pace. Strong growth is also forecast in exports of electronics and entertainment, professional and financial services.

Construction investment is expected to stabilise and recover moderately after a sharp fall in 2023, growing at 2.50% in 2024 and 3.90% in 2025. The increase of private consumption and activity in the service sector is expected to lead to higher imports of goods and services. Overall, the forecast for GDP growth was revised upward to 4.60% in 2024 and 4.30% in 2025.

With employment growth at 6.50% in 2023, Malta's labour market exceeded expectations. Employment growth is set to remain strong at 40% also in 2024 and 2025 as the country continues to attract foreign workers. Labour and skills shortages are still mentioned as the main limiting factors for the Maltese economy.

The unemployment rate was revised upwards from 2.90% to 3.50% in 2022 due to an updated demographic survey. In 2023, the unemployment rate fell to 3.10% and it is expected to drop marginally to 3% and 2.90% in 2024 and 2025. Nominal wages were, however, still growing at relatively weak rates in 2023 as employment expanded in the low wage sectors, resulting in negative real wage growth per head.

HICP (harmonised index of consumer prices) inflation in 2023 reached 5.60% despite the government intervention to keep energy prices at 2020 levels. The Maltese authorities confirmed their commitment to limiting energy inflation in 2024 and 2025. Inflation in Malta slowed down in the first quarter of 2024 mainly due to lower services inflation. Headline inflation is forecast at 2.80% in 2024 and 2.30% in 2025, with food prices set to remain the fastest growing component.

In 2023, the debt-to-GDP ratio fell by 1.2 percentage points to 50.40% due to strong nominal growth and despite the high primary deficit. A positive stock-flow adjustment related to the equity injection in the national airline is expected to drive the increase of the public debt to 52% of GDP in 2024. For 2025, a smaller primary deficit and a favourable interest growth differential will lead to a smaller increase of public debt to 52.60% of GDP.

² Source: European Commission, *European Economic Forecast Spring 2024*, 15 May 2024.

5.2 Historical Financial Information

The following historical financial information of the Issuer is extracted from the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2021, 31 December 2022 and 31 December 2023, and the audit report in respect of each financial year which is set out in the audited financial statements of the Issuer for each respective financial year. Pursuant to Regulation (EC) No. 1606/2002 on the application of international accounting standards, the said financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and endorsed by the European Union.

The Issuer's aforementioned financial statements, which are published on the Issuer's website (<https://www.hmvellagroup.com/finance>) and are available for inspection at its registered office as set out in section 14 of this Registration Document, shall be deemed to be incorporated by reference in, and form part, of this Registration Document.

The tables and narrative included in this section 5.2 contain certain alternative performance measures (as defined by the European Securities and Markets Authority (ESMA)), including Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), that the Group management and other competitors in the industry use. These non-International Financial Reporting Standards financial measures are presented as supplemental information as: (i) they represent measures that the Group believe may be relevant for certain investors, securities analysts and other parties in assessing the Group's operating and financial performance and may contribute to a fuller understanding of the cash generation capacity and the growth of the combined business; and (ii) they may be used by the Group's management as a basis for strategic planning and forecasting.

In this respect, the following table of cross-references sets out specific items set out in the documents above which are incorporated by reference:

Issuer Information incorporated by reference in this Registration Document	Page number(s) in annual report		
	Financial year ended 31 December 2021	Financial year ended 31 December 2022	Financial year ended 31 December 2023
Statement of profit or loss and other comprehensive income	27	27	27
Statement of financial position	29	29	29
Statement of changes in equity	31	31	31
Statement of cash flows	35	35	35
Notes to the financial statements	37	37	37
Independent auditors' report	19	19	19

The following is an explanation of the Issuer's and Group's performance in FY2023 as compared to FY2022. The above table, as well the remaining tables contained further below in this section 5.2, set out figures extracted from the consolidated financial statements for FY2021, FY2022 and FY2023, as applicable.

Hal Mann Vella Group p.l.c.			
Statement of Profit or Loss and Other Comprehensive Income for the financial year 31 December			
	2021	2022	2023
	Actual	Actual	Actual
	€'000	€'000	€'000
<i>Manufacturing and general contracting services</i>	19,321	18,215	19,438
<i>Property development</i>	3,750	3,163	3,119
<i>Rental activities</i>	2,189	2,468	2,526
Total revenue	25,260	23,846	25,083
Other operating income	888	620	663
Cost of sales and other operating charges	(20,040)	(18,744)	(19,962)
EBITDA	6,108	5,722	5,784
Depreciation	(1,313)	(1,270)	(1,410)
Operating Profit	4,795	4,452	4,374
Change in fair value of investment property	-	1,520	386
Share of results of joint ventures	15	(17)	-
Dividends income	-	-	1,310
Loss on derecognition of lease	(444)	-	-
Net finance costs	(2,353)	(2,365)	(2,611)
Profit before tax	2,013	3,590	3,459
Taxation	(822)	(1,909)	(2,181)
Profit after tax	1,191	1,681	1,278
Other comprehensive income:			
Revaluation on property, plant and equipment, net of deferred tax	-	114	-
Other comprehensive income	2	3	-
Total comprehensive income	1,193	1,798	1,278

Total revenues increased by 5.19% (or +€1.24 million) in FY2023 to €25.08 million. Income from manufacturing and general contracting services grew by 6.71% to €19.44 million – representing 77.49% of the Group’s total income. On the other hand, revenues from property development and rental activities remained stable year-on-year and in aggregate amounted to €5.65 million.

As the increase in operating costs (net of other income) absorbed most of the growth in revenues on account of the impact of high inflation as well as tight labour market conditions, EBITDA only edged higher by 1.08% to €5.78 million whilst the EBITDA margin retracted to 23.06%.

Depreciation charges increased by 11.02% to €1.41 million as during the year the Group invested in new machinery and implemented a new enterprise resource planning system with a view of further consolidating its market positioning and improve operational efficiencies. Accordingly, operating profit contracted by 1.75% to €4.37 million.

Meanwhile, the Group’s financial performance was positively impacted by a €0.39 million uplift in the fair value of investment property, as well as by a one-off dividend income of €1.31 million received from an associate company. After accounting for a tax charge of €2.18 million, the net profit for the year amounted to €1.28 million.

Hal Mann Vella Group p.l.c.

Statement of Cash Flows

for the financial year 31 December

	2021	2022	2023
	Actual	Actual	Actual
	€’000	€’000	€’000
Net cash from operating activities	2,558	6,653	4,627
Net cash from / (used in) investing activities	<u>(1,569)</u>	<u>(3,584)</u>	<u>(2,868)</u>
Free cash flow	989	3,069	1,759
Net cash used in financing activities	(2,605)	(4,317)	(2,240)
Effect on ECL on cash in banks	<u>(1)</u>	<u>(1)</u>	<u>1</u>
Net movement in cash and cash equivalents	(1,617)	(1,249)	(480)
Cash and cash equivalents at beginning of year	<u>1,588</u>	<u>(29)</u>	<u>(1,278)</u>
Cash and cash equivalents at end of year	<u>(29)</u>	<u>(1,278)</u>	<u>(1,758)</u>

Net cash generated from operating activities contracted by €2.03 million in FY2023 to €4.63 million mostly on account of an adverse movement in working capital of €0.78 million compared to the positive change of €2.03 million recorded in the previous year. In contrast, the amount of net cash used in investing activities dropped by €0.72 million year-on-year to €2.87 million as during FY2023, the Group received a one-off dividend income of €1.31 million from an associate company. On the other hand, the amount of cash used for the acquisition of property, plant, and equipment (PPE) and investment property increased by 10.44% to €4.18 million compared to €3.78 million in FY2022.

In terms of financing activities, during FY2023 the Group used €2.24 million mainly for the payment of interest. As a result, given the adverse movement of €0.48 million in cash and cash equivalents for the year, the Group ended the year with a higher negative cash balance of €1.76 million.

Hal Mann Vella Group p.l.c.
Statement of Financial Position
as at 31 December

	2021	2022	2023
	Actual	Actual	Actual
	€'000	€'000	€'000
ASSETS			
Non-current assets			
Intangible assets	63	63	63
Investment properties	50,174	53,537	54,046
Property, plant and equipment	33,134	34,196	37,109
Investments in joint ventures	1,722	1,715	1,567
Financial assets	756	482	411
Finance lease receivables	-	175	-
Right-of-use assets	7,725	7,499	7,234
Deferred taxation	1,619	1,200	1,889
	95,193	98,867	102,319
Current assets			
Inventories	4,355	4,115	4,195
Property held-for-sale	6,308	4,746	5,334
Trade and other receivables	15,986	16,175	17,844
Other assets	91	91	91
Cash and cash equivalents	1,819	572	1,097
	28,559	25,699	28,561
Total assets	123,752	124,566	130,880
EQUITY			
Called up share capital	5,000	5,000	5,000
Other reserves	31,742	32,928	33,284
Retained earnings	11,770	12,382	13,305
	48,512	50,310	51,589
LIABILITIES			
Non-current liabilities			
Bonds	29,789	29,860	-
Bank borrowings	9,195	6,774	8,558
Finance lease liability	8,293	7,961	8,084
Other financial liabilities	2,218	2,217	2,218
Other non-current liabilities	4,717	5,291	6,826
	54,212	52,103	25,686
Current liabilities			
Bonds	-	-	29,935
Bank borrowings	3,752	3,969	4,628
Finance lease liability	-	330	139
Other financial liabilities	3,396	3,625	2,395
Other current liabilities	13,880	14,229	16,508
	21,028	22,153	53,605
Total liabilities	75,240	74,256	79,291
Total equity and liabilities	123,752	124,566	130,880

The Group's asset base expanded by 5.07% (or +€6.31 million) in FY2023 to €130.88 million mostly due to the increase in the value of property, plant, and equipment (PPE) (+€2.91 million to €37.11 million) and trade and other receivables (+€1.67 million to €17.84 million).

Similarly, total liabilities increased by 6.78% (or +€5.04 million) to €79.29 million. During the year, the Group added €1.22 million in total debt and other financial liabilities to €55.96 million reflecting the increase of €2.44 million in bank borrowings to €13.19 million which outweighed the drop of €1.23 million in other financial liabilities.

6. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

6.1 Board of the Issuer

The Board consists of six directors who are entrusted with the overall direction, administration, and management of the Group and which currently consists of three executive directors and three non-executive directors. As at the date of this Registration Document, the Board is constituted of the names which appear under section 3.1 of this Registration Document.

Executive Directors

The executive Directors are Martin Vella, Mark Vella and Joseph Vella

The executive directors of the Issuer form part of the Group's executive team entrusted with the day-to-day management of the Group. The executive directors are supported in this role by several consultants and key management, and benefits from the know-how gained by members and officers of the Group. The individuals occupying such office are also directors or officers of other companies forming part of the Group.

Non-executive Directors

The non-executive Directors' main functions are to monitor the operations and performance of the executive directors, as well as to review any proposals tabled by the executive directors, bringing to the Board the added value of independent judgment.

The non-executive Directors are Miriam Schembri, Arthur Galea Salomone and Mario P. Galea.

6.2 Curriculum Vitae of Directors

Martin Vella

Martin Vella is the chairman of the Board. Prior to this, he held the position of Chief Executive Officer of the Group for ten years. Under his leadership the organisation has undergone a transformative journey, taking a leading role in the property development, and letting segments of the business. Martin is also a director of various companies within the Group.

Mark Vella

Mark Vella is a director of various companies within the Group. Mark brings a wealth of experience to the marble industry. With extensive years dedicated to this sector, he has been instrumental in overseeing various projects both locally and overseas. Mark holds a pivotal role with the responsibility to procure marble and granite for the Group.

Joseph Vella

Joseph Vella is a director of various companies within the Group. Over the past 40 years Joseph played a crucial role in the operational logistics of the organisation, overseeing manufacturing plants and actively contributing to the successful execution of diverse projects. Joseph's dynamic expertise encompasses a broad spectrum, reflecting his commitment to steering the operational facets of the Group and its affiliated companies.

Miriam Schembri

Miriam worked for a long number of years within the administration and management of the hospitality segment of the Group when this was still in operation. Miriam was appointed to the Board of the Issuer in 2016.

Arthur Galea Salomone

Arthur Galea Salomone graduated as a lawyer at the University of Malta in 1988. As a Commonwealth Scholar, he read International Commercial Law at the University of Toronto. He practiced widely in corporate law, financial services law, and foreign investment. Arthur was chairman of the Malta Stock Exchange from 2010 to 2013. He is a former deputy chairman of the Malta Arbitration Centre and former director of APS Bank where he chaired the Bank's risk management committee. Arthur has been a director of Finco Trust Services Ltd since 1991. He sits on the board of directors of a number of companies both listed and regulated. Arthur was also a member of the commercial law department within the Faculty of Laws at the University of Malta and has lectured widely on various aspects of commercial law. For a number of years, he was the appointee of the Chamber of Advocates on the national Joint Committee for the Prevention of Money Laundering and Terrorism.

Mario P. Galea

A certified public accountant holding a warrant to practice both as an accountant and as an auditor. Currently practising as a business advisor providing governance oversight and advisory services to businesses and corporations. Serves as an independent non-executive director on the boards and audit committees of various listed companies in the financial and commercial sectors including banks, insurance and investment companies. Mentor

and advisor to family businesses. Founder, managing partner and chairman of accountancy and audit firm Ernst & Young in Malta until retirement in 2012. Specialised in auditing and assurance which he has practiced for 35 years in Malta and abroad. Auditing experience spans over several sectors including banks, insurance and investment companies. Lectured in auditing, assurance and professional and business ethics and led several training courses. Speaker at various business and professional conferences in Malta and abroad. Speaker and producer of various webinars related to auditing, corporate governance, and ethics. Assisted businesses in several areas particularly relating to governance, accounting, and systems of control. Served as President of the Malta Institute of Accountants and for many years formed part of the Accountancy Board which is the accountancy profession regulator in Malta. Served on various professional committees in Malta and abroad such as the council of the Federation des Experts Comptables (FEE) in Brussels (now Accountancy Europe). Member of the Ethics committee of the Malta Institute of Accountants in Malta.

6.3 Management Structure

The Issuer is a holding company incorporated under the laws of Malta. The business of the Issuer is managed directly by the Board. The Group also engages a number of individuals who are responsible for the execution of the Group's business strategy and which form part of the Group's senior management team. The key members are the following:

Kevin J. Rapinett	Group Chief Executive Officer
Chris Tonna	Group Financial Controller
Owen Farrugia	Chief Commercial Officer – Retail
Hugh Vella	Chief Commercial Officer – Contracts

The Board has not appointed any committees other than the audit committee which is mandatorily required in terms of the Capital Markets Rules. The Directors believe that the present organisational structures are adequate for the current activities of the Issuer. The Directors will maintain these structures under continuous review to ensure that they meet the changing demands of the business and to strengthen the checks and balances necessary for better corporate governance.

6.4 Curriculum Vitae of Members of Senior Management

Kevin J. Rapinett

Kevin J. Rapinett, Group Chief Executive Officer, enjoyed a rewarding career spanning 33 years in the banking and finance industry. Throughout his journey, he has held senior positions at HSBC Bank Malta p.l.c. including Head of Global Markets and Investment Banking, Managing Director and Stockbroker of HSBC Stockbrokers (Malta) Ltd, and Head of Wholesale Credit Risk and Deputy Chief Risk Officer. In 2012, Kevin was appointed Head of Corporate Banking during which time he was also seconded to HSBC Commercial Banking in London. In March 2020, Kevin was appointed as the Group Chief Executive Officer of the Group, driving the Group's growth and transformation. Kevin's contributions extend beyond his executive roles. He actively participates in the business community as a member of the Council and Board of Management of the Malta Chamber of Commerce, Enterprise, and Industry. Additionally, he serves as a non-executive director on several boards of local companies.

Chris Tonna

Chris Tonna joined HMM in 2002. Following the company's demerger in 2005, Chris joined the Issuer where he held various roles in the finance department. Chris was appointed Group Financial Controller of the Group in 2014 leading the finance team since then in a period of significant growth and expansion of the Group.

Owen Farrugia

Owen Farrugia was appointed the Group's Chief Commercial Officer for Retail in 2021, bringing together operations and sales for retail customers and projects. A long-standing member of the executive team, Owen has worked with the Group for over 20 years, during which time held various roles in sales, marketing, exports, and production. Owen has gained industry experience with specialisation in stone and architectural materials through overseas training, regular quarry and supplier visits, conferences, and expo participations.

Hugh Vella

Hugh Vella an architect by profession, was appointed Chief Commercial Officer for Contracts at the Group in 2021. He previously worked in various areas of the Group, occupying executive roles including Director of Operations. Hugh holds a degree in Architecture and Civil Engineering from the University of Malta and completed his master's degree in Façade Engineering from the University of Bath. Since joining the family business he has successfully expanded the range of marble and natural stone products that the Group offers and has steered major projects including City Gate Project Valletta by Renzo Piano Building Workshop, Smart City Malta, Trident Park, and various ventilated facade projects.

6.5 Conflict of Interest

Some of the Directors, in addition to sitting on the Board, also sit on the board of directors of other companies forming part of the Group. Accordingly, conflicts of interest could potentially arise in relation to transactions involving the Issuer and any of such other Group companies.

The Audit Committee has the task of ensuring that any such potential conflicts of interest are handled in the best interests of the Issuer and in compliance with the Capital Markets Rules. To the extent known or potentially known to the Issuer as at the date of this Prospectus, there are no potential conflicts of interest between any duties of the Directors, as the case may be, and of executive officers of the Issuer and their private interests and, or their other duties, which require disclosure in terms of the Prospectus Regulation.

6.6 Board Practices

Audit Committee

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

The terms of reference of the Audit Committee include support to the Board in its responsibilities in dealing with issues of risk, control and governance, and associated assurance of the Issuer. The Board has set formal terms of establishment and the terms of reference of the Audit Committee which set out its composition, role and function, the parameters of its remit as well as the basis for the processes that it is required to comply with.

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

- its monitoring responsibility over the financial reporting processes, financial policies, and internal control structures;
- maintaining communications on such matters between the Board, management, and the external auditors; and
- preserving the Issuer's assets by assessing the Issuer's risk environment and determining how to deal with those risks.

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

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

Dr Arthur Galea Salamone, Ms Miriam Schembri and Mr Mario P. Galea are the members of the Audit Committee. All Directors sitting on the Audit Committee are non-executive directors, whilst Arthur Galea Salamone and Mario P. Galea are the independent non-executive directors sitting on the Audit Committee. Audit Committee members are appointed for a period of three years, unless terminated earlier by the Board. Mario P. Galea is competent in accounting and, or auditing matters in terms of the Capital Markets Rules.

The Chairman of the Audit Committee, appointed by the Board, is entrusted with reporting to the Board on the workings and findings of the Audit Committee. As at the date of this Prospectus, Mario P. Galea occupies the post of Chairman of the Audit Committee.

Compliance with the Code of Corporate Governance

The Issuer declares its full support of the Code and undertakes to fully comply with the Code to the extent that this is considered complementary to the size, nature, and operations of the Issuer.

The Issuer supports the Code and is confident that the application thereof shall result in positive effects accruing to the Issuer.

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

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

Principle 4 "the responsibilities of the Board": the Board has not formally developed a succession policy for the future composition of the Board as recommended by principle 4.2.7 of the Code. In practice, however, the Board is actively engaged in succession planning and involved in ensuring that appropriate schemes to recruit, retain and motivate employees and senior management are in place.

Principle 7 "evaluation of the Board's performance": the Board has not appointed a committee for the purpose of undertaking an evaluation of the Board's performance as recommended by principle 7.1 of the Code. 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. The size of the 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, however, intends to keep under review the utility and possible advantages of having a separate committee in line with principle 7.1 of the Code.

Principle 8 "committees": the Board has established a remuneration policy for Directors and senior executives of the Issuer. In view of the size and type of operation of the Issuer, the Board does not consider the Issuer to require the setting up of a remuneration committee in terms of principle 8.A of the Code. In accordance with Code principle 8.A.2, the Board itself carries out the functions of the remuneration committee specified in, and in accordance with, principle 8.A, given that the remuneration of the Directors is not performance related. Likewise, in view of the size and operation of the Issuer, the Board does not consider the Issuer to require the setting up of a nomination committee in terms of principle 8.B of the Code. The appointment of Directors to the Board is exclusively reserved to the Issuer's shareholders, except in so far as appointment is made by the Board to fill a casual vacancy, which appointment would be valid until the conclusion of the next annual general meeting of the Issuer, following such an appointment. Therefore,

notwithstanding that no nomination committee has been established, the memorandum and articles of association of the Issuer cater for a formal and transparent procedure for the appointment of new Directors to the Board in line with principle 8.B of the Code. The Board, however, intends to keep under review the utility and possible advantages of having a nominations committee and following an evaluation may, if the need arises, make recommendations to the shareholders for a change to the memorandum and articles of association of the Issuer.

Principle 9 “relations with shareholders and with the market”: the memorandum and articles of association of the Issuer allow minority shareholders to call special meetings on matters of importance to the Issuer, provided that the minimum threshold of ownership established in the memorandum and articles of association of the Issuer is met. Currently, there is no established mechanism in the memorandum and articles of association of the Issuer to trigger arbitration in the case of conflict between the minority shareholders and the controlling shareholders. Should a conflict arise, the matter is dealt with in Board meetings and through the open channel of communication between the Issuer and the minority shareholders via the office of the company secretary.

Principle 10 “relations with institutional investors”: the Directors are of the view that this principle 10 is not applicable to the Issuer.

7. MAJOR SHAREHOLDERS

As at the date of this Registration Document, the majority of the issued share capital of the Issuer is held by HMVH, which is the ultimate parent company of the Issuer. The remaining shares of the Issuer are held by the direct descendants of the founders of the Group (which hold 999,964 preference shares of €0.0001 each). In Q1 2023, the Group underwent a restructuring of its shareholding, as a result of which the direct descendants of the founders (being the previous shareholders of the Issuer) no longer own and control the Issuer directly but rather, indirectly, through another holding company HMVH.

Pursuant to this corporate restructuring, in February 2023, the Issuer increased its authorised share capital from €5,000,000 to €5,000,099.9964, divided into 5,000,000 ordinary shares of €1.00 each and 999,964 preference shares of €0.0001 each, whilst the issued share capital of the Issuer is €4,999,919.964 divided into 4,999,820 ordinary shares of €1.00 each and 999,964 preference shares of €0.0001 each, all fully paid up. Following the increase in share capital of the Issuer, HMVH acquired all the ordinary shares of the Issuer on 28 February 2023.

The share capital of HMVH is divided into several classes of shares having different rights, with each share having a value of €0.01 per share.

As set out in this Registration Document, and in line with sound governance procedures and relevant regulatory requirements, measures have been instituted to ensure that the control exercised by HMVH, as major shareholder, is not abused. These measures include:

- (a) the composition of the Board, which includes a balanced mix of executive and experienced, independent non-executive directors; and
- (b) the adoption of the governance rules set out in section 6.6 above of this Registration Document.

In so far as is known to the Issuer, no person other than the direct descendants of the founders of the Group (being the previous shareholders of the Issuer) as referred to above, has an interest, whether directly or indirectly, in the Issuer’s capital or voting rights.

To the best of the Issuer’s knowledge, there are no arrangements in place as at the date of this Registration Document the operation of which may at a subsequent date result in a change in control of the Issuer.

8. LEGAL AND ARBITRATION PROCEEDINGS

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

9. SHARE CAPITAL OF THE ISSUER

As at the date of this Registration Document, the issued share capital of the Issuer is €4,999,919.964 divided into 4,999,820 ordinary shares of €1.00 each and 999,964 preference shares of €0.0001 each, all fully paid up.

In terms of the Issuer’s memorandum and articles of association, none of the capital shall be issued in such a way as would effectively alter the control of the Issuer without the prior approval of the Issuer in a general meeting.

The shares of the Issuer are not listed on the Malta Stock Exchange and no application has been filed for the shares of the Issuer to be quoted on the Malta Stock Exchange.

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.

10. MEMORANDUM AND ARTICLES OF ASSOCIATION 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 three of its memorandum of association. These objects include:

- (a) To carry on the business of a finance and investment company in connection with the ownership, development, operation and financing of the business activities of the Hal Mann Vella Group of companies whether in Malta or overseas, and for such purpose: (i) to lend or advance money or otherwise give credit to any company now or hereinafter forming part of the Hal Mann Vella Group of companies, with or without security and otherwise on such terms as the directors may deem expedient; and (ii) to invest and deal with the moneys of the companies and any company now or hereinafter forming part of the Hal Mann Vella Group of companies in or upon such investments and in such manner as the directors may, from time to time, deem expedient;
- (b) To borrow or raise unlimited sums of money in such manner as the Company, may think fit and in particular by the securitisation of any receivables or other assets of the Company, by the issue of bonds, debentures, commercial paper, notes or other instruments creating or acknowledging indebtedness, and to offer same on sale to the public, and to secure the repayment of any money borrowed or raised and any interest payable thereon by the hypothecation or the creation of any other charge upon the whole or the part of the moveable and immovable property of the Company, present and future;

11. MATERIAL CONTRACTS

The entities forming part of the Group, including albeit not limited to, the Issuer, have not entered into any material contracts that are not in the ordinary course of their respective business and which could result in either of the said entities being under an obligation or entitlement that is material to the Group as at the date of this Registration Document.

12. PROPERTY VALUATION REPORT

The Issuer commissioned TBA Periti to issue a property valuation report on the Hypothecated Property (the “**Valuation Report**”). The business address of TBA Periti is 43, Main Street, Balzan BZN 1259, Malta.

The Valuation Report is incorporated by reference to the Prospectus and is accessible at the following hyperlink: <https://www.hmvellagroup.com/finance/>

13. STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Save for the Valuation Report incorporated by reference in this Prospectus, 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 TBA Periti, of 43, Main Street, Balzan BZN 1259, Malta, that has given and has not withdrawn its consent to the inclusion of its report herein. TBA Periti does not have any material interest in the Issuer.

The Issuer confirms that the Valuation Report has been accurately reproduced in the 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.

14. DOCUMENTS AVAILABLE FOR INSPECTION AND INCORPORATED BY REFERENCE

For the duration of this Registration Document, the following documents are available for inspection at the registered address of the Issuer as well as in electronic form on the Issuer’s website, and are incorporated by reference in the Prospectus:

- the memorandum and articles of association of the Issuer;
- the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2021, 31 December 2022 and 31 December 2023;
- the Valuation Report dated 18 June 2024; and
- the financial analysis summary dated 28 June 2024.

The documents so incorporated by reference are available on the following hyperlink: <https://www.hmvellagroup.com/finance/>

The Trust Deed is available for inspection at the registered address of the Issuer.