

SUMMARY

DATED 27 MAY 2025

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

This Summary is being issued by:



MILLEMONT

MM Star Malta Finance p.l.c.

a public limited liability company registered under the laws of Malta with company registration number C 111281

with the joint and several guarantee of:

MM Star Holdco Limited

a private limited company registered under the laws of England and Wales with company registration number CN 14171754

in respect of an issue of up to **€35,000,000 5.35% secured callable bonds due 2029 - 2031**

issued and redeemable at their nominal value (at €100 per Bond)

ISIN: MT0002871201

Sponsor



MZ INVESTMENTS

Manager & Registrar



Bank of Valletta

Legal Counsel



CAMILLERI PREZIOSI
ADVOCATES

Security Trustee



FINCO TRUST SERVICES LIMITED

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

THIS SUMMARY IS VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE HEREOF. THE ISSUER IS NOT OBLIGED TO PUBLISH A SUPPLEMENT TO THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES WHICH ARISE OR ARE NOTED FOLLOWING THE LAPSE OF THE PERIOD OF VALIDITY OF THE PROSPECTUS. PROVIDED THAT THE ISSUER SHALL NOT BE OBLIGED TO SUPPLEMENT THE PROSPECTUS SHOULD THE AFORESAID SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES ARISE OR ARE NOTED FOLLOWING THE LATER OF THE CLOSING OF THE OFFER PERIOD OR THE TIME WHEN TRADING ON THE OFFICIAL LIST BEGINS.

APPROVED BY THE BOARD OF DIRECTORS

Demeter Kovacs

Winston J. Zahra

signing in their capacity as directors of the Issuer and on behalf of Albert Frendo, Kenneth Abela and Steven Coleiro



INTRODUCTION AND WARNINGS

This Summary is prepared in accordance with the requirements of the Prospectus Regulation and the delegated acts issued thereunder. This Summary contains key information which investors require in order to understand the nature and the risks of the Issuer, the Guarantor and the Bonds. Except where the context otherwise requires, the capitalised words and expressions used in this Summary shall bear the meanings assigned to them in the Registration Document and the Securities Note, as the case may be.

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

	Issuer	Guarantor
Legal and commercial name:	MM Star Malta Finance p.l.c.	MM Star Holdco Limited
Registered address:	Level 3, Valletta Buildings, Triq Nofs in-Nhar, Valletta, VLT 1103, Malta	111 Park Street, London, United Kingdom W1K 7JL
Registration number:	C 111281	14171754
Telephone number:	+44 (0) 208 176 8200	+44 (0) 208 176 8200
Website:	https://mmfinancemalta.com/	https://millemont.co.uk/
Legal Entity Identifier ('LEI'):	98450001446DE5B0F856	98450094EBBE392AFP51
Competent authority approving the Prospectus:	The MFSA, being the competent authority to approve prospectuses of any offer of securities to the public in Malta in terms of the Financial Markets Act (Cap. 345 of the laws of Malta).	
Address of the MFSA:	Malta Financial Services Authority, Triq l-Imdina, Zone 1, Central Business District, Birkirkara, Malta, CBD 1010	
Telephone number of the MFSA:	+356 2144 1155	
MFSA's website:	https://www.mfsa.mt/	
Nature of the securities:	Secured callable bonds of an aggregate principal amount of €35,000,000 of a nominal value of €100 per bond, issued at par and redeemable at their nominal value on the Redemption Date, and bearing interest at the rate of 5.35% per annum.	
ISIN number of the Bonds:	MT0002871201	
Prospectus approval date:	27 May 2025	

Prospective investors are hereby warned that:

- (i) this Summary should be read as an introduction to the Prospectus. It is being provided to convey the key characteristics and risks associated with the Issuer, the Guarantor, and the Bonds being offered pursuant to the Prospectus. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this Summary in making a decision as to whether to invest in the Bonds described in this document;
- (ii) any decision of the investor to invest in the Bonds should be based on a consideration of the Prospectus as a whole by the investor;
- (iii) an investor may lose all or part of the capital invested in subscribing for Bonds;
- (iv) where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and
- (v) civil liability attaches only to those persons who have tabled the Summary, including any translation thereof, but only if the Summary, when read together with the other parts of the Prospectus, is misleading, inaccurate, or inconsistent or does not provide key information in order to aid investors when considering whether to invest in the Bonds.
- (vi) the Bonds are complex instruments and may be difficult to understand.

1 KEY INFORMATION ON THE ISSUER

1.1 Who is the Issuer of the securities?

1.1.1 Domicile and legal form, its LEI and country of incorporation

The Issuer of the Bonds is MM Star Malta Finance p.l.c., a public limited liability company registered under the laws of Malta in terms of the Companies Act (Cap. 386 of the laws of Malta), having company registration number C 111281. The Issuer was incorporated and is domiciled in Malta, with LEI number 98450001446DE5B0F856.

1.1.2 *Principal Activities of the Issuer*

The Issuer is a special purpose vehicle which has been incorporated for the purposes of this Bond Issue and does not itself carry on any trading activity other than for the purpose of funding the Group and when the demands of its business so require and is accordingly economically dependent on the operations and performance of the Guarantor and other Group companies.

The Guarantor is the holding company of the MM Star Group which does not carry out any trading activity of its own. It is established solely and specifically for the purpose of investing in the acquisition, ownership, and operation of the Yotel Edinburgh by virtue of its shareholding in the Subsidiaries.

1.1.3 *Major Shareholders of the Issuer*

As at the date of the Prospectus, MM Star Holdco (the Guarantor) holds 99.99% of the entire issued share capital of the Issuer, with the remaining 0.01% held by Millemont Holdings Limited.

1.1.4 *Directors of the Issuer*

The Board of Directors of the Issuer is composed of the following persons: Demeter Peter Kovacs (Hungarian passport BH7924895, Executive Director); Winston J. Zahra (Maltese ID 95370M, Executive Director); Albert Frendo (Maltese ID 0121365M, Independent Non-Executive Director); Kenneth Abela (Maltese ID 09167M, Independent Non-Executive Director); and Steven Coleiro (Maltese ID 491494M, Independent Non-Executive Director).

1.1.5 *Statutory Auditors*

The auditors of the Issuer as of the date of this Summary are PricewaterhouseCoopers (PwC Malta). The Accountancy Board registration number of PricewaterhouseCoopers Malta is AB/26/84/38. The Issuer was set up on 27 February 2025 and, since incorporation up until the date of this Prospectus, no financial statements have been prepared.

1.2 **What is the key financial information regarding the Issuer?**

The Issuer was registered and incorporated as a public limited liability company on 27 February 2025 and has not yet published its first set of audited financial statements.

1.3 **What are the key risks that are specific to the Issuer?**

The most material risk factors specific to the Issuer, which may adversely impact the operations and financial position of the Issuer should the circumstances mentioned therein materialise, are as follows:

1.3.1 *Risks associated with the Issuer's dependence on the business of the Group and more specifically, on the revenue generated by the Yotel Edinburgh*

The Issuer is a finance company, with one of its purposes being that of financing or re-financing the funding requirements of the business of the Group. The Group's primary revenue generating asset is the Yotel Edinburgh which has been leased to, and is operated by, Erskine OpCo in accordance with the Occupational Lease Agreement. The Issuer is therefore mainly dependent on the business prospects of the Group, which directly effect the Issuer's financial position and performance. Accordingly, risks intrinsic in the business and operations of the Group shall have a direct effect on the Issuer's ability to meet its obligations in respect of principal and interest under the Bonds when due.

The interest and capital repayments to be effected by the Group in favour of the Issuer are subject to certain risks. More specifically, the ability of the Group to effect loan repayments will depend on its respective cash flows and earnings, which may be restricted or affected by changes in applicable laws and regulations, by the terms of agreements to which they are or may become party, or by other factors beyond the control of the Issuer and the Group. The occurrence of any such factors could, in turn, negatively affect the ability of the Issuer to meet its obligations in respect of the repayment of principal and interest under the Bonds punctually when due.

1.3.2 *Risks common to the hospitality and tourism industry*

The Group's operations and the results thereof are subject to a number of internal and external factors beyond the Group's control that could have a negative impact on the hospitality sector of the Group's business, including, but not limited to: (a) changes in travel patterns or seasonal variations, as well as consumer preferences; (b) changes in laws and regulations, including those concerning the management and operation of hotels and other hospitality outlets, employment, catering and entertainment establishments, health and safety, alcohol licensing, environmental concerns, fiscal policies and zoning and development, and the related costs of compliance; (c) the maintenance of licences and other authorisations, as may be required from time to time, to operate and manage hospitality establishments; (d) the impact of increased threats of terrorism or actual terrorist events, impediments to means of transportation, extreme weather conditions, natural disasters, travel-related accidents, outbreaks of diseases and health concerns, or other factors that may affect travel patterns and reduce the number of travellers; (e) increases in operating costs due to general market conditions, inflation, employment costs, workers' compensation and healthcare related costs, utility costs, increased taxes and insurance costs; (f) socio-demographical changes and economical changes; (g) changes in the sales terms and conditions of main sales channels, the respective fees and commissions payable to

online travel agents; the termination, non-renewal and, or the renewal on less favourable terms of material contracts; and (h) increased competition from providers of alternative accommodation. The impact of any of these factors (or a combination of them) may cause a reduction in the Group's revenue or profitability, including, but not limitedly as a result of a reduction of room rates and occupancy levels, which could have a material adverse effect on the Group's business, financial condition and results of operations.

1.3.3 Concentration risks

Given that a significant portion of the Group's revenue is derived from its operations of the Yotel Edinburgh in the UK, the Group is subject to geographic-specific concentration risk and is highly susceptible to the UK economic trends. These include 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 the UK, particularly those affecting consumer demand, could adversely impact the Group's business.

1.3.4 Risks relating to title over the Yotel Edinburgh

The Group acquired the Yotel Edinburgh in July, 2024 through MM Star BidCo's acquisition of Erskine PropCo and Erskine OpCo. The Acquisition was dependent on, amongst other things, the performance of a due diligence exercise on the good title over the Yotel Edinburgh. In doing so, the Group relied on third parties to conduct a significant portion of this due diligence exercise. To the extent that the Group, or its third-party advisers, fail to identify any possible defects in title or erroneously assess the materiality or implication of the findings, including environmental liabilities, structure or operational defects, or other material issues, the Group may be exposed to claims and, or liabilities relating to such issues.

Following the Acquisition, the freehold title of the Yotel Edinburgh was sold to the Landlord and subsequently leased back to Erskine PropCo. Erskine PropCo currently holds the Yotel Edinburgh under leasehold title and sub-leases the Yotel Edinburgh to Erskine OpCo.

A breach of Erskine PropCo's material obligations under the Head Lease Agreement may have significant consequences at law, including the termination of both the Head Lease Agreement and the Occupational Lease Agreement, resulting in the loss of title over the Yotel Edinburgh. This would, in turn, have a material adverse effect on the Group's operations and financial position.

1.3.5 Risks relating to the Franchise Agreement

The Group operates the Yotel Edinburgh under the YOTEL brand pursuant to a Franchise Agreement entered into with Yotel Limited (as Franchisor) for an initial term of 15 years (until 2039) which may thereafter be renewed. In terms of the Franchise Agreement, the Franchisor granted Erskine OpCo a non-exclusive licence to use the Yotel Brand Systems and the Yotel Marks for the purpose of operating the Yotel Edinburgh. Accordingly, the Group's operations of the Yotel Edinburgh as a 'YOTEL' branded hotel are dependent on the continuity of the contractual relationship with the Franchisor under the Franchise Agreement.

Any material breach of the terms and conditions stipulated in the Franchise Agreement could result in, amongst other things, the suspension or early termination thereof. There is no guarantee that the Group will manage to secure the necessary renewals of the Franchise Agreement on similarly favourable terms or at all. Moreover, if any event of termination were to occur which allows the Franchisor to terminate the Franchise Agreement with immediate effect, and such agreement is so terminated, the Group will no longer be able to benefit from the reputation and standards of the YOTEL brand and may not manage to secure an alternative franchise of a same or similar standard and reputation within a short timeframe. If such risks were to materialise, the Group's business operations and results of operation may be materially adversely affected.

1.3.6 Risks relating to the Group's dependence on TROO

The Group has appointed TROO to manage the Yotel Edinburgh pursuant to the Hotel Management Agreement. Consequently, the operations and profitability of the Group are dependent on TROO's performance in managing and operating the Yotel Edinburgh.

Should either party terminate the Hotel Management Agreement prior to the expiry of its term, or, should TROO decide not to renew the agreement, the Group would need to seek a new provider of management services. The appointment of an operator to manage the Yotel Edinburgh is subject to the prior approval of the Franchisor under the Franchise Agreement, which approval shall not be unreasonably withheld or delayed. Furthermore, in the event that the appointed operator does not manage the Yotel Edinburgh in compliance with the YOTEL standards, there is a risk that the Franchisor revokes its approval.

There is no guarantee that the transition in the management and operation of the Yotel Edinburgh will occur without disruptions, nor that the Group will be able to replace the services provided by TROO immediately and, or on equal or more favourable terms. This may cause disruptions in the operation and management of the Yotel Edinburgh, which in turn, could have a material adverse effect on the Group's business and results of operations.

1.3.7 Competition risk

The business of the Group is susceptible to strong and increasing local and global competition, influenced by a variety of determining factors including price, variety and quality of services, availability, reliability, after-sales service and logistical arrangements, and the fluctuations in demand and supply in respect of both competing or substitute goods and services. A decline in the relative competitive strength of the Group could adversely affect the Group's results of its operations, financial condition, and its prospects.

1.3.8 Risks relating to the Group's indebtedness

Currently, the Group has a general banking facility which is secured over, *inter alia*, the leasehold title to the Yotel Edinburgh. The Group intends to use the proceeds generated from the Bond Issue to refinance the aforementioned facility and to extinguish its obligations under the Facility Agreement and the Ancillary Security Agreements. The Group may incur additional debt in connection with its future growth. Increased debt funding may not be available on terms that are favourable to the Group, or could not be available at all. Debt financing may increase to a level that results in a substantial portion of the cash flows being allocated towards the servicing and repayment of such borrowings. Additionally, the debt agreements could impose operating restrictions and financial covenants. These restrictions and covenants could limit the Group's ability to obtain future financing, make capital expenditure, distribute dividends to its shareholders, withstand a future downturn in business or economic conditions generally or otherwise inhibit the ability to conduct necessary corporate activities.

1.3.9 Risks inherent in the valuation of the Yotel Edinburgh

The only revenue generating asset of the Group consists of immovable real estate, which is inherently difficult to value with certainty. Property investments are subject to varying degrees of risks. Furthermore, the valuation of the long leasehold interest in the Yotel Edinburgh is intrinsically subjective and based on several assumptions at a given point in time. In providing a market value of the long leasehold interest, the architect has made certain assumptions which ultimately may cause the actual values to be materially different from any future values that may be expressed or implied by such forward-looking statements or anticipated on the basis of historical trends as reality may not match the assumptions or due to other changes such as deterioration in market and economic conditions and heightened market and financial markets volatility. Subsequently, the Group may have purchased or may in the future purchase, property and property-related assets on the basis of inaccurate valuations. There can be no assurance that such property valuations and property-related assets will reflect actual market values.

1.3.10 Liquidity risk

The lack of liquidity and alternative uses of real estate investments could significantly limit the Group's ability to respond to adverse changes in the performance of its operations thereby potentially harming the Group's financial condition. The Group's ability to sell, assign, or sub-lease, in a timely fashion, its asset in response to changing economic, financial and investment conditions, is limited, including as a result of restrictions outlined under the Head Lease Agreement.

2 KEY INFORMATION ON THE SECURITIES

2.1 What are the main features of the securities?

ISIN:	MT0002871201;
Description, amount:	up to €35,000,000 Bonds due between 2029 and 2031, having a nominal value of €100 per Bond issued at par;
Bond Issue Price:	at par (€100 per Bond);
Interest:	5.35% per annum;
Redemption Date:	27 June 2031;
Status of the Bonds:	the Bonds constitute the general, direct, unconditional and secured obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under said Bonds by the Guarantor. The Bonds shall, at all times, rank <i>pari passu</i> , without any priority or preference among themselves. The Bonds are secured by the Collateral Documents;
Minimum amount per subscription:	minimum of €2,000 and multiples of €100 thereafter;
Denomination:	Euro (€);
Form:	the Bonds shall be issued in fully registered and dematerialised form and shall be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD;
Rights attaching to the Bonds:	a Bondholder shall have such rights as are attached to the Bonds, including: (i) the repayment of capital; (ii) the payment of interest; (iii) the benefit of the Collateral Documents through the Security Trustee; (iv) ranking with respect to other indebtedness of the Issuer; (v) the right to attend, participate in and vote



at meetings of Bondholders in accordance with the Terms and Conditions of the Bonds; (vi) the right to seek recourse from the Guarantor pursuant to the Guarantee, in case of failure by the Issuer to pay any sum payable by it to the Bondholders pursuant to the Terms and Conditions of the Bonds; and (vii) the enjoyment of all such other rights attached to the Bonds emanating from the Prospectus;

Transferability:	the Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole (i.e. in multiples of €100) in accordance with the rules and regulations of the MSE applicable from time to time; and
Underwriting:	the Bond Issue is not subject to an underwriting agreement on a firm commitment basis.

2.2 Where will the securities be traded?

Application has been made to the MSE for the Bonds to be listed and traded on its Official List. The Bonds are expected to be admitted to the MSE with effect from 4 July 2025 and trading is expected to commence on 7 July 2025.

2.3 Is there a guarantee attached to the securities?

The Bonds are guaranteed by the Guarantor, as guarantor. The Guarantor unconditionally and irrevocably guarantees to the Security Trustee, for the benefit of the Bondholders in proportion to their respective holding of Bonds, to be liable, jointly and severally with the Issuer, for the payment of, and to undertake, on first written demand made by the Security Trustee, to pay, any Indebtedness to the Security Trustee, at any time due or owing under the Bonds as and when same shall become due. Accordingly, the Security Trustee, for the benefit of the Bondholders, shall be entitled to request the Guarantor to pay both the interest due and the principal amount under said Bonds if the Issuer fails to meet any amount when due in terms of the Prospectus. The Guarantee also entitles the Security Trustee to take action against the Guarantor without having to first take action against the Issuer.

2.3.1 The Guarantor

The Guarantor is MM Star Holdco Limited, a private limited company registered under the laws of England and Wales with company registration number 14171754 and having its registered office at 111 Park street, London W1K 7JL, United Kingdom. The Guarantor was incorporated and is domiciled in the United Kingdom, with LEI number 98450094EBBE392AFP51.

2.3.2 Key financial information of the Guarantor

The MM Star Group came into existence in July 2024 following the acquisition by MM Star BidCo of Yotel Edinburgh through the acquisition of two companies, namely, Erskine OpCo and Erskine PropCo. The pro forma financial information set out below has been prepared for illustrative purposes only to demonstrate how the Group's consolidated income statement for the year ended 31 December 2024 would have looked if the Acquisition had been completed on 1 January 2024. Set out below are also extracts from the audited consolidated financial statements of the Guarantor for the period 1 July 2024 to 31 December 2024.

Consolidated Income Statement	Financial year ended 31 Dec'24 Pro Forma	6-mth period ended 31 Dec'24 Actual
Operating profit (€'000)	2,896	1,694
Consolidated Statement of Financial Position		As at 31 Dec'24 Actual
Total assets (€'000)		77,368
Equity (€'000)		30,697
Net debt (€'000)		39,444
Consolidated Cash Flow Statement		6-mth period ended 31 Dec'24 Actual
Net cash from operating activities (€'000)		3,557
Net cash from financing activities (€'000)		59,629
Net cash used in investing activities (€'000)		(62,454)

2.3.3 Key risks that are specific to the Guarantor

The Issuer and the Guarantor are economically dependent on the operations and performance of the Group and, as such, those risks identified above as being applicable to the Issuer are also applicable to the Guarantor given that the primary revenue generating asset of the Group is the Yotel Edinburgh.

2.4 What are the key risks that are specific to the securities?

2.4.1 Complex financial instrument and suitability assessment

Debt instruments which may be redeemed by an issuer prior to their maturity date are considered as having an embedded call option, with the price of such instruments taking these components into account. The Bonds may be redeemed at the option of the Issuer on an Early Redemption Date. In view of this early redemption component, the Bonds are complex financial instruments for the purposes of MIFID II. Investors must consult with an investment advisor before investing in the Bonds. In the event that an investor does not seek professional advice and, or does not read and fully understand the provisions of the Prospectus, there is a risk that such investor may acquire an investment which is not suitable for his or her risk profile.

2.4.2 The Bonds are redeemable at the option of the Issuer

Any or all of the Bonds may be redeemed by the Issuer on a Redemption Date. Once the Bonds are redeemed, the relevant Bondholders shall no longer be entitled to any interest or other rights in relation to the redeemed Bonds. If the Bonds are redeemed on an Early Redemption Date, a Bondholder would not receive the same return on investment that he/she would have received if the Bonds were redeemed on 27 June 2031. In addition, Bondholders may not be able to re-invest the proceeds from an early redemption at yields that would have been received had they not been redeemed. This optional redemption feature may also have a negative impact on the market value of the Bonds.

2.4.3 Risks relating to the ranking of the Collateral Documents

By virtue of the Collateral Documents, the Bonds will be secured on a first-priority basis over the Collateral. Notwithstanding that the Collateral Documents purport to grant the Security Trustee first-ranking priority over the Collateral, there can be no guarantee that the Security Trustee will in fact enjoy a first-priority ranking in respect of the Collateral in all circumstances. The ranking of the Collateral Documents has a bearing on the success of the Bondholders to get paid should the Issuer or the Guarantor not have sufficient assets to pay all of their respective creditors. The Security Trustee will be paid out of the assets of the Issuer and/or the Guarantor after those creditors which are given priority over the proceeds of the realisation of the relevant Collateral by law. Accordingly, in the case of a competition of creditors, Bondholders may not recover their investment in the Bonds, whether in full or in part.

2.4.4 Risks relating to the enforcement of the Collateral Documents

There can be no assurance that the Collateral will be sufficient to cover the Issuer's payment obligations under the Bonds in the case of an Event of Default. There is no guarantee that the Bondholders will recover the value of the Yotel Edinburgh afforded to it by independent experts in the Valuation Report in the case of an Event of Default.

In the case of a reduction in value of the Collateral, the Company may not be in a position to compensate for such reduction through an appropriate injection in the cash reserve being set up for this purpose. This reduction in value of the Collateral may be caused by a number of factors including, but not limited to, general economic factors that could have an adverse impact on the value of the Collateral. If such circumstances were to arise or subsist at the time when the Security is to be enforced by the Security Trustee, it could have a material adverse effect on the recoverability of all the amounts that may be outstanding under the Bonds.

3 KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

3.1 Under which conditions and timetable can I invest in this security?

3.1.1 Plan of Distribution and Allotment

The Bonds will be available for subscription by Authorised Financial Intermediaries pursuant to Placement Agreements to be entered into between such Authorised Financial Intermediaries, the Issuer and the Guarantor. The Placement Agreements are conditional upon the Bonds being admitted to the Official List. In terms of the Placement Agreements, the Authorised Financial Intermediaries shall subscribe for the Bonds either for their own account or for the account of underlying customers, including retail customers, subject to a minimum subscription amount of €2,000 in nominal value of Bonds and in multiples of €100 thereafter.

When providing advice or portfolio management services with respect to the Bonds, Authorised Financial Intermediaries are required to carry out Suitability Testing. When Authorised Financial Intermediaries offer services other than portfolio management and advice in relation to Bonds, they are required to carry out an assessment to ensure that the client has sufficient knowledge and experience in the said Bonds and shall be required to conduct an Appropriateness Test for all Applicants (including Applicants subscribing for Bonds through nominee accounts) wishing to subscribe for Bonds on a non-advisory basis. The obligation of Authorised Financial Intermediaries to carry out an Appropriateness Test and/or Suitability Testing shall apply where the prospective Applicant is a Retail Client. The requirement to carry out an Appropriateness Test and/or Suitability Testing shall also apply when transfers of Bonds are carried out on the secondary market.

Authorised Financial Intermediaries must effect payment to the Issuer for the Bonds subscribed to by not later than the Placement Date.

It is expected that an allotment advice will be dispatched to Applicants within five (5) Business Days of the announcement of the allocation policy. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta), and regulations made thereunder. Such monies shall not bear interest while retained as aforesaid. Dealings in the Bonds shall not commence prior to the Bonds being admitted to the Official List.

3.1.2 *Allocation Policy*

The full amount of the Bond Issue has been reserved for and shall be allocated to Authorised Financial Intermediaries, in accordance with Placement Agreements. The Issuer shall announce the allocation policy for the allotment of Bonds through a company announcement available on the Issuer's website: <https://mmfinancemalta.com/> by not later than 27 June 2025.

3.1.3 *Expected Timetable of the Bond Issue*

(1) Placement Date	20 June 2025
(2) Commencement of interest on the Bonds	27 June 2025
(3) Announcement of basis of acceptance	27 June 2025
(4) Expected dispatch of allotment advices	4 July 2025
(5) Expected date of admission of the Bonds to listing	4 July 2025
(6) Expected date of commencement of trading in the Bonds	7 July 2025
(7) Latest date of constitution of Collateral Documents	18 August 2025

The Issuer reserves the right to anticipate the Placement Date referred to in (1) above, in which case some or all of the remaining events set out in (3) to (7) above may be brought forward accordingly.

3.1.4 *Total Estimated Expenses*

Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €800,000 in the aggregate. There is no particular order of priority with respect to such expenses. The expenses pertaining to the Bond Issue shall be borne exclusively by the Issuer.

3.2 **Why is this prospectus being produced?**

3.2.1 *The use and estimated net amount of the proceeds*

The aggregate proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €34,200,000, are intended to be utilised by the Issuer for the purpose of refinancing the Acquisition of the Yotel Edinburgh. The Issuer will on-lend such aggregate proceeds (net of Bond Issue expenses) to MM Star HoldCo, further to which:

- i. an amount of approximately €18,800,000 shall be further on-lent by MM Star HoldCo to MM Star BidCo under an existing intra-group loan facility in place between MM Star HoldCo (as lender) and MM Star BidCo (as borrower). Such amount shall be utilised by MM Star BidCo for the purpose of refinancing the Facility Agreement, an outstanding loan facility by and between Clydesdale Bank plc (as lender) and MM Star BidCo (as borrower) in relation to the Acquisition of the Yotel Edinburgh; and
- ii. an amount of approximately €15,400,000 shall be utilised by MM Star HoldCo for the purposes of refinancing, in part, its borrowings under the Shareholders' Funding Agreement which were previously advanced by the Partnership to finance the Acquisition of the Yotel Edinburgh.

3.2.2 *Conflicts of interest pertaining to the Bond Issue*

Save for the subscription for Bonds by Authorised Financial Intermediaries and the commissions payable thereto, and any fees payable in connection with the Bond Issue to M.Z. Investment Services Limited as Sponsor and Bank of Valletta p.l.c. as Manager & Registrar, in so far as the Issuer is aware, no person involved in the Bond Issue has an interest, conflicting or otherwise, material to the Bond Issue.



REGISTRATION DOCUMENT

DATED 27 MAY 2025

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.



MILLEMONT

MM Star Malta Finance p.l.c.

a public limited liability company registered under the laws of Malta with company registration number C 111281

with the joint and several guarantee of:

MM Star Holdco Limited

a company registered under the laws of England and Wales with company registration number CN 14171754

Sponsor



MZ INVESTMENTS

Manager & Registrar



Bank of Valletta

Legal Counsel



CAMILLERI PREZIOSI
ADVOCATES

Security Trustee



FINCO TRUST SERVICES LIMITED

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APPROVED BY THE BOARD OF DIRECTORS

Demeter Kovacs

Winston J. Zahra

signing in their capacity as directors of the Issuer and on behalf of Albert Frendo, Kenneth Abela and Steven Coleiro



IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON MM STAR MALTA FINANCE P.L.C. (IN ITS CAPACITY AS ISSUER) AND MM STAR HOLDCO LIMITED (IN ITS CAPACITY AS GUARANTOR) 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, GUARANTOR OR THEIR RESPECTIVE 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, THE GUARANTOR OR THEIR RESPECTIVE 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 OR THE GUARANTOR 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 REGISTRATION DOCUMENT IS VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE HEREOF. THIS REGISTRATION DOCUMENT IS VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE HEREOF. THE ISSUER IS NOT OBLIGED TO PUBLISH A SUPPLEMENT TO THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES WHICH ARISE OR ARE NOTED FOLLOWING THE LAPSE OF THE PERIOD OF VALIDITY OF THE PROSPECTUS. PROVIDED THAT THE ISSUER SHALL NOT BE OBLIGED TO SUPPLEMENT THE PROSPECTUS SHOULD THE AFORESAID SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES ARISE OR ARE NOTED FOLLOWING THE LATER OF THE CLOSING OF THE OFFER PERIOD OR THE TIME WHEN TRADING ON THE OFFICIAL LIST BEGINS.

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 UNDER THE HEADING ENTITLED “**ADVISORS TO THE ISSUER**” IN SECTION 4.3 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 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.



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1 DEFINITIONS

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

Acquisition	has the meaning assigned to it in section 6.2.1 of this Registration Document;
ADR	average daily rate per occupied room;
Bond/s	has the meaning assigned to it in the Securities Note;
Bond Issue	the issue of the Bonds;
Capital Markets Rules	the capital markets rules published by the Malta Financial Services Authority in terms of the Financial Markets Act, as may be amended from time to time;
Companies Act	the Companies Act, Cap. 386 of the laws of Malta;
Clydesdale Bank plc	Clydesdale Bank plc (trading as Virgin Money) registered under the laws of Scotland with company registration number SC001111;
Data Protection Laws	any law, enactment, regulation, regulatory policy, by law, ordinance or subordinate legislation relating to the processing, privacy and use of personal data, that applies from time to time, including: (i) the Data Protection Act 2018; (ii) the Privacy and Electronic Communications (EC Directive) Regulations 2003; (iii) the General Data Protection Regulation (EU) 2016/679 (“ GDPR ”) (including the EU GDPR and subsequently the UK GDPR, which took effect from 11pm on 31 December 2020); and (iv) any laws or regulations giving effect to or corresponding with (i) - (iii) above;
Directors or Board of Directors	the directors of the Issuer whose names are set out in section 4.1 of this Registration Document entitled “Directors of the Issuer”;
Erskine OpCo	Erskine House Opco Limited, a company registered under the laws of England and Wales with company registration number CN: 11736604 and having its registered address at 111 Park Street, London W1K 7JL, United Kingdom;
Erskine PropCo	SOF-11 Erskine House Investment Lux S.A.R.L., a company registered under the laws of Luxembourg with company registration number LUX CN: B196447 and having its registered address at 42, rue de la Vallée, L-2661 Luxembourg;
Euro or €	the lawful currency of the Republic of Malta;
FF&E	furniture, fixtures and equipment at the Yotel Edinburgh;
Financial Markets Act	the Financial Markets Act, Cap. 345 of the laws of Malta;
Franchise Agreement	the franchise agreement entered into by and between Erskine OpCo, Erskine PropCo and Yotel Limited and dated 19 July 2024, described in section 6.2.9 of this Registration Document;
Group or MM Star Group	the Guarantor and its direct or indirect Subsidiaries;
Guarantee	the unconditional and irrevocable guarantee dated 27 May 2025 granted by the Guarantor undertaking to guarantee the due and punctual performance of the Issuer’s payment obligations under the Bond Issue subject to the terms and conditions contained in the Security Trust Deed and as the same is held on trust for the benefit of the Bondholders by the Security Trustee. A copy of the Guarantee including a description of the nature, scope and terms of the Guarantee is appended to the Securities Note as Annex 1 thereof;
Guarantor or MM Star HoldCo	MM Star Holdco Limited, a company registered under the laws of England and Wales with company registration number CN 14171754 and having its registered office at 111 Park Street, London W1K 7JL, United Kingdom;
Head Lease Agreement	has the meaning assigned to it in section 6.2.5 of this Registration Document;
Hotel Management Agreement	has the meaning assigned to it in section 6.2.10 of this Registration Document;
Issuer	MM Star Malta Finance p.l.c., a public limited liability company registered under the laws of Malta with company registration number C 111281 and having its registered office at Level 3, Valletta Buildings, Triq Nofs in-Nhar, Valletta VLT 1103, Malta;
Landlord	has the meaning assigned to it in section 6.2.4 of this Registration Document;
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;
Manager & Registrar	Bank of Valletta p.l.c., a public limited liability company registered under the laws of Malta with company number C 2833 and having its registered office at 58, Zachary Street, Valletta VLT 1130, Malta;
Memorandum and Articles of Association	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus. The terms “ Memorandum ”, “ Articles ” and “ Articles of Association ” shall be construed accordingly;
Millemont Capital Partners	Millemont Capital Partners Limited, a company registered under the laws of England and Wales with company registration number CN 13153091 and having its registered address at 111 Park Street, London W1K 7JF, United Kingdom;



Millemont Group	collectively, Millemont Holdings Limited and its direct or indirect Subsidiaries, including the MM Star Group;
Millemont Holdings Limited	Millemont Holdings Limited, a company registered under the laws of England and Wales with company registration number CN: 13152429 and having its registered address at 111 Park Street, London W1K 7JF, United Kingdom;
MM Star BidCo	MM Star Bidco Limited, a company registered under the laws of England and Wales with company registration number CN: 15443145 and having its registered address at 111 Park Street, London W1K 7JL, United Kingdom;
Occupational Lease Agreement	has the meaning assigned to it in section 6.2.6 of this Registration Document;
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;
Registration Document	this document in its entirety;
RevPAR	revenue per available room;
Securities Note	the securities note issued by the Issuer dated 27 May 2025, forming part of the Prospectus;
Sponsor	M.Z. Investment Services Limited, a private limited liability company registered under the laws of Malta with 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	an entity over which the Guarantor 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 the said entities;
Summary	the summary issued by the Issuer dated 27 May 2025, forming part of the Prospectus;
Security Trustee	Finco Trust Services Limited, a private limited liability company registered under the laws of Malta with company registration number C 13078 and having its registered office at The Bastions Office No. 2, Triq Emvin Cremona, Floriana, FRN 1281, Malta, duly authorized to act as a trustee or co-trustee in terms of article 43(3) of the Trusts and Trustees Act, Cap. 331 of the laws of Malta;
Security Trust Deed	the security trust signed between the Issuer, MM Star HoldCo, Erskine PropCo, Erskine OpCo and the Security Trustee dated 27 May 2025;
TROO	TROO Hospitality Limited, a company registered under the laws of England and Wales with company registration number CN 13785377 and having its registered office is at Serendipity Labs, Building 3,7 Exchange Quay, Manchester M5 3EP;
UK	the United Kingdom;
UK Companies Act 2006	the Companies Act 2006;
Valuation Report	the property valuation report on the Yotel Edinburgh dated 22 April 2025 incorporated by reference in the Prospectus;
YOTEL	the 'YOTEL' brand;
Yotel Branded Systems	the Yotel standards, Yotel technology (including Yotel reservation systems) and other systems that the Franchisor or its affiliates designate for Yotel branded hotels from time to time;
Yotel Edinburgh	the Yotel Edinburgh hotel located at 68-73, Queen Street, Edinburgh, EH2 4NF, Scotland together with the cellarage and sunk area in the front thereof, registered in the land register of Scotland under title number MID81822;
Yotel Limited or Franchisor	Yotel Limited, a company registered under the laws of England and Wales with company registration number CN 04930414 and having its registered address at 136 High Holborn, London WC1V 6PX; and
Yotel Marks	the marks and signs and other associated intellectual property rights, whether registered or unregistered, owned by the Franchisor and its affiliates for the purpose of operating the Yotel Edinburgh under the "YOTEL" hotel brand.

Unless it appears otherwise from the context:

- (a) words importing the singular shall include the plural and *vice-versa*;
- (b) words importing the masculine gender shall also include the feminine gender and *vice-versa*; and
- (c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative.



2 RISK FACTORS

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISERS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THIS PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND NEITHER THE ISSUER, NOR THE GUARANTOR, IS IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

THE RISK FACTORS BELOW HAVE BEEN CATEGORISED UNDER TWO MAIN CATEGORIES, ACCORDING TO WHETHER THE RISK FACTORS RELATE TO: (I) THE ISSUER PER SE; OR (II) THE BUSINESS AND OPERATIONS OF THE GROUP.

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 GUARANTOR, IF THE RISK FACTOR WERE TO MATERIALISE.

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

THE PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN AND/OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH BONDS 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 AND/OR THE GUARANTOR, THEIR RESPECTIVE DIRECTORS, ANY OF THE ADVISERS LISTED IN SECTION 4.3 BELOW, OR ANY OF THE AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THIS PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE THE BONDS ISSUED BY THE ISSUER (AND THEREFORE PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS REGISTRATION DOCUMENT); AND
- (III) CONTAIN STATEMENTS THAT ARE, OR MAY BE DEEMED TO BE, "*FORWARD-LOOKING STATEMENTS*".

2.1 Forward-looking Statements

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

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



this Registration Document and elsewhere in the Prospectus. There can be no assurance that (i) the Group has correctly measured or identified all of the factors affecting its business or the extent of their likely impact, (ii) the publicly available information with respect to these factors on which the Group's analysis is based is complete or accurate, (iii) the Group's analysis is correct or (iv) the Group's strategy, which is based in part on this analysis, will be successful. No attempt has been made by the Group to verify the forward-looking statements in this Prospectus. No representation is made that any of these statements, projections or forecasts will come to pass or that any forecasted result will be achieved. Where, in any forward-looking statement, the Group expresses an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished.

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

2.2 Risks relating to the Issuer

2.2.1 *Risks associated with the dependence of the Issuer on the business of the Group and more specifically, on the revenue generated by the Yotel Edinburgh*

The Issuer is a finance company, with one of its purposes being that of financing or re-financing the funding requirements of the business of the Group. Furthermore, the Group's primary revenue generating asset is the Yotel Edinburgh which asset has been leased to, and is operated by, Erskine OpCo in accordance with the Occupational Lease Agreement (as described in further detail in section 6.2.6 of this Registration Document). In this respect, the Issuer is mainly dependent on the business prospects of the Group, and consequently, the operating results of the Group have a direct effect on the Issuer's financial position and performance, and as such the risks intrinsic in the business and operations of the Group shall have a direct effect on the ability of the Issuer to meet its obligations in respect of principal and interest under the Bonds when due.

As a majority of the Issuer's assets will consist of receivables due in respect of loans to the Group, the Issuer is largely dependent, including for the purpose of servicing interest payments on the Bonds and the repayment of the principal on the maturity date, on receipt of interest and capital repayments from the Group. The interest and capital repayments to be effected by the Group in favour of the Issuer are subject to certain risks. More specifically, the ability of the Group to effect loan repayments will depend on its respective cash flows and earnings, which may be restricted or affected by changes in applicable laws and regulations, by the terms of agreements to which they are or may become party (including the indenture governing existing indebtedness), or by other factors beyond the control of the Issuer and the Group. The occurrence of any such factors could, in turn, negatively affect the ability of the Issuer to meet its obligations in respect of the repayment of principal and interest under the Bonds punctually when due.

2.3 Risks relating to the Business and Operations of the Group

2.3.1 *Risks common to the hospitality and tourism industry*

The Group's operations and the results thereof are subject to a number of internal and external factors that could adversely affect the Group's business, many of which are common to the hospitality and tourism industry and beyond the Group's control.

The following factors may have a negative impact on the hospitality sector of the Group's business:

- changes in travel patterns or seasonal variations, as well as consumer preferences concerning price, quality, location, and type of hospitality packages, any increase in or the imposition of new taxes or surcharges or other expenses relating to air travel and fuel, and cutbacks and stoppages on air or sea travel routes bound for countries in which the Group operates hotels, as well as the imposition of travel restrictions, bans or other measures by the relevant authorities which could have a bearing on the number of visitors arriving at such destinations;
- changes in laws and regulations, including those concerning the management and operation of hotels and other hospitality outlets, employment, catering and entertainment establishments, health and safety, alcohol licensing, environmental concerns, fiscal policies and zoning and development, and the related costs of compliance;
- the maintenance of licences and other authorisations, as may be required from time to time, to operate and manage hospitality establishments;
- the impact of increased threats of terrorism or actual terrorist events, impediments to means of transportation (including airline strikes and border closures, or other travel restrictions), extreme weather conditions, natural disasters, travel-related accidents, outbreaks of diseases and health concerns, or other factors that may affect travel patterns and reduce the number of business and leisure travellers;
- increases in operating costs due to general market conditions, inflation, employment costs, workers' compensation and healthcare related costs, utility costs, increased taxes and insurance costs which could impact margins and could therefore impact the viability (or otherwise) of the operations of the Group;
- socio-demographical changes (ageing markets, family life cycles and changing structures), and economical changes (recessions, increase in oil prices and exchange rates);



- changes in the sales terms and conditions of main sales channels, the respective fees and commissions payable to online travel agents; the termination, non-renewal and, or the renewal on less favourable terms of material contracts, including franchise agreements, management or operation agreements, travel agent or travel platform booking agreements, marketing agreements, services or supply agreements, and agreements entered into with tour operators;
- increased competition from providers of alternative accommodation, including web-based booking channels that allow private accommodation to be made available by private individuals or via online peer-to-peer platforms, and other hospitality models such as bed and breakfasts (B&Bs), room-sharing and flexi-renting, and short-term lets of private property which may be offered at competitive rates.

The impact of any of these factors (or a combination of them) may cause a reduction in the Group's revenue or profitability, including, but not limitedly as a result of a reduction of room rates and occupancy levels, which could have a material adverse effect on the Group's business, financial condition and results of operations.

2.3.2 Concentration risks

Given that a significant portion of the revenue generated by the Group is derived from its operations of the Yotel Edinburgh, which is located in the UK, the Group is subject to geographic-specific concentration risk. Accordingly, the Group is highly susceptible to the economic trends that may from time to time be felt in the UK, 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 the UK, particularly those having an effect on consumer demand, could have a negative impact on the business of the Group.

2.3.3 Risks relating to title over the Yotel Edinburgh

The Group acquired the Yotel Edinburgh in July, 2024 as a result of the acquisition by MM Star BidCo of Erskine PropCo and Erskine OpCo. The Acquisition was dependent on, amongst other things, the performance of a due diligence exercise on the good title over the Yotel Edinburgh. In doing so, the Group relied 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 advisers, fail to identify any possible 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 be exposed to claims and, or liabilities relating to such issues.

Furthermore, following the Acquisition, the freehold title of the Yotel Edinburgh was sold to the Landlord and subsequently leased back to Erskine PropCo. As a result, Erskine PropCo currently holds the Yotel Edinburgh under leasehold title and sub-leases the Yotel Edinburgh to Erskine OpCo (as described in further detail in sections 6.2.5 and 6.2.6 of this Registration Document). In the event that Erskine PropCo fails to: (i) pay all or any part of the sums payable thereby in accordance with the terms of the Head Lease Agreement when due; or (ii) perform any of its obligations under the Head Lease Agreement and such failure to perform its material obligations has a material adverse effect on the Landlord's interest, the Landlord may terminate the Head Lease Agreement and may reclaim possession of the Yotel Edinburgh provided the breach is not remedied (if capable of remedy) within a minimum period of ninety (90) days from the date the Landlord serves notice on Erskine PropCo. Furthermore, if a breach under limb (ii) above is deemed incapable of remedy, Erskine PropCo has the opportunity to contest this determination and, if the parties cannot agree, the matter will be referred to an independent expert for resolution.

The breach of Erskine PropCo's material obligations under the Head Lease Agreement may have significant consequences at law, including the termination of the of the Head Lease Agreement (and as a result, the Occupational Lease Agreement) and, consequently, the loss of Erskine PropCo's title over the Yotel Edinburgh. This would, in turn, have a material adverse effect on the Group's operations and financial position.

2.3.4 Risks relating to the Franchise Agreement

The Group operates the Yotel Edinburgh under the YOTEL brand pursuant to a Franchise Agreement entered into with Yotel Limited (as Franchisor) for an initial term of 15 years (until 2039) which may thereafter be renewed (as described in further detail in section 6.2.9 of this Registration Document). In terms of the Franchise Agreement, the Franchisor granted Erskine OpCo a non-exclusive licence to use the Yotel Brand Systems and the Yotel Marks for the purpose of operating the Yotel Edinburgh. Accordingly, the Group's operations of the Yotel Edinburgh as a 'YOTEL' branded hotel are dependent on the continuity of the contractual relationship with the Franchisor under the Franchise Agreement.

Erskine OpCo (as franchisee) is required to comply with the terms and conditions stipulated in the Franchise Agreement, and any material default or material breach of these terms and conditions could result in, amongst other things, the termination of the Franchise Agreement prior to the expiration of its term or the suspension thereof. There is no guarantee that the Group will manage to secure the necessary renewals of the Franchise Agreement on similarly favourable terms or at all. Moreover, if any event of termination were to occur which allows the Franchisor to terminate the Franchise Agreement with immediate effect, and such agreement is so terminated, the Group will no longer be able to benefit from the reputation and standards of the YOTEL brand and may not manage to secure an alternative franchise of a same or similar standard and reputation within a short time frame. If such risks were to materialise, the Group's business operations and results of operation may be materially adversely affected.



2.3.5 Risks relating to the Group's dependence on TROO

The Group has appointed TROO to manage the Yotel Edinburgh pursuant to the Hotel Management Agreement (as described in further detailed in section 6.2.10 of the Registration Document). As a result of the day-to-day management and operations of the Yotel Edinburgh being delegated to TROO, the operations and profitability of the Group are dependent on TROO's performance in managing and operating the Yotel Edinburgh.

Despite outsourcing its operations, Erskine OpCo is not released from its obligations under the Franchise Agreement. Without prejudice to the obligation on the part of TROO to indemnify Erskine OpCo in the case of gross negligence or wilful misconduct, if TROO fails to meet operational standards and, or any contractual obligations, Erskine OpCo may be held liable for the performance of TROO. Accordingly, any operational shortcomings or mismanagement on the part of TROO could have a direct or indirect material adverse impact on the business operations and financial position of the Group.

Should either party terminate the Hotel Management Agreement prior to the expiry of its term, or, should TROO decide not to renew the agreement following the lapse of the term thereof, the Group would need to seek a new provider of management services. The appointment of an operator to manage the Yotel Edinburgh is subject to the prior approval of the Franchisor under the Franchise Agreement, which approval shall not be unreasonably withheld or delayed. If the Franchisor, acting reasonably, fails to approve the proposed operator, the parties will promptly discuss alternatives and use all commercially reasonable efforts to arrive at a resolution as soon as practicable. In the event that the appointed operator does not manage the Yotel Edinburgh in compliance with the YOTEL standards, there is a risk that the Franchisor revokes its approval.

While the Franchisor's approval cannot be unreasonably withheld or delayed, there is no guarantee that the transition in the management and operation of the Yotel Edinburgh will occur without disruptions, nor that the Group will be able to replace the services provided by TROO immediately and, or on equal or more favourable terms. If such an event were to materialise, this may cause disruptions in the operation and management of the Yotel Edinburgh, which in turn, could have a material adverse effect on the Group's business and results of operations.

2.3.6 Risks relating to natural disasters, contagious disease, terrorist activity and war

Natural disasters, the spread of contagious disease, industrial action, travel-related accidents, terrorist activity and war, and the targeting of hotels and popular tourist destinations in particular, have had a significant negative impact on the hotel industry globally and such events could have a similarly negative impact in the future.

Events such as the aforementioned could directly or indirectly affect travel patterns and reduce the number of business and leisure travellers in affected countries and reduce the demand for hotel accommodation at the Yotel Edinburgh. In addition, concerns about air travel safety could substantially decrease the overall amount of air travel, including premium business travel, which is generally associated with the highest average daily rates at hotels. Such a decrease could have an adverse impact on occupancy levels at the Yotel Edinburgh.

War and conflicts may from time to time occur in various parts of the world. The invasion of Ukraine by Russia, and the armed conflict in the Middle East, have significantly impacted global commodity and financial markets, leading to supply chain disruptions and increases in the price of energy, oil, gas, and raw materials. Changes in overall economic conditions, inflation, interest rates, consumer and business spending, recession, and other factors which are beyond the Group's control may have an adverse effect on the Group's business and financial performance.

Moreover, actual or threatened war, terrorist activity, political unrest, civil strife, and other geopolitical uncertainty may also reduce overall demand for business and leisure travel. Furthermore, because hotels in major city centres tend to be more vulnerable to these types of events and concerns, and the Yotel Edinburgh is located in the heart of Edinburgh, the occurrence of any of these events or increasing concerns about these events could have a material adverse impact on the business, financial condition, results of operations and prospects of the Group.

2.3.7 Risks relating to reliance on third-parties

In the day-to-day operations of its business, the Group engages with, and depends, to a great extent, on third-parties, some of which are key to the successful operations of the business including, but not limited to, online travel agents, I.T. services, and marketing services. Any disruptions to material agreements entered into with such third-parties could potentially have a negative impact on the Group's business operations and financial results, or its future prospects.

When one or more of such key suppliers defaults on their obligations to the Group, or where the Group experiences disruptions in these services for whatever reason, such default or disruption could negatively impact the Group's ability to provide its products and services, and to meet its obligations under applicable laws, as well as its obligations towards its customers, failure of which could result in the imposition of fines or penalties, loss of revenue, decline in customer loyalty levels, damage to the Group's reputation, and reduced profitability of the Group. Furthermore, there is no guarantee that the Group will be successful in recovering any losses suffered thereby as a result of the non-compliance of a third-party with their contractual obligations.

In addition, there is a risk of termination or non-renewal of these material agreements with key suppliers and the Group may encounter difficulties in seeking and contracting with alternative third-party suppliers in a timely and cost-effective manner and on the same or similar terms.

Where the risks arising from reliance on such third-party suppliers were to materialise, these would negatively affect the Group's reputation, market position, operations and financial condition.

2.3.8 Competition risk

The business of the Group is susceptible to strong and increasing local and global competition, influenced by a variety of determining factors including price, variety and quality of services, availability, reliability, after-sales service and logistical arrangements, and the fluctuations in demand and supply in respect of both competing or substitute goods and services. A decline in the relative competitive strength of the Group could adversely affect the Group's results of its operations, financial condition, and its prospects.

In particular, the Group may be compelled by the strength of its competitors that are able to supply goods and services at lower prices, to reduce its own prices. If this scenario were to materialise, the ability of the Group to maintain or increase its profitability will in turn be dependent on its ability to offset such decreases in the prices and margins of its goods and services.

2.3.9 Risks relating to the Group's indebtedness

As at the date of this Registration Document, the Group has a general banking facility which is secured over, *inter alia*, the leasehold title to the Yotel Edinburgh. Further to the Bond Issue, the Group intends to use the proceeds generated therefrom to refinance the aforementioned facility and to extinguish its obligations under the Facility Agreement and the Ancillary Security Agreements as further detailed in section 6.2.3 of this Registration Document and section 4.1 of the Securities Note.

Furthermore, the Group may incur additional debt in connection with its future growth. Increased debt funding may not be available on terms that are favourable to the Group, or could not be available at all. Debt financing may increase to a level that results in a substantial portion of the cash flows being allocated towards the servicing and repayment of such borrowings, potentially limiting the amount of cash that would otherwise be available for other uses such as operating costs, working capital, or dividends. Additionally, the debt agreements could impose operating restrictions and financial covenants. These restrictions and covenants could limit the Group's ability to obtain future financing, make capital expenditure, distribute dividends to its shareholders, withstand a future downturn in business or economic conditions generally or otherwise inhibit the ability to conduct necessary corporate activities.

2.3.10 Reputational risk

Reputational risk is the risk that any negative publicity regarding the Group's business practices, including adverse publicity affecting the YOTEL brand, whether true or not, and any damages experienced by the overall image of the YOTEL brand will cause a decline in the Yotel Edinburgh's accommodation rates, or lead to costly litigation or reductions in revenue, which could in turn have a material adverse effect on the Group's operations, earnings and financial position.

The industry in which the Group operates exposes it to a variety of risks associated with safety, security and crisis management, including but not limited to exceptional events such as adverse weather conditions, civil or political unrest, violence and terrorism, serious and/or organised crime, fraud, employee dishonesty, cyber-crime, pandemics, fire and day-to-day accidents, incidents, and petty crimes which impact the guest or employee experience, could cause loss of life, sickness or injury and may result in compensation claims, fines from regulatory bodies, litigation and a severe impact on the Group's reputation and operations. If any of these risks were to occur this would in turn have a negative effect on the Group's financial condition and cash flows.

2.3.11 Risks relating to exposure to claims and litigation

Since the Group operates in an industry which involves the continuous provision of services to customers and such operation necessarily requires continuous interaction with customers, suppliers, employees, regulatory authorities, and other stakeholders, the Group is exposed to the risk of litigation from such stakeholders. The potential publicity associated with such litigation 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.

The Group is not involved in any governmental, legal or arbitration proceedings, so far as the Board of Directors are aware, which may have, or have had during the 12 months preceding the date of this Registration Document, a significant effect on the Group's financial condition or operational performance. No assurance can be given that disputes which could have such effect would not arise in the future. Exposure to litigation or fines imposed by regulatory authorities may affect the Group's reputation even though the monetary consequences may not be significant.

2.3.12 Risks relating to the Group's insurance policies

The Group maintains insurance at levels determined by the Group, following advice from industry experts, to be appropriate in light of the cost of cover and the risk profiles of the business 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 claimed from the insurer. 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.

2.3.13 Risks inherent in the valuation of the Yotel Edinburgh

The only revenue generating asset of the Group consists of immovable real estate, which is inherently difficult to value with certainty as a result of fluctuations in the property and real estate markets. Property investments are subject to varying degrees of risks. Property and real estate values, including the value of leasehold interests, are affected, amongst others, by changing demand, changes in general economic conditions, changing supply within a particular area of competing space and attractiveness of real estate relative to other investment choices.

The value of the Yotel Edinburgh and the associated long leasehold interest may also be adversely affected as a result of other factors outside the Group's control, such as changes in regulatory requirements and applicable laws (including in relation to taxation, planning and the property market in general), political conditions, the conditions of the financial markets, interest and inflation rate fluctuations and higher accounting and control expenses. Furthermore, the financial and operational performance of the Yotel Edinburgh may also influence the value of the long leasehold, which could fluctuate as a result of these factors.

Due to their nature, investments in immovable property, including long leasehold interests, are relatively illiquid and more difficult to realise than most equities or bonds traded publicly. If an asset cannot be liquidated in a timely manner, then it may be harder to attain a reasonable price.

Furthermore, the valuation of the long leasehold interest in the Yotel Edinburgh is intrinsically subjective and based on several assumptions at a given point in time. In providing a market value of the long leasehold interest, the architect has made certain assumptions which ultimately may cause the actual values to be materially different from any future values that may be expressed or implied by such forward-looking statements or anticipated on the basis of historical trends as reality may not match the assumptions or due to other changes such as deterioration in market and economic conditions and heightened market and financial markets volatility. Subsequently, the Group may have purchased or may in the future purchase, property and property-related assets on the basis of inaccurate valuations. There can be no assurance that such property valuations and property-related assets will reflect actual market values.

2.3.14 The Group's key senior personnel and management have been and remain material to its growth

The Group believes that its growth is partially attributable to the efforts and abilities of the members of its executive management team and other key personnel. If one or more of the members of this team were unable or unwilling to continue in their present position, the Group might not be able to replace them within the short term, which could have a material adverse effect on the Group's business, financial condition and results of operations.

In common with many businesses, the Group will be relying heavily on the contacts and expertise of its senior management teams and other key personnel. Although no single person is solely instrumental in fulfilling the Group's business objectives, there is no guarantee that these objectives will be achieved to the degree expected following the possible loss of key personnel. The loss of the services of any of the key personnel could have, in the short term, a material adverse effect on the Group's business.

2.3.15 The Group's reliance on non-proprietary software systems and third-party information technology providers

The Group utilises, and is increasingly reliant upon, the efficient and uninterrupted operations of its computer systems, software and telecommunications networks, access to the internet, as well as the systems and services of other third parties (collectively, the "**IT Systems**") for the running of its business, and is exposed to the risk of failure, disruption or other interruption of its IT Systems. Such events may arise as a result of a variety of factors that may be out of the Group's control, including, but not limited to, natural disasters, electricity outages and, or technical malfunctions. These may arise from malicious activity, negligence or force majeure events including, but not limited to, cyber-attacks (such as malware attacks, ransomware, phishing, hacking or any other form or type of cyber-attack), data theft or other unauthorised access or use of data. In addition, service level IT security and maintenance agreements and disaster recovery plans intended to ensure continuity and stability of these systems may not necessarily prove adequate to avoid any type of disruption to the Group's business. If such failure, disruption or other interruption, even temporary, were to occur, the activities of the Group could be affected for the period of time for which such event subsists, which lack of access could adversely affect the Group's operations and its ability to deal with its stakeholders in a timely, proper and effective manner. Disruptions of this nature, or lack of resilience in operational availability, could adversely affect the Group's relations with suppliers, customers and other stakeholders, the results of its operations and its financial condition.

2.3.16 Liquidity risk

The lack of liquidity and alternative uses of real estate investments could significantly limit the Group's ability to respond to adverse changes in the performance of its operations thereby potentially harming the Group's financial condition.



Furthermore, in terms of the Head Lease Agreement, Erskine PropCo is precluded from assigning, sub-letting or charging its interests in the Yotel Edinburgh (other than sub-letting parts which are permitted in accordance with the terms of the agreement), without having satisfied certain criteria outlined in the Head Lease Agreement, and without the prior written approval of the Landlord, which approval may be withheld in certain circumstances.

The Group's ability to sell, assign, or sub-lease, in a timely fashion, its asset in response to changing economic, financial and investment conditions, is limited, including as a result of restrictions outlined under the Head Lease Agreement. The real estate market is affected by many factors, such as general economic conditions, availability of financing, interest rate movements and other factors, including supply and demand, that are beyond the Group's control.

2.3.17 Foreign currency risk

The Issuer is exposed to foreign currency risk arising from transactions, receivables, and borrowings denominated in currencies other than the Euro. A significant portion of the Group's revenue is derived from its operations of the Yotel Edinburgh, generating income in Sterling. As a result, fluctuations in exchange rates between the Euro and other currencies, particularly Sterling, may lead to exchange gains or losses upon the settlement of payables and receivables. This exposure to foreign exchange risk may affect the monetary value of the Group's foreign currency-denominated assets, liabilities, income, and expenses in relation to the Euro, which may in turn have an adverse impact on the Group's financial condition.

2.3.18 Risks relating to the failure to implement environmental, social and governance considerations in the Group's business model

There is a growing expectation for enterprises to implement sustainability risks and consider sustainability factors in their day-to-day management and decision-making processes. With an increased emphasis on environmental, social and governance ("**ESG**") considerations at global level, the implementation of sustainable factors in the Group's business model is likely to come under increased scrutiny by investors, regulators, and the public at large. ESG considerations for the purposes of the Group's business may include, but are not limited to, energy performance, energy and resource efficiency, waste management, energy and water use, the use of renewables, as well as social and employment considerations of workers and the health and safety thereof.

In particular, risks relating to the impact of climate change, through physical and transitional channels, including but not limited to, physical risks related to severe weather events and other natural disasters and transition risks attributable to regulatory, technological, and market or pricing changes, could have economic, operational and financial impacts on the Group, and accordingly the failure by the Group to manage these risks over the short, medium, and long term could have a material adverse effect on the Group's business operations, financial performance and prospects.

From a governance perspective, risks may arise relating to lack of skilful management or good governance within the Group and the inadequacy of proper control. Said risks cover a wide spectrum of areas including financial crime, regulatory compliance, fraud, systems, and processes which would in turn affect income and capital. Failure to manage these risks may result in negative impacts on the Group's business and reputation.

The failure to implement sustainable factors in the Group's business operations may also have a material adverse effect on the Group's reputation, as well as its relationship with clients, suppliers, business partners, and other stakeholders. This in turn may have a material adverse impact on the Group's business activities, revenues, financial condition, and operations.

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

2.3.19 Risks relating to the collection, processing and storage of personal data

Whenever personal data is collected, processed and stored by Erskine OpCo, the activity conducted is subject to the rules governing the processing of personal data in terms of Data Protection Laws.

Erskine OpCo is subject to a number of obligations concerning the processing of personal data under such regulation which if breached, could result in Erskine OpCo being liable to fines that could affect the financial position thereof. In addition, any inquiries made, or proceedings initiated by the relevant regulator, could lead to negative publicity which could materially adversely affect its reputation and, as a result, its business, earnings and, or financial condition.

Erskine OpCo has adapted internal procedures to comply with Data Protection Laws. However, Erskine OpCo remains exposed to the risk that personal data collected could be damaged, lost, disclosed, or otherwise unlawfully processed for purposes other than as permitted under Data Protection Laws. The possible damage, loss, unauthorised processing or disclosure of personal data could have a negative impact on the Group's activities, including the need to incur costs for adapting to new regulations.



2.3.20 Risks relative to changes in laws

The Group is subject to taxation, environmental and health and safety laws and regulations. As with any business, the Group is at risk in relation to changes in laws and regulations and the timing and effects of changes in the laws and regulations to which it is subject, including changes in the interpretation thereof which cannot be predicted. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of this Registration Document upon the business and operations of Group.

3 PERSONS RESPONSIBLE AND STATEMENT OF APPROVAL

The Directors of the Issuer, whose names are set out in section 4.1 of this Registration Document entitled “*Directors of the Issuer*” are the persons responsible for the information contained in this Registration Document. To the best of the knowledge and belief of the Directors, 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 and the Directors have taken all reasonable care to ensure that this is the case. The Directors accept responsibility accordingly.

This Registration Document has been approved by the MFSA as the competent authority in Malta under the Prospectus Regulation. The MFSA has only approved this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the Group as the subjects of this Registration Document.

4 IDENTITY OF DIRECTORS, MANAGEMENT, ADVISORS AND AUDITORS

4.1 Directors of the Issuer

As at the date of this Registration Document, the Board of Directors of the Issuer is composed of the following persons:

Name	Designation	Date of Appointment
Demeter Peter Kovacs	Executive Director	27 February 2025
Winston J. Zahra	Executive Director	27 February 2025
Albert Frendo	Independent Non-Executive Director	27 February 2025
Kenneth Abela	Independent Non-Executive Director	27 February 2025
Steven Coleiro	Independent Non-Executive Director	22 April 2025

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

Dr Malcolm Falzon, having the same business address as that of the Issuer, is the company secretary of the Issuer.

4.2 Directors of the Guarantor

As at the date of this Registration Document, the board of directors of the Guarantor is composed of the following persons:

Name	Designation	Date of Appointment
Ashley Edward Shaw	Executive Director and Chief Executive Officer	14 June 2022
Demeter Peter Kovacs	Executive Director and General Counsel	14 June 2022
John Emmanuel Bennett	Chairman	14 June 2022

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

4.3 Advisors to the Issuer

The persons listed under this section 4.3 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.

Legal Counsel

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



Financial Advisors

Name: PwC Advisory Services Malta Limited
Address: 78, Mill Street, Zone 5, Central Business District, Qormi CBD 5090, Malta

Sponsor

Name: M.Z. Investment Services Limited
Address: 63, M.Z. House, St. Rita Street, Rabat RBT 1523, Malta

Manager & Registrar

Name: Bank of Valletta p.l.c.
Address: 58, Zachary Street, Valletta VLT 1130, Malta

4.4 Statutory Auditors of the Issuer

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

PwC Malta is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta). The Accountancy Board registration number of PricewaterhouseCoopers Malta is AB/26/84/38.

The Issuer was set up on 27 February 2025 and, since incorporation up until the date of this Registration Document, no financial statements have been prepared.

4.5 Statutory Auditors of the Guarantor

Name: PricewaterhouseCoopers CI LLP (PwC Jersey)
Address: 37, Esplanade, St Helier, Jersey JE1 4XA Jersey

PwC Jersey is a firm registered as a partnership of certified public accountants registered with the Institute of Chartered Accountants in England and Wales (ICAEW) with accountancy board registration number C001187983.

The consolidated audited financial information relating to the Guarantor for the six-month period ended 31 December 2024 was audited by PwC Jersey.

4.6 Security Trustee

Name: Finco Trust Services Limited
Address: The Bastions Office No. 2, Triq Emvin Cremona, Floriana FRN 1281, Malta

Finco Trust Services Limited 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).

5 INFORMATION ABOUT THE ISSUER AND THE GUARANTOR

5.1 General information about the Issuer

Full Legal and Commercial Name of the Issuer:	MM Star Malta Finance p.l.c.
Registered Address:	Level 3, Valletta Buildings, Triq Nofs in-Nhar, Valletta VLT 1103, Malta
Place of Registration and Domicile:	Malta
Registration Number:	C 111281
Legal Entity Identifier:	98450001446DE5B0F856
Date of Registration:	27 February 2025
Legal Form:	Public limited liability company in terms of the Companies Act
Telephone Number:	+44 (0) 208 176 8200
Email:	mmstar.malta@millemont.co.uk
Website:	https://mmfinancemalta.com/

There are no recent events particular to the Issuer which are to a material extent relevant to an evaluation of its solvency.

The Directors are not aware of any material change in the Issuer's borrowing and funding structure since the date of its incorporation.



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

5.2 General information about the Guarantor

Full Legal and Commercial Name of the Guarantor:	MM Star HoldCo Limited
Registered Address:	111 Park Street, London, United Kingdom W1K 7JL
Place of Registration and Domicile:	United Kingdom
Registration Number:	CN: 14171754
Legal Entity Identifier:	98450094EBBE392AFP51
Date of Registration:	14 June 2022
Legal Form:	Private company limited by shares in terms of the UK Companies Act 2006
Telephone Number:	+44 (0) 208 176 8200
Email:	contact@millemont.co.uk
Website:	https://millemont.co.uk/

There are no recent events particular to the Guarantor which are to a material extent relevant to an evaluation of their respective solvency.

The directors of the Guarantor are not aware of any material change in the Guarantor's borrowing and funding structure since the Guarantor's latest financial year ended 31 December 2024.

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

5.3 Historical Development of the Millemont Group and the MM Star Group

The Millemont Group was established in 2021 as a private equity real estate investment platform, focused on deploying capital into the UK hospitality sector, with an emphasis on sustainable hospitality assets in strategic UK locations.

Each of the Millemont Group's investments are held through distinctly, separate single-purpose UK fund structures. One of these fund structures forms the basis of the MM Star Group which group of companies, within the wider Millemont Group structure, was formed for the purposes of the Acquisition of the Yotel Edinburgh and its related investment cycle (i.e. the ownership and operation of the Yotel Edinburgh).

As at the date of this Registration Document, the Millemont Group has invested in three separate hospitality-related portfolios, which portfolios are held through three separate fund structures.

- (i) Millemont 1 Limited Partnership, a private fund limited partnership established under English law which wholly owns MM Aurora Holdco Limited (CN: 13650151) and its subsidiary companies, collectively forming the MM Aurora group of companies (the **"MM Aurora Group"**);
- (ii) Millemont 2 Limited Partnership, a private fund limited partnership established under English law which wholly owns MM Orbit Holdco Limited (CN: 13737774) and its subsidiary companies, collectively forming the MM Orbit group of companies (the **"MM Orbit Group"**); and
- (iii) Millemont 3 Limited Partnership, a private fund limited partnership established under English law which wholly owns MM Star HoldCo (the Guarantor) and the Subsidiaries, collectively forming the MM Star Group.

Each of said fund structures have their own corresponding general partner entities, all of which are wholly-owned and wholly-controlled by the Millemont Group.

5.3.1 Key milestones of the Millemont Group within the hospitality sector

Since its incorporation in 2021, the Millemont Group has achieved the following milestones:

- In April 2022, the Millemont Group, through the MM Orbit Group, acquired a portfolio of three hotels, comprising 242 bedrooms, in key regional UK cities, namely Oxford, Stratford-upon-Avon and Aberdeen. The MM Orbit Group was established as the designated arm of the Millemont Group responsible for the acquisition, ownership and operation of the said portfolio of hotels, through its interests in operating subsidiary companies. In contrast to the investment in the MM Star Group, where the Yotel Edinburgh is a stabilised asset with strong performance and cash flows—making it an income investment—the Millemont Group adopted a different investment strategy for the MM Orbit Group. This investment was considered a value-add opportunity, necessitating an intensive capital expenditure program and asset repositioning.



The hotel portfolio of the MM Orbit Group is composed of the following hotels:

- The **Oxford hotel**, consisting of 81-bedrooms and trading under the '**Mercure Oxford Eastgate Hotel**' name, is located at 73 High Street, Oxford OX1 4BE;
- The **Stratford hotel**, with 78-bedrooms, is located at Chapel Street, Stratford-upon-Avon CV37 6ER. Previously trading under the '**Mercure Stratford upon Avon Shakespeare Hotel**' name, the hotel is currently closed to prepare for a major refurbishment plan to reposition the hotel as one of the most premium hotels in Stratford-upon-Avon;
- The **Aberdeen hotel**, with 83-bedrooms and trading under the '**Mercure Aberdeen Caledonian Hotel**' name, is located at 10-14 Union Terrace, Aberdeen AB10 1WE.

The MM Orbit hotel portfolio is currently undergoing a repositioning process for the purpose of upgrading the three hotels from budget hotels into more premium, independent, lifestyle brand hotels.

- In December 2022, the Millemont Group, through the MM Aurora Group, acquired a hotel in the Lake District, UK. MM Aurora Group was established as the designated arm of the Millemont Group responsible for the acquisition, ownership and operation of the Lake District hotel, through its interests in operating subsidiary companies. The hotel portfolio of the MM Aurora Group is specific to the following hotel:

The **Lake District Hotel**, trading under '*The Belsfield Hotel*' name and comprising 62 bedrooms, is located at Kendal Road, Bowness-on-Windermere, Windermere LA23 3EL. Similar to the MM Orbit Group, the MM Aurora Group investment was pursued as a value-add investment opportunity, involving a significant capital expenditure program.

In March 2025, the MM Aurora Group successfully sold The Belsfield Hotel pursuant to a discreet, off-market sale. Whilst an early exit of this investment was not part of the MM Aurora Group's business plan, they managed to secure an attractive offer pursuant to an unsolicited approach from a local businessman, and having carefully considered the offer with Millemont's investors, a decision was taken to capitalise on the early exit opportunity.

- Between 2022 and 2024, MM Star HoldCo and MM Star BidCo were set up for the purpose of establishing a designated arm of the Millemont Group responsible for the acquisition, operation and management of the Yotel Edinburgh.
- In July 2024, the Millemont Group acquired Erskine OpCo and Erskine PropCo, the companies that hold the long leasehold interest in and operate the Yotel Edinburgh in Edinburgh, as further described in section 6.2 of this Registration Document. Following the Acquisition of Erskine OpCo and Erskine PropCo, the MM Star Group (as defined in this Registration Document) was established, with the Yotel Edinburgh its sole investment.

The Millemont Group is targeting the acquisition of a further ten hotels over the next three years, two of which are hotels located in the city of Edinburgh.

5.3.2 Business development strategy of the Millemont Group

The Millemont Group's vision is to become a leading independent hospitality investment platform with a well-diversified portfolio across the UK and Europe. While the Millemont Group continues to strengthen its presence in the UK, its expansion into European markets is part of a strategic, phased approach that will be pursued over time.

The Millemont Group seeks to achieve its vision through a number of key business strategies. Its core business strategy is to focus on: (i) acquiring income generating, lifestyle hotels in UK cities and employing an active asset management strategy to deliver strong risk-adjusted investment returns; and (ii) value-add and opportunistic hotels and to undertake extensive repositioning programmes to deliver above market returns.

The key business strategies of the Millemont Group are set out below:

(i) Management services

In collaboration with TROO, which is a boutique white-label hospitality management company formed as a joint venture between an experienced team of hotel operators led by Mr Winston Zahra, an entrepreneur in the hospitality industry (further detail on Mr Zahra's expertise can be found in his *curriculum vitae* set out in section 8.2 of this Registration Document) and Millemont Capital Partners, the Millemont Group aims to enhance its hotel portfolio by prioritising room rates over occupancy. This strategy is designed to drive higher revenue, improve operational margins, and increase profitability across its hotels. TROO takes a hands-on approach to focus on optimizing revenue management and reducing costs for each hotel.

For instance, at the Yotel Edinburgh, TROO plans to decrease the hotel's dependency on online travel agency bookings by expanding the group business during slower months. By concentrating on group bookings, which are typically secured at least six months in advance, TROO will secure a stable base occupancy for the hotel. With a solid base occupancy in place, TROO can adopt a more dynamic pricing strategy for transient bookings, which generally occur around 6 weeks prior to the stay.

Achieving a high business-on-books figure well in advance enables the hotel to increase rates for transient bookings, ultimately driving higher ADR and RevPAR. TROO also aims to strengthen the direct booking strategy by offering different promotions for direct bookings compared to those made through online travel agencies. Additionally, to drive revenues across all segments, TROO intends to introduce a 'Grab & Go' concept at Yotel Edinburgh to boost food and beverage revenues.



On the cost management front, TROO conducts a comprehensive review of all expense areas and supplier contracts to identify additional savings opportunities. For instance, at the Yotel Edinburgh, TROO has already identified several key areas where expenses can be reduced. These include laundry services, which currently exceed the portfolio benchmark; property maintenance; IT system costs, which could be lowered by switching to a new support provider; and guest supplies, leveraging TROO's buying power across its properties.

(ii) *Capital structuring*

The Millemont Group deploys a unique capital structure for acquisitions, combining ground rent funding (as further described in section 6.2.4 of this Registration Document) with traditional investor equity (coming from the Millemont Group investors via one of the Millemont Group managed funds) and a low-leveraged debt source. This approach allows each investment to operate at a lower leverage with a significantly cheaper cost of capital than the traditional equity and senior debt model. As a result, it generates higher free cash-flows, benefitting the Millemont Group and de-risking the model for its capital partners (such as debt providers). The Millemont Group has successfully implemented this capital structure model on most of its acquisitions and has built a strong network of capital partners with a view to continue this approach going forward.

(iii) *Sustainability strategy*

With sustainability being a key focus for its portfolio, Millemont Group has taken a number of actions through the development and, or the operation of its assets to significantly lower its carbon footprint and to operate as close to net zero as possible.

Insofar as the Yotel Edinburgh is concerned, the Millemont Group, through members of the MM Star Group, intends to make the Yotel Edinburgh more sustainable and to operate it as close to being 'net zero' as possible. The MM Star Group aims to work on potential operational improvements with a view to enhancing the Yotel Edinburgh's overall sustainability, which improvements are also expected to result in cost savings. The Millemont Group will also continue to work with third party advisers to implement the most effective technologies and systems to continue to reduce the carbon footprint of its hotels and improve their overall sustainable profile.

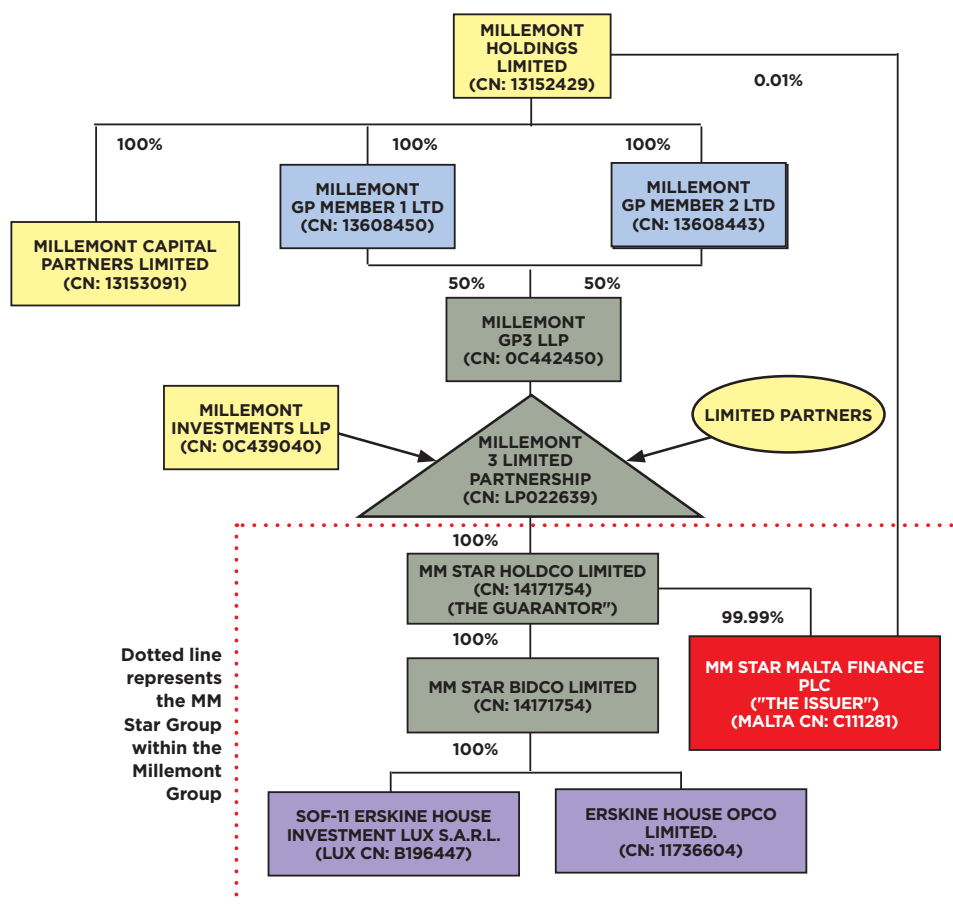
(iv) *Growth and diversification strategy*

The Millemont Group aims to expand its portfolio to 20 hotels in the UK over the next three to five years (the first ten of which over the next three years) before exploring acquisitions outside of the UK. The fundamentals of the UK hospitality investment remain solid, and the expectation is that this will only grow stronger in the coming years. A portfolio of more than ten hotel assets would enable the Millemont Group to drive further efficiencies through economies of scale and establish a well-diversified portfolio.



5.4 Organisational Structure of the MM Star Group

The organisational structure of the MM Star Group as at the date of this Registration Document is illustrated in the diagram below, indicating the position of the Issuer, the Guarantor and the MM Star Group within the Millemont Group.



The Issuer is a subsidiary company of the Guarantor. A brief overview of the business activities of the main group companies is set out below:

- **Millemont 3 Limited Partnership** (the “**Partnership**”): The Partnership is a limited partnership formed under English law pursuant to the Limited Partnership Act 1907 and is classified as a private fund limited partnership (“**PFLP**”).

a

In turn, the ownership and control of the Partnership consists of Millemont GP3 (as “**General Partner**”), certain investors (as “**Limited Partners**”) and Millemont Investments LLP (as the “**Carried Interest Partner**”). The General Partner was established specifically to act as the general partner of the Partnership and will be solely responsible for debts and obligations of the Partnership. Limited Partners will only be liable to third parties for the debts and obligations of the Partnership to the extent of their capital contributions to the Partnership.

The Partnership constitutes a collective investment scheme as defined in the UK Financial Services and Markets Act 2000 (“**FSMA**”). Establishing, operating and winding-up a collective investment scheme is a ‘regulated activity’ for the purposes of FSMA. Consequently, the General Partner delegates certain of its functions to an investment manager, Gen II Management Company (UK) Limited (formerly known as Crestbridge) (“**Investment Manager**”); and an investment adviser Millemont Advisors LLP (“**Investment Adviser**”).

- **MM Star Holdco Limited (CN: 14171754)**: MM Star HoldCo (the Guarantor) was incorporated on 14 June 2022. It is wholly owned by Millemont 3 Limited Partnership, and has been incorporated as a holding company of the MM Star Group.
- **MM Star Bidco Limited (CN: 15443145)**: MM Star BidCo was incorporated on 25 January 2024. It is a wholly owned subsidiary of the Guarantor, and has been incorporated as a holding company of the MM Star Group, holding 100% of the shares in Erskine OpCo and Erskine PropCo.
- **Erskine House Opco Limited (CN: 11736604)**: Erskine OpCo was incorporated on 20 December 2018. It is a wholly owned subsidiary of MM Star BidCo and owns the business of the Yotel Edinburgh. It is responsible for the operation and management of the Yotel Edinburgh and for employing all hotel staff.
- **Sof-11 Erskine House Investment Lux S.A.R.L. (LUX CN: B196447)**: Erskine PropCo was incorporated on 17 April 2015. It is a wholly owned subsidiary of MM Star BidCo and holds title to the Yotel Edinburgh, receiving intragroup rent from Erskine OpCo in respect of the property.



6 BUSINESS OVERVIEW

6.1 Principal Activities and Markets

The Issuer is a special purpose vehicle which has been incorporated for the purposes of this Bond Issue and does not itself carry on any trading activity other than for the purpose of funding the Group as and when the demands of its business so require. The Issuer is therefore economically dependent on the operations and performance of the Guarantor and other Group companies.

The Guarantor is the holding company of the MM Star Group which does not carry out any trading activity of its own. It is established solely and specifically for the purpose of investing in the acquisition, ownership, and operation of the Yotel Edinburgh by virtue of its shareholding in the Subsidiaries.

In terms of an inter-entity agreement, Millemont Capital Partners provides the Guarantor with certain intellectual property rights as well as various business support and management services. These rights and services generally include a non-exclusive license to use the 'Millemont' mark and logo; as well as strategic advisory, planning, management and governance services; financial and accountancy services; human resources services; marketing and business development services; risk and compliance services; know-how support services; and administrative support services. As the Guarantor has also entered into an inter-entity agreement with MM Star BidCo, in terms of which it provides MM Star BidCo with similar intellectual property rights as well as various business support and management services, the Guarantor is, in this regard, dependent on the provision of rights and services to it from Millemont Capital Partners.

6.2 Overview of the Business of the MM Star Group

6.2.1 Overview of the Yotel Edinburgh

The MM Star Group acquired the Yotel Edinburgh from an affiliate company of the Starwood Capital Group on 19th July 2024, as part of the acquisition by MM Star BidCo of two companies, namely, Erskine OpCo and Erskine PropCo (the "**Acquisition**").

In 2016, the Starwood Capital Group had carried out a conversion project pursuant to which the Edinburgh site, located at 68-73, Queen Street, was converted from an office block to a hotel, and in 2019, it began operations as the Yotel Edinburgh.

The Yotel Edinburgh is the third largest hotel in Edinburgh located in a prime location in Edinburgh's New Town. Spanning seven floors, the Yotel Edinburgh houses 276 rooms designed in a contemporary and innovative style, reflecting the signature YOTEL design. The rooms are available in five categories - Premium, Executive, First Class, VIP and DDA Cabin - ranging in size from 14 to 47 sqm. Furthermore, the hotel offers a wide-range of facilities, including food & beverages outlets, a fitness centre, a co-working space and a 360° screening room used for conferences and events.

6.2.2 Overview of the Edinburgh hotel market

Edinburgh is Scotland's capital city and is the second most visited UK destination after London. As Scotland's financial, cultural, and political centre, Edinburgh benefits from various demand generators from a leisure and corporate perspective, with year-round demand and balanced segmentation. Ranked as the seventh most competitive financial market in Western Europe, and the second largest financial centre in the UK, the city of Edinburgh is home to multiple corporate and government institutions, making it a frequent destination for business travellers. Over the years, the capital has developed into a tech hub, diversifying its corporate demand base beyond the traditional banking and insurance sectors. As an established global destination, it also attracts leisure visitors from across the world.

The Edinburgh Centre submarket encompasses the city's historical centre, financial and shopping districts, including Edinburgh's Old Town, a UNESCO World Heritage Site, and major attractions like Edinburgh Castle and the Royal Mile. It is the market's largest submarket in terms of room supply, with around 13,000 rooms, most of which are evenly spread across three classes - upper upscale, upscale and upper midscale.

Hotels in the Edinburgh Centre have outperformed the national average. The twelve-month average daily rate growth has been in double digits, only second to Oxford among all the UK submarkets, further underlining the submarket's strength.

The hotel submarket in Edinburgh has shown a robust recovery since the COVID-19 pandemic. According to CoStar, room demand in the first quarter of 2023 offset supply growth for the first time since 2019. Since then, hotel investment activity has surged, as a result of strong international demand and a robust schedule of events, reaching a six-year high in 2024. By November 2024, the twelve-month RevPAR was up by 13.7%, with both occupancy rates and average daily rates experiencing notable growth.¹

In 2024, the Yotel Edinburgh generated £13.0m in revenues, converting at 39% EBITDAR (earnings before interest, tax, depreciation, amortisation and restructuring or rent costs, "**EBITDAR**") margin to £5.1m. By comparison, hotels in the same or similar markets typically have margins of around *circa* 30%. According to CoStar, in 2023, a market EBITDAR of 26.1% was noted.²

¹ CoStar Hospitality Sub-Market Report, Edinburgh Centre (20.01.2025).

² CoStar Hospitality Sub-Market Report, Edinburgh Centre (20.01.2025).

Further information on recent trends, prospects and forecasts of the Edinburgh hotel market and the competitive standing of the MM Star Group, through its investment in the Yotel Edinburgh, within the said market, is set out in section 7.1 of this Registration Document, entitled '*Trend Information*'.

6.2.3 *Financing the Acquisition of the Yotel Edinburgh*

The Acquisition of the Yotel Edinburgh was initially financed through a combination of proceeds received from the sale-and-leaseback transaction referred to under section 6.2.4. of this Registration Document, a bank loan and advances from shareholders.

MM Star BidCo entered into a facility agreement with Clydesdale Bank plc on 19 July 2024 pursuant to which the bank granted a facility in the amount of £15.8 million to MM Star BidCo (the "**Facility Agreement**").

In addition, and ancillary to the Facility Agreement, on 19 July 2024:

- (i) by way of an accession agreement, Erskine OpCo and Erskine PropCo acceded to the Facility Agreement and agreed to become 'Additional Guarantors' (for the purposes of the Facility Agreement) and to be bound by its terms;
- (ii) by way of separate security agreements with Clydesdale Bank plc (trading as Virgin Money), MM Star BidCo, Erskine OpCo and Erskine PropCo agreed to provide additional security for the obligations undertaken by themselves under the Facility Agreement. Such additional security generally took the form, *inter alia*, of various charges constituted under English law, over assets belonging to MM Star BidCo, Erskine OpCo and Erskine PropCo including, *inter alia*, over the leasehold title to the Yotel Edinburgh; and
- (iii) by way of a shareholder security agreement, the Guarantor (i.e. MM Star HoldCo) agreed to provide additional security for the obligations undertaken by MM Star BidCo, Erskine OpCo and Erskine PropCo under the Facility Agreement. Such additional security took the form of, *inter alia*, a charge constituted under English law, over its shares in MM Star BidCo.

(the aforementioned accession agreement, separate security agreements and shareholder security agreement shall collectively be referred to as the "**Ancillary Security Agreements**").

Furthermore, pursuant to a funding agreement entered into on 19 July 2024, which was subsequently amended and restated on 26 February 2025, the Partnership granted an amount of £19,840,000 to MM Star HoldCo for the purpose of funding the Acquisition and to meet the working capital requirements of MM Star Group ("**Shareholders' Funding Agreement**").

This advance is interest-free, unsecured, and has no fixed repayment date. MM Star HoldCo may elect to repay the advance, in whole or in part, at any time, with the option to settle the repayment in cash or through the issuance of a fixed number of ordinary shares in MM Star HoldCo. The option to repay the advance, whether in whole or in part, is at the sole discretion of MM Star HoldCo and there are no circumstances which allow the Partnership to demand repayment of any part of the advance. If MM Star HoldCo elects to repay the advance, whether in whole or in part, through an issuance of ordinary shares in MM Star HoldCo, the ratio will be one ordinary share for each £1 of the advance.

As detailed in section 4.1 of the Securities Note, further to the Bond Issue, the Group intends to use the proceeds generated therefrom to refinance the aforementioned facility and to extinguish its obligations under the Facility Agreement and the Ancillary Security Agreements, and to partially repay the shareholders' advances under the Shareholders' Funding Agreement.

6.2.4 *Title to the Yotel Edinburgh*

Prior to the Acquisition, Erskine PropCo held the freehold title to the Yotel Edinburgh. Following the Acquisition, Erskine PropCo, entered into an agreement, dated 19 July 2024 pursuant to which Erskine PropCo transferred legal ownership of the Yotel Edinburgh to Aviva Reli 2 GP Limited (UK company registration number: 15595027), as general partner of, and trustee for, Aviva Reli 2 LP (a limited partnership registered in England with LP registration number LP023642) (the "**Landlord**"), for a consideration of £25,000,000. The Landlord subsequently leased the Yotel Edinburgh back to Erskine PropCo subject to, and with the benefit of, *inter alia*, the occupational lease granted by Erskine PropCo, as lessor, to Erskine OpCo, as lessee (as described in section 6.2.6 of this Registration Document). This arrangement, commonly referred to as a ground rent transaction, was implemented by the MM Star Group as a strategic funding mechanism to unlock capital in connection with the Acquisition of the Yotel Edinburgh. Through this approach, the Group avoided the financial conditions and restrictions typically associated with debt financing, reduced its dependence on debt, lowered financing costs, and enhanced financial stability. Pursuant to this arrangement, Erskine PropCo received an upfront capital sum from the Landlord and, in return, pays a relatively low annual ground rent while retaining all rights to occupy and operate the Yotel Edinburgh, similar to a freehold owner.

6.2.5 *Head Lease Agreement*

On 19 July 2024, the Landlord and Erskine PropCo entered into a lease agreement pursuant to which the Landlord granted Erskine PropCo a long leasehold interest in the Yotel Edinburgh for a term of 150 years, commencing on 19 July 2024 (the "**Head Lease Agreement**"). The Head Lease Agreement contemplates the option, in favour of Erskine PropCo, to purchase the Landlord's freehold interest for a nominal consideration of one pound sterling (£1), exercisable

at Erskine PropCo's discretion at any time on or after 19 July 2089 (i.e. 65 years from the commencement date) subject to the terms and conditions set out in the Head Lease Agreement. This contractual right, commonly referred to as a buy-back option, enhances the liquidity of the Head Lease Agreement in favour of Erskine PropCo.

The rent payable by Erskine PropCo to the Landlord is £875,760, per annum, payable in advance in equal quarterly payments. The annual rent is revisable after the first five (5) years and every year thereafter, in accordance with the terms of the agreement (Consumer Price Index (CPI) increase plus 1%), and is subject to an adjustment within a minimum and maximum increase of 1% and 5% per annum, respectively, to protect against sudden spikes in rent levels.

The Head Lease Agreement, executed on an institutional-grade lease form and in accordance with prevailing market standard, contains provisions which oblige Erskine PropCo to, *inter alia*, consistently maintain the Yotel Edinburgh in good and substantial repair and condition and in compliance with the YOTEL brand standards; to repair, renew, rebuild and reinstate the Yotel Edinburgh at its own expense; not to effect any alterations or carry out redevelopment works without the Landlord's prior written approval (unless such alterations or redevelopment works are permitted in terms of the Head Lease Agreement); maintain sufficient insurance policies over the Yotel Edinburgh; and use the Yotel Edinburgh in accordance with the permitted use outlined under the Head Lease Agreement.

6.2.6 Occupational Lease Agreement

On 3 May 2019, Erskine PropCo, as lessor, and Erskine OpCo, as lessee, entered into a lease agreement, which, following the Acquisition, was subsequently amended and reinstated by a minute of alteration of lease dated 19 July 2024 (the "**Occupational Lease Agreement**"). Pursuant to the Occupational Lease Agreement, Erskine PropCo sub-leases the Yotel Edinburgh to Erskine OpCo for a period of 20 years commencing on 7 May 2019 (the "**Operating Term**"). The lease may be extended by the mutual agreement of the parties for up to four (4) additional terms, comprising an initial extension from 7 May 2039 until 31 August 2044, followed by three (3) additional extensions of five (5) years each.

The Occupational Lease Agreement constitutes an intragroup arrangement between fully-owned subsidiaries of MM Star BidCo, designed to enhance operational and financial efficiency. The provisions of the Occupational Lease Agreement replicate those set out in the Head Lease Agreement, ensuring alignment between the two agreements, without imposing any additional onerous obligations on the Group. Pursuant to the Head Lease Agreement, Erskine PropCo is prohibited from varying or amending the terms of the Occupational Lease Agreement, without the Landlord's prior written consent, where such variation or amendment would have a material impact on the Landlord's interest in the Yotel Edinburgh.

The rent payable by Erskine OpCo under the Occupational Lease Agreement is an annual revisable amount, determined as the greater of: (i) a sum of £2,346,000; or (ii) the sum equal to 70% of the forecasted net operating income for the relevant financial period, subject to adjustment in accordance with the terms of the Occupational Lease Agreement.

6.2.7 Premises Licenses

The Yotel Edinburgh holds a premises licence, details of which are as follows:

- (i) Premises licence number: 387696
- (ii) Date of commencement of licence: 30 July 2018
- (iii) Premises licence holder: Erskine PropCo
- (iv) Designated Premises Supervisor: Mrs Margaret Auld

The premises licence also includes provision for other licensed activities. It confirms that entertainment services including recorded music, live performances, dance facilities, theatre, films, and televised sport will be provided on the premises during core licensed hours and outside core licensed hours, in addition to the supply of alcohol. Gaming and indoor/outdoor sports services will not be provided.

6.2.8 The 'YOTEL' brand

YOTEL is a hotel brand recognised for its innovative, modern, and efficient design, focused on offering guests all the essentials in a compact and thoughtfully designed space.

In 2006, YOTEL's first prototype cabin was designed and built to demonstrate it was possible to achieve a luxury feel in a compact space. Over the course of 2007 and 2008, 'YOTEL' opened its first hotels in London Gatwick, Heathrow and Amsterdam Schiphol airports. Since then, over 22 properties have opened using the YOTEL brand. The brand draws inspiration from luxury airline travel, which is reflected in its small but well-designed, tech-savvy rooms known as 'cabins'.

The YOTEL brand operates under three sub-brands:

- (i) 'YOTELAIR' is the brand designed for airport hotels featuring compact cabin-style rooms between 9 – 11 sqm with fewer facilities;
- (ii) 'YOTELPAD' is the brand designed for longer stays, offering bedrooms, internal seating areas and kitchenettes; and
- (iii) 'YOTEL' is the brand designed for urban hotels, with room sizes ranging from 13.5 – 22 sqm and a wide range of facilities.



As at the date of this Registration Document, there are 23 hotels in operation under the YOTEL hotel brands, 15 of which (including the Yotel Edinburgh) operate under the “YOTEL” brand, five operate under the “YOTELAIR” brand and three operate under the “YOTELPAD” brand.

The domain name <yotel.com> is used by the Yotel Edinburgh and is centrally owned and managed by Yotel Limited.

The Franchise Agreement (further described in section 6.2.9 of this Registration Document) grants Erskine OpCo the right to operate the Yotel Edinburgh under the YOTEL brand. Yotel Limited, as the Franchisor, owns all right, title and interest in the YOTEL brand. Erskine OpCo is in possession of a non-exclusive licence to use the brand, as further described below.

6.2.9 The Franchise Agreement

Prior to the Acquisition, the Yotel Edinburgh was franchised and operated under a single agreement with Yotel Limited. Following completion of the Acquisition, that agreement was terminated, and replaced by two separate agreements with Yotel Limited, one regulating the franchise and the other regulating the management of the Yotel Edinburgh. While under the previous agreement Yotel Limited was responsible for all aspects of the operation and management of the Yotel Edinburgh, the new arrangement grants Erskine OpCo the right to appoint an operator of its choice.

The Franchise Agreement was entered by and between, amongst others, Yotel Limited, in its capacity as Franchisor, and Erskine OpCo, in its capacity as franchisee, on 19 July 2024. The agreement is for an initial term of 15 years, expiring in 2039, subject to early termination. The initial operating term may be extended for up to four periods of five years each by mutual agreement provided that notice is given no less than 18 months prior to the expiry of the initial term or the then-current renewal term, as applicable. The agreement includes a break clause exercisable after the tenth year, offering Erskine OpCo an early termination option subject to the payment of a break fee equivalent to the total licence fees (described below) and reservation fees (described below) that would have been payable to the Franchisor for the remainder of the term.

Erskine OpCo has the sole right and responsibility to determine the manner and means by which the day-to-day operations of the Yotel Edinburgh is conducted for the purpose of achieving its business objectives. The Franchisor retention and exercise of the right to approve, inspect and enforce certain matters at the hotel exists only to the extent necessary to protect the Yotel Branded Systems and Yotel Marks.

(a) The non-exclusive licence

Pursuant to the Franchise Agreement, Erskine OpCo has been granted a limited, non-exclusive licence to use the Yotel Marks, and Yotel Branded Systems owned by the Franchisor and its affiliates for the purpose of operating the Yotel Edinburgh under the “YOTEL” hotel brand. In consideration for the grant of the non-exclusive licence, Erskine OpCo pays the Franchisor fees which are computed on a monthly basis in accordance with a fixed percentage of total revenue derived from the operation of the Yotel Edinburgh for the prior calendar month.

The Franchisor may from time to time change, add or remove parts of the Yotel Branded Systems, including the YOTEL standards, with a view to responding effectively to market trends, customer demands, economic conditions, technological advances and applicable law. In such event, Erskine OpCo will ensure to implement and comply with such modifications.

Erskine OpCo has, in addition to the licence described above, also been granted a non-exclusive royalty free licence to use any brand names, trademarks and other associated intellectual property that may be developed by the Franchisor from time to time in connection with the operation of the Yotel Edinburgh, on the same basis as the abovementioned licence.

(b) Reservation systems

Guest reservations for the Yotel Edinburgh are made through the YOTEL reservation system provided by the Franchisor or otherwise through online travel agencies (including, but not limited to, Booking.com and Expedia, further details of which may be found in section 6.2.11 of this Registration Document). Erskine OpCo pays the Franchisor a reservation fee per booking, which reservation fee varies based on whether the booking originates from online travel agents or via the Yotel Edinburgh's own reservation systems.

(c) Renovations

Erskine OpCo will, from time to time, carry out improvement or renovation works in relation to the Yotel Edinburgh, at its discretion or on demand of the Franchisor.

With regards to major improvements to be made to the Yotel Edinburgh, Erskine OpCo is required to obtain the Franchisor's prior approval, which approval shall not be unreasonably withheld, conditioned or delayed. Major hotel improvements include, but are not limited to, changes to the primary use of any part of the hotel; physical expansion or alteration to any portion of the hotel; and renovations that are inconsistent with the YOTEL standards. As at the date of this Registration Document, there are no major improvements proposed by Erskine OpCo in respect of any part of the Yotel Edinburgh.



The Franchisor may also demand Erskine OpCo to carry out renovations to the Yotel Edinburgh for the purpose of complying with YOTEL standards and applicable law. In such cases, Erskine OpCo shall complete the works in accordance with property improvement plans to be prepared by the Franchisor. In terms of the Franchise Agreement, property improvement plans may only be issued by the Franchisor on or after July 2029, every five years thereafter (but no more frequently than once in any five-year period), and, or upon a sale by Erskine OpCo.

(d) *Major systems services*

Major systems services which are generally mandated to YOTEL branded hotels (including, but not limited to, the following: HR platforms; brand standard audits; guest surveys; '@yotel' email address and loyalty schemes), are undertaken as and when required. Erskine OpCo pays the Franchisor all fees, costs and charges for the provision of said major systems services, which services may vary from time to time.

(e) *Relations with suppliers*

In terms of the Franchise Agreement, the Franchisor may designate certain suppliers for operating equipment and FF&E as approved suppliers, on a mandatory or optional basis, as specified in the YOTEL standards. In designating approved suppliers, the Franchisor ensures that the prices and terms of the products or services of such suppliers are competitive with those of other reputable and qualified unrelated third-party suppliers.

Erskine OpCo is nevertheless entitled to select alternative suppliers subject to the Franchisor's prior approval of the proposed supplier. The Franchisor, acting reasonably, assesses whether the products or services of such proposed supplier meet the applicable YOTEL standards.

(f) *Employees and training programs*

Throughout the term of the agreement, Erskine OpCo is responsible for ensuring that the Yotel Edinburgh is staffed with a sufficient number of qualified and trained individuals to operate the hotel in accordance with the Yotel standards. Erskine OpCo ensures that employees of the Yotel Edinburgh complete all training sessions designated as mandatory in terms of the YOTEL standards, at the sole expense of Erskine OpCo.

(g) *Marketing strategies*

Erskine OpCo engages in the marketing strategies implemented by the Franchisor in relation to the Yotel Edinburgh, in line with the YOTEL standards and requirements. In addition to promoting the Yotel Edinburgh specifically, Erskine OpCo is also required to display all marketing and other materials with respect to other Yotel branded hotels in guestrooms and designated public areas.

6.2.10 Hotel management services

The Franchise Agreement allows the MM Star Group to appoint its own choice of operator to manage the Yotel Edinburgh operations, subject to the Franchisor's prior approval.

Following the Franchisor's pre-approval pursuant to the Franchise Agreement, Erskine OpCo appointed TROO to operate, manage, market, and supervise the Yotel Edinburgh pursuant to a hotel management agreement entered into by and between TROO and Erskine OpCo on 19 July 2024 (the "**Hotel Management Agreement**"). The appointment is for an initial term of ten years with an automatic renewal at the end of the term for five years unless otherwise terminated with a minimum of six months' notice.

TROO acts as the sole and exclusive manager of the Yotel Edinburgh, and has exclusive control and discretion in the operation, management, marketing and supervision of the Yotel Edinburgh, subject to certain restrictive matters which require TROO to obtain prior written consent from Erskine OpCo.

TROO is required to comply with the conditions set out in the Hotel Management Agreement, including, but not limited to, the condition that TROO must operate the Yotel Edinburgh in accordance with the terms of the Franchise Agreement and the YOTEL standards, liaising with the Franchisor as and when required.

TROO has the sole right to appoint key personnel and all other hotel staff and to set their remuneration, emoluments, benefits and other terms and conditions of employment. TROO must obtain Erskine OpCo's approval of any individual to be appointed as the hotel manager. While TROO handles their appointment and remuneration, all hotel staff are employees of Erskine OpCo, save for those employees seconded to the hotel from time to time.

TROO is a boutique white label hospitality management company formed in April 2022. The company was founded by Mr Winston Zahra, an entrepreneur in the hospitality industry with over 30 years' experience in hotel ownership, development and operations, together with Millemont Capital Partners. Further detail on Mr Zahra's expertise can be found in his *curriculum vitae* set out in section 8.2 of this Registration Document.

As at the date of this Registration Document, TROO operates nine hotels in the UK and has a number of other pipeline hotels in negotiation. Among its properties are the 'Hotel Stock Exchange' and the 'Hotel Football' in Manchester, with 'Hotel Stock Exchange' consistently ranking among the top two hotels in Manchester on TripAdvisor. Additionally,



TROO also manages a portfolio of three hotels for the Millemont Group and has signed agreements to manage a 400-room hotel in central London, as well as hotels in Stratford Upon Avon, Chester and Newcastle, bringing the total rooms under management to 1,300.

The three-hotel portfolio managed by TROO under the Millemont Group has seen a significant 12% increase in both revenue and gross operating profit since the Millemont Group replaced its previous management team with TROO. For the MM Star Group, and as of December 2024, TROO has successfully increased bookings at the Yotel Edinburgh for the summer months (June to August 2025), which typically account for *circa* one-third of the total room revenues for the year. The increase amounts to approximately £750,000 more than the same period last year (STLY) when the Yotel Edinburgh was under previous management. This achievement reflects TROO's capability to enhance the revenue and operating profit of its assets.

6.2.11 Agency agreements

As is common market practice in the hospitality industry, a portion of MM Star Group's revenue is derived from hotel bookings through online travel agency platforms, predominately Booking.com and Expedia. In the financial year ended 31 December 2023, bookings via online travel agencies represented 62.5% of hotel room revenues. The main terms of the agreements with Booking.com and Expedia are described below:

(a) Booking.com

An agency agreement was entered into by and between Booking.com BV (Dutch registration number 31047344) ("**Booking.com BV**") and Yotel Limited on 15 August 2019 for an indefinite period of time.

Pursuant to the agency agreement, Booking.com BV is granted a non-exclusive, royalty free and worldwide right and license to use, distribute, and display those agreed upon elements of the Yotel Edinburgh, including information relating to the accommodation, its amenities and services and the rooms available for reservation, details of the rates, and availability, cancellation and no-show policies and other policies and restrictions, as well as associated intellectual property rights which are necessary for Booking.com BV to exercise its rights and perform its obligations under this agreement.

For each reservation made via Booking.com, a commission is payable per reservation, equal to the multiple of: (i) the number of nights a guest stays at the hotel; (ii) the room price, inclusive of all extras which are included in the offered rate or accepted by the guest on Booking.com systems and VAT and any other relevant taxes; (iii) the number of rooms booked by the guests; and (iv) the local commission percentage.

Each party may terminate the agreement at any time and for any reason, by written notice to the other party with a notice period of 14 days. Either party may terminate the agreement with immediate effect and without a notice of default being required in the event of a material breach by the other party of any term of the agreement or in the event of bankruptcy, insolvency or suspension of payment in respect of the other party.

(b) Expedia

An agency agreement was entered into by and between Expedia Lodging Partner Services S.A.R.L. ("**Expedia**") and Yotel Limited on 19 January 2017, with an initial term of three years, automatically renewed for successive one-year terms ("**Expedia Agreement**").

The Yotel Edinburgh was incorporated and made part of the Expedia Agreement as a participating property pursuant to a property addendum dated 14 March 2019 ("**Property Addendum**"). As Erskine OpCo is a signatory to the Property Addendum, Yotel Limited may act for and on behalf of Erskine OpCo to extend the term of the Expedia Agreement or otherwise amend it during its term.

For each reservation made via Expedia systems, a commission is payable to Expedia, which commission may be subject to adjudgments in accordance with terms and conditions stipulated in the agreement.

Each party may terminate the Expedia Agreement with notice of intent not to renew at least 30 days prior to the end of the then-current term.



7 TREND INFORMATION AND FINANCIAL PERFORMANCE

7.1 Trend Information

There has been no material adverse change in the prospects of the Issuer since 27 February 2025 (being the date of incorporation of the Issuer) to the date of the Registration Document.

There has been no significant change in the financial performance and, or financial position of the Guarantor since 31 December 2024, being the end of the last financial period for which financial information has been published, to the date of this Registration Document.

The Directors are of the view that the Issuer and MM Star Group shall, generally, be subject to the normal business risks associated with the hospitality sector in Scotland. Barring any unforeseen circumstances or exceptional future occurrences, there are no indications that would make the Directors anticipate any likely material adverse effects on the Issuer's and MM Star Group's prospects, at least up to the end of financial year ended 31 December 2025.

The following is an overview of the most significant recent trends affecting the MM Star Group and the market in which it operates:

Economic Update³

Scotland's economy navigated a challenging environment in 2024, experiencing a strong start to the year before losing momentum in the second half. Economic growth stood at 1.1% for the year, marginally outpacing the UK's overall expansion of 1.0%. However, the final quarter of 2024 saw a significant slowdown, with GDP stagnating at 0%, down from 0.4% growth in Q3. This deceleration aligned with broader UK trends and reflected growing uncertainty among businesses and consumers which continued to weigh on economic activity into early 2025.

The services sector, a key pillar of Scotland's economy, continued to expand in the fourth quarter, albeit at a slower rate of 0.2%. Within this sector, business services and finance grew by 0.4%, while professional, scientific, and technical services saw a notable 2.4% increase. However, consumer-facing industries struggled, with the retail and hospitality sectors contracting by 0.6%, contributing to an overall 0.2% decline in consumer-facing services. The construction sector fared better, registering 0.5% growth, bolstered by steady activity despite economic headwinds. Meanwhile, the production sector saw a 1.1% contraction, largely driven by a 1.8% decline in manufacturing output reflecting weaker industrial demand and broader supply chain challenges.

Inflationary pressures persisted into 2025, with the annual inflation rate rising from 2.5% in December to 3.0% in January. This increase was primarily driven by higher transport costs, which rose by 1.7%, alongside an acceleration in food and non-alcoholic beverage prices which climbed 3.3% on an annual basis. Inflation trends varied significantly across different categories, with goods inflation remaining relatively modest at 1.0%, whereas services inflation remained elevated at 5.0%. Core inflation, which excludes volatile components such as energy, food, alcohol, and tobacco, rose to 3.7% in January 2025, up from 3.2% in December 2024.

Looking ahead, inflationary pressures are expected to persist, with the Bank of England projecting a rise to 3.7% in the second half of 2025. This outlook is shaped by factors such as rising energy costs and price increases in regulated sectors including utilities. Despite this, the Bank of England's Monetary Policy Committee reduced its reference rate from 4.75% to 4.5% in February, marking the lowest rate since May 2023. The decision reflected growing confidence in long-term price stability while acknowledging ongoing economic uncertainty. The trajectory of future interest rate adjustments is expected to be influenced by both economic sentiment and global market conditions.

Scotland's GDP growth is projected to strengthen in 2025, with forecasts ranging from 1.3% to 1.5%. However, risks remain, including weak business and consumer sentiment, ongoing geopolitical tensions, and inflationary pressures. The Bank of England anticipates inflation peaking at 3.7% in Q3 2025 before gradually easing towards the 2.0% target by late 2027. While short-term volatility is expected, fiscal stimulus and a more accommodative monetary policy stance could help stabilise economic activity, supporting stronger growth in the coming year.

Scottish Tourism and Hospitality

Tourism is an important component of Scotland's economy, significantly contributing to both the country's GDP and its employment landscape. The sector is underpinned by breathtaking natural landscapes (particularly the Highlands), a wealth of rich cultural heritage and history, vibrant cities, as well as a dynamic calendar of events. Among Scotland's key destinations, Edinburgh stands out, with its unique combination of history, arts, and world-renowned festivals such as the Edinburgh International Festival, the Edinburgh Fringe (which is the world's largest arts festival), and the Royal Edinburgh Military Tattoo. Moreover, apart from being Scotland's capital city, Edinburgh is the largest financial centre in the UK outside London and is also the second most visited UK destination after London. Edinburgh is home to multiple corporate and government institutions, making it a frequent destination for business travellers, and has one of the busiest airports

³ Office of the Chief Economic Adviser – The Scottish Government, 'Scottish Economic Bulletin', March 2025, available at <https://www.gov.scot/publications/scottish-economic-bulletin-march-2025/documents/>.



in the UK which is connected to over 150 destinations worldwide.⁴ In 2024, Edinburgh Airport achieved a new milestone by handling a record 15 million passengers (2023: 14.4 million)⁵ – the highest annual figure ever recorded for a Scottish airport – thus surpassing the previous high of 14.7 million registered in 2019.⁶

In 2023, Scotland's tourism industry experienced a robust recovery, welcoming more than 16 million visitors when including domestic and international tourists. Notably, international visits increased by 23% year-on-year to just under 4 million tourists, marking a 15% increase from 2019 and indicating a strong resurgence of Scotland as an attractive travel destination. Additionally, international visitors spent *circa* £3.6 billion in 2023, representing a 41% increase from 2019 and a 13% rise from 2022.⁷

Edinburgh alone attracted 5 million overnight visits in 2023, while overnight tourism spend in the city surpassed GBP2 billion, making it the largest single contributor to Scotland's tourism economy.⁸ The city retained its top position in Colliers' annual UK Hotel Market Index due to its strong performance in both occupancy and average daily room rates, as well as strong growth in RevPAR since 2019.⁹ Moreover, a study by Christie & Co concluded that hotels in Edinburgh achieved an aggregate RevPAR score of 1.46 in 2023 (2022: 1.16), making it the second-best performing market in the UK after Belfast. This strong outperformance relative to market average was driven by a 45.5% increase in RevPAR, attributed to a sharp rise in the average daily room rate and a marked increase in demand.¹⁰ As a result, the RevPAR achieved by Edinburgh hotels was 25% higher in real terms at the end of 2023 compared to 2019. This strong performance contributed to sustained investment in Edinburgh's hotel sector, with the city experiencing increased transactional activity and the HVS European Hotel Valuation Index reporting a 3.3% year-on-year increase in the valuation per key for Edinburgh hotels in 2023.¹¹

Scotland's tourism sector continued to perform strongly in 2024. Nearly 2 million international tourists visited the country in the first half of 2024, marking a 14% increase compared to the same period in 2023 and a 46% rise from the same period in 2019. International visitors spent an estimated £1.5 billion in H1 2024, reflecting a 2% increase from 2023 and a 30% growth from 2019 in real terms (i.e. after adjusting for inflation). The robust growth was attributed to effective marketing campaigns by VisitScotland, particularly targeting the North American market. Indeed, the number of visitors from North American increased by 54% year-on-year and was 69% higher than the same period in 2019. Spending by North American tourists rose by 29% from 2023 and 48% from H1 2019 in real terms.¹²

Edinburgh's hotels also continued to register improved performance in 2024. A survey conducted by Cushman & Wakefield showed that revenue rose by 22% year-on-year in Q1 2024 whilst gross operating profit per available room increased by almost 69% notwithstanding a near 4% increase in the supply of hotel rooms and an increase of 11% in payroll costs partly due to the rise in the National Living Wage¹³ As a result, the profit margin increased from 20% in Q1 2023 to 27% in Q1 2024 while the profit margin on a twelve-month basis reached 42.2%.¹⁴ Furthermore, more recent data show that the average RevPAR for all hotels in Scotland in October 2024 was 29% higher than the same month in 2023 whilst the average room occupancy rate for hotels in Edinburgh increased by more than 14 percentage points to 87% for the period between January 2024 and October compared to 73% in the same period in 2023.¹⁵

Scottish tourism, with Edinburgh as its linchpin, continues to thrive as a cornerstone of the nation's economy. The city's unique blend of historic charm, cultural vibrancy, and modern hospitality infrastructure positions it as a global tourism destination. Edinburgh's thriving hotel market, bolstered by strong trading and innovative redevelopment projects, exemplifies its adaptability and appeal to investors. While challenges such as rising costs and the introduction of a tourist tax must be navigated carefully, the city's focus on sustainability, strategic investment, and visitor experience ensures a promising future. With these strengths, Edinburgh remains not only a standout destination but also a driving force in Scotland's tourism success.

⁴ The infrastructure for business and corporate travellers improved significantly in recent years, with venues like the Edinburgh International Conference Centre hosting international conferences, trade shows, and related events that extend the tourism season beyond the traditional summer months.

⁵ Edinburgh Airport, 'Record year for Edinburgh Airport', 27 December 2024, available at <https://corporate.edinburghairport.com/record-year-for-edinburgh-airport>.

⁶ Business Traveller, 'Edinburgh Airport surpasses 15 million annual passengers for first time', 30 December 2024, available at <https://www.businesstraveller.com/business-travel/2024/12/30/edinburgh-airport-surpasses-15-million-annual-passengers-for-first-time/>.

⁷ VisitScotland – <https://www.visitscotland.org/research-insights/about-our-visitors/international/annual-performance-report>.

⁸ VisitScotland – <https://www.visitscotland.org/research-insights/regions/edinburgh-lothians>.

⁹ Colliers International Group Inc., 'Edinburgh wins the UK Hotel Market Index top spot for occupancy and room rates', 13 May 2024, available at <https://www.colliers.com/en-gb/news/25-04-24-edinburgh-wins-the-uk-hotel-market-index>. RevPAR is a key performance measure used in the hospitality industry and is calculated by multiplying a hotel's average daily room rate by its occupancy rate.

¹⁰ Christie & Co, 'UK Hotel Market Snapshot FY 2023', 4 November 2024, available at <https://www.christie.com/news-resources/publications/uk-hotel-market-snapshot-fy-2023/>.

¹¹ HVS Global Hospitality Services, 'Edinburgh Hotel Valuation Index', available at <https://hvi.hvs.com/market/europe/Edinburgh>.

¹² Travel and Tour World, 'Scotland Outpaces UK in Tourism Surge with 14% Growth in Visitors and North American Spending Power Driving the Economy', 21 October 2024, available at <https://www.travelandtourworld.com/news/article/scotland-outpaces-uk-in-tourism-surge-with-14-growth-in-visitors-and-north-american-spending-power-driving-the-economy>.

¹³ Hospitality Net, 'Hotel Market Spotlight – Edinburgh Q1 2024: Edinburgh Hospitality Sector Outperforms UK', 6 June 2025, available at <https://www.hospitalitynet.org/news/4122298.html>.

¹⁴ Cushman & Wakefield, 'Edinburgh Hotel Market Spotlight', 28 May 2024, available at <https://www.cushmanwakefield.com/en/united-kingdom/15> VisitScotland, 'Scottish Accommodation Occupancy Survey – Hotels October 2024', January 2025, available at <https://www.visitscotland.org/binaries/content/assets/dot-org/pdf/saos/scottish-accommodation-occupancy-survey-report-october-24-23-report-hotel.pdf>.

¹⁵ VisitScotland, 'Scottish Accommodation Occupancy Survey – Hotels October 2024', January 2025, available at <https://www.visitscotland.org/binaries/content/assets/dot-org/pdf/saos/scottish-accommodation-occupancy-survey-report-october-24-23-report-hotel.pdf>.



7.2 Historical Financial Information

The Issuer was registered and incorporated as a public limited liability company on 27 February 2025 as a special purpose vehicle to act as the financing arm of the Guarantor. No financial statements have been prepared for the Issuer since incorporation up until the date of this Registration Document.

The Guarantor was registered and incorporated as a private company limited by shares in England and Wales on 14 June 2022, and for the period to 30 June 2024 was exempted from preparing audited financial statements under section 480 of the Companies Act 2006 relating to dormant companies. Accordingly, the following historical financial information of the Guarantor is extracted from the first consolidated audited financial statements of the Guarantor for the period 1 July 2024 to 31 December 2024. The said financial statements, which are published on the Issuer's website <https://mmfinancemalta.com/> and are available for inspection at its registered office as set out in section 16 of this Registration Document, shall be deemed to be incorporated by reference in, and form part of, the Prospectus. The Guarantor's financial statements have been prepared in UK-adopted International Financial Reporting Standards (IFRS) and with the requirement of the UK Companies Act 2006.

Erskine PropCo holds title to the Yotel Edinburgh, while Erskine OpCo is responsible for the operation and management of the Yotel Edinburgh and for employing all hotel staff. The historical financial information pertaining to Erskine PropCo and Erskine OpCo for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 has been extracted from the respective audited financial statements. All the aforementioned financial statements are incorporated by reference in this Registration Document and may be accessed at the following hyperlink: <http://mmfinancemalta.com/mmstarmaltafinanceplc/>

The financial statements of Erskine OpCo have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law) and with the requirements of the UK Companies Act 2006.

The financial statements of Erskine PropCo have been prepared in accordance with Luxembourg legal and regulatory requirements (Luxembourg Accounting Standards and applicable law, including Luxembourg Law of 15 August 2012 on accounting and annual accounts) and with the requirements of the Luxembourg Law of 10 August 1915 on commercial companies.

The table below provides a cross-reference list to key sections of the financial statements of: (i) Erskine PropCo and Erskine OpCo for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024; and (ii) the Guarantor for the six-month period ended 31 December 2024.

	2022 Audited	2023 Audited	2024 Audited
Erskine PropCo			
Independent auditor's report	1 - 3	1 - 3	1 - 3
Profit and loss account	6	6	6 - 7
Balance sheet	4 - 5	4 - 5	4 - 5
Statement of cash flows	-	-	-
Notes to the financial statements	7 - 15	7 - 14	8 - 20
Erskine OpCo			
Independent auditor's report	4 - 6	6 - 8	4 - 6
Statement of comprehensive income	7	9	7
Statement of financial position	8	10	8
Statement of cash flows	-	12	-
Notes to the financial statements	10 - 17	13 - 22	10 - 20
MM Star HoldCo			
Independent auditor's report			5 - 7
Statement of comprehensive income			8
Statement of financial position			9 - 10
Statement of cash flows			14
Notes to the financial statements			15 - 36



Set out below are condensed extracts from the financial statements of the Guarantor for the period 1 July 2024 to 31 December 2024.

MM Star Holdco Limited	
Income Statement	
For the financial year 31 December	
	2024
	Actual
	6 months
	£'000
Revenue	6,412
Cost of sales	(2,217)
Gross profit	4,195
Net operating costs	(1,436)
EBITDA	2,759
Depreciation and amortisation	(1,065)
Operating profit	1,694
Net finance costs	(1,233)
Profit before tax	461
Taxation	(639)
Profit / (loss) after tax	(178)
Other comprehensive income	
Revaluation of property, plant, and equipment, net of tax	11,330
Total comprehensive income	11,152

The MM Star Group came into effect in July 2024 with the Acquisition of YOTEL Edinburgh. As such, the FY24 results of MM Star HoldCo reflect the operational performance of YOTEL Edinburgh for the six-month period ended 31 December 2024. Refer to section 7.3 of this Registration Document for the full year operational results of Yotel Edinburgh.

In FY24, the MM Star Group recognised an uplift in the fair value of YOTEL Edinburgh amounting to £11.33 million, net of tax.



MM Star Holdco Limited
Statement of Financial Position
For the financial year 31 December

2024
Actual
£'000

ASSETS

Non-current assets

Property, plant and equipment	76,100
Deferred tax assets	76
	76,176

Current assets

Inventories	20
Trade and other receivables	437
Cash at bank and in hand	735
	1,192

Total assets	77,368
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EQUITY

Called up share capital	-
Revaluation reserve	11,330
Shareholders' advances	19,545
Retained profits	(178)
	30,697

LIABILITIES

Non-current liabilities

Debt securities	-
Bank borrowings	14,417
Other financial liabilities	25,062
Deferred tax liabilities	4,050
	43,529

Current liabilities

Bank borrowings	700
Trade and other payables	2,442
	3,142

Total liabilities	46,671
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Total equity and liabilities	77,368
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Total assets of the MM Star Group as at 31 December 2024 amounted to £77.37 million and principally comprised the YOTEL Edinburgh with a value of £76.10 million. The property is recognised at its full freehold value, while the sale-and-leaseback transaction is accounted for as a financial liability in non-current liabilities (£25.06 million). The YOTEL Edinburgh was acquired for £60.15 million in July 2024 and subsequently revalued to £76.10 million as at 31 December 2024.

Total liabilities amounted to £46.67 million and mainly included the above-mentioned financial liability and a bank loan of £15.12 million, proceeds of which were used for the Acquisition. Deferred tax liability of £4.05 million resulted from the revaluation uplift of the property.

Equity of £30.70 million comprised:

- Share capital of £1;
- Shareholders' advances of £19.55 million represents funding from MM Star HoldCo's immediate parent company Millemont 3 LP, out of an original facility of £20.50 million drawn down in connection with the acquisition of YOTEL Edinburgh as well the working capital requirement of the Group. The loan is interest-free, unsecured and has no repayment date;
- Revaluation reserve of £11.33 million relates to the increase in fair value of the property;
- Accumulated losses of £0.18 million.

MM Star Holdco Limited

Statement of Cash Flows

For the financial year 31 December

	2024
	Actual
	6 months
	£'000
Net cash from operating activities	3,557
Net cash used in investing activities	(62,454)
Free cash flow	(58,897)
Net cash from financing activities	59,629
Net movement in cash and cash equivalents	732
Cash and cash equivalents at beginning of period	2
Cash and cash equivalents at end of period	734

Net cash from operating activities in FY24 amounted to £3.56 million and related to the operation of YOTEL Edinburgh for the six-month period ended 31 December 2024.

Net cash used in investing activities principally reflects the Acquisition of YOTEL Edinburgh. Cash inflows in financing activities relate to the financing thereof and comprise shareholders' advance (£19.55 million), sale-and-leaseback transaction (£25.00 million) and bank loan (£15.08 million). Further information on the hotel transaction is included in sections 5.2.2 and 5.2.3 of this Registration Document.

7.3 Pro Forma Financial Information

The MM Star Group came into existence in July 2024 following the acquisition by MM Star BidCo of Yotel Edinburgh through the acquisition of two companies, namely, Erskine OpCo and Erskine PropCo. The pro forma financial information has been prepared for illustrative purposes only to demonstrate how the Group's consolidated statement of comprehensive income would have appeared if the said acquisition had been hypothetically carried out as at 1 January 2024. Due to its nature, the pro forma financial information reflects a hypothetical situation and does not represent the Group's actual statement of comprehensive income as at the date mentioned above.

Details relating to the basis for preparation and the pro forma adjustments for the compilation of the pro forma financial information are available for review on the Issuer's website and available for inspection as detailed in section 16 of this Registration Document.



The afore-mentioned consolidated pro forma financial information comprises the aggregation of all Subsidiaries for the financial year ended 31 December 2024 and together with the independent accountant's report are incorporated by reference in this Registration Document. The table below provides a cross-reference list to key sections of the pro forma consolidated statement of comprehensive income:

	Page No.
Purpose of the pro forma financial information	1
Basis of preparation of the pro forma financial information	2
Pro forma consolidated statement of comprehensive income	3
Statement of pro forma adjustments	4-6
Independent Accountant's report	7-11

The tables and narrative included hereinafter in this sub-section 7.3 contain certain alternative performance measures (as defined by the European Securities and Markets Authority (ESMA)) that 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.

MM Star Holdco Limited

Pro Forma Consolidated Statement of Comprehensive Income

For the financial year 31 December 2024

	Audited £'000	Adj. 1 £'000	Adj. 2 £'000	Adj. 3 £'000	Adj. 4 £'000	Adj. 5 £'000	Adj. 6 £'000	Adj. 7 £'000	Adj. 8 £'000	Pro Forma £'000
Revenue	6,412	6,711	95							13,218
Cost of sales	(2,217)	(1,748)		41	(62)					(3,986)
Gross profit (loss)	4,195	4,963	95	41	(62)	-	-	-	-	9,232
Administrative expenses	(2,501)	(2,401)	(1,161)	314	(571)	(16)				(6,336)
Operating profit (loss)	1,694	2,562	(1,066)	355	(633)	(16)	-	-	-	2,896
Net finance costs	(1,233)	(86)	(1,973)				2,059	(713)	(815)	(2,761)
Profit (loss) before tax	461	2,476	(3,039)	355	(633)	(16)	2,059	(713)	(815)	135
Taxation	(639)			(88)	158	4	(515)	178	204	(698)
Profit (loss) after tax	(178)	2,476	(3,039)	267	(475)	(12)	1,544	(535)	(611)	(563)
Other comprehensive income										
Revaluation on property, net of tax	11,330									11,330
Total comprehensive income	11,152	2,476	(3,039)	267	(475)	(12)	1,544	(535)	(611)	10,767

The pro forma adjustments include the following:

- (1) Being the pre-Transaction pre-tax profit generated by Erskine OpCo over the period 1 January 2024 to 18 July 2024, amounting to £2.5 million, which comprises operating revenue of £6.7 million, cost of sales of £1.7 million, administrative expenses of £2.4 million and finance costs of £86,000, and excludes intercompany transactions which are eliminated on consolidation, based on Erskine OpCo's financial statements and management reporting;
- (2) Being the pre-Transaction pre-tax loss generated by Erskine PropCo over the period 1 January 2024 to 18 July 2024, amounting to £3.0 million, which comprises an operating loss of £1.1 million and net finance costs of £2.0 million, and excludes intercompany transactions which are eliminated on consolidation, based on Erskine PropCo's financial statements and management reporting;
- (3) Being the reversal of actual management fees, licence fees, and recharged expenses amounting to £355,000 paid by the Erskine OpCo to YOTEL Limited pre-Transaction, under an incumbent hotel management agreement which was terminated and replaced by a new franchise agreement in place with YOTEL Limited and a new hotel management agreement in place with TROO Hospitality Limited on 19 July 2024. The tax effect of this adjustment has been included, being a tax charge of 25% of the adjustment value;
- (4) Being the inclusion of pro forma management fees, licence fees, and recharged expenses amounting to £634,000, which would have been payable by the Erskine OpCo under the new franchise agreement in place with YOTEL Limited and the new hotel management agreement in place with TROO Hospitality Limited as of 19 July 2024. The estimated expense is based on the actual rates set out in these agreements and actual hotel performance metrics for the period 1 January 2024 to 18 July 2024. The tax effect of this adjustment has been included, being a tax credit of 25% of the adjustment value;



- (5) Being the estimated incremental operating expenses which would have been incurred by MM Star HoldCo and MM Star BidCo had the companies been utilised for a full-year, amounting to £16,000, based on Management's estimate. The tax effect of this adjustment has been included, being a tax credit of 25% of the adjustment value;
- (6) Being the reversal of net finance costs incurred by Erskine OpCo and Erskine PropCo over the period 1 January 2024 to 18 July 2024 under the pre-Transaction funding structure, amounting to £2.1 million, and the corresponding tax shield amounting to £0.5 million;
- (7) Being the inclusion of incremental finance costs amounting to £713,000, which would have been payable by the MM Star Group under the facility agreement with Clydesdale Bank plc entered on 19 July 2024 in connection with the Transaction, had the Transaction occurred on 1 January 2024. This estimate assumes that the facility would have hypothetically been drawn down on 1 January 2024, and quarterly repayments effected over the period 1 January 2024 to 18 July 2024. The tax effect of this adjustment has been included, being a tax credit of 25% of the adjustment value;
- (8) Being the inclusion of incremental finance costs amounting to £815,000, which would have been payable by the MM Star Group under the agreement with Aviva Reli 2 GP Limited in connection with the transfer and operational leaseback of the YOTEL Edinburgh entered on 19 July 2024 in connection with the Transaction, had the Transaction occurred on 1 January 2024. This estimate assumes that the transaction would have hypothetically been executed on 1 January 2024, and quarterly repayments effected over the period 1 January 2024 to 18 July 2024. The tax effect of this adjustment has been included, being a tax credit of 25% of the adjustment value.

The main revenue streams of YOTEL Edinburgh are room nights sold and sales of food and beverages to guests and visitors. Room revenue represents the largest contributor, accounting for *circa* 90% of total revenue.

In FY2024, YOTEL Edinburgh achieved an occupancy rate of 88.20% and revenue amounted to £13.22 million. Gross profit amounted to £9.26 million, thereby reporting a gross profit margin 70%. After accounting for administrative expenses and net finance costs, the Guarantor registered a profit before tax of £135,000.

During the reviewed financial year, the MM Star Group recognised an uplift in the fair value of YOTEL Edinburgh amounting to £11.33 million, net of tax.



8 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

8.1 Board of Directors of the Issuer

The Board of Directors consists of five directors who are entrusted with the overall direction, administration, and management of the Issuer and which currently consists of two executive directors and three non-executive directors. As at the date of this Registration Document, the Board of Directors consists of the individuals named in section 4.1 of this Registration Document.

8.1.1 Executive Directors

The executive directors of the Issuer are entrusted with the day-to-day management of the Issuer. The executive directors are supported in this role by several consultants and key management, and benefit from the know-how gained by members and officers of the Group.

The executive directors are Mr Demeter Peter Kovacs and Mr Winston J. Zahra.

8.1.2 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 of Directors the added value of independent judgment.

The non-executive directors are Mr Albert Frendo, Mr Kenneth Abela and Mr Steven Coleiro.

8.2 Curricula Vitae of the Directors of the Issuer

Demeter Peter Kovacs

Mr Demeter Peter Kovacs is the co-founder of the Millemont Group and acts in his capacity as General Counsel and principal administrative director for the Millemont Group, providing legal, structural and execution expertise to the business. Mr Kovacs oversees all transactions of the Millemont Group, including coordination of the Millemont's third party advisers (legal, finance, tax, etc.) and acts as the principal contact.

Mr Kovacs is a practicing solicitor of the courts of England and Wales and an experienced real estate finance lawyer who previously worked with Brown Rudnick LLP, an international law firm. Mr Kovacs has acted as lead counsel, transaction manager and primary client contact on numerous complex commercial real estate transactions, both within the UK and internationally, with a strong focus on hospitality assets, totalling several billion pounds in value.

Mr Kovacs holds a Bachelor of Laws (LLB) degree from the London Metropolitan University.

Winston J. Zahra

With over 30 years of experience in the hospitality industry, Mr Winston J. Zahra is the former co-owner and CEO of Malta-based Island Hotels Group Holdings plc ("**IH Group**"). Mr Zahra played a pivotal role in the IH Group's development and growth and, in 2009, successfully took the IH Group public and thereafter, in 2015, managed its sale to International Hotel Investments (IHI) plc, where he continued as managing director for Malta and Spain for two years.

In 2018, he joined GG Hospitality Management to lead a company restructuring process and drive future growth. The following year, GG Hospitality Management invested in the Stock Exchange Hotel in Manchester.

In 2022, Mr Zahra founded TROO Hospitality together with Millemont Capital Partners, further showcasing his commitment to innovation and excellence in the hospitality sector.

Albert Frendo

Mr Alfred Frendo is an accountant by profession with *circa* 40 years of experience in banking, primarily in senior management and executive roles. His responsibilities varied from financial control and reporting, stewardship of the cost management function, credit risk monitoring and enterprise risk management. He was also responsible for the bank's credit function. The pinnacle of Mr Frendo's career was marked by a 12-year tenure on the executive committee of Bank of Valletta plc, during which he served as Chief Officer responsible for lending, with a particular focus on the commercial arm.



Following his retirement from Bank of Valletta plc in February 2023, Mr Frendo held and continues to hold the role of a business consultant with an advisory and oversight function, driving a strong governance culture underpinned by an enhanced stewardship in financial, risk, strategic management and change management transformation.

Kenneth Abela

Mr Kenneth Abela is a certified public accountant with over 36 years of experience in the hospitality sector. After a few years at KPMG, Mr Abela began his 28-year long career with IH Group, the last five of which through the Corinthia Group (following the takeover of IG Group). In July 2020, Mr Abela took up a new challenge at Dizz Group, as Group CFO and company secretary.

Most recently, Mr Abela joined AX Group plc, assuming the role of CEO Designate. AX Group plc is a locally listed company and is one of Malta's highly respected businesses focused on hospitality, elderly care, construction & real estate and renewable energy.

Mr Abela holds a B.A. honors degree in accountancy from the University of Malta and is a fellow of the Malta Institute of Accountants.

Steven Coleiro

Mr Steven Coleiro is a qualified chartered accountant (ACCA) currently working with BDO Malta in the role of audit supervisor. Mr Coleiro has worked with some of Malta's largest corporate service providers, delivering engagement across diverse industries including but not limited to the hospitality industry, investment management funds, shipping and gaming.

Beyond his practice within the core profession, Mr Coleiro co-founded the 'Investment Hub', an initiative aimed at creating a project that fosters open communication between professionals and the retail investor. At its peak, the Investment Hub had a community of up to 2,000 members, attracting professionals in the field as well as directors of locally listed companies.

8.3 Board of Directors of the Guarantor

As at the date of this Registration Document, the board of directors of the Guarantor consists of the individuals named in section 4.2 of this Registration Document.

8.4 Curricula Vitae of the Directors of the Guarantor**Ashley Edward Shaw**

Mr Ashley Edward Shaw is the Former Head of Origination & Debt Advisory of Brown Rudnick LLP's Special Situations team. He has advised on the sourcing and structuring of several billion pounds in CRE transactions across an array of asset classes, geographies and capital structures, with a primary focus on hospitality assets.

Mr Shaw is an investment professional leading the Millemont Group, where he oversees the origination, underwriting, and asset management of the Millemont Group's investments throughout their lifecycle.

Demeter Peter Kovacs

The *curriculum vitae* of Mr Demeter Peter Kovacs may be found in section 8.2 above.

John Emmanuel Bennett

Mr John Emmanuel Bennett is an experienced deal maker and distinguished adviser as a partner of the international law firm, Bryan Cave Leighton Paisner ("BCLP") and its predecessor firms for nearly 35 years. He played a pivotal role in the successful growth of BCLP as global head of the corporate practice between 1996 and 2013.

Although Mr Bennett advises across various sectors, he specialises in real estate and alternative assets, acting as a trusted commercial adviser across the capital stack to owners, operators, managers and innovators.

Mr Bennett serves as chairman of the board of directors of several companies within the Millemont Group. In his role he oversees all investment and advisory activities of the Millemont Group, provides specialist advice to the deal team at both the transactional and portfolio/investment levels.

Mr Bennett holds a Bachelor of Laws (LLB) degree from Southampton University.



8.5 Management of the Group

In the day-to-day operations of the MM Star Group, the executive Directors are supported by members of the Group's management team.

The management team of the MM Star Group is the same highly experienced team that supports the wider Millemont Group, bringing a wealth of expertise in the hospitality sector, with years of experience in managing and overseeing a diverse range of hotel and hospitality projects.

8.6 Curricula Vitae of Members of Management

At the date of this Registration Document, the management team is composed as follows:

Ashley Edward Shaw	<i>Co-founder and CEO</i>	The <i>curriculum vitae</i> of Mr Ashley Edward Shaw may be found in section 8.4 above.
Demeter Peter Kovacs	<i>Co-founder and General Counsel</i>	The <i>curriculum vitae</i> of Mr Demeter Peter Kovacs may be found in section 8.2 above.
Guy Rowles	<i>Associate Director</i>	Mr Guy Rowles is a qualified chartered accountant. Prior to joining the Millemont Group, he held the position of Financial Planning & Analysis (FP&A) Manager at Octopus Investments and previously worked in Deloitte's Investment Management & Private Equity division. At Millemont Group, Mr Rowles is responsible for sourcing and assessing opportunities both at inception as well as asset management throughout the lifecycle of the investments, ensuring ESG integration in the underwriting processes.
John Emmanuel Bennett	<i>Chairman</i>	The <i>curriculum vitae</i> of Mr John Emmanuel Bennett may be found in section 8.4 above.
Miguel Costa	<i>Associate</i>	Mr Miguel Costa is a chartered structural engineer with experience on large residential and commercial projects and, prior to joining the Millemont Group, Mr Costa completed his MBA at HEC Paris. As an associate at the Millemont Group, Mr Costa is involved in aspects of all investment opportunities, market research, transaction execution and asset management, with a focus on sustainability and reducing embodied carbon throughout the lifecycle of the Millemont Group's projects.
Ross Archibald	<i>Finance Manager</i>	Mr Ross Archibald is a qualified chartered accountant with eight years' experience in the asset management and wider financial services sectors. Before joining the Millemont Group, Mr Archibald worked with a multi-strategy private investment office focussed on both debt and real estate and was responsible for the performance and reporting of a cross-border real estate portfolio. Prior to this, Mr Archibald spent four years in BDO's asset management and capital markets team working with listed and private clients. At the Millemont Group, Mr Archibald is responsible for the financial control, treasury, compliance and reporting of the Millemont Group's platform. Mr Archibald is also responsible for working with the hotel operators to drive improvements in the operational performance of the Millemont Group's portfolio assets as well implementing ESG best practices across the portfolio.



8.7 Potential Conflicts of Interest

Save as stated below, as at the date of this Registration Document, the Directors and the members of management of the Group are not aware of any potential conflicts of interest which could relate to their roles within the Issuer:

- (a) Mr Ashley Edward Shaw, member of the board of directors of the Guarantor and ultimate beneficial owner of the Issuer, is also a member of management;
- (b) Mr Demeter Peter Kovacs, a member of the Board of Directors of the Issuer, and ultimate beneficial owner of the Issuer, is also a member of other group companies forming part of the Group, including the Guarantor;
- (c) Mr Demeter Peter Kovacs and Mr John Emmanuel Bennet, members of the board of the directors of the Guarantor are also members of management; and
- (d) Mr Winston J. Zahra, a member of the Board of Directors of the Issuer, is also a member of the management team of TROO.

8.8 Board Practices

Audit Committee

The Audit Committee's primary objective is to assist the Board of Directors in fulfilling its oversight responsibilities over the financial reporting processes, the system of internal controls, the audit process and the process for monitoring compliance with applicable laws and regulations. The Audit Committee oversees the conduct of the internal and external audit and acts to facilitate communication between the Board of Directors, 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 of Directors.

The terms of reference of the Audit Committee include support to the Board of Directors in its responsibilities in dealing with issues of risk, control and governance, and associated assurance of the Issuer. The Board of Directors 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 of Directors on:

- its monitoring responsibility over the financial reporting processes, financial policies, and internal control structures;
- maintaining communications on such matters between the Board of Directors, 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.

The Audit Committee is made up of non-executive directors, the majority of whom must be independent. The appointment of members to the Audit Committee shall remain effective for a period of one year, renewable for further periods of one year each, unless their appointment is terminated earlier by the Board of Directors, or unless they are removed or resign from their position as director of the Issuer earlier.

The Audit Committee is chaired by Mr Albert Frendo (independent non-executive Director), and its other members are Mr Kenneth Abela (independent non-executive Director) and Mr Steven Coleiro (independent non-executive Director). The Chairman of the Audit Committee, appointed by the Board of Directors, is entrusted with reporting to the Board on the workings and findings of the Audit Committee. All three members of the Audit Committee are considered by the Board of Directors to be competent in accounting and, or auditing in terms of the Capital Markets Rules. Pursuant to its terms of reference, the Audit Committee's remit covers the Issuer, the Guarantor and the Group as a whole, as appropriate.

Compliance with the Code of Corporate Governance

Prior to the present Prospectus, the Issuer was not regulated by the Capital Markets Rules and accordingly was not required to comply with the Code of Principles of Good Corporate Governance forming part of the Capital Markets Rules (the "**Code**"). As a consequence of the Bond Issue, in accordance with the terms of the Capital Markets Rules, the Issuer is required to comply with the provisions of the Code. 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 of Directors considers the Issuer to be in compliance with the Code save for the following exceptions:

Principle 7 (Evaluation of the Board's Performance): The Board of Directors does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board of Directors's performance is evaluated on an ongoing basis by, and is subject to the constant scrutiny of the Board of Directors itself (half of which is composed of independent non-executive Directors), the Issuer's shareholders, the market and all of the rules and regulations to which the Issuer is subject as a company with its securities listed on a regulated market.

Principle 8 (Committees): The Board of Directors considers that the size and operations of the Issuer do not warrant the setting up of remuneration and nomination committees. In particular, the Issuer does not believe it is necessary to establish a nomination committee as appointments to the Board of Directors are determined by the shareholders of the Issuer in accordance with the appointment process set out in the Issuer's Memorandum and Articles of Association. The Issuer considers that the members of the Board of Directors possess the level of skill, knowledge and experience expected in terms of the Code.

Principle 9 (Relations with Shareholders and with the Market): currently there is no established mechanism disclosed 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. In any such cases, should a conflict arise, the matter is dealt with in meetings of the Board of Directors and through the open channel of communication between the Issuer and the minority shareholders via the office of the company secretary.

9 MAJOR SHAREHOLDERS

9.1 Major Shareholders of the Issuer

As at the date of this Registration Document, MM Star HoldCo (the Guarantor) holds 99.99% of the entire issued share capital of the Issuer, with the remaining 0.01% held by Millemont Holdings Limited.

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 MM Star HoldCo, as major shareholder, is not abused. These measures include:

- (a) the composition of the Board of Directors, which includes a balanced mix of executive directors and experienced, independent non-executive directors; and
- (b) the adoption of the governance rules set out in section 8.8 above of this Registration Document.

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.

9.2 Major Shareholders of the Guarantor

The entire issued share capital of the Guarantor is held by Millemont 3 Limited Partnership.

Measures are in place to ensure that control within the Partnership is not abused, as explained in section 5.4 above of this Registration Document, through the implementation of a structured governance framework. As a private fund limited partnership established under English law, the Partnership is subject to the regulatory provisions of the Limited Partnership Act 1907 and the UK Financial Services and Markets Act 2000. To further ensure that control is not abused of, regulatory oversight is provided by an independent third-party investment manager, Gen II Management Company (UK) Limited. 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 Guarantor.

10 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 or the Guarantor are 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.



11 SHARE CAPITAL

11.1 Share Capital of the Issuer

The authorised share capital of the Issuer is €250,000. The issued share capital is €250,000 divided into 249,999 ordinary 'A' shares and one under ordinary 'B' share, each of a nominal value of €1.00, 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.

To the best of the Board of Directors' knowledge, 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.

11.2 Share Capital of the Guarantor

The memorandum and articles of association of the Guarantor do not specify an authorised share capital, subject to a minimum of one ordinary share being in existence. The issued share capital is £1 divided into one ordinary share of a nominal value of £1, fully paid up.

In terms of the Guarantor'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 Guarantor without the prior approval of the Guarantor in a general meeting.

The shares of the Guarantor are not listed or traded on an exchange and no application has been filed for the shares of the Guarantor to be quoted on an exchange.

To the best of the knowledge of the Guarantor's board of directors, there is no capital of the Guarantor which is currently under option nor is there any agreement by virtue of which any part of the capital of the Guarantor is to be put under option.

12 MEMORANDUM AND ARTICLES OF ASSOCIATION

12.1 The Issuer

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

- (a) carrying on the business of a finance and investment company in connection with the ownership, development, operation and financing of hotels, leisure facilities, mixed-use properties and tourism related activities and such other activities as may from time to time be ancillary or complementary to the foregoing whether in Malta or overseas;
- (b) issuing bonds, commercial paper or any other instruments creating or acknowledging indebtedness and selling or offering the same to the public;
- (c) subscribing for, taking, purchasing, participating in or otherwise acquiring, holding, managing, selling or otherwise disposing of, and dealing in any manner whatsoever in, shares, stock, debentures, bonds, notes or other securities whatsoever solely for and on behalf of the Issuer, and options, warrants or other rights or interests whatsoever in any such securities of, and any interests whatsoever in, any company in any other part of the world as the Issuer may determine and in such manner, under such terms and conditions and for such consideration as the Issuer may think fit;
- (d) borrowing or raising money in such manner and under such terms and conditions as the Issuer may deem fit, and in particular, by way of bank loans and overdrafts, or undertake any obligation without limitation as to the limit of indebtedness and to guarantee the performance of any obligation of a third party, jointly and severally with such third party and/or with others in such a manner as the Issuer shall think fit inclusive by the issue of debentures; and
- (e) to secure and guarantee the repayment of any money which is borrowed or raised by the Issuer or the performance of any obligation undertaken by the Issuer, whether principal or ancillary, in any manner, including that of hypothecation, general or particular, mortgage, charge or lien, pledge of the whole or part of the immovable or movable property or assets of the Issuer, whether present or future, including the Issuer's uncalled capital.

12.2 The Guarantor

The memorandum and articles of association of the Guarantor are registered with the Companies House in England and Wales.



13 MATERIAL CONTRACTS

The entities forming part of the Group, including albeit not limited to, the Issuer and the Guarantor, 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.

14 PROPERTY VALUATION REPORT

The Issuer commissioned architect Christian Spiteri on behalf of C&K Architecture to issue a property valuation report on the Yotel Edinburgh (the “**Valuation Report**”). The following are the details of the architect:

Business Address: 27, Triq San Gorg, Il-Gzira GZR 1336.
Qualifications: B.E.&A. (Hons) A.&C.E.

The Valuation Report is incorporated by reference to the Prospectus and is accessible at the following hyperlink: <http://mmfinancemalta.com/mmstarmaltafinanceplc/>.

15 STATEMENTS BY EXPERTS AND DECLARATIONS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Save for the Valuation Report incorporated by reference to the 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 Architect Christian Spiteri of C&K Architecture, who has given and has not withdrawn his consent to the inclusion of the report herein. Architect Christian Spiteri 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.

16 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:

- (a) Memorandum and Articles of Association of the Issuer and the memorandum and articles of association of the Guarantor;
- (b) Audited consolidated financial statements of the Guarantor for the six-month period ended 31 December 2024;
- (c) Audited financial information of Erskine PropCo and Erskine OpCo for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024;
- (d) Pro forma financial information of the Group and independent accountant's report;
- (e) Financial analysis summary prepared by the Sponsor dated 27 May 2025;
- (f) The Guarantee;
- (g) The Security Trust Deed; and
- (h) The Valuation Report.

These documents are also available for inspection in electronic form on the Issuer's website: <https://mmfinancemalta.com/>.

SECURITIES NOTE

DATED 27 MAY 2025

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

This Securities Note is being issued by:



MILLEMONT

MM Star Malta Finance p.l.c.

a public limited liability company registered under the laws of Malta with company registration number C 111281
with the joint and several guarantee* of:

MM Star Holdco Limited

a private limited company registered under the laws of England and Wales with company registration number CN 14171754
in respect of an issue of up to **€35,000,000 5.35% secured callable bonds due 2029 - 2031**
issued and redeemable at their nominal value (at €100 per Bond)

ISIN: MT0002871201

** Prospective investors are to refer to the Guarantee contained in Annex I of this Securities Note for a description of the Guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in the Registration Document and this Securities Note for a discussion of certain risk factors which should be considered by prospective investors in connection with the Bonds and the Guarantee.*

Sponsor



MZ INVESTMENTS

Manager & Registrar



Bank of Valletta

Legal Counsel



CAMILLERI PREZIOSI
ADVOCATES

Security Trustee



FINCO TRUST SERVICES LIMITED

THIS SECURITIES NOTE HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY, AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MALTA FINANCIAL SERVICES AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THE BONDS AS LISTED FINANCIAL INSTRUMENTS. THIS MEANS THAT THE MALTA FINANCIAL SERVICES AUTHORITY HAS ONLY APPROVED THIS SECURITIES NOTE 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, WHOSE BONDS ARE THE SUBJECT OF THIS SECURITIES NOTE. IN PROVIDING THIS AUTHORISATION, THE MALTA FINANCIAL SERVICES AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE BONDS 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 THE BONDS.

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 BONDS.

THE BONDS ARE COMPLEX FINANCIAL INSTRUMENTS AND MAY NOT BE SUITABLE FOR ALL TYPES OF INVESTORS. A POTENTIAL INVESTOR SHOULD NOT INVEST IN THE BONDS UNLESS: (I) HE/SHE HAS THE NECESSARY KNOWLEDGE AND EXPERIENCE TO UNDERSTAND THE RISKS RELATING TO THIS TYPE OF FINANCIAL INSTRUMENT; (II) THE BONDS MEET THE INVESTMENT OBJECTIVES OF THE POTENTIAL INVESTOR; AND (III) SUCH PROSPECTIVE INVESTOR IS ABLE TO BEAR THE INVESTMENT AND FINANCIAL RISKS WHICH RESULT FROM INVESTMENT IN THE BONDS. INVESTORS SHOULD MAKE THEIR OWN ASSESSMENT AS TO THE SUITABILITY OF INVESTING IN THE BONDS THAT ARE THE SUBJECT OF THIS SECURITIES NOTE.

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

Demeter Kovacs

APPROVED BY THE BOARD OF DIRECTORS

Winston J. Zahra

signing in their capacity as directors of the Issuer and on behalf of Albert Frendo, Kenneth Abela and Steven Coleiro



IMPORTANT INFORMATION

THIS SECURITIES NOTE FORMS PART OF THE PROSPECTUS AND CONTAINS INFORMATION IN CONNECTION WITH AN ISSUE BY MM STAR MALTA FINANCE P.L.C. (C 111281) (THE “**ISSUER**”) OF UP TO €35,000,000 SECURED CALLABLE BONDS DUE 2029-31 HAVING A NOMINAL VALUE OF €100 PER BOND ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 5.35% PER ANNUM, PAYABLE ANNUALLY IN ARREARS ON 27 JUNE OF EACH YEAR UNTIL THE REDEMPTION DATE, AS APPLICABLE (THE “**BONDS**” OR THE “**BOND ISSUE**”).

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

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

THIS SECURITIES NOTE: (I) CONTAINS INFORMATION ABOUT THE BONDS IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES, THE ACT AND THE PROSPECTUS REGULATION, AND SHOULD BE READ IN CONJUNCTION WITH THE LATEST REGISTRATION DOCUMENT ISSUED BY THE ISSUER FORMING PART OF THE PROSPECTUS; AND (II) SETS OUT THE CONTRACTUAL TERMS UNDER WHICH THE BONDS ARE BEING ISSUED, BY THE ISSUER, WHICH TERMS SHALL REMAIN BINDING.

NO PERSON HAS BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS, OR THE ISSUER’S ADVISORS, TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE BOND ISSUE OTHER THAN THOSE CONTAINED IN THIS SECURITIES NOTE 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, ITS DIRECTORS, OR ITS ADVISORS.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS SECURITIES NOTE AND ANY PERSON WISHING TO APPLY FOR THE BONDS TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS IN THE BONDS 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 AND/OR DOMICILE.

THE ISSUER HAS CONSENTED TO THE AUTHORISED FINANCIAL INTERMEDIARIES MAKING USE OF THIS SECURITIES NOTE IN CONNECTION WITH THEIR DISTRIBUTION AND PLACEMENT ACTIVITIES FOR THE SALE OF THE BONDS.

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

SAVE FOR THE ISSUE IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN, OR WILL BE, TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE BONDS 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 BONDS 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 OTHER OFFERING MATERIAL MAY COME, MUST INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS ON THE DISTRIBUTION OF THE PROSPECTUS AND THE OFFERING AND SALE OF THE BONDS.



THE PROSPECTUS AND THE OFFERING, SALE, OR DELIVERY OF ANY SECURITIES 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 SECURITIES NOTE IS VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE HEREOF. THE ISSUER IS NOT OBLIGED TO PUBLISH A SUPPLEMENT TO THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES WHICH ARISE OR ARE NOTED FOLLOWING THE LAPSE OF THE PERIOD OF VALIDITY OF THIS SECURITIES NOTE. PROVIDED THAT THE ISSUER SHALL NOT BE OBLIGED TO SUPPLEMENT THE PROSPECTUS SHOULD THE AFORESAID SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES, OR MATERIAL INACCURACIES ARISE OR ARE NOTED FOLLOWING THE LATER OF THE CLOSING OF THE OFFER PERIOD OR THE TIME WHEN TRADING ON THE OFFICIAL LIST BEGINS.

ALL THE ADVISORS TO THE ISSUER AND THE GUARANTOR NAMED IN SECTION 4.3 OF THE REGISTRATION DOCUMENT HAVE ACTED, AND ARE ACTING, EXCLUSIVELY FOR THE ISSUER IN RELATION TO THE PROSPECTUS 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.

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

UNLESS INCORPORATED BY REFERENCE IN THIS SECURITIES NOTE, THE CONTENTS OF THE ISSUER'S AND THE GUARANTOR'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S OR THE GUARANTOR'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 ON SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN THE BONDS, CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE, AND CONSULT THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISORS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.



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1 DEFINITIONS

Words, expressions and capitalised terms used in this Securities Note shall, except where the context otherwise requires and except where otherwise defined herein, bear the same meaning as the meaning given to such words, expressions and capitalised terms as indicated in the Registration Document forming part of the Prospectus. Additionally, the following words and expressions as used in this Securities Note shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

Applicant(s)	an applicant submitting an application for the Bonds through any Authorised Financial Intermediary, and any Authorised Financial Intermediary when subscribing for the Bonds for its own account or for the account of its customers;
Application(s)	the application to subscribe for the Bonds made by an Applicant(s) through any of the Authorised Financial Intermediaries;
Appropriateness Test	shall bear the meaning assigned thereto in the COBR;
Authorised Financial Intermediary	any of the intermediaries listed in Annex II of this Securities Note;
Bond(s)	the secured callable bonds of an aggregate principal amount of up to Euro €35,000,000 of a nominal value of Euro €100 per bond, issued at par and redeemable at their nominal value on the Redemption Date, and bearing interest at the rate of 5.35% per annum and having ISIN MT0002871201;
Bond Issue Price	€100 per Bond;
Bondholder(s)	any holder(s) of Bonds from time to time, as evidenced by an electronic entry in the register of Bonds held by the CSD;
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
COBR	the conduct of business rulebook issued by the MFSA, as may be amended from time to time;
Collateral	means the property, assets and rights of the Security Providers (or any of them) which are now or at any time in the future subject to the Security;
Collateral Documents	means the Guarantee, the Debenture and the Standard Security;
CSD	the Central Securities Depository of the MSE, having its address at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Debenture	the first ranking debenture governed by English law which will comprise fixed and floating security interests over the assets of MM Star HoldCo, as follows: i. a fixed charge constituted over the shares which MM Star HoldCo holds in MM Star BidCo and a security assignment in respect of MM Star HoldCo's interests as a creditor in respect of; shareholder debt provided to MM Star BidCo; and ii. a floating charge constituted over all other assets of MM Star HoldCo;
Early Redemption Date	any date falling between, and including, 27 June 2029 and 26 June 2031, 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 interest accrued up to the date of early redemption, by giving not less than 30 days' notice to the Bondholders. The term "Early Redemption" shall be construed accordingly;
Eligible Counterparties	shall bear the meaning assigned thereto in the COBR;
ESMA Guidelines	the guidelines issued by the European Securities and Markets Authority (ESMA) on complex debt instruments and structured deposits dated 4 February 2016;
Events of Default	the events listed in Section 5.14 of this Securities Note;
Interest Payment Date	27 June of each year between and including each of the years 2026 and 2031 (or in the event of an early redemption at the option of the Issuer, 27 June of each year between and including each of the years 2026 and the relevant Early Redemption Date), provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
MIFID II	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast), as may be amended from time to time;
Obligor(s)	means the Issuer, the Security Providers and Erskine OpCo;
Placement Agreement(s)	the conditional placement agreement(s) which the Issuer shall enter into with Authorised Financial Intermediaries, pursuant to which each respective Authorised Financial Intermediary shall be conditionally bound to subscribe to such number of Bonds as indicated in their respective agreement(s);



Professional Clients	shall bear the meaning assigned thereto in the COBR;
Placement Date	12:00 hours on 20 June 2025, or such earlier date as may be determined by the Issuer;
Redemption Date	27 June 2031 or any Early Redemption Date;
Redemption Value	means the nominal amount of €100 per Bond to be paid on the Redemption Date;
Retail Client	shall bear the meaning assigned thereto in the COBR;
Security	means the security constituted or created under, or pursuant to the terms of, the Collateral Documents;
Security Provider(s)	Erskine PropCo and MM Star HoldCo;
Standard Security	the first ranking standard security governed by Scots law granted by Erskine PropCo constituting a first fixed security over the long-leasehold title held by Erskine PropCo in and to the Yotel Edinburgh;
Suitability Testing	shall bear the meaning assigned thereto in the COBR; and
Terms and Conditions	the terms and conditions applicable to the Bonds as contained in section 6 of this Securities Note.

Unless it appears otherwise from the context:

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

2 RISK FACTORS

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISORS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THIS PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE BONDS. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

THE RISK FACTORS BELOW HAVE BEEN CATEGORISED UNDER THREE MAIN CATEGORIES, ACCORDING TO WHETHER THE RISK FACTORS RELATE TO: (I) BONDS; (II) THE COLLATERAL DOCUMENTS; OR (III) THE GUARANTEE.

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 SECURITIES NOTE. 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 AND/OR THE GUARANTOR IF THE RISK FACTOR WERE TO MATERIALISE.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS ADVERSE EFFECT ON THE BONDS. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS AS AT THE DATE OF THIS SECURITIES NOTE, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER FACES OR COULD FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL ADVERSE IMPACT ON THE BONDS. IN ADDITION, PROSPECTIVE INVESTORS OUGHT TO BE AWARE THAT RISK MAY BE AMPLIFIED DUE TO A COMBINATION OF RISK FACTORS.

THE PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN AND/OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH BONDS 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, AND/OR THE GUARANTOR, THEIR RESPECTIVE DIRECTORS, ANY OF THE ADVISORS LISTED IN SECTION 4.3 OF THE REGISTRATION DOCUMENT, OR ANY OF THE AUTHORISED FINANCIAL INTERMEDIARIES, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, THAT ANY RECIPIENT OF THIS PROSPECTUS SHOULD PURCHASE THE BONDS ISSUED BY THE ISSUER (AND THEREFORE PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS SECURITIES NOTE); AND
- (III) CONTAIN STATEMENTS THAT ARE, OR MAY BE DEEMED TO BE, "FORWARD-LOOKING STATEMENTS".

2.1 FORWARD-LOOKING STATEMENTS

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

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may, or may not occur, in the future. Forward-looking statements are subject to numerous assumptions, risks and uncertainties. Many of these assumptions, risks and uncertainties are beyond the Issuer's and the Guarantor's control. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer's and/or the Guarantor's actual operational results, financial condition and performance, and trading prospects may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the operational results, financial condition and performance, and trading prospects of the Issuer and/or the Guarantor are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, those factors identified under this section 2 of this Securities Note and elsewhere in the Prospectus. There can be no assurance that: (i) the Issuer has correctly measured or identified all of the factors affecting the Bonds or the extent of their likely impact; (ii) the publicly available information with respect to these factors on which the Issuer's analysis is based is complete or accurate; (iii) the Issuer's analysis is correct; or (iv) the Issuer's strategy, which is based in part on this analysis, will be successful. No attempt has been made by the Issuer to verify the forward-looking statements in this Prospectus. No representation is made that any of these statements, projections or forecasts will come to pass or that any forecasted result will be achieved. Where, in any forward-looking statement,

the Issuer expresses an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished.

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

2.2 RISKS SPECIFIC TO THE BONDS

2.2.1 *Complex financial instrument and suitability assessment*

Debt instruments which may be redeemed by an issuer prior to their maturity date are considered as having an embedded call option, with the price of such instruments taking these components into account. The Bonds may be redeemed at the option of the Issuer on an Early Redemption Date. In view of this Early Redemption component, the Bonds are complex financial instruments for the purposes of MIFID II. Investors must consult with an investment advisor before investing in the Bonds. In particular, investors should consult with an investment advisor with a view to ascertaining that the respective investor: (a) has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, including an evaluation of the merits and risks of investing in the Bonds and the information contained or incorporated by reference in the Prospectus or any applicable supplement; (b) has sufficient financial resources and liquidity to bear all the risks associated with an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency and that the Bonds meet the investment objectives of the respective investor; (c) understands thoroughly the terms of the Bonds; and (d) is able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect his/her investment and his/her ability to bear the applicable risks. An informed investment decision can only be made by investors after they have read and fully understood the risk factors associated with an investment in the Bonds, and the inherent risks associated with the Group's business.

2.2.2 *The Bonds are redeemable at the option of the Issuer*

Any or all of the Bonds may be redeemed by the Issuer on a Redemption Date. Once the Bonds are redeemed, the relevant Bondholders shall no longer be entitled to any interest or other rights in relation to the redeemed Bonds. If the Bonds are redeemed on an Early Redemption Date, a Bondholder would not receive the same return on investment that he/she would have received if the Bonds were redeemed on 27 June 2031. In addition, Bondholders may not be able to re-invest the proceeds from an Early Redemption at yields that would have been received had they not been redeemed. This optional redemption feature may also have a negative impact on the market value of the Bonds.

2.2.3 *No prior market*

Prior to the Bond Issue, there has been no public market, nor trading record for the Bonds within or outside Malta. Due to the absence of any prior market for the Bonds, there can be no assurance that the Bond Issue Price will correspond to the price at which the Bonds will trade in the market subsequent to the Bond Issue.

2.2.4 *Orderly and liquid market*

The existence of an orderly and liquid market for the Bonds depends on a number of factors, including the presence of willing buyers and sellers of the Bonds at any given time and the general economic conditions in the market in which the Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer, and/or Guarantor has no control.

Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Moreover, there can be no assurance that Bondholders will be able to sell the Bonds at or above the Bond Issue Price or at all.

2.2.5 *Further public offers*

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

2.2.6 *Ranking of the Bonds*

The Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional obligations of the Issuer, secured by the Collateral Documents. The Bonds shall at all times rank *pari passu* between them without any priority or preference among themselves.

2.2.7 *Subsequent changes in interest rate and potential impact of inflation*

The Bonds are fixed-rate debt securities. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the market value of the Bonds. Investors should be aware that because of the way yield

is typically calculated by market participants, the price of fixed income securities (such as the Bonds) tends to move in a way that is inversely proportional to changes in interest rates. Accordingly, when prevailing market interest rates are rising, the prices that market participants will generally be willing to pay for the Bonds can be expected to decline. Conversely, if market interest rates are declining, secondary market prices for the Bonds can generally be expected to rise. Moreover, fixed rate debt securities with a longer period to maturity will tend to reflect a greater degree of secondary market price volatility relative to movements in market interest rates when compared to fixed rate debt securities with a shorter remaining life.

The coupon payable on the Bonds is a nominal interest rate. The real interest rate is computed by subtracting inflation from the nominal interest rate, the result of which indicates the real return on the Bond coupons. In a period of high inflation, an investor's real return on the Bonds will be lower than the Bonds' nominal interest rate and thus undermine an investor's expected return. Furthermore, an increase in inflation may result in a decrease in the traded price of the Bonds on the secondary market.

2.2.8 *Discontinuation of listing*

Even after the Bonds are admitted to trading on the MSE, the Issuer is required to remain in compliance with certain requirements relating to *inter alia*, the free transferability, clearance and settlement of the Bonds, in order to remain a listed company in good standing. Moreover, the MFSA has the authority to suspend trading or listing of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The MFSA may discontinue the listing of the Bonds on the MSE. Any such trading suspensions or listing revocations or discontinuations described above could have a material adverse effect on the liquidity and value of the Bonds.

2.2.9 *Amendments to the Terms and Conditions of the Bonds*

The Terms and Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. In the event that the Issuer wishes to amend any of the Terms and Conditions of the Bonds, it shall call a meeting of Bondholders in accordance with the provisions of section 5.6 of this Securities Note. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

2.3 RISKS SPECIFIC TO THE COLLATERAL DOCUMENTS

2.3.1 *Risks relating to the ranking of the Collateral Documents*

By virtue of the Collateral Documents, the Bonds will be secured on a first-priority basis over the Collateral in the manner set out in section 5.4 of this Securities Note. Notwithstanding that the Collateral Documents purport to grant the Security Trustee first-ranking priority over the Collateral, there can be no guarantee that the Security Trustee will in fact enjoy a first-priority ranking in respect of the Collateral in all circumstances. The law of priority in England is highly complex, but broadly speaking prior-ranking liens may arise by operation of law, and equitable interests are subject to competing equities and duly constituted legal interests. In addition, the Security Trustee's priority in respect of any Collateral which is subject only to a floating charge will be behind that of any applicable insolvency officer's expenses, certain categories of statutorily prescribed preferred creditor claims and any unsecured creditor claims for what is known as the "prescribed part" (being a percentage of floating charge realisations capped at £800,000). As regards the Standard Security, in terms of Scots law, this security will, when registered in the Land Register of Scotland, give a first priority claim in respect of Erskine PropCo's title to Yotel Edinburgh to the extent that there is no pre-existing standard security granted by Erskine PropCo over that title in favour of any other person.

The ranking of the Collateral Documents has a bearing on the success of the Bondholders to get paid should the Issuer or the Guarantor not have sufficient assets to pay all of their respective creditors. The Security Trustee will be paid out of the assets of the Issuer and/or the Guarantor after those creditors which are given priority over the proceeds of the realisation of the relevant Collateral by law. Accordingly, in the case of a competition of creditors, Bondholders may not recover their investment in the Bonds, whether in full or in part.

2.3.2 *Risks relating to the enforcement of the Collateral Documents*

Whilst the Security Trust Deed and the Collateral Documents create, in favour of the Security Trustee, a right of preference and priority for repayment over the Collateral, there can be no assurance that the Collateral will be sufficient to cover the Issuer's payment obligations under the Bonds in the case of an Event of Default. In particular, the amount which may be recovered under the English law-governed fixed charges, security assignments, and floating charges constituted over the assets of MM Star HoldCo depends on the nature and value of the assets forming part of the patrimony of MM Star HoldCo at the point in time that the Security Trustee enforces such security. It should also be understood that any Collateral which is subject only to a floating charge will rank behind the expenses of any applicable insolvency officer, certain categories of statutorily preferred creditors and any unsecured creditor claims for what is known as the "prescribed part" (being a percentage of the floating charge realisations capped at £800,000).

Additionally, Erskine PropCo shall grant the Standard Security over the long-leasehold title held by Erskine PropCo in respect of the Yotel Edinburgh. As at 22 April 2025, the Yotel Edinburgh has been valued by independent architects as having a market value of £54.80 million. There is no guarantee that the Bondholders will recover the value of the Yotel Edinburgh afforded to it by independent experts in the Valuation Report in the case of an Event of Default.

In the case of a reduction in value of the Collateral described in section 5.4 of this Securities Note, the Company may not be in a position to compensate for such reduction through an appropriate injection in the cash reserve being set up for this purpose. This reduction in value of the Collateral may be caused by a number of factors including, but not limited to, general economic factors that could have an adverse impact on the value of the Collateral. If such circumstances were to arise or subsist at the time when the Security is to be enforced by the Security Trustee, it could have a material adverse effect on the recoverability of all the amounts that may be outstanding under the Bonds.

In addition to the aforesaid, the valuation of the Yotel Edinburgh prepared by independent architects contains certain assumptions which may cause the actual values to be materially different from any future values that may be expressed or implied by such forward-looking statements or anticipated on the basis of historical trends as reality may not match the assumptions. There can be no assurance that the property valuation and related assets will reflect actual market values at the time of enforcement of the Standard Security over the Yotel Edinburgh.

2.4 RISKS SPECIFIC TO THE GUARANTEE

In view of the fact that the Bonds are being guaranteed by the Guarantor, the Security Trustee shall be entitled to request the Guarantor to pay both the interest and principal amounts due under said Bonds if the Issuer fails to meet any payment obligation when due in terms of the Prospectus. The Guarantee also entitles the Security Trustee to take action against the Guarantor without having to first take action against the Issuer, if the Issuer fails to pay any sum payable by it to Bondholders pursuant to the Terms and Conditions of the Bonds. The strength of the undertakings given under the Guarantee and, therefore, the level of recoverability by the Bondholders from the Guarantor of any amounts due under the Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantor. The risks relevant to the Guarantor are set out in detail in section 2.3 of the Registration Document.

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

3 PERSONS RESPONSIBLE, STATEMENT OF APPROVAL AND CONSENT FOR USE OF PROSPECTUS

3.1 PERSONS RESPONSIBLE

The Directors of the Issuer are the persons responsible for the information contained in this Securities Note. 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 Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information. Demeter Peter Kovacs, Winston J. Zahra, Albert Frendo, Kenneth Abela and Steven Coleiro, being all of the Directors of the Issuer as further detailed in sub-section 4.1 of the Registration Document, accept responsibility for all the information contained in the Prospectus. The Directors accept responsibility accordingly.

3.2 STATEMENT OF APPROVAL

This Securities Note has been approved by the MFSA as the competent authority in Malta for the purposes of the Prospectus Regulation. The MFSA has only approved this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Issuer or the quality of the Bonds (that are the subject of this Securities Note). Investors should make their own assessment as to the suitability of investing in the Bonds.

3.3 CONSENT FOR USE OF PROSPECTUS

For the purposes of any subscription for the Bonds through any of the Authorised Financial Intermediaries in terms of this Securities Note, and any subsequent resale, placement or other offering of Bonds by such Authorised Financial Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Regulation, the Issuer consents to the use of this Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale, placement or other offering of Bonds, provided this is limited only:

- (i) in respect of the Bonds subscribed for through the Authorised Financial Intermediaries listed in Annex II of this Securities Note;
- (ii) to any resale or placement of the Bonds subscribed as aforesaid, taking place in Malta; and/or
- (iii) to any resale or placement of the Bonds taking place within the period of 60 days from the date of the Prospectus.

There are no other conditions attached to the consent given by the Issuer hereby which are relevant for the use of the Prospectus.

None of the Issuer, the Guarantor, the Sponsor, the Manager and Registrar or any of their respective advisors take any responsibility for any of the actions of any Authorised Financial Intermediary, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to a resale or placement of the Bonds.

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

Investors should enquire whether an intermediary is considered to be an Authorised Financial Intermediary in terms of the Prospectus. If an investor is in doubt as to whether it can rely on the Prospectus and/or who is responsible for its contents, it should seek legal advice. No person has been authorised to give any information or to make any representation not contained in or inconsistent with this Prospectus. If given or made, it must not be relied upon as having been authorised by the Issuer or its advisors. The Issuer and the Guarantor do not accept responsibility for any information not contained in this Prospectus.

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

Any resale, placement or other offering of the Bonds to an investor by an Authorised Financial Intermediary will be made in accordance with any terms and other arrangements in place between such Authorised Financial Intermediary and such investor including as to price, allocations and settlement arrangements. Where such information is not contained in the Prospectus, it will be the responsibility of the relevant Authorised Financial Intermediary at the time of such resale, placement or other offering to provide the investor with that information and neither the Issuer nor its advisers have any responsibility or liability for such information.

Any Authorised Financial Intermediary using this Prospectus in connection with a resale, placement or other offering of the Bonds subsequent to the Bond Issue shall, limitedly for the period of 60 days from the date of the Prospectus, publish on its website a notice to the effect that it is using this Prospectus for such resale, placement or other offering in accordance with the consent of the Issuer and the conditions attached thereto. The consent provided herein shall no longer apply following the lapse of such period.

Any new information with respect to financial intermediaries unknown at the time of approval of this Securities Note will be made available by the Issuer through a company announcement which will be made available on the Issuer's website: <https://mmfinancemalta.com/>.

4 ESSENTIAL INFORMATION ON THE BOND ISSUE

4.1 REASONS FOR THE ISSUE AND USE OF PROCEEDS

The aggregate proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €34,200,000, are intended to be utilised by the Issuer for the purpose of refinancing the Acquisition of the Yotel Edinburgh. The Issuer will on-lend such aggregate proceeds (net of Bond Issue expenses) to MM Star HoldCo, further to which:

- i. an amount of approximately €18,800,000 shall be further on-lent by MM Star HoldCo to MM Star BidCo under an existing intra-group loan facility in place between MM Star HoldCo (as lender) and MM Star BidCo (as borrower). Such amount shall be utilised by MM Star BidCo for the purpose of refinancing the Facility Agreement, an outstanding loan facility by and between Clydesdale Bank plc (as lender) and MM Star BidCo (as borrower) in relation to the Acquisition of the Yotel Edinburgh, as further detailed in section 6.2.3 of the Registration Document.
- ii. an amount of approximately €15,400,000 shall be utilised by MM Star HoldCo for the purpose of refinancing, in part, its borrowings under the Shareholders' Funding Agreement which were previously advanced by the Partnership to finance the Acquisition of the Yotel Edinburgh, as further detailed in section 6.2.3 of the Registration Document.

For the purposes on-lending the amount of approximately €34,200,000 to MM Star HoldCo (as described above), the Issuer has entered into an intra-group loan facility agreement by and between the Issuer (as lender) and MM Star HoldCo (as borrower), which loan facility is subject to the payment of an annual interest rate equivalent to the annual interest rate payable on the Bonds (i.e. 5.35%) plus a premium of 50 basis points (0.5%). In addition, an arrangement fee of 2% on the amount borrowed under the loan facility will be payable by MM Star HoldCo (as borrower) to the Issuer (as lender) on the first drawdown date of such facility.

In the event that the Bond Issue is not fully subscribed, the Issuer shall proceed with the listing of the Bonds so subscribed for and shall apply the net proceeds received in the manner and order of priority set out above.

Any residual amounts required by the Issuer for the purposes of the uses specified in this section 4.1, which shall not have been raised through the Bond Issue, shall be financed from the Group's general cash flow and/or banking facilities.



4.2 EXPENSES

Professional fees and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €800,000 in aggregate. There is no particular order of priority with respect to the allocation of such expenses. The expenses pertaining to the Bond Issue shall be borne exclusively by the Issuer.

4.3 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for the subscription of Bonds by Authorised Financial Intermediaries and the commissions payable thereto, and any fees payable in connection with the Bond Issue to the advisors listed in section 4.3 of the Registration Document, in so far as the Issuer is aware, no person involved in the Bond Issue has an interest, conflicting or otherwise, material to the Bond Issue.

5 INFORMATION CONCERNING THE BONDS TO BE ISSUED AND ADMITTED TO TRADING

Each Bond shall be issued on the Terms and Conditions set out in this Securities Note and, by subscribing to or otherwise acquiring the Bonds, the Bondholders are deemed to have knowledge of all the terms and conditions of the Bonds hereafter described and to accept and be bound by the said terms and conditions.

5.1 ISSUE STATISTICS

AMOUNT:	aggregate amount of up to €35,000,000;
DENOMINATION:	Euro (€);
BOND ISSUE PRICE:	at par (€100 per Bond);
ISIN:	MT0002871201;
MINIMUM AMOUNT PER SUBSCRIPTION:	minimum of €2,000, and in multiples of €100 thereafter;
INTEREST:	5.35% per annum;
PLACEMENT DATE:	12:00 hours on 20 June 2025, or such earlier date as may be determined by the Issuer;
ADMISSION TO LISTING AND TRADING:	the MFSA has approved the Bonds for admissibility to listing on the Official List of the MSE. Application has been made to the MSE for the Bonds to be listed and traded on its Official List;
INTEREST PAYMENT DATE(S):	27 June of each year between and including each of the years 2026 and 2031 (or in the event of an Early Redemption at the option of the Issuer, 27 June of each year between and including each of the years 2026 and the relevant Early Redemption Date), provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
REDEMPTION DATE:	27 June 2031 or the Early Redemption Date;
STATUS OF THE BONDS:	the Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional, and secured obligations of the Issuer. The Bonds shall at all times rank <i>pari passu</i> without any priority or preference among themselves;
COMPLEX INSTRUMENTS:	in view of the early redemption component referred above, the Bonds are complex financial instruments for the purposes of MIFID II. Accordingly, the Bonds may only be suitable for investors who have the knowledge and experience to understand the risk related to this type of financial instrument. Potential investors should consult an investment advisor before investing in the Bonds;
GOVERNING LAW:	the Bonds are governed by and shall be construed in accordance with Maltese law; and
JURISDICTION:	the Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds.

5.2 REGISTRATION, FORM AND TITLE

The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD.

There will be entered in such electronic register, the names, addresses, identification numbers (in the case of natural persons), registration numbers (in the case of legal persons) and MSE account numbers of the Bondholders together with particulars of the Bonds held by them. A copy of the Bondholder's entry in the CSD's electronic register will, at all reasonable times during business hours, be available for inspection by the Bondholder at the registered office of the Issuer. Title to the Bonds shall be evidenced by an entry in the electronic register of Bonds maintained by the CSD. The CSD will issue, upon a request by a Bondholder, a statement of holdings evidencing his or her entitlement to the Bonds held in the electronic register at the CSD.

Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading "Transferability of the Bonds" in section 5.9 of this Securities Note.

5.3 SECURITY TRUSTEE

The Issuer, the Guarantor and the Security Providers have entered into the Security Trust Deed with the Security Trustee which consists of the covenants of the Issuer to pay the principal amount under the Bonds on the Redemption Date and interest thereon and the covenants of the Guarantor to pay principal and interest on the Bonds in the event of a claim under the Guarantee, in accordance with its terms.

The Security Trust Deed also regulates the constitution of the Collateral Documents in favour of the Security Trustee. The Collateral Documents shall be vested in the Security Trustee for the benefit of the Bondholders in proportion to their respective holding of Bonds.

The Security Trustee's role includes the holding of the Collateral Documents for the benefit of the Bondholders and the enforcement of the Collateral Documents upon the happening of certain events. The Security Trustee shall have no payment obligations to Bondholders under the Bonds which remain exclusively the obligations of the Issuer (or, in the case of default by the Issuer, of the Guarantor, as applicable).

5.4 THE COLLATERAL DOCUMENTS

5.4.1 *Refinancing and release of existing security*

As indicated in section 4.1 above, an amount of approximately €18,800,000 of the Bond Issue proceeds will be on-lent by the Issuer to refinance the borrowings under the Facility Agreement. Agreement has been reached between MM Star BidCo, as borrower, and Clydesdale Bank plc, as lender (the "**Lender**"), for the Lender to cancel, release and discharge all security, mortgages and other charges securing the outstanding debt due pursuant to the Facility Agreement and the Ancillary Security Agreements.

The cancellation of all security arising in favour of the Lender shall take effect after the Bonds are admitted to listing on the Official List of the MSE and following the date of receipt by the Lender from the Security Trustee of the total amount outstanding of approximately €18,800,000 (the "**Loan Repayment Amount**"), which is expected to occur on 18 August 2025 (the "**Repayment Date**").

On the Repayment Date, the Security Trustee, acting as payment agent for MM Star BidCo, shall settle the Loan Repayment Amount due to the Lender. Upon receipt of payment, the Lender shall unconditionally and irrevocably cancel, release and discharge all prevailing security, mortgages and other charges securing the outstanding debt due under the Facility Agreement and the Ancillary Security Agreements in favour of the Lender.

Following such cancellation, the Collateral Documents shall be constituted in favour of the Security Trustee, for the benefit and in the interest of Bondholders, for the repayment of the principal and interest under the Bonds (as further described in section 5.4.2).

In terms of the Prospectus and the Security Trust Deed, the Security Trustee shall not release any of the Bond Issue proceeds other than such amount as is required to settle the Loan Repayment Amount in favour of the Lender (as a result of which all the existing security over the Collateral will be released as aforesaid), until such time as the Security is duly constituted in favour of the Security Trustee in accordance with English law and Scots law (as the case may be) under the terms of the Collateral Documents.

5.4.2 *Constitution and Ranking of the Collateral Documents*

The Collateral Documents shall be constituted in favour of the Security Trustee for the benefit of all Bondholders registered from time to time in the register of Bondholders held at the CSD, as security for the payment of principal and interest under the Bonds.

The Bonds are secured by, and the Bondholders shall have the benefit of, the Collateral Documents.

The Collateral Documents comprise the Debenture and the Standard Security:

- i. Under the terms of the Standard Security, a first ranking fixed security governed by Scots law will be created over the leasehold title held by Erskine PropCo in respect of the Yotel Edinburgh; and



- ii. Under the terms of the Debenture, first ranking equitable security will be created over the assets of MM Star HoldCo, as follows:
 - a) a first fixed charge over the shares which MM Star HoldCo holds in MM Star BidCo;
 - b) a first security assignment over MM Star HoldCo's interests as a creditor in respect of shareholder debt provided to MM Star BidCo; and
 - c) a first floating charge over all other assets of MM Star HoldCo.

The salient features of the Collateral Documents are summarised below:

The Standard Security (Scots Law)

As continuing security for the obligations of the Issuer under the Bond Issue, the Standard Security shall be granted by Erskine PropCo in favour of the Security Trustee, thereby granting a first ranking fixed security governed by Scots law over the leasehold title held by Erskine PropCo in respect of the Yotel Edinburgh. This means that the Standard Security will rank in priority to the unsecured creditors and any preferred creditors of Erskine PropCo in respect of proceeds of the realisation of the Yotel Edinburgh on enforcement of the Standard Security.

In terms of Scots law, a standard security is a statutory form of fixed security interest taken over heritable property (freehold property under English law) or leases with a term of 20 years or more and is the only effective form of fixed security that may be taken over land in Scotland. The Standard Security will take the form of a Scots law-governed unilateral security deed to be granted by Erskine PropCo in favour of the Security Trustee.

The Standard Security will be registered in the Land Register of Scotland, following which the Standard Security shall be deemed to have been constituted and created over Erskine PropCo's long-leasehold title in the Yotel Edinburgh. Thereafter, the Standard Security will be registered at Companies House under the terms of the UK Companies Act 2006 thereby rendering the security enforceable against any insolvency officer of Erskine PropCo and its creditors generally.

The Standard Security is enforceable upon the occurrence of an Event of Default which is continuing, following which the Security Trustee will become entitled to initiate enforcement proceedings in relation to Erskine PropCo's long leasehold title to the Yotel Edinburgh. The out-of-court process for the enforcement of the Standard Security is known as the "calling-up procedure" and is prescribed by statute. The first stage in the enforcement process would be the service of a "calling-up notice" on Erskine PropCo as the granter of the Standard Security. Thereafter, upon the lapse of a two-month period during which the secured liabilities remain unpaid, the Security Trustee shall be entitled to exercise any and all of its remedies under the Standard Security, including entering into lawful possession of the secured property, collecting rents and granting leases, and exercising its power of sale. In addition to the out-of-court procedure, the Security Trustee may seek to enforce the Standard Security by application to the courts in Scotland, which process typically permits a wider range of possible remedies than would otherwise be available.

The Debenture (English Law)

As continuing security for the obligations of the Issuer under the Bond Issue, the Debenture shall be granted over the assets of MM Star HoldCo, which Debenture will comprise equitable fixed and floating security interests.

Where the Debenture creates fixed security over any assets of MM Star HoldCo, that fixed security will rank in priority to the expenses of any applicable insolvency officer, any preferred creditors of MM Star HoldCo and the unsecured creditors of MM Star HoldCo in respect of proceeds of the realisation of any such fixed security assets on the enforcement of the Debenture.

Where the Debenture creates only a floating charge over any assets of MM Star HoldCo, that floating charge will have priority which ranks behind the expenses of any applicable insolvency officer, the claims of certain categories of preferred creditors mandated by law, and the claims of any unsecured creditors for what is known as the "prescribed part" (being a percentage of the floating charge realisations capped at £800,000) on the enforcement of the Debenture.

i. The fixed security

The English law equitable fixed security constituted by the Debenture will be:

- (A) a first fixed charge constituted over the shares MM Star HoldCo holds in MM Star BidCo; and
- (B) a security assignment over MM Star HoldCo's interests as a creditor in respect of shareholder debt provided to MM Star BidCo.

ii. The floating charge

The English law-governed floating security constituted by the Debenture deed will comprise a floating charge over all of the present and future assets of MM Star HoldCo to the extent that such assets are not effectively mortgaged, charged or assigned to the Security Trustee by way of fixed security as described above. Subject to restrictions set out in the Security Trust Deed, the Security Trustee may, at any time, by written notice to the Guarantor, convert the floating charge

created by the security deed into a fixed charge as regards any assets specified in the notice if: (i) an Event of Default has occurred; and (ii) in the opinion of the Security Trustee such assets are at risk of becoming subject to any security other than permitted security or otherwise at risk of ceasing to be within the ownership or control of MM Star HoldCo. However, any such "crystallised" fixed charge will have the same priority as the floating charge from which it derives, as specified above.

The Debenture will be enforceable upon the occurrence of an Event of Default which is continuing, following which the Security Trustee will be entitled to enforce the Debenture. Such enforcement processes may involve exercising a power of sale over any of the Collateral subject to the Debenture, or appointing a receiver under the UK Law of Property Act 1925 to exercise such power of sale in respect of the Collateral that is subject to a fixed security interest under the terms of the Debenture. Another possible enforcement route may involve placing MM Star HoldCo into an administration process in accordance with the terms of the UK Insolvency Act 1986 by appointing an administrator to MM Star HoldCo, thereby terminating the agency of the directors to control and manage the affairs of MM Star HoldCo. Enforcement action may also comprise the appropriation of over any Collateral that qualifies as "financial collateral" under the terms of the UK Financial Collateral Arrangements (No.2) Regulations 2003, to the extent that the Debenture constitutes a "financial collateral arrangement" under the terms of those Regulations.

The Debenture will be registered at Companies House under the terms of the UK Companies Act 2006, thereby rendering the Security enforceable against any insolvency officer of MM Star HoldCo and its creditors generally.

5.4.3 Potential Variations of the Collateral

In terms of the Security Trustee Deed, the Security Trustee may, under certain circumstances, demand to the Issuer that additional or alternative immovable property owned by the Group be made available as Collateral in addition to and/or in place of the Yotel Edinburgh. Alternatively, upon such request being made by the Security Trustee, the Issuer may procure that the Group shall either provide a cash guarantee in favour of the Security Trustee and/or take such steps as may be necessary to grant security over any one or more immovable properties in its property portfolio.

In addition, the Issuer may, subject to certain conditions being satisfied, substitute the Yotel Edinburgh (or any portion thereof) with an immovable property which forms part of the property portfolio that is owned by the Group, or with a cash guarantee in favour of the Security Trustee.

Furthermore, the Issuer may, subject to certain conditions being satisfied, disencumber any part of the Yotel Edinburgh and/or cancel any cash guarantee, if any, in the event that, following an increase in value of the Yotel Edinburgh, the value of the residual Collateral would remain equal to or in excess of the nominal value of outstanding Bonds in issue plus one year's interest thereon.

5.5 RIGHTS ATTACHING TO THE BONDS

A Bondholder shall have such rights as are, pursuant to this Securities Note, attached to the Bonds, including:

- (a) the repayment of capital;
- (b) the payment of interest;
- (c) the benefit of the Collateral Documents through the Security Trustee;
- (d) ranking with respect to other indebtedness of the Issuer in accordance with the provisions of section 5.8 below;
- (e) the right to attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bonds;
- (f) the right to seek recourse from the Guarantor pursuant to the Guarantee, in case of failure by the Issuer to pay any sum payable by it to the Bondholders pursuant to the Terms and Conditions of the Bonds detailed in this Securities Note; and
- (g) the enjoyment of all such other rights attached to the Bonds emanating from the Prospectus.

5.6 MEETINGS OF BONDHOLDERS

5.6.1 Authority of the Bondholders' Meeting

The Bondholders' Meeting represents the supreme authority of the Bondholders in all matters relating to the Bonds and has the power to make all decisions altering the Terms and Conditions.

A Bondholders' Meeting may be called for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which, in terms of the Prospectus or the Security Trust Deed, require the approval of a Bondholders' Meeting. This includes the ability to effect any change to the applicable Terms and Conditions, including any change to a material term of the issuance of the Bonds or the contents of the Prospectus.

Where the approval of the Bondholders is required for a particular matter, such resolution shall be passed at a Bondholders' Meeting. Resolutions passed at Bondholders' Meetings shall be binding upon all Bondholders and prevail for all the Bonds.



5.6.2 *Procedural Rules for Bondholders' Meetings*

A Bondholders' Meeting shall be held at the written request of: (i) the Issuer; or (ii) the Security Trustee.

The Bondholders' Meeting shall be called by the Security Trustee. In the case of (i) above, a request for a Bondholders' Meeting shall be made in writing to the Security Trustee and shall clearly state the matters to be discussed.

If the Security Trustee does not call the Bondholders' Meeting within 21 days from the receipt of the said request, the requesting party may call the Bondholders' Meeting itself. The Security Trustee shall, by not less than 14 days' notice in writing, call such meeting by giving all Bondholders listed in the register of Bondholders as at a date being not more than 30 days preceding the date scheduled for the meeting. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the Prospectus or the terms of the Bonds that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders. If amendments to the Prospectus have been proposed, the main content of the proposal shall be contained in the notice.

A Bondholders' Meeting shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose, at least two Bondholders present, in person or by proxy, representing not less than 50% in nominal value of the Bonds then outstanding, shall constitute a quorum. If a quorum is not present within 30 minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Bondholders present at that meeting. The Issuer shall within two days from the date of the original meeting publish by way of a company announcement the date, time, and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven days, and not later than 15 days, following the original meeting. At an adjourned meeting: the number of Bondholders present, in person or by proxy, shall constitute a quorum; and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.

Once a quorum is declared present by the chairman of the meeting, the Bondholders' Meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting, the Directors or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time for Bondholders to present their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders considered for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be considered for the purpose of such vote.

The Bondholders' Meeting shall be held at the premises designated by the Security Trustee. The Bondholders' Meeting shall be chaired by the Security Trustee, unless otherwise decided by the Bondholders' Meeting.

Minutes of the Bondholders' Meeting shall be kept. The minutes shall state the numbers of Bondholders and Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting and the result of the voting. The minutes shall be signed by the chairman of the meeting. The minutes shall be deposited with the Security Trustee.

The Bondholders and the Security Trustee have the right to attend the Bondholders' Meeting. The chairman may grant access to the meeting to other parties unless the Bondholders' Meeting decides otherwise. A Bondholder may attend by a representative holding a proxy.

The Security Trustee shall circulate proxy forms to Bondholders with the notice convening the Bondholders' Meeting.

Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders' Meeting may resolve that the Issuer's representatives may not participate in particular matters. The Issuer has the right to be present when voting takes place.

The Security Trustee may provide for virtual or remote Bondholders' Meetings, provided that any such meetings allow Bondholders to ask questions and to exercise their right to vote at such meetings.

5.6.3 *Resolutions passed at Bondholders' Meetings*

Unless otherwise specified in the Prospectus and/or the Security Trust Deed, the proposal placed before a Bondholders' Meeting shall only be considered approved if at least 75% in nominal value of the Bondholders present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.

At the Bondholders' Meeting each Bondholder may cast one vote for each Bond held at close of business on the day prior to the date of the Bondholders' Meeting and as recorded on the register of Bondholders maintained by the CSD.

In all matters, the Issuer, the Security Trustee, and any Bondholder shall have the right to demand a poll.

The Bondholders' Meeting may not adopt resolutions which may give certain Bondholders an unreasonable advantage at the expense of other Bondholders.

The Security Trustee shall ensure that resolutions passed at the Bondholders' Meeting are properly implemented; however, the Security Trustee may refuse to carry out resolutions being in conflict with the Prospectus or any applicable law.

The Issuer and the Bondholders shall be notified of resolutions passed at the Bondholders' Meeting.

5.7 GOVERNING LAW AND JURISDICTION

The Bonds are governed by and shall be construed in accordance with Maltese law. Any legal action, suit, or proceedings against the Issuer arising out of, or in connection with, the Bonds and/or the Prospectus shall be brought exclusively before the Maltese courts.

5.8 RANKING OF THE BONDS

The Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional, and secured obligations of the Issuer. The Bonds shall at all times rank *pari passu* without any priority or preference among themselves.

5.9 TRANSFERABILITY OF THE BONDS

The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole (i.e. in multiples of €100) in accordance with the rules and regulations of the MSE applicable from time to time.

The minimum subscription amount of €2,000 shall only be applicable on initial subscription of the Bonds. No minimum holding requirement shall be applicable once the Bonds are admitted to listing on the Official List and commence trading thereafter, subject to trading in multiples of €100.

Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may from time to time properly be required by the Issuer or the CSD, elect either to be registered himself as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person.

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

The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the transferee.

The Issuer will not register the transfer or transmission of Bonds for a period of 15 days preceding the due date for any payment of interest on the Bonds.

5.10 INTEREST

The Bonds shall bear interest from, and including, 27 June 2025 at the rate of 5.35% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 27 June 2026 (covering the period 27 June 2025 to 26 June 2026). Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day.

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

In terms of article 2156 of the Civil Code (Cap. 16 of the laws of Malta), the right of Bondholders to bring claims for payment of interest and repayment of the principal on the Bonds is barred by the lapse of five years.

5.11 YIELD

The gross yield calculated on the basis of the interest, the Bond Issue Price and the Redemption Value of the Bonds at the Redemption Date shall be 5.35%.

5.12 PAYMENTS

Payment of the principal amount of Bonds will be made in Euro by the Issuer, to the person in whose name such Bonds are registered as at the close of business on the Redemption Date, with interest accrued up to (but excluding) the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account is denominated in Euro. Such payment shall be effected within seven (7) days of the Redemption Date. The Issuer shall not be responsible for any loss or delay in transmission or any charges related thereto. Upon payment of the Redemption Value the Bonds shall be redeemed and the appropriate entry made in the electronic register of the Bonds at the CSD.



In the case of Bonds held subject to usufruct, payment will be made against the joint instructions of all bare owners and usufructuaries. Before effecting payment, the Issuer and/or the CSD shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bare owner(s) and the usufructuary(ies) to payment of the Bonds.

Payment of interest on the Bonds will be made to the person in whose name such Bonds is registered at the close of business 15 days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time. Such payment shall be effected within seven (7) days of the Interest Payment Date. The Issuer shall not be responsible for any loss or delay in transmission or any charges related thereto.

All payments with respect to the Bonds are subject in all cases to any applicable fiscal or other laws and regulations prevailing in Malta. In particular, but without limitation, all payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is or may become compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Malta or any authority thereof or therein having power to tax.

Except for any charges which may be imposed by the Issuer or any remitting bank or payment institution in connection with the transmission of payments or transfer of funds, no commissions or expenses shall be charged by the Issuer to Bondholders in respect of such payments.

If, due to any problem encountered by the CSD, any remitting bank and/or payment institution, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the problem has been resolved.

5.13 REDEMPTION AND PURCHASE

Unless previously purchased and cancelled, the Bonds shall be redeemed at their nominal value (together with interest accrued to the Redemption Date) on 27 June 2031 provided that the Issuer reserves the right to redeem all the Bonds on an Early Redemption Date.

The Issuer shall give at least 30 days' notice in writing to all Bondholders of its intention to effect an Early Redemption. Such notice may be revoked by the Issuer at its sole discretion by notice in writing, at any time, before the appointed Early Redemption Date.

Subject to the provisions of this section 5.13, the Issuer may, at any time, purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike. All Bonds repurchased by the Issuer shall be cancelled forthwith and may not be reissued or re-sold.

5.14 EVENTS OF DEFAULT

Pursuant to the Security Trust Deed, the Security Trustee may in its absolute and unfettered discretion, and shall upon the request in writing of not less than 75% in value of the Bondholders, by notice in writing to the Issuer, declare the Bonds to have become immediately due and repayable at their principal amount together with accrued interest, upon the happening of any of the following events:

- i. the Issuer fails to effect payment of interest under the Bonds on an Interest Payment Date and such failure continues for a period of 60 days after written notice thereof has been given to the Issuer by the Security Trustee; or
- ii. the Issuer fails to pay the principal amount on any Bond on the date fixed for its redemption, and such failure continues for a period of 60 days after written notice thereof has been given to the Issuer by the Security Trustee; or
- iii. the Issuer fails to duly perform or otherwise breaches any other material obligation contained in the Prospectus and such failure continues for a period of 60 days after written notice thereof has been given to the Issuer by the Security Trustee; or
- iv. the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; or
- v. in terms of article 214(5) of the Act, a Court order or other judicial process is levied or enforced upon or sued out against any part of the property of the Issuer and is not paid out, withdrawn or discharged within one month; or
- vi. the Issuer and/or Guarantor is unable, or admits in writing of its inability, to pay its debts within the meaning of article 214(5) of the Act, or any statutory modification or re-enactment thereof, or as the case may be under section 123 of the UK Insolvency Act 1986; or
- vii. any consent, permit, authorisation, licence or approval of, or registration with, or declaration to governmental, statutory or public bodies, or authorities or courts, required in connection with the operation of the Secured Property, or required by any Obligor for the performance of its obligations hereunder, under the Security Trust Deed or under the Security Trust Deed or any Collateral Document to which it is party, is substantially modified in



the reasonable opinion of the Security Trustee, or is not granted, or is revoked, or terminated, or expires and is not renewed, or otherwise ceases to be in full force and effect; or

- viii. the Security is not constituted and perfected in accordance with the ranking set out in the Prospectus; or
- ix. any Security is not enforceable against any Security Provider; or
- x. an administrator or a judicial, provisional or interim administrator, or any receiver is appointed to any Obligor or upon the whole or any part of the property of any Obligor; and such appointment is certified by the Security Trustee to be prejudicial, in its opinion to the Bondholders; or
- xi. an order is made or an effective resolution is passed for winding up of any Obligor, except for the purpose of a reconstruction, amalgamation or division, the terms of which have been approved in writing by the Security Trustee; or
- xii. any Obligor substantially changes the object or nature of its business as currently carried on; or
- xiii. any Obligor commits a material breach of any of the covenants or provisions contained in the Security Trust Deed or any Collateral Document to which it is party and the said breach still subsists for 60 days after having been notified by the Security Trustee (other than any covenant for the payment of interests or principal monies owing in respect of the Bonds); or
- xiv. any security constituted by any hypothec, pledge or charge upon the whole or any part of the undertaking or assets of any Obligor shall become enforceable and steps are taken to enforce the same and the taking of such steps shall be certified in writing by the Security Trustee to be in its opinion prejudicial to the Bondholders; or
- xv. any representation or warranty made or deemed to be made or repeated by or in respect of any Obligor in the Security Trust Deed or any Collateral Document is or proves to have been incorrect in any material respect in the reasonable opinion of the Security Trustee; or
- xvi. any material indebtedness of any Obligor is not paid when properly due or becomes properly due and payable or any creditor of any Obligor becomes entitled to declare any such material indebtedness properly due and payable prior to the date when it would otherwise have become properly due or any guarantee or indemnity of any Obligor in respect of indebtedness is not honoured when properly due and called upon; provided that for the purposes of this provision, material indebtedness shall mean an amount exceeding €5,000,000; or
- xvii. any Obligor repudiates, or does or causes or permits to be done any act or thing evidencing an intention to repudiate the Bonds and/or the Security Trust Deed or any Collateral Document to which it is party; or
- xviii. it becomes unlawful at any time for any Obligor to perform all or any of its obligations under the Security Trust Deed or any Collateral Document to which it is party, or under the Prospectus; or
- xix. the de-listing of the Bonds, save with the consent of such amount in value of Bondholders as may be prescribed by the Capital Markets Rules published by the Malta Financial Services Authority; or
- xx. in the reasonable opinion of the Security Trustee a material part, of the undertakings, assets, rights, or revenues of or shares or other ownership interests in any Obligor are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government.

Upon any such declaration being made as aforesaid the said principal monies and interest accrued under the Bonds shall be deemed to have become immediately payable at the time of the Event of Default, which shall have happened as aforesaid.

Provided that in the event of any breach by the Issuer and/or Guarantor of any of the covenants, obligations or provisions herein contained due to any fortuitous event of a calamitous nature beyond the control of the Issuer, then the Security Trustee may, but shall be under no obligation to, give the Issuer such period of time to remedy the breach as in its sole opinion may be justified in the circumstances and if in its sole opinion the breach is remediable within the short term and without any adverse impact on the Bondholders. Provided further that in the circumstances contemplated by this proviso, the Security Trustee shall at all times take cognizance of and, to the extent considered reasonably possible, act on and in accordance with any directions it may receive in a meeting of Bondholders satisfying the conditions set out in the Security Trust Deed. The Security Trustee shall not be bound to take any steps to ascertain whether any Event of Default or other condition, event or circumstance has occurred or may occur, and until it shall have actual knowledge or express notice to the contrary, the Security Trustee shall be entitled to assume that no such Event of Default or condition, event or other circumstance has happened and that the Issuer is observing and performing all its obligations, in terms of the conditions of Security Trust Deed and the Bonds.

5.15 AUTHORISATIONS AND APPROVALS

The Board of Directors of the Issuer authorised the Bond Issue pursuant to a board of directors' resolution passed on 20 May 2025. The Guarantee being given by the Guarantor in respect of the Bonds has been authorised by a resolution of the board of directors of the Guarantor dated 20 May 2025 .

5.16 NOTICES

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

5.17 FURTHER ISSUES

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further debentures, debenture stock, bonds, loan notes, or any other debt securities, either having the same terms and conditions as any outstanding debt securities of any series (including the Bonds) and so that such further issue shall be consolidated and form a single series with the outstanding debt securities of the relevant series (including the Bonds), or upon such terms as the Issuer may determine at the time of their issue.

6 TERMS AND CONDITIONS OF THE BOND ISSUE

6.1 EXPECTED TIMETABLE OF THE BOND ISSUE

(1)	Placement Date	20 June 2025
(2)	Commencement of interest on the Bonds	27 June 2025
(3)	Announcement of basis of acceptance	27 June 2025
(4)	Expected dispatch of allotment advices	4 July 2025
(5)	Expected date of admission of the Bonds to listing	4 July 2025
(6)	Expected date of commencement of trading in the Bonds	7 July 2025
(7)	Latest date of constitution of Collateral Documents	18 August 2025

The Issuer reserves the right to anticipate the Placement Date referred to in (1) above, in which case some or all of the remaining events set out in (3) to (7) above may be brought forward accordingly.

6.2 CONDITIONS TO WHICH THE BOND ISSUE IS SUBJECT

The following terms and conditions shall be read in conjunction with all the other terms and conditions relative to and regulating the contractual relationship created between the Issuer and the Guarantor on the one hand, and the Applicant on the other.

- 6.2.1 The Bonds are deemed to be complex instruments in accordance with the provisions of the COBR and the ESMA Guidelines. When providing advice or portfolio management services with respect to the Bonds, Authorised Financial Intermediaries are required to carry out Suitability Testing. This is done to establish whether the Bonds meet the objectives of the client, whether the client can withstand the proposed investment in the light of his/her financial circumstance, and whether the latter has sufficient knowledge and experience in the said financial instrument. When Authorised Financial Intermediaries offer services other than portfolio management and advice in relation to Bonds, they are required to carry out an assessment to ensure that the client has sufficient knowledge and experience in the said Bonds and shall be required to conduct an Appropriateness Test for all Applicants (including Applicants subscribing for Bonds through nominee accounts) wishing to subscribe for Bonds on a non-advisory basis. The obligation of Authorised Financial Intermediaries to carry out an Appropriateness Test and/or Suitability Testing shall apply where the prospective Applicant is a Retail Client. The requirement to carry out an Appropriateness Test and/or Suitability Testing shall also apply when transfers of Bonds are carried out on the secondary market.
- 6.2.2 The subscription of Bonds by Professional Clients and/or Eligible Counterparties, including on the secondary market, shall be governed by the requirements set out in the COBR and the requirements set out in the above paragraph relating to the Appropriateness Test and Suitability Testing shall not apply in respect of such subscriptions.
- 6.2.3 The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Official List. In the event that the aforementioned conditions are not satisfied, any monies received by the Issuer pursuant to Placement Agreements will be returned without interest by direct credit into the Authorised Financial Intermediary's bank account as indicated by the Authorised Financial Intermediary on the relative Placement Agreement, for the eventual refund to the Applicant.
- 6.2.4 All Applications are to be lodged with any of the Authorised Financial Intermediaries listed in Annex II of this Securities Note together with payment of the full price of the Bonds applied for, in Euro. Payments may be made through any method of payment as accepted by the respective Authorised Financial Intermediary.
- 6.2.5 Pursuant to the Placement Agreements as described in more detail under section 6.4 below, Authorised Financial Intermediaries (either in their own names or in the names of underlying clients) will be required to provide details of Applicants representing the amount they have been allocated in terms of the respective Placement Agreement by completing a data file as provided by the Registrar by latest 12:00 hours on 20 June 2025, or such earlier date as may be determined by the Issuer.



- 6.2.6 An Applicant applying for the Bonds is thereby confirming to the Issuer, the Registrar and the Authorised Financial Intermediary through whom the Application is made, as applicable, that the Applicant's remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer, the Registrar and the Authorised Financial Intermediary reserve the right to invalidate the relative Application. Furthermore the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders, unless the Applicant makes payment in cleared funds and such consideration is accepted by the respective Authorised Financial Intermediary, Registrar and/or Issuer, as applicable, which acceptance shall be made in the Authorised Financial Intermediary, Registrar and/or Issuer's absolute discretion and may be on the basis that the Applicant indemnifies the Authorised Financial Intermediary, Registrar and/or Issuer against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation.
- 6.2.7 The contract created by the Issuer's acceptance of an Application shall be subject to all the terms and conditions set out in this Securities Note and the Memorandum and Articles of Association of the Issuer.
- 6.2.8 It is the responsibility of investors wishing to apply for the Bonds to inform themselves as to the legal requirements of so applying including any requirements relating to external transaction requirements in Malta and any exchange control in the countries of their nationality, residence or domicile.
- 6.2.9 If an Application is submitted on behalf of another person, whether legal or natural, the person submitting the Application will be deemed to have duly bound such other person on whose behalf the Application has been submitted. The person submitting such Application shall be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions on their behalf. Such representative may be requested to submit the relative power of attorney, or resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Authorised Financial Intermediary, the Issuer and the Registrar, but it shall not be the duty or responsibility of the Registrar or Issuer to ascertain that such representative is duly authorised to sign on the Application. Furthermore, in cases where the decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a **"decision maker"**) such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in the relative panel of the Application.
- 6.2.10 In the case of joint Applications, reference to the Applicant in these terms and conditions is a reference to each of the joint Applicants, and liability therefor is joint and several. The person whose name shall be inserted in the field entitled "Applicant" on the Application, or first-named in the register of Bondholders shall, for all intents and purposes, be deemed to be such nominated person by all those joint holders whose names appear in the field entitled "Additional Applicants" in the Application or joint holders in the register, as the case may be. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond(s) so held.
- 6.2.11 In the case of corporate Applicants or Applicants having separate legal personality, the Application must be signed by a person(s) authorised to sign and bind such Applicant. It shall not be incumbent on the Issuer or the Registrar to verify whether the person or persons purporting to bind such an Applicant is or are in fact authorised. Applications by corporate Applicants have to include a valid legal entity identifier ("**LEI**") which must be unexpired. Applications without such information or without a valid LEI will not be accepted.
- 6.2.12 In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed vis-à-vis the Issuer to be the holder of the Bond(s) so held and shall have the right to receive interest on the Bond(s) and to vote at meetings of the Bondholders but shall not, during the continuance of the Bond(s), have the right to dispose of the Bond(s) so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Bond (which shall be due to the bare owner). Furthermore, the signatures of both the bare owner and the usufructuary will be required in the respective Application.
- 6.2.13 Applications in the name and for the benefit of minors shall be allowed provided that the Applicant already holds an account with the MSE. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents or legal guardian(s) signing the Application until such time as the minor attains the age of 18 years, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of 18 years.
- 6.2.14 In the event that an Applicant has been allocated a number of Bonds which is less than the number of Bonds applied for, the Applicant shall receive the balance of the price of the Bonds applied for but not allocated, without interest, through the Authorised Financial Intermediary to such account as indicated by the Applicant, at the Applicant's sole risk. The Issuer shall not be responsible for any charges, loss or delay arising in connection with such direct credit transfer.
- 6.2.15 By completing and delivering an Application, the Applicant:
- (a) accepts to be irrevocably contractually committed to acquire the number of Bonds allocated to such Applicant at the Bond Issue Price and, to the fullest extent permitted by law, accepts to be deemed to have agreed not to exercise any rights to rescind or terminate, or otherwise withdraw from, such commitment, such irrevocable offer to purchase, and pay the consideration for, the number of Bonds specified in the Application submitted by the Applicant (or any smaller number of Bonds for which the Application is accepted) at the Bond Issue Price (as applicable) being made subject to the provisions of the Prospectus, the Terms and Conditions, the Application and the Memorandum and Articles of Association of the Issuer;

- (b) agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;
- (c) warrants that the information submitted by the Applicant is true and correct in all respects. All Applications need to include a valid MSE account number in the name of the Applicant(s). Failure to include an MSE account number will result in the Application being cancelled by the Issuer (acting through the Registrar) and subscription monies will be returned by the Registrar to the respective Authorised Financial Intermediary for the eventual refund to the Applicant. In the event of a discrepancy between the personal details (including name and surname and the Applicant's address) appearing on the Application and those held by the MSE in relation to the MSE account number indicated on the Application, the details held by the MSE shall be deemed to be the correct details of the Applicant;
- (d) acknowledges the processing of any personal data for the purposes specified in the privacy notice published by the Issuer, which is available on the Issuer's website at <https://mmfinancemalta.com/>. The Applicant hereby acknowledges that the processing of personal data may validly take place, even without the Applicant's consent, in the circumstances set out in the GDPR and the Data Protection Act (Cap. 586 of the laws of Malta) ("**Data Protection Act**") and any applicable subsidiary legislation, as may be amended from time to time. The Applicant hereby confirms that he/she/it has been provided with and read the privacy notice;
- (e) authorises the Issuer (or its service providers, including the CSD and/or the Manager and Registrar) and/or the relevant Authorised Financial Intermediary, as applicable, to process the personal data that the Applicant provides, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the GDPR and the Data Protection Act. The Applicant has the right to request access to and rectification of the personal data relating to him/her in relation to the Bond Issue. Any such requests must be made in writing and sent to the Issuer and sent to the CSD at the MSE. The requests must be signed by the Applicant to whom the personal data relates;
- (f) confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer or the issue of the Bonds other than what is contained in the Prospectus and accordingly agree(s) that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;
- (g) agrees that any refund of unallocated Application monies, will be paid by direct credit, without interest, at the Applicant's own risk, to the bank account as indicated in the Application. The Issuer shall not be responsible for any loss or delay in transmission or any charges in connection therewith;
- (h) warrants that the remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured: (i) the Applicant will not be entitled to receive a registration advice or to be registered in respect of such Bonds, unless and until a payment is made in cleared funds and such payment is accepted by the respective Authorised Financial Intermediary or by the Issuer acting through the Registrar (which acceptance shall be made in its absolute discretion and may be on the basis that the Authorised Financial Intermediary or the Issuer acting through the Registrar is indemnified for all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of the Applicant's remittance to be honoured on first presentation at any time prior to unconditional acceptance by the Issuer acting through the Registrar of such late payment in respect of the Bonds); or (ii) the Issuer may, without prejudice to other rights, treat the agreement to allocate such Bonds as void and may allocate such Bonds to another person, in which case the Applicant will not be entitled to a refund or payment in respect of such Bonds (other than return of such late payment);
- (i) agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
- (j) agrees to provide the Registrar and/or the Issuer, as the case may be, with any information which it or they may request in connection with the Application;
- (k) agrees that all Applications, acceptances of Applications and contracts resulting therefrom will be governed by, and construed, in accordance with Maltese law, and to submit to the jurisdiction of the Maltese courts, and agrees that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such Applications, acceptance of Applications and contracts resulting therefrom in any manner permitted by law in any court of competent jurisdiction;
- (l) warrants that, where an Applicant signs and submits an Application on behalf of another person, the Applicant is duly authorized to do so and such other person will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in the Terms and Conditions and accordingly will be deemed also to have given the confirmations, warranties and undertakings contained in the Terms and Conditions and undertake to submit his power of attorney or a copy thereto duly certified by a lawyer or notary public if so required by the Issuer or the Registrar;
- (m) warrants that where the Applicant is under the age of 18 years, or where an Application is being lodged in the name and for the benefit of a minor, the Applicant is the parent(s) or legal guardian(s) of the minor;



- (n) warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his Application in any territory, has not acted fraudulently and/or in breach of any anti-corruption or anti-bribery regulations, and that the Applicant has not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bond and/or his Application;
- (o) warrants, in connection with the Application, that it and/or any person on whose behalf the Application is being submitted, is not the subject of any sanctions administered by the Office of Foreign Assets Control of the US Department of the Treasury or the U.S. Department of State, the United Nations Security Council, the European Union, the Office of Financial Sanctions Implementation, or other relevant sanctions authority, or acting; warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- (p) represents that the Applicant is not a US person (as such term is defined in Regulation S under the Securities Act of 1933 of the US, as amended) as well as not to be accepting the invitation set out in the Prospectus from within the US, its territories or its possessions, or any area subject to its jurisdiction (the “**US**”) or on behalf or for the account of anyone within the US or anyone who is a US person;
- (q) agrees that the advisors to the Bond Issue (listed in section 4.3 of the Registration Document) will owe the Applicant no duties or responsibilities concerning the Bonds;
- (r) agrees that all documents in connection with the issue of the Bonds will be sent at the Applicant’s own risk and may be sent by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as set out in the Application; and
- (s) renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of these Bonds.

6.2.16 For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Subsidiary Legislation 373.01 of the laws of Malta), as amended from time to time, the Authorised Financial Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the “Members’ Code of Conduct” appended as Appendix 3.6 to Chapter 3 of the MSE Bye-Laws, irrespective of whether the said appointed Authorised Financial Intermediaries are MSE Members or not. Such information shall be held and controlled by the MSE in terms of the Data Protection Act (and the GDPR), as may be amended from time to time, for the purposes and within the terms of the MSE Data Protection Policy as published from time to time.

6.2.17 It shall be incumbent on the respective Authorised Financial Intermediary to ascertain that all other applicable regulatory requirements relating to subscription of Bonds by an Applicant are complied with, including without limitation the obligation to comply with all applicable requirements set out in Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May, 2014 on markets in financial instruments and amending Regulation (EU) No. 648/2012 (“**MIFIR**”), as well as the applicable MFSA Rules for investment services providers.

6.2.18 By not later than 27 June 2025, the Issuer shall announce the result of the Bond Issue by means of a company announcement on the Issuer’s website <https://mmfinancemalta.com/>

6.2.19 No person receiving a copy of the Prospectus or an Application in any territory other than Malta may treat the same as constituting an invitation or offer to such person, nor should such person in any event use such Application, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or such Application could lawfully be used without contravention of any registration or other legal requirements.

6.2.20 Subscription for Bonds by persons resident in, or who are citizens of, or who are domiciled in, or who have a registered address in, a jurisdiction other than Malta, may be affected by the law of the relevant jurisdiction. Those persons should consult their professional advisers (including tax and legal advisers) as to whether they require any governmental or other consents, or need to observe any other formalities, to enable them to subscribe for the Bonds. It is the responsibility of any person (including, without limitation, nominees, custodians, depositaries and trustees) outside Malta wishing to participate in the Bond Issue, to satisfy himself/herself/itself as to full observance of the applicable laws of any relevant jurisdiction, including, but not limited to, obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes (of any nature whatsoever) due in such territories. The Issuer shall not accept any responsibility for the non-compliance by any person of any applicable laws or regulations of foreign jurisdictions.

6.2.21 The Bonds have not been and will not be registered under the Securities Act of 1933 of the United States of America and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.

6.3 PLAN OF DISTRIBUTION AND ALLOTMENT

The Bonds will be available for subscription by the Authorised Financial Intermediaries listed in Annex II of this Securities Note, pursuant to Placement Agreements to be entered into between such Authorised Financial Intermediaries, the Issuer and the Guarantor, as further detailed in section 6.4 of this Securities Note. In terms of said Placement Agreements, the Authorised Financial Intermediaries shall subscribe for Bonds either for their own account or for the account of underlying clients, including retail customers, subject to a minimum subscription amount of €2,000 in nominal value of Bonds and in multiples of €100 thereafter.

It is expected that an allotment advice will be dispatched to Applicants within five (5) Business Days of the announcement of the allocation policy. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta), and regulations made thereunder. Such monies shall not bear interest while retained as aforesaid.

Dealings in the Bonds shall not commence prior to the Bonds being admitted to the Official List.

6.4 PLACEMENT AGREEMENTS

The Issuer has reserved the full amount of the Bond Issue for subscription by Authorised Financial Intermediaries. The Issuer and the Guarantor shall enter into Placement Agreements with Authorised Financial Intermediaries for the placement of the Bonds, pursuant to which Authorised Financial Intermediaries shall each conditionally be bound to subscribe to such number of Bonds as indicated in their respective Placement Agreements.

The Placement Agreements are conditional upon the Bonds being admitted to the Official List and subject to other terms and conditions as may be set out in the Placement Agreement.

In terms of the Placement Agreements, the Authorised Financial Intermediaries shall subscribe for Bonds either for their own account or for the account of underlying clients, including retail customers, and shall in addition be entitled to either:

- (a) distribute to the underlying customers any portion of the Bonds subscribed for upon commencement of trading; or
- (b) complete a data file representing the amount they have been allocated in terms of the respective Placement Agreement as provided by the Registrar by the Placement Date.

In any case each underlying Application shall be subject to a minimum subscription for each underlying client of €2,000 and in multiples of €100 thereafter.

Authorised Financial Intermediaries must effect payment to the Issuer for the Bonds subscribed to by not later than the Placement Date.

6.5 PRICING

The Bonds are being issued at par, that is, at €100 per Bond with the full amount payable upon subscription.

6.6 ALLOCATION POLICY

The full amount of the Bond Issue has been reserved for and shall be allocated to, Authorised Financial Intermediaries, in accordance with Placement Agreements, details of which can be found in section 6.4 of this Securities Note.

The Issuer shall announce the allocation policy for the allotment of Bonds through a company announcement available on the Issuer's website <https://mmfinancemalta.com/> by not later than 27 June 2025.

6.7 ADMISSION TO TRADING

The MFSA has authorised the Bonds as admissible to listing pursuant to the Capital Markets Rules by virtue of a letter dated 27 May 2025.

Application has been made to the MSE for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List of the MSE.

The Bonds are expected to be admitted to the MSE with effect from 4 July 2025 and trading is expected to commence on 7 July 2025.

7 TAXATION

7.1 GENERAL

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Bonds, including their acquisition, holding and disposal as well as any income or gains derived therefrom or made on their disposal. The following is a summary of the anticipated tax treatment applicable to Bondholders in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and is not, and does not purport to be, exhaustive.

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

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

7.2 TAXATION ON INTEREST PAYABLE TO BONDHOLDERS

Since interest is payable in respect of a bond which is the subject of a public issue and such interest should constitute “investment income” in terms of article 41(a)(iv)(1) of the Income Tax Act. Chapter 123 of the Laws of Malta (the “**Income Tax Act**”), unless the Bondholder elects, by means of an instruction in writing sent to the Issuer in terms of article 35 of the Income Tax Act, to receive the interest gross of any withholding tax, or if the Bondholder does not fall within the definition of “recipient” in terms of article 41(c) of the Income Tax Act, interest shall be paid to such Bondholder net of a final withholding tax, currently at the rate of fifteen percent (15%) (ten percent (10%) in the case of certain types of collective investment schemes) of the gross amount of the interest, pursuant to article 33 of the Income Tax Act. Bondholders who do not fall within the definition of a “recipient” do not qualify for the abovementioned “investment income” final withholding tax and should seek advice on the taxation of such income as special rules may apply.

Article 41(c) of the Income Tax Act defines the term “recipient” for the purposes of the provisions applicable to “investment income”, and includes, *inter alia*, a person (or a receiver, guardian, tutor, curator, judicial sequestrator, trustee, foundation or other fiduciary acting on behalf of a person) who is resident in Malta during the year in which “investment income” is payable to him / her, and EU / EEA nationals (and their spouse where applicable) who are not resident in Malta for Maltese tax purposes but who apply the tax rates applicable to Maltese residents on the basis that the income that arises in Malta is at least 90% of their worldwide income.

The aforementioned withholding tax is considered as a final tax and a Maltese resident individual Bondholder is not obliged to declare the interest so received in his income tax return (to the extent that the interest is paid net of tax). No person shall be charged to further tax in respect of such income. Furthermore, such tax should not be available as a credit against the recipient's tax liability or for a refund, as the case may be, for the relevant year of assessment in Malta. The Issuer will render an account to the Maltese Commissioner for Tax and Customs of all payments of qualifying “investment income” as well as account of all amounts so deducted, including the identity of the recipient.

In the case of a valid election in terms of article 35 of the Income Tax Act made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his Maltese income tax return and be subject to tax on such interest at the standard rates applicable to such Bondholder at that time. Additionally, in this latter case, the Issuer will advise the Maltese Commissioner for Tax and Customs on an annual basis in respect of all interest paid gross and of the identity of all such recipients. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

In terms of article 12(1)(c) of the Income Tax Act, Bondholders who are not resident in Malta satisfying the applicable conditions set out in the Income Tax Act, including but not limited to the condition that the Bondholder is not owned and controlled by, whether directly or indirectly, nor acts on behalf of an individual(s) who are ordinarily resident and domiciled in Malta, are not taxable in Malta on the interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

7.3 TAXATION ON CAPITAL GAINS ON TRANSFER OF THE BONDS

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

7.4 DUTY ON DOCUMENTS AND TRANSFERS

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

Consequently, the Bonds should not be treated as constituting marketable securities within the meaning of the legislation and therefore, the transfer or transmission thereof should not be chargeable to duty.

7.5 EXCHANGE OF INFORMATION

In terms of applicable Maltese legislation, the Issuer and/or its agents are required to collect and forward certain information (including, but not limited to, information regarding payments made to certain Bondholders) to the Commissioner for Tax and Customs. The Commissioner for Tax and Customs will or may, in turn, automatically or on request, forward the information to other relevant tax authorities subject to certain conditions. Relevant legislation includes, but is not limited to:

- (a) the agreement between the Government of the United States of America and the Government of the Republic of Malta to Improve International Tax Compliance and to Implement FATCA – incorporated into Maltese law through Legal Notice 78 of 2014; and
- (b) the implementation of Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended) which provides for the implementation of the regime known as the Common Reporting Standard – incorporated into Maltese law through Legal Notice 384 of 2015 entitled the Cooperation with Other Jurisdiction on Tax Matters (Amendment) Regulations, 2015.

Failure on the part of a Bondholder to provide the Issuer with the necessary information required for its compliance with applicable legislation, may have consequences on the Bondholder’s holding and/or may result in the Issuer having to report the Bondholder to the relevant tax authorities.

INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND ANY FOREIGN TAX LEGISLATION APPLICABLE TO: (I) THE ACQUISITION, HOLDING AND DISPOSAL OF THE BONDS; (II) THE INTEREST PAYMENTS MADE BY THE ISSUER; AND (III) THE REPORTING BY THE ISSUER TO THE COMMISSIONER FOR REVENUE OF INFORMATION ON THE BONDHOLDERS AND ON PAYMENTS MADE TO THE BONDHOLDERS AND THE EXCHANGE OF SUCH INFORMATION BETWEEN MALTA AND RELEVANT FOREIGN TAX AUTHORITIES. THE TAX LEGISLATION OF THE INVESTOR’S COUNTRY OF DOMICILE AND OF THE ISSUER’S COUNTRY OF INCORPORATION (MALTA) MAY HAVE AN IMPACT ON THE INCOME RECEIVED FROM THE BONDS. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE BONDS AND TO BONDHOLDERS. THIS INFORMATION DOES NOT CONSTITUTE LEGAL OR TAX ADVICE AND REFERS ONLY TO BONDHOLDERS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.

8 ADDITIONAL INFORMATION

Save for the financial analysis summary annexed to this Securities Note as Annex III, the Prospectus does not contain any statement or report attributed to any person as an expert.

The financial analysis summary has been included in the form and context in which it appears with the authorisation of the Sponsor, who has given and has not withdrawn its consent to the inclusion of such report herein. The author of the financial analysis summary is Mr Evan Mohnani, Head Corporate Broking at M.Z. Investment Services Ltd. M.Z. Investment Services Ltd does not have any material interest in the Issuer.

The Issuer confirms that the financial analysis summary has been accurately reproduced 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.

ANNEX I – THE GUARANTEE

THE GUARANTEE

To: Finco Trust Services Limited
The Bastions Office No. 2,
Triq Emvin Cremona,
Floriana, FRN 1281, Malta
(hereinafter, together with its lawful successors and assigns referred to as the “**Security Trustee**”).

27 May 2025

Reference is made to the issue by MM Star Malta Finance p.l.c., a publicly limited liability company registered under the laws of Malta and bearing company registration number C 111281 (the “**Issuer**”) of up to €35,000,000 5.35% secured bonds 2029-2031 (the “**Bonds**” or “**Bond Issue**”), pursuant to and subject to the terms and conditions contained in the Securities Note (as such term is defined hereunder) forming part of the Prospectus (as such term is defined hereunder).

It is a condition precedent for the issuance of the Bonds that, *inter alia*, the Guarantor executes and grants this Guarantee in favour of the Security Trustee, for the benefit of the Bondholders.

Now, therefore, by virtue of the present, MM Star Holdco Limited, a company registered under the laws of England and Wales with company registration number CN 14171754 and having its registered office at 111 Park street, London W1K 7JL, United Kingdom (hereinafter together with its lawful successors, referred to as the “**Guarantor**”) has agreed to the conclusion and execution of this Guarantee in favour of the Security Trustee (this deed and the guarantees and indemnities herein contained being hereinafter referred to as the “**Guarantee**”). This Guarantee shall be without prejudice to the constitution of a first ranking debenture governed by English law which will comprise fixed and floating security interests over the assets of the Guarantor.

1. INTERPRETATION

In this Guarantee, unless the context otherwise requires:

- (a) terms and expressions defined in or construed for the purposes of the Prospectus shall have the same meanings or be construed in the same manner when used in this Guarantee, unless defined otherwise in this Guarantee;
- (b) “**Bondholders**” means the holders of the Bonds from time to time;
- (c) “**Business Day**” any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
- (d) “**Event of Default**” means the events of default listed in section 5.14 of the Securities Note;
- (e) “**Indebtedness**” means any and all moneys, obligations and liabilities now or hereafter due, owing or incurred by the Issuer under the Bonds to the Bondholders in terms of the Prospectus, and in any and all cases whether for principal, interests, capitalised interests, charges, disbursements, or otherwise, and whether for actual or contingent liability;
- (f) “**Prospectus**” means the prospectus issued by the Issuer in respect of the Bond Issue, dated 27 May 2025;
- (g) “**Security Trust Deed**” means the security trust deed signed between the Issuer, the Guarantor, SOF-11 Erskine House Investment Lux S.A.R.L. (LUX CN: B196447), Erskine House Opco Limited (CN: 11736604) and the Security Trustee, dated 27 May 2025;
- (h) “**writing**” or “**in writing**” shall mean any method of visual representation and shall include facsimile transmissions, telexes and other such electronic methods.

2. TERMS OF THE GUARANTEE

2.1 COVENANT TO PAY

In satisfaction of the condition precedent for the issuance of the Bonds, and in consideration of the Bondholders acquiring the Bonds, the Guarantor, as duly authorised and as primary obligor, hereby unconditionally and irrevocably guarantees to the Security Trustee, for the benefit of the Bondholders in proportion to their respective holding of Bonds, to be liable, jointly and severally with the Issuer, for the payment of, and to undertake, on first written demand made by the Security Trustee in accordance with clause 8.1, to pay, any Indebtedness to the Security Trustee, at any time due or owing under the Bonds as and when same shall become due.

2.2 MAXIMUM LIABILITY

The amount due by the Guarantor to the Security Trustee under this Guarantee is up to and not in excess of the aggregate of: (i) the amount of Bonds subscribed by Bondholders, which shall not exceed the maximum amount of €35,000,000; (ii) the interest due under the Bonds as at the date of payment under the Guarantee; and (iii) the reasonably incurred and properly documented costs and expenses up to €250,000 in aggregate incurred as at the date of payment under the Guarantee, relating to the enforcement of the Security Trustee's rights against the Issuer and/or the Guarantor.

2.3 GUARANTOR'S OBLIGATIONS CONTINUING

The Guarantor's obligations under this Guarantee are and will remain in full force and effect by way of continuing security, and the Guarantor shall remain liable, until no sum remains due or owing under the Bonds and the Indebtedness is fully repaid, and shall in no way be prejudiced or effected, nor shall it in any way be discharged or reduced by reason of:

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

The Security Trustee is being expressly authorised to vary the Prospectus and, or modify the Indebtedness or to release or modify any guarantees or any security the Security Trustee may hold as security for the Indebtedness and this without the need of any prior or subsequent notice to the Guarantor and without any prejudice to the rights of the Security Trustee hereunder. The Guarantor is hereby expressly consenting to any assignments and transfers made by the Issuer in accordance with the Prospectus or the Security Trust Deed and this without the need of any prior or subsequent notice to the Guarantor and without any prejudice to the rights of the Security Trustee hereunder.

2.4 INDEMNITY

As a separate and independent stipulation, the Guarantor agrees to indemnify the Security Trustee on demand for any damages, losses (excluding loss of profit), costs and expenses arising from any failure on the part of the Issuer to perform any obligation to the Security Trustee and the Guarantor so agrees to indemnify the Security Trustee even in the event that any obligation of the Issuer to the Security Trustee is invalid or ceases to be valid and enforceable against the Issuer for any reason whatsoever including, but without limitation, any legal limitation or any disability or incapacity of the Issuer. In such an event the Guarantor shall be liable towards the Security Trustee as if that obligation was fully valid and enforceable and as if the Guarantor were the principal debtor in respect thereof and shall pay all sums due to the Security Trustee within seven days of a demand in writing by the Security Trustee.

3. WAIVER OF THE GUARANTOR'S RIGHTS AND THE GUARANTOR'S WARRANTIES

3.1 This Guarantee shall be liable for the full amount of the Indebtedness due from time to time. The liability of the Guarantor under this Guarantee shall be decreased from time to time to the extent, if any, that the Issuer or the Guarantor shall have made any irrevocable payment of the Indebtedness.

3.2 Until the Indebtedness has been paid in full, the Guarantor agrees that it will not, without the prior written consent of the Security Trustee:

- (a) exercise any rights of subrogation, reimbursement and indemnity against the Issuer or any other person liable for the Indebtedness; and/or
- (b) demand or accept repayment, in whole or in part, of any indebtedness now or hereafter due to the Guarantor either from the Issuer or from any other person liable for the Indebtedness or demand any collateral in respect of same or dispose of same; and/or
- (c) take any step to enforce any right against the Issuer or any other person liable for the Indebtedness; and/or
- (d) claim any set-off or counter-claim against the Issuer or any other person liable for the Indebtedness nor shall the Guarantor claim or prove in competition with the Security Trustee in the liquidation of the Issuer or any other person liable for the Indebtedness or benefit or share any payment from or in composition with the Issuer or any other person liable for the Indebtedness.



3.3 Subject to the overriding provisions of the Prospectus and the Security Trust Deed, until the Indebtedness has been paid in full, the Guarantor further agrees that:

- (a) if an Event of Default occurs, any sums which may be received by it from the Issuer or any person liable for the Indebtedness shall be held by it on trust exclusively for the Security Trustee and shall be paid to the Security Trustee immediately upon demand in writing or immediately after its receipt if such obligation arises from the documents executed by the Issuer in connection with the Prospectus; and/or
- (b) all rights of relief and subrogation arising in favour of the Guarantor upon a partial payment to the Security Trustee against the Issuer and any other person who may be liable for the Indebtedness, including any co-guarantors, shall be suspended; and/or
- (c) the Security Trustee shall not be required to exhaust any remedy or remedies it may have against the Issuer or other persons who may be liable for the Indebtedness for the settlement of all the Indebtedness before claiming against the Guarantor under this Guarantee, which is to be construed as entirely independent from the relationship between the Issuer and the Security Trustee and providing immediate recourse against the Guarantor. The Guarantor hereby waives any benefit of discussion or division which may be available under any applicable law.

4. SETTLEMENTS CONDITIONAL

Any release, discharge or settlement between the Guarantor and the Security Trustee shall be conditional upon no security, disposition or payment to the Security Trustee by the Issuer or the Guarantor or any other third party being liable to being void or set aside for any reason whatsoever and if, for any reason whatsoever, this condition is not fulfilled, such release, discharge or settlement shall be of no effect whatsoever and this Guarantee shall again come into force for all effects and purposes of law.

5. ADDITIONAL GUARANTEE

This Guarantee is to be construed as being in addition to, not instead of, and in no way prejudicing any other security or guarantee or indemnity which the Security Trustee may now or hereafter hold from or on account of the Issuer. Moreover, the remedies provided in this Guarantee are cumulative and are not exclusive of any remedies provided by law.

6. BENEFIT OF THIS GUARANTEE AND NO ASSIGNMENT

6.1 This Guarantee is to be immediately binding upon the Guarantor for the benefit of the Security Trustee as a continuing Guarantee until full and final settlement of all the Issuer's Indebtedness or until such time that the Guarantor is released from the Guarantee by the Security Trustee.

6.2 The Guarantor shall not be entitled to assign or transfer any of its obligations under this Guarantee.

7. REPRESENTATIONS AND WARRANTIES

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

- (a) it is duly incorporated and validly existing under the laws of England and Wales and has the power to carry on its business;
- (b) it has power to grant this Guarantee and that all corporate action has been taken by the Guarantor in accordance with its deeds of constitution and the laws of its incorporation and regulation;
- (c) this Guarantee constitutes and contains valid and legally binding obligations of the Guarantor enforceable in accordance with its terms;
- (d) this Guarantee does not and will not constitute default with respect to or run counter to any law, by-law, articles of incorporation, statute, rule, regulation, judgment, decree or permit to which the Guarantor is or may be subject; or any agreement or other instrument to which the Guarantor is a party or is subject or by which it or any of its property is bound;
- (e) this Guarantee shall not result in or cause the creation or imposition of, or oblige the Guarantor to create any encumbrance on any of that Guarantor's undertakings, assets, rights or revenues;
- (f) it is in no way engaged in any litigation, arbitration or administrative proceeding of a material nature and, nor to the best of its knowledge, is it threatened with any such procedures;
- (g) the obligations of the Guarantor under this Guarantee constitute general, direct and unsecured obligations of the Guarantor and rank at least *pari passu* with all other present and future unsecured indebtedness of the Guarantor with the exception of any obligations which are mandatorily preferred by law;
- (h) it is not in material breach of or in default that is continuing under any agreement relating to indebtedness to which it is a party or by which it may be bound; and
- (i) all the information tendered in connection with the negotiation and preparation of this Guarantee is accurate and true in all material respects and there has been no omission of any material facts.



7.2 As from the date of this Guarantee, until such time as the Indebtedness is paid in full to the Security Trustee, and for as long as this Guarantee shall remain in force, the Guarantor shall hold true, good and valid all the representations and warranties given under this clause except for representations and warranties in limbs (f) and (h) which are given only as at the date of this Guarantee.

8. DEMANDS AND PAYMENTS

8.1 Any and all the Indebtedness shall be due by the Guarantor under this Guarantee as a debt, which is certain, liquidated and due on the seventh (7th) Business Day following the Security Trustee's first written demand to the Guarantor, representing the request of not less than 75% in value of Bondholders. All demands shall be sent to the address as is stated below in clause 9 as the same may be changed by notice in writing by one party to the other.

8.2 The demand shall be accompanied by a statement by the Security Trustee confirming that to the best of its knowledge there exists, at the time of the demand, an Event of Default that is continuing pursuant to the terms of the Securities Note or such that may render the underlying obligations of the Issuer to the Security Trustee invalid and unenforceable for any reason whatsoever.

8.3 It is expressly agreed that the requirement of such statement is not a condition of liability of the Guarantor under this Guarantee and is entirely without prejudice to the on-demand nature of this Guarantee and the requirement that payment of the sum due under this Guarantee for any reason whatsoever shall nonetheless be made. Notwithstanding any provision hereof, any disagreement by the Guarantor as to the contents of the statement shall not entitle the Guarantor to delay or interrupt the payment of the sum due under this Guarantee for any reason whatsoever.

8.4 The statement by the Security Trustee of the amount due under this Guarantee shall be binding on the Guarantor and shall be conclusive evidence of the sum due, saving only manifest error.

8.5 Unless otherwise required by law, all payments shall be made to the Security Trustee without any withholding for taxes (and in so far as this obligation exists under any law the payment shall be grossed up by the amount of withholding) and without set-off for any amounts which may be then owing to the Guarantor by the Issuer or the Security Trustee.

9. NOTICES

9.1 Any notice required to be given by any party hereto to the other party shall be deemed to have been validly served if sent by pre-paid registered letter through the post to such other party at the relevant address indicated herein or such other address as may from time to time be notified to the other party for this purpose.

9.2 Any notice so served shall be deemed to have been served, seven days after posting.

9.3 For the purposes of this Guarantee, the proper addresses and contact numbers of the parties are:

MM Star Holdco Limited

Address: 111 Park Street, London, United Kingdom W1K 7JL

Tel. No.: +44 (0) 208 176 8200

Contact Person: Demeter Kovacs

Finco Trust Services Limited

Address: The Bastions Office No. 2, Triq Emvin Cremona, Floriana, FRN 1281, Malta

Tel. No.: (+356) 2122 0002

Contact Person: Andrea Debattista

Provided that each party may at any time change such address or contact number by giving seven (7) days' prior written notice to the other party.

10. APPLICABLE LAW AND JURISDICTION

10.1 This Guarantee shall be governed by and construed in accordance with Maltese law.

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

Yours faithfully,

The original copy has been signed by

Name: Ashley E. Shaw
a director duly authorised, for and on behalf of
MM Star Holdco Limited

Name: Demeter P. Kovacs
a director duly authorised, for and on behalf of
MM Star Holdco Limited

WE ACCEPT

The original copy has been signed by

Name: Andrea Debattista
duly authorised, for and on behalf of
Finco Trust Services Limited

Name: Chris Casapinta
duly authorised, for and on behalf of
Finco Trust Services Limited



ANNEX II – AUTHORISED FINANCIAL INTERMEDIARIES

Name	Address	Telephone
APS Bank p.l.c.	APS Centre, Tower Street, Birkirkara BKR 4012	2122 6644
Bank of Valletta p.l.c.	Premium Banking Centre, 475, Triq il-Kbira San Guzepp, St Venera SVR 1011	2275 1732
Calamatta Cuschieri Investment Services Limited	Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034	2568 8688
Curmi & Partners Ltd	Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	2134 7331
FINCO Treasury Management Limited	Office No 2, The Bastions, Emvin Cremona Street, Floriana FRN 1281	2122 0002
Jesmond Mizzi Financial Advisors Limited	67 Level 3, South Street, Valletta VLT 1105	2122 4410
Medirect Bank (Malta) p.l.c.	The Centre Tigne` Point, Sliema TPO 0001	2557 4400
Michael Grech Financial Investment Services Limited	The Brokerage, Level O A, St Marta Street, Victoria, Gozo VCT 2551	2258 7000
M.Z. Investment Services Limited	63, St Rita Street, Rabat RBT 1523	2145 3739
Rizzo, Farrugia & Co (Stockbrokers) Ltd	Airways House, Fourth Floor, High Street, Sliema SLM 1551	2258 3000



**FINANCIAL
ANALYSIS
SUMMARY**

27 MAY 2025



MILLEMONT

ISSUER

MM STAR MALTA FINANCE P.L.C.

(C 111281)

GUARANTOR

MM STAR HOLDCO LIMITED

(UK 14171754)

Prepared by:



MZ INVESTMENTS





MZ INVESTMENTS

MZ Investment Services Limited

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The Board of Directors
MM Star Malta Finance p.l.c.
Level 3, Valletta Buildings
Triq Nofs In-Nhar
Valletta VLT 1103

27 May 2025

Dear Board Members,

Financial Analysis Summary

In accordance with your instructions, and in line with the requirements of the MFSA Listing Policies, we have compiled the Financial Analysis Summary (the “**Analysis**”) set out in the following pages and which is being forwarded to you together with this letter.

The purpose of this Analysis is that of summarising key financial information appertaining to MM Star Malta Finance p.l.c. (the “**Issuer**”), and MM Star Holdco Limited (the “**Guarantor**”, “**MM Star Group**”, or “**MM Star HoldCo**”). The data is derived from various sources or is based on our own computations as follows:

- (a) Pro forma consolidated financial information relating to MM Star HoldCo for the financial year ended 31 December 2024 has been provided by the Issuer.
- (b) Historical information relating to MM Star HoldCo for the period 1 July 2024 to 31 December 2024 has been extracted from the audited consolidated financial statements for the six-month period ended 31 December 2024.
- (c) The forecast and projected information relating to the Issuer and MM Star HoldCo for the financial years ending 31 December 2025, 31 December 2026 and 31 December 2027, have been provided by the Issuer.
- (d) Our commentary on the financial performance, cash flows, and financial position of the Issuer and the Guarantor is based on explanations provided by the Issuer.
- (e) The ratios quoted in this Analysis have been computed by applying the definitions set out in Part 4 – Explanatory Definitions of this report.
- (f) Relevant financial data in respect of the companies included in Part 3 – Comparative Analysis of this Analysis has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Malta Business Registry, as well as other sources providing financial information.

This Analysis is meant to assist potential investors in the Issuer’s securities by summarising the more important financial information of MM Star Group. This Analysis does not contain all data that is relevant to investors and is meant to complement, and not replace, the contents of the full Prospectus. This Analysis does not constitute an endorsement by our firm of any securities of the Issuer and should not be interpreted as a recommendation to invest or not invest in any of the Issuer’s securities. We will not accept any liability for any loss or damage arising out of the use of this Analysis, and no representation or warranty is provided in respect of the reliability of the information contained in the Prospectus. As with all investments, existing and potential investors are encouraged to seek professional advice before investing in the Issuer’s securities.

Yours faithfully,

Evan Mohnani
Head Corporate Broking

MZ Investment Services Limited is a private limited liability company licensed to conduct investment services business by the Malta Financial Services Authority under the investment Services Act. Member of the Malta Stock Exchange. Enrolled Tied Insurance Intermediary under the Insurance Intermediaries Act, 2006 for MAPFRE MSV Life p.l.c.

Company Registration Number: C 23936 | VAT Number: MT 1529 8424



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PART 1 – INFORMATION ABOUT MM STAR GROUP

1. ABOUT THE ISSUER AND THE GUARANTOR

MM Star Malta Finance p.l.c. was incorporated on 27 February 2025 as a public limited liability company under the Companies Act (Cap. 386 of the laws of Malta) with an authorised and fully paid-up share capital of €0.25 million. The principal activity of the Issuer is to act as a finance company for the MM Star Group. As a result, the Issuer is totally dependent on the operations, performance, and prospects of the Guarantor and other MM Star Group companies.

MM Star HoldCo Limited is the holding company of the MM Star Group which does not carry out any trading activity of its own. It is established solely and specifically for the purpose of investing in the acquisition, ownership, and operation of the YOTEL Hotel in Edinburgh (“**YOTEL Edinburgh**”) by virtue of its shareholding in its subsidiaries.

2. OWNERSHIP OF MM STAR GROUP

MM Star Group forms part of Millemont Capital Partners Limited (“**Millemont Group**”), a private equity real estate investment platform established in 2021. Millemont Group is focused on deploying capital into the UK hospitality sector, with an emphasis on sustainable hospitality assets in strategic locations across the UK.

Each of the Millemont Group’s investments are held through distinctly, separate single-purpose UK fund structures. One of these fund structures forms the basis of the MM Star Group which group of companies, within the wider Millemont Group structure, was formed for the purpose of acquiring the YOTEL Edinburgh.

3. DIRECTORS OF THE ISSUER

The Board of Directors of the Issuer is composed of the following persons:

Demeter Peter Kovacs	Executive Director
Winston J. Zahra	Executive Director
Albert Frendo	Independent Non-Executive Director
Kenneth Abela	Independent Non-Executive Director
Steven Coleiro	Independent Non-Executive Director

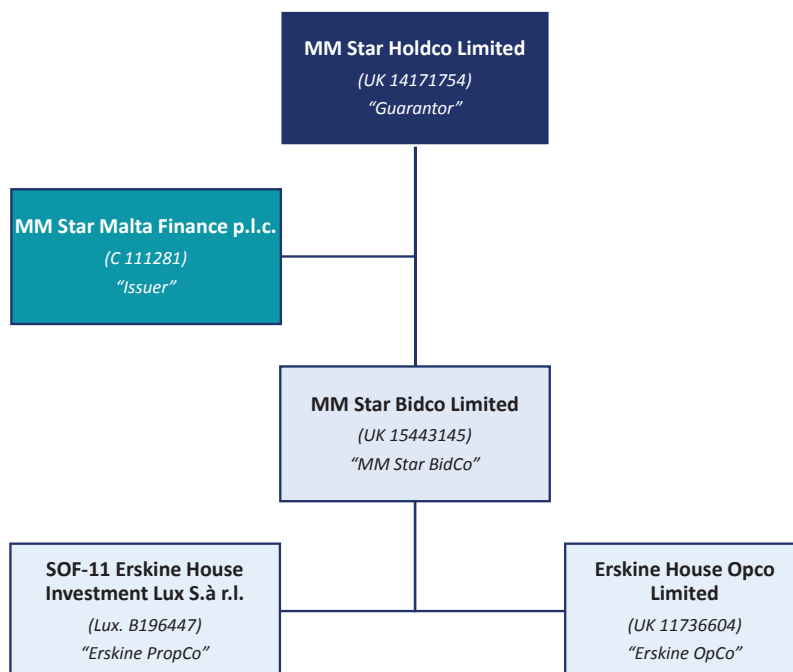
4. DIRECTORS OF THE GUARANTOR

The Board of Directors of MM Star HoldCo is composed of the following persons:

John Emmanuel Bennett	Chairman
Ashley Edward Shaw	Executive Director and Chief Executive Officer
Demeter Peter Kovacs	Executive Director and General Counsel

5. ORGANISATIONAL STRUCTURE

The diagram below illustrates the organisational structure of the MM Star Group:



The Issuer is a subsidiary company of the Guarantor. A brief overview of the business activities of the group companies is set out below:

- **MM Star Holdco Limited:** MM Star HoldCo was incorporated on 14 June 2022. It is wholly owned by Millemont 3 Limited Partnership and serves as the holding company of the MM Star Group.
- **MM Star Bidco Limited:** MM Star BidCo was incorporated on 25 January 2024. It is a fully owned subsidiary of the Guarantor and holds 100% of the shares in Erskine OpCo and Erskine PropCo.
- **Erskine House Opco Limited:** Erskine OpCo was incorporated on 20 December 2018. It is a wholly owned subsidiary of MM Star BidCo and is responsible for the operation and management of the YOTEL Edinburgh and for employing all hotel staff.
- **SOF-11 Erskine House Investment Lux S.à.r.l.:** Erskine PropCo was incorporated on 17 April 2015. It is a wholly owned subsidiary of MM Star BidCo and holds title to the YOTEL Edinburgh, receiving intragroup rent from Erskine OpCo in respect of the property.

6. OVERVIEW OF THE BUSINESS OF MM STAR GROUP

6.1 YOTEL EDINBURGH

In July 2024, MM Star Group acquired YOTEL Edinburgh from an affiliate company of Starwood Capital Group as part of MM Star BidCo's acquisition of Erskine OpCo and Erskine PropCo (the "**Acquisition**").

In 2016, Starwood Capital Group had carried out a conversion project pursuant to which the building located at 68-73, Queen Street, Edinburgh, was converted from an office block to a hotel. The latter started operating as YOTEL Edinburgh in November 2019.

YOTEL Edinburgh is a modern, tech-savvy 276-room four-star hotel in Edinburgh's historic New Town, a UNESCO World Heritage Site, just a 15-minute walk from the city's train station. It is the third largest hotel in Edinburgh and its prime location makes it an excellent base for exploring Edinburgh's top attractions and iconic sights, including Princes Street, Edinburgh Castle, the Palace of Holyroodhouse (which is the official residence of the British monarch in Scotland), and the vibrant Old Town which also includes the Royal Mile.

The hotel seamlessly blends modern convenience with innovative design, offering guests a unique and efficient stay in Scotland's capital. Indeed, the accommodations at YOTEL Edinburgh are designed with comfort, innovation, and functionality in mind. Each room is equipped with high-speed WiFi, smart TVs, and luxurious rain showers. Adjustable mood lighting adds a personalised touch, allowing guests to tailor their environment to suit their mood or preferences. The rooms also feature practical amenities such as laptop-size safes, ironing facilities, and compact but intelligently designed layouts that maximise space. Guests can choose from a variety of room types ranging from 14 sqm to 47 sqm, including Queen, Premium Queen, Premium Family, Premium Twin, Premium King, First Class King, and the exclusive VIP King Suite, catering to a wide range of travel needs and group sizes.

At the heart of the guest experience is YOTEL Edinburgh's emphasis on technology and modernity. The hotel offers a seamless, contactless check-in system, allowing guests to arrive and settle in with minimal effort. For dining and relaxation, the hotel serves a curated selection of local beers, handcrafted cocktails, and delectable breakfast and menu options in a chic and welcoming setting. For business-oriented guests, YOTEL Edinburgh boasts Imaginex which is a state-of-the-art 360° screening room that can be customised for events. The hotel also provides a 24/7 fitness room and co-working spaces with high-speed internet and other essential office amenities.



6.2 THE ACQUISITION

YOTEL Edinburgh was acquired for a total consideration of £61.30 million. The transaction was financed as follows:

MM Star Group	
	July 2024
	£'000
Transacted value	60,151
Acquisition-related expenses	1,149
	61,300
Financing:	
Sale and leaseback	25,000
Shareholders' advances	20,500
Bank loan	15,800
	61,300

SALE AND LEASEBACK

Prior to the Acquisition, Erskine PropCo held the freehold title to YOTEL Edinburgh. Following the Acquisition, Erskine PropCo entered into an agreement dated 19 July 2024 pursuant to which Erskine PropCo transferred legal ownership of YOTEL Edinburgh to Aviva Reli 2 GP Limited (UK registration number 15595027), as general partner of, and trustee for, Aviva Reli 2 LP (a limited partnership registered in England with registration number LP023642 – the “**Landlord**”), for a consideration of £25 million.

On 19 July 2024, the Landlord and Erskine PropCo entered into a lease agreement pursuant to which the Landlord granted Erskine PropCo a leasehold interest in YOTEL Edinburgh for a term of 150 years, commencing on 19 July 2024 (the “**Head Lease Agreement**”). The Head Lease Agreement contemplates the option, in favour of Erskine PropCo, to purchase the Landlord’s freehold interest for a consideration of GBP1, exercisable at Erskine PropCo’s discretion at any time on or after 19 July 2089, subject to the terms and conditions set out in the Head Lease Agreement.

The rent payable by Erskine PropCo to the Landlord is £875,760 per annum, payable in advance in equal quarterly payments. The annual rent is revisable after the first five years and every year thereafter (with a cap and collar mechanism that sets upper and lower limits), in accordance with the terms of the Head Lease Agreement.

6.3 OCCUPATIONAL LEASE AGREEMENT

On 3 May 2019, Erskine PropCo, as lessor, and Erskine OpCo, as lessee, entered into a lease agreement, which, following the Acquisition, was subsequently amended and reinstated by a minute of alteration of lease dated 19 July 2024 (the “**Occupational Lease Agreement**”).¹ Pursuant to the Occupational Lease Agreement, Erskine PropCo sub-leases the YOTEL Edinburgh to Erskine OpCo for a period of 20 years commencing on 7 May 2019. The lease may be extended by the mutual agreement of the parties for up to four additional terms, comprising an initial extension from 7 May 2039 until 31 August 2044, followed by three additional extensions of five years each.

The Occupational Lease Agreement constitutes an intragroup arrangement between fully-owned subsidiaries of MM Star BidCo, designed to enhance operational and financial efficiency. The provisions of the Occupational Lease Agreement replicate those set out in the Head Lease Agreement, ensuring alignment between the two agreements, without imposing any additional onerous obligations on the Group. Pursuant to the Head Lease Agreement, Erskine PropCo is prohibited from varying or amending the terms of the Occupational Lease Agreement, without the Landlord’s prior written consent, where such variation or amendment would have a material impact on the Landlord’s interest in the Yotel Edinburgh.

The rent payable by Erskine OpCo under the Occupational Lease Agreement is an annual revisable amount, determined as the greater of: (i) a sum of £2,346,000; or (ii) the sum equal to 70% of the forecasted net operating income for the relevant financial period, subject to adjustment in accordance with the terms of the Occupational Lease Agreement.

¹ A Minute of Alteration of Lease is a legal document used in Scottish property law to formally amend the terms of an existing lease.



6.4 THE YOTEL BRAND

YOTEL is a hotel brand recognised for its innovative, modern, and efficient design, focused on offering guests all the essentials in a compact and thoughtfully designed space.

In 2006, YOTEL's first prototype cabin was designed and built to demonstrate it was possible to achieve a luxury feel in a compact space. In 2007 and 2008, YOTEL opened its first hotels at London Gatwick, Heathrow, and Amsterdam Schiphol airports. Since then, several other hotel properties have adopted the brand and begun operating under it.

YOTEL draws inspiration from luxury airline travel, which is reflected in its small but well-designed, tech-savvy rooms known as 'cabins'. The brand operates under three sub-brands:

- **YOTEL** is reserved for urban hotels, with a room sizes ranging from 13.5 sqm to 22 sqm and a wide range of facilities.
- **YOTELAIR** is designed for airport hotels, featuring cabin-style rooms ranging from 9 sqm to 11 sqm with fewer facilities.
- **YOTELPAD** caters for longer stays, offering bedrooms, internal seating areas, and kitchenettes.

As at the date of this Analysis, there are 23 hotels in operation under the three sub-brands, 15 of which (including YOTEL Edinburgh) operate under the YOTEL brand, five operate under the YOTELAIRS brand, and three operate under the YOTELPADS brand. The domain name 'yotel.com' is used by YOTEL Edinburgh but is centrally owned and managed by YOTEL Limited.

The domain name <yotel.com> is used by the Yotel Edinburgh and is centrally owned and managed by Yotel Limited.

The Franchise Agreement (see section 6.5 below) grants Erskine OpCo the right to operate the YOTEL Edinburgh under the YOTEL brand. In terms of the said agreement, YOTEL Limited, as the Franchisor, owns all right, title, and interest in the YOTEL brand.

6.5 THE FRANCHISE AGREEMENT

Prior to the Acquisition, the Yotel Edinburgh was franchised and operated under a single agreement with Yotel Limited. Following completion of the Acquisition, that agreement was terminated, and replaced by two separate agreements with Yotel Limited, one regulating the franchise and the other regulating the management of the Yotel Edinburgh. While under the previous agreement Yotel Limited was responsible for all aspects of the operation and management of the YOTEL Edinburgh, the new arrangement grants Erskine OpCo the right to appoint an operator its own choice.

6.6 HOTEL MANAGEMENT SERVICES

The Franchise Agreement allows the MM Star Group to appoint its own choice of operator to manage the YOTEL Edinburgh operations, subject to the Franchisor's prior approval.

Following the Franchisor's pre-approval, Erskine OpCo appointed Troo Hospitality Ltd ("**Troo Hospitality**") to operate, manage, market, and supervise the YOTEL Edinburgh pursuant to a hotel management agreement entered into by and between Troo Hospitality and Erskine OpCo on 19 July 2024 (the "**Hotel Management Agreement**"). The appointment is for an initial term of ten years with an automatic renewal at the end of the term for five years unless otherwise terminated with a minimum of six months' notice.

Troo Hospitality acts as the sole and exclusive manager of YOTEL Edinburgh and has absolute control and discretion in the operation, management, marketing, and supervision of the hotel, subject to certain restrictive matters which require Troo Hospitality to obtain prior written consent from Erskine OpCo.

Erskine OpCo, in its capacity as franchisee under the Franchise Agreement, is liable for the performance of Troo Hospitality as the operator, and notwithstanding the engagement of Troo Hospitality, Erskine OpCo is not released from any of its liabilities or obligations under the Franchise Agreement.

Formed in April 2022 by seasoned hospitality entrepreneur Winston Zahra and Millemont Group, Troo Hospitality is an innovative and dynamic hospitality management company based in the UK. The company offers high-quality bespoke and comprehensive management services to hotel owners, focusing on operational excellence and efficiency, enhanced guest experience, and sustainability.

Since its inception, Troo Hospitality significantly expanded its portfolio and currently manages nine hotels, ranging from luxury city-centre properties to up-scale and mid-scale listed hotels. The company prides itself on its core values of loyalty, integrity, and excellence that underpin its approach, and going forward aims at continuing with its fast-paced expansion by adding more properties to its diverse portfolio of managed hotels.



Among the properties managed by Troo Hospitality are the Stock Exchange Hotel and Hotel Football, both located in Manchester, with Stock Exchange Hotel consistently ranking among the top two hotels in Manchester on TripAdvisor. Additionally, Troo Hospitality manages a portfolio of three hotels for Millemont Group; and has signed agreements to manage a 400-room hotel in central London, as well as hotels in Stratford-upon-Avon, Chester and Newcastle, bringing the total rooms under management to 1,300.

7. LEASEHOLD VALUATION

The Issuer commissioned Architect Christian Spiteri, for and on behalf of C&K Architecture, to conduct a full valuation of the long leasehold interest of the YOTEL Edinburgh in its existing state. In terms of a property valuation report dated 22 April 2025, prepared by C&K Architecture, the value of the long leasehold interest of the said property in its existing state has been estimated at £54.80 million (equivalent to €64.47 million).

8. ECONOMIC AND SECTOR OVERVIEW

8.1 ECONOMIC UPDATE²

Scotland's economy navigated a challenging environment in 2024, experiencing a strong start to the year before losing momentum in the second half. Economic growth stood at 1.1% for the year, marginally outpacing the UK's overall expansion of 1.0%. However, the final quarter of 2024 saw a significant slowdown, with GDP stagnating at 0%, down from 0.4% growth in Q3. This deceleration aligned with broader UK trends and reflected growing uncertainty among businesses and consumers which continued to weigh on economic activity into early 2025.

The services sector, a key pillar of Scotland's economy, continued to expand in the fourth quarter, albeit at a slower rate of 0.2%. Within this sector, business services and finance grew by 0.4%, while professional, scientific, and technical services saw a notable 2.4% increase. However, consumer-facing industries struggled, with the retail and hospitality sectors contracting by 0.6%, contributing to an overall 0.2% decline in consumer-facing services. The construction sector fared better, registering 0.5% growth, bolstered by steady activity despite economic headwinds. Meanwhile, the production sector saw a 1.1% contraction, largely driven by a 1.8% decline in manufacturing output reflecting weaker industrial demand and broader supply chain challenges.

Inflationary pressures persisted into 2025, with the annual inflation rate rising from 2.5% in December to 3.0% in January. This increase was primarily driven by higher transport costs, which rose by 1.7%, alongside an acceleration in food and non-alcoholic beverage prices which climbed 3.3% on an annual basis. Inflation trends varied significantly across different categories, with goods inflation remaining relatively modest at 1.0%, whereas services inflation remained elevated at 5.0%. Core inflation, which excludes volatile components such as energy, food, alcohol, and tobacco, rose to 3.7% in January 2025, up from 3.2% in December 2024.

Looking ahead, inflationary pressures are expected to persist, with the Bank of England projecting a rise to 3.7% in the second half of 2025. This outlook is shaped by factors such as rising energy costs and price increases in regulated sectors including utilities. Despite this, the Bank of England's Monetary Policy Committee reduced its reference rate from 4.75% to 4.5% in February, marking the lowest rate since May 2023. The decision reflected growing confidence in long-term price stability while acknowledging ongoing economic uncertainty. The trajectory of future interest rate adjustments is expected to be influenced by both economic sentiment and global market conditions.

Scotland's GDP growth is projected to strengthen in 2025, with forecasts ranging from 1.3% to 1.5%. However, risks remain, including weak business and consumer sentiment, ongoing geopolitical tensions, and inflationary pressures. The Bank of England anticipates inflation peaking at 3.7% in Q3 2025 before gradually easing towards the 2.0% target by late 2027. While short-term volatility is expected, fiscal stimulus and a more accommodative monetary policy stance could help stabilise economic activity, supporting stronger growth in the coming year.

8.2 SCOTTISH TOURISM AND HOSPITALITY

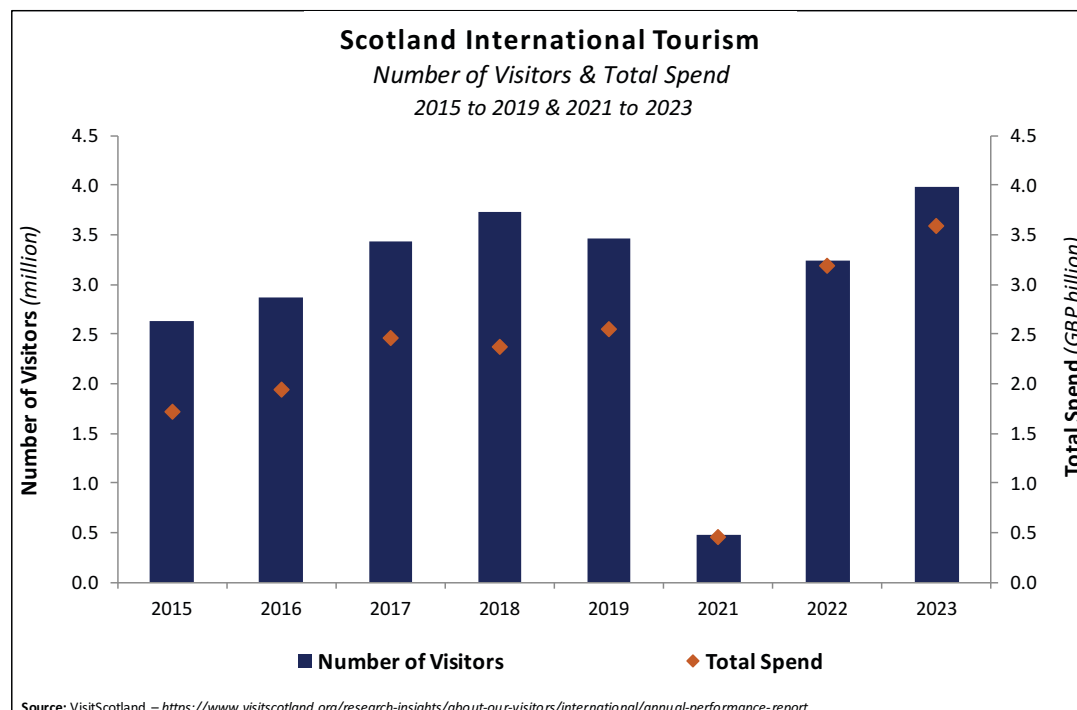
Tourism is an important component of Scotland's economy, significantly contributing to both the country's GDP and its employment landscape. The sector is underpinned by breathtaking natural landscapes (particularly the Highlands), a wealth of rich cultural heritage and history, vibrant cities, as well as a dynamic calendar of events. Among Scotland's key destinations, Edinburgh stands out, with its unique combination of history, arts, and world-renowned festivals such as the Edinburgh International Festival, the Edinburgh Fringe (which is the world's largest arts festival), and the Royal Edinburgh Military Tattoo.

² Office of the Chief Economic Adviser – The Scottish Government, 'Scottish Economic Bulletin', March 2025, available at <https://www.gov.scot/publications/scottish-economic-bulletin-march-2025/documents/>.



Apart from being Scotland's capital city, Edinburgh is the largest financial centre in the UK outside London and is also the second most visited UK destination after London. Besides, Edinburgh is home to multiple corporate and government institutions, making it a frequent destination for business travellers, and has one of the busiest airports in the UK which is connected to over 150 destinations worldwide.³ In 2024, Edinburgh Airport achieved a new milestone by handling a record 15 million passengers (2023: 14.4 million)⁴ – the highest annual figure ever recorded for a Scottish airport – thus surpassing the previous high of 14.7 million registered in 2019.

In 2023, Scotland's tourism industry experienced a robust recovery, welcoming more than 16 million visitors when including domestic and international tourists. Notably, international visits increased by 23% year-on-year to just under 4 million tourists, marking a 15% increase from 2019 and indicating a strong resurgence of Scotland as an attractive travel destination. Additionally, international visitors spent *circa* GBP3.6 billion in 2023, representing a 41% increase from 2019 and a 13% rise from 2022.⁵



Edinburgh alone attracted almost 5 million overnight visits in 2023, while overnight tourism spend in the city surpassed GBP2 billion, making it the largest single contributor to Scotland's tourism economy.⁶ The city retained its top position in Colliers' annual UK Hotel Market Index due to its strong performance in both occupancy and average daily room rates, as well as strong growth in RevPAR since 2019.⁷ Moreover, a study by Christie & Co concluded that hotels in Edinburgh achieved an aggregate RevPAR score of 1.46 in 2023 (2022: 1.16), making it the second-best performing market in the UK after Belfast. This strong outperformance relative to market average was driven by a 45.5% increase in RevPAR, attributed to a sharp rise in the average daily room rate and a marked increase in demand.⁸ As a result, the RevPAR achieved by Edinburgh hotels was 25% higher in real terms at the end of 2023 compared to 2019. This strong performance contributed to sustained investment in Edinburgh's hotel sector, with the city experiencing increased transactional activity and the HVS European Hotel Valuation Index reporting a 3.3% year-on-year increase in the valuation per key for Edinburgh hotels in 2023.⁹

³ The infrastructure for business and corporate travellers improved significantly in recent years, with venues like the Edinburgh International Conference Centre hosting international conferences, trade shows, and related events that extend the tourism season beyond the traditional summer months.

⁴ Edinburgh Airport, 'Record year for Edinburgh Airport', 27 December 2024, available at <https://corporate.edinburghairport.com/record-year-for-edinburgh-airport>. See also Edinburgh Airport (<https://corporate.edinburghairport.com/>) and UK Civil Aviation Authority (<https://www.caa.co.uk/>).

⁵ Business Traveller, 'Edinburgh Airport surpasses 15 million annual passengers for first time', 30 December 2024, available at <https://www.businesstraveller.com/business-travel/2024/12/30/edinburgh-airport-surpasses-15-million-annual-passengers-for-first-time/>.

⁶ VisitScotland – <https://www.visitscotland.org/research-insights/regions/edinburgh-lothians>.

⁷ Colliers International Group Inc., 'Edinburgh wins the UK Hotel Market Index top spot for occupancy and room rates', 13 May 2024, available at <https://www.colliers.com/en-gb/news/25-04-24-edinburgh-wins-the-uk-hotel-market-index>. RevPAR is a key performance measure used in the hospitality industry and is calculated by multiplying a hotel's average daily room rate by its occupancy rate.

⁸ Christie & Co, 'UK Hotel Market Snapshot FY 2023', 4 November 2024, available at <https://www.christie.com/news-resources/publications/uk-hotel-market-snapshot-fy-2023/>.

⁹ HVS Global Hospitality Services, 'Edinburgh Hotel Valuation Index', available at <https://hvi.hvs.com/market/europe/Edinburgh>.



Scotland's tourism sector continued to perform strongly in 2024. Nearly 2 million international tourists visited the country in the first half of 2024, marking a 14% increase compared to the same period in 2023 and a 46% rise from the same period in 2019. International visitors spent an estimated GBP1.5 billion in H1 2024, reflecting a 2% increase from 2023 and a 30% growth from 2019 in real terms (i.e. after adjusting for inflation). The robust growth was attributed to effective marketing campaigns by VisitScotland, particularly targeting the North American market. Indeed, the number of visitors from North American increased by 54% year-on-year and was 69% higher than the same period in 2019. Spending by North American tourists rose by 29% from 2023 and 48% from H1 2019 in real terms.¹⁰

Edinburgh's hotels also continued to register improved performance in 2024. A survey conducted by Cushman & Wakefield showed that revenue rose by 22% year-on-year in Q1 2024 whilst gross operating profit per available room increased by almost 69% notwithstanding a near 4% increase in the supply of hotel rooms and an increase of 11% in payroll costs partly due to the rise in the National Living Wage.¹¹ As a result, the profit margin increased from 20% in Q1 2023 to 27% in Q1 2024 while the profit margin on a twelve-month basis reached 42.2%.¹² Furthermore, more recent data show that the average RevPAR for all hotels in Scotland in October 2024 was 29% higher than the same month in 2023 whilst the average room occupancy rate for hotels in Edinburgh increased by more than 14 percentage points to 87% for the period between January 2024 and October compared to 73% in the same period in 2023.¹³

Scottish tourism, with Edinburgh as its linchpin, continues to thrive as a cornerstone of the nation's economy. The city's unique blend of historic charm, cultural vibrancy, and modern hospitality infrastructure positions it as a global tourism destination. Edinburgh's thriving hotel market, bolstered by strong trading and innovative redevelopment projects, exemplifies its adaptability and appeal to investors. While challenges such as rising costs and the introduction of a tourist tax must be navigated carefully, the city's focus on sustainability, strategic investment, and visitor experience ensures a promising future. With these strengths, Edinburgh remains not only a standout destination but also a driving force in Scotland's tourism success.

¹⁰ Travel and Tour World, 'Scotland Outpaces UK in Tourism Surge with 14% Growth in Visitors and North American Spending Power Driving the Economy', 21 October 2024, available at <https://www.travelandtourworld.com/news/article/scotland-outpaces-uk-in-tourism-surge-with-14-growth-in-visitors-and-north-american-spending-power-driving-the-economy>.

¹¹ Hospitality Net, 'Hotel Market Spotlight – Edinburgh Q1 2024: Edinburgh Hospitality Sector Outperforms UK', 6 June 2025, available at <https://www.hospitalitynet.org/news/4122298.html>.

¹² Cushman & Wakefield, 'Edinburgh Hotel Market Spotlight', 28 May 2024, available at <https://www.cushmanwakefield.com/en/united-kingdom/insights/edinburgh-hotel-market-spotlight>.

¹³ VisitScotland, 'Scottish Accommodation Occupancy Survey – Hotels October 2024', January 2025, available at <https://www.visitscotland.org/binaries/content/assets/dot-org/pdf/saos/scottish-accommodation-occupancy-survey-report-october-24-23-report-hotel.pdf>.



PART 2 – PERFORMANCE REVIEW

9. FINANCIAL INFORMATION RELATING TO THE ISSUER

The Issuer was registered and incorporated as a public limited liability company on 27 February 2025 and acts as a special purpose vehicle serving as the financing arm of the Guarantor. No financial statements have been prepared for the Issuer since incorporation up until the date of this Analysis.

The forecast information for the current financial year ending 31 December 2025 and the projections for the financial years ended 31 December 2026 and 31 December 2027 relate to events in the future and are based on assumptions which the Issuer believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecasts and actual results could be material.

MM Star Malta Finance p.l.c. Income Statement For the financial year 31 December	<table><tr><th>2025</th><th>2026</th><th>2027</th></tr><tr><th>Forecast</th><th>Projection</th><th>Projection</th></tr><tr><th>€'000</th><th>€'000</th><th>€'000</th></tr><tr><td>Finance income</td><td>2,405</td><td>2,152</td></tr><tr><td>Finance costs</td><td>(1,444)</td><td>(1,925)</td></tr><tr><td>Net finance income</td><td>961</td><td>231</td></tr><tr><td>Net operating costs</td><td>(847)</td><td>(128)</td></tr><tr><td>Profit before tax</td><td>114</td><td>103</td></tr><tr><td>Taxation</td><td>(40)</td><td>(36)</td></tr><tr><td>Profit after tax</td><td>74</td><td>67</td></tr><tr><td>Total comprehensive income</td><td>74</td><td>67</td></tr></table>	2025	2026	2027	Forecast	Projection	Projection	€'000	€'000	€'000	Finance income	2,405	2,152	Finance costs	(1,444)	(1,925)	Net finance income	961	231	Net operating costs	(847)	(128)	Profit before tax	114	103	Taxation	(40)	(36)	Profit after tax	74	67	Total comprehensive income	74	67
2025	2026	2027																																
Forecast	Projection	Projection																																
€'000	€'000	€'000																																
Finance income	2,405	2,152																																
Finance costs	(1,444)	(1,925)																																
Net finance income	961	231																																
Net operating costs	(847)	(128)																																
Profit before tax	114	103																																
Taxation	(40)	(36)																																
Profit after tax	74	67																																
Total comprehensive income	74	67																																
MM Star Malta Finance p.l.c. Statement of Cash Flows For the financial year 31 December	<table><tr><th>2025</th><th>2026</th><th>2027</th></tr><tr><th>Forecast</th><th>Projection</th><th>Projection</th></tr><tr><th>12 months</th><th>12 months</th><th>12 months</th></tr><tr><th>€'000</th><th>€'000</th><th>€'000</th></tr><tr><td>Net cash used in operating activities</td><td>(847)</td><td>(164)</td></tr><tr><td>Net cash used in investing activities</td><td>-</td><td>-</td></tr><tr><td>Free cash flow</td><td>(847)</td><td>(164)</td></tr><tr><td>Net cash from financing activities</td><td>2,349</td><td>164</td></tr><tr><td>Net movement in cash and cash equivalents</td><td>1,502</td><td>-</td></tr><tr><td>Cash and cash equivalents at beginning of year</td><td>-</td><td>1,496</td></tr><tr><td>Cash and cash equivalents at end of year</td><td>1,502</td><td>1,496</td></tr></table>	2025	2026	2027	Forecast	Projection	Projection	12 months	12 months	12 months	€'000	€'000	€'000	Net cash used in operating activities	(847)	(164)	Net cash used in investing activities	-	-	Free cash flow	(847)	(164)	Net cash from financing activities	2,349	164	Net movement in cash and cash equivalents	1,502	-	Cash and cash equivalents at beginning of year	-	1,496	Cash and cash equivalents at end of year	1,502	1,496
2025	2026	2027																																
Forecast	Projection	Projection																																
12 months	12 months	12 months																																
€'000	€'000	€'000																																
Net cash used in operating activities	(847)	(164)																																
Net cash used in investing activities	-	-																																
Free cash flow	(847)	(164)																																
Net cash from financing activities	2,349	164																																
Net movement in cash and cash equivalents	1,502	-																																
Cash and cash equivalents at beginning of year	-	1,496																																
Cash and cash equivalents at end of year	1,502	1,496																																



MM Star Malta Finance p.l.c.
Statement of Financial Position
For the financial year 31 December

ASSETS

Non-current assets

Loan receivable

Current assets

Cash at bank and in hand

Total assets

EQUITY

Called up share capital

Retained earnings

LIABILITIES

Non-current liabilities

Debt securities

Current liabilities

Trade and other payables

Total liabilities

Total equity and liabilities

2025	2026	2027
Forecast	Projection	Projection
€'000	€'000	€'000
35,303	35,303	35,303
1,502	1,496	1,496
36,805	36,799	36,799
303	303	303
19	17	17
322	320	320
35,000	35,000	35,000
1,483	1,479	1,479
36,483	36,479	36,479
36,805	36,799	36,799

The projections for FY2025 primarily reflect the issuance of €35,000,000 in secured bonds due 2029 – 2031. The net bond issue proceeds shall be on-lent to the Guarantor, following which, an amount of *circa* €18.80 million shall be on-lent to MM Star BidCo for the purposes of refinancing the outstanding loan facility taken out with Clydesdale Bank plc which was used to acquire the YOTEL Edinburgh; and an amount of *circa* €15.40 million shall be used to refinance, in part, shareholder advances which were used for the acquisition of the YOTEL Edinburgh.

INCOME STATEMENT

Finance income represents interest receivable from the loan provided to the Guarantor. On the other hand, finance costs comprise interest payable to holders of the secured bonds.

STATEMENT OF FINANCIAL POSITION

The aforementioned loan to the Guarantor is classified as a non-current asset in the statement of financial position.

Liabilities include the secured bonds and interest accrued on the secured bonds (which is accounted for as trade and other payables).

10. PRO FORMA FINANCIAL INFORMATION RELATING TO MM STAR GROUP

The MM Star Group came into existence in July 2024 following the acquisition by MM Star BidCo of YOTEL Edinburgh through the acquisition of two companies, namely, Erskine OpCo and Erskine PropCo. The pro forma financial information has been prepared for illustrative purposes only to demonstrate how the Group's consolidated statement of comprehensive income would have appeared if the said acquisition had been hypothetically carried out as at 1 January 2024. Due to its nature, the pro forma financial information reflects a hypothetical situation and does not represent the Group's actual statement of comprehensive income as at the date mentioned above.



MM Star Holdco Limited

Pro Forma Consolidated Statement of Comprehensive Income

For the financial year 31 December 2024

	Audited £'000	Adj. 1 £'000	Adj. 2 £'000	Adj. 3 £'000	Adj. 4 £'000	Adj. 5 £'000	Adj. 6 £'000	Adj. 7 £'000	Adj. 8 £'000	Pro Forma £'000
Revenue	6,412	6,711	95							13,218
Cost of sales	(2,217)	(1,748)		41	(62)					(3,986)
Gross profit (loss)	4,195	4,963	95	41	(62)	-	-	-	-	9,232
Administrative expenses	(2,501)	(2,401)	(1,161)	314	(571)	(16)				(6,336)
Operating profit (loss)	1,694	2,562	(1,066)	355	(633)	(16)	-	-	-	2,896
Net finance costs	(1,233)	(86)	(1,973)				2,059	(713)	(815)	(2,761)
Profit (loss) before tax	461	2,476	(3,039)	355	(633)	(16)	2,059	(713)	(815)	135
Taxation	(639)			(88)	158	4	(515)	178	204	(698)
Profit (loss) after tax	(178)	2,476	(3,039)	267	(475)	(12)	1,544	(535)	(611)	(563)
Other comprehensive income										
Revaluation on property, net of tax	11,330									11,330
Total comprehensive income	11,152	2,476	(3,039)	267	(475)	(12)	1,544	(535)	(611)	10,767

The pro forma adjustments include the following:

- (1) Being the pre-Transaction pre-tax profit generated by Erskine OpCo over the period 1 January 2024 to 18 July 2024, amounting to £2.5 million, which comprises operating revenue of £6.7 million, cost of sales of £1.7 million, administrative expenses of £2.4 million and finance costs of £86,000 and excludes intercompany transactions which are eliminated on consolidation, based on Erskine OpCo's financial statements and management reporting;
- (2) Being the pre-Transaction pre-tax loss generated by Erskine PropCo over the period 1 January 2024 to 18 July 2024, amounting to £3.0 million, which comprises an operating loss of £1.1 million and net finance costs of £2.0 million, and excludes intercompany transactions which are eliminated on consolidation, based on Erskine PropCo's financial statements and management reporting;
- (3) Being the reversal of actual management fees, licence fees, and recharged expenses amounting to £355,000 paid by the Erskine OpCo to YOTEL Limited pre-Transaction, under an incumbent hotel management agreement which was terminated and replaced by a new franchise agreement in place with YOTEL Limited and a new hotel management agreement in place with TROO Hospitality Limited on 19 July 2024. The tax effect of this adjustment has been included, being a tax charge of 25% of the adjustment value;
- (4) Being the inclusion of pro forma management fees, licence fees, and recharged expenses amounting to £634,000, which would have been payable by the Erskine OpCo under the new franchise agreement in place with YOTEL Limited and the new hotel management agreement in place with TROO Hospitality Limited as of 19 July 2024. The estimated expense is based on the actual rates set out in these agreements and actual hotel performance metrics for the period 1 January 2024 to 18 July 2024. The tax effect of this adjustment has been included, being a tax credit of 25% of the adjustment value;
- (5) Being the estimated incremental operating expenses which would have been incurred by MM Star HoldCo and MM Star BidCo had the companies been utilised for a full-year, amounting to £16,000, based on Management's estimate. The tax effect of this adjustment has been included, being a tax credit of 25% of the adjustment value;
- (6) Being the reversal of net finance costs incurred by Erskine OpCo and Erskine PropCo over the period 1 January 2024 to 18 July 2024 under the pre-Transaction funding structure, amounting to £2.1 million, and the corresponding tax shield amounting to £0.5 million;
- (7) Being the inclusion of incremental finance costs amounting to £713,000, which would have been payable by the MM Star Group under the facility agreement with Clydesdale Bank plc entered on 19 July 2024 in connection with the Transaction, had the Transaction occurred on 1 January 2024. This estimate assumes that the facility would have hypothetically been drawn down on 1 January 2024, and quarterly repayments effected over the period 1 January 2024 to 18 July 2024. The tax effect of this adjustment has been included, being a tax credit of 25% of the adjustment value;



- (8) Being the inclusion of incremental finance costs amounting to £815,000, which would have been payable by the MM Star Group under the agreement with Aviva Reli 2 GP Limited in connection with the transfer and operational leaseback of the YOTEL Edinburgh entered on 19 July 2024 in connection with the Transaction, had the Transaction occurred on 1 January 2024. This estimate assumes that the transaction would have hypothetically been executed on 1 January 2024, and quarterly repayments effected over the period 1 January 2024 to 18 July 2024. The tax effect of this adjustment has been included, being a tax credit of 25% of the adjustment value.

The main revenue streams of YOTEL Edinburgh are room nights sold and sales of food and beverages to guests and visitors. Room revenue represents the largest contributor, accounting for circa 90% of total revenue.

In FY2024, YOTEL Edinburgh achieved an occupancy rate of 88.20% and revenue amounted to £13.22 million. Gross profit amounted to £9.26 million, thereby reporting a gross profit margin 70%. After accounting for administrative expenses and net finance costs, the Guarantor registered a profit before tax of £135,000.

During the reviewed financial year, the MM Star Group recognised an uplift in the fair value of YOTEL Edinburgh amounting to £11.33 million, net of tax.

11. FINANCIAL INFORMATION RELATING TO MM STAR GROUP

The historical information is extracted from the audited consolidated financial statements of MM Star HoldCo for the six-month period from 1 July 2024 to 31 December 2024.

The forecast information for the current financial year ending 31 December 2025 and the projections for FY2026 and FY2027 have been provided by the MM Star Group and are based on assumptions deemed reasonable. However, actual outcomes may be affected by unforeseen circumstances, and the variation between forecasts and actual results could be material.

MM Star Holdco Limited					
Income Statement					
For the financial year 31 December	2024	2025	2026	2027	
	Actual	Forecast	Projection	Projection	
	6 months	12 months	12 months	12 months	
	£'000	£'000	£'000	£'000	
Revenue	6,412	14,002	14,701	15,289	
Cost of sales	(2,217)	(4,002)	(4,202)	(4,369)	
Gross profit	4,195	10,000	10,499	10,920	
Net operating costs	(1,436)	(4,773)	(4,383)	(4,508)	
EBITDA	2,759	5,227	6,116	6,412	
Depreciation and amortisation	(1,065)	(1,224)	(1,364)	(1,511)	
Operating profit	1,694	4,003	4,752	4,901	
Net finance costs	(1,233)	(3,543)	(3,122)	(3,159)	
Profit before tax	461	460	1,630	1,742	
Taxation	(639)	97	101	(63)	
Profit / (loss) after tax	(178)	557	1,731	1,679	
Other comprehensive income					
Revaluation of property, plant, and equipment, net of tax	11,330	2,067	3,779	3,459	
Total comprehensive income	11,152	2,624	5,510	5,138	



MM Star Holdco Limited Key Financial Ratios	FY2024 Actual	FY2025 Forecast	FY2026 Projection	FY2027 Projection
Gross profit margin (%) (Gross profit / revenue)	65.42	71.42	71.42	71.42
EBITDA margin (%) (EBITDA / revenue)	43.03	37.33	41.60	41.94
Operating profit margin (%) (Operating profit / revenue)	26.42	28.59	32.32	32.06
Net profit margin (%) (Profit after tax / revenue)	(2.78)	3.98	11.77	10.98
Return on equity (%)* (Profit after tax / average equity)	(1.16)	2.16	6.02	6.31
Return on assets (%)* (Profit after tax / average assets)	(0.46)	0.69	2.05	1.84
Return on invested capital (%)* (Operating profit / average equity and net debt)	4.83	5.69	6.59	6.64
Interest cover (times) (EBITDA / net finance costs)	2.24	1.48	1.96	2.03

* FY2024 annualised

INCOME STATEMENT

The MM Star Group came into effect in July 2024 with the acquisition of YOTEL Edinburgh. As such, the FY2024 results of MM Star HoldCo reflect the operational performance of YOTEL Edinburgh for the six-month period ended 31 December 2024. Refer to Section 10 of this report for a review of the operational results of YOTEL Edinburgh for the financial year ended 31 December 2024.

In FY2024, the MM Star Group recognised an uplift in the fair value of YOTEL Edinburgh amounting to £11.33 million, net of tax.

For the 3-year projected financial years (FY2025 to FY2027), revenue and gross profit generated from the operation of the YOTEL Edinburgh are expected to amount to £43.99 million and £31.42 million respectively. As a result, MM Star Group expects to achieve a gross profit margin of 71.42% in each of the projected financial years.

After accounting for net operating costs, EBITDA is projected to increase from £5.23 million in FY2025 to £6.41 million in FY2027, thus achieving an EBITDA margin by FY2027 of 41.94% (FY2025: 37.33%). Interest cover is projected at 1.48 times in FY2025, and 1.96 times and 2.03 times in the subsequent two financial years.

MM Star Group expects to register a profit in FY2025 of £0.56 million, which is projected to increase to £1.73 million in FY2026 and £1.68 million the year after.

During the three projected financial years, MM Star Group anticipates that the fair value of YOTEL Edinburgh will increase by £9.31 million (net of taxation).



MM Star Holdco Limited Statement of Cash Flows For the financial year 31 December	2024	2025	2026	2027
	Actual	Forecast	Projection	Projection
	6 months	12 months	12 months	12 months
	£'000	£'000	£'000	£'000
Net cash from operating activities	3,557	5,678	5,965	6,258
Net cash used in investing activities	(62,454)	(185)	(420)	(441)
Free cash flow	(58,897)	5,493	5,545	5,817
Net cash from / (used in) financing activities	59,630	(1,339)	(2,467)	(2,467)
Net movement in cash and cash equivalents	733	4,154	3,078	3,350
Cash and cash equivalents at beginning of year	2	735	4,889	7,967
Cash and cash equivalents at end of year	735	4,889	7,967	11,317

STATEMENT OF CASH FLOWS

Net cash from operating activities in FY2024 amounted to £3.56 million and related to the operation of YOTEL Edinburgh for the six-month period ended 31 December 2024. A description of the operational performance of the hotel for the full year is included in Section 10 of this Analysis.

During the three projection years, cash inflows from operating activities are expected to amount to £17.90 million.

Net cash used in investing activities principally reflects the acquisition of YOTEL Edinburgh, while cash inflows from financing activities relate to the financing thereof and comprise shareholders' advance (£19.55 million), sale-and-leaseback transaction (£25.00 million) and bank loan (£15.08 million). Further information on the hotel transaction is included in Section 6.2 – 'The Acquisition' of this Analysis.

No material capital expenditure is anticipated at least in the near term. As such, net cash used in investing activities is projected at £1.05 million for the three projected financial years (FY2025 to FY2027).

MM Star Group is expected to use a net amount of £6.27 million for financing activities, which shall comprise interest on bank borrowings and debt securities, and lease payments. Furthermore, in FY2025, the net proceeds raised from the issue of Bonds, amounting to *circa* £29 million, shall be used to repay bank borrowings and part of shareholders' advances.

STATEMENT OF FINANCIAL POSITION



MM Star Holdco Limited
Statement of Financial Position
For the financial year 31 December

	2024	2025	2026	2027
	Actual	Forecast	Projection	Projection
	£'000	£'000	£'000	£'000
ASSETS				
Non-current assets				
Property, plant and equipment	76,100	78,338	82,954	87,017
Deferred tax assets	76	-	-	-
	76,176	78,338	82,954	87,017
Current assets				
Inventories	20	-	-	-
Trade and other receivables	437	468	495	518
Cash at bank and in hand	735	4,889	7,967	11,317
	1,192	5,357	8,462	11,835
Total assets	77,368	83,695	91,416	98,852
EQUITY				
Called up share capital	-	250	250	250
Revaluation reserve	11,330	13,397	17,176	20,635
Shareholders' advances	19,545	6,474	6,474	6,474
Retained profits	(178)	770	2,892	4,961
	30,697	20,891	26,792	32,320
LIABILITIES				
Non-current liabilities				
Debt securities	-	28,926	28,926	28,926
Bank borrowings	14,417	-	-	-
Other financial liabilities	25,062	25,686	26,341	27,033
Deferred tax liabilities	4,050	4,663	5,923	7,076
	43,529	59,275	61,190	63,035
Current liabilities				
Bank borrowings	700	-	-	-
Trade and other payables	2,442	3,529	3,434	3,497
	3,142	3,529	3,434	3,497
Total liabilities	46,671	62,804	64,624	66,532
Total equity and liabilities	77,368	83,695	91,416	98,852
<i>Total debt</i>	<i>40,179</i>	<i>54,612</i>	<i>55,267</i>	<i>55,959</i>
<i>Net debt</i>	<i>39,444</i>	<i>49,723</i>	<i>47,300</i>	<i>44,642</i>
<i>Invested capital (total equity plus net debt)</i>	<i>70,141</i>	<i>70,614</i>	<i>74,092</i>	<i>76,962</i>



MM Star Holdco Limited Key Financial Ratios	FY2024 Actual	FY2025 Forecast	FY2026 Projection	FY2027 Projection
Net debt-to-EBITDA (times)* (<i>Net debt / EBITDA</i>)	7.15	9.51	7.73	6.96
Net debt-to-equity (times) (<i>Net debt / total equity</i>)	1.28	2.38	1.77	1.38
Net gearing (%) (<i>Net debt / net debt and total equity</i>)	56.24	70.42	63.84	58.01
Debt-to-assets (times) (<i>Total debt / total assets</i>)	0.52	0.65	0.60	0.57
Leverage (times) (<i>Total assets / total equity</i>)	2.52	4.01	3.41	3.06
Current ratio (times) (<i>Current assets / current liabilities</i>)	0.38	1.52	2.46	3.38

* FY2024 EBITDA annualised

Total assets of the MM Star Group as at 31 December 2024 amounted to £77.37 million and principally comprised the YOTEL Edinburgh with a value of £76.10 million. The property is recognised at its full freehold value, while the sale-and-leaseback transaction is accounted for as a financial liability in non-current liabilities (£25.06 million). The YOTEL Edinburgh was acquired for £60.15 million in July 2024 and subsequently revalued to £76.10 million as at 31 December 2024.

Total liabilities amounted to £46.67 million and mainly included the above-mentioned financial liability and bank borrowings of £15.12 million, proceeds of which were used for the acquisition. Deferred tax liability of £4.05 million resulted from the revaluation uplift of the property.

Equity of £30.70 million comprised:

- (i) Share capital of £1.
- (ii) Shareholders' advances of £19.55 million represents funding from MM Star HoldCo's immediate parent company Millemont 3 Limited Partnership, out of an original facility of £20.50 million drawn down in connection with the acquisition of YOTEL Edinburgh as well the working capital requirements of the Group. The loan is interest-free, unsecured and has no repayment date.

MM Star HoldCo may elect to repay the advance in whole or in part at any time and MM Star HoldCo may repay any part of the advance by settling in cash or through an issuance of a fixed number of ordinary shares of MM Star HoldCo. If MM Star HoldCo elects to repay any advance through an issuance of ordinary shares of MM Star HoldCo, the ratio will be 1 ordinary share for each £1 of advance. The option to settle in cash or by issuing shares of MM Star HoldCo is at MM Star HoldCo's sole election and there are no circumstances which would allow the Partnership to demand repayment of any advance in either cash or through an issuance of shares of MM Star HoldCo.

- (iii) Revaluation reserve of £11.33 million relates to the increase in fair value of the property.
- (iv) Accumulated losses of £0.18 million.

Movements in the statement of financial position as at 31 December 2025 compared to the prior year mainly reflect the issuance of circa £29 million in debt securities, the net proceeds of which shall be used to repay bank borrowings and part of shareholders' advances. In consequence, the Group's equity is expected to decrease from £30.70 million as at 31 December 2024 to £20.89 million as at 31 December 2025.

In non-current assets, the carrying value of the YOTEL Edinburgh is projected to increase from £76.10 million as at 31 December 2024 to £87.02 million by 31 December 2027 (+14%).

The net gearing of MM Star Group is expected to reach 70.42% as at 31 December 2025, but progressively decrease to 58.01% by 31 December 2027, mainly in consequence of an increase in equity of £11.43 million (on account of an increase in accumulated earnings and revaluation reserve) and higher cash balances (+£6.43 million).



PART 3 – COMPARATIVE ANALYSIS

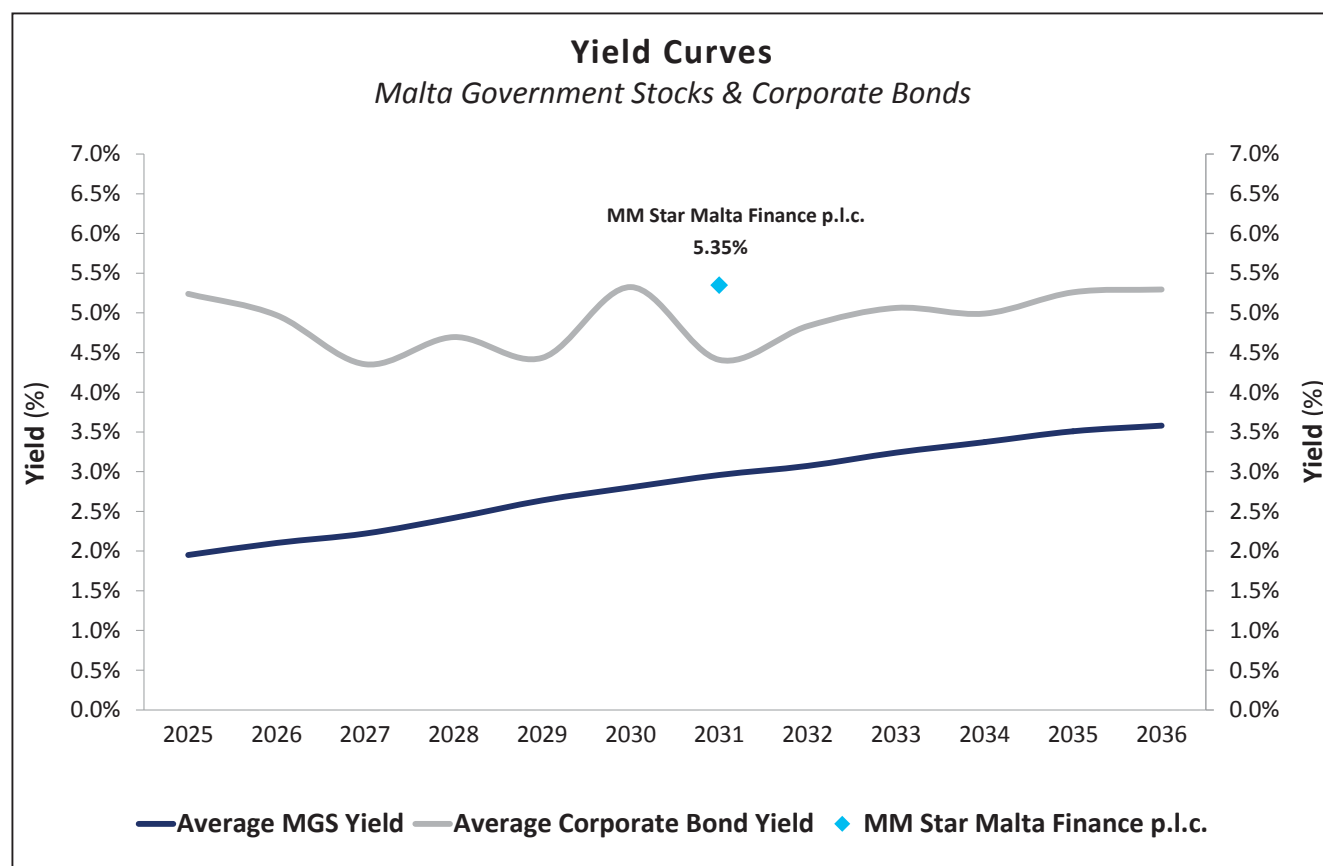
The table below provides a comparison between MM Star Group and its bonds with other debt issuers and their respective debt securities listed on the Official List of the Malta Stock Exchange. Although there are significant variances between the activities of MM Star Group and those of other debt issuers (including different industries, principal markets, competition, capital requirements etc.), and material differences between the risks associated with MM Star Group's business and those of other debt issuers, the comparative analysis illustrated in the table below serves as an indication of the relative financial strength and creditworthiness of MM Star Group.

Comparative Analysis*	Amount Issued (€'000)	Yield-to- Maturity / Worst (%)	Interest Cover (times)	Net Debt-to- EBITDA (times)	Net Gearing (%)	Debt-to- Assets (times)
4.50% Hili Properties p.l.c. Unsecured & Guaranteed 2025	37,000	0.00	2.01	7.67	45.64	0.42
4.35% Hudson Malta p.l.c. Unsecured & Guaranteed 2026	12,000	4.33	4.93	4.63	73.87	0.55
4.25% CPHCL Finance p.l.c. Unsecured & Guaranteed 2026	40,000	4.46	1.35	11.96	43.62	0.40
4.00% International Hotel Investments p.l.c. Secured 2026	55,000	3.99	1.46	11.17	43.36	0.40
5.00% Dizz Finance p.l.c. Unsecured & Guaranteed 2026	8,000	5.09	1.96	9.84	84.18	0.55
3.75% Premier Capital p.l.c. Unsecured 2026	65,000	3.81	12.23	2.16	69.41	0.59
4.00% International Hotel Investments p.l.c. Unsecured 2026	60,000	3.99	1.46	11.17	43.36	0.40
3.25% AX Group p.l.c. Unsecured 2026	15,000	3.24	3.09	7.54	42.13	0.37
4.35% SD Finance p.l.c. Unsecured & Guaranteed 2027	65,000	4.07	5.86	2.93	30.32	0.34
4.00% Eden Finance p.l.c. Unsecured & Guaranteed 2027	40,000	3.94	4.55	6.93	28.64	0.26
5.25% Mediterranean Investments Holding p.l.c. Unsecured & Guaranteed 2027	30,000	5.12	5.81	2.45	20.10	0.19
4.00% Stivala Group Finance p.l.c. Secured & Guaranteed 2027	45,000	3.55	4.46	5.18	21.99	0.20
4.75% Best Deal Properties Holding p.l.c. Secured & Guaranteed 2025-2027	14,438	4.74	110.36	8.31	74.19	0.73
4.75% Gap Group p.l.c. Secured & Guaranteed 2025-2027	23,000	4.74	n/a	1.04	26.65	0.33
5.85% Mediterranean Investments Holding p.l.c. Unsecured & Guaranteed 2028	20,000	5.15	5.81	2.45	20.10	0.19
5.75% PLAN Group p.l.c. Secured & Guaranteed 2028	12,000	5.10	2.48	14.28	51.39	0.46
5.75% Best Deal Properties Holding p.l.c. Secured & Guaranteed 2027-2029	15,000	5.17	110.36	8.31	74.19	0.73
3.65% Stivala Group Finance p.l.c. Secured & Guaranteed 2029	15,000	4.41	4.46	5.18	21.99	0.20
3.75% AX Group p.l.c. Unsecured 2029	10,000	3.75	3.09	7.54	42.13	0.37
6.25% GPH Malta Finance p.l.c. Unsecured & Guaranteed 2030	18,144	6.00	1.81	6.89	96.76	0.83
5.35% MM Star Malta Finance p.l.c. Secured & Guaranteed 2029-2031	35,000	5.35	2.24	7.15	56.24	0.52
3.65% International Hotel Investments p.l.c. Unsecured 2031	80,000	5.02	1.46	11.17	43.36	0.40
3.50% AX Real Estate p.l.c. Unsecured 2032	40,000	5.11	2.87	8.01	51.84	0.47
5.35% Best Deal Properties Holding p.l.c. Unsecured 2032	7,000	4.90	110.36	8.31	74.19	0.73
5.80% GPH Malta Finance plc Unsecured & Guaranteed 2032	15,000	5.45	1.81	6.89	96.76	0.83
5.00% Mariner Finance p.l.c. Unsecured 2032	36,930	4.83	4.00	5.48	45.91	0.45
5.85% AX Group p.l.c. Unsecured 2033	40,000	4.96	3.09	7.54	42.13	0.37
6.00% International Hotel Investments p.l.c. Unsecured 2033	60,000	5.32	1.46	11.17	43.36	0.40
4.50% The Ona p.l.c. Secured & Guaranteed 2028-2034	16,000	4.50	2.35	12.72	77.11	0.69
5.35% Hal Mann Vella Group p.l.c. Secured 2031-2034	23,000	4.79	2.69	7.13	47.59	0.42
5.30% International Hotel Investments p.l.c. Unsecured 2035	35,000	5.04	1.46	11.17	43.36	0.40
5.50% Juel Group p.l.c. Secured & Guaranteed 2035	32,000	5.30	15.06	23.23	58.68	0.48
5.80% Agora Estates p.l.c. Secured 2036 S1 T1	12,000	5.33	0.99	21.21	35.45	0.33
5.50% Agora Estates p.l.c. Secured 2036 S1 T2	9,000	5.26	0.99	21.21	35.45	0.33

*As at 15 May 2025

Sources: Malta Stock Exchange, M.Z. Investment Services Limited, and most recent audited annual financial statements of respective Issuers and, or Guarantors.





The new **5.35% MM Star Malta Finance p.l.c. secured and guaranteed bonds 2029-2031** have been priced at a premium of 94 basis points over the average yield-to-maturity of 4.41% of other local corporate bonds maturing in the same year as at 15 May 2025. The premium over the corresponding average Malta Government Stock yield of equivalent maturity (2.96%) stood at 239 basis points.



PART 4 – EXPLANATORY DEFINITIONS

INCOME STATEMENT

Revenue	Total income generated from business activities.
EBITDA	Earnings before interest, tax, depreciation, and amortisation. It is a metric used for gauging operating performance excluding the impact of capital structure. EBITDA is usually interpreted as a loose proxy for operating cash flows.
Adjusted operating profit / (loss)	Profit (or loss) from core operations, excluding movements in the fair value of investment property, share of results of associates and joint ventures, net finance costs, and taxation.
Operating profit / (loss)	Profit (or loss) from operating activities, including movements in the fair value of investment property but excluding the share of results of associates and joint ventures, net finance costs, and taxation.
Share of results of associates and joint ventures	Share of profit (or loss) from entities in which the company does not have a majority shareholding.
Profit / (loss) after tax	Net profit (or loss) registered from all business activities.

PROFITABILITY RATIOS

EBITDA margin	EBITDA as a percentage of revenue.
Operating profit margin	Operating profit (or loss) as a percentage of total revenue.
Net profit margin	Profit (or loss) after tax as a percentage of total revenue.
Return on equity	Measures the rate of return on net assets and is computed by dividing the net profit (or loss) for the year by average equity.
Return on assets	Measures the rate of return on assets and is computed by dividing the net profit (or loss) for the year by average assets.
Return on invested capital	Measures the rate of return from operations and is computed by dividing operating profit (or loss) for the year by the average amount of equity and net debt.

STATEMENT OF CASH FLOWS

Net cash from / (used in) operating activities	The amount of cash generated (or consumed) from the normal conduct of business.
Net cash from / (used in) investing activities	The amount of cash generated (or consumed) from activities related to the acquisition, disposal, and/or development of long-term assets and other investments.
Net cash from / (used in) financing activities	The amount of cash generated (or consumed) that have an impact on the capital structure, and thus result in changes to share capital and borrowings.
Free cash flow	Represents the amount of cash generated (or consumed) from operating activities after considering any amounts of capital expenditure.

STATEMENT OF FINANCIAL POSITION

Non-current assets	These represent long-term investments which full value will not be realised within the next twelve months. Such assets, which typically include property, plant, equipment, and investment property, are capitalised rather than expensed, meaning that the amortisation of the cost of the asset takes place over the number of years for which the asset will be in use. This is done instead of allocating the entire cost to the accounting year in which the asset was acquired.
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Current assets	All assets which could be realisable within a twelve-month period from the date of the Statement of Financial Position. Such amounts may include development stock, accounts receivable, cash and bank balances.
Non-current liabilities	These represent long-term financial obligations which are not due within the next twelve months, and typically include long-term borrowings and debt securities.
Current liabilities	Liabilities which fall due within the next twelve months from the date of the Statement of Financial Position, and typically include accounts payable and short-term debt.
Total equity	Represents the residual value of the business (assets minus liabilities) and typically includes the share capital, reserves, as well as retained earnings.

FINANCIAL STRENGTH / CREDIT RATIOS

Interest cover	Measures the extent of how many times a company can sustain its net finance costs from EBITDA.
Net debt-to-EBITDA	Measures how many years it will take a company to pay off its net interest-bearing liabilities (including lease liabilities) from EBITDA, assuming that net debt and EBITDA are held constant.
Net debt-to-equity	Shows the proportion of net debt (including lease liabilities) to the amount of equity.
Net gearing	Shows the proportion of equity and net debt used to finance a company's business and is calculated by dividing net debt by the level of invested capital.
Debt-to-assets	Shows the degree to which a company's assets are funded by debt and is calculated by dividing all interest-bearing liabilities (including lease liabilities) by total assets.
Leverage	Shows how many times a company is using its equity to finance its assets.
Current ratio	Measures the extent of how much a company can sustain its short-term liabilities from its short-term assets.

