



KLIK FINANCE **K**

COMPANY ADMISSION DOCUMENT

This document, which comprises an admission document, required by the rules of Prospects, a market operated by the Malta Stock Exchange (the "MSE" or "Exchange"), has been drawn up in compliance with the Prospects Rules issued by the Exchange. This document does not comprise a document drawn up in terms of the EU Prospectus Directive (2003/71/EC) or for the purposes of the Listing Rules of the Listing Authority. In terms of article 2(3)(b) (v) of the Companies Act, Chapter 386 of the Laws of Malta, this Bond Issue does not constitute an offer of securities to the public and this document does not constitute a prospectus as defined in article 2(i) of the said Act.



a public limited liability company incorporated under the Laws of Malta
company registration number C 52833

In respect of an issue of
€2,000,000 5.25% Unsecured Bonds 2027
 ISIN: MT0001541201

COMPANY ADMISSION DOCUMENT

Dated 3 July 2017

THE MSE HAS AUTHORISED THE ISSUE OF THIS DOCUMENT. THE MSE DOES NOT GIVE ANY CERTIFICATION, REPRESENTATION, WARRANTY OR GUARANTEE REGARDING THE POTENTIAL RISKS INVOLVED IN INVESTING IN THE SAID SECURITIES OR THE SAFETY OF INVESTING IN SUCH SECURITIES. THE MSE ACCEPTS NO RESPONSIBILITY FOR ACCURACY OR COMPLETENESS OF THIS ADMISSION DOCUMENT 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 ADMISSION DOCUMENT. THE DIRECTORS OF THE ISSUER, ARE THE PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS DOCUMENT. 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 DOCUMENT IS IN ACCORDANCE WITH FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORTANCE OF SUCH INFORMATION. THE DIRECTORS ASSUME FULL RESPONSIBILITY FOR ITS CONTENTS ACCORDINGLY.

THE MSE HAS AUTHORISED THE ADMISSION OF THESE SECURITIES ON PROSPECTS, A MULTILATERAL TRADING FACILITY OPERATED BY THE EXCHANGE. THIS MEANS THAT THE SAID INSTRUMENTS ARE IN COMPLIANCE WITH THE ADMISSION REQUIREMENTS SET OUT IN THE EXCHANGE BYE-LAWS. IN PROVIDING THIS AUTHORISATION, THE MSE DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENTS AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENTS.

INVESTING IN COMPANIES ADMITTED TO PROSPECTS MAY PUT AN INVESTOR'S CASH PARTLY OR WHOLLY AT RISK. SECURITIES ISSUED BY SMALL AND MEDIUM SIZED ENTERPRISES TEND TO BE ILLIQUID AND CARRY HIGHER RISKS. INVESTORS SHOULD THUS SEEK APPROPRIATE ADVICE AND READ THE WHOLE DOCUMENT BEFORE MAKING ANY INVESTMENT DECISIONS. THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. IF YOU NEED ADVICE OR ARE REQUIRED UNDER APPLICABLE LEGISLATION TO SEEK ADVICE WITH RESPECT TO THIS SECURITIES ISSUE, YOU SHOULD CONSULT A DULY LICENSED INVESTMENT ADVISOR.

APPROVED BY THE DIRECTORS

Mr Gordon Zammit

Mr Joseph Tabone

Mr William Van Buren

Dr Michael Borg Costanzi

IMPORTANT INFORMATION

THIS COMPANY ADMISSION DOCUMENT CONTAINS INFORMATION ON KLIKK FINANCE P.L.C. IN ITS CAPACITY AS ISSUER, IN ACCORDANCE WITH THE PROSPECTS RULES ISSUED BY THE MALTA STOCK EXCHANGE.

APPLICATION HAS BEEN MADE TO THE EXCHANGE FOR THE BONDS TO BE ADMITTED TO TRADING ON PROSPECTS. PROSPECTS IS A MARKET OF THE MALTA STOCK EXCHANGE DESIGNED PRIMARILY FOR EMERGING AND SMALLER COMPANIES TO WHICH A HIGHER INVESTMENT RISK TENDS TO BE ATTACHED. PROSPECTS SECURITIES ARE NOT ADMITTED TO THE OFFICIAL LIST OF THE MALTA STOCK EXCHANGE.

THE INFORMATION CONTAINED HEREIN IS BEING MADE AVAILABLE IN CONNECTION WITH AN ISSUE BY THE ISSUER OF €2,000,000 UNSECURED BONDS 2027 OF A NOMINAL VALUE OF €100 PER BOND, EACH TO PROSPECTS. THE BONDS SHALL BE ISSUED AT PAR AND BEAR INTEREST AT THE RATE OF 5.25% PER ANNUM PAYABLE ANNUALLY IN ARREARS ON 31 JULY OF EACH YEAR UNTIL THE REDEMPTION DATE, WITH THE FIRST INTEREST PAYMENT FALLING DUE ON 31 JULY 2018. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON 31 JULY 2027.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER OR ITS 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 COMPANY ADMISSION DOCUMENT AND OTHER DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER OR ITS RESPECTIVE DIRECTORS, OR ADVISORS.

THE MSE ACCEPTS NO RESPONSIBILITY FOR THE COMPLETENESS OR ACCURACY OF THE COMPANY ADMISSION DOCUMENT 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 ADMISSION DOCUMENT.

THE COMPANY ADMISSION DOCUMENT 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 COMPANY ADMISSION DOCUMENT 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 COMPANY ADMISSION DOCUMENT AND THE OFFERING, SALE OR DELIVERY OF ANY BONDS MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE COMPANY ADMISSION DOCUMENT 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 COMPANY ADMISSION DOCUMENT 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.

INVESTING IN COMPANIES ADMITTED TO PROSPECTS MAY PUT AN INVESTOR'S CASH PARTLY OR WHOLLY AT RISK. SECURITIES ISSUED BY SMALL AND MEDIUM SIZED ENTERPRISES TEND TO BE ILLIQUID AND CARRY HIGHER RISKS. INVESTORS SHOULD THUS SEEK APPROPRIATE ADVICE AND READ THE WHOLE DOCUMENT BEFORE MAKING ANY INVESTMENT DECISION. A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY FINANCIAL INSTRUMENT. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT LEGAL ADVISORS, ACCOUNTANTS AND/OR OTHER FINANCIAL ADVISORS AS TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE BONDS AND THE COMPANY ADMISSION DOCUMENT.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE APPLICANTS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE COMPANY 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.

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 COMPANY ADMISSION DOCUMENT (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

THE BONDS HAVE NOT BEEN NOR WILL THEY BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933 AS AMENDED, OR UNDER ANY FEDERAL OR STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, OR ANY AREA SUBJECT TO ITS JURISDICTION (THE "U.S.") OR TO OR FOR THE BENEFIT OF, DIRECTLY OR INDIRECTLY, ANY U.S. PERSON (AS DEFINED IN REGULATION "S" OF THE SAID ACT). FURTHERMORE THE ISSUER WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT, 1940 AS AMENDED AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS SET OUT THEREIN.

A COPY OF THE ADMISSION DOCUMENT HAS BEEN SUBMITTED TO THE MSE IN THE CONTEXT OF AN APPLICATION FOR ADMISSION OF THE COMPANY'S SECURITIES TO PROSPECTS. THE MSE HAS AUTHORISED THE ISSUE OF THIS DOCUMENT. BY SO DOING, THE MSE DOES NOT GIVE ANY CERTIFICATION, REPRESENTATION, WARRANTY OR GUARANTEE REGARDING THE POTENTIAL RISKS INVOLVED IN INVESTING IN THE SAID SECURITIES OR THE SAFETY OF INVESTING IN SUCH SECURITIES.

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

ALL ADVISORS TO THE ISSUER NAMED IN THIS COMPANY ADMISSION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS INTERMEDIARIES' OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY 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 COMPANY ADMISSION DOCUMENT, NEITHER SHALL SUCH ADVISORS BE RESPONSIBLE FOR THE CONTENTS OF, AND ANY INFORMATION CONTAINED IN THE ADMISSION DOCUMENT, ITS COMPLETENESS OR ACCURACY OR ANY OTHER STATEMENT MADE IN CONNECTION THEREWITH.

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

UNLESS OTHERWISE STATED, 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 COMPANY ADMISSION DOCUMENT. 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 RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THIS COMPANY ADMISSION DOCUMENT AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS.

DEFINITIONS

In this Company Admission Document, the following words and expressions shall bear the following meaning whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

Act or Companies Act	the Companies Act (Cap. 386 of the Laws of Malta);
Admission Document or Company Admission Document or Document	this document in its entirety, including all its annexes;
Applicant/s	a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;
Application/s	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form/s and delivering same to the Placement Agent, Manager and Registrar (defined below) in accordance with the terms of this Company Admission Document;
Application Form	the form of application for subscription, a specimen of which is contained in Annex B of this Company Admission Document;
Authorised Financial Intermediaries	the licensed stockbrokers and financial intermediaries listed in Annex C of this Company Admission Document;
Bond/s or Securities	a maximum of €2,000,000 unsecured bonds 2027 of a nominal value of €100 per bond issued at par and redeemable on the Redemption Date at their nominal value, bearing interest at the rate of 5.25% per annum;
Bondholder	a holder of Bond/s;
Bond Issue	the issue of the Bond/s;
Bond Issue Price	the price of €100 per Bond;
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;
CET	Central European Time;
Company or Issuer	Klikk Finance p.l.c., a company registered under the Laws of Malta with company registration number C 52833 having its registered office at Hal Mann, The Factory, Mosta Road, Lija LJA 9016, Malta;
Corporate Advisor and/or Reporting Accountant	Grant Thornton of Suite 3, Tower Business Centre, Tower Street, Swatar, BKR 4013, Malta, and/or any related entity, and/or affiliate, as duly authorised to act as Corporate Advisor by the MSE, in terms of the Prospects Rules;
CSD	the Central Securities Depository of the MSE authorised in terms of Part IV of the Financial Markets Act (Cap. 345 of the Laws of Malta), having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;

Directors or Board	the directors of the Issuer whose names are set out in section 5.1, and 'Director' shall be construed accordingly;
EBIT	Earnings Before Interest and Taxation;
EBITDA	Earnings Before Interest, Taxation, Depreciation and Amortisation;
euro or €	the lawful currency of the Republic of Malta;
Exchange, Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., a public limited liability company registered under the Laws of Malta, having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta and bearing company registration number C 42525;
Financial Markets Act	the Financial Markets Act (Cap. 345 of the Laws of Malta), formerly the Malta Stock Exchange Act;
FY	Financial Year;
Interest	the Bonds shall bear interest from and including 1 August 2017 at the rate of 5.25% per annum payable annually in arrears on the Interest Payment Date;
Interest Payment Date/s	annually, on 31 July of each year commencing on 31 July 2018 and ending and including the 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;
Intermediaries' Offer	shall have the meaning set out in section 22.2 of the Company Admission Document;
Issue Period	the period between 08:30 hours (CET) on 4 July 2017 and 12:00 hours (CET) on 21 July 2017 (or such earlier date as may be determined by the Issuer) during which the Bonds are available for subscription;
Klikk Limited	Klikk Limited, a company registered under the Laws of Malta with company registration number C 30425 having its registered office at 'Design House', Dun Karm street, Birkirkara by-pass, Birkirkara, BKR 4019, Malta;
Klikk Group	the Company and Klikk Limited and any company or entity in which the Company has a controlling interest;
Listing Authority	the Malta Financial Services Authority, appointed as Listing Authority for the purposes of the Financial Markets Act (Cap. 345 of the Laws of Malta) by virtue of Legal Notice 1 of 2003;
Listing Rules	the listing rules issued by the Listing Authority, as may be amended from time to time;
Memorandum and Articles of Association or M&A	the memorandum and articles of association of the Issuer, in force at the time of publication of the Company Admission Document;
MFSA	Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap. 330 of the Laws of Malta);
Placement Agent, Manager and Registrar	Financial Planning Services Limited, a limited liability company registered under the Laws of Malta and duly authorised in terms of the Investment Services Act (Cap. 370 of the Laws of Malta), having its registered address situated at 4, Marina Court, Giuseppe Cali Street, Ta' Xbiex, XBX 1421, Malta, and company registration number C 3608;

Prospects	the market regulated as a multilateral trading facility operated by the MSE providing a venue for start-up and growth small to medium sized enterprises to float their capital (including equity or debt) on the market;
Prospects List	the list prepared and published by the MSE as its recognised list in accordance with the Prospects Rules;
Prospects Rules	the rules issued by the Board of Directors of the MSE, in exercise of the powers conferred on it by the Financial Markets Act (Cap. 345 of the Laws of Malta) regulating the Prospects market;
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as may be amended from time to time;
Redemption Date	31 July 2027;
Redemption Value	at par (€100 per Bond);
Small and medium sized enterprises or SMEs	an enterprise as defined in Article 2(1) of the Companies Act (Cap. 386 of the Laws of Malta) and in line with the Prospects Rules, and 'SMEs' shall be construed accordingly;
Summary	a summary of the salient features of the Document, as contained in the section entitled "Summary";
Terms and Conditions	the terms and conditions of the Bond Issue, which are included in section 24 of this Company Admission Document.

All references in this Company Admission Document to "Malta" are to the "Republic of Malta".

Unless it appears otherwise from the context:

- a. words importing the singular shall include the plural and vice-versa;
- b. words importing the masculine gender shall include the feminine gender and vice-versa;
- c. the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;
- d. any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations or trusts;
- e. any reference to a person includes that person's legal personal representatives, successors and assigns;
- f. 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;
- g. any reference to a law, legislative act, and/or other legislation shall mean that particular law, legislative act and/or legislation as in force at the time of issue of this Company Admission Document.

SUMMARY

SECTION A – INTRODUCTION AND WARNINGS

A.1 This Summary should be read as an introduction to the Company Admission Document. Prospective investors are hereby warned that:

- i. this Summary is being provided to convey the essential characteristics of, and risks associated with the Issuer and the securities being offered pursuant to this Document. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this Summary in making a decision as to whether to invest in the securities described in this Document. Any decision to invest in the securities should be based on consideration of the Company Admission Document as a whole by the investor;
- ii. where a claim relating to the information contained in this Company Admission Document is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Company Admission Document before the legal proceedings are initiated; and
- iii. civil liability attaches only to those persons who have tabled the Summary including any translation thereof and who applied for its notification, but only if the Summary, when read together with the other parts of the Company Admission Document, is misleading, inaccurate or inconsistent; or does not provide key information in order to aid investors when considering whether to invest in such securities.

A.2 Consent required for use of the Company Admission Document in connection with the Intermediaries' Offer, prospective investors are hereby informed that:

- i. for the purposes of any subscription for Bonds by Authorised Financial Intermediaries pursuant to the Intermediaries' Offer and any subsequent resale, placement or other offering of Bonds by Authorised Financial Intermediaries participating in the Intermediaries' Offer in circumstances where there is no exemption from the requirement to publish a Company Admission Document under the Prospects Rules, the Issuer consents to the use of the Company Admission Document (and accepts responsibility for the information contained herein in accordance with the terms hereof) with respect to any such subsequent resale, placement or other offering of Bonds, provided this is limited only: (a) in respect of Bonds subscribed for in terms of the Intermediaries' Offer by Authorised Financial Intermediaries participating in the Intermediaries' Offer; (b) to any resale, placement or other offering of Bonds subscribed for as aforesaid, taking place in Malta; and (c) to any resale, placement or other offering of Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Company Admission Document;
- ii. **in the event of a resale, placement or other offering of Bonds by an Authorised Financial Intermediary subsequent to the Intermediaries' Offer, said Authorised Financial Intermediary shall be responsible to provide information to prospective investors on the terms and conditions of the resale, placement or other offering at the time such resale, placement or other offering is made; and**
- iii. any new information with respect to Authorised Financial Intermediaries unknown at the time of the approval of the Company Admission Document will be made available through a company announcement made out by the Issuer and published on the Prospects website and which will also be made available on the Issuer's website www.klikk.com.mt.

SECTION B – THE ISSUER

- B.1 Legal and commercial name of the Issuer** – The legal and commercial name of the Issuer is Klikk Finance p.l.c. (company registration number C 52833).
- B.2 Domicile and legal form of the Issuer** – The Issuer is incorporated and domiciled in Malta and is a public limited liability company duly registered in terms of the Companies Act. The Issuer operates under the Companies Act, any regulations enacted thereunder and any other applicable legislation enacted in Malta.
- B.3 Nature of the Issuer’s operations and its principal activities** – The principal object of the Issuer is to carry on the business of a finance and holding company. The Issuer itself does not have any substantial assets, apart from its shareholding in Klikk Limited, and is a special purpose vehicle with the function of raising finance for the business of Klikk Limited, initially by providing credit to Klikk Limited’s customers and thereafter through the Bond proceeds and loan facilities raised on behalf of Klikk Limited. As the Issuer itself does not carry on any trading activities, the Issuer is economically dependent on the business prospects of Klikk Limited.

The principal object of Klikk Limited is to operate two computer retail outlets in Malta, one situated in Birkirkara and another situated in Zejtun. Klikk Limited offers its customers a variety of computer products and electronic goods, including but not limited to laptops and desktops, smartphones, tablets, televisions and computer peripheral devices. Klikk Limited’s offerings include products with leading brands across multiple categories, and in fact, the company is an authorised reseller of leading brands such as Apple, Acer and Samsung products. Furthermore, Klikk also offers bespoke software solutions. Klikk Limited supplies its products and services mainly to individuals, corporate customers and Government institutions. Customers may acquire the products and/or services either through an outright cash sale or on credit as secured by bills of exchange.

- B.4 Significant recent trends of the Issuer** – As the Issuer has the function of acting as a finance and holding company, the Issuer’s business is limited to raising capital and advancing such funds to its subsidiary Klikk Limited. Consequently, as the Issuer is dependent on the business prospects of Klikk Limited, the trend information of Klikk Limited has a material effect on its financial position and prospects.

According to Gartner (2017)¹, worldwide IT spending (excluding telecommunications) is projected to total \$2.1 trillion in 2017, a 2.5% increase from 2016 spending of \$2.0 trillion. Even at an EU level, the index of retail sale of computers, peripheral units and software and telecommunications equipment amongst others in specialised stores grew steadily, with the index reaching 115.4 as at December 2016, representing a 15% increase between 2010 and 2016.

Based on data specifically requested from Malta’s National Statistics Office, retail sales of information and communication equipment in specialised stores in Malta have performed strongly over the past few years, reflecting the performance of the retail sector in general over the period. In fact, turnover within the sector has increased from €104.2 million in 2011 to €125.5 million in 2015, representing an increase of 20%.

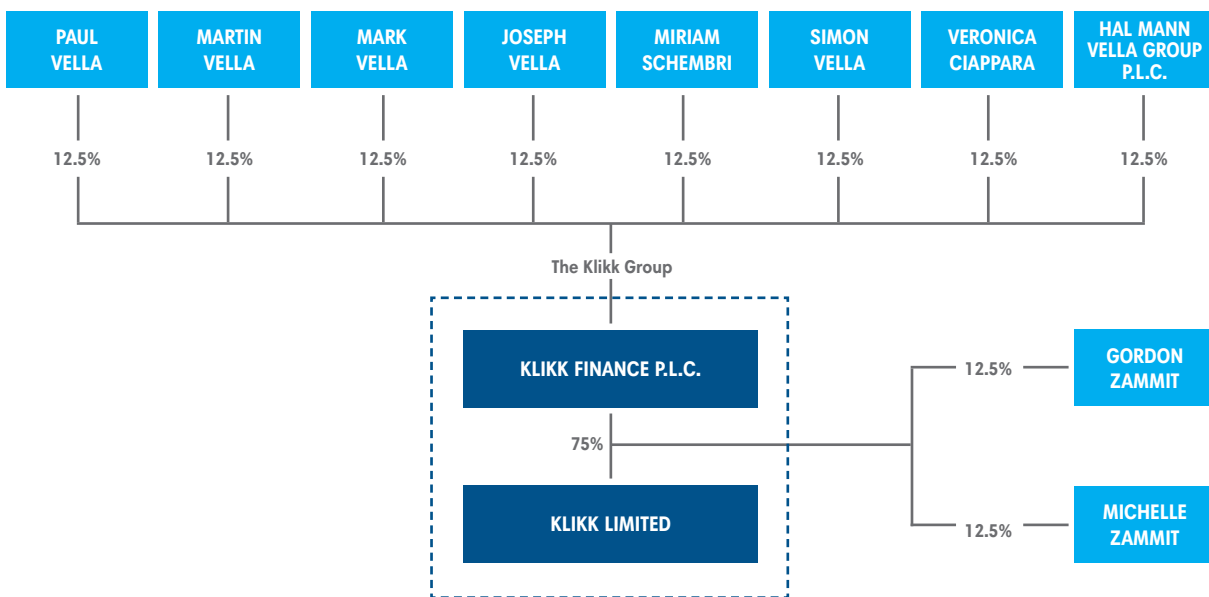
The IT hardware, software and services industry is very fragmented and highly competitive. Klikk Limited competes with a large number and wide variety of marketers and resellers of IT hardware, software and services, with the competitive landscape in the industry continually changing as various competitors expand their product and service offerings.

Klikk Limited’s competitors include Scan, Sound Machine, Forestals and iCentre. Klikk Limited registered a decline in both revenue and market share over the period 2013 to 2015, when compared to the performance of these four competitors. This decline was principally due to issues in relation to cash flow, which in turn impacted inventory and revenue. During 2016,

¹ www.gartner.com/newsroom (accessed on 17 May 2017)

the shareholders of Klikk Finance p.l.c. advanced funds of €1.2 million into Klikk Limited of which €0.5 million were used to acquire a 75% shareholding in Klikk Limited on 24 August 2016, whereby new shares were issued by Klikk Limited to Klikk Finance p.l.c., whilst the remaining €0.7 million were used to provide credit to Klikk Limited’s customers. Following this injection of €1.2 million into Klikk Limited, a 6% growth in revenue was achieved in 2016, when compared to 2015. Through the Bond Issue, the Klikk Group is projecting a turnaround in its business, given that with sufficient stock, the Klikk Group can achieve further growth as well as margins in line with its competitors. Klikk Group’s principal strategic ambition is to provide a successful and sustainable business model as well as strengthening the core business by enhancing its e-commerce capabilities.

B.5 Shareholding structure – The Issuer’s current authorised and issued share capital of €100,000 is divided into 100,000 ordinary shares of €1 each, all fully paid up. The below chart sets out the shareholding structure of the Klikk Group.



B.6 Summary financial information – The historical financial information of the Issuer for the financial years ended 31 December 2014, 2015 and 2016, as audited by HLB Falzon & Falzon of 12, Casa Floriani, Pietro Floriani Street, Floriana, FRN 1060, Malta is available for inspection on Klikk Group’s website (www.klikk.com.mt) and from the registered office of the Issuer during office hours.

Extracts from the audited financial statements of the Issuer for the financial years ended 31 December 2014, 2015 and 2016 and the projections of the Issuer for the years ending 31 December 2017, 2018 and 2019 are set out below. The following extracts assume that the bond interest shall commence on 1 July 2017.

Given that on 24 August 2016, the Issuer acquired a 75% holding in Klikk Limited, the audited financial statements for the financial years ended 31 December 2014 and 2015 relate to the Issuer alone, whilst the audited financial statements for the financial year ended 31 December 2016 and the projections for the financial years ended 31 December 2017, 2018 and 2019 represent the consolidated financial statements of the Issuer and its subsidiary Klikk Limited.

Consequently, an income statement extract from the audited financial statements of Klikk Limited for the financial years ended 31 December 2014, 2015 and 2016 is presented below.

There has not been any significant change in the financial or trading position of the Issuer since the date of the latest audited financial statements.

EXTRACTS FROM THE HISTORICAL FINANCIAL INFORMATION OF KLIKK LIMITED

EXTRACT FROM THE INCOME STATEMENT FOR THE YEARS ENDED 31 DECEMBER			
€000	2014 Actual	2015 Actual	2016 Actual
Revenue	4,202	3,123	3,317
Gross profit	762	224	761
EBITDA	53	(536)	13
Profit before tax	(49)	(642)	(95)
Profit after tax	(41)	(642)	(102)

Source: Audited financial statements of Klikk Limited for the years ended 31 December 2014, 2015 and 2016

EXTRACTS FROM THE HISTORICAL AND PROJECTED FINANCIAL INFORMATION OF THE ISSUER

EXTRACT FROM THE CONSOLIDATED INCOME STATEMENT FOR THE YEARS ENDING 31 DECEMBER								
€000	2014 Actual	2015 Actual	2016 Actual	2017 Forecast	2018 Projected	2019 Projected	2020 Projected	2021 Projected
Revenue	24	-	3,364	3,662	4,636	5,580	6,595	7,716
Gross profit	24	-	807	920	1,193	1,436	1,676	1,942
EBITDA	19	(2)	38	14	122	225	356	554
Profit before tax	19	(2)	(88)	(167)	(112)	1	139	343
Profit after tax	13	(2)	(104)	(114)	(77)	(4)	86	218

Source: Audited financial statements of Klikk Finance p.l.c. for the years ended 31 December 2014, 2015 and 2016 and projections for the years ending 31 December 2017, 2018, 2019, 2020 and 2021

EXTRACT FROM THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

€000	2014 Actual	2015 Actual	2016 Actual	2017 Forecast	2018 Projected	2019 Projected	2020 Projected	2021 Projected
ASSETS								
Non-current assets	-	-	1,217	1,905	2,113	1,979	1,910	1,903
Current assets	11	3	1,238	2,518	2,186	2,286	2,415	2,619
Total assets	11	3	2,455	4,423	4,299	4,265	4,325	4,522
EQUITY AND LIABILITIES								
Equity	(40)	(42)	1,115	1,002	925	921	1,007	1,226
Total liabilities	51	45	1,340	3,421	3,374	3,344	3,318	3,296
Total equity and liabilities	11	3	2,455	4,423	4,299	4,265	4,325	4,522

Source: Audited financial statements of Klikk Finance p.l.c. for the years ended 31 December 2014, 2015 and 2016 and projections for the years ending 31 December 2017, 2018, 2019, 2020 and 2021

EXTRACT FROM THE CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDING 31 DECEMBER

€000	2014 Actual	2015 Actual	2016 Actual	2017 Forecast	2018 Projected	2019 Projected	2020 Projected	2021 Projected
Net cash generated from / (used in) operating activities	5	(10)	(1,043)	(924)	(757)	(87)	142	188
Net cash used in investing activities	-	-	-	(142)	(18)	(26)	(28)	(33)
Net cash generated from / (used in) financing activities	5	1	1,242	2,606	(145)	(153)	(161)	(170)
Net movement in cash and cash equivalents	10	(9)	199	1,540	(920)	(266)	(47)	(15)
Cash and cash equivalents at beginning of year	1	11	(281)	(82)	1,458	538	272	225
Cash and cash equivalents at end of year	11	2	(82)	1,458	538	272	225	210

Source: Audited financial statements of Klikk Finance p.l.c. for the years ended 31 December 2014, 2015 and 2016 and projections for the years ending 31 December 2017, 2018, 2019, 2020 and 2021

SECTION C – THE SECURITIES

C.1 Type and class of securities – The Issuer shall issue an aggregate of €2,000,000 in Bonds having a face value of €100 per bond, subject to a minimum subscription of €2,000 in Bonds and multiples of €100 thereafter. 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. On admission to trading on Prospects, the Bonds will have the following ISIN: MT0001541201. The Bonds shall bear interest at the rate of 5.25% per annum. The Bonds shall be repayable in full upon maturity on the 31 July 2027 (together with the interest accrued to the date fixed for redemption) unless previously re-purchased and cancelled, provided that the Issuer reserves the right to purchase any Bonds on the secondary market, at the price they would be trading at the time, prior to the Bonds' Redemption Date.

C.2 Currency – The Bonds are denominated in euro (€).

C.3 Transferability – The Bonds are freely transferable and, once admitted to the Prospects List, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.

C.4 Rights attached to the Bonds – Investors wishing to participate in the Bonds will be able to do so by duly executing the appropriate Application Form in relation to the Bonds. Execution of the Application Form will entitle such investor to:

- i. the receipt of interest;
- ii. the repayment of capital;
- iii. ranking with respect to other indebtedness of the Issuer in accordance with the status of the Bonds, as follows: “the Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other outstanding and unsecured debt each of the Issuer, present and future”;
- iv. attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and
- v. enjoy all such other rights attached to the Bonds emanating from the Company Admission Document.

The Bonds would rank after any future debts which may be secured by a cause of preference such as a pledge, privilege and/or hypothec.

C.5 Interest – The Bonds shall bear interest at the rate of 5.25% per annum payable annually in arrears on 31 July of each year, the first interest falling on 31 July 2018. 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. The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date is 5.25%.

Redemption shall take place on 31 July 2027, unless previously repurchased and cancelled. 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 so purchased will be cancelled forthwith and may not be re-issued or re-sold.

C.6 Admission on Prospects – The Malta Stock Exchange has authorised the Bonds as admissible pursuant to the Prospects Rules by virtue of a letter dated 3 July 2017. Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Company Admission Document to be admitted and traded on its Prospects List. The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 1 August 2017 and trading is expected to commence on 2 August 2017. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

SECTION D – RISKS

An investment in the Bonds involves certain risks including those described below. Prospective investors should carefully consider, with their own independent financial and other professional advisors, the following risk factors and other investment considerations as well as all the other information contained in the Company Admission Document before deciding to acquire the Bonds. Prospective investors are warned that by investing in the Bonds they may be exposing themselves to significant risks that may have the consequence of losing a substantial part or all of their investment. The sequence in which the risks below are listed is not intended to be indicative of any order of priority or of the extent of their consequences.

The Company Admission Document contains statements that are, or may be deemed to be, “forward-looking statements”, which relate to matters that are not historical facts and which may involve projections of future circumstances. They appear in a number of places throughout the Company Admission Document and include statements regarding the intentions, beliefs or current expectations of the Issuer and its Directors. These forward-looking statements are subject to a number of risks, uncertainties and assumptions and important factors that could cause actual risks to differ materially from the expectations of the Issuer and the Klikk Group’s respective Directors. No assurance is given that the future results or expectations will be achieved.

Authorised Financial Intermediaries are to determine the suitability of prospective investors’ investment in the Bonds in the light of said prospective investors’ own circumstances. The Bonds may not be a suitable investment for all investors. In particular, Authorised Financial Intermediaries should determine whether each prospective investor:

- i. has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in the Company Admission Document or any applicable supplement;
- ii. has sufficient financial resources and liquidity to bear all the risks of an investment in the bonds, including where the currency for principal or interest payments is different from the prospective investor’s currency;
- iii. understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets; and
- iv. 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/its investment and his/her/its ability to bear the applicable risks.

Below is a summary of the principal risks associated with the Bonds of the Company – there may be other risks which are not mentioned in this Summary. Investors are therefore urged to consult their own financial or other professional advisor with respect to the suitability of acquiring any of the Bonds. The following is a summary of the principal risk factors:

D.1 Essential information on the key risks relating specific to the Issuer and the Klikk Group

- i. The Issuer has the function of acting as a finance and holding company, with its main purpose being that of financing the funding requirements of Klikk Limited, and as such, its assets consist of its shareholding in Klikk Limited as well as loans to be issued to its subsidiary Klikk Limited, as mentioned hereinafter in Section E.1. “Use of Proceeds”.

Consequently, the Issuer is largely dependent, including for the purpose of servicing interest payments on the securities described in the Company Admission Document: Part Two and the repayment of the principal on Maturity Date, on receipt of interest and loan repayments from Klikk Limited.

- ii. The Klikk Group operates in a highly competitive environment, facing competition from both local and online retailers. The Klikk Group competes with these retailers for customers, employees, locations, products and other important aspects of its business. Furthermore, the Klikk Group operates in a market which has historically been predominantly price deflationary, which can put pressure on its profit margins.
- iii. The Klikk Group's customers make purchases either directly from the retail outlets or through Klikk's online store. The Klikk Group's customers increasingly expect a seamless experience when accessing these channels, particularly with respect to the online store given that the Klikk Group delivers products within two hours from receipt of order. In order to deliver such a service, the Klikk Group relies on a number of different internal systems and operating models across distribution channels. If a significant element fails this may have a material adverse effect on the Klikk Group's business, results of operations and financial condition.
- iv. The Klikk Group purchases products from a wide variety of domestic and international third party product suppliers, including a limited number of large global suppliers whose products account for a substantial proportion of the Klikk Group's sales. Many of the relationships between the Klikk Group and its suppliers are not based on long-term supply contracts and, in some instances, are not even governed by a written contract.
- v. Changes to, or withdrawals of, credit insurance provided to the Klikk Group's suppliers could have a material adverse effect on the Klikk Group's business, results of operations and financial condition.
- vi. If the Klikk Group does not anticipate and respond quickly enough to capitalise on changing technology, content, service delivery, or consumer preferences, or does not manage its inventory levels effectively, its operating results could be adversely affected.
- vii. The Klikk Group's business is seasonal, with a substantial proportion of its revenue and operating profit generated during its fourth financial quarter, which includes back to school, Christmas and New Year season.
- viii. Changes in general economic conditions, the tightening of credit and other factors over which the Klikk Group has little control may adversely impact retail sales, as well as arise in a failure of customers in meeting the terms of contract they have with Klikk Group's credit services operations. Should general economic conditions or the computer and electronic industry demand decline, the Klikk Group's results of operations and financial condition may be substantially adversely affected.
- ix. It is the Klikk Group's general practice to lease rather than own its stores. In the event of a significant reduction in the profitability of its stores, a significant shift in sales to other distribution channels or as part of a restructuring of its business, the Klikk Group's ability to reduce its costs through the negotiation of lease terminations or modifications on acceptable terms or at all may be limited.
- x. The Klikk Group may also be subject to increases in operating and other expenses which could impact its financial performance and position.

- xi. The Klikk Group's key senior personnel and management remain material to its growth. If one or more of the members of the team were unable or unwilling to continue in their present position, the Klikk Group might not be able to replace them within the short term.**
- xii. Information technology systems failure or disruption could impact the Klikk Group's day-to-day operations.**
- xiii. The Klikk Group may be subject to changing retail market conditions. Furthermore, the Klikk Group is also dependent on the Maltese market and is exposed to economic conditions in Malta.**
- xiv. The Klikk Group has a material amount of debt and may incur additional debt in connection with its future growth. The Klikk Group's indebtedness could adversely affect its financial position.**

D.2 Essential information on the key risks specific to the Bonds

An investment in the Bonds involves certain risks, including those set out below in this section. In deciding whether to make an investment in the Bonds, prospective investors are advised to carefully consider, with their own independent financial and other (including tax, accounting, credit, legal and regulatory) professional advisors, the following risk factors (not listed in order of priority) and other investment considerations, together with all the other information contained in the Company Admission Document.

- i. Prior to the Bond Issue, there has been no public market nor trading record of 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.**
- ii. Only upon successful admission, may the Bonds be traded on a multilateral trading facility but will NOT be traded on any regulated market. Hence, the market for the Bonds may be less liquid than a regulated market and a Bondholder may find it more difficult to identify willing buyers for their Bonds. The existence of an orderly and liquid market depends on a number of factors. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or if it develops, that it will continue. Furthermore, there can be no assurance that an Investor will be able to sell or otherwise trade in the Bonds at all.**
- iii. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.**
- iv. An investor in the Bonds will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the investor's currency of reference, if different.**
- v. No prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time.**
- vi. The Issuer is entitled to issue Bonds bearing a fixed rate of interest. Investment in such fixed rate Bonds involves the risk that subsequent changes in market interest rates may adversely affect the market value of the said Bonds. Investors should also be aware that the price of the fixed rate Bonds moves adversely to changes in interest rates.**

- vii. **The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds will be repayable in full upon maturity on the Redemption Date unless the Bonds are previously repurchased and/or cancelled.**
- viii. **Application has been made to the MSE for the Bonds to be admitted and traded on Prospects once the Bonds are authorised as admissible by the MSE. Prospects is a multilateral trading facility which is operated by the MSE and provides a venue for SMEs to float their securities. Consequently, this market is designed primarily for companies to which a higher risk than that associated with established companies tends to be attached. A prospective investor should be aware of the potential risks in investing in such companies and should make the decision to invest only after careful consideration and consultation with his or her own independent financial advisor.**
- ix. **Even after the Bonds are admitted to trading on Prospects, the Issuer is required to remain in compliance with certain requirements relating, *inter alia*, to the free transferability, clearance and settlement of the Bonds in order to remain eligible to trade on Prospects in terms of the Prospects Rules issued by the Exchange as amended from time to time. Moreover, the MSE has the authority to suspend trading 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 MSE may discontinue the trading of the Bonds on Prospects. Any such trading suspension or discontinuance described above could have a material adverse effect on the liquidity and value of the Bonds.**
- x. **The Issuer has not sought, nor does it intend to seek, the credit rating of an independent rating agency and there has been no assessment by any independent rating agency of the Bonds.**
- xi. **In the event that the Issuer wishes to amend any of the Terms and Conditions of issue of the Bonds it shall call a meeting of Bondholders (refer to section 22.16 of this Company Admission Document). These provisions permit defined majorities to bind all Bondholders, including Bondholders who do not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority.**
- xii. **The Bonds and the Terms and Conditions of the Bond Issue are based on the requirements of the Prospects Rules and Maltese Law, including the Companies Act, in effect as at the date of the Company Admission Document. 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 the Company Admission Document.**
- xiii. **The funds or assets constituting the sinking fund (as described in section 22.24 of this Company Admission Document) shall be managed by the Issuer and administered by the Board of Directors in line with the treasury management policy. In accordance with section 302 of the Act, in the event of winding up of the Issuer with insufficient assets to meet its liabilities, the right of secured and unsecured creditors (which include the Bondholders) and the priority and ranking of their debts shall be regulated by the law for the time being in force. Accordingly, in view of the unsecured rights of Bondholders under the Bonds, any secured creditors of the Issuer shall have recourse to the funds or assets constituting the sinking fund to satisfy their secured claims with priority over Bondholders.**
- xiv. **The Bonds shall constitute the general, direct, unconditional and unsecured obligations of the Issuer. The Bonds shall at all times rank *pari passu*, without any priority or preference among themselves and, save for such exceptions as may be provided by**

applicable law, shall rank without priority and preference to all other present and future unsecured obligations of the Issuer. The Bonds will, however, rank subordinate to the present and future secured creditors of the Issuer, if any.

Furthermore, subject to the negative pledge included in the Company Admission Document, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.

SECTION E – INTERMEDIARIES’ OFFER

- E.1 Use of Proceeds** – The proceeds from the Bond Issue, which net of Issue expenses are expected to amount to approximately €1,925,000, will be advanced by the Issuer under title of loan to Klikk Limited, whereby Klikk Limited shall utilise such funds to develop its e-commerce capability (€150,000), reduce bank indebtedness of the Klikk Group (€250,000) and the remaining balance of approximately €1,525,000 for general corporate funding purposes.
- E.2 Subscription** – The Bonds are open for subscription by Authorised Financial Intermediaries through an Intermediaries’ Offer. The total amount of €2,000,000 of Bonds is being reserved for subscription by Authorised Financial Intermediaries participating in the Intermediaries’ Offer. In this regard, the Issuer may enter into conditional subscription agreements with a number of Authorised Financial Intermediaries for the subscription of Bonds, whereby it will bind itself to allocate Bonds thereto up to the total amount of €2,000,000 as aforesaid during the Intermediaries’ Offer. In terms of each subscription agreement entered into with an Authorised Financial Intermediary, the Issuer will be conditionally bound to issue, and each Authorised Financial Intermediary will conditionally bind itself to subscribe for, a number of Bonds as indicated therein subject to the Bonds being admitted to trading on the Prospects List. Authorised Financial Intermediaries subscribing for Bonds may do so for their own account or for the account of underlying customers, including retail customers, and shall, in addition, be entitled to distribute any portion of the Bonds subscribed for upon commencement of trading.

Applications for subscriptions to the Bonds may be made through the Placement Agent, Manager and Registrar during the Issue Period on a first-come-first-served basis. The Issue Period shall close immediately upon attaining full subscription or on the last day of the Issue Period, whichever is the earliest. It is expected that notification of allotment will be announced to Bondholders within five (5) Business Days of the closing of the Issue Period.

The following is a synopsis of the general Terms and Conditions applicable to the Bonds. A Bondholder is deemed to have invested only after having received, read and understood the contents of the Company Admission Document, including the full terms and conditions contained therein and in the annexes thereto.

1. GENERAL

Each Bond forms part of a duly authorised issue of 5.25% Unsecured Bonds 2027 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €2 million.

2. FORM, DENOMINATION AND TITLE

The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100 provided that on subscription the Bonds will be issued for a minimum of €2,000 per individual Bondholder. Authorised Financial Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client.

3. REDEMPTION AND PURCHASE

Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 31 July 2027. Subject to the provisions of this paragraph, 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 so purchased will be cancelled forthwith and may not be re-issued or re-sold.

4. INTEREST AND YIELD

The Bonds shall bear interest at the rate of 5.25% per annum payable annually on 31 July of each year. Interest shall accrue as from 1 August 2017. The first Interest Payment Date following the

issuance of this Company Admission Document shall be 31 July 2018. 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.

The gross yield calculated on the basis of the interest, the Bond Issue Price and the redemption value of the Bonds at Redemption Date, is five point two five per cent (5.25%).

5. STATUS OF THE BONDS

The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt of the Issuer.

6. PAYMENTS

Payment of the principal amount of the Bonds by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to 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. Payment of interest on a Bond will be made to the person in whose name such Bond 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, which is denominated in euro. Any relevant charges related to the Interest Payment transactions are borne by the Bondholders.

7. EVENTS OF DEFAULT

Section 22.13 sets out a list of events of default the occurrence of which would result in the Bonds becoming immediately due and repayable at their principal amount, together with accrued interest.

8. TRANSFERABILITY OF THE BONDS

The Bonds are freely transferable and once admitted to the Prospects List, shall be transferable only in whole (in multiples of €100) in accordance with the rules and regulations of Prospects and the MSE applicable from time to time. If Bonds are transferred in part, such an attempted partial transfer will not be cleared and the transferee thereof will not be registered as a Bondholder or claim from the Issuer any purported benefit therefrom.

9. 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.

10. MEETINGS OF BONDHOLDERS

The Issuer may, from time to time, call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which in terms of the Company Admission Document require the approval of a Bondholders' meeting.

11. SINKING FUND

The Issuer undertakes that as from the financial year ending 31 December 2022 it shall, over a period of six years, build a sinking fund the value of which will by the Redemption Date be equivalent to 100% of the value of the issued Bonds.

The Issuer shall make periodic payments for the purpose of building up this sinking fund. The following table sets out the minimum amounts to be paid by the Issuer for this purpose.

SINKING FUND CONTRIBUTION FOR THE YEARS ENDING 31 DECEMBER

€000	2022 Projected	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected
Annual contribution	200	200	200	300	500	600
Cumulative balance	200	400	600	900	1,400	2,000

E.3 Governing law and jurisdiction – The Bonds have been created, and the Bond Issue relating thereto is being made, in terms of the Act. From their inception, the Bonds, and all contractual arrangements arising therefrom, shall be governed by and shall be construed in accordance with Maltese law. Any legal action, suit, action or proceedings against the Issuer arising out of or in connection with the Bonds shall be brought exclusively before the Maltese courts and the Bondholder shall be deemed to acknowledge that it is submitting to the exclusive jurisdiction of the Maltese courts.

E.4 Interest of natural and legal persons involved in the Issue – Save for the subscription for Bonds by the Authorised Financial Intermediaries (which include the Placement Agent, Manager and Registrar) and any fees payable to Financial Planning Services Limited as Placement Agent, Manager and Registrar in connection with the Bond Issue, to the best of the Issuer’s knowledge no person involved in the Issue has an interest material to the Bond Issue.

E.5 Expected Timetable of Principal Events

1.	Application Forms Available	4 July 2017
2.	Issue Period	4 July to 21 July 2017
3.	Commencement of interest on Bonds	1 August 2017
4.	Issuance of Bonds	4 July 2017
5.	Expected date of Admission of the Bonds to Prospects	1 August 2017
6.	Expected date of commencement of trading in the Bonds	2 August 2017

The Issuer reserves the right to close the offer of the Bonds before the 21 July 2017 at 12:00 CET in the event that the Bonds are fully subscribed prior to the said date and time. In such an eventuality, the events set out in steps three (3) to six (6) above shall be brought forward although the number of working days between the respective events shall not be also altered.

NOTES
