

This document is a Securities Note issued in accordance with the provisions of Chapter 4 of the Listing Rules published by the Listing Authority and in accordance with the provisions of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No 486/2012 of the 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015. This Securities Note is issued pursuant to the requirements of Listing Rule 4.14 of the Listing Rules and contains information about the Bonds being issued by Premier Capital p.l.c. Application has been made for the admission to listing and trading of the Bonds on the Official List of the Malta Stock Exchange. This Securities Note should be read in conjunction with the most updated Registration Document issued from time to time containing information about the Issuer.

21 October 2016

## SECURITIES NOTE

in respect of an issue of up to:

**€65,000,000 3.75% Unsecured Bonds 2026**

of a nominal value of €100 per Bond issued at par by

### PREMIER CAPITAL P.L.C.

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA  
WITH COMPANY REGISTRATION NUMBER C 36522  
ISIN:- MTO000511213

Manager & Registrar

Legal Counsel

Sponsor



THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENTS ARE IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENT.

THE LISTING 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 HOWEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN THESE SECURITIES.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED 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 FINANCIAL ADVISOR.

#### APPROVED BY DIRECTORS



Melo Hili



Melo Hili on behalf of:  
Victor Tedesco, Charles J. Farrugia,  
Ann Fenech, Tomasz Nawrocki and  
Massimiliano Lupica



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## TABLE OF CONTENTS

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	<b>Table of Contents</b>	<b>2</b>
	<b>Important Information</b>	<b>4</b>
<b>1</b>	<b>Definitions</b>	<b>6</b>
<b>2</b>	<b>Risk Factors</b>	<b>8</b>
2.1	General	8
2.2	Forward Looking Statements - Cautionary Statement	8
2.3	Suitability of Investment in the Bond	8
2.4	Risks relating to the Bonds	8
<b>3</b>	<b>Persons Responsible</b>	<b>10</b>
3.1	Consent for Use of Prospectus	10
<b>4</b>	<b>Essential Information</b>	<b>11</b>
4.1	Reasons for the Issue and Use of Proceeds	11
4.2	Expenses	11
4.3	Issue Statistics	12
4.4	Interest of Natural and Legal Persons Involved in the Issue	12
<b>5</b>	<b>Information Concerning The Securities to be Issued and Admitted to Trading</b>	<b>13</b>
5.1	General	13
5.2	Ranking of the Bonds	13
5.3	Rights attached to the Bonds	14
5.4	Interest	14
5.5	Yield	15
5.6	Registration, Form, Denomination and Title	15
5.7	Negative Pledge	15
5.8	Payments	16
5.9	Redemption and Purchase	16
5.10	Events of Default	16
5.11	Transferability of the Bonds	17
5.12	Further Issues	17
5.13	Meetings of Bondholders	18
5.14	Authorisations and Approvals	19
5.15	Notices	19
<b>6</b>	<b>Taxation</b>	<b>19</b>
6.1	General	19
6.2	Malta Tax on Interest	19
6.3	Directive on Administrative Cooperation in the Field of Taxation	20
6.4	Malta Capital Gains on Transfer of the Bonds	20
6.5	Duty on Documents and Transfers	20

<b>7</b>	<b>Terms and Conditions of the Bond Issue</b>	<b>21</b>
7.1	Expected Timetable of the Bond Issue	21
7.2	Terms and Conditions of Application	21
7.3	General Terms and Conditions	22
7.4	Plan of Distribution and Allotment	25
7.5	Pricing	25
7.6	Allocation Policy	25
7.7	Admission to Trading	26
7.8	Additional Information	26
	<b>Annex I – Authorised Financial Intermediaries</b>	<b>27</b>
	<b>Annex II – Specimen Application Forms</b>	<b>28</b>
	<b>Annex III – Financial Analysis Summary</b>	<b>FAS1</b>



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## IMPORTANT INFORMATION

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THIS SECURITIES NOTE FORMING PART OF THE PROSPECTUS, CONTAINS INFORMATION ON AN ISSUE BY PREMIER CAPITAL P.L.C. (THE “ISSUER”) OF A MAXIMUM OF €65,000,000 UNSECURED BONDS 2026 OF A NOMINAL VALUE OF €100, ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 3.75% PER ANNUM, PAYABLE ANNUALLY ON 23 NOVEMBER OF EACH YEAR. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON THE REDEMPTION DATE UNLESS OTHERWISE PREVIOUSLY REPURCHASED FOR CANCELLATION.

THIS SECURITIES NOTE CONTAINS INFORMATION ABOUT THE ISSUER AND THE BONDS IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES, THE ACT AND THE REGULATION, AND SHOULD BE READ IN CONJUNCTION WITH THE REGISTRATION DOCUMENT ISSUED BY THE ISSUER.

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

**THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS 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 THIS PROSPECTUS.**

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR BONDS 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 TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION.

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

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. IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED 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 OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF SAID DIRECTIVE, THE BONDS CAN ONLY BE OFFERED TO “QUALIFIED INVESTORS” (AS DEFINED IN SAID DIRECTIVE) AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF SAID DIRECTIVE.

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 THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH THE ACT.

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

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.

ALL THE ADVISORS TO THE ISSUER NAMED IN THE PROSPECTUS UNDER THE HEADING "ADVISORS" UNDER SECTION 3 OF THE REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS ISSUE 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.

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. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.



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## 1. DEFINITIONS

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Words and 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, expressed 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:

<b>Act</b>	the Companies Act (Cap. 386 of the Laws of Malta);
<b>Applicant/s</b>	a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;
<b>Application/s</b>	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form and delivering same to any of the Authorised Financial Intermediaries;
<b>Application Form/s</b>	the forms of application of subscription for Bonds, specimens of which are contained in Annex II of this Securities Note;
<b>Authorised Financial Intermediaries</b>	the licensed stockbrokers and financial intermediaries listed in Annex I of this Securities Note;
<b>Bond(s)</b>	the €65,000,000 unsecured bonds of a nominal value of €100 per bond redeemable at their nominal value on the Redemption Date, bearing interest at the rate of 3.75% per annum;
<b>Bondholder</b>	a holder of Bonds;
<b>Bond Issue</b>	the issue of the Bonds;
<b>Bond Issue Price</b>	the price of €100 per Bond;
<b>Business Day</b>	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
<b>CSD</b>	the Central Securities Depository of the Malta Stock Exchange, having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
<b>Cut-Off Date</b>	close of business of 21 October 2016 (trading session of 19 October 2016);
<b>Euro or €</b>	the lawful currency of the Republic of Malta;
<b>Exchange, Malta Stock Exchange or MSE</b>	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta), having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, and bearing company registration number C 42525;
<b>Exchangeable Bond Transfer</b>	the subscription for Bonds by an Existing Bondholder settled, after submitting the pre-printed Application Form 'A' (received by mail directly from the Issuer), by the transfer to the Issuer of all or part of the Exchangeable Bonds held by such Existing Bondholder;
<b>Exchangeable Bonds</b>	the 6.8% bonds 2017-2020 (ISIN: MT0000511205) redeemable on any day falling between and including 16 March 2017 and 14 March 2020, amounting as at the date of the Prospectus to €24,641,000, issued by the Issuer pursuant to a prospectus dated 1 March 2010;
<b>Existing Bondholder</b>	a holder of Exchangeable Bonds as at the Cut-Off Date;
<b>Hili Ventures Group</b>	Hili Ventures Limited, its subsidiaries and any affiliates;
<b>Hili Ventures Group Bondholders</b>	the holders of bonds of the €37,000,000 4.5% Hili Properties p.l.c. Unsecured Bonds 2025 (ISIN: MT0000941204) and €36,000,000 5.1% PTL Holdings p.l.c. Unsecured Bonds 2024 (MT0000841206) as at the Cut-Off Date;
<b>Hili Ventures Group Stakeholders</b>	the shareholders, directors and employees of any company forming part of the Hili Ventures Group as at 21 October 2016;
<b>Hili Ventures Limited or the Parent</b>	Hili Ventures Limited, a company registered under the laws of Malta with company registration number C 57902 and having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta;
<b>Interest Payment Date</b>	23 November of each year between and including each of the years 2017 and the year 2026, 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;
<b>Issue Date</b>	expected on 30 November 2016;

<b>Issuer or Premier Capital or Company</b>	Premier Capital p.l.c., a public limited liability company registered in Malta with company number C 36522, having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta;
<b>Listing Authority</b>	the MFSA, 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;
<b>Listing Rules</b>	the listing rules of the Listing Authority;
<b>Manager &amp; Registrar</b>	Bank of Valletta p.l.c. of BOV Centre, Cannon Road, Santa Venera SVR 9030, Malta;
<b>Offer Period</b>	the period between 28 October 2016 and 10 November 2016 during which the Bonds are on offer to Existing Bondholders, Hili Ventures Group Stakeholders and Hili Ventures Group Bondholders;
<b>Official List</b>	the list prepared and published by the MSE as its official list in accordance with the MSE Bye-Laws;
<b>Prospectus</b>	collectively the Registration Document, Summary Note and this Securities Note (each as defined in this Securities Note);
<b>Prospectus Directive</b>	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;
<b>Public Offer Period</b>	the period between 28 October 2016 and 16 November 2016 (or such earlier date as may be determined by the Issuer) during which the Bonds are on offer to the general public;
<b>Redemption Date</b>	23 November 2026;
<b>Redemption Value</b>	the nominal value of each Bond (€100 per Bond);
<b>Registrar</b>	Bank of Valletta p.l.c. of BOV Centre, Cannon Road, Santa Venera SVR 9030, Malta;
<b>Registration Document</b>	the registration document issued by the Issuer dated 21 October 2016, forming part of the Prospectus;
<b>Regulation</b>	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 amending Regulation (EC) No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities; Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 supplementing Directive 2003/71/EC of the European Parliament and of the Council with regard to regulatory technical standards for publication of supplements to the prospectus and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015 supplementing Directive 2003/71/EC of the European Parliament and of the Council with regard to regulatory technical standards for publication of the prospectus and dissemination of advertisements and amending Commission Regulation (EC) No. 809/2004;
<b>Securities Note</b>	this document in its entirety;
<b>Sponsor</b>	Charts Investment Management Service Limited, an authorised financial intermediary licensed by the MFSA and a Member of the MSE;
<b>Summary Note</b>	the summary note issued by the Issuer dated 21 October 2016 forming part of the Prospectus;
<b>Terms and Conditions</b>	the terms and conditions of the Bond Issue, including the terms contained in this Securities Note.



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## 2. RISK FACTORS

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### 2.1 GENERAL

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 RE-PURCHASED AND CANCELLED.

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 PROSPECTUS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS. 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.

NEITHER THIS SECURITIES NOTE, NOR ANY OTHER PARTS OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE BONDS: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION OR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE SPONSOR OR AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THIS SECURITIES NOTE OR ANY OTHER PART OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS OR ANY BONDS, SHOULD PURCHASE ANY BONDS.

ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.

### 2.2 FORWARD LOOKING STATEMENTS - CAUTIONARY STATEMENT

This Securities Note contains “forward looking statements” which include, amongst others, statements concerning matters that are not historical facts and which may involve projections of future circumstances. 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’s Directors. No assurance is given that the future results or expectations will be achieved.

### 2.3 SUITABILITY OF INVESTMENT IN THE BOND

An investment in the Issuer and the Bonds may not be suitable for all recipients of the Prospectus and prospective investors are urged to consult an independent investment advisor licensed under the Investment Services Act (Cap. 370 of the laws of Malta) as to the suitability or otherwise of an investment in the Bonds before making an investment decision. In particular, such advice should be sought with a view to ascertaining that each prospective investor:

- a) 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 Prospectus or any applicable supplement;
- b) 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;
- c) understands thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; 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 its investment and its ability to bear the applicable risks.

### 2.4 RISKS RELATING TO THE BONDS

An investment in the Bonds involves certain risks including, but not limited to, those described below:

- **Orderly and Liquid Market**

The existence of an orderly and liquid market for the Bonds depends on a number of factors, including but not limited to the presence of willing buyers and sellers of the Issuer’s 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 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. Furthermore, there can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price or at all.

- Subsequent Changes in Interest Rates

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

- Currency Risk

Any Bondholder whose currency of reference is not the Euro will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference.

- Changes in Circumstances

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. If such changes take place they could have an adverse effect on the market price for the Bonds.

- Ranking 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, if any. Furthermore, subject to the negative pledge clause (Section 5.7 of this Securities Note), 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.

- Changes to Terms and Conditions

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 5.13 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.

- Changes in Law

The Terms and Conditions of this Bond Issue are based on Maltese law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of this Prospectus.

- Additional Indebtedness and Security

The Issuer may incur further borrowings or indebtedness and may create or permit to subsist security interests upon the whole or any part of its present or future undertakings, assets or revenues (including uncalled capital).

- 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 *inter alia* to the free transferability, clearance and settlement of the Bonds in order to remain a listed company in good standing. Moreover, the Listing Authority 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 Listing Authority may discontinue the listing of the Bonds on the MSE. Any such trading suspensions or listing revocations/ discontinuations described above could have a material adverse effect on the liquidity and value of the Bonds.



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### 3. PERSONS RESPONSIBLE

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This document includes information given in compliance with the Listing Rules for the purpose of providing prospective investors with information with regard to the Issuer. All of the directors of the Issuer, whose names appear under the sub-heading “Directors” under the heading ‘Identity of Directors, Advisors and Auditors’ in Section 3 of the Registration Document (the “**Directors**”), accept responsibility for the information contained in this Securities Note.

To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that 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. The Directors accept responsibility accordingly.

All representations and other statements made in the Prospectus are made by the Issuer and the Directors take sole responsibility for all such representations and statements. The Sponsor, the Manager and Registrar, and the Issuer’s advisors have advised and assisted the Issuer in the preparation of this document, but none make any representation or statement, unless otherwise expressly stated in the Prospectus, and each of them disclaims any responsibility for any representations and other statements made in the Prospectus.

#### 3.1 CONSENT FOR USE OF PROSPECTUS

##### **Consent required in connection with the use of the Prospectus by the Authorised Financial Intermediaries:**

For the purposes of any subscription for 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 Directive, the Issuer consents to the use of this Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale or placement or other offering of Bonds, provided this is limited only:

- (i) in respect of Bonds subscribed for through Authorised Financial Intermediaries listed in Annex I of this Securities Note during the Offer Period for Existing Bondholders, Hili Ventures Group Stakeholders and Hili Ventures Group Bondholders and during the Public Offer Period;
- (ii) to any resale or placement of Bonds subscribed for as aforesaid, taking place in Malta;
- (iii) to any resale or placement of Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Prospectus.

None of the Issuer, the advisors identified in Section 3.2 of the Registration Document, 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 Bonds.

Other than as set out above, neither the Issuer nor the Sponsor has 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 Sponsor and neither the Issuer nor the Sponsor has 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 the investor is in doubt as to whether it can rely on the Prospectus and/or who is responsible for its contents, it should obtain 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 Sponsor. The Issuer does not accept responsibility for any information not contained in this Prospectus.

**In the event of a resale, placement or other offering of 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 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 applicable Authorised Financial Intermediary at the time of such resale, placement or other offering to provide the investor with that information and neither the Issuer or the Sponsor or other Authorised Financial Intermediary has any responsibility or liability for such information.

**Any Authorised Financial Intermediary using this Prospectus in connection with a resale, placement or other offering of 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 Authorised Financial Intermediaries unknown at the time of the approval of this Securities Note will be made available through a company announcement which will also be made available on the Issuer's website: [www.premiercapital.com.mt](http://www.premiercapital.com.mt)

## 4. ESSENTIAL INFORMATION

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### 4.1 REASONS FOR THE ISSUE AND USE OF PROCEEDS

The proceeds raised from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €64,000,000, will be used by the Issuer for the following purposes, in the amounts set out below:

- (i) a maximum amount of €24,641,000 will be used by the Issuer for the purpose of acquiring, for cancellation, Exchangeable Bonds from Existing Bondholders by way of Exchangeable Bond Transfer and to redeem any Exchangeable Bonds remaining in issue as at 16 March 2017, this being the first early date of redemption of the Exchangeable Bonds;
- (ii) a maximum amount of €13,300,000 shall be used to repay bank facilities issued by HSBC Malta and DNB Latvia. A further amount of €10,800,000 shall be used to settle a portion of borrowings from BRD Romania, which funds were applied for the purpose of part-financing the acquisition consideration of the Romanian operations detailed in Section 5.2 of the Registration Document entitled 'Operating and Key Financial Review'. Details of each bank facility are provided in Section 5.2 of this Securities Note entitled 'Ranking of the Bonds'; and
- (iii) a maximum amount of €15,259,000 will be used to part-finance the forthcoming capital expenditure which in FY2017 is projected at €18,000,000, and primarily comprises the opening of new stores as well as the remodeling and upgrading of the Group's McDonald's restaurants.

In the event that the Bond Issue is not fully subscribed, and provided the amount received is not less than €25,000,000, the Issuer will proceed with the listing of the amount of Bonds 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 bank financing. In the event that proceeds received on closure of the subscription period amounts to below €25,000,000, no allotment of the Bonds shall be made, the subscription of Bonds shall be deemed not to have been accepted by the Issuer and all money received from subscribers shall be refunded accordingly.

### 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 €1,000,000. There is no particular order of priority with respect to such expenses.



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### 4.3 ISSUE STATISTICS

<b>Amount:</b>	€65,000,000;
<b>Form:</b>	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 CSD;
<b>Denomination:</b>	Euro (€);
<b>ISIN:</b>	MT0000511213;
<b>Minimum amount per subscription:</b>	Minimum of €2,000 and multiples of €100 thereafter;
<b>Redemption Date:</b>	23 November 2026;
<b>Plan of Distribution:</b>	The Bonds are open for subscription by all categories of investors including Existing Bondholders, Hili Ventures Group Stakeholders, Hili Ventures Group Bondholders and the general public;
<b>Preferred Allocations:</b>	<ol style="list-style-type: none"><li>Existing Bondholders will be granted preference in their applications for Bonds, up to an aggregate amount of €30,000,000, by way of Exchangeable Bond Transfer in accordance with Section 7.2.1 below and by subscribing for such additional Bonds in terms of Section 7.2.3 below;</li><li>Hili Ventures Group Stakeholders will be granted preference in their applications for Bonds up to an aggregate amount of €3,000,000;</li><li>Hili Ventures Group Bondholders will be granted preference in their applications for Bonds up to an aggregate amount of €12,000,000;</li></ol>
<b>Bond Issue Price:</b>	At par (€100 per Bond);
<b>Status of the Bonds:</b>	The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> , without any priority or preference among themselves and with other unsecured debt, if any;
<b>Listing:</b>	Application has been made to the Listing Authority for the admissibility of the Bonds to listing and to the MSE for the Bonds to be listed and traded on its Official List;
<b>Application Forms available:</b>	Application Forms will be mailed to Existing Bondholders and Hili Ventures Group Bondholders on 26 October 2016. Application Forms will be available to Hili Ventures Group Stakeholders from the Issuer's offices and to the general public from any Authorised Financial Intermediary as from 28 October 2016;
<b>Offer Period</b>	The period between 28 October 2016 and 10 November 2016 during which the Bonds are on offer to Existing Bondholders, Hili Ventures Group Stakeholders and Hili Ventures Group Bondholders;
<b>Public Offer Period:</b>	The period between 28 October 2016 and 16 November 2016 (or such earlier date as may be determined by the Issuer) during which the Bonds are on offer to the general public;
<b>Interest:</b>	3.75% per annum;
<b>Interest Payment Date(s):</b>	Annually on 23 November as from 23 November 2017 (the first interest payment date);
<b>Governing Law of Bonds:</b>	The Bonds are governed by and shall be construed in accordance with Maltese law;
<b>Jurisdiction:</b>	The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds.

### 4.4 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for the possible subscription for Bonds by Authorised Financial Intermediaries (which includes Bank of Valletta p.l.c., Charts Investment Management Service Limited and the latter's sister company Mediterranean Bank plc), and any fees payable in connection with the Bond Issue to Charts Investment Management Service Limited as Sponsor and Bank of Valletta p.l.c. as Manager and Registrar, so far as the Issuer is aware, no person involved in the Issue has an interest material to the Issue.

## 5. INFORMATION CONCERNING THE SECURITIES TO BE ISSUED AND ADMITTED TO TRADING

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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 GENERAL

- 5.1.1 Each Bond forms part of a duly authorised issue of 3.75% Unsecured Bonds 2026 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €65,000,000 (except as otherwise provided under Section 5.12 “Further Issues”). The expected Issue Date of the Bonds is 30 November 2016.
- 5.1.2 The currency of the Bonds is Euro (€).
- 5.1.3 Subject to admission to listing of the Bonds to the Official List of the MSE, the Bonds are expected to be assigned ISIN MTO000511213.
- 5.1.4 All outstanding Bonds not previously purchased or cancelled shall be redeemed by the Issuer at par on the Redemption Date.
- 5.1.5 The issue of the Bonds is made in accordance with the requirements of the Listing Rules, the Act, and the Regulation.
- 5.1.6 The Bond Issue is not underwritten.
- 5.1.7 In the event that the Bond Issue is not fully subscribed, and provided the amount received is not less than €25,000,000, the Issuer will proceed to list the Bonds subscribed for and effect cancellation of the Exchangeable Bonds received from Existing Bondholders electing to acquire Bonds by Exchangeable Bonds Transfer. Any Exchangeable Bonds remaining in issue are due to be redeemed by the Issuer on 16 March 2017, being the first early date of redemption of the Exchangeable Bonds in terms of the prospectus dated 1 March 2010.

### 5.2 RANKING 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, if any. Furthermore, subject to the negative pledge clause set out in Section 5.7 of this Securities Note, 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. As at the date of this Securities Note, the Issuer does not have any subordinated indebtedness.

The following sets out a summary of Group indebtedness which as at 31 August 2016 amounted to €82.7 million, and includes bank loans, corporate bonds and other financial liabilities. The bank borrowings listed below are secured by privileges and hypothecs, and therefore the indebtedness being created by the Bonds, together with the other issued bonds, ranks after all these bank borrowings. In addition, the Bonds would also rank after any future debts which may be secured by a cause of preference such as a privilege and/or a hypothec.



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**Consolidated Borrowings as at 31 August 2016**

<b>Parties and description of facility</b>	<b>Amount Outstanding (€'000)</b>	<b>Security</b>
DNB Latvia - loan	11,726	Pledge agreements in favor of DNB with pledges over immovable and movable property of the Baltic subsidiaries for the amount up to €17,500,000.
BRD Romania - loan	37,199	Pledge on shares of Premier Capital Romania SRL in favor of BRD Romania. Such pledge will expire in January 2017 and will eventually be replaced with mortgages over the company's immovable and movable property.
HSBC Malta - loans and overdraft	2,891	(i) First general hypothec for €2,499,749 on overdraft basis and €1,250,000 on loan #1 basis over all assets of Premier Restaurants Malta Ltd; (ii) First general hypothec for €1,250,000 on loan #2 basis over all assets of Premier Restaurants Malta Ltd; (iii) First general hypothec for €2,499,749 on overdraft basis over all assets of Premier Capital p.l.c.; (iv) Company guarantee for €2,499,749 to secure all liabilities of Premier Restaurants Malta Ltd by Premier Capital p.l.c.; (v) Company guarantee for €1,250,000 to secure all liabilities of Premier Restaurants Malta Ltd by Premier Capital p.l.c.; (vi) First pledge given by Premier Restaurants Malta Ltd over the combined business policy.
McDonald's Corporation	5,620	Unsecured.
Amounts due to related parties	824	Unsecured.
Debt securities	24,424	Unsecured.
<b>Total borrowings and bonds</b>	<b>82,684</b>	

### 5.3 RIGHTS ATTACHED TO THE BONDS

There are no special rights attached to the Bonds other than the right of the Bondholders to:

- (i) the payment of capital;
- (ii) the payment of interest;
- (iii) ranking with respect to other indebtedness of the Issuer in accordance with the provisions of Section 5.2 above;
- (iv) attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bonds; and
- (v) enjoy all such other rights attached to the Bonds emanating from this Prospectus.

### 5.4 INTEREST

- 5.4.1** The Bonds shall bear interest from and including 23 November 2016 at the rate of 3.75% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 23 November 2017 (covering the period 23 November 2016 to 22 November 2017). 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. 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 (5) years.
- 5.4.2** When interest is required to be calculated for any period of less than a full year, it shall be calculated on the basis of a three hundred and sixty (360) day year consisting of twelve (12) months of thirty (30) days each, and in the case of an incomplete month, the number of days elapsed.
- 5.4.3** An Exchangeable Bond Transfer (as defined in Section 7.2.1 below) shall be without prejudice to the rights of the holders of Exchangeable Bonds to receive interest on the Exchangeable Bonds up to and including 15 March 2017. The Issuer will settle the difference between the interest rates applicable to the Exchangeable Bonds and the interest rate of 3.75% applicable to the Bonds, from 23 November 2016 up to 15 March 2017, being the day prior to the first early date of redemption of the Exchangeable Bonds, to all persons holding Exchangeable

Bonds who would have submitted their Application Form 'A' by not later than 12.00 hours on 10 November 2016 and, consequently, exercising their option to subscribe for Bonds and settle the consideration for Bonds by transferring their Exchangeable Bonds to the Issuer as mentioned above.

## 5.5 YIELD

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 3.75%.

## 5.6 REGISTRATION, FORM, DENOMINATION AND TITLE

- 5.6.1** Certificates will not be delivered to Bondholders in respect of the Bonds in virtue of the fact that the entitlement to Bonds will be represented in an uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer by the CSD. There will be entered in such electronic register the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies) and MSE account numbers of the Bondholders and particulars of the Bonds held by them respectively, and the Bondholders shall have, at all reasonable times during business hours, access to the register of bondholders held at the CSD for the purpose of inspecting information held on their respective account.
- 5.6.2** The CSD will issue, upon a request by a Bondholder, a statement of holdings to such Bondholder evidencing his/her/its entitlement to Bonds held in the register kept by the CSD.
- 5.6.3** 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 for Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client.
- 5.6.4** 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 5.11 of this Securities Note.
- 5.6.5** Upon submission of an Application Form, Bondholders who do not have an online e-portfolio account will be registered by the CSD for the online e-portfolio facility and will receive by mail at their registered address a handle code to activate the new e-portfolio login. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Those Bondholders who opt not to avail themselves of this facility should indicate such on the Application Form. Further detail on the e-portfolio is found on <https://eportfolio.borzamalta.com.mt/Help>

## 5.7 NEGATIVE PLEDGE

The Issuer undertakes, for as long as any principal or interest under the Bonds or any of the Bonds remains outstanding, not to create or permit to subsist any Security Interest (as defined below), other than a Permitted Security Interest (as defined below), upon the whole or any part of its present or future assets or revenues to secure any Financial Indebtedness (as defined below) of the Issuer, unless at the same time or prior thereto the Issuer's indebtedness under the Bonds, shares in and is secured equally and rateably therewith, and the instrument creating such Security Interest so provides.

**"Financial Indebtedness"** means any indebtedness in respect of: (A) monies borrowed; (B) any debenture, bond, note, loan stock or other security; (C) any acceptance credit; (D) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment is arranged primarily as a method of raising finance for the acquisition of that asset; (E) leases entered into primarily as a method of raising finance for the acquisition of the asset leased; (F) amounts raised under any other transaction having the commercial effect of borrowing or raising of money; (G) any guarantee, indemnity or similar assurance against financial loss of any person;

**"Security Interest"** means any privilege, hypothec, pledge, lien, charge or other encumbrance or real right which grants rights of preference to a creditor over the assets of the Issuer;

**“Permitted Security Interest”** means: (A) any Security Interest arising by operation of law; (B) any Security Interest securing temporary bank loans or overdrafts in the ordinary course of business; (C) any other Security Interest (in addition to (A) and (B) above) securing Financial Indebtedness of the Issuer, in an aggregate outstanding amount not exceeding 80% of the difference between the value of the unencumbered assets of the Issuer and the aggregate principal amount of Bonds outstanding at the time.

Provided that the aggregate Security Interests referred to in (B) and (C) above do not result in the unencumbered assets of the Issuer being less than one hundred and three point seven five per cent (103.75%) of the aggregate principal amount of the Bonds still outstanding;

**“unencumbered assets”** means assets which are not subject to a Security Interest.

## 5.8 PAYMENTS

**5.8.1** Payment of the principal amount of a Bond will be made in Euro 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 and held with any licensed bank in Malta. 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 in connection therewith. 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.

**5.8.2** Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business fifteen (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 and held with any licensed bank in Malta. 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 in connection therewith.

**5.8.3** 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 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.

**5.8.4** No commissions or expenses shall be charged by the Issuer to Bondholders in respect of such payments.

## 5.9 REDEMPTION AND PURCHASE

**5.9.1** Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued) on 23 November 2026.

**5.9.2** Subject to the provisions of this Section 5.9, 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.

**5.9.3** All Bonds so purchased will be cancelled forthwith and may not be re-issued or re-sold.

## 5.10 EVENTS OF DEFAULT

The Bonds shall become immediately due and repayable at their principal amount together with accrued interest, if any of the following events (**“Events of Default”**) shall occur:

**5.10.1** the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for thirty (30) days after written notice thereof shall have been given to the Issuer by any Bondholder; or



- 5.10.2 the Issuer shall fail duly to perform or shall otherwise be in breach of any other material obligation contained in the Terms and Conditions and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- 5.10.3 an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer; or
- 5.10.4 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
- 5.10.5 the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or
- 5.10.6 there shall have been entered against the Issuer a final judgment by a court of competent jurisdiction from which no appeal may be or is made for the payment of money in excess of five million Euro (€5,000,000) or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed; or
- 5.10.7 any default occurs and continues for ninety (90) days under any contract or document relating to any Financial Indebtedness (as defined in Section 5.7 above) of the Issuer in excess of five million Euro (€5,000,000) or its equivalent at any time.

## 5.11 TRANSFERABILITY OF THE BONDS

- 5.11.1 The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.
- 5.11.2 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.
- 5.11.3 All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.
- 5.11.4 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 Issuer.
- 5.11.5 The Issuer will not register the transfer or transmission of Bonds for a period of fifteen (15) days preceding the due date for any payment of interest on the Bonds.

## 5.12 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.



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### 5.13 MEETINGS OF BONDHOLDERS

- 5.13.1** 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 Prospectus require the approval of a Bondholders' meeting.
- 5.13.2** No change or amendment to, or waiver of, any of the applicable Terms and Conditions of the Bonds may be made unless such decision is made at a meeting of Bondholders duly convened and held.
- 5.13.3** A meeting of Bondholders shall be called by the Directors by giving all Bondholders listed on the register of Bondholders as at a date being not more than thirty (30) days preceding the date scheduled for the meeting, not less than fourteen (14) days' notice in writing. 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 that is proposed to be voted upon at the meeting and seeking the approval of Bondholders. Following a meeting of Bondholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Bondholders whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Bondholders, in accordance with the provisions of this Section 5.13, at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.
- 5.13.4** A meeting of Bondholders 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 (2) 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 thirty (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 (2) 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 (7) days, and not later than fifteen (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.
- 5.13.5** Any person who in accordance with the Memorandum and Articles of Association of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of Bondholders.
- 5.13.6** Once a quorum is declared present by the chairman of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting the directors or their representative shall present to the 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 to 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 taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.
- 5.13.7** The voting process shall be managed by the Company Secretary under the supervision and scrutiny of the auditors of the Issuer.
- 5.13.8** The proposal placed before a meeting of Bondholders shall only be considered approved if at least 65% 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.
- 5.13.9** Save for the above, the rules generally applicable to proceedings at general meetings of shareholders of the Issuer shall *mutatis mutandis* apply to meetings of Bondholders.

#### 5.14 AUTHORISATIONS AND APPROVALS

The Board of Directors of the Issuer authorised the Bond Issue pursuant to a board of directors' resolution passed on 4 October 2016.

#### 5.15 NOTICES

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

### 6. TAXATION

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#### 6.1 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/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 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.

#### 6.2 MALTA TAX ON INTEREST

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is otherwise instructed by a Bondholder or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act, (Cap. 123, of the Laws of Malta), interest shall be paid to such person net of a final withholding tax, currently at the rate of 15% of the gross amount of the interest, pursuant to article 33 of the Income Tax Act. Interest payments made to prescribed funds will be subject to a final withholding tax at the rate of 10%. Bondholders who do not fall within the definition of a "recipient" do not qualify for the said rate and should seek advice on the taxation of such income as special rules may apply. For the purpose of the above, a "recipient" is generally a person who is resident in Malta during the year in which investment income is payable to him or other persons or entities acting on behalf of such resident person or a trustee or foundation pursuant to or by virtue of which any money or other property whatsoever shall be paid or applied to or for the benefit of such resident persons.

The withholding tax is considered a final tax and a Maltese resident individual Bondholder may not declare the interest so received in his income tax return. No person shall be charged further tax in respect of such income.

In the case of a valid election 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 income tax return and be subject to tax on it at the progressive rate/s applicable to that person at that time. Additionally in this latter case the Issuer will advise the Inland Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients unless the beneficiary does not qualify as a "recipient" in terms of article 41(c) of the Income Tax Act. 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 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.



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### **6.3 DIRECTIVE ON ADMINISTRATIVE COOPERATION IN THE FIELD OF TAXATION**

The Council of the European Union has adopted Directive 2014/107/EU amending Directive 2011/16/EU on administrative cooperation in the field of taxation so as to introduce an extended automatic exchange of information regime that implements the OECD measures known as the “Common Reporting Standard”. Member States are required to begin exchanging information pursuant to this Directive no later than 30 September, 2017 (subject to deferral under transitional rules in the case of Austria).

Malta has transposed Directive 2014/107/EU into national law by means of Legal Notice 384 of 2015 amending the Cooperation with Other Jurisdictions on Tax Matters Regulations. In terms of this legal notice, the automatic exchange of information obligations extends also to jurisdictions that are not EU Member States with which there is a relevant arrangement in place.

In consequence, financial institutions of an EU Member State and of participating jurisdictions will be required to report to their respective tax authorities certain financial account information in respect of account holders (and in some cases, beneficial holders), that are residents of another EU Member State or of a participating jurisdiction in order to be exchanged automatically with the tax authorities of the other EU Member States or participating jurisdictions. Financial account information in respect of holders of the Bonds could fall within the scope of EU Directive 2014/107/EU and they may therefore be subject to reporting obligations.

### **6.4 MALTA CAPITAL GAINS ON TRANSFER OF THE BONDS**

To the extent that the Bonds do not fall within the definition of “securities” in terms of article 5(1)(b) of the Income Tax Act, that is, “shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return”, no Malta tax should be chargeable in respect of transfers of Bonds held as capital assets at the time of disposal.

### **6.5 DUTY ON DOCUMENTS AND TRANSFERS**

In terms of article 50 of the Financial Markets Act (Cap. 345 of the Laws of Malta) as the Bonds constitute financial instruments of a company quoted on a regulated market, as is the Malta Stock Exchange, redemptions and transfers of the Bonds are exempt from Maltese duty.

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

## 7. TERMS AND CONDITIONS OF THE BOND ISSUE

### 7.1 EXPECTED TIMETABLE OF THE BOND ISSUE

1. Application Forms mailed to Existing Bondholders and Hili Ventures Group Bondholders as at the Cut-Off Date	<b>26 October 2016</b>
2. Application Forms available to Hili Ventures Group Stakeholders and the general public	<b>28 October 2016</b>
3. Closing date for Applications to be submitted by Existing Bondholders, Hili Ventures Group Stakeholders and Hili Ventures Group Bondholders	<b>10 November 2016</b>
4. Opening and closing of subscription lists relative to the Public Offer Period	<b>14 November 2016 to 16 November 2016 respectively, both days included</b>
5. Commencement of interest on the Bonds	<b>23 November 2016</b>
6. Announcement of basis of acceptance	<b>23 November 2016</b>
7. Refunds of unallocated monies	<b>30 November 2016</b>
8. Expected dispatch of allotment advices	<b>30 November 2016</b>
9. Expected date of admission of the securities to listing	<b>30 November 2016</b>
10. Expected date of commencement of trading in the securities	<b>1 December 2016</b>

The Issuer reserves the right to close the subscription lists before 16 November 2016 in the event of over-subscription, in which case the events set out in steps 6 to 8 above shall be brought forward, although the number of working days between the respective events shall not be altered.

### 7.2 TERMS AND CONDITIONS OF APPLICATION

- 7.2.1** Existing Bondholders applying for Bonds may elect to settle all or part of the amount due on the Bonds applied for by completing a pre-printed Application Form 'A' indicating that the consideration for the Bonds applied for shall be settled by way of transfer to the Issuer of all or part of the Exchangeable Bonds held as at the Cut-Off Date in an amount equivalent to the par value of the Bonds applied for, subject to a minimum application of €2,000 ("**Exchangeable Bond Transfer**"). Any Existing Bondholders whose holding in Exchangeable Bonds is less than €2,000 shall be required to pay the difference together with the submission of their Application Form 'A' ("**Cash Top-Up**").
- 7.2.2** By submitting a signed Application Form 'A' indicating that the Exchangeable Bond Transfer is being selected (whether in whole or in part consideration for the Bonds being applied for), the Applicant is thereby confirming:
- i. that all or part (as the case may be) of the Exchangeable Bonds held by the Applicant on the Cut-Off Date are being transferred to the Issuer, together with the payment due in respect of any Cash Top-Up, if applicable;
  - ii. that the pre-printed Application Form 'A' constitutes the Applicant's irrevocable mandate to the Issuer to:
    - a. cause the transfer of the said Exchangeable Bonds in the Issuer's name in consideration of the issue of Bonds; and
    - b. engage, at the Issuer's cost, the services of such brokers or intermediaries as may be necessary to fully and effectively vest title in the said Exchangeable Bonds in the Issuer and fully and effectively vest title in the appropriate number of Bonds in the Applicant;
  - iii. the obligations of the Issuer with respect to the Exchangeable Bonds being transferred to the Issuer are extinguished, replaced by obligations on the part of the Issuer under the Bonds to be issued upon acceptance by the Issuer of the Application in question.
- 7.2.3** In addition to the aforesaid, holders of Exchangeable Bonds transferring all of the Exchangeable Bonds held by them as at the Cut-Off Date pursuant to Section 7.2.1 above may apply for an amount of Bonds in excess of the amount of Exchangeable Bonds being transferred. In such case the holders of Exchangeable Bonds may subscribe for additional Bonds, in multiples of €100, by completing the appropriate section of Application Form 'A'. The completed Application Form 'A' is to be lodged with any of the Authorised Financial Intermediaries by not later than 12:00 hours on 10 November 2016, together with payment of the Cash Top-Up referred to in Section 7.2.1 above and the full price of the additional Bonds applied for, in Euro and in cleared funds. Payment may be made in cash or cheque payable to "**The Registrar – Premier Capital p.l.c. Bond Issue**".



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**7.2.4** All other Applicants, not being Existing Bondholders, may subscribe for Bonds by submitting an Application Form as follows:

- (i) Hili Ventures Group Stakeholders are to submit Application Form 'B';
- (ii) Hili Ventures Group Bondholders are to submit Application Form 'C'; and
- (iii) The general public may subscribe for Bonds by submitting Application Form 'D'.

All Application Forms must be accompanied by the full price of the Bonds applied for and payment may be made in Euro and in cleared funds either in cash or by cheque payable to **"The Registrar – Premier Capital p.l.c. Bond Issue"**. Completed Application Forms 'B' referred to in (i) above are to be lodged at the Issuer's offices, whereas Application Forms 'C' referred to in (ii) above are to be lodged with any of the Authorised Financial Intermediaries by latest 12:00 hours on 10 November 2016. Completed Application Forms 'D' referred to in (iii) above are to be lodged with any of the Authorised Financial Intermediaries by latest 16:00 hours on 16 November 2016 or earlier as may be determined by the Issuer.

**7.2.5** Where the Applicant is the holder of Exchangeable Bonds which as at the Cut-Off Date are held subject to usufruct, the signatures of both the bare owner and the usufructuary will be required in the Application Form 'A'.

### **7.3 GENERAL TERMS AND CONDITIONS**

**7.3.1** The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Official List of the MSE. In the event that the Bonds are not admitted to the Official List of the MSE, no Exchangeable Bond Transfers (see Section 7.2.1 above) shall take effect. Furthermore all Application monies received by the Issuer will be returned without interest by direct credit into the Applicant's bank account indicated by the Applicant on the relative Application Form.

**7.3.2** The subscription lists relative to the Public Offer Period will open at 08:30 hours on 14 November 2016 and will close soon thereafter as may be determined by the Issuer, but in any event no later than 16:00 hours on 16 November 2016.

**7.3.3** As indicated in Section 4.1 above under the heading "Reasons for the Issue and Use of Proceeds", the Exchangeable Bonds forming the subject of Exchangeable Bond Transfers shall be acquired by the Issuer by way of transfer for cancellation out of the proceeds of the Bond Issue. Any Exchangeable Bonds remaining in issue thereafter are due to be redeemed by the Issuer on 16 March 2017, being the first early date of redemption of the Exchangeable Bonds in terms of the prospectus dated 1 March 2010.

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.

**7.3.4** The contract created by the Issuer's acceptance of an Application filed by a prospective Bondholder 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.

**7.3.5** If an Application Form is signed on behalf of another party or on behalf of a corporation or corporate entity or association of persons, the person signing will be deemed to have duly bound his principal, or the relative corporation, corporate entity, or association of persons, and will 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/resolution or a copy thereof duly certified by a lawyer or notary public if so required by 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 appear on the Application Form.

**7.3.6** 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 Form, 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 (Joint) Applicants” in the Application Form 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.

- 7.3.7** 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).
- 7.3.8** Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. 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 / legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (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 eighteen (18) years.
- 7.3.9** 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.
- 7.3.10** No person receiving a copy of the Prospectus or an Application Form 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 Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or such Application Form could lawfully be used without contravention of any registration or other legal requirements.
- 7.3.11** It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself/herself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- 7.3.12** Subject to all other terms and conditions set out in the Prospectus, the Issuer reserves the right to reject, in whole or in part, or to scale down, any Application, including multiple or suspected multiple applications, and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application which in the opinion of the Issuer is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents. Only original Application Forms will be accepted and photocopies/facsimile copies will not be accepted.
- 7.3.13** The Bonds will be issued in multiples of €100. The minimum subscription amount of Bonds that can be subscribed for by Applicants is €2,000.
- 7.3.14** By submitting a signed Application Form, the Applicant is thereby confirming 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 and the Registrar 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 Issuer, acting through the Registrar (which acceptance shall be made in the Issuer’s absolute discretion and may be on the basis that the Applicant indemnifies the 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).
- 7.3.15** Within five (5) Business Days from closing of the Public Offer Period, the Issuer shall announce the result of the Issue and shall determine, and issue a company announcement setting out, the basis of acceptance of Applications and allocation policy to be adopted.



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- 7.3.16** Other than in the case of an Exchangeable Bond Transfer, in the event that an Applicant has not been allocated any Bonds or has been allocated a number of Bonds which is less than the number applied for, the Applicant shall receive a full refund or, as the case may be, the balance of the price of the Bonds applied for but not allocated, without interest, by credit transfer to such account indicated in the Application Form, at the Applicant's sole risk within five (5) Business Days from the date of final allocation. The Issuer shall not be responsible for any charges or delay arising in connection with such credit transfer.
- 7.3.17** For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations 2008 (Legal Notice 180 of 2008, as subsequently amended), all 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 of the MSE Bye-Laws, irrespective of whether the Authorised Financial Intermediaries are Exchange Members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the Data Protection Act (Cap. 440 of the Laws of Malta) for the purposes and within the terms of the MSE's data protection and privacy policy as published from time to time.
- 7.3.18** By completing and delivering an Application Form, the Applicant:
- a) 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;
  - b) warrants that the information submitted by the Applicant in the Application Form is true and correct in all respects and in the case where an MSE account number is indicated in the Application Form, such MSE account number is the correct account of 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 Form and those held by the MSE in relation to the MSE account number indicated on the Application Form, the details held by the MSE shall be deemed to be the correct details of the Applicant;
  - c) authorises the Issuer and the MSE to process the personal data that the Applicant provides in the Application Form, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta). The Applicant has the right to request access to and rectification of the personal data relating to him/her as processed by the Issuer and/or the MSE. Any such requests must be made in writing and sent to the Issuer at the address indicated in the Prospectus. The requests must further be signed by the Applicant to whom the personal data relates;
  - d) 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;
  - e) agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her remittance or surrender of the Exchangeable Bonds, as the case may be, 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;
  - f) agrees to provide the Registrar and/or the Issuer, as the case may be, with any information which it/they may request in connection with the Application;
  - g) 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/her Application in any territory, 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 or his/her Application;
  - h) warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
  - i) represents that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
  - j) agrees that unless such Application is made with Charts Investment Management Service Limited, the latter will not, in their capacity of Sponsor, treat the Applicant as their customer by virtue of such Applicant making an Application for the Bonds, and that Charts Investment Management Service Limited will owe the Applicant no duties or responsibilities concerning the price of the Bonds or their suitability for the Applicant;



- k) 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 Form;
- l) 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.

#### **7.4 PLAN OF DISTRIBUTION AND ALLOTMENT**

The Bonds are open for subscription to all categories of investors, which may be broadly split as follows:

- i. The Issuer has reserved an aggregate amount of Bonds equivalent to the amount of outstanding Exchangeable Bonds of €24,641,000, subject to any Cash Top-Up as applicable, for subscription by Existing Bondholders by submitting an Application Form 'A', which consideration due shall be settled by the transfer to the Issuer of all or part of the Exchangeable Bonds held by such Applicant as at the Cut-Off Date (plus the payment of any Cash Top-Up, if applicable).
- ii. The balance of Bonds not subscribed for by Existing Bondholders limitedly by means of an Exchangeable Bond Transfer, if any, together with a further €5,359,000, shall be made available for subscription to Existing Bondholders in respect of any additional Bonds applied for other than by Exchangeable Bond Transfer exceeding in value the aggregate nominal value of Exchangeable Bonds held by them as at the Cut-Off Date, by completing the appropriate section of Application Form 'A'.
- iii. Hili Ventures Group Stakeholders shall be entitled to subscribe for Bonds up to an aggregate amount of €3,000,000 by submitting an Application Form 'B'.
- iv. Hili Ventures Group Bondholders shall be entitled to subscribe for Bonds up to an aggregate amount of €12,000,000 by submitting an Application Form 'C'.
- v. The remaining balance of €20,000,000 shall be made available for subscription by the general public by submitting an Application Form 'D'.

In the event that the aggregate amount of €45,000,000 reserved for Existing Bondholders (detailed in clause (i) and (ii) above), Hili Ventures Group Stakeholders (detailed in clause (iii) above) and Hili Ventures Group Bondholders (detailed in clause (iv) above) is not fully taken up, such unutilised portion/s shall also become available for allocation to the general public (detailed in clause (v) above).

The minimum subscription amount of Bonds that can be subscribed for by Applicants is €2,000 and the subscription amounts shall be in multiples of €100. Subscriptions may be made through any of the Authorised Financial Intermediaries.

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 or surrender of the Exchangeable Bonds, as the case may be, 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 will not bear interest while retained as aforesaid.

Dealings in the Bonds shall not commence prior to admission to trading of the Bonds by the MSE or prior to the said notification.

#### **7.5 PRICING**

The Bonds are being issued at par, that is, at €100 per Bond.

#### **7.6 ALLOCATION POLICY**

The Issuer shall allocate the Bonds on the basis of the following policy:

- i. Up to an aggregate amount of €24,641,000 shall be allocated to Existing Bondholders applying for Bonds by way of Exchangeable Bond Transfer in accordance with Section 7.2.1 above (subject to a minimum Application of €2,000);
- ii. The balance of Bonds not subscribed for by Existing Bondholders limitedly by means of an Exchangeable Bond Transfer, if any, together with a further €5,359,000, shall be allocated to Existing Bondholders in respect of any additional Bonds applied for other than by Exchangeable Bond Transfer exceeding in value the aggregate nominal value of Exchangeable Bonds held by them as at the Cut-Off Date, without priority or preference and in accordance with the allocation policy as determined by the Issuer and Registrar;



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- iii. Up to an aggregate amount of €3,000,000 has been reserved for subscription by Hili Ventures Group Stakeholders and shall be allocated in accordance with the allocation policy as determined by the Issuer and Registrar;
- iv. Up to an aggregate amount of €12,000,000 has been reserved for subscription by Hili Ventures Group Bondholders and shall be allocated in accordance with the allocation policy as determined by the Issuer and Registrar; and
- v. The remaining amount equivalent to €20,000,000 together with any reserved amounts referred to in clauses (i) to (iv) hereof but which were not fully taken up, shall be allocated to the general public in accordance with the allocation policy as determined by the Issuer and Registrar.

In the event that the amount of €20,000,000 (or such higher amount as provided for in (v) above) available for subscription by the general public is not fully taken up, such unutilised portion shall be made available to:

- a. Existing Bondholders in respect of any additional Bonds applied for as set out in (ii) above;
- b. Hili Ventures Group Stakeholders; and
- c. Hili Ventures Group Bondholders;

where the respective reserved amount has been oversubscribed and in the order of priority as set out in (a) to (c) above. In the event that subscriptions exceed any or all of the reserved portions referred to in (i) to (v) above, and the amount of €20,000,000 (or such higher amount as provided for in (v) above) available for subscription by the general public is fully taken up, the unsatisfied excess amount of such Applications will be returned by direct credit transfer to the account number indicated on the respective Application Form within five (5) Business Days from the date of final allocation.

The Issuer will announce the allocation policy for the allotment of the Bonds through a company announcement within five (5) Business Days of the closing of the Public Offer Period.

## **7.7 ADMISSION TO TRADING**

- 7.7.1** The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 21 October 2016.
- 7.7.2** 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.
- 7.7.3** The Bonds are expected to be admitted to the MSE with effect from 30 November 2016 and trading is expected to commence on 1 December 2016.

## **7.8 ADDITIONAL INFORMATION**

Save for the financial analysis summary set out as Annex III, the Securities Note 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 Charts Investment Management Service Limited of Valletta Waterfront, Vault 17, Pinto Wharf, Floriana, FRN 1913, Malta, which has given and has not withdrawn its consent to the inclusion of such report herein.

Charts Investment Management Service Limited does not have any material interest in the Issuer. The Issuer confirms that the financial analysis summary has been accurately reproduced in the Securities Note and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

## Annex I - Authorised Financial Intermediaries

NAME	ADDRESS	TELEPHONE
APS Bank Ltd	APS Centre, Tower Road, Birkirkara BKR 4012	25603000
Bank of Valletta p.l.c.	BOV Centre, Cannon Road, St Venera SVR 9030	22751732
Calamatta Cuschieri & Co Ltd	Fifth Floor, Valletta Buildings, South Street, Valletta VLT 1103	25688688
Charts Investment Management Service Ltd	Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913	21224106
Curmi & Partners Ltd	Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	21347331
Financial Planning Services Ltd	4, Marina Court No. 1, G. Cali Street, Ta' Xbiex XBX 1421	21344244
FINCO Treasury Management Ltd	Level 5, The Mall Complex, The Mall, Floriana FRN 1470	21220002
GlobalCapital Financial Management Ltd	Testaferrata Street, Ta'Xbiex XBX 1403	21342342
Growth Investments Ltd	Customer Service Centre, Pjazza Papa Giovanni XXIII, Floriana FRN 1420	25909357
Hogg Capital Investments Ltd	Ferris Building, Level 4, 1, St Luke's Road, Gwardamangia, Pieta PTA 1020	21322872
Jesmond Mizzi Financial Advisors Ltd	67/3, South Street, Valletta VLT 1105	23265696
Lombard Bank Malta p.l.c.	67, Republic Street, Valletta VLT 1117	25581806
Mediterranean Bank plc	10, St Barbara Bastion, Valletta VLT 1961	25574400
MFSP Financial Management Ltd	220, Immaculate Conception Street, Msida MSD 1838	21332200
Michael Grech Financial Investment Services Ltd	The Brokerage, Level 0 A, St Marta Street, Victoria, Gozo VCT 2550	21554492
MZ Investment Services Ltd	55, MZ House, St Rita Street, Rabat RBT 1523	21453739
Rizzo, Farrugia & Co (Stockbrokers) Ltd	Airways House, Third Floor, High Street, Sliema SLM 1549	22583000



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## Annex II - Specimen Application Forms

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Please read the notes overleaf before completing this Application Form. Mark 'X' where applicable.

**A APPLICANT (see note 4)**

	TEL. NO.	MOBILE NO. (MANDATORY for e-portfolio registration)

Already registered for e-portfolio  Please do not register me for e-portfolio

This Application Form is not transferable and entitles you to a preferential treatment as holder of Premier Capital p.l.c. 6.8% Bonds 2017/2020 (the "Exchangeable Bonds") and is to be submitted as a method of payment where the Applicant selects to apply for the Premier Capital p.l.c. 3.75% Unsecured Bonds 2026 (the "Bonds") so as to transfer to the Issuer all or part of the holding in the Exchangeable Bonds held by the Applicant as at the 21 October 2016 (Cut-Off Date), the nominal value of which is set out in Box 1 of Panel B hereunder. By submitting this signed Application Form, Existing Bondholders shall be deemed to:

- i. cause the transfer of the said Exchangeable Bonds in the Issuer's name in consideration of the issue of Bonds; and
- ii. engage, at the Issuer's cost, the services of such brokers or intermediaries as may be necessary to fully and effectively vest title in the said Exchangeable Bonds in the Issuer and fully and effectively vest title in the appropriate number of Bonds in the Applicant.

**B I/WE APPLY TO PURCHASE AND/OR ACQUIRE (See notes 2 & 6)**

**BOX 1 - Nominal Value of Exchangeable Bonds**

AMOUNT IN FIGURES BOX 1
€

**BOX 2 - I/We wish to purchase and acquire the amount set out in Box 2 in Bonds at the Bond Issue Price (at par) pursuant to the Prospectus dated 21 October 2016 (minimum €2,000 and in multiples of €100 thereafter).**

AMOUNT IN WORDS
-----------------

AMOUNT IN FIGURES BOX 2
€

**BOX 3 - Amount of Bonds applied for less the nominal holding in Exchangeable Bonds payable in full upon Application under the Terms and Conditions of the Bonds set out in the Prospectus.**

AMOUNT IN FIGURES BOX 3 <i>Difference payable on Application Box 2 -Box 1</i>
€

**C RESIDENT - WITHHOLDING TAX DECLARATION (See notes 7 & 8a)** (to be completed ONLY if the Applicant is a Resident of Malta)

- I/We elect to have final withholding tax deducted from my/our interest.  
 I/We elect to receive interest GROSS (i.e. without deduction of withholding tax).

**D NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see notes 3, 8 & 8a)** (to be completed ONLY if the Applicant is a non-resident)

TAX COUNTRY	CITY OF BIRTH	COUNTRY OF BIRTH	
T.I.N. (Tax Identification Number)	PASSPORT / NATIONAL I.D. CARD NO.	COUNTRY OF ISSUE	ISSUE DATE

- I/We am/are **NOT** resident in Malta but I/we am/are resident in the European Union.  
 I/We am/are **NOT** resident in Malta and I/we am/are NOT resident in the European Union.

**E INTEREST, REFUND AND REDEMPTION MANDATE (see note 9)** (completion of this panel is MANDATORY)

BANK	IBAN
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I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions of the Bonds (as contained therein) which I/we fully accept.

\_\_\_\_\_  
 Signature/s of Applicant/s Date  
(Both parents or legal guardian/s are/is to sign if the Applicant is a minor)  
 (All parties are to sign in the case of a joint Application)  
 (Bare owner/s and usufructuary/ies to sign in the case of holdings of Exchangeable Bonds that are subject to usufruct)

AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE	APPLICATION NUMBER
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# Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 21 October 2016 regulating the Bond Issue

1. This Application is governed by the Terms and Conditions of Application contained in Section 7.2 of the Securities Note dated 21 October 2016 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. This Application Form is to be completed in BLOCK LETTERS.
3. Applicants who are Non-Residents in Malta for tax purposes must complete Panel D overleaf.
4. The MSE account number pertaining to the Applicant has been pre-printed in Panel A and reflects the MSE account number on the Issuer's Register at the CSD as at 21 October 2016 (trading session of the 19 October 2016). **APPLICANTS ARE TO NOTE THAT ANY BONDS ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF.**

Upon submission of an Application Form, Bondholders who do not have an online e-portfolio account will be registered by the CSD for the online e-portfolio facility and will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for e-Portfolio requires a mobile number to be provided on the Application Form. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Those Bondholders who opt not to avail themselves of this facility should indicate such on the Application Form. Further detail on the e-portfolio is found on <https://eportfolio.borzamalta.com.mt/Help>.

5. In the case where an Existing Bondholder is a body corporate, Application Forms must be signed by duly authorised representative/s indicating the capacity in which they are signing.
6. The amount set out in Box 2 of Panel B overleaf must be in multiples of €100. The Issuer will be giving preference to Applications made by Existing Bondholders up to their full amount held as at the Cut-Off Date, subject to a minimum Application of €2,000.

Where the Applicant wishes to acquire a number of Bonds having an aggregate value which exceeds the nominal value of the number of Exchangeable Bonds set out in Box 1 of Panel B, the Applicant may do so by including such higher amount in Box 2 in Panel B. In such case, the Applicant must ensure that the relative Application Form is accompanied by payment of the difference between the full price of the amount of Bonds applied for and the nominal value of Exchangeable Bonds being transferred. Payment of the amount representing such difference, which is to be inserted in Box 3 of Panel B overleaf, must be made in Euro in cleared funds to **"The Registrar - Premier Capital p.l.c. Bond Issue"**. In the event that the cheque accompanying an Application Form is not honoured on the first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application.

7. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as residents in Malta. In such a case, the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case, such interest need not be declared in the Applicant's income tax return. The

Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will then be obliged to declare interest so received in the tax return. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a prescribed fund will have final withholding tax (currently 10%) deducted from interest payments.

In terms of Section 6.2 of the Securities Note, unless the Issuer is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of Article 41(c) of the Income Tax Act (Cap. 123 of the Laws of Malta), interest shall be paid to such person net of final withholding tax (currently 15%) of the gross amount of interest, pursuant to Article 33 of the Income Tax Act (Cap. 123 of the Laws of Malta).

8. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.
- 8a. The contents of Notes 7 and 8 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisors in case of doubt.
9. Should any Application not be accepted, or be accepted for fewer Bonds than those applied for, the monies of the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the bank account as indicated in Panel E. Interest or redemption proceeds will be credited to the account designated in Panel E or as otherwise amended by the Bondholder/s during the term of the Bond.
10. Completed Application Forms are to be delivered to any of the Authorised Financial Intermediaries listed in Annex I of the Securities Note during normal office hours by not later than 12:00 hours on 10 November 2016. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not being received by the closing date indicated above. The Issuer reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions of Application as contained in the Prospectus. Any Applications received by the Registrar after 12:00 hours on 10 November 2016 will not be accepted.
11. By completing and delivering an Application Form you (as the Applicant/s) acknowledge that:
  - a. the Issuer may process the personal data that you may provide in the Application Form in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta);
  - b. the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
  - c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer. Any such requests must be made in writing and addressed to the Issuer. The request must be signed by yourself, as the Applicant to whom the personal data relates.

**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 on offer will be repayable in full upon redemption. An investor should consult an independent financial advisor, licensed under the Investments Services Act (Cap. 370 of the Laws of Malta), for advice.**

Please read the notes overleaf before completing this Application Form. Mark 'X' where applicable.

APPLICANT/S (see notes 2 to 6)			
<input type="checkbox"/> Non-Resident <input type="checkbox"/> Body Corporate / Body of Persons			
TITLE (Mr/Mrs/Ms/...)		FULL NAME & SURNAME / REGISTERED NAME	
ADDRESS			
			POST CODE
MSE A/C NO. (if applicable)	I.D. CARD / PASSPORT / COMPANY REG NO.	TEL NO.	MOBILE NO. (MANDATORY for e-portfolio registration)
<input type="checkbox"/> Already registered for e-portfolio <input type="checkbox"/> Please do not register me for e-portfolio			
ADDITIONAL (JOINT) APPLICANTS (see note 4) <span style="float: right;">(please use an additional Application Form if space is not sufficient)</span>			
TITLE (Mr/Mrs/Ms/...)		FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.
TITLE (Mr/Mrs/Ms/...)		FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.
This Application Form is not transferable and entitles you to subscribe for Premier Capital p.l.c. 3.75% Unsecured Bonds 2026 as shareholder, director or employee of any company forming part of the Hili Ventures Group as at 21 October 2016 (the "Hili Ventures Group Stakeholders").			
I/WE APPLY TO PURCHASE AND ACQUIRE (see notes 7 & 8)			
AMOUNT IN FIGURES		AMOUNT IN WORDS	
€			
Premier Capital p.l.c. 3.75% Unsecured Bonds 2026 (minimum €2,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 21 October 2016, (the "Prospectus"), payable in full upon Application under the Terms and Conditions of the Bonds as set out in the Prospectus.			
RESIDENT - WITHHOLDING TAX DECLARATION (see notes 9 & 10a) <span style="float: right;">(to be completed ONLY if the Applicant is a resident of Malta)</span>			
<input type="checkbox"/> I/We elect to have final withholding tax deducted from my/our interest.			
<input type="checkbox"/> I/We elect to receive interest gross (i.e. without deduction of withholding tax).			
NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see notes 3, 10 & 10a) <span style="float: right;">(to be completed ONLY if the Applicant is a non-resident)</span>			
TAX COUNTRY	CITY OF BIRTH	COUNTRY OF BIRTH	
T.I.N. (Tax Identification Number)	PASSPORT / NATIONAL I.D. CARD NO.	COUNTRY OF ISSUE	ISSUE DATE
<input type="checkbox"/> I/We am/are NOT resident in Malta but I/we am/are resident in the European Union.			
<input type="checkbox"/> I/We am/are NOT resident in Malta and I/we am/are NOT resident in the European Union.			
INTEREST, REFUND AND REDEMPTION MANDATE (see note 11) <span style="float: right;">(completion of this panel is MANDATORY)</span>			
BANK		IBAN	
I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus subject to the Terms and Conditions as contained therein which I/we fully accept.			
Signature/s of Applicant/s <small>(Both parents or legal guardian/s are/is to sign if the Applicant is a minor) (All parties are to sign in the case of a joint Application)</small>			Date
AUTHORISED FINANCIAL INTERMEDIARY'S STAMP		AUTHORISED FINANCIAL INTERMEDIARY'S CODE	APPLICATION NUMBER

# Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 21 October 2016 regulating the Bond Issue.

1. This Application is governed by the Terms and Conditions of Application contained in Section 7.2 of the Securities Note dated 21 October 2016 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the same meaning as that ascribed to them in the Prospectus.
2. This Application Form is to be completed in BLOCK LETTERS.
3. Applicants who are Non-Residents In Malta for tax purposes, must indicate their passport number in Panel B and complete Panel F. The relative box in Panel A must also be marked appropriately.
4. Applicants are to insert full personal details in Panel B. In the case of an Application by more than one person (including husband and wife) full details of all individuals, including I.D. card numbers, must be given in Panels B and C **but the person whose name appears in Panel B shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 6 below).**

Upon submission of an Application Form, Bondholders who do not have an online e-portfolio account will be registered by the CSD for the online e-portfolio facility and will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for e-Portfolio requires a mobile number to be provided on the Application Form. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Those Bondholders who opt not to avail themselves of this facility should indicate such on the Application Form. Further detail on the e-portfolio is found on <https://eportfolio.borzamalta.com.mt/Help>.

5. In the case of a body corporate, the Application Form must be signed by duly authorised representative/s indicating the capacity in which they are signing.
6. **APPLICANTS WHO ALREADY HOLD SECURITIES ON THE MSE ARE TO INDICATE THEIR MSE ACCOUNT NUMBER IN PANEL B. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED IN THE MSE ACCOUNT NUMBER QUOTED ON THIS APPLICATION FORM. IF DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MSE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF, A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE WILL HAVE TO BE EFFECTED.**
7. Applications must be for a minimum of €2,000 and thereafter in multiples of €100.
8. Payment in Euro must be made in cleared funds to **'The Registrar - Premier Capital p.l.c. Bond Issue'**. In the event that the cheque accompanying an Application Form is not honoured on the first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application.
9. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as residents in Malta. In such a case, the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case, such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e.

without deduction of final withholding tax), but will then be obliged to declare interest so received in the tax return. Interest received by Non-Resident Applicants is not taxable in Malta and Non-Residents will receive interest gross. Authorised entities applying in the name of a prescribed fund will have final withholding tax (currently 10%) deducted from interest payments. In terms of Section 6.2 of the Securities Note, unless the Issuer is otherwise instructed by a Bondholder, 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 person net of final withholding tax (currently 15%) of the gross amount of interest, pursuant to Article 33 of the Income Tax Act.

10. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.

10a. The contents of 9 and 10 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisors in case of doubt.

11. Should any Application not be accepted, or be accepted for fewer Bonds than those applied for, the monies of the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the bank account as indicated in Panel G. Interest or redemption proceeds will be credited to the account designated in Panel G or as otherwise amended by the Bondholder/s during the term of the Bond.
12. Completed Application Forms are to be delivered to the Issuer's offices during normal office hours by not later than 12:00 hours on 10 November 2016. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not being received by the closing date indicated above. The Issuer reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions of Application as contained in the Prospectus. Any Applications received by the Registrar after 12:00 hours on 10 November 2016 will not be accepted.
13. By completing and delivering an Application Form you (as the Applicant/s) acknowledge that:
  - a. the Issuer may process the personal data that you may provide in the Application Form in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta);
  - b. the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
  - c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer. Any such requests must be made in writing and addressed to the Issuer. The request must be signed by yourself, as the Applicant to whom the personal data relates.

**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 on offer will be repayable in full upon redemption. An investor should consult a licensed stockbroker or an investments advisor, licensed under the Investments Services Act (Cap. 370 of the Laws of Malta), for advice.**



Please read the notes overleaf before completing this Application Form. Mark 'X' where applicable.

**A**

**APPLICANT/S (see note 4)**

	TEL NO.	MOBILE NO. (MANDATORY for e-portfolio registration)

Already registered for e-portfolio       Please do not register me for e-portfolio

This Application Form is not transferable and entitles you to subscribe for Premier Capital p.l.c. 3.75% Unsecured Bonds 2026 as holder of either Hili Properties p.l.c. 4.5% Bonds 2025 or PTL Holdings p.l.c. 5.1% Bonds 2024 as at 21 October 2016 (the Cut-Off Date) (collectively the "Hili Ventures Group Bondholders").

**B**

**I/WE APPLY TO PURCHASE AND ACQUIRE (see notes 2, 6 & 7)**

AMOUNT IN FIGURES €	AMOUNT IN WORDS
------------------------	-----------------

Premier Capital p.l.c. 3.75% Unsecured Bonds 2026 (minimum €2,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 21 October 2016, (the "Prospectus"), payable in full upon Application under the Terms and Conditions of the Bonds as set out in the Prospectus.

**C**

**RESIDENT - WITHHOLDING TAX DECLARATION (see notes 8 & 9a)** (to be completed ONLY if the Applicant is a resident of Malta)

I/We elect to have final withholding tax deducted from my/our interest.  
 I/We elect to receive interest gross (i.e. without deduction of withholding tax).

**D**

**NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see notes 3, 9 & 9a)** (to be completed ONLY if the Applicant is a non-resident)

TAX COUNTRY	CITY OF BIRTH	COUNTRY OF BIRTH	
T.I.N. (Tax Identification Number)	PASSPORT / NATIONAL I.D. CARD NO.	COUNTRY OF ISSUE	ISSUE DATE

I/We am/are **NOT** resident in Malta but I/we am/are resident in the European Union.  
 I/We am/are **NOT** resident in Malta and I/we am/are NOT resident in the European Union.

**E**

**INTEREST, REFUND AND REDEMPTION MANDATE (see note 10)** (completion of this panel is MANDATORY)

BANK	IBAN
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I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus subject to the Terms and Conditions as contained therein which I/we fully accept.

\_\_\_\_\_  
Signature/s of Applicant/s

\_\_\_\_\_  
Date

(Both parents or legal guardian/s are/is to sign if the Applicant is a minor)  
 (All parties are to sign in the case of a joint Application)

AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE	APPLICATION NUMBER
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## Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 21 October 2016 regulating the Bond Issue.

1. This Application is governed by the Terms and Conditions of Application contained in Section 7.2 of the Securities Note dated 21 October 2016 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the same meaning as that ascribed to them in the Prospectus.
2. This Application Form is to be completed in BLOCK LETTERS.
3. Applicants who are Non-Resident in Malta for tax purposes, must complete Panel D Overleaf.
4. The MSE account number pertaining to the Applicant has been preprinted in Panel A and reflects the MSE account number on the Issuer's Register at the CSD as at 21 October 2016 (trading session of the 19 October 2016). **APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT NUMBER QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF.**

Upon submission of an Application Form, Bondholders who do not have an online e-portfolio account will be registered by the CSD for the online e-portfolio facility and will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for e-Portfolio requires a mobile number to be provided on the Application Form. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Those Bondholders who opt not to avail themselves of this facility should indicate such on the Application Form. Further detail on the e-portfolio is found on <https://eportfolio.borzamalta.com.mt/Help>.

5. In the case of a body corporate, the Application Form must be signed by duly authorised representative/s indicating the capacity in which they are signing.
6. Applications must be for a minimum of €2,000 and thereafter in multiples of €100.
7. Payment in Euro must be made in cleared funds to 'The Registrar - Premier Capital p.l.c. Bond Issue'. In the event that the cheque accompanying an Application Form is not honoured on the first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application.
8. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as residents in Malta. In such a case, the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case, such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will then be obliged to declare interest so received in the tax return. Interest received by Non-Resident Applicants is not taxable in Malta and Non-Residents will receive interest gross. Authorised entities applying in the name

of a prescribed fund will have final withholding tax (currently 10%) deducted from interest payments.

In terms of Section 6.2 of the Securities Note, unless the Issuer is otherwise instructed by a Bondholder, 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 person net of final withholding tax (currently 15%) of the gross amount of interest, pursuant to Article 33 of the Income Tax Act.

9. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.
- 9a. The contents of 8 and 9 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisors in case of doubt.
10. Should any Application not be accepted, or be accepted for fewer Bonds than those applied for, the monies of the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the bank account as indicated in Panel E. Interests or redemption proceeds will be credited to the account designated in Panel E or as otherwise amended by the Bondholder/s during the term of the Bond.
11. Completed Application Forms are to be delivered to any of the Authorised Financial Intermediaries listed in Annex I of the Securities Note during normal office hours by not later than 12:00 hours on 10 November 2016. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not being received by the closing date indicated above. The Issuer reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions of Application as contained in the Prospectus. Any Applications received by the Registrar after 12:00 hours on 10 November 2016 will not be accepted.
12. By completing and delivering an Application Form you (as the Applicant/s) acknowledge that:
  - a. the Issuer may process the personal data that you may provide in the Application Form in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta);
  - b. the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
  - c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer. Any such requests must be made in writing and addressed to the Issuer. The request must be signed by yourself, as the Applicant to whom the personal data relates.

**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 on offer will be repayable in full upon redemption. An investor should consult a licensed stockbroker or an investments advisor, licensed under the Investments Services Act (Cap. 370 of the Laws of Malta), for advice.**

Please read the notes overleaf before completing this Application Form. Mark 'X' where applicable.

APPLICANT/S (see notes 2 to 7)			
<input type="checkbox"/> Non-Resident	<input type="checkbox"/> Minor (under 18)	<input type="checkbox"/> Body Corporate / Body of Persons	<input type="checkbox"/> CIS-Prescribed Fund
TITLE (Mr/Mrs/Ms/...)		FULL NAME & SURNAME / REGISTERED NAME	
ADDRESS			
			POST CODE
MSE A/C NO. (if applicable)	I.D. CARD / PASSPORT / COMPANY REG NO.	TEL NO.	MOBILE NO. (MANDATORY for e-portfolio registration)
<input type="checkbox"/> Already registered for e-portfolio		<input type="checkbox"/> Please do not register me for e-portfolio	
ADDITIONAL (JOINT) APPLICANTS (see note 4) <span style="float: right;">(please use an additional Application Form if space is not sufficient)</span>			
TITLE (Mr/Mrs/Ms/...)	FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.	
TITLE (Mr/Mrs/Ms/...)	FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.	
MINOR'S PARENTS / LEGAL GUARDIAN/S (see note 5) <span style="float: right;">(to be completed ONLY if the Applicant is a minor)</span>			
TITLE (Mr/Mrs/Ms/...)	FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.	
TITLE (Mr/Mrs/Ms/...)	FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.	
I/WE APPLY TO PURCHASE AND ACQUIRE (see notes 8 & 9)			
AMOUNT IN FIGURES		AMOUNT IN WORDS	
€			
Premier Capital p.l.c. 3.75% Unsecured Bonds 2026 (the "Bonds") (minimum €2,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 21 October 2016 (the 'Prospectus'), payable in full upon Application under the Terms and Conditions of the Bonds as set out in the Prospectus.			
RESIDENT - WITHHOLDING TAX DECLARATION (see note 10 & 11a) <span style="float: right;">(to be completed ONLY if the Applicant is a resident of Malta)</span>			
<input type="checkbox"/> I/We elect to have final withholding tax deducted from my/our interest.			
<input type="checkbox"/> I/We elect to receive interest gross (i.e. without deduction of withholding tax).			
NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see note 3, 11 & 11a) <span style="float: right;">(to be completed ONLY if the Applicant is a non-resident)</span>			
TAX COUNTRY	CITY OF BIRTH	COUNTRY OF BIRTH	
T.I.N. (Tax Identification Number)	PASSPORT / NATIONAL I.D. CARD NO.	COUNTRY OF ISSUE	ISSUE DATE
<input type="checkbox"/> I/We am/are NOT resident in Malta but I/we am/are resident in the European Union.			
<input type="checkbox"/> I/We am/are NOT resident in Malta and I/we am/are NOT resident in the European Union.			
INTEREST, REFUND AND REDEMPTION MANDATE (see note 12) <span style="float: right;">(completion of this panel is MANDATORY)</span>			
BANK	IBAN		
I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus subject to the Terms and Conditions as contained therein which I/we fully accept.			
Signature/s of Applicant/s		Date	
(Both parents or legal guardian/s are/is to sign if the Applicant is a minor)			
(All parties are to sign in the case of a joint Application)			
AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE	APPLICATION NUMBER	

# Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 21 October 2016 regulating the Bond Issue

1. This Application is governed by the Terms and Conditions of Application contained in Section 7.2 of the Securities Note dated 21 October 2016 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
  2. The Application Form is to be completed in BLOCK LETTERS.
  3. Applicants who are Non-Residents In Malta for tax purposes, must indicate their passport number in Panel B and complete Panel G. The relative box in Panel A must also be marked appropriately.
  4. Applicants are to insert full personal details in Panel B. In the case of an Application by more than one person (including husband and wife) full details of all individuals, including I.D. card numbers, must be given in Panels B and C but the person whose name appears in Panel B shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 7 below).

Upon submission of an Application Form, Bondholders who do not have an online e-portfolio account will be registered by the CSD for the online e-portfolio facility and will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for e-Portfolio requires a mobile number to be provided on the Application Form. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Those Bondholders who opt not to avail themselves of this facility should indicate such on the Application Form. Further detail on the e-portfolio is found on <https://eportfolio.borzamalta.com.mt/Help>.
  5. Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or by the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. The relative box in Panel A must also be marked appropriately. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable 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 eighteen (18) years.
  6. In the case of a body corporate, the name of the entity exactly as registered, and the registration number are to be inserted in Panel B. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
  7. **APPLICANTS WHO ALREADY HOLD SECURITIES ON THE MSE ARE TO INDICATE THEIR MSE ACCOUNT NUMBER IN PANEL B. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED IN THE MSE ACCOUNT NUMBER QUOTED ON THIS APPLICATION FORM. IF DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MSE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF, A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE WILL HAVE TO BE EFFECTED.**
  8. Applications must be for a minimum of €2,000 and thereafter in multiples of €100.
  9. Payment must be made in Euro, in cleared funds to 'The Registrar - Premier Capital p.l.c. Bond Issue'. In the event that the cheque accompanying an Application Form is not honoured on the first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application.
  10. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will be obliged to declare interest so received in the tax return. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a prescribed fund (having indicated their status in the appropriate box in Panel A) will have final withholding tax (currently 10%), deducted from interest payments. In terms of Section 6.2 of the Securities Note, unless the Issuer is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of Article 41(c) of the Income Tax Act (Cap. 123 of the Laws of Malta), interest shall be paid to such person net of final withholding tax, (currently 15%) of the gross amount of interest, pursuant to Article 33 of the Income Tax Act (Cap. 123 of the Laws of Malta).
  11. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.
  - 11a. The contents of Notes 10 and 11 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisors in case of doubt.
  12. If any Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies or the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the bank account as indicated in Panel H. Interest and redemption proceeds will be credited to the account indicated in Panel H or as otherwise amended by the Bondholder/s during the term of the Bond.
  13. Subscription lists will open at 08:30 hours on 14 November 2016 and will close as soon thereafter as may be determined by the Issuer, but not later than 16:00 hours on 16 November 2016. The Issuer reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions of Application as contained in the Prospectus. Any Applications received by the Registrar after the subscription lists close will not be accepted. Completed Application Forms are to be delivered to any of the Authorised Financial Intermediaries listed in Annex I of the Securities Note, during normal office hours. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists.
  14. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
    - a. the Issuer may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta);
    - b. the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
    - c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer. Any such requests must be made in writing and addressed to the Issuer. The request must be signed by yourself as the Applicant to whom the personal data relates.
- 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 on offer will be repayable in full upon redemption. An investor should consult an independent financial advisor, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.**

# Premier Capital p.l.c.

## Financial Analysis Summary

21 October 2016

The Directors  
Premier Capital p.l.c.  
Nineteen Twenty Three  
Valletta Road  
Marsa MRS 3000

21 October 2016

Dear Sirs

**Premier Capital p.l.c. Financial Analysis Summary**

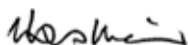
In accordance with your instructions, and in line with the requirements of the Listing Authority Policies, we have compiled the 2016 Financial Analysis Summary (the “Analysis”) set out on the following pages and which is being forwarded to you together with this letter.

The purpose of the financial analysis is that of summarising key financial data appertaining to Premier Capital p.l.c. (the “Group” or the “Company”). The data is derived from various sources or is based on our own computations as follows:

- (a) Historical financial data for the years ended 31 December 2013 to 31 December 2015 has been extracted from the audited consolidated financial statements of Premier Capital p.l.c.
- (b) The forecast data of the Group for the years ending 31 December 2016 to 2018 has been provided by management of the Company.
- (c) Our commentary on the results of the Group and on its financial position is based on the explanations provided by the Company.
- (d) The ratios quoted in the Analysis have been computed by us applying the definitions set out in Part 4 of the Analysis.
- (e) Relevant financial data in respect of the companies included in Part 3 has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Registrar of Companies or websites providing financial data.

The Analysis is meant to assist investors in the Company’s securities and potential investors by summarising the more important financial data of the Group. The Analysis does not contain all data that is relevant to investors or potential investors. The Analysis does not constitute an endorsement by our firm of any securities of the Company and should not be interpreted as a recommendation to invest in any of the Company’s securities. We shall not accept any liability for any loss or damage arising out of the use of the Analysis. As with all investments, potential investors are encouraged to seek professional advice before investing in the Company’s securities.

Yours faithfully,



**Wilfred Mallia**  
Director

## TABLE OF CONTENTS

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<b>PART 1</b>	<b>Information about the Company</b>	<b>4</b>
1	Key Activities	4
2	Directors and Senior Management	5
3	Group Organisational Structure	6
4	Group Operational Development	7
5	Business Development Strategy and Market Analysis	10
<b>PART 2</b>	<b>Group Performance Review</b>	<b>12</b>
6	Financial Information	12
<b>PART 3</b>	<b>Comparables</b>	<b>19</b>
<b>PART 4</b>	<b>Explanatory Definitions</b>	<b>20</b>

## PART 1 – INFORMATION ABOUT THE COMPANY

### 1. KEY ACTIVITIES

Premier Capital p.l.c. (the “**Company**”, “**Issuer**” or the “**Group**”) was incorporated on 30 June 2005 as a private limited liability company, subsequently (on 26 February 2010) converted into a public limited liability company and thereafter renamed Premier Capital p.l.c. The Issuer is a holding company, having no trading or operating activities of its own. Accordingly, the operating and financial performance of the Group is directly related to the financial and operating performance of the Issuer’s subsidiary companies. The Group is engaged in the operations of McDonald’s restaurants in Estonia, Greece, Latvia, Lithuania, Malta and Romania.

The McDonald’s franchise for Malta was awarded to the group company Premier Restaurants Malta Limited (formerly First Foods Franchise Limited), in 1995, pursuant to the terms of an operating license agreement entered into with, inter alia, McDonald’s Corporation.

In 2007, the Premier Group was awarded the McDonald’s franchise in respect of each of Latvia, Lithuania and Estonia (the “Baltic countries”), pursuant to which it was charged with the responsibility of developing the brand in those territories by: taking over from the McDonald’s Corporation the operation of the then existing 19 McDonald’s restaurants in the Baltic countries (7 restaurants in Estonia and 6 restaurants in each of Latvia and Lithuania); and by acquiring the right, and taking on the responsibility, to open new restaurants in the Baltic countries. The majority of these restaurants are located in the Baltic countries’ respective capital cities, Tallinn, Riga and Vilnius.

In 2011, Premier Capital p.l.c. was awarded the developmental license for McDonald’s in Greece, taking over 19 restaurants. As at 31 December 2015, the total number of restaurants operated by the Group amounted to 63, as follows: 8 in Malta and Gozo; 10, 12 and 11 in Estonia, Latvia and Lithuania respectively; and 22 in Greece.

On 22 January 2016, the Group acquired 90% shareholding in Premier Capital Romania SRL, an SPV company purposely set up to acquire Premier Capital Delaware Inc. (formerly, McDonald’s Systems of Romania Inc.), a non-trading holding company registered in Delaware US, and Premier Restaurants Romania SRL (formerly, McDonald’s Romania SRL) (“McD Romania”) which operates the McDonald’s restaurants in Romania. McD Romania is headquartered in Bucharest and as at date of acquisition operated 67 restaurants across the country.

Details of the purchase consideration are as follows:

<b>Premier Capital p.l.c.</b>	
<b>Purchase Consideration of McDonald’s Romania</b>	<b>€’000</b>
Cash consideration paid	56,292
Deferred consideration (included in ‘other financial liabilities’)	5,520
	<b>61,812</b>

The purchase consideration (including acquisition related costs amounting to €0.8 million) has been partly financed by a bank loan from BRD – Groupe Société Générale in Romania of €36.6 million, a cash injection of €17.2 million by the parent, Hili Ventures Limited and €3.3 million from group operating cash flows (in aggregate: €57.1 million). The deferred consideration of €5.5 million included in other financial liabilities is payable on 22 January 2017 and bears interest currently of 3.54%.

In addition to the above-mentioned acquisition, during the initial six months of 2016 the Group opened the 23<sup>rd</sup> restaurant in Greece, a seasonal restaurant located in the island of Santorini, and another in Bugibba, Malta following its relocation to a prime area. As at 30 June 2016, the Group operated a total of 132 restaurants across six territories.



An analysis of restaurant sales by country is provided hereunder:

Premier Capital p.l.c Revenue by Territory	2013 Actual (€'000)	2014 Actual (€'000)	2015 Actual (€'000)	2016 Projection (€'000)	2017 Projection (€'000)	2018 Projection (€'000)	CAGR FY 13-15	CAGR FY 13-18
Estonia	17,180	17,387	17,659	18,663	19,130	19,608	1.4%	2.7%
Greece	18,602	20,940	24,127	25,096	31,348	33,669	13.9%	12.6%
Latvia	17,457	18,092	18,744	19,599	20,480	22,202	3.6%	4.9%
Lithuania	15,258	16,418	18,260	19,537	21,980	26,220	9.4%	11.4%
Malta	20,447	21,775	21,148	20,798	23,686	23,994	1.7%	3.3%
Romania				124,631	138,488	148,983		9.3%
	<b>88,944</b>	<b>94,612</b>	<b>99,938</b>	<b>228,324</b>	<b>255,112</b>	<b>274,676</b>	<b>6.0%</b>	<b>25.3%</b>

## 2. DIRECTORS AND SENIOR MANAGEMENT

The Company is managed by a Board consisting of six directors entrusted with its overall direction and management.

### Board of Directors

Carmelo <i>sive</i> Melo Hili	Chairman and Non-Executive Director
Victor Tedesco	Executive Director
Tomasz Nawrocki	Non-executive Director
Charles J. Farrugia	Independent non-executive Director
Ann Fenech	Independent non-executive Director
Massimiliano Lupica	Independent non-executive Director

### Senior Management of the Group

The Board of Directors establishes policy for the Group and is responsible for appointing all executive officers and other key members of the Group's management team.

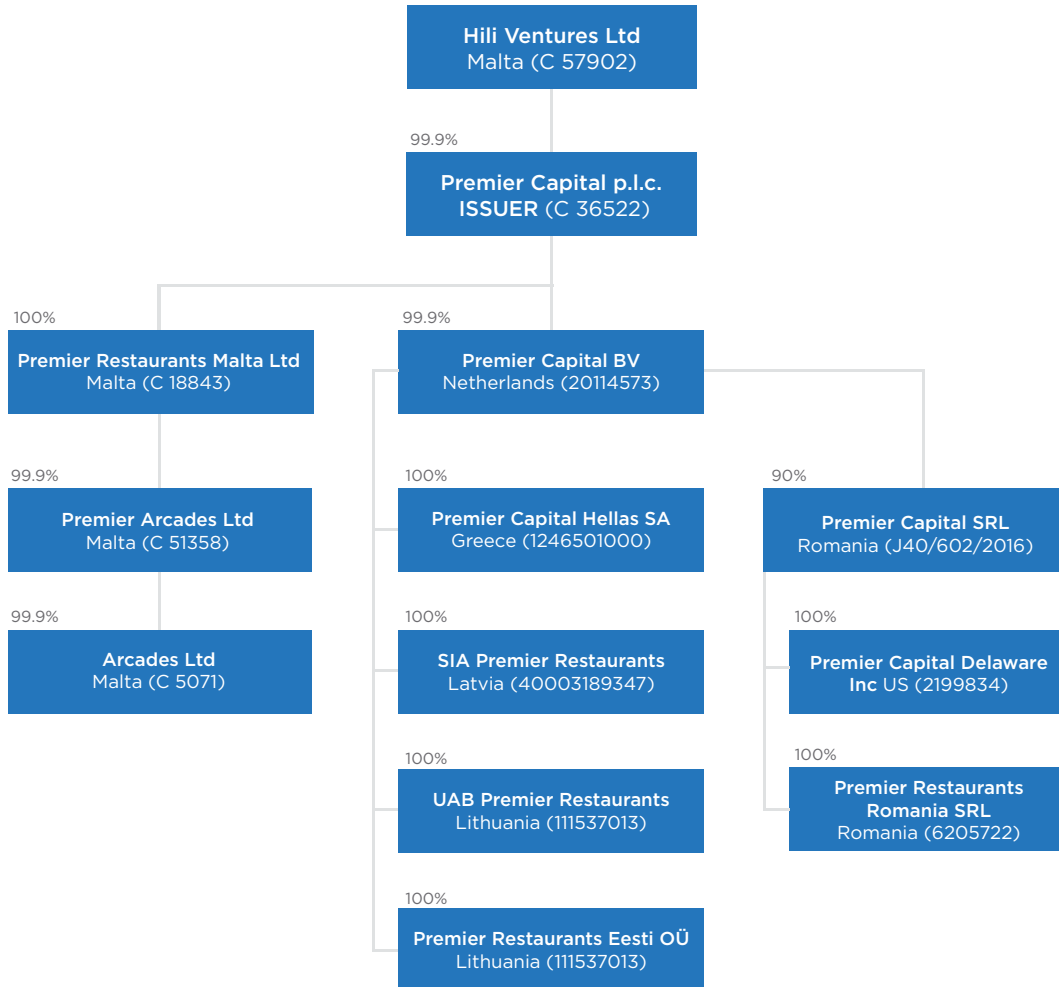
The Group has appointed executives in each of the core area of its business – finance, quality & supply chain, human resources (post is currently vacant) and development – all of whom report directly to the Managing Director. In addition, the Group has appointed a general manager for each of the four regions in which it operates.

The members of Senior Management are the following:

Victor Tedesco	Managing Director
Dorian Desira	Chief Financial Officer
Hector Naudi	Director of Quality and Supply Chain
Vladimir Adamovich	Director of Development
Daniel Boaje	Managing Director for Romania
Vladimir Janevski	General Manager for Baltics
Lee Warren	General Manager for Malta
Simona Mancinelli	General Manager for Greece

### 3. GROUP ORGANISATIONAL STRUCTURE

As the holding company of the Group, the Company is ultimately dependent upon the operations and performance of the Group's operating companies. The organisational structure of the Group is illustrated in the diagram hereunder:



The Group's business is described in section 4 hereunder.

#### 4. GROUP OPERATIONAL DEVELOPMENT

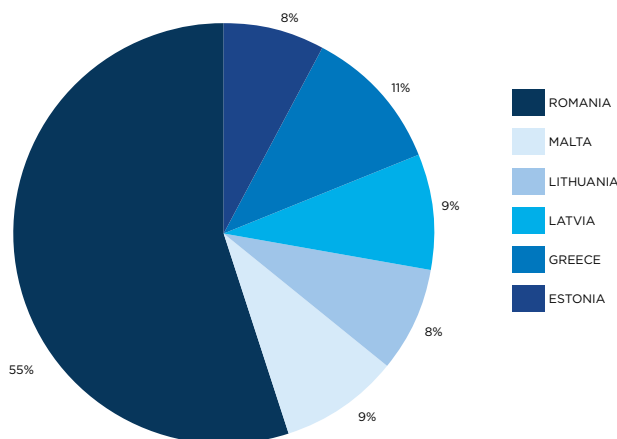
As at 30 June 2016, the Group operated 132 restaurants in Estonia, Greece, Latvia, Lithuania, Malta and Romania. The table below provides an analysis of performance by country for the financial years FY2013 to FY2018:

Premier Capital p.l.c Segment Information	2013 Actual	2014 Actual	2015 Actual	2016 Projection	2017 Projection	2018 Projection	CAGR FY 13-15	CAGR FY 13-18
<b>ESTONIA</b>								
Revenue (€'000)	17,180	17,387	17,659	18,663	19,130	19,608	1.4%	2.7%
Profit (loss) before tax (€'000)	1,419	1,682	2,012	2,235	2,240	2,161	19.1%	8.8%
Average number of restaurants	10	10	10	10	10	10		
Average revenue per restaurant (€'000)	1,718	1,739	1,766	1,866	1,913	1,961	1.4%	2.7%
Growth in average revenue per restaurant	n/a	1.2%	1.6%	5.7%	2.5%	2.5%		
Pre-tax profit margin	8%	10%	11%	12%	12%	11%	1.7%	3.3%
<b>GREECE</b>								
Revenue (€'000)	18,602	20,940	24,127	25,096	31,348	33,669	13.9%	12.6%
Profit (loss) before tax (€'000)	(1,476)	(863)	(560)	(704)	(649)	(567)	n/a	n/a
Average number of restaurants	19	21	22	25	28	29		
Average revenue per restaurant (€'000)	979	997	1,097	1,004	1,120	1,161	5.8%	3.5%
Growth in average revenue per restaurant	n/a	1.8%	10.0%	-8.5%	11.5%	3.7%		
Pre-tax profit margin	-8%	-4%	-2%	-3%	-2%	-2%		
<b>LATVIA</b>								
Revenue (€'000)	17,457	18,092	18,744	19,599	20,480	22,202	3.6%	4.9%
Profit (loss) before tax (€'000)	748	541	492	1,457	1,262	1,205	-18.9%	10.0%
Average number of restaurants	12	11	12	12	12	13		
Average revenue per restaurant (€'000)	1,455	1,645	1,562	1,633	1,707	1,708	3.6%	3.3%
Growth in average revenue per restaurant	n/a	13.1%	-5.0%	4.6%	4.5%	0.1%		
Pre-tax profit margin	4%	3%	3%	7%	6%	5%		

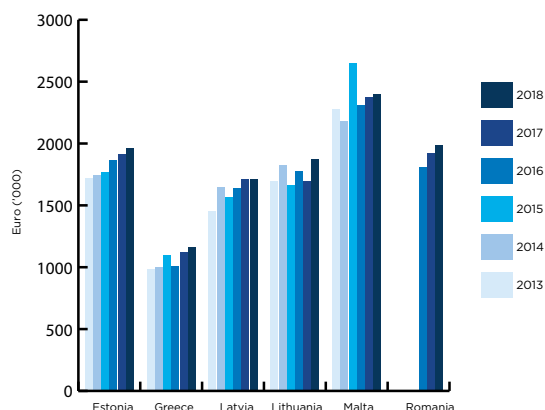
Premier Capital p.l.c Segment Information (cont.)	2013 Actual	2014 Actual	2015 Actual	2016 Projection	2017 Projection	2018 Projection	CAGR FY 13-15	CAGR FY 13-18
<b>LITHUANIA</b>								
Revenue (€'000)	15,258	16,418	18,260	19,537	21,980	26,220	9.4%	9.4%
Profit (loss) before tax (€'000)	1,352	1,972	2,197	2,256	2,401	2,778	27.5%	27.5%
Average number of restaurants	9	9	11	11	13	14		
Average revenue per restaurant (€'000)	1,695	1,824	1,660	1,776	1,691	1,873	-1.0%	-1.0%
Growth in average revenue per restaurant	n/a	7.6%	-9.0%	7.0%	-4.8%	10.8%		
Pre-tax profit margin	9%	12%	12%	12%	11%	11%		
<b>MALTA</b>								
Revenue (€'000)	20,447	21,775	21,148	20,798	23,686	23,994	1.7%	3.3%
Profit (loss) before tax (€'000)	965	452	494	683	1,165	1,084	-28.5%	2.4%
Average number of restaurants	9	10	8	9	10	10		
Average revenue per restaurant (€'000)	2,272	2,178	2,644	2,311	2,369	2,399	7.9%	1.1%
Growth in average revenue per restaurant	n/a	-4.2%	21.4%	-12.6%	2.5%	1.3%		
Pre-tax profit margin	5%	2%	2%	3%	5%	5%		
<b>ROMANIA</b>								
Revenue (€'000)				124,631	138,488	148,983		9.3%
Profit (loss) before tax (€'000)				13,488	15,580	17,660		14.4%
Average number of restaurants				69	72	75		
Average revenue per restaurant (€'000)				1,806	1,923	1,986		4.9%
Growth in average revenue per restaurant				n/a	6.5%	3.3%		
Pre-tax profit margin				11%	11%	12%		
<b>TOTAL</b>								
Revenue (€'000)	88,944	94,612	99,938	228,324	255,112	274,676	6.0%	25.3%
Profit (loss) before tax <sup>1</sup> (€'000)	3,008	3,784	4,635	19,415	21,999	24,321	24.1%	51.9%
Average number of restaurants	59	61	63	136	145	151		
Average revenue per restaurant (€'000)	1,508	1,551	1,586	1,679	1,759	1,819	2.6%	3.8%
Growth in average revenue per restaurant	n/a	2.9%	2.3%	5.8%	4.8%	3.4%		
Total revenue growth	n/a	6.4%	5.6%	128.5%	11.7%	7.7%		
Pre-tax profit margin	3.4%	4.0%	4.6%	8.5%	8.6%	8.9%		

<sup>1</sup>The profit figure as reported excludes results of the holding company.

Projected Group Revenue - FY2016



Average Revenue per Restaurant (by Country)



During the three historical financial years (FY2013 to FY2015), revenue generated by the Group increased at a compound annual growth rate (CAGR) of circa 6%, from €88.9 million in FY2013 to €99.9 million in FY2015 (an increase of €11.0 million). Such growth was achieved as a result of an increase in average revenue per restaurant, from €1.51 million in FY2013 to €1.59 million in FY2015 (CAGR: 2.6%), and through net restaurant openings of 2 outlets in each of FY2014 and FY2015 (from 59 outlets in FY2013 to 63 in FY2015). Profit before tax increased in the period under review from €3.0 million in FY2013 to €4.6 million in FY2015 and pre-tax profit margin improved from 3.4% to 4.6% in the respective aforementioned years.

Group revenue for the year ending 31 December 2016 is forecasted to amount to €228.3 million, an increase of €128.4 million from a year earlier as a consequence of the Romanian acquisition. Excluding said acquisition, Group revenue is expected to increase by 3.8% from €99.9 million in FY2015 to €103.7 million in FY2016. With respect to profitability, the Group is projected to generate a profit before tax of €19.4 million in FY2016, an increase of €14.8 million when compared to FY2015. Excluding the Romanian territory, profit before tax is forecasted to increase by €1.3 million, from €4.6 million in FY2015 to €5.9 million in FY2016. In the following two financial year, Group revenue is expected to increase by €26.8 million (+12%) in FY2017 and €19.6 million (+8%) in FY2018 to €274.7 million. Profit before tax is projected to increase by €2.6 million in FY2017 and €2.3 million in FY2018 to €24.3 million (in FY2018). More notably is the anticipated improvement in pre-tax profit margin from 4.6% in FY2015 to circa 8.5% in FY2016 and FY2017, and 8.9% in FY2018.

Total outlets are expected to increase from 63 restaurants in FY2015 to 136 in FY2016 (mainly as a result of the Romanian acquisition), and 145 and 151 in FY2017 and FY2018 respectively. Average revenue per restaurant is projected to improve from €1.59 million in FY2015 to €1.68 million and €1.76 million in FY2016 and FY2017 respectively. As for FY2018, average revenue per restaurant is projected at €1.82 million.

On a per country basis, revenue generated in Estonia, Latvia and Malta increased marginally from FY2013 to FY2015 at a CAGR of 1.4%, 3.6% and 1.7% respectively. On the other hand, revenue from the Lithuanian operation increased at a CAGR of 9.4%, principally due to a net increase of 2 restaurants in FY2015. Revenue generated in Greece increased at a CAGR of 13.9% during the same period, from €18.6 million in FY2013 to €24.1 million in FY2015, and as such performed significantly better when compared to the other countries. Although the increase in revenue was mainly the result of a net amount of 3 new outlet openings, average revenue per restaurant also improved from €1.0 million in FY2013 to €1.1 million in FY2015.

It is observed that average revenue per restaurant is relatively consistent amongst the Baltic restaurants (FY2015 average: €1.7 million), but varies quite significantly in Greece (FY2015: €1.1 million) and Malta (FY2015: €2.6 million). The primary reason for this difference is that in Greece the Group operates outlets that are relatively smaller in size and a number of them are seasonal restaurants (in touristic destinations). In comparison to Malta, the Group operates a small number of relatively large outlets in high traffic destinations (such as, the Malta International Airport, St Julians and Valletta) and furthermore, 2 of the 8 restaurants are drive thru outlets which typically attract a higher spend per customer.

In FY2016, average revenue per restaurant is expected to increase in each of Estonia (+5.7%), Latvia (+4.6%) and Lithuania (+7.0%). On the other hand, average revenue in Greece is projected to decrease from €1.1 million to €1.0 million, principally due to a net addition of 3 new outlets during the year (new outlets are not operational for a full year and consequently lower average yearly performance by territory). Average revenue per restaurant in Malta is also expected to decline from €2.6 million in FY2015 to €2.3 million in FY2016.

In FY2017, all territories (other than Lithuania) are projected to register gains in average revenue per restaurant, particularly Greece which is expected to increase average revenue by 11.5% from €1.0 million in FY2016 to €1.1 million in FY2017. Lithuania is projected to generate marginally lower average revenue per outlet of €85,000 to €1.7 million. As for FY2018, management is projecting broadly stable average revenue per restaurant in each of the territories, except for Lithuania which is expected to recover from the decline projected for FY2017 and achieve a 10.8% y-o-y revenue growth to €1.9 million per outlet.

As to profitability, the top performers included: Estonia - an increase of €0.6 million (+42%) in profit before tax from €1.4 million in FY2013 to €2.0 million in FY2015; Lithuania - an increase of €0.8 million (+63%) in profit before tax from €1.4 million in FY2013 to €2.2 million in FY2015; and Greece - whereby pre-tax losses decreased from €1.5 million in FY2013 to €0.9 million and €0.6 million in FY2014 and FY2015 respectively. In contrast, profit before tax generated from the Latvian and Maltese operations declined by 34% (from €0.7 million in FY2013 to €0.5 million in FY2015) and 49% (from €1.0 million in FY2013 to €0.5 million) respectively. In both cases, higher labour costs and non-controllable expenses (such as rent payable) were not mitigated by increases in prices and sales volume.

In FY2016, the Latvian operation is forecasted to generate a substantial increase in profit before tax from €0.5 million in FY2015 to €1.5 million, whilst profitability in each of Latvia, Lithuania and Malta is expected to be broadly in line with the prior year's results. In Greece, the loss before tax is expected to increase marginally from -€0.6 million in FY2015 to -€0.7 million in FY2016. The projected profit before tax for FY2017 in each territory is set to be similar to that of FY2016, except for Malta which should register a 71% increase in profit before tax from €0.7 million in FY2016 to €1.2 million in FY2017. With respect to FY2018, pre-tax profit for each territory is forecasted at broadly the same level as in FY2017 (except for Romania as disclosed hereunder).

In January 2016, the Issuer acquired the operation of McDonald's restaurants in Romania and thereby increased the number of restaurants operated by the Group from 63 to 130 outlets. Revenue from Romania is expected to reach €124.6 million in FY2016 and profit before tax is estimated at €13.5 million. For FY2017, revenue is projected to increase by a further €13.9 million to €138.5 million principally due to a net increase of 3 outlets and growth of 6.5% in average revenue per restaurant from €1.8 million in FY2016 to €1.9 million. As for FY2018, the Romanian operation is projected to generate revenue amounting to €149.0 million, an increase of €10.5 million (+8%) when compared to FY2017 primarily as a result of a net increase of 3 outlets (to 75 restaurants). Pre-tax profit is projected to increase by €2.1 million from €15.6 million in FY2017 to €17.7 million in FY2018 (+13%).

## 5. BUSINESS DEVELOPMENT STRATEGY AND MARKET ANALYSIS

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### 5.1 Strategy

#### (a) Expand penetration within existing and new geographical territories

The Premier Group's principal objective following the Bond Issue will be to focus on the expansion of the McDonald's restaurant network within existing and new markets, given the belief of the Group's management that there is significant market potential (as described in section 5.2 below) to continue to develop the McDonald's concept in Malta, the Baltic countries, Romania and Greece and, possibly, other territories (subject to franchisor's approval and granting of the associated licenses).

Indeed the expansion strategy reveals an increase in store openings in excess of 50% by the year of 2026. The growth is spread across all markets, with 5 new restaurants in Malta, 8 in Greece, 4 in each of Estonia and Latvia, 8 in Lithuania and another 37 in Romania. Furthermore a total of 58 restaurants will be subject to remodeling.

#### (b) Continue to improve revenue and profitability

During the past three financial years (FY2013 - FY2015), the Premier Group has consistently expanded the number of its McDonald's restaurants and McCafe's, and remodeled and upgraded the ambience and technology of a number of its existing restaurants. The Group intends to pursue this growth strategy to sustain and improve its revenues and profitability.

**(c) Commitment to customer satisfaction**

The Premier Group is committed to provide an efficient and attentive customer service and consistent food quality. The Group plans to do so by investing in new technologies and service platforms, providing ongoing training for its personnel, improving the quality of store ambience, maintaining high health and safety standards, improving the quality of store furnishings and others.

**5.2 The Informal Eating-Out (“IEO”) market in Malta, Estonia, Latvia, Lithuania, Romania and Greece**

IEO is a term used to categorise sectors of the food industry where customers can buy food commodities without the need to book a table.

The opportunities for further expansion in the regions in which the Group operates will depend on a number of factors that could have a material impact on the Group’s strategy to increase its operational presence in these territories. These factors are driven principally by the level of penetration that management reckons is sustainable in each of these territories to conduct profitable operations.

In devising future strategy, the Group’s management takes an ad hoc regional view of: general macro-economic conditions; the social development of the population; competition; regulation; affluence; political and economic stability within each territory. Moreover, the Group commissions regular market studies in each of the territories in which it operates restaurants in order to keep under review all the relevant market conditions that could have an impact on its development strategy and to enable it to react in a timely manner as and when market conditions so dictate.

On the basis of data available to the Group’s management, it transpires that the Maltese market, the Baltic countries market, as well as the Romanian and the Greek markets, can sustain further expansion, albeit not necessarily with the same potential.

In the case of Malta and the Baltic countries, the Group already has a high penetration rate, comparable to that prevailing in the more developed city centres in Western Europe. The Group’s management believes that growth in these regions remains sustainable, with plans for relocations and renovations of its existing restaurants.

In the case of Romania and Greece, the Group’s management believes that there is further room for higher penetration rates. The relatively low penetration rate of restaurants per capita, combined with the high level of brand recognition enjoyed and the Group’s pricing strategy for the region, is believed to postulate the right platform for expansion in these regions.

**5.3 Restaurant development**

The Group’s management believes that the ability to select attractive locations and develop new restaurants is important in ensuring its continued growth. Accordingly, the Premier Group undergoes a detailed and comprehensive process to:

**(a) Determine key development markets**

Target markets and the pace and level of development in those markets are determined by a detailed review of many factors, including the potential of individual markets, existing and expected competition, any current penetration and historical performance of Premier Group restaurants in those markets and any key challenges facing development. The Premier Group believes that by focusing on further penetration of its existing markets it is able to increase brand awareness and improve operating and marketing efficiencies. Subject to obtaining the approval of its franchisor, the Group may also expand geographically to other countries where suitable opportunities occur.

**(b) Select and approve new locations**

The Group’s management believes that its site selection strategy is critical to its success and it devotes substantial effort to evaluating each potential site. Each city is divided into trade zones based on criteria such as pedestrian and automotive traffic levels, population, traffic generators, including shopping centres or petrol stations, household income levels and unemployment. Sites are principally sourced by the Group’s internal development team with the support of local real estate agents.

**(c) Negotiate attractive lease terms**

The Premier Group leases sites for terms usually of a minimum of 20 years with, where possible, a provision to extend the term by an agreed period. A minority of the Group's lease agreements provide for financial penalties on early termination and a small number do not provide for early terminations. Since McDonald's has developed significant brand identity in Malta, Estonia, Latvia, Lithuania, Romania and Greece, the Group has been able to negotiate more favourable leases for the placement of restaurants in premium locations, such as new shopping centre developments, as operators of these centres often seek to secure McDonald's as "flagship" tenants.

**(d) Design, construct and manage restaurants**

Upon securing a site, the Premier Group engages an approved architect to prepare the design of the restaurant based on a master design prepared in accordance with established brand standards to support the process of obtaining appropriate permits, and to oversee the construction process. Upon completion of all construction works, the Group's design team manages the fitting out of the restaurant, which typically takes from 12 to 14 weeks.

## PART 2 – GROUP PERFORMANCE REVIEW

### 6. FINANCIAL INFORMATION

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**The projected financial statements detailed below relate to events in the future and are based on assumptions which the Group believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecast and actual results may be material.**

The financial information below is extracted from the audited consolidated financial statements of Premier Capital p.l.c. for the financial years ended 31 December 2013 to 2015. The projected financial information for the years ending 31 December 2016 to 2018 has been provided by Group management.

The key performance drivers of the Group's business are: (i) restaurant sales; (ii) cost of food and packaging material; (iii) cost of labour; and (iv) occupancy and other related expenses.

Restaurant sales are influenced by a number of factors including, in particular, the opening of new restaurants, pricing and the product mix, the introduction of new products, successful advertising campaigns and, to a limited extent, seasonality.

The cost of food and packaging material is a significant performance driver with meat, paper and packaging, cold beverages, vegetables, cheese, buns and french fries representing the largest components of this category. The European supply chain group works closely with the system suppliers in order to source high quality products and services at competitive prices.

Restaurant staffing consists mainly of hourly paid employees. Staffing levels vary depending on transaction volume and are primarily driven by the time of the day. Hourly pay rates are adjusted periodically.

Occupancy and other related expenses include restaurant rental or concession payments and all associated utility costs. The Group's leases and/or concessions provide either for fixed rents or for rents calculated by reference to restaurant sales.



Premier Capital p.l.c. Consolidated Income Statement for the year ended 31 December	2013 Audited €'000	2014 Audited €'000	2015 Audited €'000	2016 Projection €'000	2017 Projection €'000	2018 Projection €'000
Revenue	88,944	94,612	99,938	228,324	255,112	274,676
Net operating expenses	(81,306)	(84,915)	(89,577)	(198,718)	(219,440)	(235,773)
<b>EBITDA<sup>1</sup></b>	<b>7,638</b>	<b>9,697</b>	<b>10,361</b>	<b>29,606</b>	<b>35,672</b>	<b>38,903</b>
Depreciation	(5,325)	(5,880)	(6,403)	(11,099)	(12,485)	(13,860)
Net finance costs	(2,337)	(2,331)	(2,261)	(3,733)	(3,938)	(3,442)
<b>Profit (loss) before tax</b>	<b>(24)</b>	<b>1,486</b>	<b>1,697</b>	<b>14,774</b>	<b>19,249</b>	<b>21,601</b>
Taxation	(100)	(338)	(371)	(4,811)	(2,939)	(3,320)
<b>Profit (loss) after tax</b>	<b>(124)</b>	<b>1,148</b>	<b>1,326</b>	<b>9,963</b>	<b>16,310</b>	<b>18,281</b>
<b>Other comprehensive income</b>						
Gain on available-for-sale investments	3	191	134	-	-	-
<b>Total comprehensive income (expense)</b>	<b>(121)</b>	<b>1,339</b>	<b>1,460</b>	<b>9,963</b>	<b>16,310</b>	<b>18,281</b>

<sup>1</sup>EBITDA - Earnings before Interest, Tax, Depreciation and Amortisation.

Premier Capital p.l.c. Consolidated Cash Flow Statement for the year ended 31 December	2013 Audited €'000	2014 Audited €'000	2015 Audited €'000	2016 Projection €'000	2017 Projection €'000	2018 Projection €'000
Net cash from operating activities	7,599	8,335	7,780	27,794	30,535	32,827
Net cash from investing activities	(2,484)	(8,039)	(7,679)	(48,313)	(16,960)	(16,058)
Net cash from financing activities	(2,806)	(1,901)	(266)	63,607	(23,923)	(11,333)
<b>Net movement in cash and cash equivalents</b>	<b>2,309</b>	<b>(1,605)</b>	<b>(165)</b>	<b>43,088</b>	<b>(10,348)</b>	<b>5,436</b>
Cash and cash equivalents at beginning of year	2,127	4,436	2,831	2,666	45,754	35,406
<b>Cash and cash equivalents at end of year</b>	<b>4,436</b>	<b>2,831</b>	<b>2,666</b>	<b>45,754</b>	<b>35,406</b>	<b>40,842</b>

Premier Capital p.l.c. Consolidated Balance Sheet as at 31 December	2013 Audited €'000	2014 Audited €'000	2015 Audited €'000	2016 Projection €'000	2017 Projection €'000	2018 Projection €'000
<b>ASSETS</b>						
<b>Non-current assets</b>						
Goodwill and other intangibles	25,955	25,416	25,084	40,152	39,533	38,922
Property, plant and equipment	28,331	29,406	30,682	76,789	81,346	83,642
Financial assets	672	1,849	3,039	11,588	3,172	3,176
Deferred tax asset	1,939	2,015	2,495	1,268	1,709	2,146
Prepayments	1,788	1,523	1,440	-	-	-
	<b>58,685</b>	<b>60,209</b>	<b>62,740</b>	<b>129,797</b>	<b>125,760</b>	<b>127,886</b>
<b>Current assets</b>						
Inventory	2,263	2,939	3,011	4,130	4,564	4,671
Trade and other receivables	1,723	1,383	1,389	4,484	4,483	4,477
Other current assets	2,206	1,646	705	71	-	-
Cash and cash equivalents	4,704	3,801	4,363	46,588	35,406	40,842
	<b>10,896</b>	<b>9,769</b>	<b>9,468</b>	<b>55,273</b>	<b>44,453</b>	<b>49,990</b>
<b>Total assets</b>	<b>69,581</b>	<b>69,978</b>	<b>72,208</b>	<b>185,070</b>	<b>170,213</b>	<b>177,876</b>
<b>EQUITY</b>						
<b>Equity and reserves</b>	<b>16,170</b>	<b>17,009</b>	<b>17,739</b>	<b>43,401</b>	<b>55,371</b>	<b>68,096</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Borrowings and bonds	35,192	32,958	32,777	102,656	77,230	71,654
Other non-current liabilities	3,503	3,282	3,015	2,732	2,264	1,801
	<b>38,695</b>	<b>36,240</b>	<b>35,792</b>	<b>105,388</b>	<b>79,494</b>	<b>73,455</b>
<b>Current liabilities</b>						
Bank overdrafts	268	970	1,697	834	-	-
Borrowings	2,650	2,535	3,438	2,670	5,676	5,676
Other current liabilities	11,798	13,224	13,542	32,777	29,672	30,649
	<b>14,716</b>	<b>16,729</b>	<b>18,677</b>	<b>36,281</b>	<b>35,348</b>	<b>36,325</b>
	<b>53,411</b>	<b>52,969</b>	<b>54,469</b>	<b>141,669</b>	<b>114,842</b>	<b>109,780</b>
<b>Total equity and liabilities</b>	<b>69,581</b>	<b>69,978</b>	<b>72,208</b>	<b>185,070</b>	<b>170,213</b>	<b>177,876</b>

Key Accounting Ratios	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
EBITDA margin <i>(EBITDA/revenue)</i>	9%	10%	10%	13%	14%	14%
Interest cover (times) <i>(EBITDA/net finance cost)</i>	3.27	4.16	4.58	7.93	9.06	11.30
Net profit margin <i>(Profit after tax/revenue)</i>	0%	1%	1%	4%	6%	7%
Earnings per share (€) <i>(Profit after tax/number of shares)</i>	-0.91	8.46	9.77	29.59	48.43	54.29
Return on equity <i>(Profit after tax/shareholders' equity)</i>	-1%	7%	7%	23%	29%	27%
Return on capital employed <i>(EBITDA/total assets less current liabilities)</i>	14%	18%	19%	20%	26%	27%
Return on assets <i>(Profit after tax/total assets)</i>	0%	2%	2%	5%	10%	10%

Source: Charts Investment Management Service Limited

In **FY2013**, the Group registered an EBITDA of €7.6 million (FY2012: €6.2 million) on revenue of €88.9 million (FY2012: €83.1 million). After accounting for depreciation and net finance costs, the Group registered a pre-tax loss of €23,703 (FY2012: pre-tax profit of €1.9 million which included a one-time investment income of €4.1 million). The Group reported total comprehensive expense of €0.1 million for FY2013 (FY2012: total comprehensive income of €2.2 million).

All markets except for Greece registered increases in revenues in FY2013 when compared to FY2012. Malta recorded the highest growth of 12% against the prior year, whilst Estonia, Latvia and Lithuania registered growth of 9.5%, 8.4% and 9.6% respectively over FY2012.

In Greece, notwithstanding the challenges experienced by the market and after a very slow start to the year, operational results recovered somewhat in Q3 and Q4 2013. Overall, revenue for FY2013 contracted by 2% when compared to the previous financial year.

A key achievement for the Group in FY2013 was its ability to serve more customers since commencement of operations. In the reviewed year, the Group served a total of 35.0 million customers and registered year-on-year guest count growth in all the five territories.

In FY2013, the Group continued to grow its portfolio, bringing the total number of restaurants it operates up to 59 by year end. Development activity included the opening of one new restaurant on the island of Crete and the takeover of 3 existing restaurants on mainland Greece. The Group also opened one new restaurant respectively in Riga, Latvia and Sliema, Malta and remodeled a further 2 restaurants. The total investment undertaken on new openings was of €2.1 million, whilst the Group invested a further €1.5 million to fund the remodeling of 2 restaurants in the Baltics and the takeover of 2 restaurants in Greece. The Group also invested in equipment replacements and upgrades in existing restaurants amounting to €1.8 million.

FY2013 was the first full year during which the Group operated the Baltic Distribution Centre which is tasked with the handling of all the logistics requirements for the Group's restaurants in the region. This takeover enabled the Group to deliver greater efficiency and cost savings to its restaurants in the region.

During **FY2014**, the Group registered an EBITDA of €9.7 million (FY2013: €7.6 million) on revenue of €94.6 million (FY2013: €88.9 million). After accounting for depreciation and net finance costs, the Group registered a pre-tax profit of €1.5 million (FY2013: pre-tax loss of €23,703). The Group reported total comprehensive income of €1.3 million (FY2013: total comprehensive expense of €0.1 million).

All markets registered increases in revenue when compared to FY2013, Greece being the highest growth region at +12.6% over FY2013. In comparison to the prior year, Lithuania, Malta, Latvia and Estonia reported increases of 7.6%, 6.5%, 3.6% and 1.2% respectively.

In terms of guest count, the Group served a total of 35.5 million customers in FY2014, an increase of 446,000 customers (+1.3%) over FY2013 (35.0 million customers). Furthermore, the Group registered year-on-year guest count growth in all five markets where it operates.

In FY2014, the Group increased the total number of restaurants it operates to 61 as at year end. Development activity included the opening of 2 new restaurants in Athens, Greece and remodeled a further 2 restaurants. The Group also opened its second drive thru restaurant in Malta (Naxxar). The total investment undertaken on new openings amounted to €3.7 million, whilst a further €0.5 million was utilised to fund the remodeling of restaurants in Greece. The Group also invested €0.9 million in upgrading its IT systems, and equipment replacements and upgrades in existing restaurants amounted to €1.6 million.

In **FY2015**, the Group registered an EBITDA of €10.4 million (FY2014: €9.7 million) on revenue of €99.9 million (FY2014: €94.6 million). After accounting for depreciation and net finance costs, the Group registered a pre-tax profit of €1.7 million (FY2014: €1.5 million). The Group reported total comprehensive income of €1.5 million (FY2014: €1.3 million).

All markets except for Malta registered increases in revenue when compared to the prior year. The market reporting the highest growth was Greece for the second consecutive year, with an overall growth of 15.2% on FY2014. Lithuania, Latvia and Estonia registered growth of 11.2%, 3.6% and 1.6% respectively, whilst Malta retracted by 2.9% as a result of closing one restaurant in the reviewed year.

In terms of guest count, the Group served a total of 36.5 million customers in FY2015, an increase of 988,000 customers (+2.8%) over FY2014 (35.5 million customers).

During FY2015, the Group increased its number of restaurants it operates to 63 as at year end (2014: 61). Development activity included the opening of 2 new restaurants in Greece and the remodelling of another restaurant. The Group also opened 3 new restaurants and remodeled one in the Baltics. The total investment undertaken on new openings was of €3.6 million, whilst €1.0 million was used to fund the remodeling of restaurants in Greece and the Baltics. In addition, an amount of €0.8 million was invested in the upgrade of the Group's IT systems, and €2.2 million was spent on equipment replacements and upgrades in existing restaurants.

In **FY2016**, the Group's revenue is projected to increase by €128.4 million (+128%) from €99.9 million in FY2015 to €228.3 million in FY2016, mainly as a consequence of the acquisition in January 2016 of the business operating McDonald's restaurants in Romania. Excluding the Romanian business, revenue generated by the Group is expected to increase by 3.8% or €3.8 million to €103.7 million, primarily due to an increase of 4 restaurants to 67 outlets. Overall, the Group anticipates that it will be operating a total of 136 restaurants by year end.

EBITDA for the year ending 31 December 2016 is forecasted to increase by €19.2 million (+186%) when compared to the prior year to €29.6 million. As explained hereinabove, the new acquisition more than doubled the number of restaurants under operation and will therefore be the principal reason for the y-o-y increase in EBITDA. Total comprehensive income is projected at €10.0 million in FY2016, an increase of €8.5 million when compared to FY2015.

During **FY2017**, the Group is expected to generate revenue amounting to €255.1 million, an increase of €26.8 million (+12%) from €228.3 million in FY2016 to €255.1 million in FY2017. In the reviewed financial year, the Group plans to increase its portfolio of restaurants by 9 outlets to 145 restaurants. EBITDA is projected to increase from 29.6 million in FY2016 to €35.7 million (+20%) and the Group expects to achieve comprehensive income of €16.3 million (FY2016: €10.0 million).

With respect to **FY2018**, the Group's revenue is projected to grow by 8% from €255.1 million in FY2017 to €274.7 million, the principal factors being an increase in the number of restaurants in operation of 6 outlets to a total of 151. EBITDA is anticipated to improve by €3.2 million (+9%) to €38.9 million (FY2017: €35.7 million). Comprehensive income for the financial year ending 31 December 2018 is projected at €18.3 million (FY2017: €16.3 million).

The financial information below provides an analysis of capital expenditure incurred by the Group during the historical financial years FY2013 to FY2015 and the projected expenditure for the forward years FY2016 to FY2018. As detailed hereunder, such expenditure is expected to increase substantially as from FY2016 as a consequence of the acquisition of the Romanian operation, which more than doubled the restaurants in operation from 63 outlets in FY2015 to an estimated 136 outlets by end 2016.

Premier Capital p.l.c. Analysis of Capital Expenditure by Territory	2013 Actual €'000	2014 Actual €'000	2015 Actual €'000	2016 Projection €'000	2017 Projection €'000	2018 Projection €'000
New stores	2,144	3,690	3,650	7,072	9,547	9,236
Re-modeling	1,520	541	1,047	4,474	3,258	2,601
General capital expenditure	1,847	2,587	3,037	3,769	5,332	5,660
	<b>5,511</b>	<b>6,818</b>	<b>7,734</b>	<b>15,315</b>	<b>18,137</b>	<b>17,497</b>
Number of new stores	3	3	5	7	9	10
Capex per new store (€'000)	715	1,230	730	1,010	1,061	924
Number of re-modeled stores	5	2	2	9	6	5
Capex per re-modeled store (€'000)	304	271	524	497	543	520

Other than equity, the Group is principally financed through bank loans and debt securities, analysed as follows:

Premier Capital p.l.c. Consolidated Borrowings as at 31 December	2013 Actual €'000	2014 Actual €'000	2015 Actual €'000	2016 Projection €'000	2017 Projection €'000	2018 Projection €'000
Bank loans	13,060	10,704	10,631	41,418	18,710	13,034
Bank overdrafts	268	970	1,697	834	-	-
Other financial liabilities	463	452	1,189	96	96	96
6.8% Bonds 2017-2020	24,319	24,337	24,395	-	-	-
3.75% Bonds 2026				63,812	64,100	64,200
<b>Total borrowings and bonds</b>	<b>38,110</b>	<b>36,463</b>	<b>37,912</b>	<b>106,160</b>	<b>82,906</b>	<b>77,330</b>

Key Accounting Ratios	31 Dec'13	31 Dec'14	31 Dec'15	31 Dec'16	31 Dec'17	31 Dec'18
Net assets per share (€) <i>(Net asset value/number of shares)</i>	119.12	125.30	130.68	128.88	164.43	202.22
Liquidity ratio (times) <i>(Current assets/current liabilities)</i>	0.74	0.58	0.51	1.52	1.26	1.38
Gearing ratio <i>(Net debt/net debt and shareholders' equity)</i>	67%	66%	65%	58%	46%	35%

Source: Charts Investment Management Service Limited

### Sinking Fund

In terms of the 2010 prospectus, the Issuer is required to build a sinking fund for the below indicated bond, the value of which will by the redemption date of the bond be equivalent to 50% of the outstanding value of the bond. Below is a table outlining the balance held in the sinking fund:

Premier Capital p.l.c. Sinking Fund Balance	31 Dec'13 Actual €'000	31 Dec'14 Actual €'000	31 Dec'15 Actual €'000	31 Dec'16 Projection €'000	31 Dec'17 Projection €'000	31 Dec'18 Projection €'000
€25 million 6.80% Bonds 2017 - 2020	672	1,849	3,039	3,412		
	<b>672</b>	<b>1,849</b>	<b>3,039</b>	<b>3,412</b>	-	-

### Related Party Debt Securities

Premier Capital p.l.c. is a member of the Hili Ventures Group. Within the same group, PTL Holdings p.l.c. and Hili Properties p.l.c., both sister companies of Premier Capital p.l.c., have the following outstanding debt securities:

Security ISIN	Security Name	Amount Listed	Currency
MT0000841206	5.1% PTL Holdings plc Unsecured € 2024	36,000,000	EUR
MT0000941204	4.5% Hili Properties plc 2025	37,000,000	EUR

## PART 3 – COMPARABLES

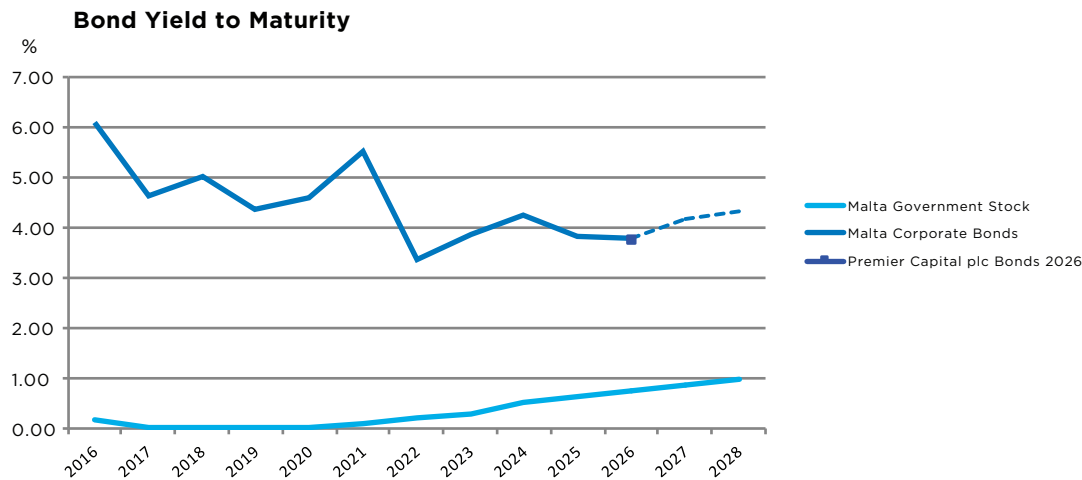
The table below compares the Company and its proposed bond issue to other debt issuers listed on the Malta Stock Exchange and their respective debt securities. Although there are significant variances between the activities of the Company and other issuers (including different industries, principal markets, competition, capital requirements etc), and material differences between the risks associated with the Company's business and that of other issuers, the comparative analysis provides an indication of the financial performance and strength of the Company.

Comparative Analysis	Nominal Value (€)	Yield to Maturity (%)	Interest Cover (times)	Total Assets (€'000)	Net Asset Value (€'000)	Gearing Ratio (%)
6.6% Eden Finance plc 2017-2020	13,984,000	5.74	3.10	145,427	76,648	38.42
6% Pendergardens Dev. plc Secured € 2022 Series II	27,000,000	3.36	n/a	58,098	11,734	61.87
4.25% Gap Group plc Secured € 2023	40,000,000	4.25	n/a	61,002	7,541	81.51
6% AX Investments Plc € 2024	40,000,000	3.76	2.88	206,038	111,482	36.65
6% Island Hotels Group Holdings plc € 2024	35,000,000	4.42	0.58	145,140	54,053	53.19
5.3% Mariner Finance plc Unsecured € 2024	35,000,000	4.65	3.49	67,669	25,823	57.66
5% Hal Mann Vella Group plc Secured Bonds € 2024	30,000,000	4.26	0.05	81,842	31,150	55.46
5.1% PTL Holdings plc Unsecured € 2024	36,000,000	4.80	2.32	70,543	6,592	86.78
4.5% Hili Properties plc Unsecured € 2025	37,000,000	3.77	1.50	90,867	26,315	71.30
4.0% International Hotel Invest. plc Secured € 2026	55,000,000	3.69	1.45	1,159,643	608,288	36.49
4.0% MIDI plc Secured € 2026	50,000,000	3.54	2.64	187,462	71,248	37.55
<b>3.75% Premier Capital plc € Unsecured Bonds 2026</b>	<b>65,000,000</b>	<b>3.75</b>	<b>7.93</b>	<b>185,070</b>	<b>43,401</b>	<b>57.85</b>

30 September'16

Source: Malta Stock Exchange, Audited Accounts of Listed Companies, Charts Investment Management Service Limited

Note: The financial information relating to Premier Capital plc has been extracted from the forecast for the year ending 31 December 2016



To date, there are no corporate bonds which have a redemption date beyond 2026 and therefore a trend line has been plotted (denoted in the above chart by the dashed line). The Malta Government Stock yield curve has also been included since it is the benchmark risk-free rate for Malta.

## PART 4 – EXPLANATORY DEFINITIONS

### Income Statement

Revenue	Total revenue (primarily food and beverage sales) generated by the Group from the operation of McDonald’s restaurants in Estonia, Greece, Latvia, Lithuania, Malta and Romania (as from FY2016).
Net operating expenses	Net operating expenses include the cost of food, beverages, packaging material, labour expenses, other direct expenses, selling & marketing expenses, general & administration expenses and royalty fees payable under the franchise agreements.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. EBITDA can be used to analyse and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions.
Profit after tax	Profit after tax is the profit made by the Group during the financial year both from its operating as well as non-operating activities.

### Profitability Ratios

EBITDA margin	EBITDA margin is operating income or EBITDA as a percentage of total revenue.
Net profit margin	Net profit margin is profit after tax achieved during the financial year expressed as a percentage of total revenue.



### Efficiency Ratios

Return on equity	Return on equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing profit after tax by shareholders' equity.
Return on capital employed	Return on capital employed (ROCE) indicates the efficiency and profitability of a company's capital investments, estimated by dividing operating profit by capital employed.
Return on Assets	Return on assets (ROA) is computed by dividing profit after tax by total assets.

### Equity Ratios

Earnings per share	Earnings per share (EPS) is the amount of earnings per outstanding share of a company's share capital. It is computed by dividing net income available to equity shareholders by total shares outstanding as at balance sheet date.
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### Cash Flow Statement

Cash flow from operating activities	Cash generated from the principal revenue-producing activities of the Group.
Cash flow from investing activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Group.
Cash flow from financing activities	Cash generated from the activities that result in change in share capital and borrowings of the Group.

### Balance Sheet

Non-current assets	Non-current asset are the Group's long-term investments, which full value will not be realised within the accounting year. Non-current assets are capitalised rather than expensed, meaning that the Group allocates the cost of the asset over the number of years for which the asset will be in use, instead of allocating the entire cost to the accounting year in which the asset was purchased. Such assets include goodwill and other intangible assets, property, plant & equipment, financial assets and deferred tax assets.
Current assets	Current assets are all assets of the Group, which are realisable within one year from the balance sheet date. Such amounts include inventory, accounts receivable and cash and bank balances.
Current liabilities	All liabilities payable by the Group within a period of one year from the balance sheet date, and include accounts payable and short-term debt.
Net debt	Borrowings before unamortised issue costs less cash and cash equivalents.
Non-current liabilities	The Group's long-term financial obligations that are not due within the present accounting year. The Group's non-current liabilities include bank borrowings, bonds and deferred tax liabilities.
Total equity	Total equity includes share capital, reserves & other equity components, and retained earnings.

## Financial Strength Ratios

Liquidity ratio

The liquidity ratio (also known as current ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares a company's current assets to its current liabilities.

Interest cover

The interest coverage ratio is calculated by dividing a company's EBITDA of one period by the company's interest expense of the same period.

Gearing ratio

The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance a company's assets, and is calculated by dividing a company's net debt by net debt plus shareholders' equity.