

This document comprises an admission document, required by the rules of Prospects MTF (the market regulated as a multilateral trading facility operated by the Malta Stock Exchange (the "Exchange" or "MSE")) and has been drawn up in compliance with the Prospects MTF Rules by the Exchange for the purpose of giving information with regards to the issue of the Bonds (as defined herein). Prospects MTF is not a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments. This document does not comprise a document drawn up in terms of the EU Prospectus Directive (2003/71/EC) or for the purposes of the Listing Rules of the Listing Authority. In terms of article 2(3)(b)(v) of the Companies Act, Chapter 386 of the Laws of Malta, this Bond Issue (as defined herein) does not constitute an offer of securities to the public and this document does not constitute a prospectus as defined in article 2(i) of the said Act.

Company Admission Document

Dated 1st March 2019

In respect of an issue of

€2,000,000 5% Secured Callable Bonds 2026 - 2029

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

HORIZON FINANCE PLC

A public limited liability company registered in Malta
with company registration number C 88540

Guaranteed* by Middletown Investments Limited (C 75568)

ISIN: MT0002211200

*PROSPECTIVE INVESTORS ARE TO REFER TO THE GUARANTEE CONTAINED IN ANNEX D OF THIS ADMISSION DOCUMENT FOR A DESCRIPTION OF THE SCOPE, NATURE AND TERM OF THE GUARANTEE. REFERENCE SHOULD ALSO BE MADE TO THE SECTIONS ENTITLED "RISK FACTORS" FOR A DISCUSSION OF CERTAIN RISK FACTORS, WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS IN CONNECTION WITH THE BONDS AND THE GUARANTEE PROVIDED BY MIDDLETOWN INVESTMENTS LIMITED.

THE MSE HAS AUTHORISED THE ISSUE OF THIS DOCUMENT. THE MSE DOES NOT GIVE ANY CERTIFICATION, REPRESENTATION, WARRANTY OR GUARANTEE REGARDING THE POTENTIAL RISKS INVOLVED IN INVESTING IN THE SAID SECURITIES OR THE SAFETY OF INVESTING IN SUCH SECURITIES. THE MSE ACCEPTS NO RESPONSIBILITY FOR THE COMPLETENESS OR ACCURACY OF THIS ADMISSION DOCUMENT AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ADMISSION DOCUMENT. THE DIRECTORS OF THE ISSUER, WHOSE NAMES APPEAR UNDER THE HEADING "IDENTITY OF DIRECTORS AND SENIOR MANAGEMENT OF THE ISSUER", ARE THE PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS DOCUMENT. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS (WHO HAVE ALL TAKEN REASONABLE CARE TO ENSURE SUCH IS THE CASE), THE INFORMATION CONTAINED IN THIS DOCUMENT IS IN ACCORDANCE WITH FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORTANCE OF SUCH INFORMATION. THE DIRECTORS ASSUME FULL RESPONSIBILITY FOR ITS CONTENTS ACCORDINGLY.

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

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

THE BONDS ARE COMPLEX FINANCIAL INSTRUMENTS AND MAY NOT BE SUITABLE FOR ALL TYPES OF RETAIL INVESTORS. A POTENTIAL INVESTOR SHOULD NOT INVEST IN THE BONDS UNLESS: i) HE/SHE HAS THE NECESSARY KNOWLEDGE AND EXPERIENCE TO UNDERSTAND THE RISKS RELATING TO THIS TYPE OF FINANCIAL INSTRUMENT ii) THE BONDS MEET THE INVESTMENT OBJECTIVES OF THE POTENTIAL INVESTOR; AND iii) SUCH POTENTIAL INVESTOR IS ABLE TO BEAR THE INVESTMENT AND FINANCIAL RISKS WHICH RESULT FROM INVESTMENT IN THESE BONDS.

APPROVED BY THE DIRECTORS



Benjamin Muscat



Robert Ancilleri



Kevin Deguara



Jean C. Farrugia



Kenneth Deguara

IMPORTANT INFORMATION

THIS DOCUMENT CONTAINS INFORMATION ON HORIZON FINANCE PLC IN ITS CAPACITY AS ISSUER, IN COMPLIANCE WITH THE PROSPECTS MTF RULES ISSUED BY THE MALTA STOCK EXCHANGE.

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

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

THE MSE ACCEPTS NO RESPONSIBILITY FOR THE COMPLETENESS OR ACCURACY OF THIS ADMISSION DOCUMENT AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ADMISSION DOCUMENT.

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

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SAVE FOR THE OFFERING OF SECURITIES IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT AN OFFERING OF THE BONDS OR THE DISTRIBUTION OF THE ADMISSION DOCUMENT (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

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

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

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

ALL THE ADVISORS TO THE ISSUER NAMED IN THIS ADMISSION DOCUMENT UNDER THE HEADING "ADVISORS, SECURITY TRUSTEE AND STATUTORY AUDITORS" HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL,

ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE ADMISSION DOCUMENT.

UNLESS OTHERWISE STATED, THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THIS ADMISSION DOCUMENT. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

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

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1 DEFINITIONS

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

Act or Companies Act	the Companies Act, 1995 (Cap. 386 of the Laws of Malta);
Admission Document or Document	this document in its entirety;
Applicant/s	a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;
Application/s	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form and delivering same to the Placement Agent and Manager (defined below) in accordance with the terms of this Admission Document;
Application Form	the form of Application for subscription, a specimen of which is contained in Annex C of this Admission Document;
Appropriateness Test	shall have the meaning set out in section 18.16 of this Document;
Assignment of Receivable Agreement	the assignment of receivable agreement entered into, inter alia, between EZ Holdings and Gaia Investments on the 1 st day of October of the year 2018;
Bond(s)	€2,000,000 Secured and Guaranteed Callable bonds due in 2029 of a nominal value of €100 per bond bearing an interest rate of 5% per annum;
Bondholder	a holder of Bonds;
Bond Issue	the issue of the Bonds;
Bond Issue Price	the price of €100 per Bond
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
Calamatta Cuschieri	Calamatta Cuschieri Investment Services Limited, a limited liability company registered under the laws of Malta with company registration number C13729, having its registered office at Europa Business Centre, Triq Dun Karm, Birkirkara, BKR 9034, Malta;
CET	Central European Time;
Chester	Chester Holdings Limited, a limited liability company registered under the laws of Malta with company registration number C74645, having its registered office at Il-Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta;
Chester Pledge Agreement	shall mean the agreement entered into on or about the date of this Document between Chester, the Security Trustee and Gaia Investments whereby Chester is constituting a pledge on the Shares in favour of the Security Trustee thereby securing the obligations contracted by the Issuer in terms of this Document including the repayment of the Bonds and interest thereon; an unsigned copy of the Pledge Agreement is being attached hereto as Annex C(I);
Company or Issuer	Horizon Finance plc, a public limited liability company registered under the laws of Malta with company registration number C88540, having its registered office at Il-Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta;
Cornhill	Cornhill Capital Limited, a limited liability company registered and existing under the laws of Malta with company registration number C73338 and having its registered office at Il-Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta.

Corporate Advisor	Calamatta Cuschieri Investment Services Limited;
CSD	the Central Securities Depository of the Malta Stock Exchange authorised in terms of Part IV of the Financial Markets Act (Chapter 345 of the laws of Malta), having its address at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Directors or Board of Directors	the Directors of the Issuer as set out in Section 7.1;
Euro or €	the lawful currency, as at the date of the Document, of the Republic of Malta and of the Eurozone;
Exchange, Malta Stock Exchange or MSE	Malta Stock Exchange plc, as originally constituted in terms of the Financial Markets Act (Chapter 345 of the laws of Malta) with company registration number C42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
EZ Holdings	EZ Holdings Limited, a limited liability company registered under the laws of Malta with company registration number C80067, having its registered office at 43, Madonnina, Zmienil-Bronz Street, Mosta, Malta;
Financial Markets Act	the Financial Markets Act, Cap. 345 of the Laws of Malta;
First Loan Agreement	The loan agreement entered into between, on the first part, the Issuer and, on the second part, Chester and Middletown on or around the date of this Document;
FY	Financial Year;
Gaia Investments	Gaia Investments Limited, a limited liability company registered under the laws of Malta with company registration number C86458, having its registered office at Il-Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta;
Gaia Loan Agreement	The loan agreement entered into between, on the first part, Chester and Middletown, and, on the second part, Gaia Investments on or around the date of this Document;
Guarantee	the joint and several guarantee that will be granted by the Guarantor as security for the punctual performance of the Issuer's payment obligations under the Bond Issue. A copy of the Guarantee and a description of the nature, scope and terms of the Guarantee is Annexed to this document;
Guarantor or Middletown (as the case may be)	Middletown Investments Limited, formerly Middletown Properties Ltd, a limited liability company registered and existing under the laws of Malta with company registration number C75568 and having its registered office at Il-Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta;
Horizon Group or Group	the Issuer, Middletown Investments, Chester, Gaia Investments and all subsidiaries;
Interest	the Bonds shall bear interest from and including 15th March 2019 at the rate of five per cent (5%) per annum payable annually in arrears on the Interest Payment Dates;
Interest Payment Dates	annually, on 15th March of each year commencing on 15th March 2020 and ending with and including the Redemption Date, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
Issue Period	the period between 4 th March 2019 and 15 th March 2019 (or such earlier date as may be determined by the Issuer) during which the Bonds are available for subscription;
JIN	Jin Limited, a limited liability company registered under the laws of Malta with company registration number C45048, having its registered office at Marant Food Products, Mdina Road, Zebbug, Malta;

Listing Authority	the Malta Financial Services Authority, appointed as Listing Authority for the purposes of the Financial Markets Act (Chapter 345 of the laws of Malta) by virtue of Legal Notice 1 of 2003;
Listing Rules	the listing rules issued by the Listing Authority, as may be amended from time to time;
Memorandum and Articles of Association or M&A	the memorandum and articles of association of the Issuer, in force at the time of publication of the Admission Document;
MFSA	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act, Cap. 330 of the Laws of Malta;
Middletown Pledge Agreement	shall mean the agreement entered into on or about the date of this Document between Middletown, the Security Trustee and Gaia Investments whereby Middletown is constituting a pledge on the Shares in favour of the Security Trustee thereby securing the obligations contracted by the Issuer in terms of this Document including the repayment of the Bonds and interest thereon; an unsigned copy of the Middletown Pledge Agreement is being attached hereto as Annex C (II);
Official List	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;
Phoenix	Phoenix Capital Limited, a limited liability company duly registered and incorporated under the Laws of Malta bearing company registration number C 77880 and situated at Il-Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, SLM 1607;
Placement Agent and Manager	Calamatta Cuschieri Investment Services Limited;
Pledge or Pledge Agreements	shall have the same meaning as that assigned to it in terms of the Chester Pledge Agreement and the Middletown Pledge Agreement;
Prospects MTF	the market regulated as a Multilateral Trading Facility operated by the MSE providing a venue for start-up and growth of small to medium-sized enterprises to float their capital (including equity or debt) on the market;
Prospects MTF List	the list prepared and published by the Malta Stock Exchange as the list indicating the companies admitted to Prospects MTF in accordance with the Malta Stock Exchange Bye-Laws;
Prospects MTF Rules or Rules	the rules issued by the Board of Directors of the Malta Stock Exchange, in exercise of the powers conferred on it by the Financial Markets Act (Chap. 345 of the Laws of Malta) regulating the Prospects MTF market;
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as may be amended from time to time;
Prudentia or Prudentia Investments Limited	Prudentia Investments Limited a limited liability company duly registered and incorporated under the Laws of Malta bearing company registration number C 73344 and situated at Il-Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, SLM 1607;
Redemption Date	15 th March 2029 or an Early Redemption Date;
Redemption Value	redemption at par;

Shoreline Holdings Limited	A limited liability company duly registered and incorporated under the Laws of Malta bearing company registration number C 86187 and situated at 407, Level 4, Block SCM 01, Smart City Malta, Ricasoli, Kalkara
Security Interest	the Pledge;
Security Trustee	Trident Trust Company (Malta) Limited, a limited liability company registered and existing under the laws of Malta with company registration number C51249 and having its registered office at Orange Point Building, Second Floor, Dun Karm Street, Birkirkara By-Pass, Birkirkara, Malta;
Security Trust Deed	the security trust deed entered into between the Security Trustee, Chester, Middletown, the Issuer, and Gaia Investments on or about the date of this Document, an unsigned copy of which is being attached hereto as Annex B;
Shares	The six hundred (600) fully paid ordinary shares having a nominal value of one Euro (€1) each subscribed to by Chester in the capital of Gaia Investments Limited (C86458) and the six hundred (600) fully paid ordinary shares having a nominal value of one Euro (€1) each subscribed to by Middletown in the capital of Gaia Investments Limited (C86458);
Share Purchase Agreement	The share purchase agreement entered into between EZ Holdings on the first part, and Gaia Investments, on the second part, on the 3 rd December of the year 2018 in terms of which Gaia Investments has acquired the Sale Shares;
Sale Shares	the sixty (60) Ordinary 'E' Shares of one Euro (€1.00) each, fully paid up, representing two point five per cent (2.5%) of the issued share capital of TCSH;
Small and medium-sized enterprises or SMEs	an enterprise as defined in section 2 (1) of the Companies Act, Chapter 386 of the laws of Malta, that is, companies which, according to their last annual or consolidated accounts, meet at least two of the following three criteria: <ul style="list-style-type: none"> - an average number of employees, during the financial year, of less than 250; - a total balance sheet not exceeding forty-three million Euro (43,000,000); - an annual net turnover not exceeding fifty million Euro (50,000,000); -
Suitability Test	shall have the meaning as set out in Section 18.16 of this Admission Document;
Summary	a summary of the salient features of the Document, as contained in the section entitled "Summary";
TCSH or TCSHL or TCS or TCSL	The Convenience Shop (Holding) Limited, a limited liability company registered and existing under the laws of Malta with company registration number C87554 and having its registered office at Marant Food Products, Mdina Road, Zebbug, Malta;
Terms and Conditions	the terms and conditions of the Bonds contained in this Document under the heading "Terms and Conditions of the Bonds";
Zircon	Zircon Capital Limited, a limited liability company registered and existing under the laws of Malta with company registration number C73339 and having its registered office at Il-Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta;

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

Unless it appears otherwise from the context:

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

- d) any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations or trusts;
- e) any reference to a person includes that person's legal personal representatives, successors and assigns;
- f) any phrase introduced by the terms "including", "include", "in particular" or any similar expression is illustrative only and does not limit the sense of the words preceding those terms;
- g) any reference to a law, legislative act, and/or other legislation shall mean that particular law, legislative act and/or legislation as in force at the time of issue of this Company Admission Document.

2 SUMMARY

This Summary should be read as an introduction to the Admission Document. Prospective investors are hereby warned that this Summary is being provided to convey the essential characteristics and risks associated with the Issuer and the securities being offered pursuant to the Admission Document. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this Summary in making a decision as to whether to invest in the securities described in this Document. Any decision to invest in the securities should be based on consideration of the Admission Document as a whole by the investor.

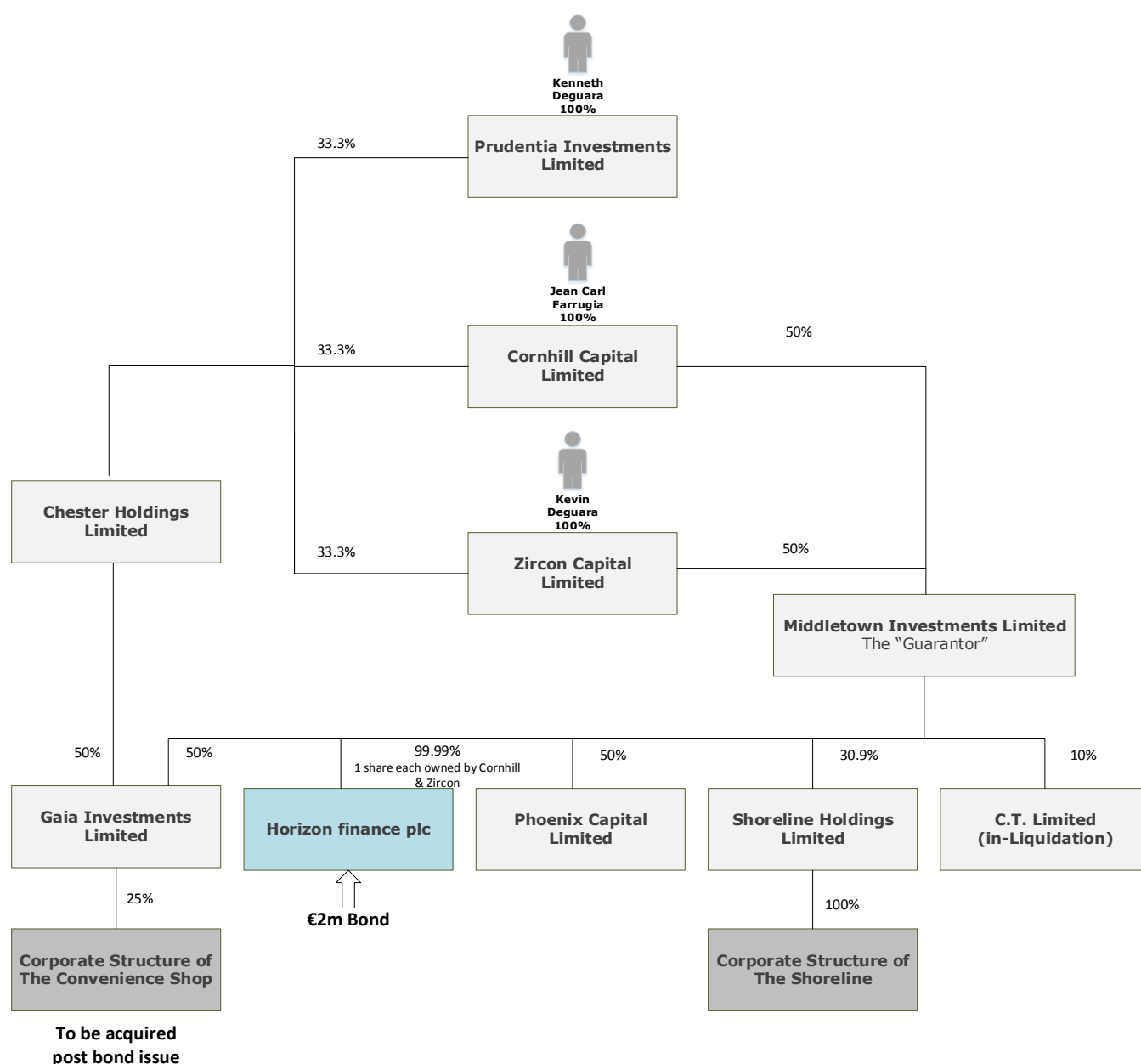
Civil liability attaches to those persons who have tabled the summary including any translation thereof, and applied for its notification, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Admission Document.

Section A –Information regarding the Issuer and the Guarantor

- A.1 **Legal and commercial name of the Issuer** -The legal and commercial name of the Issuer is Horizon Finance plc (registration number C88540).
- A.2 **Domicile and legal form of the Issuer**—The Issuer was registered in Malta on the 1st October 2018, as a public limited liability company. The Issuer is domiciled in Malta.
- A.3 **Nature of the Issuer's current operations and its principal activities** - The principal object of the Issuer, which was set up and established to act as a finance company, is to own, manage, administer and dispose of property of any kind, lend and advance money, give credit, grant or provide guarantees, hypothecs, privileges, charges, security interests or other security, exclusively to, or in favour of companies or partnerships which form part of the same group of companies. The issue of the Bonds falls within the objects of the Issuer.
- A.4 **Legal and commercial name of the Guarantor** -The legal and commercial name of the Guarantor is Middletown Investments Limited (registration number C75568).
- A.2 **Domicile and legal form of the Guarantor**—The Guarantor was registered in Malta on the 10th May 2016, as a private limited liability company. The Guarantor is domiciled in Malta.
- A.3 **Nature of the Guarantor's current operations and its principal activities** - The principal object of the Guarantor, which was set up and established to act as a holding company, is to own, manage, administer and dispose of property of any kind, lend and advance money, give credit, grant or provide guarantees, hypothecs, privileges, charges, security interests or other security, exclusively to, or in favour of companies or partnerships which form part of the same group of companies.
- A.4 **Shareholding structure** —The Issuer's current authorised share capital is €46,600 divided into 46,600 ordinary shares of €1 each. The Issuer's issued share capital is €46,600 divided into 46,600 ordinary shares of €1 each fully paid up. Zircon and Cornhill own one (1) ordinary share each in the capital of the Issuer with Middletown Investments owning the balance of forty-six thousand, five hundred ninety-eight (46,598) ordinary shares in the capital of the Issuer.

The Guarantor's issued share capital is €1,200 divided into 1,200 ordinary shares of €1 each fully paid up. Zircon and Cornhill own six hundred (600) ordinary shares each in the capital of Middletown Investments. Zircon is 100% owned by Dr Kevin Deguara whilst Cornhill is 100% owned by Dr Jean Carl Farrugia.

A.5 **Organisational Structure** -The organisational structure of the Group as at the date of the Admission Document is illustrated in the diagram below:



A.6 **Summary of Financial Information of the Issuer** – The Issuer was set up on the 1st October 2018 and since its incorporation and up to the date of this Admission Document, no financial statements have been prepared. There has not been any significant change in the financial or trading position of the Issuer, which has occurred since the company's date of incorporation.

A.7 **Summary of Financial Information of the Guarantor** -Set out below are highlights taken from the financial statements of the Guarantor for the years ended 31st December 2016 and 2017 and year to Date 2018. These financial statements have been prepared under GAPSME.

**Income statement - Middletown Investments Ltd.
(formerly Middletown Properties Ltd.)**

€000	FY16	FY17	YTD18
Other Income	110.6	160.0	-
Administrative expenses	(0.2)	(0.3)	(0.5)
Profit before tax	110.3	159.6	(0.5)
Tax charge for the year	-	-	-
Net income	110.3	159.6	(0.5)

Note: YTD18 reflects 1 Jan 2018 to 31 Oct 2018

Source: Audited financial statements (FY16; FY17) and
Management information (YTD2018)

Note: Subtotals may not tally due to rounding.

**Balance sheet - Middletown Investments Ltd.
(formerly Middletown Properties Ltd.)**

€000	Dec16	Dec17	Oct18
99.9% Share in Horizon Finance PLC	-	-	11.7
50% Share in Gaia Investments Limited	-	-	0.6
50% Share in Phoenix Capital Ltd	-	-	-
10% Share in C.T. Limited	110.9	270.9	270.9
10% Share in Shoreline Holdings Limited	-	-	1,570.0
10% investment in Shoreline Residence	0.1	0.1	-
Total Non-current assets	111.0	271.0	1,853.1
Trade and other receivables	-	-	0.1
Amount due from related companies	1.2	-	325.0
Cash and cash equivalents	-	1.1	0.4
Total Current Assets	1.2	1.1	325.5
Total assets	112.2	272.0	2,178.6
Share capital	1.2	1.2	1.2
Retained Earnings	110.3	269.9	269.7
Total Equity	111.5	271.1	270.9
Shareholder's loan	0.4	0.5	587.6
Amounts due to C.T. Limited	-	-	320.0
Amounts due to related parties	-	-	1,000.0
Total Non-current liabilities	0.4	0.5	1,907.6
Trade and other payables	0.2	0.4	0.1
Unpaid share capital	-	-	-
Total Current liabilities	0.2	0.4	0.1
Total Equity and liabilities	112.2	272.0	2,178.6

Source: Audited financial statements (FY16; FY17) and
Management information (YTD18)

Note: Subtotals may not tally due to rounding.

**Cash flow statement - Middletown Investments Ltd.
(formerly Middletown Properties Ltd.)**

€000	FY16	FY17	YTD18
Profit for the period	110.3	159.6	(0.5)
Movement in working capital	0.2	0.2	(0.4)
Net cash flow from operating activities	110.5	159.8	(0.9)
Payment to acquire financial assets	(111.0)	(160.0)	(1,582.1)
Net cash outflow used in investing activities	(111.0)	(160.0)	(1,582.1)
Proceeds from the issue of share capital	1.2	-	-
Amount due from related company	(1.2)	1.2	995.0
Shareholders' loans	0.4	0.1	587.3
Net cash inflow from financing activities	0.4	1.2	1,582.3
Net movement for the period	0.0	1.1	(0.7)
Opening cash and cash equivalents	-	0.0	1.1
Closing cash and cash equivalents	0.0	1.1	0.4

Note: YTD18 reflects 1 Jan 2018 to 31 Oct 2018
Source: Management information (FY16; FY17; YTD18)
Note: Subtotals may not tally due to rounding.

- A.8 Guarantee** - For the purposes of the guarantee, the Guarantor stands surety with the Issuer and irrevocably and unconditionally undertakes to affect the due and punctual performance of all the payment obligations undertaken by the Issuer under the Bonds if the Issuer fails to do so. Accordingly, until such time as the Bonds remain in issue, the Guarantor undertakes to pay on an on-going basis, Horizon Finance plc interest which may become due and payable during the term of the Bonds and the principal amount of the Bonds on the Redemption Date should the Issuer default in paying the Bondholders under the Bonds. In such cases, the Guarantor would be under an obligation to pay to the Bondholders, upon demand and without the necessity of action first being taken by Bondholders against the Issuer itself, the amount due and payable by the Issuer to such Bondholders. The Guarantor's obligations under the guarantee shall remain in full force and effect until no sum remains payable to any Bondholder pursuant to the issue of the Bonds.

Section B – The Securities

- B.1 Type and class of securities** – The Issuer shall issue an aggregate of €2,000,000 in Bonds having a face value of €100 per Bond, subject to a minimum subscription of €2,000 in Bonds and in multiples of €100 thereafter. The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. On admission to trading on Prospects MTF, the Bonds will have the following ISIN: MT0002211200. The Bonds shall bear Interest at the rate of five per cent per annum (5%). The Bonds shall be repayable in full upon maturity on the 15th March 2029 (together with Interest accrued to the date fixed for redemption) unless previously re-purchased, cancelled or redeemed, provided that the Issuer reserves the right to redeem any one or more of the Bonds or any part thereof on any of the Early Redemption Date/s, as the Issuer may determine with the prior notification to the Exchange on giving not less than thirty (30) days' prior written notice to Bondholder.
- B.2 Currency** - The Bonds are denominated in Euro (€).
- B.3 Transferability** - The Bonds are freely transferable and, once admitted to the Prospects MTF List, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.
- B.4 Rights attached to the Bonds** - There are no special rights attached to the Bonds other than the right of the Bondholders to:

- the payment of interest;
- the payment of capital;
- ranking with respect to other indebtedness of the Issuer in accordance with the provisions of sub-section 17.3 of this Document;
- attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and
- enjoy all such other rights attached to the Bonds emanating from the Admission Document.

B.5 Security - Security for the fulfilment of the Issuer's obligations in terms of the Bond Issue is being granted in favour of the Security Trustee for the benefit of Bondholders, by way, inter alia, of the granting of the Collateral Rights, as described hereunder.

Accordingly, Bondholders shall have the benefit of the Collateral Rights in accordance with the terms of the Security Trust Deed, as set out in section 19.5 of this Admission Document. The security shall be constituted in favour of the Security Trustee for the benefit of all Bondholders from time to time registered in the CSD.

B.6 Interest-The Bonds shall bear interest from and including 15th March 2019 at the rate of 5% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date, the first Interest Payment Date being 15th March 2020, provided that any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date is five per cent (5%).

Redemption shall take place on the 15th March 2029, provided that the Issuer reserves the right to redeem any one or more of the Bonds or any part thereof on any of the Early Redemption Dates, as the Issuer may determine, on giving not less than thirty (30) days 'prior written notice to Bondholders.

Section C – Risks

C. 1 Essential information on the key risks specific to the Issuer, the Horizon Group and its business

- Liquidity Risk** – The Issuer's ability to meet its financial commitments may be adversely affected by risks arising from the inability or difficulty to liquidate assets or the inability to obtain adequate funding.
- Interest Rate Risk** – The Issuer may be adversely affected by a mismatch between the interest rates of its assets and liabilities as may arise in the conduct of its business.
- Exchange Rate Risk** – The Issuer's operations are in part exposed, in the case of transactions not denominated in Euro, to foreign currency risk on transactions, receivables and borrowings that are denominated in a currency other than the Euro.
- Concentration Risk** –The Issuer acts as an intra-group financing company and its ability to meet its obligations towards the Bondholders rests on the repayment of the Subordinated Loan by Middletown and Chester. Failure to retain, or find alternative income streams could adversely affect the Issuer's business.
- Operational Risk** – The Issuer's financial performance may be adversely affected by inadequate or failed internal processes, people and information technology systems or unforeseen external events.
- Reputational Risk** – The Issuer's operations and performance may be adversely affected by risks arising from negative publicity regarding its business practices, operational failures, and/or regulatory breaches, whether true or otherwise.
- Market and Competition Factors** – The Issuer may be adversely affected by risks arising from changes in economic conditions and increased competitive pressure in the property market.
- Strategic and Business Risk** – The Issuer's operations and business may be adversely affected by risks arising from improper strategic choices, and their relative implementation, which risks may be unique to the Issuer;

- ix. **Dependence on Key Persons** – The Issuer may be adversely affected if one or more of its key personnel are unable or unwilling to continue in their employment;
- x. **Risks Relating to Taxation** – The amount of taxation charged on the Issuer’s activities is subject to changes in tax laws and their practical application;
- xi. **Regulatory Risk** – The Issuer’s ability to successfully pursue their business and their profits may be adversely affected by an increase in regulation both on a national, and/or regional level;
- xii. **Legal Risk** – The Issuer is subject to various forms of legal risk. Legal risks arise from the possibility that unenforceable contracts, lawsuits, or adverse judgements can disrupt or otherwise negatively affect the operations or condition of the Issuer;
- xiii. **Forward-looking statements** – Forward-looking statements can be identified by the use of terms such as “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should”. These forward-looking statements relate to matters that are not historical facts. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer’s actual results of operations, financial condition, liquidity, dividend policy and the development of its strategy may differ materially from the impression created by the forward-looking statements contained in this Document.
- xiv. **Additional Indebtedness and Security** – the Issuer may incur further borrowings and indebtedness and may create or permit to subsist other security interests upon the whole or any part of its present or future undertakings, assets or revenues (including uncalled capital)

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

- i. **No Assurance of an active Secondary Market in the Bonds** - Only upon successful admission, the Bonds may be traded on a multilateral trading facility but they will NOT be traded on any regulated market. Hence, the market for the Bonds may be less liquid than a regulated market and a Bondholder may find it more difficult to identify willing buyers for their Bonds. The existence of an orderly and liquid market depends on a number of factors which may occur in the context of Bonds. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or if it develops, that it will continue. Furthermore, there can be no assurance that an Investor will be able to sell or otherwise trade in the Bonds at all.
- ii. **Prior to the Bond Issue, there has been no public market nor trading record of the Bonds within or outside Malta.** Due to the absence of any prior market for the Bonds, there can be no assurance that the Bond Issue Price will correspond to the price at which the Bonds will trade in the market subsequent to the Bond Issue.
- iii. **Fluctuations in exchange rate** - A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of the Bonds (€) and the Bondholder’s currency of reference, if different.
- iv. **Additional Indebtedness and Security** - The Issuer may incur further borrowings or indebtedness and may create or permit to subsist other security interests upon the whole or any part of its present or future undertakings, assets or revenues (including uncalled capital).
- v. **Effect of Future Public Offerings/Takeover/Merger Activity** - 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 any of the Bonds prevailing from time to time.
- vi. **Fixed Rate Bonds** - The Issuer is entitled to issue Bonds bearing a fixed rate of interest which involves the risk that subsequent changes in market interest rates may adversely affect the market value of the said Bonds. Investors should also be aware that the price of the fixed rate Bonds moves adversely to changes in interest rates.

- vii. **Discontinuation of Trading on Prospects MTF** - Even after the Bonds are admitted to trading on Prospects MTF, the Issuer is required to remain in compliance with certain requirements of the Prospects MTF Rules issued by the Exchange as amended from time to time. Moreover, the MSE has the authority to suspend trading of the Bonds if it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The MSE may discontinue the trading of the Bonds on Prospects MTF. Such trading suspensions could have a material adverse effect on the liquidity and value of the Bonds.
- viii. **Value of the Bonds** - The value of investments can rise or fall, and past performance is not necessarily indicative of future performance.
- ix. **Credit Rating** - The Issuer has not sought, nor does it intend to seek, the credit rating of an independent rating agency and there has been no assessment by any independent rating agency of the Bonds.
- x. **Ranking**- The Bonds, as and when issued, shall constitute the general, direct, unconditional guaranteed and secured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves but in priority to any unsecured debt. Furthermore, subject to Security Interest over the Shares, the Issuer and the Guarantor may secure third party debts through the creation of security interests over some or all of their respective assets and therefore such third party debts may rank in priority to the Bonds for as long as such security interests remain in effect.
- xi. **Changes to Terms and Conditions** - In the event that the Issuer wishes to amend any of the Terms and Conditions of issue of the Bonds it shall call a meeting of Bondholders in accordance with the provisions of section 17.15 with MSE's prior approval for as long as the Bonds are admitted to Prospects MTF. These provisions permit defined majorities to bind all Bondholders, including Bondholders who do not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority.
- xii. **Terms and Conditions** - The Terms and Conditions of the Bonds are based on Maltese law in effect as at the date of this Document and a change in Maltese law may have an effect on the terms of the Bonds.

Section D – Offer

D.1 Use of Proceeds -The net proceeds from the Bond Issue are expected to amount to approximately €1,940,000, €1,700,000 of which shall be advanced by way of loan to Chester and Middletown (the 'First Loan') in equal amounts between them and in terms of the First Loan Agreement with the balance of €240,000 being retained by the Issuer for its general financing requirements. Chester and Middletown shall in turn, advance the amounts received in terms of the First Loan to Gaia Investments pursuant to the Gaia Loan Agreement in terms of which Gaia Investments shall utilise the loan so received from Chester and Middletown for the following purposes:

- €200,000 shall be utilised to settle the outstanding amount due by Gaia Investments to EZ Holdings in terms of the Transfer of Shares Agreement relating to the acquisition by Gaia Investments of the Sale Shares;
- €848,706 shall be utilised to settle the outstanding amount due by Gaia Investments to EZ Holdings in terms of the Assignment of Receivable Agreement relating to the acquisition by Gaia Investments of the Receivable;
- €651,294 shall be retained by Gaia Investments for general corporate funding purposes of which €169,999 shall be repayable within 3 months as from the date of the said loan with the balance being repayable at the option of Gaia Investments.

Should subscriptions for a total of at least €1,500,000 ("Minimum Amount") not be received, no allotment of Bonds shall be made, the Applications for Bonds shall be deemed not to have been accepted by the Issuer and all money received from Applicants for Bonds shall be refunded accordingly. In the event that the Minimum Amount is reached but the Bond Issue is still not fully subscribed, the Issuer will proceed with the allotment of the amount of Bonds subscribed for and the proceeds shall be used for the above purposes on a pro rata basis.

D.2 Issue Statistics:

Issuer	Horizon Finance plc, a public limited liability company incorporated and registered in Malta with company registration number C 88540 and registered office at Il-Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta.
Amount	€2,000,000
Application Forms Made Available	4 th March 2019;
Bond Issue Price	at par (€100 per Bond);
Closing date for Applications to be received	15 th March at 12:00 hours (CET);
Denomination	Euro (€);
Events of Default	the events listed in section 17.14 of this Admission Document;
Form	the Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by an appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD;
Governing Law	the Bonds are governed by and shall be construed in accordance with Maltese Law;
Jurisdiction	the Maltese courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds and/or the Admission Document;
Interest	the Bonds shall bear interest from and including 15 th March 2019 at the rate of five per cent (5%) per annum payable annually in arrears on the Interest Payment Dates;
Interest Payment Dates	annually on the 15 th March and including each of the years between 2019 and 2029, as from 15 th March 2020 (the first Interest Payment Date);
ISIN	MT0002211200;
Issue	Bonds denominated in Euro having a nominal value of €100 each, which will be issued at par and shall bear interest at the rate of five per cent per annum;
Issue Period	the period between 09:00 hours (CET) on 4 th March 2019 and 12:00 hours (CET) on 15 th March 2019 (or such earlier date as may be determined by the Issuer) during which the Bonds are available for subscription;
Admission	Application has been made to the MSE for the Bond Issue to be admitted and traded on Prospects MTF;
Minimum Amount per Subscription	two thousand Euro (€2,000);
Redemption Date	15 th March 2029
Redemption Value	at par (€100 per Bond);
Status of the Bonds	The Bonds, as and when issued, shall constitute the general, direct, unconditional guaranteed and secured obligations of the Issuer and shall at all times rank paripassu, without any priority or preference among themselves but in priority to any unsecured debt. Furthermore, subject to Security Interest over the Shares, the Issuer and the Guarantor may

secure third party debts through the creation of security interests over some or all of their respective assets and therefore such third party debts may rank in priority to the Bonds for as long as such security interests remain in effect.

Subscription	multiples of one hundred Euro (€100);
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- D.3 **Subscription** –The Issuer has appointed Calamatta Cuschieri as Placement Agent and Manager for the purposes of this Bond Issue and interested investors may contact the Placement Agent and Manager for the purposes of subscribing to Bonds during the Issue Period. Applications for subscriptions to the Bonds will be processed on a first-come-first-served basis and the Issue Period shall close immediately upon attaining full subscription or on the last day of the Issue Period, whichever is the earliest.

The Bonds are open for subscription to all categories of investors, provided that the Placement Agent and Manager shall be required to carry out an Appropriateness Test in respect of each Applicant for the purpose of assessing such Applicant's level of knowledge and experience prior to investing in the Bonds. Applications shall not be accepted by the Placement Agent and Manager unless, based on the results of such Appropriateness Test, the Placement Agent and Manager is satisfied that an investment in the Bonds may be considered appropriate for the Applicant. To the extent that the Placement Agent and Manager is providing advice in respect of a purchase of the Bonds by an Applicant, the Placement Agent and Manager shall also be required to conduct a Suitability Test in respect of the Applicant and, based on the results of such test, be satisfied that an investment in the Bonds may be considered suitable for the Applicant.

In any case the Placement Agent and Manager shall ensure that subscribers to the Bonds are duly warned about the Risk Factors involved with investing in the Bonds and subscribers shall confirm that they have been so warned.

The Bond Issue is not underwritten. Should subscriptions for a total of at least €1,500,000 (the "Minimum Amount") not be received, no allotment of the Bonds shall be made, the Applications for Bonds shall be deemed not to have been accepted by the Issuer and all money received from Applicants for Bonds shall be refunded accordingly. In the event that the Minimum Amount is reached but the Bond Issue is still not fully subscribed, the Issuer will proceed with the allotment of the amount of Bonds subscribed.

The total amount of €2,000,000 of Bonds is being reserved for subscription by the Placement Agent and Manager participating in the Placement Offer as detailed in Section 17.2 of this Document. The Issuer shall enter into a conditional subscription agreement with the Placement Agent and Manager for the subscription of Bonds, whereby it will bind itself to allocate Bonds thereto up to the total amount of €2,000,000 as aforesaid.

In terms of said subscription agreement entered into with the Placement Agent and Manager, the Issuer will be conditionally bound to issue, and the Placement Agent and Manager will be conditionally bound to subscribe to, up to the total amount of €2,000,000 of Bonds as indicated therein, each subject to the Minimum Amount of €1,500,000 being subscribed.

In terms of the said subscription agreement, the Placement Agent and Manager may subscribe for Bonds for its own account or for the account of underlying customers, including retail customers.

- D.4 **Governing Law and Jurisdiction** - The Bonds have been created, and the Bond Issue relating thereto is being made, in terms of the Act. From their inception, the Bonds, and all contractual arrangements arising therefrom, shall be governed by and shall be construed in accordance with Maltese law. Any legal action, suit, action or proceeding against the Issuer arising out of or in connection with the Bonds shall be brought exclusively before the Maltese courts and the Bondholder shall be deemed to acknowledge that it is submitting to the exclusive jurisdiction of the Maltese courts.
- D.5 **Fees** -Professional fees and costs related to publicity, advertising, printing, fees relating to the admission to trading on Prospects MTF, registration, Corporate Advisor, management, selling commission and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €60,000 and shall be borne by the Group.

D.6 **Interest of natural and legal persons involved in the Issue** - Save for the subscription for Bonds by the Placement Agent and Manager and any fees payable to the Placement Agent and Manager in connection with the Bond Issue, to the best of the Issuer's knowledge no person involved in the Issue has an interest material to the Bond Issue.

D.7 **Expected Timetable of Principal Events:**

1.	Application Forms Available	4 th March 2019
2.	Issue Period	4 th March 2019 to 15 th March 2019
3.	Commencement of interest on Bonds	15 th March 2019
4.	Announcement of basis of acceptance	18 th March 2019
5.	Issuance of Bonds	18 th March 2019
6.	Expected date of Admission of the Bonds to Prospects MTF	21 st March 2019
7.	Expected date of commencement of trading in the Bonds	22 nd March 2019
8.	Expected dispatch of allotment advices and refunds of unallocated monies	20 th March 2019

The Issuer reserves the right to close the offer of the Bonds before the 15th March at 12:00 CET in the event that the Bonds are fully subscribed prior to the said date and time. In such an eventuality, the events set out in steps three (3) to eight (8) above shall be brought forward although the number of working days between the respective events shall not also be altered.

3 RISK FACTORS

THE VALUE OF INVESTMENTS, INCLUDING THE BONDS, 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, UNLESS THE BONDS ARE PREVIOUSLY REDEEMED RE-PURCHASED OR CANCELLED. THE ISSUER SHALL REDEEM THE BONDS ON THE REDEMPTION DATE, UNLESS PREVIOUSLY REDEEMED. 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 THIS ADMISSION DOCUMENT, BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. 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. IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER'S FINANCIAL RESULTS AND TRADING PROSPECTS AND THE ABILITY OF THE ISSUER TO FULFIL THEIR RESPECTIVE OBLIGATIONS UNDER THE SECURITIES ISSUED BY THE ISSUER FROM TIME TO TIME.

THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE ISSUER, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER FACES. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER THAT COULD LEAD TO A DECLINE IN VALUE OF THE SECURITIES.

NEITHER THIS ADMISSION DOCUMENT NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE BONDS: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, NOR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE SPONSOR, THE PLACEMENT AGENT AND MANAGER THAT ANY RECIPIENT OF THIS DOCUMENT OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE ADMISSION DOCUMENT OR ANY BONDS, SHOULD PURCHASE ANY BONDS ISSUED BY THE ISSUER.

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

3.1 Forward – Looking Statements

The Admission Document contains forward-looking statements that include, among others, statements concerning the Issuer's strategies and plans relating to the attainment of its respective objectives, capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts and which may, accordingly, involve predictions of future circumstances. Prospective investors can generally identify forward-looking statements by the use of terminology such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", or similar phrases. Such forward-looking statements are inherently subject to a number of risks, uncertainties and assumptions, a few of which are beyond the Issuer's control.

Important factors that could cause actual results to differ materially from the expectations of the Issuer's Directors include those risks identified under this heading "*Risk Factors*" and elsewhere in the Admission Document. If any of the risks described were to materialise, they could have a serious effect on the Issuer's financial results, trading prospects and the ability of the Issuer to fulfil their respective obligations under the securities to be issued.

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

Prospective investors are advised to read the Admission Document in its entirety and, in particular, the sections entitled "*Risk Factors*" for a further discussion of the factors that could affect the Issuer's future performance. In the light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in the Document may not occur. All forward-looking statements contained in the Admission Document are made only as at the date hereof.

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, unless the Bonds are previously redeemed, re-purchased and cancelled. An investment in the Bonds involves certain risks, including those described below.

3.2 General

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

- i. has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in the Admission Document or any applicable supplement;
- ii. has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency;
- iii. understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets; and
- iv. is able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect his/her/its investment and his/her/its ability to bear the applicable risks.

3.3 Risks relating to the Issuer's reliance on the Group

The Issuer is largely dependent on the Horizon Group and the operating results of the latter have a direct effect on the Issuer's financial position and performance.

3.4 Risks relating to the Group and its business

3.4.1 The Issuer has a brief history of operations

The Issuer has a limited trading record and history of operations. It was set up on the 1st October 2018 primarily for the purpose of carrying on the business of investing in and/or financing or re-financing of businesses and projects involving and/or in other companies or similar entities. The Issuer is substantially a start-up operation with all the attendant risks that start-ups normally entail. These risks include, but are not limited to, a lack of financial stability. Furthermore, the Issuer's operations and the results of its operations are subject to a number of factors that could adversely affect the Horizon Group's business on which it relies. In the event that these risks were to materialise they could have a significant impact on the financial position of the Issuer.

3.5 Risks relating to the Horizon Group

Whilst the Issuer, therefore, generates its revenues from the repayment of the interest and capital in relation to the loans advanced to Chester and Middletown, the Guarantor and Chester are directly or indirectly involved in a number of real estate projects. As such, the risks related to the Guarantor and Chester are, indirectly, those of the Issuer.

3.5.1 The property market is a very competitive market that can influence the business of the Issuer

The real estate market in Malta is very competitive in nature. An increase in supply and/or a reduction in demand in the property segments in which the Issuer operates may cause property leasing rates within the Group's properties to be leased at rates which are lower than those being anticipated by the Issuer or may cause the demand for the lease of such properties to be subdued or to take place at a slower pace than that anticipated by the Group. If these risks were to materialise this could have a material adverse impact on the Group's business and financial condition.

3.5.2 Real Estate investments are illiquid

The Guarantor and Chester are property-dealing companies. Property is a relatively illiquid asset and such illiquidity may impact the Group's ability to vary its portfolio or dispose of, or liquidate part of its portfolio in a timely manner and at satisfactory prices in response to changes in economic, real estate, market and other conditions. The real estate market is affected by several factors which include general economic conditions, availability of financing, interest rates and other factors, such as supply and demand that are beyond the Issuer's control. These factors could have an adverse effect on the Issuer's financial position and results.

3.5.3 The Horizon Group may be exposed to environmental liabilities attaching to real estate property

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

3.5.4 Reliance on the target investment

The proceeds shall be used, as further outlined in Section 16 herein, for Gaia Investments to settle amounts due to EZ Holdings in terms of the Share Purchase Agreement and the Assignment of Receivables Agreement in connection with the acquisition of a twenty-five per cent (25%) shareholding interest in TCSH. As such, the Issuer is indirectly reliant on Gaia Investments' ability to repay the Gaia Loan to the Guarantor and Chester and the latter two entities' ability to repay the First Loan. Consequently, the Issuer is indirectly reliant on income consisting of dividends and/or other distributions which Gaia Investments may receive from TCSH qua shareholder thereof. As such, the risks inherent in the business of TCS Hand its related entities (herein referred to as the TCSH Group) are, to a certain degree, also those of the Issuer.

3.5.5 TCSH Group faces intense competition in its markets, which could hurt the Issuer's business.

3.5.6 The TCSH Group competes primarily in the mini market segment, which is highly competitive. Although the market is highly fragmented and, to an extent, complimentary, it faces competition from high street supermarkets and traditional regional (typically 'family-owned') mini markets and grocery stores. The TCSH Group expects its environment to continue to be highly competitive, and its results in any particular reporting period may be impacted by new or continuing actions of its competitors, which may have a short- or long-term impact on the Issuer's results. The TCSH Group competes on the basis of product choice, quality, affordability, service and location. In particular, the ability of the TCSH Group to compete successfully in the current market environment depends on its ability to improve existing product offerings, price its products appropriately, deliver a relevant customer experience, and respond effectively to its competitors' actions or disruptive actions from others which the TCSH Group does not foresee. Recognizing these dependencies, the TCSH Group has intensified its focus in recent periods on strategies to achieve these goals, and the TCSH Group will likely continue to modify its strategies and implement new strategies in the future. There can be no assurance these strategies will be effective, and some strategies may be effective at improving some metrics while adversely affecting other metrics.

3.5.7 Supply chain interruptions may increase costs or reduce revenues.

The TCSH Group depends on the effectiveness of its supply chain management to ensure reliable and sufficient product supply, including on favorable terms. Although many of the products the TCSH Group sells are sourced from a wide variety of suppliers, certain products have limited suppliers, which may increase the TCSH Group's reliance on those suppliers. Supply chain interruptions, including shortages and transportation issues, and price increases can adversely affect the TCSH Group as well as its suppliers and franchisees whose performance may have a significant impact on the TCSH Group's results. Such shortages or disruptions could be caused by factors beyond the control of the TCSH Group's suppliers, franchisees or the TCSH Group. If the TCSH Group experiences interruptions in its supply chain, its costs could increase and it could limit the availability of products critical to the TCSH Group's operations.

3.5.8 The TCSH Group's franchise business model presents a number of risks.

The TCSH Group's success increasingly relies on the financial success and cooperation of its franchisees, including its developmental licensees and affiliates. The TCSH Group's profit margins arise from two sources: fees from franchised outlets and, to a greater degree, sales from company-operated outlets. The TCSH Group's franchisees and developmental licensees manage their businesses independently, and therefore are responsible for the day-to-day operation of their outlets. The revenues the TCSH Group realizes from franchised outlets are, to an extent dependent on the ability of the TCSH Group's franchisees to grow their sales. If the TCSH Group's franchisees do not experience sales growth, the TCSH Group's revenues and margins could be negatively affected as a result. Also, if sales trends worsen for franchisees, their financial results may deteriorate, which could result in, among other things, outlets closures, or delayed or reduced payments to the Group. The TCSH Group's refranchising efforts will continue to increase that dependence and the potential effect of those factors.

The TCSH Group's operating performance could also be negatively affected if its franchisees experience food safety or other operational problems or project an image inconsistent with the TCSH Group's brand and values, particularly if its contractual and other rights and remedies are limited, costly to exercise or subjected to litigation and potential delays. If franchisees do not successfully operate outlets in a manner consistent with the TCSH Group's required standards, its brand's image and reputation could be harmed, which in turn could hurt the TCSH Group's business and operating results.

The TCSH Group's ownership mix also affects its results and financial condition. The decision to own mini markets or to operate under franchise or license agreements is driven by many factors whose interrelationship is complex and changing. The TCSH Group's ability to achieve the benefits of its refranchising strategy, depends on various factors. Those factors include whether the TCSH Group has effectively selected franchisees, licensees and/or affiliates that meet its rigorous standards, and whether their performance and the resulting ownership mix supports its brand and financial objectives.

3.5.9 Challenges with respect to talent management could harm the TCSH Group's business.

Effective succession planning is important to the TCSH Group's long-term success. Failure to effectively identify, develop and retain key personnel, recruit high-quality candidates and ensure smooth management and personnel transitions could disrupt the TCSH Group's business and adversely affect its results. The TCSH Group's success depends in part on its ability to recruit, motivate and retain a qualified workforce to work in its outlets in an intensely competitive environment. Increased costs associated with recruiting, motivating and retaining qualified employees to work in its company-operated outlets could have a negative impact on its company-operated margins. Similar concerns apply to the TCSH Group's franchisees.

3.5.10 Exposure to general market conditions

The health of the market in which the Horizon Group operates may be affected by a number of factors such as national economy, political developments, government regulations, changes in planning or tax laws, interest rate fluctuations, inflation, and the availability of financing and yields of alternative investments.

3.5.11 Reputational risk

Reputational risk is usually associated with conflicts of interest, regulatory compliance, remuneration systems, professional behaviour of the human resources, reputation and financial soundness of major shareholders, corporate culture, leadership and corporate strategy and its implementation. Reputational risk could materially and adversely affect the Horizon Group's ability to retain or attract customers, particularly institutional and retail customers, whose loss could adversely affect the Group's operations, financial condition and prospects. More specifically, reputational harm may result in the loss of market share and revenue, increased compliance costs and higher financing costs, reflecting the perceived increased risks.

3.5.12 Litigation risk

All industries, including the industry in which the Horizon Group operates are subject to legal claims, with and without merit. Defense and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute will not have a material adverse effect on the Horizon Group's future cash flow, results of operations or financial condition

3.5.13 Concentration Risk

Concentration risk may also arise because of lack of diversification in business that may lead to excessive exposure or concentration in a group of connected counterparties. Furthermore, concentration risk may also arise in terms of geographies, regions, countries and industries.

3.5.14 Risks relative to changes in laws

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

3.5.15 Health and Safety

The nature of the Group's business necessitates that adequate importance is given to maintaining compliance with international health and safety standards. The failure to comply with such standards could expose the Group to third party claims which could in turn have a material adverse effect on its business and profitability.

3.5.16 Key Persons

The Horizon Group is mainly dependent on Kevin Deguara and Jean C. Farrugia as the main driving force behind the Horizon Group's business strategy and its implementation. As such, the Issuer, and the Horizon Group in general, may be adversely affected if Kevin Deguara or Jean C. Farrugia or any one or more of its key personnel is/are unable or unwilling to continue in his/their involvement.

3.6 Risks Relating to the Bonds

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

3.6.1 No Assurance of Active Secondary Market in the Bonds

Only upon successful admission, the Bonds maybe traded on a multilateral trading facility but will NOT be traded on any regulated market. Hence the market for the Bonds may be less liquid than a regulated market and a Bondholder may find it more difficult to identify willing buyers for their Bonds. The existence of an orderly and liquid market for the Bonds depends on a number of factors, including the presence of willing buyers and sellers of the Issuer's Bonds at any given time. Such presence is dependent upon the individual decisions of investors 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 Bondholders will be able to sell the Bonds at or above the price at which the Issuer issued the Bonds or at all.

3.6.2 Public Market and Trading Record

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

3.6.3 Fluctuations in exchange rate

A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of the Bonds (€) and the Bondholder's currency of reference, if different.

3.6.4 Additional Indebtedness and Security

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

3.6.5 Effect of Future Public Offerings/Takeover/Merger Activity

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 any of the Bonds prevailing from time to time.

3.6.6 Fixed Rate Bonds

The Issuer is entitled to issue Bonds bearing a fixed rate of interest. Investment in such fixed rate Bonds involves the risk that subsequent changes in market interest rates may adversely affect the market value of the said Bonds. Investors should also be aware that the price of the fixed rate Bonds moves adversely to changes in interest rates. When prevailing market interest rates are rising, the price of fixed rate Bonds decline. Conversely, if market interest rates are declining, the price of fixed rate Bonds rises. This is called market risk since it arises only if a Bondholder decides to sell the Bonds before maturity on the secondary market.

3.6.7 Discontinuation of Trading on Prospects MTF

Even after the Bonds are admitted to trading on Prospects MTF, the Issuer is required to remain in compliance with certain requirements relating inter alia to the free transferability, clearance and settlement of the Bonds in order to remain eligible to trade on Prospects MTF in terms of the Prospects MTF Rules issued by the Exchange as amended from time to time. Moreover, the MSE has the authority to suspend trading of the Bonds if, inter alia, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The MSE may discontinue the trading of the Bonds on Prospects MTF. Any such trading suspensions described above could have a material adverse effect on the liquidity and value of the Bonds.

3.6.8 Value of the Bonds

The value of investments can rise or fall, and past performance is not necessarily indicative of future performance.

3.6.9 Credit Rating

The Issuer has not sought, nor does it intend to seek, the credit rating of an independent rating agency and there has been no assessment by any independent rating agency of the Bonds.

3.6.10 Ranking

The Bonds, as and when issued, shall constitute the general, direct, unconditional guaranteed and secured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves but in priority to any unsecured debt. Furthermore, subject to Security Interest over the Shares, the Issuer and the Guarantor may secure third party debts through the creation of security interests over some or all of their respective assets and therefore such third party debts may rank in priority to the Bonds for as long as such security interests remain in effect.

3.6.11 Security Interest

An investor in the Bonds will bear certain risks relating to the Security Interest according to the ranking of the relative Security Interest.

By acquiring the Bonds, the Bondholder is considered to be bound by the terms of the Security Trust Deed as if he had been a party to it. The Security Trust Deed contains a number of provisions, which the investors ought to be aware of prior to acquiring the Bonds and, therefore, investors ought to read the description of the Security Trust Deed contained in Annex B before acquiring the Bonds. For instance, in terms of the Security Trust Deed:

- i. The Security Trustee is not liable for any loss or expense attributable to any action taken or omitted to be taken by the Security Trustee, or any person appointed by the Security Trustee, unless the loss or expense is shown to have been caused by the negligence or misconduct of the Security Trustee or the person so appointed;
- ii. the Security Trustee shall be bound to declare the Bonds to have become immediately due and repayable: (i) in the case of an Event of Default, described in section 17.14 of this Admission Document; (ii) when requested to do so by a resolution passed by Bondholders holding not less than fifty-one per cent (51%) in nominal value of the Bonds then outstanding at a meeting of the Bondholders; (iii) when duly notified by the Corporate Advisor appointed under the Prospects MTF Rules and acting in its duty of care to the Exchange, the market and the Bondholders that any of the Events of Default have occurred in accordance with the provisions of the Company Admission Document.
- iii. the Bondholders are entitled to require the Security Trustee to convene a meeting of the participation of Bondholders; and
- iv. the Security Trustee is entitled to accept reductions in and/or variations to the Security Interest.

3.6.12 Terms and Conditions

In the event that the Issuer wishes to amend any of the Terms and Conditions of issue of the Bonds it shall call a meeting of Bondholders in accordance with the provisions of section 16.18 of this Document. These provisions permit defined majorities to bind all Bondholders, including Bondholders who do not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority.

The Terms and Conditions of the Bonds are based on Maltese law in effect as at the date of this Document. A change in Maltese law or administrative practice or a judicial decision may have an effect on the Terms and Conditions of the Bonds. No assurance can be given as to the impact thereof after the date of this Document.

4 PERSONS RESPONSIBLE

Each and all of the Directors of the Issuer whose names appear in Section 10.1 hereunder, are the persons responsible for the information contained in this Admission Document. 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 Document is in accordance with the facts and contains no omission likely to affect its import. The Directors accept responsibility accordingly.

As at the date of this Document there are no other facts or matters omitted from the Admission Document which were or are necessary to enable investors and their investment advisors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Bonds.

5 ADVISORS, SECURITY TRUSTEE AND STATUTORY AUDITORS

5.1 Advisors to the Issuer

Corporate Advisor, Placement Agent and Manager

CalamattaCuschieri Investment Services Ltd.

CalamattaCuschieri, Ewropa Business Centre, Triq Dun Karm, Birkirkara, BKR 9034.

Calamatta Cuschieri Investment Services Ltd holds a Category 3 license issued by the Malta Financial Services Authority and is a member of the Malta Stock Exchange.

Financial Advisors

Deloitte Services Limited

Deloitte Place, Mriehel Bypass, Mriehel, Birkirkara, BKR 3000.

Deloitte Services Limited is a firm of certified public accountants, holding a warrant to practice the accountancy profession and a practicing certificate to act as auditors in terms of the Accountancy Profession Act, Cap. 281 of the laws of Malta.

Legal Advisors

DFAdvocates

DF Advocates II-Piazzetta A, Suite 52, Level 5, Tower Road, Sliema SLM1607, Malta

DF Advocates is a Malta based law firm servicing local and international clients in setting up and operating their business activities as well as advising on local and cross border transactions involving complex issues spanning various industries, with a specific focus on corporate law and financial services.

Security Trustee

Trident Trust Company (Malta) Limited

Orange Point Building, Second Floor, Dun Karm Street, Birkirkara By-Pass, Birkirkara, Malta

Trident Trust is authorised to act as a trustee or co-trustee in terms of Article 43(3) of the Trusts and Trustees Act (Chapter 331 of the Laws of Malta) and to act as administrators of private foundations, amongst other personalised services.

5.2 Statutory Auditors to the Issuer and the Guarantor

Charles Scerri& Associates

The Penthouse, Carolina Court, Giuseppe Cali' Street, Ta' Xbiex, XBX1425

Charles Scerri& Associates is a firm of certified public accountants, holding a warrant to practise the accountancy profession and a practising certificate to act as auditors in terms of the Accountancy Profession Act, Cap. 281 of the laws of Malta.

6 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for the subscription for Bonds by the Placement Agent and Manager and any fees payable to the Placement Agent and Manager in connection with the Bond Issue, to the best of the Issuer's knowledge no person involved in the Issue has an interest material to the Bond Issue.

7 IDENTITY OF DIRECTORS AND SENIOR MANAGEMENT OF THE ISSUER

7.1 Directors of the Issuer

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

Dr Kevin Deguara	Executive Director and Chairman of the Board
Dr Jean C. Farrugia	Non-Executive Director
Mr Kenneth Deguara	Non-Executive Director
Mr Benjamin Muscat	Non-Executive Independent Director
Mr Robert Ancilleri	Non-Executive Independent Director

Mr Benjamin Muscat and Mr Robert Ancilleri are considered as independent Directors since they are free of any business, family or other relationship with the Issuer, its controlling shareholders or the management of either, that could create a conflict of interest such as to impair their judgement.

The business address of the Directors is II-Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta.

The company secretary of the Issuer is Dr Jean C. Farrugia.

The Issuer's compliance officer in terms of the Rules is Dr Jean C. Farrugia.

The following are the respective curriculum vitae of the Directors:

Dr Kevin Deguara – Executive Director and Chairman of the Board

Dr Deguara is a qualified lawyer by profession and a partner of DF Group (a group of companies operating in the provision of legal and corporate services). He specializes in international structuring for ultra-high net worth individuals, families, succession, asset protection structuring, citizenship and immigration issues. Kevin Deguara has also considerable experience acting as a transactional lawyer specialising in real estate. He has over the last 17 years advised developers and landowners on a variety of residential, commercial, retail, leisure, educational and mixed use developments. He also occupies a number of posts as director on the boards of a number of companies involved in retail, manufacturing, real estate, corporate services and hospitality business.

Dr Jean C. Farrugia – Non-Executive Director

Dr Farrugia is a lawyer by profession and partner of DF Group (a group of companies operating in the provision of legal and corporate services). He has advised and still acts on an ongoing basis for major local and international companies including banks, insurance companies, private equity firms, funds, investment advisors and fund/asset managers, in the setting up and licensing of their business as well as on their regulatory and compliance needs. He also advises on an ongoing basis various entities on corporate related issues, including corporate governance, shareholder rights, directors' duties, instrument listing and dematerialisation, private placements, restructuring and M&A operations. Dr Farrugia also acts as non-executive director for a number of regulated entities operating in the financial services sector, including funds and fund management companies with a particular focus on the legal and regulatory aspects of the various operations carried out by such companies, corporate governance, regulatory compliance and AML occasionally accepting appointments also as company secretary, MLRO and Compliance Officer thereby acting as liaison between such licensed entities and the regulator (the Malta Financial Services Authority).

Mr Benjamin Muscat – Non-Executive Independent Director

Benjamin Muscat is a Certified Public Accountant by profession (Fellow of the Association of Chartered and Certified Accountants – FCCA) with a long career in finance and management at senior executive positions. He has worked in various industry sectors including switchgear manufacturing, food production, beer and soft drink brewing and production and bottling, international fast food franchising, hospitality and timeshare, construction and real estate development, including marketing and selling luxury condominiums. In his capacity as Chief Executive Officer of MIDI Plc a Maltese listed company, Benjamin was key in the development of the Tigne' Point Project. He also has extensive experience in raising project specific funding via banking facilities, third party investment, private placements, and issue of equity and debt instruments through retail offers subsequently listed on the Malta Stock Exchange. Today Benjamin provides professional services as a freelance consultant and independent directorship services.

Mr Robert Ancilleri – Non-Executive Independent Director

Robert has recently set up his own practice providing accounting and business and regulatory advisory services. He serves as a member of the Supervisory Council of a locally based foundation. He holds a Bachelor of Accountancy (Honours) degree from the University of Malta and is a Certified Public Accountant with a practising Certificate in Auditing. Up to July 2018, he served as Chief Accounting Officer at HSBC Bank Malta p.l.c. Prior to that, he occupied senior management positions, responsible for finance at Banif Bank (Malta) p.l.c. and Volksbank Malta Group. Prior to moving into banking in 2003, Robert worked in audit and business advisory at MSD & Co. (used to represent Arthur Anderson in Malta) and Ernst & Young

Mr Kenneth Deguara – Non-Executive Director

Mr Kenneth Deguara started his career working for an international ship management company between 1999 and 2006. Occupying the position of accounts manager, he was responsible for management accounting, tax compilations and the financial administration of the company. In this position Kenneth became responsible for refit funding management, operational budgets, crew financial management and creditor control. In 2006 Kenneth joined the DF Group (a group of

companies operating in the provision of legal and corporate services) occupying the position of Chief Financial Officer. In this position he has and continues to head the finance department of the DF Group.

7.2 Senior Management Structure of the Issuer

The Issuer does not have any employees of its own.

8 INFORMATION ABOUT THE ISSUER AND THE GUARANTOR

8.1 Historical development of the Issuer

Full legal and commercial name of the Issuer:	Horizon Finance plc
Registered address:	Il-Piazzetta A, Suite 52, Level 5, Tower Road, Sliema
Place of registration and domicile:	Malta
Company Registration number:	C 88540
Date of registration:	1 st October 2018
Legal form	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act
Telephone number:	+356 21313930
E-mail address:	info@horizonfinanceplc.com
Website:	http://www.horizonfinanceplc.com/

The Issuer was incorporated on the 1 October 2018 as a public limited liability company, registered in terms of the Companies Act with company registration number C88540 and is domiciled in Malta, having its registered office at Il-Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta. The principal object of the Issuer, which was set up and established to act as a finance company, is to own, manage, administer and dispose of property of any kind, lend and advance money, give credit, grant or provide guarantees, hypothecs, privileges, charges, security interests or other security, exclusively to, or in favour of companies or partnerships which form part of the same group of companies. The issue of the Bonds falls within the objects of the Issuer. As at the date of the Document, the Issuer's current authorised share capital is €46,600 divided into 46,600 ordinary shares of €1.00 each. The Issuer's issued share capital is €46,600 divided into 46,600 ordinary shares of €1.00 each fully paid up. Zircon and Cornhill own one (1) ordinary share each in the capital of the Issuer with Middletown Investments owning the balance of forty-six thousand, five hundred ninety-eight (46,598) ordinary shares in the capital of the Issuer. The Company does not have any other issued debt capital.

The Issuer operates exclusively in and from Malta.

The Issuer has set up a website with URL <http://www.horizonfinanceplc.com/> which includes an "Investor Information" section from which investors can obtain current information on the Company. This section shall include all electronic communication for all information required to be disclosed under the Rules and / or applicable law to all holders of admitted securities.

8.2 Historical development of the Guarantor

Full legal and commercial name of the Issuer:	Middletown Investments Limited
Registered address:	Il-Piazzetta A, Suite 52, Level 5, Tower Road, Sliema
Place of registration and domicile:	Malta
Company Registration number:	C 75568
Date of registration:	10 th May 2016

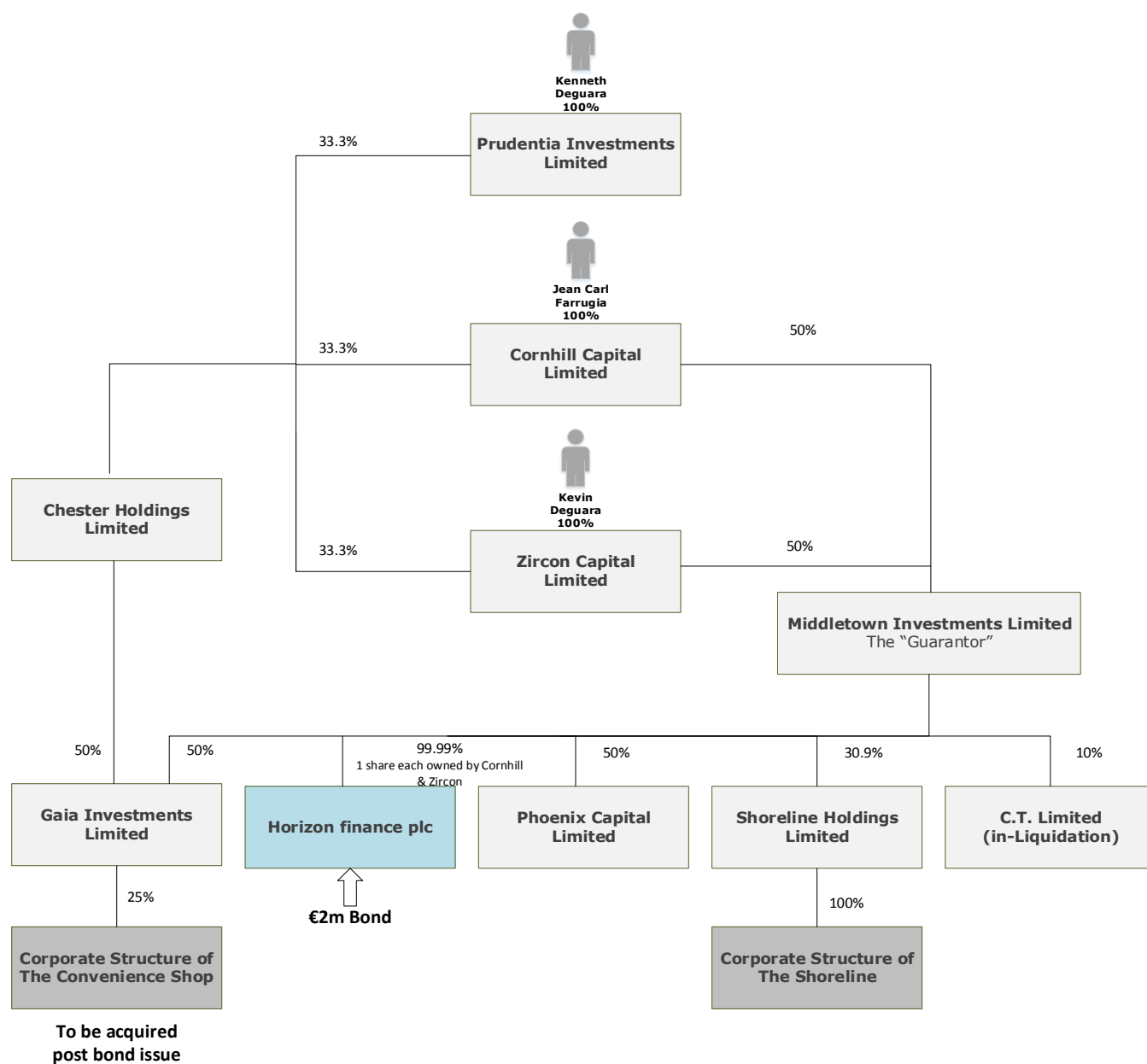
Legal form:	The Guarantor is lawfully existing and registered as a private limited liability company in terms of the Act
Website:	http://horizonfinanceplc.com/
Telephone number:	+356 21313 930

The Guarantor was incorporated on the 10th May 2016 as a private limited liability company, registered in terms of the Companies Act with company registration number C75568 and is domiciled in Malta, having its registered office at Il-Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta. The principal object of the Issuer, which was set up and established to act as a holding company, is to own, manage, administer and dispose of property of any kind, lend and advance money, give credit, grant or provide guarantees, hypothecs, privileges, charges, security interests or other security, exclusively to, or in favour of companies or partnerships which form part of the same group of companies. As at the date of the Document, the Guarantor's current authorised share capital is €1,200 divided into 1,200 ordinary shares of €1.00 each. The Issuer's issued share capital is €1,200 divided into 1,200 ordinary shares of €1.00 each fully paid up. Zircon and Cornhill own six hundred (600) ordinary shares each in the capital of the Guarantor.

The Guarantor operates exclusively in and from Malta.

9 GROUP ORGANISATIONAL STRUCTURE

The organisational structure of the Group, as at the date of the Admission Document is illustrated in the diagram below:



10 TREND INFORMATION

10.1 Trend information of the Issuer

The Issuer is a fully-owned subsidiary of the Guarantor, and has been set up to act as a financing company. Accordingly, the Issuer's business is limited to the raising of capital for the financing of capital projects and the loaning of such capital to the Guarantor and/or its subsidiary companies, the collection of interest from Group entities and the settlement, in turn, of interest payable on capital raised from third parties, in the circumstances via the issue of admitted bonds. There has been no material adverse change in the prospects of the Issuer since the date of its incorporation.

10.2 Trend information of the Guarantor

The Guarantor has been set up to act as a holding company. There has been no material adverse change in the prospects or in the financial or trading position of the Guarantor since the date of its last published audited financial statements dated 31 December 2017.

11 KEY FINANCIAL INFORMATION AND FUTURE INVESTMENTS

11.1 Financial information of the Issuer

The Issuer was registered and incorporated on the 1 October 2018 to act as a finance company, own, manage, administer and dispose of property of any kind, lend and advance money, give credit, grant or provide guarantees, hypothecs, privileges, charges, security interests or other security, exclusively to, or in favour of companies or partnerships which form part of the same group of companies. As at the date of this Admission Document, the Issuer has not conducted any business and has no trading record. Since incorporation to the date of this Document, no financial statements have been prepared in respect of the Issuer.

There has not been any significant change in the financial or trading position of the Issuer, which has occurred since the company's date of incorporation.

11.2 Financial information of the Guarantor

Set out below are highlights taken from the consolidated financial statements of the Guarantor for the years ended 31st December 2016 and 2017 and year to Date 2018.

Income statement - Middletown Investments Ltd.

€000	FY16	FY17	YTD18
Other Income	110.6	160.0	-
Administrative expenses	(0.2)	(0.3)	(0.5)
Profit before tax	110.3	159.6	(0.5)
Tax charge for the year	-	-	-
Net income	110.3	159.6	(0.5)

Note: YTD18 reflects 1 Jan 2018 to 31 Oct 2018

Source: Audited financial statements (FY16; FY17) and Management information (YTD18)

Note: Subtotals may not tally due to rounding.

Balance sheet - Middletown Investments Ltd.

€000	Dec16	Dec17	Oct18
99.9% Share in Horizon Finance PLC	-	-	11.7
50% Share in Gaia Investments Limited	-	-	0.6
50% Share in Phoenix Capital Ltd	-	-	-
10% Share in C.T. Limited	110.9	270.9	270.9
10% Share in Shoreline Holdings Limited	-	-	1,570.0
10% investment in Shoreline Residence	0.1	0.1	-
Total Non-current assets	111.0	271.0	1,853.1
Trade and other receivables	-	-	0.1
Amount due from related companies	1.2	-	325.0
Cash and cash equivalents	-	1.1	0.4
Total Current Assets	1.2	1.1	325.5
Total assets	112.2	272.0	2,178.6
Share capital	1.2	1.2	1.2
Retained Earnings	110.3	269.9	269.7
Total Equity	111.5	271.1	270.9
Shareholder's loan	0.4	0.5	587.6
Amounts due to C.T. Limited	-	-	320.0
Amounts due to related parties	-	-	1,000.0
Total Non-current liabilities	0.4	0.5	1,907.6
Trade and other payables	0.2	0.4	0.1
Unpaid share capital	-	-	-
Total Current liabilities	0.2	0.4	0.1
Total Equity and liabilities	112.2	272.0	2,178.6

Source: Audited Financial Statements (FY16; FY17) and Management information (YTD18)

Note: Subtotals may not tally due to rounding.

Cash flow statement - Middletown Investments Ltd.

€000	FY16	FY17	YTD18
Profit for the period	110.3	159.6	(0.5)
Movement in working capital	0.2	0.2	(0.4)
Net cash flow from operating activities	110.5	159.8	(0.9)
Payment to acquire financial assets	(111.0)	(160.0)	(1,582.1)
Net cash outflow used in investing activities	(111.0)	(160.0)	(1,582.1)
Proceeds from the issue of share capital	1.2	-	-
Amount due from related company	(1.2)	1.2	995.0
Shareholders' loans	0.4	0.1	587.3
Net cash inflow from financing activities	0.4	1.2	1,582.3
Net movement for the period	0.0	1.1	(0.7)
Opening cash and cash equivalents	-	0.0	1.1
Closing cash and cash equivalents	0.0	1.1	0.4

Note: YTD18 reflects 1 Jan 2018 to 31 Oct 2018

Source: Management information

Note: Subtotals may not tally due to rounding.

11.3 Methodology of Enterprise Value of the shares held by Gaia in TCSH

Below is the methodology used to derive the Enterprise Value (“EV”) of the shares held by Gaia in TCSH. The calculation methodology derives the equity value of Gaia (the “Pledged Security”), which value is dependent on the derived equity value of TCSH.

11.3.1 Valuation methodology

Valuation theory suggests that the EV of a going concern operation is based on the cash generating potential of the business. Although there are various methods one may adopt to estimate the EV of an operation, a popular approach adopted by market players due to its simplicity and comparability is the market approach.

The market approach relies on observed valuation specific financial metrics derived from either past transactions or from traded companies operating in the same sector as the company being valued. These financial metrics are then applied to benchmark financial data of the company being valued to derive the EV.

Market derived valuation metrics used to derive the EV of a company include (i) Revenue multiple, (ii) EBITDA multiple, and (iii) EBIT multiple. The PE multiple is used to derive the equity value directly.

Given that EBITDA is generally a more stable and comparable financial metric across companies, and it is also considered a proxy of the cash generating potential of a business, the EBITDA multiple is the most popular metric used to derive the EV of a company using market comparable financial metrics.

Valuation multiples based on traded comparables was excluded from our analysis as listed entities generally trade at a premium due to higher market liquidity.

11.3.2 Selected range of EBITDA multiple’s

Based on the observed EBITDA multiples, we believe that an appropriate comparable EV/EBITDA multiple would range between 5.5x and 7.5x. Said multiples would also appear to reflect local market ranges.

11.3.3 Illustrative EV of TCSH operations

On the basis of the above range of EBITDA multiples and the historical and projected EBITDA, the illustrative EV of TCSH would range between EUR11.5m and EUR25.6m (refer to table below).

EUR 000s

Target Company	EV/EBITDA Multiple		
	Low	Mid	High
TCSHL EBITDA - FY17A	2,093	2,093	2,093
TCSHL EBITDA - FY18P	2,972	2,972	2,972
TCSHL EBITDA - FY19P	3,411	3,411	3,411
Selected multiple - Low	5.5x	6.5x	7.5x
Implied Enterprise Value - FY17A	11,512	13,605	15,698
Implied Enterprise Value - FY18P	16,346	19,318	22,290
Implied Enterprise Value - FY19P	18,761	22,172	25,583
EV of 25% share ⁽¹⁾ - FY17A	2,878	3,401	3,924
EV of 25% share ⁽¹⁾ - FY18P	4,087	4,830	5,573
EV of 25% share ⁽¹⁾ - FY19P	4,690	5,543	6,396

Note: (1) No adjustment for any control premium has been taken into consideration in deriving the value attributed to 25% shareholding

Source: Deloitte analysis

11.3.4 Illustrative equity value of the TCSH operations

In order to derive the equity value of TCSH operations appropriate adjustments need to be made for normalised net working capital and net debt. After passing said adjustments, Gaia’s equity interest in the TCSH operations would range from €1,881,000 to €5,399,000 including shareholders’ loans receivable.

EUR'000	Low	Mid	High
EBITDA FY17A	2,093		
EBITDA FY18P		2,972	
EBITDA FY19P			3,411
Selected EBITDA multiple (FY18P basis year)	5.5x	6.5x	7.5x
Selected EV	11,512	19,318	25,583
Adjment for negative net working capital	(2,513)	(2,513)	(2,513)
Net debt	(1,474)	(1,474)	(1,474)
Implied equity value	7,525	15,331	21,596
Implied equity value attributed to Gaia (25%)	1,881	3,833	5,399

Source: Deloitte analysis

Illustrative equity value of Gaia

EUR'000	Cost	Mid
Value attributed to TCS operations (25%)	2,470	3,833
Less: Future investment obligation net of excess cash	(99)	(99)
Total equity	2,371	3,734
Loan advanced by Chester	850	850
Loan advanced by Middletown	850	850
Total shareholders' loan	1,700	1,700
Net equity (after shareholders' loans)	671	2,034

Source: Deloitte analysis

By applying the valuation methodology illustrated above, the value attributable to the equity shares in Gaia under the Mid scenario would be €2.0m. This is calculated after deducting the €1.7m shareholders' loans due proportionately to Chester and Middletown).

12 MANAGEMENT AND ADMINISTRATION

12.1 The Issuer

12.1.1 The Board of Directors of the Issuer

The management and administration of the Issuer is vested in the Board, which is responsible for the overall management and direction of the Issuer, establishing policies and guidelines for the management of the Issuer, appoint all executive officers and other key members of management and staff. Inter alia, the Board of Directors directly or via the board of directors of the Issuer:

- Sets business objectives, financial plans and general parameters within which the Board, the Board Committees and management are to function;
- Ensures that systems and procedures are in place to identify and manage significant business risks and exposures;
- Ensures that adequate and effective systems of internal control are in place, and that compliance therewith is monitored on a regular basis; and
- Sets appropriate business standards and codes of corporate governance and ethical behaviour for all Directors, members of board committees and employees, and monitors their performance.

The meetings of the Board of Directors will be held on a quarterly basis. The Board of Directors might also request that other employees or professional advisors attend such meetings.

Situations of potential conflicts of interest amongst members of the Board of Directors are specifically regulated in the Issuer's Articles of Association. In terms of the Articles of Association, whenever a conflict of interest situation arises, whether real or potential, the conflict is to be declared. The Articles of Association of the Issuer also provide that in the event that one of the Directors has a material interest, either directly or indirectly, in any contract or arrangement with the Issuer, such Director shall not be entitled to vote on any decisions taken in connection therewith.

The members of the Board of Directors bring to the Issuer a variety of backgrounds, experiences and expertise.

In terms of the Memorandum of Association, the Board shall be composed of at least two (2) Directors and not more than eight(8) Directors. As at the date of this Document, the Board is composed of five (5) Directors who are responsible for the overall direction and management of the Company.

As at the date hereof, the Board of the Issuer is composed of the individuals listed in Section 7.1 of this Company Admission Document.

None of the Directors have been:

- i. convicted in relation to fraud or fraudulent conduct in the last five (5) years;
- ii. made bankrupt or associated with any liquidation or insolvency caused by action of creditors;
- iii. the subject of any official public incrimination or sanction by any statutory or regulatory authority; or
- iv. disqualified by a court from acting as director or manager in the last five (5) years.

The Directors believe that the Issuer's current organisational structure is adequate for its present activities. The Directors will maintain this structure under continuous review to ensure that it meets the changing demands of the business and to strengthen the checks and balances necessary for better corporate governance.

12.1.2 Directors' service contracts

Pursuant to the Issuer's Articles of Association, the maximum annual aggregate emoluments that may be paid to the Directors are approved by the shareholders in a general meeting.

The remuneration of Directors consists of a fixed annual fee which is currently paid out of the assets of the Issuer, and such fee does not have a variable component and is not performance related.

12.1.3 Conflicts of Interest

To the extent known or potentially known to the Issuer as at the date of this Document, there are no other potential conflicts of interest between any duties of the Directors of the Issuer and their private interests and/or their duties which require disclosure in terms of law. Situations of potential conflicts of interest amongst members of the Board of Directors are specifically regulated in the Issuer's Articles of Association. In terms of the Articles of Association, whenever a conflict of interest situation arises, whether real or potential, the conflict is to be declared. The Articles of Association of the Issuer also provide that in the event that one of the Directors has a material interest, either directly or indirectly, in any contract or arrangement with the Issuer, such Director shall not be entitled to vote on any decisions taken in connection therewith.

The Audit Committee of the Issuer has the task of ensuring that any potential conflicts of interest that may arise at any moment are handled in the best interest of the Issuer, and the Horizon Group as a whole according to law. The fact that the Audit Committee is constituted with a majority of Non-Executive Directors (vide composition of the Audit Committee in Section 14 hereunder), provides an effective measure to ensure that transactions vetted by the Audit Committee are determined at an arm's-length basis.

Additionally, the Audit Committee, has, pursuant to the relative terms of reference, been granted express powers to be given access to the financial position of the Issuer and the Guarantor. To this effect, the Issuer and the Guarantor are to submit to the Audit Committee quarterly accounts, as well as at least quarterly comparisons of actuals against projections.

12.1.4 Loans to Directors

There are no loans outstanding by the Issuer to any of its Directors, nor any guarantees issued for their benefit by the Issuer.

12.1.5 Removal of Directors

A director may, unless he resigns, be removed by an ordinary resolution of the shareholders as provided by Article 140 of the Act.

1.1.1 Powers of Directors

By virtue of the provisions of the Articles of Association of the Issuer, the Directors are empowered to transact all business which is not by the Articles expressly reserved for the shareholders in general meeting.

12.1.6 Aggregate emoluments of the Issuer's Directors

Pursuant to the Issuer's Articles of Association, the maximum annual aggregate emoluments that may be paid to the Directors are approved by the shareholders in a general meeting.

The remuneration of Directors consists of a fixed annual fee which is currently paid out of the assets of the Issuer, and such fee does not have a variable component and is not performance related.

For the current financial year ending on 31 December 2019, it is expected that the Issuer will pay a maximum of €15,000 by way of emoluments to the Directors.

12.1.7 Employees

The Issuer does not have any employees of its own.

12.1.8 Working capital

As at the date of the Document, the Directors of the Issuer are of the opinion that working capital available to the Issuer, is sufficient for the attainment of their objects and the carrying out of their respective business for the next twelve (12) months of operations.

12.2 The Guarantor

12.2.1 The Board of Directors of the Guarantor

The management and administration of the Guarantor is vested in the Board, which is responsible for the overall management and direction of the Guarantor, establishing policies and guidelines for the management of the Guarantor, appoint all executive officers and other key members of management and staff. Inter alia, the Board of Directors directly or via the board of directors of the Issuer:

- (e) Sets business objectives, financial plans and general parameters within which the Board, the Board Committees and management are to function;
- (f) Ensures that systems and procedures are in place to identify and manage significant business risks and exposures;
- (g) Ensures that adequate and effective systems of internal control are in place, and that compliance therewith is monitored on a regular basis; and
- (h) Sets appropriate business standards and codes of corporate governance and ethical behaviour for all Directors, members of board committees and employees, and monitors their performance.

The meetings of the Board of Directors will be held on a quarterly basis. The Board of Directors might also request that other employees or professional advisors attend such meetings.

Situations of potential conflicts of interest amongst members of the Board of Directors are specifically regulated in the Guarantor's Articles of Association. In terms of the Articles of Association, whenever a conflict of interest situation arises, whether real or potential, the conflict is to be declared. The Articles of Association of the Guarantor also provide that in the event that one of the Directors has a material interest, either directly or indirectly, in any contract or arrangement with the Guarantor, such Director shall not be entitled to vote on any decisions taken in connection therewith.

In terms of the Memorandum of Association, the Board shall be composed of at least two (2) Directors and not more than six (6) Directors. As at the date of this Document, the Board is composed of two (2) Directors who are responsible for the overall direction and management of the Company.

As at the date hereof, the Board of the Guarantor is composed of Dr Kevin Deguara and Dr Jean Carl Farrugia whose CVs are outlined in Section 10.1 of this Company Admission Document.

None of the Directors have been:

- v. convicted in relation to fraud or fraudulent conduct in the last five (5) years;
- vi. made bankrupt or associated with any liquidation or insolvency caused by action of creditors;
- vii. the subject of any official public incrimination or sanction by any statutory or regulatory authority; or
- viii. disqualified by a court from acting as director or manager in the last five (5) years.

12.2.2 Directors' service contracts

Pursuant to the Guarantor's Articles of Association, the maximum annual aggregate emoluments that may be paid to the Directors are approved by the shareholders in a general meeting.

The remuneration of directors consists of a fixed annual fee which is currently paid out of the assets of the Guarantor, and such fee does not have a variable component and is not performance related.

12.2.3 Conflicts of Interest

To the extent known or potentially known to the Guarantor as at the date of this Document, there are no other potential conflicts of interest between any duties of the Directors of the Guarantor and their private interests and/or their duties which require disclosure in terms of law. Situations of potential conflicts of interest amongst members of the Board of Directors are specifically regulated in the Guarantor's Articles of Association. In terms of the Articles of Association, whenever a conflict of interest situation arises, whether real or potential, the conflict is to be declared. The Articles of Association of the Guarantor also provide that in the event that one of the Directors has a material interest, either directly or indirectly, in any contract or arrangement with the Guarantor, such Director shall not be entitled to vote on any decisions taken in connection therewith.

12.2.4 Loans to Directors

There are no loans outstanding by the Guarantor to any of its Directors, nor any guarantees issued for their benefit by the Guarantor.

12.2.5 Removal of Directors

A director may, unless he resigns, be removed by an ordinary resolution of the shareholders as provided by Article 140 of the Act.

12.2.6 Powers of Directors

By virtue of the provisions of the Articles of Association of the Guarantor, the Directors are empowered to transact all business which is not by the Articles expressly reserved for the shareholders in general meeting.

12.2.7 Employees

The Guarantor does not have any employees of its own.

12.2.8 Working capital

As at the date of the Document, the Directors of the Guarantor are of the opinion that working capital available to the Guarantor, is sufficient for the attainment of their objects and the carrying out of their respective business for the next twelve (12) months of operations.

13 MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

13.1 Major shareholders of the Issuer

The Issuer's current authorised share capital is €46,600 divided into 46,600 ordinary shares of €1.00 each. The Issuer's issued share capital is €46,600 divided into 46,600 ordinary shares of €1.00 each fully paid up.

<i>Name of Shareholder</i>	<i>Number of shares held</i>
Middletown Investments Ltd.	46,598 Ordinary A shares
Zircon Capital Ltd.	1 Ordinary B share
Cornhill Capital Ltd.	1 Ordinary B share

13.2 Major shareholders of the Guarantor

The Guarantor's current authorised share capital is €1,200 divided into 1,200 ordinary shares of €1.00 each. The Guarantor's issued share capital is €1,200 divided into 1,200 ordinary shares of €1.00 each fully paid up.

<i>Name of Shareholder</i>	<i>Number of shares held</i>
Zircon Capital Ltd.	600 Ordinary shares
Cornhill Capital Ltd.	600 Ordinary shares

The Issuer, Guarantor, Zircon and Cornhill are all ultimately beneficially owned by Dr Kevin Deguara and Dr Jean C. Farrugia.

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

14 BOARD COMMITTEES

The Issuer has set up an Audit Committee on the 12th November 2018. The Board of Directors of the Issuer delegates certain responsibilities to the Audit Committee, the charter of which reflects the requirements stipulated in the Prospects MTF Rules. Additionally, the Audit Committee has the role and function of considering and evaluating the arm's length nature of any proposed transactions to be entered into in order to ensure that the execution of any such transaction is, indeed, at arm's length and on a sound commercial basis and, ultimately, in the best interests of the Issuer and the Guarantor. In this regard, the Audit Committee has the task of ensuring that any potential abuse which may arise is immediately identified and resolved.

The Audit Committee's primary objective is to assist the Board of Directors in dealing with issues of risk, control and governance and in reviewing the Issuer's reporting processes, financial policies and internal control structures. The Audit Committee also oversees the conduct of the external audit and facilitates communication between the Issuer's Board, management and external auditors.

The Audit Committee is a sub-committee of the Board of Directors and is directly responsible and accountable to it. The terms of reference of the Audit Committee include:

- Monitoring of the financial reporting process;
- Monitoring of the audit and the annual and consolidated accounts;
- Maintenance of communication between the Board, management and the external auditor on the above-mentioned matters at the level of the Issuer and Guarantor;
- Making of recommendations to the Board of Directors in relation to the appointment of the external auditor, and the approval of the remuneration and terms of engagement of the external auditor following appointment by the shareholders in general meeting;

- e. Monitoring and reviewing the external auditor's independence, and in particular the provision of additional services to the Issuer;
- f. Development and implementation of a policy on the engagement of the external auditor to supply non-audit services;
- g. Monitoring and reviewing of proposed transactions by the Issuer with related parties;
- h. Making recommendations to the Board of Directors as it deems fit; and
- i. Conducting or directing any investigation required to fulfil its responsibilities.

The Audit Committee shall at all times be composed of at least three (3) Directors, the majority of which shall be independent non-executive Directors. The Audit Committee of the Issuer is presently composed of Mr Robert Ancilleri, Dr Jean C. Farrugia, and Mr Benjamin Muscat. Mr Muscat has been appointed as the Chairman of the Audit Committee.

Dr Jean C. Farrugia (bearer of Identity Card numbered 244176M) has been appointed as secretary to the Audit Committee. Dr Farrugia's CV can be found in Section 7.1 above.

All Related Party transactions shall require the prior approval of the Audit Committee unless such approval is exempted in terms of the Prospects MTF Rules. The Audit Committee is to have access to quarterly management accounts both at Issuer's and Guarantor's level.

Following the admission of the Bonds to the Prospects MTF List the Audit Committee shall start meeting as often as required to undertake its role effectively, but not less than on a quarterly basis.

The Directors believe that the current set-up is sufficient to enable the Issuer in fulfilling the objectives of the Prospects MTF Rules' terms of reference in this regard.

15 COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

The Company supports the Rules in their entirety and the stipulations of the said Rules in relation to dealing restrictions.

The Issuer complies with the Code of Principles of Good Corporate Governance forming part of the Listing Rules of the Listing Authority (the "Code") with the exceptions mentioned below, and is confident that the adoption of the Code shall result in positive effects accruing to it. The Issuer adopts measures in line with the Code of Principles with a view to ensuring that all transitions are carried out at arm's length.

The Board of Directors sets the strategy and direction of the Issuer and retains direct responsibility for appraising and monitoring the Issuer's financial statements and annual report. The activities of the Board are exercised in a manner designed to ensure that it can effectively supervise the operations of the Issuer so as to protect the interests of bondholders, amongst other stakeholders. The Board is also responsible for making relevant public announcements and for the Issuer's compliance with its continuing obligations in terms of the rules of Prospects MTF.

As required by the Act, the Issuer's financial statements are to be subject to annual audit by the Issuer's external auditors. Moreover, the non-executive Directors will have direct access to the external auditors of the Issuer who attend at Board meetings at which the company's financial statements are approved. In ensuring compliance with other statutory requirements and with continuing admission obligations, the Board is advised directly, as appropriate, by its appointed corporate advisor, legal advisor and the external auditors. Directors are entitled to seek independent professional advice at any time on any aspect of their duties and responsibilities, at the Issuer's expense.

As at the date hereof, the Board considers the Issuer to comply with the Code save for the following exceptions:

Principle 7: Under the present circumstances, the Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board's performance is always under the scrutiny of the shareholders of the Company.

Principle 8: The Board of Directors considers that the size and operation of the Issuer does not warrant the setting up of nomination and remuneration committee. In addition, the Issuer will not be incorporating a nomination committee. Appointments to the Board of Directors are determined by the shareholders of the Issuer in accordance with the company's Memorandum and Articles of Association. The Issuer considers that the members of the Board possess the level of skill, knowledge and experience expected in terms of the Code.

16 USE OF PROCEEDS

The net proceeds from the Bond Issue are expected to amount to approximately €1,940,000, €1,700,000 of which shall be advanced by way of loan to Chester and Middletown (the 'First Loan') in equal amounts between them and in terms of the First Loan Agreement with the balance of €240,000 being retained by the Issuer for its general financing requirements. Chester and Middletown shall in turn, advance the amounts received in terms of the First Loan to Gaia Investments pursuant to the Gaia Loan Agreement in terms of which Gaia Investments shall utilise the loan so received from Chester and Middletown for the following purposes:

- €200,000 shall be utilised to settle the outstanding amount due by Gaia Investments to EZ Holdings in terms of the Transfer of Shares Agreement relating to the acquisition by Gaia Investments of the Sale Shares;
- €848,706 shall be utilised to settle the outstanding amount due by Gaia Investments to EZ Holdings in terms of the Assignment of Receivable Agreement relating to the acquisition by Gaia Investments of the Receivable;
- €651,294 shall be retained by Gaia Investments for general corporate funding purposes of which €169,999 shall be repayable within 3 months as from the date of the said loan with the balance being repayable at the option of Gaia Investments.

Should subscriptions for a total of at least €1,500,000 ("Minimum Amount") not be received, no allotment of Bonds shall be made, the Applications for Bonds shall be deemed not to have been accepted by the Issuer and all money received from Applicants for Bonds shall be refunded accordingly. In the event that the Minimum Amount is reached but the Bond Issue is still not fully subscribed, the Issuer will proceed with the allotment of the amount of Bonds subscribed for and the proceeds shall be used for the above purposes on a pro rata basis.

17 INFORMATION CONCERNING THE BONDS

Each Bond shall be issued on the Terms and Conditions set out in this Document 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.

17.1 General

17.1.1 Each Bond forms part of a duly authorised issue of 5% Secured and Guaranteed Callable Bonds 2026-2029 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €2,000,000 (except as otherwise provided under sub-section 16.17 "Further Issues" below). The Security Trustee shall hold the Pledge over the Security Interest on trust for the benefit of all Bondholders and as security for the punctual performance of the Issuer's obligations under the Bonds. The issue date of the Bonds is expected to be the 21st March 2019.

17.1.2 The currency of the Bonds is Euro (€).

17.1.3 Subject to admission to trading of the Bonds to the Prospects MTF, the Bonds are expected to be assigned the following ISIN: MT0002211200.

- 17.1.4 All outstanding Bonds shall be redeemed by the Issuer at par on the Redemption Date, unless otherwise redeemed at the option of the Issuer on any of the Early Redemption Date/s.
- 17.1.5 The issue of the Bonds is made in accordance with the requirements of the Prospects MTF Rules.
- 17.1.6 The Issue Period of the Bonds is between 4th March 2019 and 15th March 2019, both days included.
- 17.1.7 The Bond Issue is not underwritten. Should subscriptions for a total of at least €1,500,000 (the “Minimum Amount”) not be received, no allotment of the Bonds shall be made, the Applications for Bonds shall be deemed not to have been accepted by the Issuer and all money received from Applicants for Bonds shall be refunded accordingly. In the event that the Minimum Amount is reached but the Bond Issue is still not fully subscribed, the Issuer will proceed with the allotment of the amount of Bonds subscribed.
- 17.1.8 The Bonds will not be listed on the Official List or the Alternative Companies list of the Malta Stock Exchange or on any other regulated market.

17.2 Subscription

The Issuer has appointed Calamatta Cuschieri as Placement Agent and Manager for the purposes of this Bond Issue and interested investors may contact the Placement Agent and Manager for the purposes of subscribing to Bonds during the Issue Period. Applications for subscriptions to the Bonds will be processed on a first-come-first-served basis and the Issue Period shall close immediately upon attaining full subscription or on the last day of the Issue Period, whichever is the earliest.

The Bonds are open for subscription to all categories of investors, provided that the Placement Agent and Manager shall be required to carry out an Appropriateness Test in respect of each Applicant for the purpose of assessing such Applicant's level of knowledge and experience prior to investing in the Bonds. Applications shall not be accepted by the Placement Agent and Manager unless, based on the results of such Appropriateness Test, the Placement Agent and Manager is satisfied that an investment in the Bonds may be considered appropriate for the Applicant. To the extent that the Placement Agent and Manager is providing advice in respect of a purchase of the Bonds by an Applicant, the Placement Agent and Manager shall also be required to conduct a Suitability Test in respect of the Applicant and, based on the results of such test, be satisfied that an investment in the Bonds may be considered suitable for the Applicant.

In any case the Placement Agent and Manager shall ensure that subscribers to the Bonds are duly warned about the Risk Factors involved with investing in the Bonds and subscribers shall confirm that they have been so warned.

The Bond Issue is not underwritten. Should subscriptions for a total of at least €1,500,000 (the “Minimum Amount”) not be received, no allotment of the Bonds shall be made, the Applications for Bonds shall be deemed not to have been accepted by the Issuer and all money received from Applicants for Bonds shall be refunded accordingly. In the event that the Minimum Amount is reached but the Bond Issue is still not fully subscribed, the Issuer will proceed with the allotment of the amount of Bonds subscribed.

The total amount of €2,000,000 of Bonds is being reserved for subscription by the Placement Agent and Manager participating in the Placement Offer. The Issuer shall enter into a conditional subscription agreement with the Placement Agent and Manager for the subscription of Bonds, whereby it will bind itself to allocate Bonds thereto up to the total amount of €2,000,000 as aforesaid.

In terms of said subscription agreement entered into with the Placement Agent and Manager, the Issuer will be conditionally bound to issue, and the Placement Agent and Manager will be conditionally bound to subscribe to, up to the total amount of €2,000,000 of Bonds as indicated therein, each subject to the Minimum Amount of €1,500,000 being subscribed.

17.3 Ranking of the Bonds

The Bonds, as and when issued, shall constitute the general, direct, unconditional guaranteed and secured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves but in priority to any unsecured debt. Furthermore, subject to Security Interest over the Shares, the Issuer and the Guarantor may secure third party debts through the creation of security interests over some or all of their respective assets and therefore such third party debts may rank in priority to the Bonds for as long as such security interests remain in effect.

17.4 Covenants and Dividend Policy of the Guarantor

17.4.1 Covenants

Zircon and Cornhill undertake, for as long as any principal or interest under the Bonds or any of the Bonds remains outstanding, to inject up to a maximum of €1,000,000 by way of additional equity (or quasi equity) in the capital of the Guarantor should the net assets of the Guarantor fall below 50% of the aggregate principal amount of the Bonds.

17.4.2 Dividend policy of the Guarantor

The Guarantor has in place a dividend policy in terms of which dividend distributions shall not be permitted insofar as during the period within which any principal or interest under the Bonds or any of the Bonds remains outstanding, the total assets of the Guarantor do not amount to at least 150% of the aggregate principal amount of the Bonds.

17.4.3 Covenants by Gaia Investments

Gaia Investments covenants that it shall not cause nor allow to be caused any reduction in its share capital nor shall it effect payment of its outstanding shareholders loans unless the combined value of (i) the shares held by it in TC SL; (ii) cash and cash equivalents; and (iii) assets which are realizable before the maturity of the Bonds, exceed 1.5x the outstanding value at any time due or owing under the Bonds.

17.5 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 interest;
- ii. the payment of capital as and when due;
- iii. ranking with respect to other indebtedness of the Issuer in accordance with the provisions of sub-section 16.3 hereof;
- iv. attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issues; and
- v. enjoy all such other rights attached to the Bonds emanating from the Admission Document.

17.6 The Security Interest

The Bonds shall be secured by the Security Interest held by the Security Trustee in favour of the Bondholders as beneficiaries of the Security Trust Deed. An unsigned copy of the Security Trust Deed is annexed hereto as Annex B of this Company Admission Document.

The Security Interest shall be in place prior to the issue and allotment of the Bonds. The Security Interest shall consist of the Pledge on the Shares which are not presently pledged in favour of any third party.

17.7 Guarantee

The Guarantor is hereby constituting itself as joint and several surety for the Issuer, thus guaranteeing the repayment of the Bonds and interest thereon to the Bondholders as well as any and all other obligations contracted by the Issuer in terms of this Document.

17.8 Interest

The Bonds shall bear interest from and including the 15th March at the rate of 5% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 15th March 2020. 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. Each Bond will cease to bear interest from and including its due date for redemption, unless payment of the principal in respect of the Bond is improperly withheld or refused or unless default is otherwise made in respect of payment, in any of which events interest shall continue to accrue at the highest rate allowed by Maltese law. In terms of article 2156 of the Civil Code (Chapter 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.

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.

17.9 Yield

For Bonds issued at the Bond Issue Price, the gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date is 5%.

17.10 Form, Denomination and Title

- 17.10.1 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 at the CSD. There will be entered in such electronic register the names, addresses, identity card numbers (in the case of natural persons), Legal Entity Identifier 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.
- 17.10.2 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 in accordance with the MSE's applicable terms and conditions.
- 17.10.3 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 the 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.borзамalta.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.borзамalta.com.mt/Help>.
- 17.10.4 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 intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client.

17.10.5 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” as per the stipulations of the Admission Document.

17.11 Pricing

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

17.12 Payments

17.12.1 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 within the European Economic Area and any applicable charges shall be borne by the bondholder. 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. 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.

17.12.2 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.

17.12.3 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 within the European Economic Area and any applicable charges shall be borne by the bondholder. 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.

17.12.4 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.

17.12.5 No commissions or expenses shall be charged by the Issuer to Bondholders in respect of payments made in terms of sub-section 17.10. The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer.

17.13 Redemption and purchase

17.13.1 The Bonds shall be repayable in full upon maturity on 15th March 2029 unless previously re-purchased, cancelled or redeemed, provided that the Issuer reserves the right to redeem any one or more of the Bonds or any part thereof on any of the Early Redemption Dates, as the Issuer may determine with the prior approval of the Exchange on giving not less than thirty (30) days' prior written notice to Bondholder.

17.13.2 Unless previously purchased and cancelled, the Issuer irrevocably covenants in favour of each Bondholder that the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on the 15th March 2029. The Issuer reserves the right to redeem all or any part of the Bonds on any of the Early Redemption Dates. The Issuer shall give at least thirty (30) days' prior notice in writing to all Bondholders of its intention to affect such earlier redemption, stating the number of Bonds that will be redeemed on that Early Redemption Date and the manner in which it shall select the Bonds for such early redemption.

17.13.3 The Early Redemption Schedule

Period	Early Redemption Nominal Value
15 th March 2026 to 15 th March 2027	103%
15 th March 2027 to 15 th March 2028	102%
15 th March 2028 to 15 th March 2029	100%

As indicated in the table, in the event that the Early Redemption Date lies between 15th March 2026 and 15th March 2027, the Issuer will be obliged to pay to bondholders a 3% premium on the nominal value of the bonds selected for early redemption (together with interest accrued to the date fixed for redemption). In the event that the Early Redemption Date lies between 15th March 2027 and 15th March 2028, the Issuer will be obliged to pay to bondholders a 2% premium on the nominal value of the bonds selected for early redemption (together with interest accrued to the date fixed for redemption). Early Redemption occurring after 15th March 2028 will be redeemed at par.

17.14 Events of Default

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

- 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
- the Issuer shall fail duly to perform or shall otherwise be in breach of any other material obligation contained in the Terms and Conditions of the Bonds and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- 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
- 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
- the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or

- 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 one million Euro (€1,000,000) 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
- any default occurs and continues for ninety (90) days under any contract or document relating to any Financial Indebtedness (as defined above) of the Issuer in excess of one million Euro (€1,000,000) or its equivalent at any time.

17.15 Transferability of the Bonds

17.15.1 The Bonds are freely transferable and, once admitted to the Prospects MTF List, shall be transferable only in whole (in multiples of €100) in accordance with the Rules and regulations of the MSE applicable from time to time. If Bonds are transferred in part, the transferee thereof will not be registered as a Bondholder.

17.15.2 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. Provided always that if a Bond is transmitted in furtherance of this paragraph, a person will not be registered as a Bondholder unless such transmission is made in multiples of €100.

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

17.16.1 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 that may be imposed in relation thereto, will be borne by the person to whom the transfer / transmission has been made.

17.16.2 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 or the due date for redemption.

17.17 Further Issues

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

17.18 Meetings of Bondholders

- 17.18.1 The Issuer may, from time to time, call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of any of the following: (i) considering and approving any matter affecting their interest, including the amendment, modification, waiver, abrogation or substitution of any of the Terms and Conditions of the Bonds and the rights of the Bondholders, whether or not those rights arise under the Admission Document; (ii) considering and approving the exchange or substitution of the Bonds by, or the conversion of the Bonds into, shares, debentures or other obligations or securities of the Issuer; and (iii) obtaining the consent of Bondholders on other matters which in terms of the Admission Document require the approval of a Bondholders' meeting in accordance with the below.
- 17.18.2 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 Document that is proposed to be voted upon at the meeting and seeking the approval of the 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 at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.
- 17.18.3 The amendment of any of the Terms and Conditions of issue of the Bonds may only be made with the approval of Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.
- 17.18.4 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 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 at the commencement of the meeting, 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 and decided upon during, the adjourned meeting.
- 17.18.5 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.
- 17.18.6 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 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.
- 17.18.7 The voting process shall be managed by the Issuer's company secretary under the supervision and scrutiny of the auditors of the Issuer.

17.18.8 The proposal placed before a meeting of Bondholders shall only be considered approved if at least fifty-one per cent (51%) 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.

17.18.9 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.

17.19 Authorisations and approvals

The Directors authorised the Bond Issue and the publication of the Admission Document pursuant to a Board of Directors' resolution passed on 12th November 2018.

17.20 Admission to trading

Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Admission Document to be traded on its Prospects MTF List. The Bonds are expected to be admitted to the Malta Stock Exchange Prospects MTF with effect from 21st March 2019 and trading is expected to commence on the 22nd March 2019. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

17.21 Representations and warranties

17.21.1 The Issuer represents and warrants to Bondholders, that shall be entitled to rely on such representations and warranties, that:

- i. it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business as it is now being conducted and to hold its property and other assets under legal title;
- ii. it has the power to execute, deliver and perform its obligations under the Document and that all necessary corporate, shareholder and other actions have been duly taken to authorise the execution, delivery and performance of the same, and further that no limitation on its power to borrow or guarantee shall be exceeded as a result of the Terms and Conditions or the Document; and
- iii. no litigation, arbitration or administrative proceedings are taking place, pending or, to the knowledge of the officers of the Issuer, threatened against the Issuer which could have a material adverse effect on the business, assets or financial condition of the Issuer.

17.21.2 The Admission Document contains all relevant material information with respect to the Issuer and all information contained in the Document is in every material respect true and accurate and not misleading, and there are no other facts in relation to the Issuer, its businesses and financial position, the omission of which would, in the context of issue of the Bonds, make any statement in the Admission Document misleading or inaccurate in any material respect.

17.22 Bonds held jointly

In respect of any Bonds held jointly by several persons (including husband and wife), the joint holders shall nominate one (1) of their number as their representative and his/her name will be entered in the register with such designation. The person whose name shall be inserted in the field entitled "Applicant" on the Application Form, or the 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. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held.

17.23 Bonds held subject to usufruct

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-a-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, subject to the right of the usufructuary).

18 TERMS AND CONDITIONS OF THE BOND ISSUE

- 18.1** The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Prospects MTF List. In the event that the Bonds are not admitted to the Prospects MTF List any 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. If no such bank account number is provided, or in the event that bank account details on the Application Form are incorrect or inaccurate, such returns will be made by means of a cheque mailed to the Applicant's address (or, in the case of joint Applications, the address of the first named Applicant) indicated in the Application Form.
- 18.2** The Issuer has established a minimum subscription level of least €1,500,000 for the Bond Issue.
- 18.3** 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.
- 18.4** 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 Document and the Memorandum and Articles of Association of the Issuer.
- 18.5** Any person, whether natural or legal, shall be eligible to submit an Application and any one (1) person, whether directly or indirectly, should not submit more than one (1) Application Form. 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 shall be requested to submit the relative power of attorney/resolution or a copy thereof duly certified by a lawyer or notary public unless already known by the Placement Manager.
- 18.6** 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.
- 18.7** 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.

- 18.8** 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.
- 18.9** No person receiving a copy of the Document 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.
- 18.10** It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself/herself/itself 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.
- 18.11** Subject to all other Terms and Conditions set out in the Document, 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.

- 18.12** Save where the context requires otherwise or where otherwise defined therein, terms defined in the Document bear the same meaning when used in these Terms and Conditions, in the Application Forms, in any of the Annexes and in any other document issued pursuant to the Admission Document.
- 18.13** The Issuer has not sought assessment of the Bonds by any independent credit rating agency.
- 18.14** Subject to all other Terms and Conditions set out in the Document, the Issuer reserves the right to revoke the Issue at any time before the closing of the Issue Period. The circumstances in which such revocation might occur are expected to be exceptional, for example where a significant change in market conditions occurs.
- 18.15** The Bonds will be issued in multiples of €100. The minimum subscription amount of Bonds that can be subscribed for by all Applicants is €2,000.
- 18.16** The completed Application Forms are to be lodged with the Placement Agent and Manager. An authorised financial intermediary shall, prior to accepting an Application, conduct an Appropriateness Test in respect of the Applicant and, based on the results of such test, be satisfied that an investment in the Bonds may be considered appropriate for the Applicant. To the extent that the authorised financial intermediary is providing advice in respect of a purchase of the Bonds by an Applicant, the authorised financial intermediary shall also be required to conduct a Suitability Test in respect of the Applicant and, based on the results of such test, be satisfied that an investment in the Bonds may be considered suitable for the Applicant.
- 18.17** For the purpose of this Document, the term “Appropriateness Test” means the test conducted by any licensed financial intermediary, when providing an investment service (other than investment advice or portfolio management) in relation to the subscription for and the trading of Bonds, for the purpose of such licensed financial intermediary determining (after collecting the necessary information) whether the investment service or the Bonds are appropriate for the prospective Applicant or prospective transferee. In carrying out this assessment, the licensed financial intermediary shall ask the Applicant or the prospective transferee to provide information regarding the Applicant or transferee’s knowledge and experience so as to determine that the Applicant or transferee has the necessary experience and knowledge in order to understand the risks involved in relation to the Bonds or investment service offered or demanded, in accordance with Part BI of the Investment Services Rules for Investment Service Providers as promulgated by the Malta Financial Services Authority (the ‘ISRs’). In the event that the licensed financial intermediary considers, on the basis of the test conducted, that the transfer of Bonds is not appropriate for the Applicant or prospective transferee, the licensed financial intermediary shall reject the prospective Applicant’s request to subscribe for or acquire Bonds, irrespective of whether the Applicant or transferee is warned that the investment in the Bonds is not appropriate for the Applicant or transferee;
- 18.18** For the purpose of this Securities Note, the term “Suitability Test” means the process through which a licensed financial intermediary providing investment advice or portfolio management services in relation to the subscription for and trading of Bonds obtains such information from the Applicant or prospective transferee as is necessary to enable the licensed financial intermediary to recommend to or, in the case of portfolio management, to effect for, the Applicant or prospective transferee, the investment service and trading in Bonds that are considered suitable for him/her, in accordance with Part BI of the ISR. The information obtained pursuant to this test must be such as to enable the licensed financial intermediary to understand the essential facts about the Applicant or prospective transferee and to have a reasonable basis for believing, giving due consideration to the nature and extent of the service provided, that the specific transaction to be recommended, or to be entered into in the course of providing a portfolio management service, satisfies the following criteria:
- 18.19** it meets the investment objectives of the Applicant or prospective transferee in question;
- 18.20** it is such that the Applicant or prospective transferee is able financially to bear any related investment risks consistent with investment objectives of such Applicant or prospective transferee; and
- 18.21** it is such that the Applicant or prospective transferee has the necessary experience and knowledge in order to understand the risks involved in the transaction or in the management of his portfolio.

18.22 For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations, made under the Prevention of Money Laundering Act (Chapter 373 of the Laws of Malta), as amended from time to time, all appointed authorised financial intermediaries are under a duty to communicate to the CSD, all information including customer due diligence data about clients as is required under the Implementing Procedures issued by the Financial Intelligence and Analysis Unit in view of its placing of reliance on the said intermediaries under the said Regulations and Articles 1.2(d) and 2.4 of the “Code of Conduct for Members of the Malta Stock Exchange” appended as Appendix IV to Chapter 3 of the Malta Stock Exchange Bye-Laws, irrespective of whether the said appointed authorised financial intermediaries are Malta Stock Exchange Members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the Data Protection Act (Chapter 586 of the laws of Malta) for the purposes and within the terms of the Malta Stock Exchange Data Protection Policy as published from time to time.

18.23 By completing and delivering an Application Form, the Applicant:

- agrees and acknowledges to have had the opportunity to read the Admission Document and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;
- 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;
- authorises the Placement Agent and Manager and the Directors of the Issuer to include his/her/its name or, in the case of joint Applications the first named Applicant, in the register of debentures of the Issuer in respect of the Bonds allocated to such Applicant and further 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 (Chapter 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/it 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 Admission Document. The requests must further be signed by the Applicant to whom the personal data relates;
- 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 Admission Document and, accordingly, agree/s that no person responsible solely or jointly for the Document or any part thereof will have any liability for any such other information or representation;
- agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her/its remittance and any verification of identity as required by the Prevention of Money Laundering Act (Chapter 373 of the laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
- agrees to provide the Placement Agent and Manager and/or the Issuer, as the case may be, with any information which it/they may request in connection with the Application;
- 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/its Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Corporate Advisor acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bonds or his/her/its Application;
- warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;

- 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) and that he/she/it is not accepting the invitation set out in the Admission Document 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;
- agrees that all documents in connection with the issue of the Bonds and any returned monies, including refunds of all unapplied Application monies, if any, will be sent at the Applicant’s own risk and may be sent, in the case of documents, 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 and in the case of monies by direct credit into the Applicant’s bank account as indicated by the Applicant on the Application Form;
- 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;
- irrevocably offers to purchase the number of Bonds specified in his/her/its Application Form (or any smaller number for which the Application is accepted) at the Bond Issue Price subject to the Admission Document, the Terms and Conditions thereof and the Memorandum and Articles of Association of the Issuer;
- warrants that his/her/its remittance will be honoured on first presentation and agrees that if such remittance is not so honoured he/she/it will not be entitled to receive a registration advice, or to be registered in the register of debentures or to enjoy or receive any rights in respect of such Bonds unless and until payment in cleared funds for such Bonds is received and accepted by the Issuer and/or the Corporate Advisor (which acceptance shall be made in the absolute discretion of the Issuer and/or the Corporate Advisor and may be on the basis that the Issuer and/or the Corporate Advisor is indemnified against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of such remittance to be honoured on first presentation) and that, at any time prior to unconditional acceptance by the Issuer and/or the Corporate Advisor of such late payment in respect of such Bonds, the Issuer and/or the Corporate Advisor may (without prejudice to other rights) treat the agreement to allocate such Bonds as void and may allocate such Bonds to some other person, in which case the Applicant will not be entitled to any refund or payment in respect of such Bonds (other than return of such late payment);
- agrees that all Applications, acceptances of applications and contracts resulting therefrom will be governed by, and construed in accordance with, Maltese law and that he/she/its submits to the exclusive jurisdiction of the Maltese Courts and agrees that nothing shall limit the right of the Issuer to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of applications and contracts in any other manner permitted by law in any court of competent jurisdiction;
- warrants that if he/she signs the Application Form on behalf of another party or on behalf of a corporation or corporate entity or association of persons, he/she has due authority to do so and such person, corporation, corporate entity or association of persons will also be bound accordingly, and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions;
- warrants that he/she is not under the age of eighteen (18) years or if he/she is lodging an Application in the name and for the benefit of a minor, warrants that he/she is the parent/s or legal guardian/s of the minor;
- confirms that, in the case of a joint Application entered into in joint names, the first named Applicant shall be deemed the holder of the Bonds; and

agrees that, in all cases, any refund of unallocated Application monies, if any, will be sent to the Applicant by direct credit into the Applicant’s bank account as indicated by the Applicant on the Application Form. No interest shall be due on refunds. The Issuer shall not be responsible for any changes, loss or delay in transmission. If no such bank account number is provided, or in the event that bank account details on the Application Form are incorrect or inaccurate, such refund will be made by means of a cheque mailed to the Applicant’s address (or, in the case of joint Applications, the address of the first named Applicant) indicated in the Application Form.

19 TAXATION

19.1 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 the Bonds and 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 Admission Document, 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.

19.2 Malta Tax on Interest

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 (Chapter 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 said 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.

This withholding tax is considered as 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 to 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. 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.

The Issuer is required to provide an account to the Commissioner for Revenue of all payments of interest made during any year, whether tax is deducted or otherwise. The annual account shall include details of the recipient's name, address and the income tax registration number as well as the amount of interest paid, and the tax deducted, where applicable, by the Issuer to the recipient during that year.

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.

19.3 Foreign Account Tax Compliance Act

The United States has enacted rules, commonly referred to as "FATCA", that generally impose a new reporting regime and withholding requirements with respect to certain US source payments (including dividends and interest), gross proceeds from

the disposition of property that can produce US source interest and dividends and certain payments made by, and financial accounts held with, entities that are classified as financial institutions under FATCA. The United States has entered into an intergovernmental agreement with Malta dated 6 December 2013 regarding the implementation of FATCA with Malta. Payments effected by the Issuer on or with respect to the Bonds are not expected to be subject to withholding under FATCA except to the extent that any Bondholder fails to comply with its obligations under FATCA. However, FATCA may affect payments made to custodians or intermediaries, if any, in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payments to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Bondholders should choose any custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Bonds are discharged once it has effected payment as stipulated in this Admission Document and therefore the Issuer has no responsibility for any amount thereafter transmitted through the payment chain.

FATCA requires participating financial institutions to satisfy applicable due diligence and reporting requirements in terms of the intergovernmental agreement entered into by Malta together with the relevant regulations and guidelines issued by the Commissioner for Revenue. Consequently, certain confidential information in relation to the Bondholders and/or other relevant persons may be reported to the Commissioner for Revenue and automatically exchanged pursuant to these requirements.

FATCA is particularly complex. Each Bondholder should consult his own tax advisor to obtain a more detailed explanation of FATCA and to learn how it might affect such holder in his specific circumstance.

19.4 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.

19.5 Maltese taxation on 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 instruments 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 on capital gains should be chargeable in respect of transfers of Bonds held as capital assets at the time of disposal.

19.6 Duty on documents and transfers

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

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

19.7 Tax status of the Group

The Maltese incorporated companies forming part of the Group should be subject to tax in Malta at the standard corporate tax rate, which currently stands at 35%.

Income from foreign sources received by such companies (including capital gains, dividends, interest and any other income) is also subject to tax in Malta at the rate of 35%, subject to claiming relief for double taxation in terms of the provisions of the Income Tax Act (Chapter 123 of the laws of Malta).

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 BOND 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.

20 LITIGATION PROCEEDINGS

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

21 GOVERNING LAW

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

22 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/her/its registered address and posted.

23 DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or certified copies thereof, where applicable, are available for inspection at the registered office of the Issuer at Il Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta during the term of the Bond Issue during office hours:

1. Memorandum and Articles of Association of the Issuer;
2. Memorandum and Articles of Association of the Guarantor;
3. Memorandum and Articles of Association of Gaia Investments;
4. Memorandum and Articles of Association of Chester Holdings;
5. Gaia Loan Agreement;
6. First Loan Agreement;
7. Security Trust Deed;
8. Pledge Agreement Middletown Investments
9. Pledge Agreement Chester Holdings
10. Guarantee;
11. Audited Financial Statements of the Guarantor for 2016 and 2017;

24 ANNEX A - SPECIMEN APPLICATION FORMS

Horizon Finance plc

€2,000,000 5% Secured and Guaranteed Callable Bonds 2026-2029

APPLICATION FORM

Application No. _____

Please read the notes overleaf before completing this Application Form.

APPLICANT							
A	Non-Resident <input type="checkbox"/>	Minor (under 18) <input type="checkbox"/>	Corporate <input type="checkbox"/>				
B	CIS <input type="checkbox"/>						
FULL NAME & SURNAME / REGISTERED NAME							
ADDRESS							
		POST CODE					
MSE A/C NO. (if applicable)		DATE OF BIRTH	NATIONALITY				
I.D. CARD / PASSPORT		DOCUMENT NUMBER	COUNTRY OF ISSUANCE				
LEGAL ENTITY IDENTIFIER (LEI)							
E-MAIL ADDRESS		MOBILE NO.					
Already Registered for e-Portfolio <input type="checkbox"/>		Please register me for e-Portfolio <input type="checkbox"/>	Please do NOT register me for e-Portfolio <input type="checkbox"/>				
C	ADDITIONAL (JOINT) APPLICANTS (please use additional application form if space is not sufficient)						
TITLE (Mr/Mrs/Ms/..)		FULL NAME & SURNAME	DATE OF BIRTH				
I.D. CARD / PASSPORT		DOCUMENT NUMBER	COUNTRY OF ISSUANCE				
D	MINOR'S PARENTS/LEGAL GUARDIANS (See Note 4) (to be completed ONLY if the Applicant is a minor)						
TITLE (Mr/Mrs/Ms/..)		FULL NAME & SURNAME	DATE OF BIRTH				
I.D. CARD / PASSPORT		DOCUMENT NUMBER	COUNTRY OF ISSUANCE				
TITLE (Mr/Mrs/Ms/..)		FULL NAME & SURNAME	DATE OF BIRTH				
I.D. CARD / PASSPORT		DOCUMENT NUMBER	COUNTRY OF ISSUANCE				
E	<p>I/We apply to purchase and acquire the amount set out below</p> <table border="1"> <tr> <td>AMOUNT IN FIGURES</td> <td>AMOUNT IN WORDS</td> </tr> <tr> <td>€</td> <td></td> </tr> </table> <p>Horizon Finance plc €2,000,000 5% Secured and Guaranteed Bonds 2026 - 2029 at the Bond Issue Price (at par) pursuant to the Admission Document dated 1st March 2019 (minimum €2,000 and in multiples of €100 thereafter)</p>			AMOUNT IN FIGURES	AMOUNT IN WORDS	€	
AMOUNT IN FIGURES	AMOUNT IN WORDS						
€							
F	RESIDENT - WITHHOLDING TAX DECLARATION (to be completed ONLY if the Applicant is a Resident of Malta)						
<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).							
G	NON-RESIDENT DECLARATION FOR TAX PURPOSES (to be completed ONLY if the Applicant is a Non-Resident)						
TAX COUNTRY		TOWN OF BIRTH					
T.I.N. (Tax Identification Number)		COUNTRY OF BIRTH					
PASSPORT/NATIONAL I.D. CARD NUMBER		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.							
H	INTEREST, REFUND AND REDEMPTION MANDATE (completion of this panel is mandatory)						
BANK		IBAN					
I/We have fully understood the instructions for completing this Application Form, and am/are making this Application on the basis of the Admission Document, and subject to its Terms and Conditions (as defined therein) which have been explained to me/us, and which I/we fully accept.							
I	<p>Signature/s of Applicant/s _____ Financial Intermediary _____ Date _____</p> <p>(All parties are to sign in the case of a joint Application)</p>						
FINANCIAL INTERMEDIARY'S STAMP		FINANCIAL INTERMEDIARY'S CODE					

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Admission Document dated 1st March 2019

1. This Application is governed by the Terms and Conditions of Application contained in the Admission Document. Capitalised terms not defined herein shall, unless the context otherwise requires, have the same meaning ascribed to them in the Admission Document.
2. The Application Form is to be completed in BLOCK LETTERS.
3. 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. The Bondholder's statement of holdings evidencing entitlement to Secured 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>.
4. 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.
5. Applicants who are Non-Resident 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.
6. In the case of a body corporate, the name of the entity exactly as registered, and the Legal Entity Identifier 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 THE 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. The amount applied for must be in multiples of €100 subject to a minimum application of €2,000. The Applicant must ensure that the relative Application Form is accompanied by payment of the full price of the amount of Bonds applied for. Payment of the amount, must be made in Euro in cleared funds to "The Placement Agent and Manager – Horizon Finance plc". In the event that the cheque accompanying the 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 an 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 he/she will be obliged to declare interest so received on his/her tax return. 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.
10. In terms of Section 19 of the Admissions Document, 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 a person net of final withholding tax (currently 15%) of the gross amount of interest, pursuant to Article 33 of the Tax Act (Cap. 123 of the Laws of Malta).
11. 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 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 the application form. Interest or redemption proceeds will be credited to the account designated or as otherwise amended by the Bondholder/s during the term of the Bond.
12. European Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments requires all payors established in the EU which pay interest to an individual resident in another EU Member State, to report the interest payment to the tax authorities of the Member State in which the payor is established. If the Applicant's permanent residential address is in an EU Member State or in another country to which the said Directive applies (called a "specified territory") then the interest paid will be reported.
13. Completed Application Forms are to be delivered to the Placement Agent and Manager, Calamatta Cuschieri Investment Services Limited during normal office hours by not later than 12:00 on the 15th March 2019. 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 general terms and conditions of the Admissions Document. Any applications received by the Placement Agent and Manager after 12:00 on the 15th March 2019 will be rejected.
14. By completing and delivering an Application Form you (as the Applicant(s)):
 - a. acknowledge that the Issuer may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the Laws of Malta);
 - b. acknowledge that the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. acknowledge that 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.

25 ANNEX B – SECURITY TRUST DEED

This Trust Deed is made on the [TO INSERT],

BETWEEN:

1. Chester Holdings Limited, a private limited liability company registered under the laws of Malta with company registration number C 74645 and with registered office situated at Il Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta, duly represented here on by Dr Kevin Deguara (bearing Identity Card numbered 97877M) as duly authorised, hereinafter referred to as “Chester”;

2. Trident Trust Company (Malta) Limited, a private limited liability company registered under the laws of Malta with company registration number C 51249 and with registered office situated at Orange Point Building, second floor, Dun Karm street, Birkirkara by-pass, Birkirkara, Malta, duly represented here on by Albert Cilia (bearing Identity card numbered 105578M) as duly authorised, hereinafter referred to as the “Security Trustee”;

3. Horizon Finance plc, a public limited liability company registered under the laws of Malta with company registration number C 88540 and with registered office situated at Il Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta, duly represented here on by Mr Benjamin Muscat (bearing Identity Card numbered 447054M) as duly authorised, hereinafter referred to as “Horizon”;

4. Middletown Investments Limited, a private limited liability company registered under the laws of Malta with company registration number C75568 and with registered office situated at Il Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta, duly represented here on by Dr Kevin Deguara (bearing Identity Card numbered 97877M) as duly authorised, hereinafter referred to as “Middletown”;

5. Gaia Investments Limited, a private limited liability company registered under the laws of Malta with company registration number C 86458 and with registered office situated at Il Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta, duly represented here on by Dr Jean C. Farrugia (bearing Identity Card numbered 244176M) as duly authorised, hereinafter referred to as the “Gaia”.

Chester, Horizon, Middletown and the Security Trustee shall hereinafter collectively be referred to as the “Parties” and each a “Party”)

(Gaia is appearing hereon limitedly for the purposes of acknowledging the creation of the Trust).

WHEREAS:

A. By virtue of a Company Admission Document dated 1st March 2019 (the “Company Admission Document” or the “Document”), Horizon intends to issue €2,000,000 in value of Bonds, as defined in the Company Admission Document, subject to the terms and conditions contained in the said Company Admission Document;

B. Chester and Middletown have covenanted to act as surety for the obligations undertaken by Horizon in terms of the Company Admission Document and particularly the repayment of the amounts represented by the Bonds and interest thereon, limitedly through the creation of a security interest over the Shares which shall take the form of a pledge thereon to be registered in favour of a security trustee which shall act and hold such pledge in the interest and for the benefit of the Bondholders;

C. The Security Trustee is authorised to act as security trustee thereby able to hold on trust in the interest and for the benefit of all Bondholders the security interest to be created by Chester and Middletown.

NOW THEREFORE IT IS AGREED AND DECLARED AS FOLLOWS:

1. DEFINITIONS

1.1 In this Deed:

“Act” means the Trust and Trustees Act (Chapter 331 of the Laws of Malta);

“Beneficiaries” means a Bondholder whose interest in the Trust Property is recognised by the Security Trustee by means of an appropriate entry in the register of Bondholders maintained by the CSD, and “Beneficiary” shall be construed accordingly;

“Deed” means this trust deed, as the same may be amended, replaced or updated from time to time;

“Event of Default” has the meaning given to that term in the Company Admission Document;

“Pledge or Pledge Agreements” means the security interest created by Chester in favour of the Security Trustee on the Chester Shares in terms of the Chester Pledge Agreement and by Middletown in favour of the Security Trustee on the Middletown Shares in terms of the Middletown Pledge Agreement;

“Chester Pledge Agreement” means the pledge agreement and schedules thereto, to be executed on or around the date of this Deed, whereby Chester shall constitute a pledge on the Chester Shares in favour of the Security Trustee for the benefit of the Beneficiaries, subject to the terms and conditions contained therein, as the same may be amended from time to time;

“Chester Shares” means the six hundred (600) fully paid ordinary shares having a nominal value of one Euro (€1) each subscribed to by Chester in the capital of Gaia Investments Limited (C86458);

“Middletown Pledge Agreement” means the pledge agreement and schedules thereto, to be executed on or around the date of this Deed, whereby Middletown shall constitute a pledge on the Middletown Shares in favour of the Security Trustee for the benefit of the Beneficiaries, subject to the terms and conditions contained therein, as the same may be amended from time to time;

“Middletown Shares” means the six hundred (600) fully paid ordinary shares having a nominal value of one Euro (€1) each subscribed to by Middletown in the capital of Gaia Investments Limited (C86458);

“Pledged Shares” means the Chester Shares subject of the Chester Pledge Agreement and the Middletown Shares subject to the Middletown Pledge Agreement;

“Register” means the register of members of Gaia duly maintained by Gaia as required in terms of the Companies Act;

“Secured Obligation” means the obligations of Horizon under the Bonds as secured by Chester and Middletown through the Pledge, in particular the obligation of Horizon to pay interest and principal as the same may be due in respect of the Bonds, subject to the terms and conditions contained in the Company Admission Document;

“Security Interest” means the Pledge and any other document, real or personal right which the Security Trustee, Chester, and Middletown agree at any time to be comprised within the Security Interest for the purposes of this Deed;

“Trust Period” means the period ending on the earlier of:

a) the day when the Trust Property has been distributed in its entirety;

b) the day when Horizon has fulfilled its obligations to pay principal and interest in terms of the Issue;

“Trust Property” means initially the undertaking to grant the Security Interest as stated in Clause 2 of this Deed, and subsequently the rights emanating from this Deed.

1.2 Any reference to Chester, Middletown and/or the Security Trustee includes a reference to its/their duly authorised delegates.

- 1.3 References to Clauses or Recitals are references to clauses or recitals of this Deed.
- 1.4 The headings to the clauses of this Deed are for convenience only and shall not affect the construction or interpretation hereof.
- 1.5 In this Agreement, unless the context otherwise requires, any reference to the singular shall include the plural and vice versa, the use of the masculine pronoun shall include the feminine, the use of the neutral pronoun shall include the masculine or the feminine as the case may be and any reference to any Statute, Law or Regulation having the force of Law or any section thereof includes reference to any modification thereto or re-enactment of such Statute, Law or Regulation having the force of Law for the time being in force.
- 1.6 Capitalised terms used herein shall have the same meaning as set out in the Company Admission Document unless the context requires or unless expressly defined herein.

2. UNDERTAKING TO SECURITY TRUSTEE – TRUST PROPERTY

2.1 Chester and Middletown undertake and bind themselves to grant to the Security Trustee the Security Interest in the manner and at the times and under the conditions contained in this Deed and the Security Trustee:

- (a) accepts this undertaking and declares a trust thereon for the benefit of all of the Beneficiaries; and
- (b) agrees and undertakes to receive the Security Interest and hold same on trust in the interest and for the benefit of all of the Beneficiaries.

3. DECLARATION OF TRUST

3.1 Subject to the provisions of this Deed and applicable law:

3.1.1 The Trust Property shall be held by the Security Trustee on trust in the interest and for the benefit of all the Beneficiaries *pari passu* according to the rights and interests held by each of the Beneficiaries in the Trust Property as evidenced by the register of Bondholders;

3.1.2 Any sums received by the Security Trustee pursuant to its rights in the Security Interest shall be received by the Security Trustee on trust to apply them to indemnities, costs and charges in accordance with this Deed and thereafter to distribute and apply them in accordance with rights and interests of each Beneficiary as set out in this Deed;

3.1.3 The Security Trustee shall make additional declarations of trust whenever additional property is received under these trusts and such declarations of trust shall be on the same terms as stated herein and shall form an integral part hereof;

3.1.4 The trust established under this Deed is to be known as the “Horizon Bond Trust” or the “Trust”.

4. DEED BINDING ON ALL BENEFICIARIES

4.1 The terms and conditions of this Deed shall, upon subscription or purchase of any Bond, be binding upon any Beneficiary as if he had been a party hereto and as if this Deed covenants on the part of each Beneficiary to observe and be bound by all the provisions hereof, and the Security Trustee is hereby authorised and required to do the things required of it by this Deed.

5. BENEFICIARIES

5.1 The register of the Bondholders shall be maintained by a central securities depository and shall serve as conclusive evidence of the entitlement of each Beneficiary under this Deed.

5.2 Horizon hereby agrees to provide the Security Trustee, at any moment in time, with full access to the register of Bondholders thereby providing the Security Trustee with full and unrestricted information in respect thereof. Furthermore, Chester, Horizon and Middletown hereby undertake in favour of the Security Trustee that they shall pay all and any charges and levies that may, from time to time, be levied by the central securities depository for the services performed by the same in connection with the Bonds and the register of Bondholders.

6. COVENANTS BY CHESTER, HORIZON, AND MIDDLETOWN

6.1 Chester, Horizon and Middletown covenant in favour of the Security Trustee that at all times during the continuance of this Deed:

6.1.1 they will maintain its corporate existence as a company duly organised and existing and in good standing under the laws of Malta;

6.1.2 they will, at all times during the term of the Bonds, observe and fully discharge their obligations and undertakings under the Company Admission Document;

6.1.3 they will, promptly upon the happening of an Event of Default, notify the Security Trustee of such event;

6.1.4 they shall, at all times and without cost or expense to the Security Trustee, use their best endeavours to, or to cause to, maintain, preserve and keep in proper condition the Security Interest;

6.1.5 they will keep proper books of account which shall, at all reasonable times, be open to inspection by the Security Trustee or any person appointed thereby for that purpose, and will furnish to the Security Trustee or any such agent all such information relating to the business or affairs of each of Chester, Horizon and Middletown as shall be required in accordance with International Financial Reporting Standards as adopted by the EU and will deliver to the Security Trustee at least five (5) days before their respective annual general meeting each year, a copy of their respective balance sheet and profit and loss account certified by their respective auditors and copies of the auditors' and directors' report thereon together with copies of any other documents required by law to be attached thereto. The Security Trustee may but shall not be required or bound to carry out any independent audit or other verification of any book of account, balance sheet, profit and loss account, certificates or information so furnished by Chester, Horizon and/or Middletown;

6.1.6 they shall carry on their business in a proper and efficient manner;

6.1.7 they shall forthwith on receipt of same, deliver to the Security Trustee a copy of all orders, directions, notices and other things whatsoever affecting or likely to adversely affect the Security Interest.

7. REPRESENTATIONS AND WARRANTIES

7.1 Chester, Horizon and Middletown represent and warrant in favour of the Security Trustee, which relies upon such representations and warranties, that, for the duration of the Deed:

7.1.1 they are and shall remain incorporated and validly registered under the laws of Malta and have the power to carry on their business as it is now being conducted and to hold their property and other assets under legal title;

7.1.2 they have the power to execute, deliver, and perform their obligations under this Deed;

7.1.3 all necessary corporate action has been duly taken to authorise the execution, delivery and performance of the same;

7.1.4 this Deed constitutes the legally valid and binding obligations of Chester, Horizon and Middletown;

7.1.5 the execution of the Deed and the performance of the obligations undertaken by each of them hereunder do not (a) contravene any existing applicable law, statute, rule or regulation or any judgment, decree or permit to which they are or any of them is subject, (b) conflict with, or result in any breach of any terms of, or constitute a default or Event of Default under the Bond or any other instrument to which Chester, Horizon and/or Middletown is/are a party or are subject or by which them or their property is bound, (c) contravene any provisions of their respective memorandum and articles of association;

7.1.6 no litigation, arbitration or administrative proceedings are pending or against them and to their knowledge there exists no threatened litigation, arbitration or administrative proceedings against them which could have a material adverse effect on their respective business, assets or financial condition;

7.1.7 the Company Admission Document contains all material information with respect to each of Chester, Horizon and Middletown and all information contained therein is, in every material respect, correct and true and not misleading and there are no facts in relation to each of Chester, Horizon and Middletown, their respective businesses and financial position, the omission of which would, in the context of the Bond Issue make any statement made in the Company Admission Document misleading or inaccurate in any material respect;

7.1.8 no Event of Default has occurred and is continuing.

8. POWERS AND FUNCTIONS

8.1 The Security Trustee shall, in addition and without prejudice to all statutory powers, have the powers and immunities set out in this Deed. No power conferred on the Security Trustee shall be exercised so as to conflict with the beneficial provisions of this Deed.

8.2 The Trustee shall not distribute to or hold all or any of the Trust Property for the benefit of any person who is not a Beneficiary.

8.3 The Security Trustee may, in its absolute discretion and without further notice, enforce or take any step or proceedings to enforce the covenants and provisions in this Deed, and may in its absolute and uncontrolled discretion waive on such terms and conditions as it shall deem expedient any of the covenants and provisions contained in this Deed and/or

the Pledge Agreements to be performed and observed on the part of Chester and Middletown. The Security Trustee shall be bound to take any such steps or proceedings to enforce the said covenants and provisions:

- (i) in the case of an Event of Default, described in section 17.14 of this Admission Document;
- (ii) when requested to do so by a resolution passed by Bondholders holding not less than fifty-one per cent (51%) in nominal value of the Bonds then outstanding at a meeting of the Bondholders;
- (iii) when duly notified by the Corporate Advisor appointed under the Prospects MTF Rules and acting in its duty of care to the Exchange, the market and the Bondholders that any of the Events of Default have occurred in accordance with the provisions of the Company Admission Document.

8.4 The Security Trustee shall have the power, but shall have no obligation, to monitor financial information relating to Chester, Horizon and Middletown, on behalf of the Beneficiaries, as may be forwarded to the Security Trustee by Chester, Horizon and Middletown on an annual basis.

8.5 The Security Trustee may, at any time during the Trust Period, accept (but shall not be bound to so accept) additional money, investments or other property of whatever nature and wherever situate, paid or transferred to it by any person. Such additional money, investments or other property shall be held upon trust with and subject to the powers and provisions of this Deed.

8.6 The Security Trustee shall have the powers and discretions granted to it pursuant to the Pledge Agreements and any other document relating to or regulating the Security Interest.

8.7 Without prejudice to the powers and the reliefs conferred upon trustees under applicable law, the Security Trustee shall have the following powers:

8.7.1 The Security Trustee may employ and pay, at the expense of Chester and Middletown, any agent in Malta to transact any business in connection with this Trust;

8.7.2 The Security Trustee may hold all or any part of the Trust Property in the name of any person or partnership, as nominee, on such terms as the Security Trustee thinks fit;

8.7.3 The Security Trustee may engage any person or partnership to manage the Trust Property;

8.7.4 The Security Trustee may delegate to any person the operation of any bank or other account;

8.7.5 The Security Trustee may, by deed revocable or irrevocable, delegate to another trustee or any other person the exercise of all or any Trust and powers conferred on such trustee (other than the power of delegation conferred by this sub-Clause) notwithstanding the fiduciary nature of such trusts and powers;

8.7.6 To delegate, whenever it thinks fit, any of its powers and discretions under this Deed to any person/s (including but without limitation, any officer/employee/agent of the Security Trustee) believed by it to be competent and responsible and to delegate all or any of the trust powers and duties vested in it under this Deed to such person/s (including any such officer/employee/ agent as aforesaid) as it shall think fit;

8.7.7 The Security Trustee may rely on the advice, opinion, direction, report, statement, certificate or other information by any advocate, broker, surveyor, valuer, accountant, auditor or other professional person. The Security Trustee may but shall not be bound to make any investigation or inquiry into any matters stated in such advice, opinion, direction, report, statement, certificate or other information.

Provided that in exercising the powers and discretion entrusted to it in terms of clauses 8.7 the Security Trustee shall not be in anyway exonerated from its obligations undertaken in terms of or arising from this Deed or at law.

8.8 The Security Trustee shall be under no obligation to insure any of the Trust Property or any deeds, documents of title, certificates, bonds or other evidence in respect thereof, or to require any other person to maintain any such insurance.

8.9 The Security Trustee shall be empowered to execute any document for the constitution of the Security Interest for the benefit of the Beneficiaries. Until the end of the Trust Period, the Security Trustee shall be empowered to carry out any transaction and to execute any such document required pursuant to and/or conducive to the Security Interest, including but not limited to, any amendment thereto and waiver to any terms thereof.

9. FINANCIAL TRANSACTIONS BY SECURITY TRUSTEES

9.1 Neither the Security Trustee nor any director, officer or employee of the Security Trustee shall, by reason of the fiduciary position of such Security Trustee, be in any way precluded from making any commercial contracts or entering into any commercial transactions with Chester, Horizon, Middletown and/or any of their respective shareholders or beneficiaries, whether directly or through any subsidiary or associated company, or from accepting the trusteeship of any other debenture stock, debentures or securities of Chester, Horizon and/or Middletown, and without prejudice to the generality of these provisions it is expressly declared that such contracts and transactions include any contract or transaction in relation to the placing, underwriting, purchasing, subscribing for or dealing with or lending money upon or making payments in respect of any stock, shares, debenture stock, debentures or other securities of Chester, Horizon and/or Middletown or any contract of banking or insurance with Chester, Horizon and/or Middletown and neither the Security Trustee nor any such director, officer or employee shall be accountable to the Beneficiaries for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions, and the Security Trustee and any such director, officer or employee shall also be at liberty to retain the same without accounting therefor.

10. ACKNOWLEDGEMENT OF SECURITY

10.1 The execution of this Deed by the Security Trustee and the publication thereof as an annex to the Company Admission Document shall constitute notice to each of the Beneficiaries of the creation of the Trust for the benefit of the Beneficiaries.

11. DISTRIBUTION BY SECURITY TRUSTEE

11.1 All monies arising from any calling in or collection hereunder and all monies received by the Security Trustee hereunder at any time shall be held by the Security Trustee (subject to any prior ranking claims thereon, if any) upon trust to apply the same for the following purposes and in the following order of priority in payment of:

11.1.1 All costs, charges, expenses and liabilities incurred and payments made in or about the exercise of the trust in relation to this Deed by the Security Trustee including all remuneration payable to the Security Trustee with interest thereon as hereinafter provided;

11.1.2 The interest owing upon the Bonds *pari passu* and without any preference or priority;

11.1.3 The principal monies owing upon the Bonds *pari passu* and without any preference or priority;

11.2 The Security Trustee shall give to the Beneficiaries at least ten (10) days notice of every distribution made by it to the Beneficiaries. The Security Trustee shall be entitled, at its discretion, to withhold payment of any monies due to be distributed to any Beneficiaries. Any monies the payment whereof is for the time being withheld by the Security Trustee pursuant to this Clause shall be placed by it at the risk of the person or persons entitled thereto in a savings account with a bank. The amount which equals the amount of any principal monies for the time being withheld from the person or persons registered or entitled to be registered as the Beneficiaries of the Bonds shall not carry interest while such monies are being withheld (save any interest allowed on the savings account in which such monies are placed). The receipt of the Bondholder or of the first named joint Bondholders for any monies paid by the Security Trustee in respect of the Bonds shall be a good discharge to the Security Trustee for those monies.

12. MEETINGS OF BENEFICIARIES

12.1 The Security Trustee at any time and at the cost of Horizon prior to exercising any power or discretion hereunder may:

12.1.1 Call a meeting of Beneficiaries by giving such Beneficiaries not less than seven (7) days notice in writing setting out in the notice the time, place and date set for the meeting and the matters to be discussed thereat; or

12.1.2 Write to all Beneficiaries requesting their instructions or directions.

Provided that the Security Trustee shall not be liable for any action it may deem necessary to take prior to acting in accordance with paragraphs 12.1.1 or 12.1.2 above.

12.2 In the event that there are more than two (2) Beneficiaries at any meeting of Beneficiaries, two persons present in person or by proxy shall constitute a quorum. Unless this Deed otherwise determines, all decisions taken at meetings of Beneficiaries shall be passed by simple majority of those present and voting.

12.3 Upon request made at any time by Beneficiaries holding at least ten per cent (10%) of the outstanding value of the Bonds, the Security Trustee shall call a meeting of Beneficiaries.

12.4 The Security Trustee shall not be bound to act on behalf of the Beneficiaries under this Deed unless it receives duly authorised instructions or directions as stipulated in this Deed.

12.5 Nothing in this Deed shall be construed as meaning that the Security Trustee is bound to act in the manner specified in this Clause unless so required by this Deed.

13. PROTECTION OF THE TRUSTEE GENERALLY

13.1 The Security Trustee shall not be liable for any default or breach of duty or trust committed by its act or omission or that of any of the former or current trustee or any of the Security Trustee's agents or advisors or for any loss or depreciation in value or loss of profits howsoever caused which may be suffered in respect of the capital or income of the Trust Property, unless such default or breach is, or such loss or depreciation in value or loss of profit is caused by:

- (i) fraud, wilful misconduct or negligence on the part of the Security Trustee which is sought to be made liable; and/or
- (ii) some act or omission in respect of which that Security Trustee cannot under the applicable law for the time being of this Deed lawfully be exonerated from personal liability by the terms of this Deed. The Security Trustee shall not be liable for any error of judgment committed in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

13.2 The Security Trustee, (which shall include each director, employee, shareholder, delegate and agent thereof) shall be indemnified out of the Trust Property:

13.2.1 against any liability incurred by him in defending any proceedings in connection with his duties as a Security Trustee, in which judgement is given in his favour or in which he is acquitted;

and

13.2.2 against all claims, liabilities, costs, damages and expenses (including legal fees) to which it may be or become subject by reason of its activities as Security Trustee so long as the said activity or circumstance does not involve fraud or wilful misconduct or negligence on the part of the Security Trustee.

13.3 The Security Trustee may purchase and maintain insurance cover, to the extent and in such a manner in its absolute discretion it deems appropriate, on behalf of itself, against any liability that may be asserted or expenses that may be incurred by any such person in connection with the activities of the Trust, regardless of whether the Security Trustee has the right to be indemnified out of the Trust Property under the provisions of the Trust or by law.

14. RELEASE OF POWERS

14.1 The Security Trustee may by deed (and so as to bind successive trustees of this Trust) release or restrict the future exercise of all or any of the powers conferred on it by this Trust.

15. INFORMATION TO BENEFICIARIES

15.1 The Security Trustee shall, so far as is reasonable and within a reasonable time of receiving a request in writing to that effect, provide full and accurate information as to the state and amount of the Trust Property, including the accounts of the Trust.

16. REMUNERATION TO SECURITY TRUSTEE

16.1 During the continuance of this Deed, the Security Trustee shall be entitled to receive and Horizon shall be obliged to pay such reasonable remuneration as they may agree in writing between them. The Security Trustee shall be entitled to be indemnified for all reasonable costs and expenses incurred in carrying out the Trust.

17. RESIGNATION OF SECURITY TRUSTEE AND APPOINTMENT OF NEW OR ADDITIONAL TRUSTEE

17.1 Subject to the provisions of article 20(2) of the Act, the Security Trustee may resign as Security Trustee by giving not less than three (3) months notice in writing to Horizon without assigning any reason whatsoever and without being responsible for any costs occasioned by such retirement. The Bondholders shall have the power exercisable by a resolution passed at a meeting of Bondholders passed by fifty-one per cent (51%) in value of the Bondholders to remove the Security Trustee. Horizon undertakes that in the event of the Security Trustee giving notice, or being removed, under this Clause they will use all reasonable endeavours to procure a new trustee to be appointed. The retirement or removal shall not become effective until such time as a successor trustee is appointed.

18. TERMINATION

18.1 The Security Trustee shall only be discharged from all liabilities and obligations which it has under this Deed upon the redemption on the Maturity Date of the principal amount of the Bonds and payment of all interest thereunder and reimbursement of all expenses incurred by, and payment of, remuneration due to the Security Trustee under this Deed.

19. EXCLUSION OF IMPLIED DUTIES

19.1 The Security Trustee shall not have or incur any obligation, duty or responsibility, whether fiduciary or otherwise, to Horizon or to any of the Beneficiaries, as the case may be, except those expressly specified in this Deed and the Bonds to the effect that the Security Trustee has such a duty or responsibility.

19.2 For all intents and purposes it is being expressly stipulated that the Security Trustee shall not be bound to initiate and or maintain any legal or judicial proceedings against any defaulting Debtors (as defined in the Pledge Agreements) under the Pledge Agreements and the decision whether to initiate and or maintain any such action shall be in the absolute discretion of the Security Trustee qua pledgee. The Security Trustee is hereby being exonerated in the most ample manner from the obligation imposed by article 1968(1) of the Civil Code.

20. AMENDMENTS TO THIS DEED

20.1 The Trustee may at any time or times during the Trust Period by deed or deeds and without the prior written consent of the Beneficiaries, vary, amend, add to or delete any or all of the provisions of this Deed (whether of a beneficial or administrative nature) including the trusts, powers and discretions and the administrative powers herein declared and contained provided that:

20.1.1 no such variation, amendment, addition or deletion shall infringe the applicable law of this Deed;

and

20.1.2 no such variation, amendment or addition shall be permitted to the provisions of this Clause 20, but it shall be permissible to delete this Clause in its entirety.

21. APPLICABLE LAW, FORUM AND PLACE OF ADMINISTRATION

21.1 The applicable law of this Deed shall be that of the Republic of Malta. All rights under this Deed and its construction and effect shall be subject to the jurisdiction of the courts, and construed according to the laws, of Malta. The courts of Malta shall be the forum for the administration of these trusts.

Dr Kevin Deguara

For and on behalf of Chester

Albert Cilia

the Security Trustee

Mr Benjamin Muscat

For and on behalf of Horizon

Dr Kevin Deguara

For and on behalf of Middletown

Dr Jean C. Farrugia

For and on behalf of Gaia

26 ANNEX C (I) – CHESTER PLEDGE AGREEMENT

PLEDGE OF SHARES AGREEMENT

BETWEEN

CHESTER HOLDINGS LTD

the “Pledgor”

TRIDENT TRUST COMPANY (MALTA) LIMITED

the “Pledgee” or the “Security Trustee”

AND

GAIA INVESTMENTS LTD

the “Company”

THIS PLEDGE OF SHARES AGREEMENT (this “**Agreement**”) is being entered today the [TO INSERT] of [TO INSERT] of the year 2019

BETWEEN:

1. Chester Holdings Limited, a private limited liability company registered under the laws of Malta with company registration number C 74645 and with registered office situated at Il Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta, represented hereon by Dr Kevin Deguara (holder of Identity Card numbered 97877M) as duly authorized in terms of the memorandum and articles of association of the company, hereinafter referred to as the “**Pledgor**”; and

2. Trident Trust Company (Malta) Limited, a private limited liability company registered under the laws of Malta with company registration number C 51249 and with registered office situated at Orange Point Building, Second Floor, Dun Karm Street, Birkirkara By-Pass, Birkirkara, Malta, represented hereon by Mr Albert Cilia (Identity card numbered 105578M) as duly authorised in terms of the memorandum and articles of association of the company, hereinafter referred to as the “**Pledgee**” or the “**Security Trustee**” (as the case may be);

(the Pledgor and the Pledgee are hereinafter collectively referred to as the “**Parties**”)

There also appears hereon **Gaia Investments Limited**, a private limited liability company registered under the laws of Malta with company registration number C 86458 and with registered office situated at Il Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta, represented hereon by Dr Jean C. Farrugia (holder of Identity Card numbered 244176M) as duly authorised in terms of the memorandum and articles of association of the company, (hereinafter referred to as the “**Company**”) which is appearing hereon limitedly for the purposes of acknowledging the creation of the Pledge over the Shares and in general for the purposes of providing the undertakings mentioned in Clauses 3.2 and 17 and for the purpose of the provisions of Clause 14 of this Agreement.

WHEREAS

A. By virtue of the Company Admission Document the Issuer has issued the Bonds, subject to the terms and conditions contained in the said Company Admission Document;

B. Pursuant to the terms of the Company Admission Document, the Pledgor agreed to grant a pledge over the Shares in favour of the Security Trustee by way of security for the Secured Obligations;

C. The Pledgee has, on or about the date of this Agreement, entered into the Security Trust Deed with the Security Trustee whereby the Security Trustee has agreed to and has been thereby authorised to act as security trustee for and on behalf of the Bondholders and therefore to inter alia accept and hold the Pledge on trust for the benefit of all Bondholders;

D. The Pledgor wishes to grant a Pledge to the Pledgee for the benefit of the Bondholders and as security for the Secured Obligations;

E. The Parties are therefore entering into this Agreement so as to establish the Pledge and to regulate the conditions of the Pledge including the release and termination thereof.

NOW THEREFORE IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement, unless otherwise expressly stated or the contrary intention appears, the following terms shall have the following meanings respectively assigned to them:

- (a) **“Bondholders”** shall mean the holders of the Bonds at any time;
- (b) **“Bond Issue”** shall mean the issue of the Bonds by the Issuer and **“Issue”** shall be construed accordingly;
- (c) **“Bonds”** shall mean the two million Euro (€2,000,000) in value of debt securities issued by the Issuer in terms of the Company Admission Document;
- (d) **“Business Day”** means a day on which banks are open for general business in Malta;
- (e) **“Company”** means Gaia Investments Limited, a private limited liability company registered under the laws of Malta with company registration number C 86458;
- (f) **“Companies Act”** means the Companies Act, Chapter 386 of the Laws of Malta;
- (g) **“Company Admission Document”** or **“CAD”** shall mean the company admission document dated 1st March 2019 authorised by the Malta Stock Exchange plc for admission of the Bonds on Prospects MTF ;
- (h) **“Civil Code”** means the Civil Code, Chapter 16 of the Laws of Malta;
- (i) **“Event of Default”** has the meaning given to that term in the Company Admission Document;
- (j) **“Indebtedness”** means all money, liabilities (together with all interest accruing thereon) due and/or obligations contracted, owing or incurred by the Issuer towards the Bondholders in terms of the Company Admission Document (including without limitation, under any amendments, supplements or restatements of the Company Admission Document) and **“Secured Obligations”** shall be construed accordingly;
- (k) **“Issuer”** shall mean Horizon Finance plc a public limited liability company registered under the laws of Malta with company registration number C 88540;
- (l) **“Parties”** means the Pledgor, the Pledgee and limitedly for the purposes of providing the undertakings mentioned in Clauses 3.2 and 17 of this Agreement aforementioned purpose, the Company, and the term **“Party”** shall be construed accordingly;
- (m) **“Pledge”** means the pledge over the Shares constituted in terms of this Agreement;
- (n) **“Pledged Shares”** means the Shares being pledged pursuant to this Agreement;
- (o) **“Pledgor Company”** means Chester Holdings Limited, a company registered and incorporated under the laws of Malta with company registration number C 74645 and **“Pledgor”** shall be construed accordingly;
- (p) **“Redemption Date”** shall have the same meaning attributed to it in the Company Admission Document;
- (q) **“Security Interest”** means the Pledge created pursuant to this Agreement including the Related Rights and **“Security”** shall be construed accordingly;

- (r) **“Security Period”** means the period beginning on the date of the signing of this Agreement and ending on the date when the Pledged Shares are transferred to the Pledgee or on the release of the Pledge pursuant to due settlement and/or satisfaction of all Indebtedness, whichever is the earlier;
- (s) **“Security Trust Deed”** the agreement entered into by and between the Pledgor, the Security Trustee and the Issuer on or about the date of this Agreement whereby the Security Trustee has inter alia been appointed and authorised to act as pledgee and to hold the Pledge for and on behalf and in the interest of the Bondholders;
- (t) **“Shares”** means the six hundred (600) fully paid ordinary shares having a nominal value of one Euro (€1) each registered in the name of the Pledgor in the capital of the Company out of a total of one thousand two hundred (1200) ordinary shares of a nominal value of one Euro (€1) each;
- (u) **“Register”** means the register of members of the Company duly maintained by the Company as required in terms of the Companies Act;
- (v) **“Related Rights”** means, to the extent applicable in relation to any Share:
 - the proceeds of sale of all or any part of that Share;
 - all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that Share; and
 - any stocks, shares, warrants or other securities deriving from that Share;

1.2 Construction

- (a) In this Agreement, unless the contrary intention appears, a reference to:
 - (i) A Clause is a reference to a clause of this Agreement; and
 - (ii) A **“Party”** or any other person includes, as applicable, its or his successors in title, permitted assigns and permitted transferees.
 - (iii) Headings are for ease of reference only.
- (b) The singular form includes the plural and vice versa; the masculine form includes the feminine. Reference to a person includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership, whether or not having separate legal personality, as the context may require.

2. CONSTITUTION OF THE PLEDGE

- 2.1 The Pledgor hereby undertakes to the Pledgee as Security Trustee for the benefit of the Bondholders, the due and punctual payment of all the Secured Obligations.
- 2.2 The Pledgor hereby pledges the Shares to the Pledgee as Security Trustee for the benefit of the Bondholders and the Pledgee accepts the Pledge over the Shares as security for the due and punctual payment and performance of the Secured Obligations. In constitution of the Pledge, the Pledgor shall immediately deliver the respective share certificates relating to the Pledged Shares and the relevant executed Annexes, to the Pledgee who accepts to hold the Pledged Shares, certificates and Annexes under the terms hereof.
- 2.3 It is agreed that the Pledge is being granted by the Pledgor to the Pledgee as security for the Secured Obligations.
- 2.4 This Pledge confers upon the Pledgee the right to obtain payment out of the Pledged Shares (whether through sale or disposal thereof, appropriation or otherwise) with preference over other creditors as provided by the Civil Code in virtue of the special privilege accorded by law under article 2009(a) of the said Civil Code as well as the right of retention over the said Pledged Shares until such time as all the Secured Obligations have been fully and irrevocably performed. The Pledge is also regulated by Article 122 of the Companies Act, as modified by the Financial Collateral Arrangements Regulations, 2004 (Legal Notice 177 of 2004, as amended) (hereinafter, the **“Financial Collateral Regulations”**), where applicable.

- 2.5 Nothing in this Agreement shall be construed as placing on the Pledgee, prior to the eventual disposal or appropriation of the Pledged Shares, any liability whatsoever in respect of any calls, instalments or other payments relating to any of the Pledged Shares or to any rights, shares or other securities accruing, offered or arising as aforesaid.

3. REPRESENTATIONS AND WARRANTIES

- 3.1 The Pledgor represents and warrants to the Pledgee that on the date of this Agreement and on each day throughout the Security Period:

- (a) The Pledgor is and shall remain the sole legal owner of the Pledged Shares set out against his name above and that the said shares are free from all and any encumbrances other than the special privilege created as a result of this Agreement;
- (b) The Pledgor has the power to enter into, perform and deliver this Agreement and to create the Security, and has taken all necessary corporate and other action to authorise the execution and delivery of this Agreement and the obligations expressed to be assumed by the Pledgor in this Agreement are legal, valid and binding obligations enforceable in accordance with its terms;
- (c) The Pledgor is permitted to pledge the Pledged Shares by virtue of the memorandum and articles of association of the Company and entry into and performance by the Pledgor of this Agreement will not violate or conflict with the provisions of any of the Company's memorandum and articles of association;
- (d) Entry into this Agreement will not:
 - (i) Result in violation or breach of any applicable laws or regulations in any relevant jurisdiction;
 - (ii) Conflict with any document which is binding upon the Pledgor; or
 - (iii) Amount to a violation or default with respect to any constitution, statute, regulation, order, decree or judgment binding on him of any court or any governmental or regulatory authority in the relevant jurisdiction.
- (e) No litigation, arbitration or administrative proceedings are taking place, pending or are threatened against the Company;
- (f) No corporate actions, legal proceedings, or other procedure or steps have been taken, or notice given in respect of, in relation to the winding-up, dissolution, administration or reorganisation of, or the appointment of an administrator of the Company, and no such step is intended by the Pledgor and/or any member of the Company;
- (g) Any and all authorisations, regulatory approvals and third party consents required or advisable in connection with the entry into, performance, validity and enforceability of the Pledge have been obtained or effected and are in full force and effect;
- (h) All rights arising from or in connection with the Pledged Shares are exercisable in the interest of the Pledgor and the Pledgee strictly in accordance with the terms of this Agreement.

3.2 The Pledgor and the Company further represent and warrant to the Pledgee that:

- (a) The Company is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business as it is presently conducting same and to own its respective property and assets;
- (b) The Pledged Shares have been validly issued, are not subject to any option to purchase or similar right and are fully paid up and the share certificates in respect thereof have been validly issued;
- (c) The Company has not issued or granted or resolved or agreed to issue or grant to any person any option or other right to subscribe for or acquire any additional shares or stocks in the Company;
- (d) The Pledged Shares are free from any security interests other than the Security Interest granted in terms of this Agreement and are not subject to any option or right of pre-emption, or if subject to a right of pre-emption, such right of pre-emption has been duly waived in favour of the Pledgee;
- (e) The transfer of the Pledged Shares is not restricted or limited save as set out in the memorandum and articles of association of the Company and the Companies Act.

3.3 The Pledgor acknowledges and agrees that the Pledgee has entered into this Agreement on the basis of and in reliance upon the representations and warranties set out in this Clause 3.

4. COVENANTS

4.1 The Pledgor covenants and agrees with the Pledgee: -

- (a) To warrant and to defend the right, title and interest of the Pledgor and the Pledgee in and to the Pledged Shares against the claims and demands of all persons whomsoever;
- (b) That it will not sell, assign, transfer, pledge or encumber in any other manner any of the Pledged Shares or suffer to exist any encumbrance on the Pledged Shares except the Pledge;
- (c) That it will not request the repurchase of the Pledged Shares by the Company without the prior written consent of the Pledgee;
- (d) That it will notify, or consent to the Pledgee notifying, the Malta Registrar of Companies of the Pledge by filing the statutory notice (Form T(2)) in the form set out in Annex 1 within three (3) Business Days from the date of this Agreement and in no case later than fourteen (14) days from the grant of the Pledge;
- (f) That the Security will at all times be a legally valid and binding first preference security over the Pledged Shares.

- 4.2 The Pledgor is hereby delivering to the Pledgee, which confirms receipt thereof, under the terms of this Agreement any and all existing share certificates issued by the Company in respect of the Pledged Shares, duly annotated in the form set out in Annex 2.

5. TERMINATION AND RELEASE OF PLEDGE

- 5.1 It is agreed that the Pledge constituted hereby is a continuing security for the duration of the Security Period. The Pledge shall immediately terminate upon the expiration and/or termination of the Security Period.
- 5.2 Upon the expiration of the Security Period, this Agreement shall immediately terminate and the Pledgee shall, promptly and without undue delay:
- (i) release all documents held by it hereunder to the Pledgor, and the annotation of the share certificate shall be cancelled; and
 - (ii) by not later than three (3) Business Days from the termination of this Agreement, file the necessary notification (Form T(3)) at the Malta Registry of Companies in accordance with the Companies Act.

6. VOTING POWERS, DIVIDENDS, CAPITAL DISTRIBUTIONS, NOTICES.

- 6.1 The Parties agree that during the Security Period, the rights pertaining to the Pledged Shares shall be exercised as following:

VOTING

- (i) The Pledgor shall exercise all voting and/or consensual rights and powers, pertaining to the Pledged Shares or any part thereof for all purposes.

DIVIDENDS

- (ii) All dividends paid or payable in relation to the Pledged Shares shall be paid to the Pledgor.

CAPITAL DISTRIBUTIONS

- (iii) All capital distributions paid on the Pledged Shares upon the reduction of capital or redemption of any Pledged Shares (as the case may be) shall be paid to the Pledgor.

7. RESPONSIBILITY FOR COMMERCIAL OPERATIONS

- 7.1 It is agreed that until such time as an Event of Default occurs, as well as after such events, the Pledgee shall under no condition be responsible for the commercial operations of the Company.
- 7.2 The powers conferred on the Pledgee hereunder are solely to protect its interest in the Pledged Shares and shall not impose any duty upon it to exercise any such powers. Except for the accounting for moneys actually received by it hereunder, the Pledgee shall have no duty as to any Pledged Shares, as to ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters in connection with any Pledged Shares (whether or not the Pledgee has or is deemed to have knowledge of such matters), or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Pledged Shares.

8. REMEDIES

8.1 On notice (by judicial act or otherwise as required or permitted by Maltese law) being served by the Pledgee to the Pledgor and the Company stating that an Event of Default, the Pledgee may exercise in relation to any and all of the Pledged Shares all the rights and remedies possessed by it under this Agreement or granted to it by law or otherwise and in particular:

- (i) Exercise all rights attached to the Pledged Shares; or
- (ii) Apply to the Courts for the judicial auction of all or any part of the Pledged Shares in accordance with the Civil Code and, in case of this remedy under this paragraph (ii), it is hereby declared and agreed by the Parties that the Pledged Shares have and shall be deemed to have a market value for the purposes of article 1970(4) of the Civil Code, which article 1970(4) shall apply to any sale by judicial auction as aforesaid.

8.2 The remedies set out in this Clause 8 are in addition to the remedies granted to the Pledgee under Maltese law and, in so far as it is necessary to do so, the Pledgor hereby irrevocably and unconditionally authorises the Pledgee by way of security, who accepts, to avail itself of all and any of the said remedies in protection of its rights.

9. COSTS, CHARGES AND EXPENSES

9.1 The Pledgor shall be bound to from time to time forthwith on demand, to or reimburse the Pledgee for:

(a) All reasonable costs, charges and expenses (including legal and other fees on a full indemnity basis and all other out-of-pocket expenses) incurred by the Pledgee in connection with the preparation, execution and registration of this Agreement, any other documents required in connection herewith and any amendment to or extension of, or the giving of any consent or waiver in connection with, this Agreement; and

(b) All costs, charges and expenses (including legal and other fees on a full indemnity basis and all other out-of-pocket expenses) incurred by the Pledgee in exercising any of its rights or powers hereunder or in suing for or seeking to recover any sums due hereunder or otherwise preserving or enforcing its rights hereunder or in defending any claims brought against it in respect of this Agreement or in terminating and releasing this pledge in accordance with the terms of this Agreement,

and until payment of the same in full, all such costs, charges and expenses as aforesaid shall be secured by this Agreement.

10. LIABILITY AND INDEMNITY

10.1 The Pledgee will not be in any way liable or responsible to the Pledgor or any other person for any losses, damages, liabilities or expenses arising from or in connection with any act, default, omission or misconduct on the part of the Pledgee or any of its appointees in connection with this Agreement, unless such is a result of negligence or wilful misconduct.

10.2 The Pledgor shall at all times indemnify and hold harmless the Pledgee against and from all losses, liabilities, damages, costs and expenses reasonably and properly incurred by it at any time in the execution or performance of

the terms and conditions hereof and against all actions, proceedings, claims, demands, costs, charges and expenses which may be incurred, sustained or arise at any time in respect of the non-performance or non-observance of any of the undertakings and agreements on the part of the Pledgor contained herein or in respect of any matter or thing done or omitted relating in any way whatsoever to the Pledged Shares.

11. POWER OF ATTORNEY

- 11.1 The Pledgor hereby irrevocably and unconditionally appoints and authorises the Pledgee by way of security, which declares to have an interest in this mandate and accepts the same as part of its security, as its attorney (with full power of substitution) and in its name or otherwise on its behalf to sign, seal, execute, deliver, perfect and do all agreements, instruments, acts and things which may be required for carrying out any obligations imposed on the Pledgor hereunder or for exercising and giving effect to any of the powers hereby conferred or for giving to the Pledgee the full benefit of the security constituted hereunder, and so that the appointments hereby made shall operate to confer on the Pledgee authority to do on behalf of the Pledgor anything which the Pledgor may lawfully do by an attorney. The Pledgor hereby ratifies and confirms and agrees to ratify and confirm any agreement, instrument, act or thing which such attorney or substitute may lawfully execute or do.

This is an irrevocable mandate granted by way of security in terms of Article 1887(1) of the Civil Code. Where applicable, the Pledgee also reserves the right to register such mandate or any other mandate by way of security granted under this Agreement in a public register.

- 11.2 The Pledgee shall have the option but not an obligation to utilise such powers of attorney and the Pledgee shall in no way be responsible for not utilising the said power of attorney, nor shall the Pledgee be in any way responsible for anything done or not done by virtue of the said powers of attorney.

12. FURTHER ASSURANCES

- 12.1 The Pledgor agrees and undertakes that, at any time and from time to time upon the written request of the Pledgee, he will (at his cost) promptly and duly enter into, execute and deliver to the Pledgee any and all such further agreements, instruments and documents and do all such acts and things as may be required to give effect to or perfect the security intended to be created hereby, and to afford the Pledgee the full benefit of such security and of this Agreement and of the rights and powers herein granted.
- 12.2 The Pledgor will (at his cost) do or permit to be done everything which the Pledgee may from time to time require to be done for the purpose of enforcing the Pledgee's rights hereunder and will allow the name of the Pledgor to be used as and when required by the Pledgee for that purpose.
- 12.3 The Pledgee will do all such acts or execute all such documents as the Pledgee may require from time to time to preserve and protect the priority of the Security.

13. INSTRUCTIONS

- 13.1 It is agreed and declared that the Pledgor shall procure that the Company shall act according to all and any instructions reasonably issued by the Pledgee in accordance with this Agreement without the necessity or obligation to verify whether the facts stated by the Pledgee, particularly whether an Event of Default has or has not taken place, are correct and shall not lose the benefit of this Agreement even if the Pledgor makes any claims to the effect that the statements of the Pledgee on which the Company is relying are incorrect.

14. NOTICES

- 14.1 Notices may be sent by registered mail, fax or electronic mail. Where notice is sent by registered mail, it shall be deemed to have been served five (5) Business Days following the date on which it was posted and in the case of notice sent by fax or electronic mail, on the day of transmission. In providing such service it shall be sufficient to prove that the notice was addressed properly and posted or transmitted to such fax or electronic mail address as may be notified to the other Party for this purpose.

For the purposes of this Agreement, the proper addresses (including electronic mail addresses) and fax numbers of the Parties are:

To the Pledgor:

Name: **Chester Holdings Limited**
Address: **Il Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta**
Attn: **Dr Kevin Deguara**
Fax number: **+356 21340916**
Email address: **kevin.deguara@dfadvocates.com**

To the Pledgee:

Name: **Trident Trust Company (Malta) Limited**
Address: **Orange Point Building, second floor, Dun Karm street, Birkirkara by-pass, Birkirkara, Malta**
Attn: **Albert Cilia**
Fax number: **+356 21 434 525**
Email address: **malta@tridenttrust.com**

To the Company:

Name: **Gaia Investments Limited**
Address: **Il Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta**
Attn: **Dr Jean C. Farrugia**
Fax number: **+356 21340916**
Email address: **jean.farrugia@dfadvocates.com**

Provided that each of the parties mentioned above may at any time change such address, fax number or email address by giving five (5) Business Days' prior written notice to the other Party.

15. SEVERANCE AND MODIFICATION OF CLAUSES

- 15.1 If any of the Clauses or part thereof of this Agreement is or becomes invalid or unenforceable for any reason whatsoever, the validity of the remaining Clauses or part thereof will not in any way be affected or impaired.
- 15.2 If any invalid or unenforceable Clause or part thereof of this Agreement would be valid or enforceable if its form or effect were modified in any way, it shall be deemed to have the modified form or effect provided that the Pledgee gives its consent.

16. SUCCESSORS IN TITLE and CHANGES TO THE PARTIES

- 16.1 This Agreement and the security hereby created shall bind and inure for the benefit of each of the Parties hereto and its successors and permitted assigns.
- 16.2 The Pledgor may not assign, transfer, novate, delegate or dispose of any of, or any interest in, his rights and/or obligations under this Agreement without the prior written consent of the Pledgee.
- 16.3 The Pledgee may assign or transfer or dispose of any of its rights and/or obligations under this Agreement.

17. NOTIFICATIONS TO, AND ACKNOWLEDGEMENT OF PLEDGE BY THE COMPANY

- 17.1 In accordance with the requirements of Article 122(2) of the Companies Act, the Pledgor hereby notifies the Company of the Pledge constituted by this Agreement, and hereby requests the Company to register such pledge in the Register and on any share certificates which the respective Company may issue throughout the duration of this Pledge.
- 17.2 The Company is hereby appearing on and executing this Agreement inter alia in order to, and does hereby through the execution by it of this Agreement, acknowledge receipt without reservation of the notice of Pledge effected by the Pledgor to it by means of Clause 17.1 hereof.
- 17.3 The acknowledgement referred to in Clause 17.2 is granted by the Company for the benefit of the Pledgor and the Pledgee.
- 17.4 By signing this Agreement, the Company also:
- 17.4.1 Confirms that it is concurrently with execution of this Agreement making a note of the Pledge in its Register;
 - 17.4.2 Binds itself for the benefit of the Pledgee to act in accordance with the terms of the Pledge;
 - 17.4.3 Acknowledges that the share certificates in respect of the Pledged Shares have been delivered to the Pledgee upon execution hereof;
 - 17.4.4 Represents that it has not been served with notice of the issuance of a precautionary or executive warrant of seizure by the Courts in Malta in relation to any or all of the Pledged Shares;
 - 17.4.5 Undertakes for the benefit of the Pledgee to inform any person requesting information relating to the Company of the Pledge;
 - 17.4.6 Declares and confirms that it has not as at the date hereof received any notice of pledge in respect of the Pledged Shares which is still subsisting.
- 17.5 The Pledgor and the Company declare that the Pledge notification and acknowledgement referred to in Clauses 17.1 and 17.2 hereof shall be deemed to have been given in full satisfaction of the procedural requirements of Article
- Horizon Finance plc – Company Admission Document

122(2) of the Companies Act, and each of them agree that no further action is necessary in order to comply with the said legislative requirements.

18. GOVERNING LAW & JURISDICTION

- 18.1 This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the Laws of Malta.
- 18.2 The Courts of Malta shall have exclusive jurisdiction to settle any disputes.

19. COUNTERPARTS

- 19.1 This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts (including fax copies) were on a single copy of this Agreement.

IN WITNESS whereof the Parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

Dr Kevin Deguara for
Chester Holdings Limited
(the “Pledgor”)

Mr. Albert Cilia for
Trident Trust Company (Malta) Limited
(the “Pledgee”)

Dr Jean C. Farrugia for
Gaia Investments Limited
(the “Company”)

Form T (2)No. of Company **C 86458**

COMPANIES ACT, 1995

Notice of a pledge of securities

Pursuant to Section 122 (2)

Name of Company – **GAIA INVESTMENTS LIMITED**Delivered by - **DEGUARA FARRUGIA ADVOCATES**To the **Registrar of Companies:**

I hereby give notice in accordance with Section 122 (2) of the Companies Act, 1995 that with effect from the _____ of _____ 2018 the undermentioned securities have been pledged as follows:

Pledgor (Name and Address)	Pledgee (Name and Address)	Securities		
		Number	Type	Nominal Value
Chester Holdings Limited (C 74645)	Trident Trust Company (Malta) Limited			
Il Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta	Orange Point Building, second floor, Dun Karm street, Birkirkara by-pass, Birkirkara, Malta	600	Ordinary	One Euro (€1)

Signature

Dr Kevin Deguara**f/o Chester Holdings Limited****(Pledgor)**Dated this day ofof the year **2019**

27 ANNEX C (II) – MIDDLETOWN PLEDGE AGREEMENT

PLEDGE OF SHARES AGREEMENT

BETWEEN

MIDDLETOWN INVESTMENTS LIMITED
the “Pledgor”

TRIDENT TRUST COMPANY (MALTA) LIMITED
the “Pledgee” or the “Security Trustee”

AND

GAIA INVESTMENTS LTD
the “Company”

THIS PLEDGE OF SHARES AGREEMENT (this “**Agreement**”) is being entered today the [TO INSERT] of [TO INSERT] of the year 2019

BETWEEN:

1. Middletown Investments Limited, a private limited liability company registered under the laws of Malta with company registration number C 75568 and with registered office situated at Il Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta, represented hereon by Dr Kevin Deguara (holder of Identity Card numbered 97877M) as duly authorized in terms of the memorandum and articles of association of the company, hereinafter referred to as the “**Pledgor**”; and

2. Trident Trust Company (Malta) Limited, a private limited liability company registered under the laws of Malta with company registration number C 51249 and with registered office situated at Orange Point Building, Second Floor, Dun Karm Street, Birkirkara By-Pass, Birkirkara, Malta, represented hereon by Mr Albert Cilia (Identity card numbered 105578M) as duly authorised in terms of the memorandum and articles of association of the company, hereinafter referred to as the “**Pledgee**” or the “**Security Trustee**” (as the case may be);

(the Pledgor and the Pledgee are hereinafter collectively referred to as the “**Parties**”)

There also appears hereon **Gaia Investments Limited**, a private limited liability company registered under the laws of Malta with company registration number C 86458 and with registered office situated at Il Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta, represented hereon by Dr Jean C. Farrugia (holder of Identity Card numbered 244176M) as duly authorised in terms of the memorandum and articles of association of the company, (hereinafter referred to as the “**Company**”) which is appearing hereon limitedly for the purposes of acknowledging the creation of the Pledge over the Shares and in general for the purposes of providing the undertakings mentioned in Clauses 3.2 and 17 and for the purpose of the provisions of Clause 14 of this Agreement.

WHEREAS

A. By virtue of the Company Admission Document the Issuer has issued the Bonds, subject to the terms and conditions contained in the said Company Admission Document;

B. Pursuant to the terms of the Company Admission Document, the Pledgor agreed to grant a pledge over the Shares in favour of the Security Trustee by way of security for the Secured Obligations;

C. The Pledgee has, on or about the date of this Agreement, entered into the Security Trust Deed with the Security Trustee whereby the Security Trustee has agreed to and has been thereby authorised to act as security trustee for and on behalf of the Bondholders and therefore to inter alia accept and hold the Pledge on trust for the benefit of all Bondholders;

D. The Pledgor wishes to grant a Pledge to the Pledgee for the benefit of the Bondholders and as security for the Secured Obligations;

E. The Parties are therefore entering into this Agreement so as to establish the Pledge and to regulate the conditions of the Pledge including the release and termination thereof.

NOW THEREFORE IT IS AGREED as follows:

1. INTERPRETATION

1.3 Definitions

In this Agreement, unless otherwise expressly stated or the contrary intention appears, the following terms shall have the following meanings respectively assigned to them:

- (w) **“Bondholders”** shall mean the holders of the Bonds at any time;
- (x) **“Bond Issue”** shall mean the issue of the Bonds by the Issuer and **“Issue”** shall be construed accordingly;
- (y) **“Bonds”** shall mean the two million Euro (€2,000,000) in value of debt securities issued by the Issuer in terms of the Company Admission Document;
- (z) **“Business Day”** means a day on which banks are open for general business in Malta;
- (aa) **“Company”** means Gaia Investments Limited, a private limited liability company registered under the laws of Malta with company registration number C 86458;
- (bb) **“Companies Act”** means the Companies Act, Chapter 386 of the Laws of Malta;
- (cc) **“Company Admission Document”** or **“CAD”** shall mean the company admission document dated 1st March 2019 authorised by the Malta Stock Exchange plc for admission of the Bonds on Prospects MTF ;
- (dd) **“Civil Code”** means the Civil Code, Chapter 16 of the Laws of Malta;
- (ee) **“Event of Default”** has the meaning given to that term in the Company Admission Document;
- (ff) **“Indebtedness”** means all money, liabilities (together with all interest accruing thereon) due and/or obligations contracted, owing or incurred by the Issuer towards the Bondholders in terms of the Company Admission Document (including without limitation, under any amendments, supplements or restatements of the Company Admission Document) and **“Secured Obligations”** shall be construed accordingly;
- (gg) **“Issuer”** shall mean Horizon Finance plc a public limited liability company registered under the laws of Malta with company registration number C 88540;
- (hh) **“Parties”** means the Pledgor, the Pledgee and limitedly for the purposes of providing the undertakings mentioned in Clauses 3.2 and 17 of this Agreement aforementioned purpose, the Company, and the term **“Party”** shall be construed accordingly;
- (ii) **“Pledge”** means the pledge over the Shares constituted in terms of this Agreement;
- (jj) **“Pledged Shares”** means the Shares being pledged pursuant to this Agreement;
- (kk) **“Pledgor Company”** means Middletown Investments Limited, a company registered and incorporated under the laws of Malta with company registration number C 75568 and **“Pledgor”** shall be construed accordingly;
- (ll) **“Redemption Date”** shall have the same meaning attributed to it in the Company Admission Document;
- (mm) **“Security Interest”** means the Pledge created pursuant to this Agreement including the Related Rights and **“Security”** shall be construed accordingly;

- (nn) **“Security Period”** means the period beginning on the date of the signing of this Agreement and ending on the date when the Pledged Shares are transferred to the Pledgee or on the release of the Pledge pursuant to due settlement and/or satisfaction of all Indebtedness, whichever is the earlier;
- (oo) **“Security Trust Deed”** the agreement entered into by and between the Pledgor, the Security Trustee and the Issuer on or about the date of this Agreement whereby the Security Trustee has inter alia been appointed and authorised to act as pledgee and to hold the Pledge for and on behalf and in the interest of the Bondholders;
- (pp) **“Shares”** means the six hundred (600) fully paid ordinary shares having a nominal value of one Euro (€1) each registered in the name of the Pledgor in the capital of the Company out of a total of one thousand two hundred (1200) ordinary shares of a nominal value of one Euro (€1) each;
- (qq) **“Register”** means the register of members of the Company duly maintained by the Company as required in terms of the Companies Act;
- (rr) **“Related Rights”** means, to the extent applicable in relation to any Share:
- the proceeds of sale of all or any part of that Share;
 - all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that Share; and
 - any stocks, shares, warrants or other securities deriving from that Share.

1.4 Construction

- (a) In this Agreement, unless the contrary intention appears, a reference to:
- (iv) A Clause is a reference to a clause of this Agreement; and
 - (v) A **“Party”** or any other person includes, as applicable, its or his successors in title, permitted assigns and permitted transferees.
 - (vi) Headings are for ease of reference only.
- (b) The singular form includes the plural and vice versa; the masculine form includes the feminine. Reference to a person includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership, whether or not having separate legal personality, as the context may require.

2. CONSTITUTION OF THE PLEDGE

- 2.6 The Pledgor hereby undertakes to the Pledgee as Security Trustee for the benefit of the Bondholders, the due and punctual payment of all the Secured Obligations.
- 2.7 The Pledgor hereby pledges the Shares to the Pledgee as Security Trustee for the benefit of the Bondholders and the Pledgee accepts the Pledge over the Shares as security for the due and punctual payment and performance of the Secured Obligations. In constitution of the Pledge, the Pledgor shall immediately deliver the respective share certificates relating to the Pledged Shares and the relevant executed Annexes, to the Pledgee who accepts to hold the Pledged Shares, certificates and Annexes under the terms hereof.
- 2.8 It is agreed that the Pledge is being granted by the Pledgor to the Pledgee as security for the Secured Obligations.
- 2.9 This Pledge confers upon the Pledgee the right to obtain payment out of the Pledged Shares (whether through sale or disposal thereof, appropriation or otherwise) with preference over other creditors as provided by the Civil Code in virtue of the special privilege accorded by law under article 2009(a) of the said Civil Code as well as the right of retention over the said Pledged Shares until such time as all the Secured Obligations have been fully and irrevocably performed. The Pledge is also regulated by Article 122 of the Companies Act, as modified by the Financial Collateral Arrangements Regulations, 2004 (Legal Notice 177 of 2004, as amended) (hereinafter, the **“Financial Collateral Regulations”**), where applicable.

- 2.10 Nothing in this Agreement shall be construed as placing on the Pledgee, prior to the eventual disposal or appropriation of the Pledged Shares, any liability whatsoever in respect of any calls, instalments or other payments relating to any of the Pledged Shares or to any rights, shares or other securities accruing, offered or arising as aforesaid.

3. REPRESENTATIONS AND WARRANTIES

- 3.1 The Pledgor represents and warrants to the Pledgee that on the date of this Agreement and on each day throughout the Security Period:

- (i) The Pledgor is and shall remain the sole legal owner of the Pledged Shares set out against his name above and that the said shares are free from all and any encumbrances other than the special privilege created as a result of this Agreement;
- (j) The Pledgor has the power to enter into, perform and deliver this Agreement and to create the Security, and has taken all necessary corporate and other action to authorise the execution and delivery of this Agreement and the obligations expressed to be assumed by the Pledgor in this Agreement are legal, valid and binding obligations enforceable in accordance with its terms;
- (k) The Pledgor is permitted to pledge the Pledged Shares by virtue of the memorandum and articles of association of the Company and entry into and performance by the Pledgor of this Agreement will not violate or conflict with the provisions of any of the Company's memorandum and articles of association;
- (l) Entry into this Agreement will not:
 - (i) Result in violation or breach of any applicable laws or regulations in any relevant jurisdiction;
 - (ii) Conflict with any document which is binding upon the Pledgor; or
 - (iii) Amount to a violation or default with respect to any constitution, statute, regulation, order, decree or judgment binding on him of any court or any governmental or regulatory authority in the relevant jurisdiction.
- (m) No litigation, arbitration or administrative proceedings are taking place, pending or are threatened against the Company;
- (n) No corporate actions, legal proceedings, or other procedure or steps have been taken, or notice given in respect of, in relation to the winding-up, dissolution, administration or reorganisation of, or the appointment of an administrator of the Company, and no such step is intended by the Pledgor and/or any member of the Company;
- (o) Any and all authorisations, regulatory approvals and third party consents required or advisable in connection with the entry into, performance, validity and enforceability of the Pledge have been obtained or effected and are in full force and effect;
- (p) All rights arising from or in connection with the Pledged Shares are exercisable in the interest of the Pledgor and the Pledgee strictly in accordance with the terms of this Agreement.

3.2 The Pledgor and the Company further represent and warrant to the Pledgee that:

- (a) The Company is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business as it is presently conducting same and to own its respective property and assets;
- (b) The Pledged Shares have been validly issued, are not subject to any option to purchase or similar right and are fully paid up and the share certificates in respect thereof have been validly issued;
- (c) The Company has not issued or granted or resolved or agreed to issue or grant to any person any option or other right to subscribe for or acquire any additional shares or stocks in the Company;
- (d) The Pledged Shares are free from any security interests other than the Security Interest granted in terms of this Agreement and are not subject to any option or right of pre-emption, or if subject to a right of pre-emption, such right of pre-emption has been duly waived in favour of the Pledgee;
- (e) The transfer of the Pledged Shares is not restricted or limited save as set out in the memorandum and articles of association of the Company and the Companies Act.

3.3 The Pledgor acknowledges and agrees that the Pledgee has entered into this Agreement on the basis of and in reliance upon the representations and warranties set out in this Clause 3.

4. COVENANTS

4.1 The Pledgor covenants and agrees with the Pledgee: -

- (a) To warrant and to defend the right, title and interest of the Pledgor and the Pledgee in and to the Pledged Shares against the claims and demands of all persons whomsoever;
- (b) That it will not sell, assign, transfer, pledge or encumber in any other manner any of the Pledged Shares or suffer to exist any encumbrance on the Pledged Shares except the Pledge;
- (c) That it will not request the repurchase of the Pledged Shares by the Company without the prior written consent of the Pledgee;
- (d) That it will notify, or consent to the Pledgee notifying, the Malta Registrar of Companies of the Pledge by filing the statutory notice (Form T(2)) in the form set out in Annex 1 within three (3) Business Days from the date of this Agreement and in no case later than fourteen (14) days from the grant of the Pledge;
- (f) That the Security will at all times be a legally valid and binding first preference security over the Pledged Shares.

- 4.2 The Pledgor is hereby delivering to the Pledgee, which confirms receipt thereof, under the terms of this Agreement any and all existing share certificates issued by the Company in respect of the Pledged Shares, duly annotated in the form set out in Annex 2.

5. TERMINATION AND RELEASE OF PLEDGE

- 5.1 It is agreed that the Pledge constituted hereby is a continuing security for the duration of the Security Period. The Pledge shall immediately terminate upon the expiration and/or termination of the Security Period.
- 5.2 Upon the expiration of the Security Period, this Agreement shall immediately terminate and the Pledgee shall, promptly and without undue delay:
- (i) release all documents held by it hereunder to the Pledgor, and the annotation of the share certificate shall be cancelled; and
 - (ii) by not later than three (3) Business Days from the termination of this Agreement, file the necessary notification (Form T(3)) at the Malta Registry of Companies in accordance with the Companies Act.

6. VOTING POWERS, DIVIDENDS, CAPITAL DISTRIBUTIONS, NOTICES.

- 6.1 The Parties agree that during the Security Period, the rights pertaining to the Pledged Shares shall be exercised as following:

VOTING

- (i) The Pledgor shall exercise all voting and/or consensual rights and powers, pertaining to the Pledged Shares or any part thereof for all purposes.

DIVIDENDS

- (ii) All dividends paid or payable in relation to the Pledged Shares shall be paid to the Pledgor.

CAPITAL DISTRIBUTIONS

- (iii) All capital distributions paid on the Pledged Shares upon the reduction of capital or redemption of any Pledged Shares (as the case may be) shall be paid to the Pledgor.

7. RESPONSIBILITY FOR COMMERCIAL OPERATIONS

- 7.1 It is agreed that until such time as an Event of Default occurs, as well as after such events, the Pledgee shall under no condition be responsible for the commercial operations of the Company.
- 7.2 The powers conferred on the Pledgee hereunder are solely to protect its interest in the Pledged Shares and shall not impose any duty upon it to exercise any such powers. Except for the accounting for moneys actually received by it hereunder, the Pledgee shall have no duty as to any Pledged Shares, as to ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters in connection with any Pledged Shares (whether or not the Pledgee has or is deemed to have knowledge of such matters), or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Pledged Shares.

8. REMEDIES

8.1 On notice (by judicial act or otherwise as required or permitted by Maltese law) being served by the Pledgee to the Pledgor and the Company stating that an Event of Default, the Pledgee may exercise in relation to any and all of the Pledged Shares all the rights and remedies possessed by it under this Agreement or granted to it by law or otherwise and in particular:

- (i) Exercise all rights attached to the Pledged Shares; or
- (ii) Apply to the Courts for the judicial auction of all or any part of the Pledged Shares in accordance with the Civil Code and, in case of this remedy under this paragraph (ii), it is hereby declared and agreed by the Parties that the Pledged Shares have and shall be deemed to have a market value for the purposes of article 1970(4) of the Civil Code, which article 1970(4) shall apply to any sale by judicial auction as aforesaid.

8.2 The remedies set out in this Clause 8 are in addition to the remedies granted to the Pledgee under Maltese law and, in so far as it is necessary to do so, the Pledgor hereby irrevocably and unconditionally authorises the Pledgee by way of security, who accepts, to avail itself of all and any of the said remedies in protection of its rights.

9. COSTS, CHARGES AND EXPENSES

9.1 The Pledgor shall be bound to from time to time forthwith on demand, to or reimburse the Pledgee for:

(a) All reasonable costs, charges and expenses (including legal and other fees on a full indemnity basis and all other out-of-pocket expenses) incurred by the Pledgee in connection with the preparation, execution and registration of this Agreement, any other documents required in connection herewith and any amendment to or extension of, or the giving of any consent or waiver in connection with, this Agreement; and

(b) All costs, charges and expenses (including legal and other fees on a full indemnity basis and all other out-of-pocket expenses) incurred by the Pledgee in exercising any of its rights or powers hereunder or in suing for or seeking to recover any sums due hereunder or otherwise preserving or enforcing its rights hereunder or in defending any claims brought against it in respect of this Agreement or in terminating and releasing this pledge in accordance with the terms of this Agreement,

and until payment of the same in full, all such costs, charges and expenses as aforesaid shall be secured by this Agreement.

10. LIABILITY AND INDEMNITY

10.1 The Pledgee will not be in any way liable or responsible to the Pledgor or any other person for any losses, damages, liabilities or expenses arising from or in connection with any act, default, omission or misconduct on the part of the Pledgee or any of its appointees in connection with this Agreement, unless such is a result of negligence or wilful misconduct.

10.2 The Pledgor shall at all times indemnify and hold harmless the Pledgee against and from all losses, liabilities, damages, costs and expenses reasonably and properly incurred by it at any time in the execution or performance of

the terms and conditions hereof and against all actions, proceedings, claims, demands, costs, charges and expenses which may be incurred, sustained or arise at any time in respect of the non-performance or non-observance of any of the undertakings and agreements on the part of the Pledgor contained herein or in respect of any matter or thing done or omitted relating in any way whatsoever to the Pledged Shares.

11. POWER OF ATTORNEY

- 11.1 The Pledgor hereby irrevocably and unconditionally appoints and authorises the Pledgee by way of security, which declares to have an interest in this mandate and accepts the same as part of its security, as its attorney (with full power of substitution) and in its name or otherwise on its behalf to sign, seal, execute, deliver, perfect and do all agreements, instruments, acts and things which may be required for carrying out any obligations imposed on the Pledgor hereunder or for exercising and giving effect to any of the powers hereby conferred or for giving to the Pledgee the full benefit of the security constituted hereunder, and so that the appointments hereby made shall operate to confer on the Pledgee authority to do on behalf of the Pledgor anything which the Pledgor may lawfully do by an attorney. The Pledgor hereby ratifies and confirms and agrees to ratify and confirm any agreement, instrument, act or thing which such attorney or substitute may lawfully execute or do.

This is an irrevocable mandate granted by way of security in terms of Article 1887(1) of the Civil Code. Where applicable, the Pledgee also reserves the right to register such mandate or any other mandate by way of security granted under this Agreement in a public register.

- 11.2 The Pledgee shall have the option but not an obligation to utilise such powers of attorney and the Pledgee shall in no way be responsible for not utilising the said power of attorney, nor shall the Pledgee be in any way responsible for anything done or not done by virtue of the said powers of attorney.

12. FURTHER ASSURANCES

- 12.1 The Pledgor agrees and undertakes that, at any time and from time to time upon the written request of the Pledgee, he will (at his cost) promptly and duly enter into, execute and deliver to the Pledgee any and all such further agreements, instruments and documents and do all such acts and things as may be required to give effect to or perfect the security intended to be created hereby, and to afford the Pledgee the full benefit of such security and of this Agreement and of the rights and powers herein granted.
- 12.2 The Pledgor will (at his cost) do or permit to be done everything which the Pledgee may from time to time require to be done for the purpose of enforcing the Pledgee's rights hereunder and will allow the name of the Pledgor to be used as and when required by the Pledgee for that purpose.
- 12.3 The Pledgee will do all such acts or execute all such documents as the Pledgee may require from time to time to preserve and protect the priority of the Security.

13. INSTRUCTIONS

- 13.1 It is agreed and declared that the Pledgor shall procure that the Company shall act according to all and any instructions reasonably issued by the Pledgee in accordance with this Agreement without the necessity or obligation to verify whether the facts stated by the Pledgee, particularly whether an Event of Default has or has not taken place, are correct and shall not lose the benefit of this Agreement even if the Pledgor makes any claims to the effect that the statements of the Pledgee on which the Company is relying are incorrect.

14. NOTICES

- 14.1 Notices may be sent by registered mail, fax or electronic mail. Where notice is sent by registered mail, it shall be deemed to have been served five (5) Business Days following the date on which it was posted and in the case of notice sent by fax or electronic mail, on the day of transmission. In providing such service it shall be sufficient to prove that the notice was addressed properly and posted or transmitted to such fax or electronic mail address as may be notified to the other Party for this purpose.

For the purposes of this Agreement, the proper addresses (including electronic mail addresses) and fax numbers of the Parties are:

To the Pledgor:

Name: **Middletown Investments Limited**
Address: **Il Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta**
Attn: **Dr Kevin Deguara**
Fax number: **+356 21340916**
Email address: **kevin.deguara@dfadvocates.com**

To the Pledgee:

Name: **Trident Trust Company (Malta) Limited**
Address: **Orange Point Building, second floor, Dun Karm street, Birkirkara by-pass, Birkirkara, Malta**
Attn: **Albert Cilia**
Fax number: **+356 21 434 525**
Email address: **malta@tridenttrust.com**

To the Company:

Name: **Gaia Investments Limited**
Address: **Il Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta**
Attn: **Dr Jean C. Farrugia**
Fax number: **+356 21340916**
Email address: **jean.farrugia@dfadvocates.com**

Provided that each of the parties mentioned above may at any time change such address, fax number or email address by giving five (5) Business Days' prior written notice to the other Party.

15. SEVERANCE AND MODIFICATION OF CLAUSES

- 15.1 If any of the Clauses or part thereof of this Agreement is or becomes invalid or unenforceable for any reason whatsoever, the validity of the remaining Clauses or part thereof will not in any way be affected or impaired.
- 15.2 If any invalid or unenforceable Clause or part thereof of this Agreement would be valid or enforceable if its form or effect were modified in any way, it shall be deemed to have the modified form or effect provided that the Pledgee gives its consent.

16. SUCCESSORS IN TITLE and CHANGES TO THE PARTIES

- 16.1 This Agreement and the security hereby created shall bind and inure for the benefit of each of the Parties hereto and its successors and permitted assigns.
- 16.2 The Pledgor may not assign, transfer, novate, delegate or dispose of any of, or any interest in, his rights and/or obligations under this Agreement without the prior written consent of the Pledgee.
- 16.3 The Pledgee may assign or transfer or dispose of any of its rights and/or obligations under this Agreement.

17. NOTIFICATIONS TO, AND ACKNOWLEDGEMENT OF PLEDGE BY THE COMPANY

- 17.1 In accordance with the requirements of Article 122(2) of the Companies Act, the Pledgor hereby notifies the Company of the Pledge constituted by this Agreement, and hereby requests the Company to register such pledge in the Register and on any share certificates which the respective Company may issue throughout the duration of this Pledge.
- 17.2 The Company is hereby appearing on and executing this Agreement inter alia in order to, and does hereby through the execution by it of this Agreement, acknowledge receipt without reservation of the notice of Pledge effected by the Pledgor to it by means of Clause 17.1 hereof.
- 17.3 The acknowledgement referred to in Clause 17.2 is granted by the Company for the benefit of the Pledgor and the Pledgee.
- 17.4 By signing this Agreement, the Company also:
- 17.4.1 Confirms that it is concurrently with execution of this Agreement making a note of the Pledge in its Register;
 - 17.4.2 Binds itself for the benefit of the Pledgee to act in accordance with the terms of the Pledge;
 - 17.4.3 Acknowledges that the share certificates in respect of the Pledged Shares have been delivered to the Pledgee upon execution hereof;
 - 17.4.4 Represents that it has not been served with notice of the issuance of a precautionary or executive warrant of seizure by the Courts in Malta in relation to any or all of the Pledged Shares;
 - 17.4.5 Undertakes for the benefit of the Pledgee to inform any person requesting information relating to the Company of the Pledge;
 - 17.4.6 Declares and confirms that it has not as at the date hereof received any notice of pledge in respect of the Pledged Shares which is still subsisting.
- 17.5 The Pledgor and the Company declare that the Pledge notification and acknowledgement referred to in Clauses 17.1 and 17.2 hereof shall be deemed to have been given in full satisfaction of the procedural requirements of Article

122(2) of the Companies Act, and each of them agree that no further action is necessary in order to comply with the said legislative requirements.

18. GOVERNING LAW & JURISDICTION

- 18.1 This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the Laws of Malta.
- 18.2 The Courts of Malta shall have exclusive jurisdiction to settle any disputes.

19. COUNTERPARTS

- 19.1 This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts (including fax copies) were on a single copy of this Agreement.

IN WITNESS whereof the Parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

Dr Kevin Deguara for

Middletown Investments Limited

(the “Pledgor”)

Mr. Albert Cilia for

Trident Trust Company (Malta) Limited

(the “Pledgee”)

Dr Jean C. Farrugia for

Gaia Investments Limited

(the “Company”)

Form T (2)No. of Company **C 86458**

COMPANIES ACT, 1995

Notice of a pledge of securities

Pursuant to Section 122 (2)

Name of Company – **GAIA INVESTMENTS LIMITED**Delivered by - **DEGUARA FARRUGIA ADVOCATES**To the **Registrar of Companies:**

I hereby give notice in accordance with Section 122 (2) of the Companies Act, 1995 that with effect from the _____ of _____ 2018 the undermentioned securities have been pledged as follows:

Pledgor (Name and Address)	Pledgee (Name and Address)	Securities		
		Number	Type	Nominal Value
Middletown Investments Limited (C 75568)	Trident Trust Company (Malta) Limited			
Il Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta	Orange Point Building, second floor, Dun Karm street, Birkirkara by-pass, Birkirkara, Malta	600	Ordinary	One Euro (€1)

Signature

Dr Kevin Deguara**f/obo Middletown Investments Limited****(Pledgor)**Dated this day ofof the year **2019**

ANNOTATION TO PLEDGE IN THE SHARE CERTIFICATES

"These shares have been pledged in favour of Trident Trust Company (Malta) Limited, a company registered and incorporated in accordance with the laws of Malta with company registration number C51249 and having its registered office situated at Orange Point Building, second floor, Dun Karm street, Birkirkara by-pass, Birkirkara, Malta, pursuant to a Pledge of Shares Agreement dated the [] as may be amended from time to time."

28 ANNEX D - GUARANTEE

This Guarantee is made on the []

BETWEEN

1. Middletown Investments Limited a private limited liability company registered under the laws of Malta with company registration number C 75568 and with registered office situated at Il-Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta, duly represented hereon by Dr Jean C. Farrugia (bearing Identity Card numbered 244176M) as duly authorised, hereinafter referred to as the **“Guarantor”**;
2. Horizon Finance plc, a public limited liability company registered under the laws of Malta with company registration number C 88540 and with registered office situated at Il-Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta, duly represented hereon by Mr Benjamin Muscat (bearing Identity Card numbered 447054M) as duly authorised, hereinafter referred to as the **“Issuer”**;

WHEREAS

- I. By virtue of a Company Admission Document dated 1st March 2019 (the **“Company Admission Document”** or the **“Document”**), the Issuer (C 88540) intends to issue €2,000,000 in value of Bonds, subject to the terms and conditions contained in the said Company Admission Document;
- II. the Guarantor is the holder of 100% of the voting rights of the Issuer; and
- III. in terms of the Company Admission Document, the Guarantor wishes to execute and grant this Guarantee and Indemnity (hereinafter referred to as **“Guarantee”**) of the obligations of the Issuer above referred to in favour of the Security Trustee.

NOW, THEREFORE, THE GUARANTOR IS HEREBY COVENANTING IN FAVOUR OF THE SECURITY TRUSTEE AS FOLLOWS:

1. INTERPRETATION

In this Guarantee, unless the context otherwise requires:

- a. **“Bonds”** €2,000,000 secured and guaranteed callable bonds due in 2026-2029 of a nominal value of €100 per bond bearing an interest rate of 5% per annum;
- b. **“Bondholders”** means a holder of the Bonds;
- c. **“Event of Default”** has the meaning given to that term in the Company Admission Document;
- d. **“Indebtedness”** means any and all moneys, obligations and liabilities now or hereafter due, owing or incurred by the Issuer under the Bonds to the Bondholders (whether alone and/or with others) in terms of the Company Admission Document and in any and all cases whether for principal, interests, capitalised interests, charges, disbursements, or otherwise and whether for actual or contingent liability;
- e. **“Parties”** means the Guarantor and the Issuer;
- f. **“Security Trustee”** Trident Trust Company (Malta) Limited, a limited liability company registered and existing under the laws of Malta with company registration number C51219 and having its registered office at Orange Point Building, Second Floor, Dun Karm Street, Birkirkara By-Pass, Birkirkara, Malta;
- g. **“writing”** or **“in writing”** shall mean any method of visual representation and shall include facsimile transmissions, telexes and other such electronic methods.

2. GUARANTEE

2.1. COVENANT TO PAY

In satisfaction of the conditions precedent for the issuance of the Bonds, and in consideration of the Bondholders acquiring the Bonds, the Guarantor, as duly authorised, without proof of liability or evidence and as primary obligor, hereby jointly and

severally with the Issuer, unconditionally and irrevocably guarantees to the Security Trustee, for the benefit of Bondholders the payment of, and undertakes on first demand in writing made by the Security Trustee on the Guarantor, to pay the Indebtedness to the Security Trustee or any balance thereof at any time due or owing under the Bonds.

2.2. MAXIMUM LIABILITY

This is a continuing Guarantee for the whole amount due or owing under the Bonds or which may hereafter at any time become due or owing under the Bonds by the Issuer but the amount due by the Guarantor to the Security Trustee under this Guarantee shall be up to and shall not be in excess of €2,000,000 apart from interests due up to the date of payment and costs and expenses relating to the protection, preservation, collection or enforcement of the Security Trustee's rights against the Issuer and/or the Guarantor which shall be additional to the maximum sum herein stated.

2.3. NEGATIVE PLEDGE

The Guarantor agrees that additionally, it has in place a dividend policy at board level wherein no dividend shall be distributable should the total assets of the Guarantor be, in the year under review, below three million Euro (€ 3,000,000). The Guarantor also covenants to inject additional equity in the capital of the Issuer, up to a maximum of one million Euro (€ 1,000,000), should the net assets of the Guarantor fall, at any point in time, below one million Euro (€ 1,000,000).

2.4. INDEMNITY

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

3. CONTINUING AND UNCONDITIONAL LIABILITY

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

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

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

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

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

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

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

5. SETTLEMENTS CONDITIONAL

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

6. ADDITIONAL GUARANTEE

This Guarantee is to be construed as being in addition to and in no way prejudicing any other securities or guarantees which the Security Trustee may now or hereafter hold from or on account of the Issuer and/or the Bondholders and is to be binding on the Guarantor as a continuing Guarantee until full and final settlement of all the Issuer's indebtedness towards the Security Trustee. Moreover, the remedies provided in this Guarantee are cumulative and are not exclusive of any remedies provided by law.

7. BENEFIT OF THIS GUARANTEE AND NO ASSIGNMENT

7.1. This Guarantee is to be immediately binding upon the Guarantor for the benefit of the Security Trustee and the liability hereunder is not subject to any conditions as to additional security being received by the Security Trustee or otherwise.

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

8. REPRESENTATIONS AND WARRANTIES

8.1. The Guarantor represents and warrants:-

- (i) that it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business;
- (ii) that it has power to grant this Guarantee and that this Guarantee is duly authorised and all corporate action has been taken by the Guarantor in accordance with its deeds of constitution and the laws of its incorporation and regulation;
- (iii) that this Guarantee constitutes and contains valid and legally binding obligations of the Guarantor enforceable in accordance with its terms;
- (iv) that this Guarantee does not and will not constitute default with respect to or run counter to any law, by-law, articles of incorporation, statute, rule, regulation, judgment, decree or permit to which the Guarantor is or may be subject; or any agreement or other instrument to which the Guarantor is a party or is subject or by which it or any of its property is bound;
- (v) that this Guarantee shall not result in or cause the creation or imposition of or oblige the Guarantor to create any encumbrance on any of that Guarantor's undertakings, assets, rights or revenues;
- (vi) that it is in no way engaged in any litigation, arbitration or administrative proceeding of a material nature and nor is

- it threatened with any such procedures;
- (vii) that the obligations binding it under this Guarantee rank at least pari passu with all other present and future unsecured indebtedness of the Guarantor with the exception of any obligations which are mandatorily preferred by law;
 - (viii) that it is not in breach of or in default under any agreement relating to indebtedness to which it is a party or by which it may be bound nor has any default occurred in its regard;
 - (ix) that all the information, verbal or otherwise tendered in connection with the negotiation and preparation of this Guarantee is accurate and true and there has been no omission of any material facts;
 - (x) that the granting of this Guarantee is in the commercial interest of the Guarantor and that the Guarantor acknowledges that it is deriving commercial benefit therefrom.

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

DEMANDS AND PAYMENTS

9.1. All the Indebtedness shall be due by the Guarantor under this Guarantee as a debt, certain, liquidated and due on the seventh day following the Security Trustee's first written demand to the Guarantor to pay. All demands shall be sent to the address or facsimile or other numbers as are stated below in Article 10 as the same may be changed by notice in writing by one party to the other.

The demand shall be accompanied by a statement by the Security Trustee confirming that to the best of its knowledge there exist, at the time of the demand, circumstances which constitute an Event of Default or such that may render the underlying obligations of the Issuer to the Security Trustee or any security document invalid and unenforceable for any reason whatsoever.

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

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

9.3. All payments shall be made to the Security Trustee without any withholding for taxes (and in so far as this obligation exists under any law the payment shall be grossed up by the amount of withholding) and without set-off for any amounts which may be then owing to the Guarantor by the Issuer or the Security Trustee. The Guarantor authorises the Security Trustee to apply any credit balance the Guarantor may have with the Security Trustee towards the satisfaction of the Indebtedness. The Security Trustee shall notify the Guarantor forthwith of the exercise of this right giving full details relating thereto.

10. NOTICES

Any notice required to be given by any party hereto to the other party shall be deemed to have been validly served if delivered by hand or sent by pre-paid registered letter through the post or by electronic mail to such other party at his address given herein or such other address as may from time to time be notified to the other party for this purpose and any notice so served shall be deemed to have been served, if delivered by hand, at the time of delivery, or if by post, seven days after posting and if by electronic mail, at the time of transmission of the electronic mail.

For the purposes of this Guarantee, the proper addresses and email addresses of the Parties are:

Middletown Investments Limited

Address: Il-Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta

Tel. No.: +356 2134 0401

Email: jean.farrugia@dfadvocates.com

Contact Person: Dr Jean C. Farrugia

Horizon Finance plc

Address: Il Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, Malta

Horizon Finance plc – Company Admission Document

Tel. No.: +356 2134 0401
Email: info@horizonfinanceplc.com
Contact Person: Mr Benjamin Muscat

Provided that each party may at any time change such address or email address by giving seven days' prior written notice to the other party. Every notice, request, demand, letter or other communication hereunder shall be in writing and shall be delivered by hand or by post or through any other communication methods including telex, electronic mail or otherwise and shall be deemed to be received in case of post within seven days of dispatch or in case of other methods immediately upon confirmed transmission.

11. APPLICABLE LAW AND JURISDICTION

This Guarantee shall be governed by and construed in accordance with Maltese law. The Courts of Malta shall have exclusive jurisdiction to settle any disputes.

Dr Jean C. Farrugia
For and on behalf of Middletown Investments Limited

Mr Benjamin Muscat
For and on behalf of Horizon Finance plc

29 ANNEX E- CURRENT AND PAST DIRECTORSHIPS OF THE DIRECTORS OF THE ISSUER

Mr Benjamin Muscat

Company Name	Company Number	Company Name	Company Number
Current Directorships			
ABBOTT RAPID DIAGNOSTICS INTERNATIONAL HOLDCO UNLIMITED CO	643943	PHOENICIA FINANCE PLC	C88958
ABBOTT RAPID DIAGNOSTICS INTERNATIONAL SUB UNLIMITED CO	643942	RAYTHEON CCS LTD	OC1085
ANCESTRY GLOBAL HOLDINGS LTD	C88354	ROYAL FUND SICAV PLC	SV 346
ANVILIRE LTD (EIRE) ANCESTRY	521068	RBC SERVICES LTD	C6040
BARIFLOW LTD	OC1194	S3 GLOBAL MULTI-STRATEGY FUND (MALTA) SICAV PLC	SV 86
BROWN'S PHARMA LTD	C22952	S3 GLOBAL MULTI-STRATEGY FUND (VALLETTA) SICAV PLC	SV192
CONCHA INVESTMENTS LTD	C74684	SCHEMBRI FINANCE PLC	C64755
C.T. LTD	C71626	SEACULTURE LTD	C76053
DODDER FINANCE LTD	52962	SHORELINE CONTRACTING LTD	C83994
EQUIOM (MALTA) LTD	C57173	SHORELINE HOLDINGS LTD	C86187
ETSF FUND SICAV PLC	SV 410	SHORELINE MALL LTD	C84005
HH FINANCE PLC	C84461	SHORELINE RESIDENCE LTD	C77212
IMMERSION TECHNOLOGY INTERNATIONAL LTD	OC 988	SMARKETS HOLDINGS (MALTA) LTD	C72638
MARTELLO FINANCE COMPANY LTD	OC820	SMARKETS (MALTA) LTD	C44795
MARTELLO FINANCING LTD	C80444	STELLEWAGEN GROUP LTD	C78497
MERISTERO LTD	OC767	STELLEWAGEN MALTA LTD	C87795
NORTHAM EUROPEAN ASSET MANAGEMENT LTD	C57824	TEMPLAR EIS LTD	C70357
NOVUM BANK LTD	C46997	THE CONVENIENCE SHOP (HOLDING) PLC	C87554
PEFACO INTERNATIONAL PLC	C65715	WIGAM HOLDINGS LTD	OC612
Past Directorships in last five Years			
ABALONE LTD	C74560	REAL HOLDINGS LTD	C62267
ABS ENTERTAINMENT LTD	569282	REMEDIA INTERNATIONAL LTD	C41801
AIS CAPITAL MANAGEMENT INVESTMENT FUND SICAV P.L.C	SV 290	SCHEMBRI ASPHALT LTD	C58219
DASE HOLDINGS LTD	C68601	SYSTEMS RESEARCH LTD	C70822
EQUIOM SERVICES (MALTA) LTD: IN LIQUIDATION	C62051	TENDALL CAPITAL MARKETS LTD	C70955
FLEETMATICS DEVELOPMENT LTD	392887	VASALA LTD	C28672
MOLDEN ENTERPRISES LIMITED	C59862	WINDEL INVESTMENTS LTD	C70382
ONEKA ASSET MANAGEMENT LTD	C78655	WINDMILL LTD	C54277

Dr Jean-Carl Farrugia

Current Directorships					
Company Name	Company Number	Company Name	Company Number		
CHESTER HOLDINGS LIMITED	C74645	FOKUS INTERNATIONAL LTD	C48995		
CLERKENWELL SICAV PLC	SV 238	GAIA INVESTMENTS LIMITED	C86458		
CORNHILL CAPITAL LIMITED	C73338	PRUDENTIA INVESTMENTS LIMITED	C73344		
C.T. LIMITED	C71626	ZIRCON CAPITAL LIMITED	C73339		
DF BUSINESS ADVISORY LIMITED	C58722	MIDDLETOWN INVESTMENTS LIMITED	C75568		
DF CONSULTANCY SERVICES LIMITED	C54692	MANAGING PARTNERS MALTA LIMITED	C52629		
DF MARINE CONSULTANCY LIMITED	C39801				
DF SPORTS MANAGEMENT LIMITED	C49181	PHOENIX CAPITAL LIMITED	C77880		
FABAR WEALTH MANAGEMENT LIMITED	C77007	SHORELINE CONTRACTING LTD	C83994		
FAIR-FINANCE ASSET MANAGEMENT LIMITED	C82093	SHORELINE HOLDINGS LIMITED	C86187		
SHORELINE RESIDENCE LIMITED	C77212	SHORELINE MALL LTD	C84005		
Past Directorships in the last five years					
LL CAPITAL & PARTNERS LIMITED	C46015	NORDHEDGE ASSET MANAGEMENT LIMITED	C75532		
LL GLOBAL FUND SERIES SICAV PLC	SV 154				

Dr Kevin Deguara

Current Directorships					
Company Name	Company Number	Company Name	Company Number		
C.T. LIMITED	C71626	IMI MALTA LIMITED	C90744		
CHESTER HOLDINGS LIMITED	C74645	MIDDLETOWN INVESTMENTS LIMITED	C75568		
CORNHILL CAPITAL LIMITED	C73338	PHOENIX CAPITAL LIMITED	C77880		
CORON HOLDINGS LIMITED	C90462	PRUDENTIA INVESTMENTS LIMITED	C73344		
DF BUSINESS ADVISORY LIMITED	C58722	SHORELINE CONTRACTING LTD	C83994		
DF CONSULTANCY SERVICES LIMITED	C54692	SHORELINE HOLDINGS LIMITED	C86187		
DF MARINE CONSULTANCY LIMITED	C39801	SHORELINE MALL LTD	C84005		
DF SPORTS MANAGEMENT LIMITED	C49181	SHORELINE RESIDENCE LIMITED	C77212		
FOKUS INTERNATIONAL LTD	C48995	THE CONVENIENCE SHOP (HOLDING) LIMITED	C87554		
GAIA INVESTMENTS LIMITED	C86458	THE CONVENIENCE SHOP (MANAGEMENT) LIMITED	C87711		
GBAKE MANUFACTURING LIMITED	C60422	THE CONVENIENCE SHOP FOR PUTTINU CARES LTD	C90748		
GBAKE RETAIL LIMITED	C60421	THE CONVENIENCE SHOP LIMITED	C87556		
		ZIRCON CAPITAL LIMITED	C73339		
Past Directorships in the last five years					
ARISTAEUS LIMITED	C71245	ULFUR LIMITED	C65417		
FOKUS INTERNATIONAL LTD	C48995	DF CORPORATE SERVICES LIMITED	C44948		

Mr Robert Ancilleri

Company Name	Company Number
VAULT FOUNDATION	LPF95

Mr Ancilleri had no other Directorships in the past five years.

Mr Kenneth Deguara

Company Name	Company Number
PRUDENTIA INVESTMENTS LIMITED	C73344
DF MARINE CONSULTANCY LIMITED	C39801
GAIA INVESTMENTS LIMITED	C86458
CHESTER HOLDINGS LIMITED	C74645
CORNHILL CAPITAL LIMITED	C73338
ZIRCON CAPITAL LIMITED	C73339

Mr Deguara had no other Directorships in the past five years.



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VAT Reg No: MT2013 6212
Exemption number: EXO2156

The Directors
CalamattaCuschieri Investment Services Limited
Ewropa Business Center
Triq Dun Karm
B'kara, BKR9034

28 February 2019

Dear Sirs,

Independent Accountant's Report on the compilation of forecast financial information for Horizon Finance plc

We report on the forecast statement of financial position, forecast income statement and forecast cash flow statement ("the Forecast Financial Information") of Horizon Finance plc (the "Issuer" and/or "HF plc") for the two months ending 31 December 2018 (YTG-18) and for the three financial years ending 31 December 2019, 2020 and 2021 (FY19, FY20, FY21). The Forecast Financial Information, the basis of preparation and the material assumptions upon which the forecasts are based, are set out in the "Summary of significant assumptions and accounting policies" section of [ANNEX H] of HF plc's Company Admission Document dated 1 March 2019.

This report is required in terms of Appendix 4.7 (4) in the Prospects MTF Rules issued by the Malta Stock Exchange dated January 2019 and is given for the purpose of complying with that regulation and for no other purpose.

Directors' responsibilities for the forecast financial information

It is the responsibility of the Directors of the Issuer ("the Directors") to prepare the Forecast Financial Information and the assumptions upon which it is based, as set out in the "Summary of significant assumptions and accounting policies" section of [Annex A] of the Company Admission Document, in accordance with the requirements of the Prospects MTF Rules issued by the Malta Stock Exchange ("the applicable criteria").

Accountant's responsibility

It is our responsibility to form an opinion as required by Appendix 4.7 (4) in the Prospects MTF Rules as issued by the Malta Stock Exchange as to the proper compilation of the Forecast Financial Information, in so far as the application of the underlying assumptions and accounting policies and accuracy of calculations are concerned, and to report that opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in connection with our statement, required by and given solely for the purposes of complying with the Prospects MTF Rules.

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Cassar Torregiani & Associates is a firm of advocates warranted to practise law in Malta and is exclusively authorised to provide legal services, in Malta, under the Deloitte brand.

Basis of Opinion

We have examined the basis of compilation and material assumptions of the accompanying Forecast Financial Information of the Issuer for the period ending 31 December 2018 and the years ending 31 December 2019, 2020 and 2021 in accordance with ISAE 3000 "Assurance Engagements Other than Audits and Reviews of Historical Financial Information". Our work included evaluating the basis on which the financial information included in the forecast has been prepared and considering whether the Forecast Financial Information has been accurately computed based upon the disclosed assumptions and the accounting policies of the Issuer.

The assumptions upon which the Forecast Financial Information is based are solely the responsibility of the Directors of HF plc and accordingly we express no opinion on the validity of the assumptions. However, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the Directors, which, in our opinion, are necessary for a proper understanding of the Forecast Financial Information, have not been disclosed and whether any material assumption made by the Directors appears to us to be unrealistic.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Forecast Financial Information has been properly compiled on the basis stated, in so far as the application of the underlying accounting policies and accuracy of calculations are concerned.

The Forecast Financial Information is not intended to, and does not provide all the information and disclosures necessary to give a true and fair view of the results of the operations and the financial position of the Issuer in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs).

Since the Forecast Financial Information and the stated assumptions relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the Forecast Financial Information and differences may be material.

Opinion

In our opinion, the forecast financial information has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies to be adopted by the Issuer.

Yours faithfully,
Deloitte Services Limited



Raphael Aloisio

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VAT Reg No: MT2013 6212
Exemption number: EXO2156

The Directors
CalamattaCuschieri Investment Services Limited
Ewropa Business Center
Triq Dun Karm
B'kara, BKR9034

28 February 2019

Dear Sirs,

Independent Accountant's Report on the compilation of forecast financial information for Middletown Investments Limited

We report on the forecast statement of financial position, forecast income statement and forecast cash flow statement ("the Forecast Financial Information") of Middletown Investments Limited (the "Guarantor" and/or "MTI") for the two months ending 31 December 2018 (YTG-18) and for the three financial years ending 31 December 2019, 2020 and 2021 (FY19, FY20, FY21). The Forecast Financial Information, the basis of preparation and the material assumptions upon which the forecasts are based, are set out in the "Summary of significant assumptions and accounting policies" section of [Annex I] of Horizon Finance plc's (the "Issuer") Company Admission Document dated 1 March 2019.

This report is required in terms of Appendix 4.7 (4) in the Prospects MTF Rules issued by the Malta Stock Exchange dated January 2019 and is given for the purpose of complying with that regulation and for no other purpose.

Directors' responsibilities for the forecast financial information

It is the responsibility of the Directors of the Guarantor ("the Directors") to prepare the Forecast Financial Information and the assumptions upon which it is based, as set out in the "Summary of significant assumptions and accounting policies" section of [Annex A] of the Company Admission Document, in accordance with the requirements of the Prospects MTF Rules issued by the Malta Stock Exchange ("the applicable criteria").

Accountant's responsibility

It is our responsibility to form an opinion as required by Appendix 4.7 (4) in the Prospects MTF Rules as issued by the Malta Stock Exchange as to the proper compilation of the Forecast Financial Information, in so far as the application of the underlying assumptions and accounting policies and accuracy of calculations are concerned, and to report that opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in connection with our statement, required by and given solely for the purposes of complying with the Prospects MTF Rules.

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Basis of Opinion

We have examined the basis of compilation and material assumptions of the accompanying Forecast Financial Information of the Guarantor for the period ending 31 December 2018 and the years ending 31 December 2019, 2020 and 2021 in accordance with ISAE 3000 "Assurance Engagements Other than Audits and Reviews of Historical Financial Information". Our work included evaluating the basis on which the financial information included in the forecast has been prepared and considering whether the Forecast Financial Information has been accurately computed based upon the disclosed assumptions and the accounting policies of the Guarantor.

The assumptions upon which the Forecast Financial Information is based are solely the responsibility of the Directors of MTI, and accordingly we express no opinion on the validity of the assumptions. However, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the Directors, which, in our opinion, are necessary for a proper understanding of the Forecast Financial Information, have not been disclosed and whether any material assumption made by the Directors appears to us to be unrealistic.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Forecast Financial Information has been properly compiled on the basis stated, in so far as the application of the underlying accounting policies and accuracy of calculations are concerned.

The Forecast Financial Information is not intended to, and does not provide all the information and disclosures necessary to give a true and fair view of the results of the operations and the financial position of the Guarantor in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs).

Since the Forecast Financial Information and the stated assumptions relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the Forecast Financial Information and differences may be material.

Opinion

In our opinion, the forecast financial information has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies to be adopted by the Guarantor.

Yours faithfully,
Deloitte Services Limited



Raphael Aloisio

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/mt/about for a more detailed description of DTTL and its member firms.

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32 ANNEX H - SUMMARY OF SIGNIFICANT ASSUMPTIONS AND ACCOUNTING POLICIES (ISSUER)

Introduction

The forecast statement of financial position, the forecast income statement, and the forecast statement of cash flows (“the Forecasts”) of Horizon Finance plc (“the Issuer” or “HF plc”) for the period ending 31 December 2018 and the three years ending 31 December 2021 have been prepared to provide financial information for the purposes of inclusion in the Issuer’s Company Admission Document dated 1st March 2019. The Forecasts as presented in Annex J of the Company Admission Document, together with the assumptions set out below, are the sole responsibility of the Directors of the Issuer.

The Forecasts are intended to show a possible outcome based on assumptions relating to anticipated future events which the Directors expect to take place, and on actions which the Directors expect to take. Events and circumstances frequently do not occur as expected, and therefore, actual results may differ materially from those included in the forecast and projected financial information. We draw your attention in particular, to the risk factors set out in the Admission Document, which describe the primary risks associated with the business to which the Forecast Financial Information relates.

The Forecasts are not intended to and do not provide all the information and disclosures necessary to give a true and fair view of the financial results, financial position, and cash flows of the Group, in accordance with International Financial Reporting Standards as adopted by the EU, however the Directors have exercised due care and diligence in adopting the assumptions set out below.

The Forecasts were formally approved on 12th November 2018 by the Directors, and the stated assumptions reflect the judgements made by the Directors at that date. The assumptions that the Directors believe are significant to the prospective financial information are described in Section C below.

B. Significant accounting policies

The Forecast Financial Information shows the projected financial performance and position of Horizon Finance plc in accordance with International Financial Reporting Standards as adopted by the European Union (“EU-IFRS”) except that, due to the nature of Forecast Financial Information:

- The Forecast Financial Information does not include all the disclosure requirements under EU-IFRS and other laws or securities regulations, including but not limited to the Maltese Companies Act (Cap. 386);
- Do not necessarily present line items (including totals and sub-totals) and the classification thereof in the forecast financial performance and financial position in accordance with EU-IFRS;
- Do not consider certain recognition or measurement criteria; and
- Do not show comparative amounts.

C. Basis of preparation and significant assumptions

The principal assumptions relating to the environment in which the Issuer operates, and the factors which are exclusively outside the influence of the Directors and which underlie the forecast financial statements, are the following:

- The Issuer and its subsidiaries will continue to enjoy the confidence of their customers and bankers throughout the period under consideration;

- There will be no material adverse movements originating from market and economic conditions affecting the groceries and real estate market in Malta, consumer spending levels, employment and job growth, amongst others;
- The rate of inflation will be in line with historic trends; and
- The basis and rates of taxation, direct and indirect, will not change materially throughout the period covered by the Forecast Financial Information.

Other principal assumptions relating to the environment in which the Company operates, factors which the Directors can influence and which underlie the forecast financial information, are the following:

1. **Overhead costs** of €22k p.a. to cover the issuer's administration costs are projected to increase at an inflationary rate of 2% p.a.
2. **Interest income** is projected at 8% on the loan principal amount advanced to Chester Holdings Limited and Gaia Investments Limited, each of which amounted to €849k.
3. **Bond issue costs** are projected at €60k and are amortised over the term of the bond.
4. **Bond interest** is projected at 5% p.a. based on a nominal value of €2m.
5. **Corporate taxation** is projected at 35% on taxable profits after tax differences and capital allowances.
6. **Amount due from MTI** is projected to remain stable over the projection period.
7. **Bond** issue of €2m is presented net of bond issue costs.
8. **Share capital** is projected to increase by €35k during the period ending 31 December 2018.

D. Conclusion

The Directors believe that the assumptions on which the Forecast Financial Information is based are reasonable. The Directors further believe that, in the absence of unforeseen circumstances outside their control, the working capital available to the Company will be sufficient for the carrying on of its business.

Approved by the Board of Directors on 12th November 2018 and signed on its behalf by:



Benjamin Muscat



Kevin Deguara

33 ANNEX I - SUMMARY OF SIGNIFICANT ASSUMPTIONS AND ACCOUNTING POLICIES (GUARANTOR)

Summary of significant assumptions and accounting policies

A. Introduction

The forecast statement of financial position, the forecast income statement, and the forecast statement of cash flows (“the Forecasts”) of Middletown Investments Limited (the “Guarantor” or “MTI”) for the period ending 31 December 2018 and the three years ending 31 December 2021 have been prepared to provide financial information for the purposes of inclusion in the Company Admission Document of Horizon Finance plc (the “Issuer”) dated 1st March 2019. The Forecasts as presented in Annex J of the Company Admission Document, together with the assumptions set out below, are the sole responsibility of the Directors of the Guarantor.

The Forecasts are intended to show a possible outcome based on assumptions relating to anticipated future events which the Directors expect to take place, and on actions which the Directors expect to take. Events and circumstances frequently do not occur as expected, and therefore, actual results may differ materially from those included in the forecast and projected financial information. We draw your attention in particular, to the risk factors set out in the Admission Document, which describe the primary risks associated with the business to which the Forecast Financial Information relates.

The Forecasts are not intended to and do not provide all the information and disclosures necessary to give a true and fair view of the financial results, financial position, and cash flows of the Group, in accordance with International Financial Reporting Standards as adopted by the EU, however the Directors have exercised due care and diligence in adopting the assumptions set out below.

The Forecasts were formally approved on 12th November 2018 by the Directors, and the stated assumptions reflect the judgements made by the Directors at that date. The assumptions that the Directors believe are significant to the prospective financial information are described in Section C below.

B. Significant accounting policies

The Forecast Financial Information shows the projected financial performance and position of Middletown Investments Limited in accordance with International Financial Reporting Standards as adopted by the European Union (“EU-IFRS”) except that, due to the nature of Forecast Financial Information:

- The Forecast Financial Information does not include all the disclosure requirements under EU-IFRS and other laws or securities regulations, including but not limited to the Maltese Companies Act (Cap. 386);
- Do not necessarily present line items (including totals and sub-totals) and the classification thereof in the forecast financial performance and financial position in accordance with EU-IFRS;
- Do not consider certain recognition or measurement criteria; and
- Do not show comparative amounts.

C. Basis of preparation and significant assumptions

The Forecasts have been prepared on the following bases:

- The financial projections of Horizon Finance plc are consolidated in the consolidated projections of MTI.
- Gaia Investments Limited (“Gaia”), Phoenix Capital Limited (“PCL”) and Shoreline Holdings Limited (“SHL”) are accounted for in the consolidated projections of MTI using the equity method.
- Gaia’s investment in The Convenience Shop (Holding) Limited (“TCSHL”) and Jin Limited (“Jin”) is accounted for using the equity method based on the projections prepared by the management of TCSHL and Jin.
- The net asset value of PCL is based on projections provided by the management of PCL.

- The net asset value of SHL is projected to increase by €0.5m in 2019 to reflect an additional; investment by MTI in SHL. The net asset value of SHL is assumed to remain constant over the projection period which the management of MTI believe is a conservative scenario.
- MTI's shareholding in CT Limited ("CT") has been included at cost.

The principal assumptions relating to the environment in which the Guarantor operates, and the factors which are exclusively outside the influence of the Directors and which underlie the forecast financial statements, are the following:

- The Guarantor and its subsidiaries will continue to enjoy the confidence of their customers and bankers throughout the period under consideration;
- There will be no material adverse movements originating from market and economic conditions affecting the groceries and real estate market in Malta, consumer spending levels, employment and job growth, amongst others;
- The rate of inflation will be in line with historic trends; and
- The basis and rates of taxation, direct and indirect, will not change materially throughout the period covered by the Forecast Financial Information.

Other principal assumptions relating to the environment in which the Guarantor operates, factors which the Directors can influence and which underlie the forecast financial information, are the following:

1. **Overhead costs** of €24k p.a. to cover MTI's administration costs are projected to increase at an inflationary rate of 2% p.a.
2. **Share of profits from associates** is based on the projected net income of Gaia and PCL adjusted for the respective shareholding held by MTI.
3. **Interest income** is projected at 8% on the loan principal amount advanced to Chester Holdings Limited and Gaia Investments Limited, each of which amounted to €849k.
4. **Bond issue costs** are projected at €60k and are amortised over the term of the bond.
5. **Bond interest** is projected at 5% p.a. based on a nominal value of €2m.
6. **Corporate taxation** is projected at 35% on taxable profits after tax differences and capital allowances.
7. **Investments** in Gaia, PCL, SHL and CT are projected using the bases explained earlier in this section.
8. **Amount due from Gaia** (related party balance excluding loan) is projected to be repaid through the cash flows of Gaia over the 3 years ending Dec 2020.
9. **Net working capital** – trade and other creditors and trade and other receivables are projected to remain stable over the projection period.
10. **Bond** issue of €2m is presented net of bond issue costs.
11. **Amounts due to CT and shareholders** are projected to remain stable over the projection period.
12. **Amount due to PCL** is projected to increase by an additional €725k in FY19 as PCL advances excess cash to shareholders, and is projected to remain stable over the remainder of the projection period.
13. **Investments in associates / subsidiaries** include (i) the acquisition of PCL from Zircon Capital Limited and Cornhill Capital Limited through an exchange of shares and (ii) a projected subscription of new shares in SHL amounting to €0.5m.

D. Conclusion

The Directors believe that the assumptions on which the Forecast Financial Information is based are reasonable. The Directors further believe that, in the absence of unforeseen circumstances outside their control, the working capital available to the Guarantor will be sufficient for the carrying on of its business.

Approved by the Board of Directors on 12th November 2018 and signed on its behalf by:



Benjamin Muscat



Kevin Deguara

34 ANNEX J - FORECAST INFORMATION OF THE ISSUER& GUARANTOR

Income statement - Horizon Finance plc

€000	YTG18	FY19P	FY20P	FY21P
Director fees	-	(12)	(12)	(12)
Legal fees	-	(3)	(3)	(3)
Audit fees	(1)	(5)	(5)	(5)
Other administration fees	(1)	(2)	(2)	(2)
Total Operating Expenses	(2)	(22)	(22)	(22)
EBITDA	(2)	(22)	(22)	(22)
Interest on Loan - Middletown	-	68	68	68
Interest on Loan - Chester	-	68	68	68
Amortisation of bond issue expenses	-	(6)	(6)	(6)
Bond interest	-	(100)	(100)	(100)
PBT	(2)	8	8	8
Tax	-	(3)	(3)	(3)
PAT	(2)	5	5	5

Source: Management information

Note: Subtotals may not tally due to rounding.

Balance sheet - Horizon Finance plc

€000	Dec-18	Dec-19	Dec-20	Dec-21
Loan Receivable: Middletown	-	849	849	849
Loan Receivable: Chester	-	849	849	849
Amount due from MTI	40	40	40	40
Cash & Cash Equivalents	5	257	269	279
Total assets	45	1,996	2,007	2,018
Share Capital	47	47	47	47
Retained earnings	(2)	3	9	14
Total equity	45	50	55	60
Bond - Net of Issue Costs	-	1,946	1,952	1,958
Total equity and liabilities	45	1,996	2,007	2,018

Source: Management information

Note: Subtotals may not tally due to rounding.

Cash flow statement - Horizon Finance plc

€000	YTG18	FY19P	FY20P	FY21P
EBITDA	(2)	(22)	(22)	(22)
Interest Paid to Bondholders	-	(100)	(100)	(100)
Tax paid	-	(3)	(3)	(3)
Operating cash flow	(2)	(125)	(125)	(125)
Loan advanced to Middletown	-	(849)	-	-
Interest income - Middletown	-	68	68	68
Loan advanced to Chester	-	(849)	-	-
Interest income - Chester	-	68	68	68
Cash flow from investment activity	-	(1,563)	136	136
Net bond proceeds	-	1,940	-	-
Bond repayment	-	-	-	-
Amounts due from MTI	(40)	-	-	-
Share capital movement	35	-	-	-
Dividends	-	-	-	-
Cash flow from financing activity	(5)	1,940	-	-
Surplus / (Deficit) for the period	(7)	253	11	11
Cash b/f	12	5	257	269

Cash c/f**5****257****269****279**

Source: Management information

Note: Subtotals may not tally due to rounding.

Income statement – Middletown Investments Ltd. (Consolidated)

€000	FY18P	FY19P	FY20P	FY21P
Dividend income	-	-	-	-
Overhead Costs	(4)	(24)	(24)	(24)
EBIDTA	(4)	(24)	(24)	(24)
Share of profits from associates (net of dividends)	57	369	155	197
Interest income on Loan advanced to Chester	-	68	68	68
Interest income on Loan advanced to Gaia	-	68	68	68
Amortisation of bond issue expenses	-	(6)	(6)	(6)
Bond interest	-	(100)	(100)	(100)
PBT	53	375	161	202
Corporate Taxation	-	(3)	(3)	(3)
PAT	53	373	158	199

Source: Management information

Note: Subtotals may not tally due to rounding.

Balance sheet - Middletown Investments Ltd. (Consolidated)

€000	Dec-18	Dec-19	Dec-20	Dec-21
Investment in Gaia (Associate)	59	197	353	550
Investment in Phoenix (Associate)	1,306	1,537	1,537	1,536
Shoreline Holdings Ltd	1,570	2,070	2,070	2,070
CT Limited	271	271	271	271
Loan Receivable: Gaia investments	-	849	849	849
Loan Receivable: Chester	-	849	849	849
Amount due from Gaia	325	245	117	-
Trade and other receivables	0	0	0	0
Cash & Cash Equivalents	8	564	701	827
Total Assets	3,539	6,583	6,747	6,953
Share Capital	51	51	51	51
Share premium	1,257	1,257	1,257	1,257
Retained earnings	323	696	854	1,053
Total Equity	1,632	2,004	2,162	2,362
Bond - Net of Issue Costs	-	1,946	1,952	1,958
Amount due to C.T. Limited	320	320	320	320
Amount due to Phoenix	1,000	1,725	1,725	1,725
Shareholder' loan	588	588	588	588
Trade and other payables	0	0	0	0
Total Liabilities	1,908	4,579	4,585	4,591
Net Assets	3,539	6,583	6,747	6,953
Third party debt (Bond) / Total assets	-	29.6%	28.9%	28.2%
Total Liabilities / Total assets	53.9%	69.6%	68.0%	66.0%

Source: Management information

Note: Subtotals may not tally due to rounding.

Cash flow statement - Middletown Investments Ltd. (Consolidated)

€000	FY18P	FY19P	FY20P	FY21P
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EBITDA

Less: Gross dividend income

Interest income on loan - Gaia
Interest income on loan - Chester
Interest repayment
Tax paid

Operating cash flow

Loan advanced to Gaia
Loan advanced to Chester
Loan advanced from Phoenix
Amount due from Gaia
Investment in associates / subsidiaries

Net cash flow from investing activity

Bond issue
Share capital movement
Dividends

Net cash flow from financing activities

Movement in cash and cash equivalents
Opening Cash Balance

Closing Cash Balance

Source: Management information

Note: Subtotals may not tally due to rounding.

	(4)	(24)	(24)	(24)
	-	-	-	-
	(4)	(24)	(24)	(24)
	-	68	68	68
	-	68	68	68
	-	(100)	(100)	(100)
	-	(3)	(3)	(3)
	(4)	9	9	9
	-	(849)	-	-
	-	(849)	-	-
	-	725	-	-
	-	80	128	117
	(1,307)	(500)	-	-
	(1,307)	(1,394)	128	117
	-	1,940	-	-
	1,307	-	-	-
	-	-	-	-
	1,307	1,940	-	-
	(4)	556	137	126
	12	8	564	701
	8	564	701	827

Issuer

Horizon Finance plc

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