

This document, which comprises an admission document, required by the rules of Prospects, a market operated by the Malta Stock Exchange (the "Exchange"), has been drawn up in compliance with the Prospects Rules issued by the Exchange. This document does not comprise a document drawn up in terms of the EU Prospectus Directive (2013/71/EC) or for the purposes of the Listing Rules of the Listing Authority.

Company Admission Document

Dated 7th April 2017

In respect of an issue of €3,700,000 5.5% Unsecured Bonds 2024-2027 of a nominal value of €1000 per Bond issued at par by



IG Finance plc - A public limited liability company registered in Malta
with company registration number C 78720

Guaranteed by, Impresa Limited - A private limited liability company registered in Malta
with company registration number C58665

ISIN: MT0001441204

Prospective investors are to refer to the guarantee contained in Annex A 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 Impresa 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 AND GUARANTOR", 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 (EXCHANGE) HAS AUTHORISED THE ADMISSION OF THESE SECURITIES ON PROSPECTS, 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 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 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

A handwritten signature in black ink, appearing to be "Charles Borg".

Charles Borg

A handwritten signature in black ink, appearing to be "Charles Borg".

Charles Borg

On behalf of Joseph Borg, Anton Borg, Joseph Restall,
Mark Borg, Julian Borg, Nicholas Borg

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IMPORTANT INFORMATION

THIS DOCUMENT CONTAINS INFORMATION ON IG FINANCE PLC IN ITS CAPACITY AS ISSUER AND IMPRESA LIMITED IN ITS CAPACITY AS GUARANTOR, IN COMPLIANCE WITH THE PROSPECTS RULES ISSUED BY THE MALTA STOCK EXCHANGE.

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

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR OR THEIR RESPECTIVE DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS 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, THE GUARANTOR OR THEIR 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.

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

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT LEGAL ADVISORS, ACCOUNTANTS AND/OR OTHER FINANCIAL ADVISORS AS TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE BONDS AND THE ADMISSION DOCUMENT.

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.

A COPY OF THE ADMISSION DOCUMENT HAS BEEN SUBMITTED TO THE EXCHANGE IN SATISFACTION OF THE PROSPECTS RULES. STATEMENTS MADE IN THIS 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 AND THE GUARANTOR NAMED IN THIS ADMISSION DOCUMENT UNDER THE HEADING "ADVISORS AND STATUTORY AUDITORS" HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTOR IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE ADMISSION DOCUMENT.

UNLESS OTHERWISE STATED, THE CONTENTS OF THE ISSUER'S OR GUARANTOR'S WEBSITES OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S OR GUARANTOR'S WEBSITES 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.

1. DEFINITIONS

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;
Bond(s)	€3,700,000 unsecured bonds due in 2024-2027 of a nominal value of €1000 per bond bearing an interest rate of 5.5% per annum;
Bondholder	a holder of Bonds;
Bond Issue	the issue of the Bonds;
Bond Issue Price	the price of €1,000 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 Psaila, B'Kara, BKR 9034, Malta;
Corporate Advisor	Calamatta Cuschieri Investment Services Limited;
Company or Issuer	IG Finance plc;
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;
Early Redemption Date/s	any date falling between (and including) the 18 th May 2024 and 16 th May 2027, at the sole option of the Issuer, on which the Issuer shall be entitled to repay all or part of the principal amount of the Bonds and all interest accrued up to the date of repayment, by giving thirty (30) days prior written notice of such repayment between the 18 th May 2024 and 16 th May 2027 (both days included), and "Early Redemption" shall be construed accordingly;
Directors or Board of Directors	the Directors of the Issuer as set out in Section 7.1;
Elepac	Elepac Limited, a company registered and existing under the laws of Malta with company registration number C 19801 and having its registered office situated at Factory BLB018, Industrial Estate, Zejtun, ZTN 3000, Malta;
Euro or €	the lawful currency of the Republic of Malta;
Exchange, Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Chapter 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;

Eurosupplies	Eurosupplies Limited, a company registered and existing under the laws of Malta with company registration number C 17473 and having its registered office situated at BLB 018, Bulebel Industrial Estate, Zejtun ZTN 3000, Malta;
Financial Markets Act	the Financial Markets Act, Cap. 345 of the Laws of Malta;
FY	Financial Year;
Guarantor	Impresa Limited, a company registered under the laws of Malta with company registration number C 58665 and having its registered office situated at BLB 018, Bulebel Industrial Estate, Zejtun, ZTN 3000, Malta, in terms of the guarantee contained in Annex A of this Admission Document;
Group or Impresa Group	the Guarantor (parent company) as defined above and the companies in which it has a controlling interest, including the Issuer;
Interest	the Bonds shall bear interest from and including 17 th May 2017 at the rate of five point five per cent (5.5%) per annum payable annually in arrears on the Interest Payment Dates;
Interest Dates	Payment annually, on 17 th May of each year commencing on 17 th May 2018 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;
Impresa	Impresa Limited, a company registered under the laws of Malta with company registration number C 58665 and having its registered office situated at BLB 018, Bulebel Industrial Estate, Zejtun, ZTN 3000, Malta;
Issue Period	the period between 11 th April 2017 and 15 th May 2017 (or such earlier date as may be determined by the Issuer) during which the Bonds are available for subscription;
Issuer	IG Finance plc, a public limited liability company registered and existing under the laws of Malta with company registration number C 78720 and having its registered office at BLB 018, Bulebel Industrial Estate, Zejtun, ZTN3000, Malta;
IPDM	Institute for Professional Development Malta Limited, a company registered and existing under the laws of Malta with company registration number C 48358 and having its registered office situated at New Street in tal-Handaq Road, Tal-Handaq, Qormi QRM4000, Malta;
JAB	JAB Investments Limited, private limited liability company registered and existing under the laws of Malta with company registration number C 16779 and having its registered office situated at BLB018 Industrial Estate, Zejtun, ZTN 3000, 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;
Meritlink	Meritlink Limited, a company registered and existing under the laws of Malta with company registration number C 37239 and having its registered office situated at BLB018, Bulebel Industrial Estates Zejtun, ZTN 3000, Malta;
MFSA	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act, Cap. 330 of the Laws of Malta;
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;
Placement Agent and Manager	Calamatta Cuschieri Investment Services Limited;

Prospects	the market regulated as a Multilateral Trading Facility operated by the MSE providing a venue for start-up and growth small to medium-sized enterprises to float their capital (including equity or debt) on the market;
Prospects 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 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;
Prospects List	the list prepared and published by the Malta Stock Exchange as the list indicating the companies admitted to Prospects in accordance with the Malta Stock Exchange Bye-Laws;
Redemption Date	17 May 2027 or an Early Redemption Date;
Redemption Value	redemption at par;
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: 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);
Sollease	Sollease Limited, a company registered and existing under the laws of Malta with company registration number C 63682 and having its registered office situated at BLB018, Industrial Estate, Zejtun ZTN 3000, Malta;
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";
Terms and Conditions	the terms and conditions of the Bonds contained in this Document under the heading "Terms and Conditions of the Bonds".

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.

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, the Guarantor 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.

Section A – Information regarding the Issuer and Guarantor

A.1 Legal and commercial name of the Issuer and Guarantor - The legal and commercial name of the Issuer is IG Finance plc (registration number C 78720). The legal and commercial name of the Guarantor is Impresa Limited (registration number C 58665).

A.2 Domicile and legal form of the Issuer and Guarantor – The Issuer was registered in Malta on the 19th December 2016, as a public limited liability company. The Issuer is domiciled in Malta. The Guarantor was registered in Malta as a private limited liability company on the 19th December 2012. The Guarantor is domiciled in Malta.

A.3 Nature of the issuer's and guarantor'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 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 bonds falls within the objects of the Issuer.

As regards the Guarantor, its principal object is to act as a holding company and to borrow or raise money in such way as the company may think fit in particular by the issue of preference shares or debentures, and to secure the repayment of any money borrowed or raised by hypothecation, charge or lien upon the whole or part of the company's property or assets, whether present or future including its uncalled capital, and also by a similar hypothecation charge or lien to secure and guarantee a debt, liability or obligation of the company or of any third party.

The Guarantor is the parent company of the Group, the operations of which are mainly concentrated around electronic packaging, injection-moulding subcontracting, electrical fittings and cables. Through the operations of its subsidiary companies, the business of the Group is spread across a number of jurisdictions in the Mediterranean, Asia, the Caribbean and the UK.

A.4 Shareholding structure – The Issuer's current authorised share capital is €50,000 divided into 50,000 ordinary shares of €1 each. The Issuer's issued share capital is €47,000 divided into 47,000 ordinary shares of €1 each. The Guarantor holds 46,998 shares of the Issuer, 1 share is held by Mr Anton Borg and 1 share held by Mr Joseph Borg respectively.

The Guarantor's current authorised and issued share capital is €500,000 divided into 200,000 ordinary shares of €2.5 each, fully paid up. Mr Anton Borg and Mr Joseph Borg hold 100,000 shares each in the Guarantor respectively.

A.5 Significant recent trends -

Trend information of the Issuer: The Company is a fully owned subsidiary of the Guarantor (except for two shares held by Mr Joseph Borg and Mr Anton Borg respectively), and has been set up to act as a financing company. The Guarantor is the parent company of the Group. Accordingly, the Issuer's business is limited to the raising of capital for the financing of projects and the loaning of such funds to

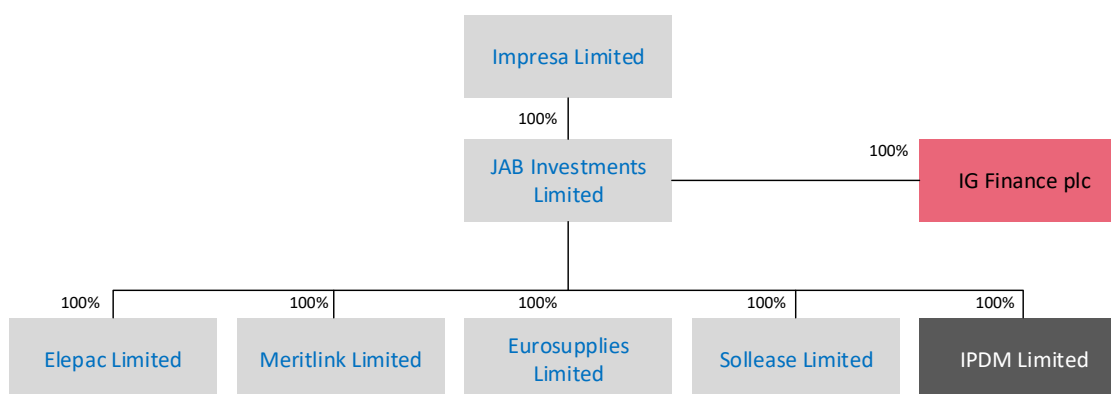
the Guarantor and/or its subsidiary companies. There has been no material adverse change in the prospects of the Issuer since the date of its incorporation.

Trend information of the Guarantor: The manufacture of electronic packaging is undoubtedly a niche sector, with competition predominantly from the Far East and no manufacturing competitors in Europe. Other than the normal risks associated with manufacturing, that is, operating costs increasing at a rate that cannot be reflected in the selling price, the Group acknowledges that its customers operate in a volatile market.

The Group's business of distribution of carton boxes in the Maltese market increased by 30% in 2016 over 2015. Although the level of turnover shown in the forecasts are lower than those set internally by management, the Group feels that the first target should aim at an additional 30% – 40% over 2016 levels. On the basis that overheads are somewhat constant, this line of trading has become very positive to the Group's performance.

Save for the matters disclosed in this Admission Document, there has been no material adverse change in the prospects of the Guarantor since the date of its last published audited consolidated financial statements dated 31 December 2015.

A.6 Organisational Structure - The organisational structure of the Group as at the date of the Admission Document is illustrated in the diagram below:



To note that IPDM is not an operational company of the Group. It was principally set up to provide technical training.

A.7 Summary of Financial Information - The Issuer was set up on the 19th December 2016 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.

The Guarantor's historical financial information for the three financial years ended 31 December 2013, 2014 and 2015, as audited by PwC Malta, is set out in the consolidated financial statements of the Guarantor. The Guarantor's audit reports on the audited consolidated financial statements for the years ended 31 December 2013, 2014 and 2015 do not contain any qualifications. Such audited consolidated financial statements are available at the Guarantor's registered office.

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, 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 €3,700,000 in Bonds having a face value of €1,000 per bond, subject to a minimum subscription of €2,000 in Bonds and in multiples of €1,000 thereafter. The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. On admission to trading on Prospects, the Bonds will have the following ISIN: MT0001441204. The Bonds shall bear interest at the rate of 5.5% per annum. The Bonds shall be repayable in full upon maturity on the 17th May 2027 (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' 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 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 Interest** - The Bonds shall bear interest from and including 17th May 2017 at the rate of 5.5% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date, the first Interest Payment Date being 17th May 2018, 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 point five per cent (5.5%).

Redemption shall take place on the 17th May 2027, 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' notice to Bondholders.

Section C – Risks

- C.1 Essential information on the key risks specific to the Issuer, the Guarantor, the Group and its business**
- i. **Risks relating to the Issuer's reliance on the Group** – the Company was incorporated on the 19th December 2016 and has no trading record of operations. The Issuer itself does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company solely for the needs of the Group, and, as such, its assets are intended to consist primarily of loans issued to Group companies. The Issuer is dependent on the business prospects of the Group and, consequently, the operating results of the Group have a direct effect on the Issuer's financial position. Therefore, the risks intrinsic in the business and operations

of Group companies have a direct effect on the ability of the Issuer and the Guarantor to meet their respective obligations in connection with the payment of interest on the Bonds and repayment of principal when due. Accordingly, the risks of the Issuer are indirectly those of the Group, and, in turn, all risks relating to the Group are the risks relevant to the Guarantor.

- ii. **Risks relating to the Group and its business** - The Group's indebtedness could adversely affect its financial position. As a result of the investments made in furtherance of its growth and developments strategy, the Group has accumulated a material amount of debt. The amount of debt funding of the Group is expected to increase due to its new projects, however the Group's policy is such as to maintain a balanced debt to equity ratio at prudent levels.
- iii. **Risks relating to the Group's negative working capital position** - Prior to FY13, the Group had accumulated a negative working capital position of circa €600,000. The Group's operating cash generation between FY13 and FY15 was mainly invested in new plant and machinery. As at the date of this Document, the working capital position of the group remained negative.
- iv. **Risks relating to currency fluctuations** - The Group'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.
- v. **Exposure to general market conditions** - The health of the market in which the 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.
- vi. **Reliance on key clients** - The Group's business is dependent on a number of key clients. Failure to retain such key clients or failure to renew such relationships could adversely affect the Group's business. The loss of these relationships could adversely impact the Group's revenue and could substantially affect the operations and financial conditions of the Group.
- vii. **Risks relating to loss in the Group's customer base** - The electronic packaging arm of the Group is dependent on key customers. There is no guarantee that the agreements with such customers will be renewed in a timely manner.
- viii. **Risks relating to the Group's dependence on its customers' business performance** - The Group is engaged in providing services to its customers to serve their needs along with their supply chains therefore its business performance will therefore be largely affected by its customers' business performance.
- ix. **Reliance on key senior personnel and management** - The Group's growth since inception is, in part, attributable to the efforts and abilities of key personnel of the Group. If one or more of these individuals were unable or unwilling to continue in their present position, they may not be replaceable within the short term, which could have an adverse effect on the Group's business, financial condition and results of operations.
- x. **Reputational risk** - Reputational risk could materially and adversely affect the 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.
- xi. **Litigation risk** - All industries, including the industry in which the 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.
- xii. **Exposure to economic conditions** - Negative economic factors and trends could have a material impact on the business of the Group generally, and may adversely affect its revenues.

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 will be traded on a multilateral trading facility but will NOT be traded on any regulated market. Hence the market for the Bonds may be less liquid than a regulated market and a bondholder may find it more difficult to identify willing buyers for their Bonds.
- ii. **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.
- iii. **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).
- iv. **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.
- v. **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.
- vi. **Discontinuation of Trading on Prospects** - Even after the Bonds are admitted to trading on Prospects, the Issuer is required to remain in compliance with certain requirements of the Prospects Rules issued by the Exchange as amended from time to time. Moreover, the MSE has the authority to suspend trading of the Bonds if 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. Such trading suspensions could have a material adverse effect on the liquidity and value of the Bonds.
- vii. **Value of the Bonds** - The value of investments can rise or fall, and past performance is not necessarily indicative of future performance.
- viii. **Ranking** - The Bonds, as and when issued, shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt, if any. Furthermore, subject to the negative pledge clause (section 17.4 of this Admissions Document), third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.
- ix. **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 proceeds from the Bond Issue shall be transferred from the Company to JAB Investments Limited and shall be used for the following purposes, in the amounts set out below:

- A. An amount of €3,350,000 shall be advanced, pursuant to a loan agreement, to Elepac Limited in connection with the Group's planned investment described in detail in Section 11.4 of this Document. In turn, these funds will be utilised in Elepac as follows:
- i. €1,200,000 shall be used for investment in new machinery;
 - ii. €1,750,000 shall be used to fund existing and increased working capital and trade finance requirements; and
 - iii. €400,000 to refinance an existing bank loan with Banif Bank;
- B. An amount of €350,000 shall be advanced pursuant to a loan agreement, to Eurosupplies for existing and increased working capital and trade finance requirements.

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 following purposes and in the order of priority set out below:

- i. €1,750,000 shall be advanced by the Issuer to Elepac and will be used to fund existing and increased working capital and trade finance requirements;
- ii. €350,000 shall be advanced by the Issuer to Eurosupplies for existing and increased working capital and trade finance requirements;
- iii. €1,200,000 shall be transferred to Elepac and used for investment in new machinery;
- iv. €400,000 shall be transferred to Elepac to refinance an existing bank loan with Banif Bank;

D.2 Subscription – The Issuer has appointed Calamatta Cuscheri 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.

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 €3,700,000 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 €3,700,000 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 €3,700,000 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.3 Governing Law and Jurisdiction** - The Bonds have been created, and the Bond Issue relating thereto is being made, in terms of the Act. From their inception, the Bonds, and all contractual arrangements arising therefrom, shall be governed by and shall be construed in accordance with Maltese law. Any legal action, suit, action or 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.4 Fees** - Professional fees and costs related to publicity, advertising, printing, fees relating to the admission to trading on Prospects, registration, corporate advisor, management, selling commission and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €50,000 and shall be borne by the Group.
- D.5 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.6 Expected Timetable of Principal Events:

1. Application Forms Available	11 th April 2017
2. Issue Period	11 th April 2017 to the 15 th of May 2017
3. Commencement of interest on Bonds	17 th May 2017
4. Announcement of basis of acceptance	17 th May 2017
5. Issuance of Bonds	19 th May 2017
6. Expected date of Admission of the Bonds to Prospects	24 th May 2017
7. Expected date of commencement of trading in the Bonds	29 th May 2017
8. Expected dispatch of allotment advices and refunds of unallocated monies	19 th May 2017

The Issuer reserves the right to close the offer of the Bonds before the 15th May 2017 at 12:00 CET in the event that the Bonds are fully subscribed prior to the said date and time. In such an eventuality, the events set out in steps four (4) 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 AND/OR GUARANTOR'S FINANCIAL RESULTS AND TRADING PROSPECTS AND THE ABILITY OF THE ISSUER AND/OR GUARANTOR 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 AND GUARANTOR, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER AND GUARANTOR FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S AND/OR GUARANTOR'S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER AND/OR GUARANTOR 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 GUARANTOR, THE SPONSOR, THE PLACEMENT AGENT & 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 and Guarantor's strategies and plans relating to the attainment of their respective objectives, capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts and which may, 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 and Guarantor's control.

Important factors that could cause actual results to differ materially from the expectations of the Issuer's and/or Guarantor'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 and/or Guarantor's financial results, trading prospects and the ability of the Issuer and/or Guarantor 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 and/or Guarantor 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

and/or Guarantor'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 Issuer, Guarantor and their respective directors expressly disclaim any obligations to update or revise any forward-looking statements contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

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

Since the Company was incorporated on 19 December 2016, it has no trading record of operations. Furthermore, the Issuer itself does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company solely for the needs of the Group, and, as such, its assets are intended to consist primarily of loans issued to Group companies.

The Issuer is dependent on the business prospects of the Group and, consequently, the operating results of the Group have a direct effect on the Issuer's financial position. Therefore, the risks intrinsic in the business and operations of Group companies have a direct effect on the ability of the Issuer and the Guarantor to meet their respective obligations in connection with the payment of interest on the Bonds and repayment of principal when due. Accordingly, the risks of the Issuer are indirectly those of the Group, and, in turn, all risks relating to the Group are the risks relevant to the Guarantor.

Specifically, the Issuer is principally dependent, including for the purpose of servicing interest payments on the Bonds and the repayment of the principal amount on Redemption Date, on income derived from dividends receivable from Group companies and the receipt of interest payments and loan repayments from Group companies.

The interest payments and loan repayments to be affected by Group companies are subject to certain risks. More specifically, the ability of Group companies to affect payments to the Issuer will depend on

the cash flows and earnings of such Group companies, which may be restricted: by changes in applicable laws and regulations; by the terms of agreements to which they are or may become party; or by other factors beyond the control of the Issuer and/or Guarantor. The occurrence of any such factor could, in turn, negatively affect the ability of the Issuer and the Guarantor to meet their respective obligations in connection with the payment of interest on the Bonds and repayment of principal when due.

3.4 Risks relating to the Group and its business

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

As a result of the investments made in furtherance of its growth and developments strategy, the Group has accumulated a material amount of debt. Although the amount of debt funding of the Group is expected to increase due to its new projects, the Group's policy is such as to maintain a balanced debt to equity ratio at prudent levels. A number of financial covenants that the Group may contract to, could give rise to a reduction in the amount of cash available for distribution to the Group, which would otherwise be available for funding of the Group's working capital, capital expenditure, development costs and other general corporate costs.

3.4.2 Risks relating to the Group's negative working capital position

Prior to FY13, the Group had accumulated a negative working capital position of circa €600,000. The Group's operating cash generation between FY13 and FY15 was mainly invested in new plant and machinery. As at the date of this Admissions Document, the working capital position of the group remained negative.

3.4.3 Risks relating to currency fluctuations

The Group'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. As a result, exchange gains and losses may arise on the realisation of amounts receivable and the settlement of amounts payable in foreign currencies. The Group can be impacted by transaction risk, being the risk that the currency of the costs and liabilities of Group companies fluctuates in relation to the Euro (being the reporting currency of all Group companies), which fluctuation may adversely affect the Group's operating performance.

3.4.4 Exposure to general market conditions

The health of the market in which the 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.

3.4.5 Reliance on key clients

The Group's business is dependent on a number of key clients. Failure to retain such key clients or failure to renew such relationships could adversely affect the Group's business. The loss of these relationships could adversely impact the Group's revenue and could substantially affect the operations and financial conditions of the Group.

3.4.6 Risks relating to loss in the Group's customer base

The electronic packaging arm of the Group is dependent on key customers. There is no guarantee that the agreements with such customers will be renewed in a timely manner. Additionally, any deterioration in the relationship with these customers or a termination of any of its service contracts in the future might heavily impact the revenue stream of the Group. Securing and developing relationships with other reputable customers would take time and resources including the reallocation of the human

resources and training of staff. Should the Group be unable to secure other trustworthy customers, the business performance and financial results of the Impresa Group will be adversely affected.

3.4.7 Risks relating to the Group's dependence on its customers' business performance

The Group is engaged in providing services to its customers to serve their needs along with their supply chains therefore its business performance will therefore be largely affected by its customers' business performance. Therefore, any adverse developments in the business performance of such customers could materially and adversely affect the occupational and financial condition of the Group's operations.

3.4.8 Reliance on key senior personnel and management

The Group's growth since inception is, in part, attributable to the efforts and abilities of key personnel of the Group. If one or more of these individuals were unable or unwilling to continue in their present position, they may not be replaceable within the short term, which could have an adverse effect on the Group's business, financial condition and results of operations.

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

3.4.9 Reputational risk

Reputational risk is usually associated with conflicts of interest, regulatory compliance, remuneration systems, professional behavior 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 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.

3.4.10 Litigation risk

All industries, including the industry in which the 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 Group's future cash flow, results of operations or financial condition.

3.4.11 Exposure to economic conditions

The Group is susceptible to adverse economic developments and trends both locally and overseas. Negative economic factors and trends could have a material impact on the business of the Group generally, and may adversely affect its revenues. In addition, the Group and the Guarantor may be impacted by increased competition from other similar developments and rising operating costs.

3.5 Risks Relating to the Bonds

3.5.1 No Assurance of Active Secondary Market in the Bonds

Only upon successful admission, the Bonds will be traded on a multilateral trading facility but will NOT be traded on any regulated market. Hence the market for the Bonds may be less liquid than a regulated market and a bondholder may find it more difficult to identify willing buyers for their Bonds. The existence of an orderly and liquid market 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.

3.5.2 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.

3.5.3 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).

3.5.4 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.

3.5.5 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.

3.5.6 Discontinuation of Trading on Prospects

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

3.5.7 Value of the Bonds

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

3.5.8 Ranking

The Bonds, as and when issued, shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt, if any. Furthermore, subject to the negative pledge clause (section 17.4 of this Admissions Document), third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.

3.5.9 Terms and Conditions

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 7.1 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 advisers 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. ADVISERS AND STATUTORY AUDITORS

5.1 Advisors to the Issuer

Corporate Advisor, Placement Agent and Manager



Calamatta Cuschieri Investment Services Ltd.

Europa Business Centre, Triq Dun Karm Psaila, B'Kara, 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 Bypass, Mriehel, Birkirkara, BKR 3000.

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

5.2 Statutory Auditors to the Issuer and the Guarantor

PricewaterhouseCoopers

167, Merchants Street, Valletta, VLT1174.

PricewaterhouseCoopers is a firm of certified public accountants, holding a warrant to practice the profession of accountant 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 AND GUARANTOR

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:

Mr Anton Borg	Executive Director and Co-CEO
Mr Joseph Borg	Executive Director and Co-CEO
Mr Julian Borg	Executive Director
Mr Mark Borg	Executive Director
Mr Nicholas Borg	Non-executive director
Mr Charles Borg	Non-executive independent director
Ing Joseph Restall	Non-executive independent director

Mr Charles Borg and Ing Joseph Restall 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 BLB 018, Bulebel Industrial Estate, Zejtun, ZTN3000, Malta.

The company secretary of the Issuer is Mr Philip Mifsud.

The Issuer's compliance officer in terms of the Rules is Mr Julian Borg.

The following are the respective curriculum vitae of the Directors:

Anton Borg; Executive Director and Co-CEO

Anton Borg is a Certified Public Accountant graduating as a member of the Association of Certified Accountants in the UK in 1983. Becoming a member of the Malta Institute of Accountants in 1985, he sat on Council for fourteen years, serving as President for two years in 1997. No longer practicing the accountancy profession, Anton is Director of all the companies within the Impresa Group, i.e. Impresa, JAB Investments, Elepac, Meritlink and Eurosupplies Limited and also the Issuer. Elected to the Council of the Federation of Industry (FOI) since 1999, Anton has held various posts including that of President from 2003 to 2005. Anton represented the FOI on the Malta Council for Economic and Social Development (MCESD) and was a Trustee of the Malta Business Foundation. He also served on the Board of Directors of Malta Industrial Parks (MIP) and held the post of Deputy Chairman of Malta Enterprise. As President of the Malta Chamber of Commerce, Enterprise and Industry, Anton represents the Chamber on numerous Boards including Malta Council for Economic and Social Development and the Malta Community Chest Fund, amongst others. He also sits on the Board of Malta Enterprise and of Junior Achievement Young Enterprise and is a Governor on the Board of the Malta College of Arts, Science and Technology and a Governor on the Board of Valletta 2018.

Joseph Borg; Executive Director and Co-CEO

After completing studies at the London School of Polymer Technology with a First Class Honours Degree in Polymer Science & Technology, Joseph joined the family business in August 1984 initially as a production manager in JB Plastics. Together with his brother Anton, Joseph formed JAB Investments Group Limited to acquire 100% of JB Plastics in 1994. The Group expanded significantly over the years. With over 30 years' experience in the plastics business, today Joseph is the managing director of Elepac Ltd and Meritlink Ltd; the manufacturing and trading arms of the Plastic business of the Group. He is also Director of Impresa, JAB Investments Eurosupplies and IG Finance plc.

Julian Borg; Executive Director

Following the attainment of his ACCA qualifications, Julian Borg was employed with the Tax and Legal Line of Services of PwC. During his time with the firm he was involved in a number of group restructurings including the valuation of such companies and groups, the transfer of immovable assets and other securities, tax compliance services and due diligence exercises. Julian was also seconded to the assurance line of service twice over his five-year term with PwC, and had the opportunity to work at PwC Rome.

After his five years with PwC, Julian moved on and joined the Group in August 2015. To date, he has headed the administration department and has been entrusted with the oversight of all financial requirements of the group.

Mark Borg; Executive Director

Mark Borg graduated from the University of Malta in 2012 with a Bachelor's degree in Engineering. During his time as a student with the University of Malta, Mark also maintained student apprentices within the Prototype Department and Launch Management Department at Methode Electronics Malta Ltd.

Once he graduated, Mark continued his employment with Methode as a Manufacturing Engineer which involved the design of automated, semi-automated and manual assembly lines, preparation of process layouts and material flowcharts for new assembly lines and the modifications on existing equipment to optimise cycle time and increase reliability.

Mark joined the Company in November 2013 and has been the Operations Manager during his employment. He is also greatly involved in product development, together with the implementation and management of continuous improvement projects related to the core processes of the company.

Nicholas Borg; Non-Executive Director

Nicholas Borg graduated as a Doctor of Medicine and is currently undertaking specialist training in Neurosurgery at the Wessex Neurological Centre, Southampton UK. In line with his full-time NHS commitments he is reading part-time for an LLM in Medical Law.

Charles Borg; Non-executive independent director

Charles Borg, is a fellow of the Chartered Institute of Bankers (UK) and holds a banking degree and a Masters degree in financial legislation from the University of Malta. He retired from Bank of Valletta plc in December 2015 following a career of 34 years during which he occupied various senior management positions, including that of Chief Executive Officer during 2012 to 2015. He has occupied directorship positions of listed companies in Malta and was appointed Chairman of the Housing Authority during the period 2009 to 2011. He also chaired the Audit Boards of the European Investment Fund, which is a subsidiary of the European Investment Bank, and of Mapfre Middlesea Insurance. Charles also served as a director on the World's Savings Bank in Brussels and was also the President of the Institute of Financial Services and the President of the Malta Bankers Association.

Ing Joseph Restall; Non-executive independent director

Joseph Restall read and obtained a degree in Mechanical Engineering between 1983 – 1988 at the University of Malta and awarded his warrant in 1993. After setting up Restall Consulting and carrying out a number of projects in business process re-engineering, Joseph focused on providing consultancy services on Sustainability, Energy management and Innovation projects. Given his vast background in the Engineering sector, the Group deems that Joseph will add value to Impresa Group.

7.2 Directors of the Guarantor

As at the date of this Admission Document, the board of directors of the Guarantor is constituted by the following persons:

Mr Anton Borg	Executive Director and Co-CEO
Mr Joseph Borg	Executive Director and Co-CEO
Mr Julian Borg	Executive Director
Mr Mark Borg	Executive Director
Mr Nicholas Borg	Non-executive director
Dr Karen Borg	Non-executive director
Mr Charles Borg	Non-executive independent director
Ing Joseph Restall	Non-executive independent director

The business address of the directors of the Guarantor is BLB 018, Bulebel Industrial Estate, Zejtun ZTN 3000.

The company secretary of the Guarantor is Philip Mifsud.

The curriculum vitae of the directors of the Guarantor are set out in sub-section 7.1 above except for the details of Dr Karen Borg:

Karen Borg qualified as a Notary in 1983, obtaining the warrant to practice the profession in the same year. In 1984, Karen qualified as a lawyer but retained her notarial warrant. For the last twenty-five years, she has been heavily involved in the family business, particularly in the areas relating to industrial relations and human resources.

Senior Management Structure of the Group

The Issuer does not have any employees of its own and is reliant on the resources which are made available to it by the Group. In addition to the directors of the Issuer and Guarantor, key members of the Group's executive team are the following:

Mr Philip Mifsud; Finance & Shipping Manager

Philip Mifsud heads the Finance and Shipping Department of the Group. He is entrusted with the managing the cash flow of Elepac and Meritlink. Philip also handles the planning for Elepac and Meritlink and managing stores and the holding of inventory of the various Group companies.

Mr Victor Attard; Quality & Environment Manager

Victor Attard is responsible for the Quality & Environmental Department of the Group. Victor takes care of the day-to-day operational duties and record keeping of the Group. His role is to ensure that the Group complies with the environmental laws and to keep abreast with any changes to such. Victor is responsible for the selecting, auditing and grading of supply & production chain. He also holds the position of HR manager of the Group.

8. INFORMATION ABOUT THE ISSUER AND GUARANTOR

8.1 Historical development of the Issuer

Full legal and commercial name of the Issuer:	IG Finance plc
Registered address:	BLB 018, Bulebel Industrial Estate, Zejtun, ZTN3000, Malta
Place of registration and domicile:	Malta
Registration number:	C 78720
Date of registration:	19 December 2016
Legal form	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act
Telephone number:	+356 21695950-3
E-mail address:	info@igfinance.com.mt
Website:	www.igfinance.com.mt

The Issuer is a fully owned subsidiary of the Guarantor (the parent company of the Group) except for two shares, one (1) share held by Mr Anton Borg and one (1) share held by Mr Joseph Borg.

The Issuer was incorporated on the 19 December 2016 as a public limited liability company, registered in terms of the Companies Act with company registration number C 78720 and is domiciled in Malta, having its registered office at BLB 018, Bulebel Industrial Estate, Zejtun, ZTN3000, Malta. The Issuer, was set up and established to act as a finance company. As at the date of the Document, the Issuer's current authorised share capital is €50,000 divided into 50,000 ordinary shares of €1 each. The Issuer's issued share capital is €47,000 divided into 47,000 ordinary shares of €1 each. The Company does not have any other issued debt capital.

The principal object of the Issuer, which was set up and established to act as a finance company, is to 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 bonds falls within the objects of the Issuer. The Issuer is not intended to undertake any trading activities itself apart from the raising of capital and the advancing thereof to members of the Group. Accordingly, the Issuer is economically dependent principally on the financial and operating performance of the businesses of Group entities. The Issuer does not have any substantial assets and is essentially a special

purpose vehicle set up to act as a financing company. The Issuer is, therefore, intended to serve as a vehicle through which the Group will continue to finance its future projects, principally and in the immediate future the projects.

The Issuer operates exclusively in and from Malta.

The Issuer has set up a website with URL www.igfinance.com.mt 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 and overview of the Group’s business

8.2.1 Introduction

Full legal and commercial name of the Guarantor:	Impresa Limited
Registered address:	BLB 018, Bulebel Industrial Estate, Zejtun ZTN 3000, Malta
Place of registration and domicile:	Malta
Registration number:	C 58665
Date of registration:	19 December 2012
Legal form	The company is lawfully existing and registered as a private limited company in terms of the Act
Telephone number:	+356 21695950-3
E-mail address:	info@elepac.com.mt

The Guarantor is a limited liability company incorporated and registered in Malta with company registration number C 58665, having its registered office at BLB 018, Bulebel Industrial Estate, Zejtun ZTN 3000. The Guarantor is the parent company of the Group, holding shares in a number of subsidiary companies. The Guarantor’s current authorised and issued share capital is €500,000 divided into 200,000 ordinary shares of €2.5 each, fully paid up. Mr Anton Borg and Mr Joseph Borg hold 100,000 shares in the Guarantor respectively.

The principal object of the Guarantor is to act as a holding company of the Group. The Guarantor is also empowered in terms of its Memorandum of Association to manage, develop, sell, lease, hypothecate, grant licences or rights of, in or over or otherwise turn to account property or assets of the company.

Prior to FY13, the Group had accumulated a negative working capital position of circa €600,000. As at 31st December 2015, the total bank borrowings of the Group were reported at €1.9 million. In 2014 and 2015, the group invested €1.9M in a new photovoltaic (PV) farm to reduce the net energy cost incurred, new machinery to increase capacity, as well as new product lines with the objective of increasing profitability and its balance sheet. Thus, the Group’s bank borrowings increased from €510,400 in FY14 to €1.9 million in FY 15. Additionally, in 2016, the Group’s working capital position was greatly impacted by the discontinuation of the Fimbank plc’s factoring facility, which was resolved by an improved payment agreement with one of the clients previously factored and the companies own working capital reserve.

As further explained in Section 16 below, part of the bond proceeds will be used to refinance working capital in order to provide the Group with the required working capital expansion.

8.2.2 Principal Product Lines of the Group

As stated above, the Guarantor is the parent company of the Group, which through JAB holds various investments through its subsidiary companies. The Group’s main product lines are electronic packaging,

injection-moulding subcontracting and cables. The operations of the Group have, to date, been largely divided between the activities listed below:

Electronic packaging – Elepac was established to manufacture and warehouse packaging materials and other products. The company manufactures electronic packaging, which includes wafer-packaging systems, reels, trays, carrier tape and canisters. Elepac has been in the business of electronic packaging since 1996, working in the sphere of manufacturing jedec trays, reels and silicon wafer packaging. In 2015, the company expanded its ambit in the manufacturing of carrier tape of IC packaging, which is a rapidly increasing packing medium for finished integrated circuit devices. By virtue of a strategic manufacturing partnership agreement with a world leading manufacturing multinational company, Elepac invested in four (4) machines in 2015, targeting a specified list of codes used by a multinational electronics and semiconductor manufacturer. These product codes were successfully qualified and are being supplied on an ongoing basis.

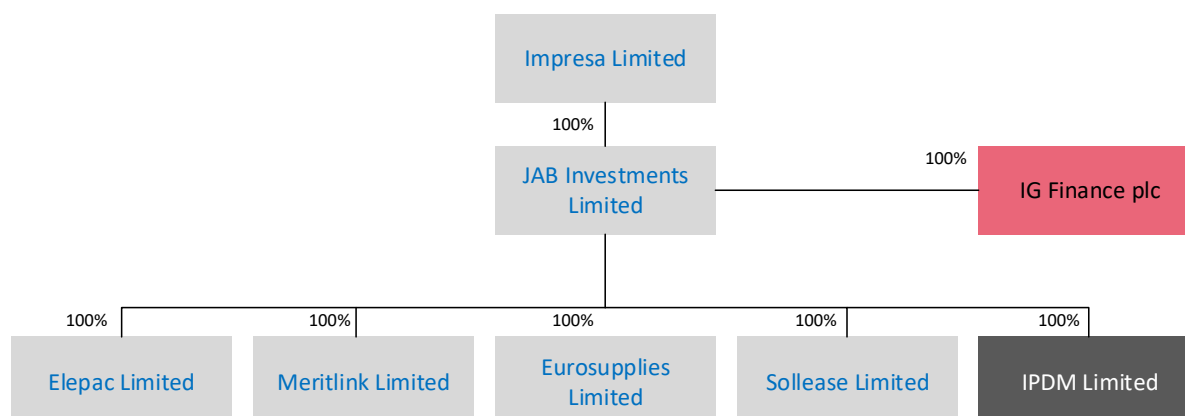
Injection moulding subcontracting - Since 1990, Elepac has been one of the leading subcontractors of injection moulded toy components. In 2014, the company invested in five single colour and one two-colour injection moulding machines in order to increase productivity.

Cables - Eurosupplies imports electrical cables branded as “JB Plastics” from Turkey. These are then sold in the local market and are also exported to other countries mainly to the Caribbean.

Wafer packaging - In 2009, Meritlink was entrusted to manufacture and distribute the ITW's wafer packaging system to a specified list of world-class semiconductor companies. In 2009, a license /royalty agreement was signed wherein Meritlink became licensed to use ITW's IP (intellectual property) thus becoming a direct vendor to the specified list of customers.

9. GROUP ORGANISATIONAL STRUCTURE

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



Impresa was incorporated to hold various investments including:

- i. Elepac Limited – established in 1996 to manufacture and warehouse packaging materials and other products;
- ii. Meritlink Limited – established in 2005 to hold the licence to manufacture electronic packaging products as well as imports/exports and distribution of the same products;
- iii. Eurosupplies Limited – established in 1995 to acquire and trade cables and other electrical installation items as well as to import, warehouse and distribute carton boxes;
- iv. Sollease Limited – established in 2014 to operate and maintain a solar panel system;
- v. Institute for Professional Development Malta Limited (IPDM) – established in 2009 and is currently a non-operating company which was set-up to provide technical training;

As detailed above, the Issuer is essentially a special purpose vehicle set up to act as a financing company for the needs of the Group, and, as such, it is dependent on the business prospects and operating results of Group entities. As the holding company of the Group, the Guarantor is, likewise, ultimately dependent on the operations and performance of its subsidiaries.

10. TREND INFORMATION

10.1 Trend information of the Issuer

As previously explained, the Issuer is a fully-owned subsidiary of the Guarantor, the latter being the parent company of the Group, 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 listed 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 Group, through Elepac and Meritlink operates in the business of electronic packaging in the manufacturing and trading sector respectively. Additionally, through Eurosupplies, the Group is also active in the trading of electrical cable as well as the warehousing and distribution of carton packaging exclusively for the industrial sector.

The manufacture of electronic packaging is undoubtedly a niche sector, with competition predominantly from the Far East and no manufacturing competitors in Europe. Other than the normal risks associated with manufacturing, that is, operating costs increasing at a rate that cannot be reflected in the selling price, the company acknowledges that its customers, very much a captive market on whose demand Elepac relies, operate in a volatile market. With this in mind, in the last few years, Elepac has successfully embarked on a programme of increasing both its electronic packaging product lines as well as its customer base, which at the date of the Document, is spread over five (5) countries, providing them with advanced logistical service. The planned expansion referred to in this document, is in latest electronic packaging products.

As stated above, Elepac has been a sub-contractor of one of the leading toy manufacturers for twenty-six (26) years. With this in mind as well as the investment done and the substantial increase in the level of production experienced in 2016, Elepac does not foresee any risks other than the normal manufacturing risks, which are being mitigated by further investment in more energy efficient machines.

Meritlink does not foresee any risk in its business other than those associated with Elepac.

In terms of trading in electrical cable, Eurosupplies is cognisant of the fact that its exports are concentrated in one region of the world. During 2016, efforts have started to secure new markets that are closer to Malta. Clearly, new markets need to be investigated when existing markets are still operating, however, the risk of a single market (region) is clearly too high. It is envisaged that these efforts will bear fruit in 2017.

The Group's business of distribution of carton boxes on the Maltese market has seen an increase of over 30% in 2016 over 2015. Although the level of turnover shown in the forecasts are lower than those set internally by management, Eurosupplies feels that the first target should aim at an additional 30% – 40% over 2016 levels. On the basis that overheads are somewhat constant, this line of trading has become very positive to the company's performance.

11. KEY FINANCIAL INFORMATION AND FUTURE INVESTMENTS

11.1 Financial information of the Issuer

The Issuer was registered and incorporated on the 19 December 2016 to issue the Bonds and loan the proceeds to the Group. 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 Selected financial information of the Guarantor

The historical financial information of the Guarantor, which has been extracted from the audited consolidated financial statements of the Guarantor, which comprises the Guarantor and its subsidiaries as at 31 December 2015, is available for inspection as set out under the heading "Documents available for inspection" in section 23 of this Document. Set out below are highlights taken from the audited consolidated financial statements of the Guarantor for the years ended 31 December 2013, 2014 and 2015.

Income statement

€'000	FY13	FY14	FY15
Revenue	5,970	5,270	4,794
Cost of sales (exc. Dep'n)	(4,849)	(4,116)	(3,438)
Gross profit	1,121	1,154	1,356
Administrative expenses (exc. Dep'n)	(545)	(499)	(581)
Other Income	6	16	61
EBITDA	582	671	836
Non operating income	-	178	-
Depreciation	(154)	(207)	(256)
Operating profit	428	642	580
Finance costs	(154)	(195)	(204)
Profit before taxation	274	447	376
Taxation	-	-	-
Profit after taxation	274	447	376

Revenue growth YoY %	n/a	(11.7%)	(9.0%)
Admin expenses growth YoY %	n/a	(8.4%)	16.4%
EBITDA growth YoY %	n/a	15.3%	24.6%
Interest cover	3.8x	3.4x	4.1x

Gross profit margin	18.8%	21.9%	28.3%
EBITDA margin	9.7%	12.7%	17.4%
Operating profit margin	7.2%	12.2%	12.1%

Source: Management information

Revenue declined by 9.03% from €5,270,000 in 2014 to €4,794,000 in 2015. The decrease in revenue was mainly attributable to a reduction in cable sales. The decline in cable revenue began to reverse in FY16 and revenue from cables is expected to increase in FY17.

Gross Profit increased to €1,356,000 in 2015 from €1,154,000 in 2014, an increase of 17.5% year-on-year notwithstanding a decrease in revenue. This improved performance was mainly attributed to:

- (1) an investment in solar panels in FY14 that reduced water and electricity bills;
- (2) investment in machinery with higher production efficiency; and

(3) employee training to improve labour efficiency by increasing production output per employee and wastage.

Administration expenses increased by 16.4% in 2015 as a result of a general increase in costs. These were also affected by specific expenses related to business development and recurrent general costs as a result of new product lines.

As a consequence of all of the above, the Group registered an improved EBITDA of €836,000 in 2015 compared to €671,000 in 2014. On an operating profit level, the Group recorded a decreased performance as a result of a one-off increase in non-operating income in 2014 and an increase in depreciation in 2015.

Finance costs were in line with the previous reporting period, resulting in a decrease in profit after taxation of 15.88% in 2015 from €447,000 in 2014 to €376,000 in 2015. As a result, interest cover improved from 3.4x to 4.1x and gross profit margin also improved to 28.3% from 21.9%. EBITDA margin improved to 17.4% from 12.7% while operating profit margin remained largely flat.

Balance sheet

€'000

FY13 FY14 FY15

Non-current assets

PPE	1,054	2,625	2,482
Intangible assets	2,998	2,998	2,998
Investment in subsidiaries	2	2	2
AFS financial assets	7	7	9
	<u>4,061</u>	<u>5,632</u>	<u>5,491</u>

Current assets:

Inventories	1,334	1,391	1,401
Trade and other receivables	1,067	1,184	877
Cash and cash equivalents	72	58	83
	<u>2,473</u>	<u>2,633</u>	<u>2,361</u>

Total assets

	<u>6,534</u>	<u>8,265</u>	<u>7,852</u>
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Non current liabilities

Borrowings	199	1,595	1,340
Trade and other payables	391	1,859	1,179
	<u>590</u>	<u>3,454</u>	<u>2,519</u>

Current liabilities

Borrowings	311	630	605
Current tax liability	14	14	15
Trade and other payables	4,807	2,410	2,580
	<u>5,132</u>	<u>3,054</u>	<u>3,200</u>

Net assets

	<u>812</u>	<u>1,757</u>	<u>2,133</u>
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Financed by:

Share capital	4	500	500
Retained earnings	745	1,193	1,568
Other reserves	63	64	65
	<u>812</u>	<u>1,757</u>	<u>2,133</u>

Current ratio	0.5x	0.9x	0.7x
Gearing	42.1%	66.3%	54.1%

Source: Audited financials

In FY14, PPE increased by €1.8m from FY13 mainly due to new investment in plant and machinery. In FY15 it decreased marginally as a result of depreciation in value.

Goodwill represented 54.6% of total non-current assets as at 31 December 2015. On 19 December 2012, Impresa acquired 100% of the share capital of JAB Investments Limited from its shareholders for a total consideration of €3m. An intangible asset (goodwill) was recognized as a result of this transaction.

Trade and other payables include amounts due to shareholders (€435k in FY15), taxes and social security due (€858k in FY15), trade payables and water and electricity due (€691k in FY15). In 2014, the Group entered into agreements with Automated Revenue Management Services Ltd (ARMS) and the Inland Revenue Department to pay off the balances over a 6-year and 5-year period respectively. As a result, a portion of the payables were transferred to non-current payables in FY15.

Total borrowings increased from €510k in FY13 to €2.25m mainly driven by €1.0m loan for the purchase and installation of solar panels and an additional loan of €600k to purchase plant and machinery. In FY14, €496k of amounts due to shareholders were capitalized resulting in an increase in share capital.

As a result, the net asset position of the Group improved by €376,000 to €2,133,000. The current ratio worsened from 0.9x in 2014 to 0.7x in 2015 as a result of an increase in payables, increasing further the pressure on working capital. The gearing ratio however improved from 66.3% to 54.1%, reflecting the greater increase in assets compared to debt.

Cashflow

€'000

	FY13	FY14	FY15
Operating profit	428	642	580
<i>Adjustments for:</i>			
Depreciation	154	207	256
Profit on sale of PPE	-	(43)	-
Changes in trade and other receivables	786	(117)	307
Changes in inventories	98	(57)	(10)
Changes in trade and other payables	58	41	82
Currency translation difference	-	1	1
Operating cashflow	1,524	674	1,216
Proceeds on sale of PPE	1	44	-
Purchase of PPE	(258)	(1,779)	(113)
Purchase of AFS assets	-	-	(2)
Cashflows from investing activities	(257)	(1,735)	(115)
Issuance of share capital	-	497	-
Movement in bank and other loans	23	1,535	(155)
Movement in advances from shareholders	(1,100)	(970)	(591)
Interest paid	(153)	(195)	(204)
Cashflows from financing activities	(1,230)	867	(950)
Movement in cash and cash equivalents	37	(194)	151
Cash and cash equivalents at beginning of year	(227)	(190)	(384)
Cash and cash equivalents at end of year	(190)	(384)	(233)
Interest cover	3.8x	4.4x	4.1x
Leverage	9.7x	7.6x	6.7x
CAPEX invested over cash flow	16.9%	263.9%	9.3%

Despite operating profit decreasing, cashflow from operating activities improved significantly from €674,000 in 2014 to €1,216,000 in 2015. This occurred as a result of improved receipts of trade and other receivables as well a slight further delay in paying trade and other payables.

Cashflow from investing activities also improved considerably, down to €115,000 in 2015 compared to €1,735,000 in 2014, which as previously mentioned involved a sharp increase in capital expenditure.

Cashflow from financing activities registered a negative balance of €950,000 as a result of repayment of bank loans and shareholders' loans.

As a result of all of the above, the net cash position registered an improvement of €151,000 to -€233,000 from -€384,000 in 2014.

11.2.1 Guarantor's interim financial results

The interim unaudited financial results of the Guarantor are set out below:

Consolidated income statement

€'000 - for the 6 months ending 30 June	2015	2016
Revenue	2,598	2,692
Cost of sales (exc. Dep'n)	(1,863)	(1,850)
Gross profit	735	842
Administrative expenses (exc. Dep'n)	(315)	(323)
Other Income	33	40
EBITDA	453	559
Non operating income	-	-
Depreciation	(139)	(148)
Operating profit	314	411
Finance costs	(111)	(94)
Pofit before taxation	204	317

Interest cover	4.1x	5.9x
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Gross profit margin	28.3%	31.3%
EBITDA margin	17.4%	20.8%

Source: Management information

Revenue increased on year on year basis when comparing the first half of the respective 6 months. This led to a higher level of Gross Profits and in turn, EBITDA given that cost of sales and administrative expenses remained on the same levels. The company experienced an improvement in both Gross Profit and EBITDA margins.

Consolidated Cashflow

€'000 - for the 6 months ending	Jun-15	Jun-16
Operating profit	314	411
<i>Adjustments for:</i>		
Depreciation	139	148
Changes in trade and other receivables	281	(53)
Changes in inventories	(36)	131
Changes in trade and other payables	(306)	(354)
Operating cashflow	392	283
Purchase of PPE	(95)	(70)
Cashflows from investing activities	(95)	(70)
Movement in bank and other loans	(165)	49
Movement in shareholders' loans		(180)
Interest paid	(111)	(94)
Cashflows from financing activities	(276)	(225)
Movement in cash and cash equivalents	21	(12)
Cash and cash equivalents at beginning of year	58	83
Cash and cash equivalents at end of year	79	71

Interest cover	4.1x	5.9x
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CAPEX invested over cash flow	24.2%	24.7%
Source: Management information		

Cash and cash equivalents remained at same levels across the same periods of the respective years. Operating cashflows were reduced given the change in trade and other payables together with changes in trade and other receivables.

Consolidated balance sheet

€'000

Dec-14 Jun-15 Dec-15 Jun-16

Non-current assets

PPE	2,625	2,581	2,482	2,404
Intangible assets	2,998	2,998	2,998	2,998
Investment in subsidiaries	2	2	2	2
AFS financial assets	7	7	9	9
	5,632	5,588	5,491	5,413

Current assets:

Inventories	1,391	1,427	1,401	1,270
Trade and other receivables	1,184	903	877	930
Cash and cash equivalents	58	79	83	71
	2,633	2,410	2,361	2,271

Total assets

8,265 7,998 7,852 7,684

Non current liabilities

Borrowings	1,595	1,515	1,340	1,294
Trade and other payables	1,859	1,422	1,179	487
	3,454	2,937	2,519	1,780

Current liabilities

Borrowings	630	545	605	701
Current tax liability	14	14	15	15
Trade and other payables	2,410	2,541	2,580	2,738
	3,054	3,100	3,200	3,454

Net assets

1,757 1,961 2,133 2,450

Financed by:

	4,269	3,963	3,759	3,225
Share capital	500	500	500	500
Retained earnings	1,193	1,397	1,568	1,885
Other reserves	64	64	65	65
	1,757	1,961	2,133	2,450

Current ratio	0.9x	0.8x	0.7x	0.7x
Gearing	66.3%	60.0%	54.1%	42.1%

Source: Management information

Intangible assets

€'000

Dec-14 Jun-15 Dec-15 Jun-16

Goodwill	2,998	2,998	2,998	2,998
As % of total non current assets	53.2%	53.6%	54.6%	55.4%
As % of total assets	36.3%	37.5%	38.2%	39.0%

Source: Management information

Gearing ratio improved over the corresponding periods to 42.1% whilst the current ratio experienced a slight deterioration. The improvement across the gearing ratios is a resultant of a positive update in trade and other payables. The slight deterioration in the current ratio is a result of the increase in current borrowings and a slight increase in trade payables.

11.3 Capital resources

The following table sets out the capitalisation and indebtedness of the Group as at 30 June 2016:

Statement of capitalisation

€'000 as at 30 June 2016

Total current debt:

Guaranteed & Secured	787
	787

Total non-current debt:

Guaranteed & Secured	1,207
	1,207

Shareholder's equity:

Share Capital	500
Retained earnings	1,885
Other reserves	65
	2,450

Indebtedness statement

€'000 as at 30 June 2016

Cash	260
Total liquidity	260

Current bank debt	344
Current portion of non current debt	444
Current financial debt	787

Net current financial indebtedness	527
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Non current bank loans	1,207
Non current financial indebtedness	1,207

Net financial indebtedness	1,734
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11.4 Future Investments

The Group is planning to expand its operation in its current core business under three pillars as described below:

11.4.1 Investment in carrier tape

Phase One

After being in the field of electronic packaging since 1996, manufacturing jedec trays, reels and silicon wafer packaging, Elepac commenced the manufacture of Carrier Tape for IC packaging in 2015. Carrier tape is a rapidly increasing packing medium for finished integrated circuit devices. Under a SMP (Strategic Manufacturing Partnership) agreement with a world leading manufacturing multinational company, as a first phase in 2015, Elepac invested in four (4) machines targeting a specified list of codes used by the Malta site of a multinational electronica and manufacturing company. These product codes were successfully qualified and are being supplied on an ongoing basis. Based on the success of this first phase, Elepac is looking to move to the second phase to enhance its technical capabilities with other technologies to enable the manufacture of the other product codes which cannot be produced with the current technology, and to increase its capacity

substantially for increased revenue. Furthermore, a multinational electronics and semiconductor manufacturer is actively requesting the setting up of proximity manufacture of carrier tape through SMP Elepac. Qualification of carrier tapes for the Moroccan site is presently underway through samples produced in the overseas site, with a plan to transfer technology to Malta thereafter.

Whilst the present technology is well suited for the carrier tapes of certain design features, the introduction of another two different process technologies, Elepac will be well placed to produce all designs used in the industry to date not just for the present customer but also for other fabrication companies who have also expressed interest in manufacture in Europe.

In line with the above, Elepac plans to proceed to the next phase and implement the investment in two sub-phases:

Phase two: First Segment

Investment in one machine in rotary technology: This is identified to be the best technology for the Group's customer's requirement in Malta producing carrier tape to within the required tight tolerance. The machine type is a single lane machine after consideration was given to the volumes required of each code.

Investment in one machine of multi-lane linear technology: This technology has been selected for the customer's requirements in the Moroccan site in view of the tape designs and the high productivity required to meet high volumes albeit on a fewer number of codes. This can also serve as a contingency for products produced in rotary technology.

Phase two: Second Segment

Investment in another two multilane linear machines.

A three-year roadmap has been agreed with the customer which involves stepping up capacity from the current output of 4,000Kms /PA to 12,000 Kms p.a. with progressive increase in market share. Additional business is also expected through trading of the cover tape that seals the carrier tape after device placement in the tape pockets.

11.4.2 Subcontracting

Since 1990, Elepac has been one of the leading subcontractors of injection moulded toy components. In 2014, Elepac invested in five single colour and one 2-colour injection moulding machines. Elepac is looking to enhance its position by investing in a two and/or potentially three -colour injection moulding. The objectives of the investment are:

- To increase capacity and revenue, in 2 / 3- colour moulding;
- To reduce energy cost of manufacture; and
- To reduce manufacturing costs through lower maintenance costs and higher throughput.

Through this plan, the overall capacity is expected to increase by around 20%. Moreover, the capacity increase is in the 2/3 colour sector which is in-line with the customer's vision on technology moving forward.

This investment is expected to be carried out over a twelve-month period. However, taking a conservative approach, the Group has based its projections on capacity increase over three years.

11.4.3 Wafer packaging

In 2009, Meritlink was engaged to manufacture and distribute the ITW's wafer packaging system to a specified list of world class semiconductor companies. Wafer packaging required specialized manufacturing and stringent quality practices. Although the relation with ITW started as a subcontracting relationship, in 2009, a license /royalty agreement was signed wherein Meritlink became licensed to use ITW's IP (intellectual property) thus becoming a direct vendor to the specified list of customers.

ITW remains key to the ongoing development of this product line providing sales and marketing support, R&D and investment in tooling. Since taking on this activity, the revenue has increased significantly with market gains both with original and new customers.

By this investment plan, management envisages the Group's turnover to increase by €490,000 which is around 35% from 2015. Moreover, the investment will also provide additional capacity to enable the Group to tap other opportunities in this niche sector.

12. MANAGEMENT AND ADMINISTRATION

12.1 The Issuer

12.1.1 The Board of Directors of the Issuer

The Memorandum of Association of the Issuer provides that the business and affairs of the Issuer shall be managed and administered by a Board of Directors to be composed of not less than two and not more than ten Directors, who are appointed by the shareholders.

Directors of the Issuer are appointed by means of an ordinary resolution in general meeting. Accordingly, the Guarantor is empowered to appoint the Directors of the Issuer, thereby putting it in a position to appoint an absolute majority of the Directors of the Issuer and, accordingly, have control over the management and operations of the Issuer.

The Issuer is currently managed by a Board of seven (7) Directors, who are responsible for the overall direction and management of the Company. The Board currently consists of four (4) executive Directors, who are entrusted with the company's day-to-day management, and three (3) non-executive Directors, two (2) of which are also independent of the Issuer, whose main functions are to monitor the operations of the executive Directors and their performance, as well as to review any proposals tabled by the executive Directors.

As at the date of the Document, the Board of the Issuer is composed of the individuals listed in sub-section 7.1 of this Document.

None of the Directors have been:

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

None of the Directors have a service contract with the Issuer.

12.1.3 Conflicts of Interest

In addition to being directors of the Issuer, all the directors constituting the board are also directors of the Guarantor. Additionally, Mr Anton Borg and Mr Joseph Borg also sit on the board of directors of Elepac, Meritlink, Eurosupplies and Sollease. Additionally, Mr Anton Borg and Mr Joseph Borg are the ultimate beneficial owners of the Group.

In light of the foregoing, such directors are susceptible to conflicts between the potentially diverging interests of the Issuer and the Guarantor, as the case may be, and any of such other companies in transactions entered into, or proposed to be entered into, between them. The Audit Committee, established at Guarantor level has the task of ensuring that any potential conflicts of interest that may arise at any moment pursuant to these

different roles held by the directors are handled in the best interest of the Issuer, the Guarantor and the Group as well as according to law. The fact that the Audit Committee is constituted with a majority of independent non-executive directors, provides an effective measure to ensure that transactions vetted by the Audit Committee are determined on an arms-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, the Guarantor and all other entities comprising the Group on a quarterly basis. To this effect, the Issuer, the Guarantor and all other entities comprising the Group are to submit to the Audit Committee bi-annual 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

In terms of the Issuer's Articles of Association, the first Directors of the Issuer shall serve until the end of the first annual general meeting during which the new directors shall be appointed. Thereafter, all other directors shall hold office from the general meeting at which they are elected until the end of the next annual general meeting. All retiring directors shall be eligible for re-election. The Directors of the Issuer currently in office are expected to remain in office at least until the next Annual General Meeting of the Issuer.

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

12.1.6 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.

12.1.7 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 general meeting.

The remuneration of directors shall be deemed to accrue from day to day. The directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings of the Issuer or in connection with the business of the Issuer.

For the current financial year ending on 31 December 2017 it is expected that the Issuer will pay an aggregate of €10,500 to its directors.

12.1.8 Employees

The Issuer does not have any employees of its own and is, therefore, reliant on the Group for administrative support.

12.1.9 Working capital

As at the date of the Document, the directors of both the Issuer and of the Guarantor are of the opinion that working capital available to the Issuer and the Guarantor, respectively, 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 Memorandum of Association of the Guarantor provides that the Board of directors shall be composed of not less than one and not more than ten directors. As at the date of the Admission Document, the Board of the Guarantor is composed of eight directors.

12.2.2 Directors' service contracts

None of the directors of the Guarantor have a definitive service contract with the company.

12.2.3 Removal of the Guarantor's directors

A director may, unless he resigns, be removed by an ordinary resolution of the shareholders as provided by Article 140 of the Act. The directors of the Guarantor currently in office are expected to remain in office at least until the next Annual General Meeting of the company.

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 Aggregate emoluments of the Guarantor's directors

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

The directors may also be paid for all traveling, hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings of the company or in connection with the business of the company.

For the current financial year ending on 31 December 2017 it is expected that the Guarantor will pay an aggregate of €10,500 to its directors.

12.2.6 Employees

As at the date of this Document, the Group has a total of around seventy (70) employees

13. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

13.1 Major shareholders of the Issuer

The Issuer's current authorised share capital is €50,000 divided into 50,000 ordinary shares of €1 each. The Issuer's issued share capital is €47,000 divided into 47,000 ordinary shares of €1 each. The Guarantor holds 46,998 shares of the Issuer and 1 share is held by Mr Anton Borg and another 1 share is held by Mr Joseph Borg.

<i>Name of Shareholder</i>	<i>Number of shares held</i>
Impresa Limited (C58665) (the Guarantor)	46,998 ordinary shares of €1 each
Mr Anton Borg	1 ordinary share of €1
Mr Joseph Borg	1 ordinary share of €1

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.

13.2 Major shareholders of the Guarantor

The Guarantor's current authorised and issued share capital is €500,000 divided into 200,000 ordinary shares of €2.5 each, fully paid up. Mr Anton Borg and Mr Joseph Borg hold 100,000 shares in the Guarantor respectively.

<i>Name of Shareholder</i>	<i>Number of shares held</i>
Mr Anton Borg	100,000
Mr Joseph Borg	100,000

The Issuer and the Guarantor are therefore ultimately controlled by Mr Anton Borg (50%) and Mr Joseph Borg (50%).

14. BOARD COMMITTEES

The Audit Committee has been set up at the level of the Guarantor. The terms of reference of the Audit Committee (the "Committee") of the Guarantor consist of *inter alia* its support to the board of the Guarantor in its responsibilities in dealing with issues of risk, control and governance, and associated assurance. The board of Impresa has set formal terms of establishment and the terms of reference of the Audit Committee that establish its composition, role and function, the parameters of its remit, as well as the basis for the processes that it is required to comply with. The Audit Committee, which meets at least four (4) times a year, is a sub-committee of the board of the Guarantor and is directly responsible and accountable to the board of Impresa. The board of Impresa has reserved the right to change the Committee's terms of reference from time to time.

Briefly, the Committee is expected to deal with and advise the board of the Guarantor on:

- its monitoring responsibility over the financial reporting processes, financial policies and internal control structures;
- maintaining communications on such matters between the board, management and the independent auditors at the level of the Issuer, Group and Guarantor;
- facilitating the independence of the external audit process and addressing issues arising from the audit process; and
- preserving assets by understanding the risk environment in which the Issuer, Group and Guarantor operate and determining how to deal with those risks.

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, the Guarantor and the Group. 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 is entrusted with the review of the financial position of the Issuer, the Guarantor and all other entities comprising the Group on a quarterly basis. To this effect, the Issuer, the Guarantor and all other entities comprising the Group shall submit to the Audit Committee bi-annual accounts, as well as least quarterly comparisons of actuals against projections. The Audit Committee is composed of three members, with a majority of non-executive directors, who are appointed for a period of three years. Mr Charles Borg, (independent non-executive director of the Guarantor), acts as Chairman whilst Ing Joseph Restall

(independent non-executive director), and Mr Julian Borg (executive director) act as members. As stipulated by the terms of reference of the audit committee, the Chairman shall have a casting vote in the case of a deadlock.

Mr Charles Borg is the independent, non-executive director who is competent in accounting and/or auditing matters. The CVs of the said Directors may be found in sub-section 7.1.

15. COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

15.1 The Issuer

The Company supports the Rules in their entirety and also 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 the 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.

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 broker, 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 be in compliance with the Code save for the following exceptions:

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. Also, 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.

15.2 The Guarantor

The Guarantor is a private company and, accordingly, is not bound by the provisions of the Code set out in the Listing Rules of the Listing Authority. While the Guarantor is not required to adopt the provisions of the Code, the Audit Committee which is set up at the level of the Guarantor has been specifically tasked with keeping a watching brief over the financial performance of the Issuer, the Guarantor and other Group subsidiaries.

16. USE OF PROCEEDS

The proceeds from the Bond Issue shall be transferred from the Company to JAB Investments Limited and shall be used for the following purposes, in the amounts set out below:

- A. An amount of €3,350,000 shall be advanced, pursuant to a loan agreement, to Elepac Limited in connection with the Group's planned investment described in detail in Section 11.4 of this Document. In turn, these funds will be utilised in Elepac as follows:
 - i. €1.2m shall be used for investment in new machinery;
 - ii. €1.75m shall be used to fund existing and increased working capital and trade finance requirements;
 - iii. €400k to refinance an existing bank loan with Banif Bank;
- B. €350,000 shall be advanced pursuant to a loan agreement, to Eurosupplies for existing and increased working capital and trade finance requirements.

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 following purposes and in the order of priority set out below:

- i. €1,750,000 shall be advanced by the Issuer to Elepac and will be used to fund existing and increased working capital and trade finance requirements;
- ii. €350,000 shall be advanced by the Issuer to Eurosupplies for existing and increased working capital and trade finance requirements;
- iii. €1,200,000 shall be transferred to Elepac and used for investment in new machinery;
- iv. €400,000 shall be transferred to Elepac to refinance an existing bank loan with Banif Bank;

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 5.5% unsecured bonds 2024 – 2027 of a nominal value of €1,000 per Bond issued by the Issuer at par up to the principal amount of €3,700,000 (except as otherwise provided under sub-section 17.14 "Further Issues" below), and guaranteed by the Guarantor. The issue date of the Bonds is expected to be the 19th May 2017.

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

17.1.3 Subject to admission to trading of the Bonds to the Prospects List of the MSE, the Bonds are expected to be assigned the following ISIN: MT0001441204.

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 Rules.

17.1.6 The Issue Period of the Bonds is between 11th April 2017 and 15th May 2017, 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.

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 €3,700,000 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 €3,700,000 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 €3,700,000 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 constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed by the Guarantor, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt of each of the Issuer and the Guarantor, if any. Furthermore, subject to the negative

pledge clause (Section 17.4 of this Document), third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.

The following sets out a summary of Group indebtedness which as at 31 December 2016 amounted to € 1,609,210, and includes bank loans, corporate bonds and other borrowings from related companies. The bank borrowings listed below are secured by privileges and hypothecs, and therefore the indebtedness being created by the Bonds, together with the other issued bonds, ranks after all these bank borrowings. In addition, the Bonds would also rank after any future debts which may be secured by a cause of preference such as a privilege and/or a hypothec:

Bank borrowing facilities as at 31/12/2016

Facility held	Borrower	Lender	Description of facility	Amounts outstanding 31.12.2016	Security held
Discounting facility	Elepac	Banif	1 key customers discounting facility	133,620	1st General Hypothec by JAB & 1st General Hypothec Guarantee by Eurosupplies, Meritlink and Elepac
Business Loan II	Elepac	Banif	Funds to finance machinery	26,534	1st General Hypothec by JAB & 1st General Hypothec Guarantee by Eurosupplies, Meritlink and Elepac
Business Loan III	Elepac	Banif	Funds to end purchase of carrier tapes	238,196	1st General Hypothec by JAB & 1st General Hypothec Guarantee by Eurosupplies, Meritlink and Elepac
Business Loan IV	Elepac	Banif	Funds to end purchase of machinery	177,756	1st General Hypothec by JAB & 1st General Hypothec Guarantee by Eurosupplies, Meritlink and Elepac
Business Loan	JAB	Banif	Funds to invest into subsidiaries	24,532	1st General Hypothec by JAB & 1st General Hypothec Guarantee by Eurosupplies, Meritlink and Elepac
General banking	Eurosupplies	BoV	To finance working capital requirements	66,131	2nd General Hypothec by Eurosupplies & 2nd General Hypothec Guarantee by JAB
Loan	Eurosupplies	BoV	To settle an amount due	25,000	2nd General Hypothec by Eurosupplies & 2nd General Hypothec Guarantee by JAB
Loan	Sollease	BoV	To finance the purchase of solar panels	917,440	1st General Hypothec by Sollease & 2nd General Hypothec Guarantee by JAB
				1,609,210	

Source: Management information

Further details on the aforesaid indebtedness, particularly the secured bank borrowings, including, inter alia, respective term, security and repayment schedule, are found in the audited consolidated financial statements of the Guarantor for the financial year ended 31 December 2015, which shall be placed on the Issuer's website (www.igfinance.com.mt.com) and are available at its registered office during office hours for the term of the Bonds.

17.4 Negative pledge

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

"Financial Indebtedness" means any indebtedness in respect of: (A) monies borrowed; (B) any debenture, bond, note, loan, stock or other security; (C) any acceptance credit; (D) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred

payment is arranged primarily as a method of raising finance for the acquisition of that asset; (E) leases entered into primarily as a method of raising finance for the acquisition of the asset leased; (F) amounts raised under any other transaction having the commercial effect of borrowing or raising of money; (G) any guarantee, indemnity or similar assurance against financial loss of any person;

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

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

Provided that the aggregate Security Interests referred to in (B) and (C) above do not result in the unencumbered assets of the Issuer being less than 105% of the aggregate principal amount of the Bonds still outstanding;

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

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;
- iii. ranking with respect to other indebtedness of the Issuer in accordance with the provisions of sub-section 17.3 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 Interest

The Bonds shall bear interest from and including the 17th May 2017 at the rate of 5.5% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 17th May 2018. Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. 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 rate specified above plus one per cent (1%), but in any event not in excess of the maximum rate of interest 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.

17.7 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 5.5%.

17.8 Form, Denomination and Title

17.8.1 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), 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.

17.8.2 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.

17.8.3 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.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>.

17.8.4 The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €1,000 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.

17.8.5 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.

17.9 Pricing

The Bonds are being issued at par, that is, at €1,000 per Bond.

17.10 Payments

17.10.1 Payment of the principal amount of a Bond will be made in euro by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account is denominated in Euro and held with any licensed bank in Malta. Such payment shall be effected within seven (7) days of the Redemption Date. The Issuer shall not be responsible for any loss or delay in transmission. 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.

17.10.2 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.

17.10.3 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 in Malta. Such payment shall be effected within seven (7) days of the Interest Payment Date. The Issuer shall not be responsible for any loss or delay in transmission.

17.10.4 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.

17.10.5 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.

17.11 Redemption and purchase

17.11.1 The Bonds shall be repayable in full upon maturity on 17th May 2027 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' notice to Bondholder.

17.11.2 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 17th May 2027. 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' 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.

17.12 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 and/or the Guarantor, as the case may be, 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 and/or the Guarantor, as the case may be, 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.

17.13 Transferability of the Bonds

17.13.1 The Bonds are freely transferable and, once admitted to the Prospects List, shall be transferable only in whole (in multiples in €1,000) 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.

17.13.2 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 €1,000.

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

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

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

17.14 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.

17.15 Meetings of Bondholders

17.15.1 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.

17.15.2 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.

17.15.3 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.

17.15.4 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.

17.15.5 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.

17.15.6 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.

17.15.7 The voting process shall be managed by the Issuer's company secretary under the supervision and scrutiny of the auditors of the Issuer.

17.15.8 The proposal placed before a meeting of Bondholders shall only be considered approved if at least sixty per cent (60%) in nominal value of the Bonds 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.

17.15.9 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.

17.16 Authorizations and approvals

The Directors authorised the Bond Issue and the publication of the Admission Document pursuant to a board of directors' resolution passed on 20th March 2017. The guarantee being given by the Guarantor in respect of the Bonds has been authorised by a resolution of the board of directors of the Guarantor dated 20th March 2017.

17.17 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 List. The Bonds are expected to be admitted to the Malta Stock

Exchange with effect from 24th May 2017 and trading is expected to commence on the 29th May 2017. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

17.18 Representations and warranties

17.18.1 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.

17.18.2 The Admission Document contains all relevant material information with respect to the Issuer and the Guarantor 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 and/or the Guarantor, their respective 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.

17.19 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.

17.20 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).

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 List. In the event that the Bonds are not admitted to the Prospects 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 may be requested to submit the relative power of attorney/resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Issuer and/or the Corporate Advisor, but it shall not be the duty or responsibility of the Corporate Advisor or Issuer to ascertain that such representative is duly authorised to appear on the Application Form and bind the Applicant.
- 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 €1,000. 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 authorized 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 authorized financial intermediary is providing advice in respect of a purchase of the Bonds by an Applicant, the authorized 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.

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 ISR. 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;

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:

- it meets the investment objectives of the Applicant or prospective transferee in question;
- 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
- 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.

18.17 For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations, 2008, as amended from time to time, all appointed authorised financial intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the “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 440 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.

18.18 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 Guarantor 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, the Guarantor 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 Calamatta Cuschieri Investment Services Limited will not, in their capacity of and Placement Agent and Manager, treat the Applicant as their customer by virtue of such Applicant making an Application for the Bonds, and that Calamatta Cuschieri Investment Services Limited will owe the Applicant no duties or responsibilities concerning the price of the Bonds or their suitability for the Applicant;
- 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/it 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

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is otherwise instructed by a Bondholder or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act (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. Additionally, in this latter case the Issuer will advise the Inland Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients unless the beneficiary does not qualify as a "recipient" in terms of article 41(c) of the Income Tax Act. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

In terms of article 12(1)(c) of the Income Tax Act, Bondholders who are not resident in Malta satisfying the applicable conditions set out in the Income Tax Act are not taxable in Malta on the interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

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 the 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 article 50 of the Financial Markets Act (Chapter 345 of the laws of Malta), in view of the fact that the Bonds constitute financial instruments of a company quoted on a regulated market Exchange, as is the MSE, redemptions and transfers of the Bonds are exempt from Maltese 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 or Guarantor is aware) during the period covering twelve 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, the Guarantor and/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 and/or the Guarantor 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 BLB 018, Bulebel Industrial Estate, Zejtun, ZTN3000, Malta during the term of the Bond Issue during office hours:

1. the Memorandum and Articles of Association of the Issuer;
2. the Memorandum and Articles of Association of the Guarantor;
3. the audited consolidated financial statements of the Guarantor for the years ended 31 December 2013, 2014 and 2015;
4. the interim unaudited financial results of the Guarantor for the six months ended 30 June 2015 and 30 June 2016;

The documents listed in 3 and 4 above are also available for inspection in electronic form on the Issuer's website **www.igfinance.com.mt**.

ANNEX A

GUARANTEE IMPRESA LIMITED - C58665 (the “Guarantor”)

To All Bondholders:

Reference is made to the issue of €3,700,000 5.5% unsecured bonds due 2027 (the “Bonds”) by IG Finance plc [C 78720] (the “Issuer”) pursuant to and subject to the terms and conditions contained in the admission document to be dated 7th April 2017 (the “Admission Document” and or “Document”).

Now, therefore, by virtue of this Guarantee, Impresa Limited hereby stands surety with the Issuer and irrevocably and unconditionally undertakes to effect the due and punctual performance of all the payment obligations undertaken by the Issuer under the Bonds if the Issuer fails to do so and, without prejudice to the generality of the foregoing, undertakes to pay on an on-going basis, 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.

All words and expressions used in this Guarantee in their capitalised form shall, unless the context otherwise requires, have the same meaning assigned to them in the Admission Document.

Signed and executed on this 7th April 2017, after approval of the board of directors of Impresa Limited.

NATURE, SCOPE AND TERMS OF THE GUARANTEE

1. Nature of the Guarantee

The offering of Bonds that will be made by the Issuer pursuant to the Document will be made with the benefit of this corporate guarantee.

2. Scope of the Guarantee

The Guarantee is unconditional and shall cover all payments that may be due to Bondholders pursuant to the Admission Document.

3. Information about the Guarantor

All relevant information about the Guarantor as required in terms of applicable law may be found in the Admission Document.

4. Terms of the Guarantee

4.1 Guarantee

For the purposes of the Guarantee, the Guarantor irrevocably and unconditionally undertakes to each Bondholder that if for any reason the Issuer fails to pay any sum payable by it to such Bondholder pursuant to

the terms of the Bonds detailed in the Admission Document as and when the same shall become due, the Guarantor will pay to such Bondholder on demand the amount payable by the Issuer to such Bondholder. Such payment shall be made in the currency in force in Malta at the time the payment falls due.

4.2 Continuing obligations

The obligations under this Guarantee being given by the Guarantor are continuing obligations and will remain in full force and effect until no sum remains payable to any Bondholder pursuant to the issue of the Bonds.

4.3 Repayment to the Issuer

If any payment received by a Bondholder is, on subsequent liquidation or insolvency of the Issuer, avoided under any laws relating to liquidation or insolvency, such payment will not be considered as having discharged or diminished the liability of the Guarantor, and this Guarantee will continue to apply as if such payment had at all times remained owing by the Issuer.

4.4 Indemnity

As a separate and alternative stipulation, the Guarantor unconditionally and irrevocably agrees that any sum expressed to be payable by the Issuer pursuant to the terms of the Bonds but which is for any reason (whether or not now known or becoming known to the Issuer, the Guarantor or any Bondholder) not recoverable from the Guarantor, will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid by it to the Bondholder on demand. This indemnity constitutes a separate and independent obligation from the other obligations in this Guarantee, gives rise to a separate and independent obligation from the other obligations in this Guarantee and gives rise to a separate and independent cause of action.

4.5 Status of Guarantee

The obligations of the Guarantor under this Guarantee constitute a general, direct, unconditional and unsecured obligation of the Guarantor and rank equally with all other existing and future unsecured obligations of the Guarantor, if any, except for any debts for the time being preferred by law.

4.6 Power to execute

The Guarantor hereby warrants and represents to each Bondholder that it has all corporate power, and has taken all necessary corporate or other steps, to enable it to execute, deliver and perform this Guarantee, and that this Guarantee constitutes the legal, valid and binding obligations of the Guarantor.

4.7 Deposit and production of the Guarantee

The instrument creating this Guarantee shall be deposited with and held by the Issuer at its registered address. Until such time as all obligations of the Guarantor hereunder have been discharged in full, every Bondholder shall have the right to obtain a copy thereof.

4.8 Subrogation

Until all amounts which may be payable under the terms of the Bonds have been irrevocably paid in full, the Guarantor shall not by virtue of this Guarantee be subrogated to any rights of any Bondholder or claim in competition with the Bondholders against the Issuer.

4.9 Governing law and jurisdiction

This Guarantee is governed by and shall be construed in accordance with Maltese law, and any disputes which may arise out of or in connection with this Guarantee are to be settled exclusively by the Courts of Malta.

Signed for and on behalf of
Impresa Limited



 Charles Borg



 Charles Borg

On behalf of Joseph Borg, Anton Borg, Joseph Restall,
Mark Borg, Julian Borg, Nicholas Borg Karen Borg

Annex B

RESTRICTIVE COVENANTS

IMPRESA LIMITED

C58665

To All Bondholders:

Reference is made to the issue of €3,700,000 5.5% unsecured bonds due 2027 (the “Bonds”) by IG Finance plc [C 78720] (the “Issuer”) pursuant to and subject to the terms and conditions contained in the admission document to be dated the 7th April 2017.

Now, therefore, by virtue of this documents, Impresa Limited, (hereinafter “Impresa”) irrevocably and unconditionally undertakes to commit to the below listed restrictive covenants. For the purposes of this document, the below mentioned capitalised terms shall have the meaning defined below:

“The Group” refers to all companies owned directly or indirectly by Impresa Limited, holding company registration number C 58665 and registered address at BLB 018, Bulebel Industrial Estate, Zejtun, ZTN3000, Malta;

“Current Dividend” shall mean an amount of € 425,000 which is distributed to the ultimate beneficial owners of The Group by way of dividend and/or shareholders loans;

“Gearing Ratio” shall be equal to current and non-current liabilities divided by current and non-current liabilities plus equity and reserves. For the avoidance of doubt, non-current liabilities shall only include the bond amount plus any current and non-current portion of bank loan facilities obtained by the group;

“Interest Cover” shall be equal to Earnings Before Interest, Tax, Depreciation and Amortization divided by the total Finance Cost;

“Finance Cost” shall only relate to the bond interest and any bank interest relating to bank loans;

Restrictive Covenants (“Covenants”)

The term of the Bond should be set for redemption after Year 7 up to Year 10, in part or in full;

Additional dividend above the Current Dividend is restricted to 50% of excess cash flow above an amount as per Appendix 1 to these Restrictive Covenants after deducting interest, bank debt servicing obligations, current dividends, debt servicing obligations for other medium term financing obligations and capital expenditure not financed through increased bank borrowings or other medium-term financing arrangement; and

Additional borrowings may be taken out if the following conditions are met:

- The resultant gearing ratio will not exceed 65%; and
- The projected interest cover (after excluding all dividend payments) is above a factor of 3.

Change in Covenants

In the eventuality that Impresa Limited contemplates that a change in the above restrictive covenants is in the best interest of the company, it shall request IG Finance plc (C 78720) to call a meeting with the Bondholders, duly convened and held in terms of the below.

A meeting of Bondholders for a change in covenants shall be called by the directors of the Issuer on behalf of Impresa 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. The said 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 Covenants 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 Impresa has been granted or withheld. Subject to having obtained the necessary approval by the Bondholders in accordance with the provisions contained herein, at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by Impresa.

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 of the Issuer to the Bondholders present at that meeting. The Issuer shall within two (2) days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven (7) days, and not later than fifteen (15) days, following the original meeting. At an adjourned meeting: the number of Bondholders present, in person or by proxy, shall constitute a quorum; and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.

Any person who in accordance with the Memorandum and Articles of Association of Impresa is to chair the annual general meetings of shareholders shall also chair meetings of Bondholders.

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 of the Issuer or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.

The voting process shall be managed by the company secretary of Impresa under the supervision and scrutiny of the auditors or independent advisors appointed by Impresa.

The proposal placed before a meeting of Bondholders shall only be considered approved if at least 65% in nominal value of the Bondholders present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.

Signed on behalf of Impresa Limited this 7th April 2017:



Charles Borg



Charles Borg

On behalf of Joseph Borg, Anton Borg, Joseph Restall,
Mark Borg, Julian Borg, Nicholas Borg, Karen Borg

Appendix 1

YEAR	€
FY 18	290,000
FY 19	397,000
FY 20	430,000
FY 21	430,000
FY 22	430,000
FY23	430,000
FY 24	431,000
FY 25	431,000
FY 26	431,000
TOTAL	3,700,000

Annex C SPECIMEN APPLICATION FORMS

IG Finance plc €3,700,000 5.5% Unsecured Bonds 2024-2027

APPLICATION FORM
Application No. _____

Please read the notes overleaf before completing this Application Form. Mark 'X' if applicable. Unless otherwise indicated, each of the panels below is to be completed.

APPLICANT			
<input type="checkbox"/> Non-Resident	<input type="checkbox"/> Minor (under 18)	<input type="checkbox"/> Corporate	<input type="checkbox"/> CIS
TITLE (Mr/Mrs/Ms/...)		FULL NAME & SURNAME / REGISTERED NAME	
ADDRESS			
			POST CODE
MSE A/C NO. (if applicable)		I.D. CARD / PASSPORT / COMPANY REG. NO.	
E-MAIL ADDRESS		TEL NO.	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"/>	
ADDITIONAL (JOINT) APPLICANTS (please use additional application form if space is not sufficient)			
TITLE (Mr/Mrs/Ms/...)		FULL NAME & SURNAME	
		I.D. CARD / PASSPORT NO.	
TITLE (Mr/Mrs/Ms/...)		FULL NAME & SURNAME	
		I.D. CARD / PASSPORT NO.	
MINOR'S PARENTS/LEGAL GUARDIANS (See Note 4) (to be completed ONLY if the Applicant is a minor)			
TITLE (Mr/Mrs/Ms/...)		FULL NAME & SURNAME	
		I.D. CARD / PASSPORT NO.	
TITLE (Mr/Mrs/Ms/...)		FULL NAME & SURNAME	
		I.D. CARD / PASSPORT NO.	
I/We apply to purchase and acquire the amount set out below			
AMOUNT IN FIGURES €		AMOUNT IN WORDS	
IG Finance plc €3,700,000 Unsecured 5.5% Bonds 2024-2027 at the Bond Issue Price (at par) pursuant to the Admission Document dated 7 th April 2017 (minimum €2,000 and in multiples of €1,000 thereafter)			
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).			
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.			
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.			
_____ Signature/s of Applicant/s (All parties are to sign in the case of a joint Application)		_____ Financial Intermediary	
		_____ Date	
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 7th April 2017

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 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 €1,000 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 –IG Finance plc". In the event that the cheque accompanying the Application Form is not honored 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 noon on the 15th May 2017. 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 noon on the 15th May 2017 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. 440 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.

Annex D - CURRENT AND PAST DIRECTORSHIPS OF THE DIRECTORS OF THE ISSUER

Directors	Current Directorships	Past Directorships
Charles Borg	IG Finance plc Impresa Limited Annanova Ltd Electrofix Ltd Peninsula Investments Ltd PG plc Vallcara Limited Peninsula Holdings Ltd	La Valette Funds SICAV Vilhena Funds SICAV Mapfre Middlesea Insurance plc Valletta Investments Ltd World Savings Bank Housing Authority Valletta Fund Services Ltd Valletta Funds Management Ltd
Anton Borg	IG Finance plc Impresa Limited JAB Investments Limited Elepac Limited Meritlink Limited Sollease Limited Eurosupplies Limited Institute for Professional Development Malta Institute of Medical Education ITHAMS Limited Malta Enterprise (Corporation)	JB Plastics Limited (Merged into Elepac Limited 2012/3) Proplastic Limited (Liquidated)
Joseph Borg	IG Finance plc Impresa Limited JAB Investments Limited Elepac Limited Meritlink Limited Sollease Limited Eurosupplies Limited Institute for Professional Development	JB Plastics Limited (Merged into Elepac Limited 2012/3) Proplastic Limited (Liquidated)
Joseph Restall	IG Finance plc Impresa Limited	N/A
Julian Borg	IG Finance plc Impresa Limited	N/A
Mark Borg	IG Finance plc Impresa Limited	N/A
Nicholas Borg	IG Finance plc Impresa Limited	N/A

Annex E

FORECAST INFORMATION OF THE ISSUER AND GUARANTOR

A. SUMMARY OF SIGNIFICANT ASSUMPTIONS AND ACCOUNTING POLICIES

1. Introduction

The forecast statement of financial position, the forecast income statement, and the forecast statement of cash flows (“the Forecasts”) of Impresa Limited (“the Guarantor”) and its subsidiaries (“the Group”) for the period of four years to December 2019 have been prepared to provide financial information for the purposes of inclusion in the Company Admission Document of IG Finance plc (“the Issuer”), to be dated 7th April 2017. The Forecasts as presented below together with the assumptions set out below, are the sole responsibility of the Directors of the Company.

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 the directors of the Guarantor 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. Attention is drawn in particular, to the risk factors set out in the Admission Document, which describe the primary risks associated with the business to which the Forecasts relate.

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 the 20th March 2017 by the directors of the Guarantor, 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 3 below.

2. Significant accounting policies

The significant accounting policies of the Company are set out in the audited financial statements of the Group for the financial year ended 31 December 2015. Where applicable, in so far as they relate to recognition and measurement criteria, they have been consistently applied in the preparation of the forecast financial information.

3. Basis of preparation and principal assumptions

The forecasts are based on the actual financial results and cash flows as reflected in the consolidated management accounts of the Group up to 30 September 2016 together with the estimated forecast financial results and cash flows for the three months to December 2016 and projected three years thereafter.

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

- a) Exchange rates will not change significantly over the period covered by the forecast financial information;
- b) Interest rates will not change significantly over the period covered by the forecast financial information;
- c) Electricity rates will not change significantly over the period covered by the forecast financial information;

- d) The Group will continue to enjoy the confidence of its bankers;
- e) The Group will be able to meet its financial obligations;
- f) The basis and rates of taxation, direct and indirect, will not change materially throughout the period covered by the prospective financial information.

The principal assumptions relating to the environment in which the Group operates, and the factors which the Directors can influence and which underlie the Forecasts, are the following:

Key assumptions underlying the financial projections

Estimates for the three-month period from September 2016 to December 2016 were based on based on the management information relating to actual performance.

The Bond Issue is forecast to generate gross proceeds of €3,700,000 which are planned to be used as follows:

- €1.2m for investment in new machinery;
- €2.10m for existing and increased working capital and trade finance requirements for use in the Group's operating companies, specifically;
- €1.75m in Elepac, the main manufacturing company;
- €0.35m in Eurosupplies, one of the trading arms of the manufacturing company; and
- €400k to refinance an existing bank loan with one of the Group's main banks.

Annual revenue has been projected on a product basis using 2016 trends as well as management's expectations of changes in production volumes and product mix resulting from new arrangements with customers as well as projected changes in production capacity following the investment in new machinery mainly being in printing, wafer packaging, carrier tapes and three colour injection moulding.

Direct costs are projected on a product basis and assumed to vary in line with product sales. Accordingly projected contribution margins are projected to change in accordance with the projected sales product mix.

Administrative expenses have been forecast on the basis of management's expectations using 2015 Financial Statements and June 2016 Management Accounts as a basis and providing for known increases such as increases in professional fees, salary expectations and travel costs. Furthermore, in view of the inevitable increase in administration requirements that the Directors believe the planned investment will bring about, additional increases in Administrative expenses have been factored in.

Finance costs on Bank and related party borrowings have been forecast on the basis of existing arrangements, whereas interest on the Bond has been forecast at 5.5% per annum.

No additional cash out flows are projected on income tax due to existing tax credits and additional tax credits on the proposed investment.

Other assumptions

Projected year-end debtors are based on 21.5% of total annual revenue for the respective financial year.

Projected year-end inventories and payable balances are based on 30.0% and 43.5% respectively of cost of sales for each financial year.

Loan repayments have been projected in line with existing arrangements subject to the refinancing of bank loans out of bond proceeds.

4. Conclusion

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

Approved by the Board of Directors on the 20th March 2017 and signed on its behalf by:



Charles Borg



Charles Borg

On behalf of Joseph Borg, Anton Borg, Joseph Restall,
Mark Borg, Julian Borg, Nicholas Borg, Karen Borg

Unaudited Consolidated Forecast Financial Information of the Guarantor for the Financial Years Ending 2016, 2018, 2019

Projected Income Statement

€'000	FY 15	FY 16*	FY17	FY18	FY19
Sales	4,795	6,069	6,859	7,976	8,361
Variable costs	(3,344)	(4,063)	(4,676)	(5,265)	(5,455)
Contribution	1,451	2,007	2,183	2,710	2,905
Factory and other overheads	(94)	(100)	(219)	(250)	(268)
Administrative expenses	(581)	(511)	(436)	(447)	(455)
Additional bond issue expenses	-	-	(73)	(23)	(23)
EBITDA	776	1,395	1,456	1,990	2,160
Depreciation	(256)	(264)	(305)	(364)	(408)
Operating profit	520	1,131	1,151	1,626	1,752
Finance costs	(204)	(143)	(275)	(267)	(259)
Profit for the year	316	988	876	1,359	1,494

Sales YoY growth %	n/a	26.6%	13.0%	16.3%	4.8%
Contribution margin	30.3%	33.1%	31.8%	34.0%	34.8%
EBITDA margin	16.2%	23.0%	21.2%	25.0%	25.8%
Interest cover	3.8x	9.8x	5.3x	7.5x	8.4x

Source: Management information

Revenue		6,069	6,859	7,976	8,361
Revenue growth % YoY		26.6%	13.0%	16.3%	4.8%
EBITDA		1,395	1,456	1,990	2,160
EBITDA margin		23.0%	21.2%	25.0%	25.8%

Projected balance sheet

€'000	FY15	FY16*	FY17	FY18	FY19
Non-current assets					
PPE	2,482	2,418	2,523	2,749	2,781
Intangible assets	2,998	2,998	2,998	2,998	2,998
Investment in subsidiaries	2	2	2	2	2
AFS financial assets	9	9	9	9	9
	5,491	5,427	5,532	5,758	5,790
Current assets:					
Inventories	1,401	1,820	2,257	2,592	2,707
Trade and other receivables	877	1,308	1,478	1,718	1,801
Cash and cash equivalents	83	91	1,827	2,069	2,829
	2,361	3,218	5,561	6,379	7,337
Total assets	7,852	8,645	11,093	12,137	13,127
Non current liabilities					
Borrowings	1,340	729	4,772	4,603	4,425
Trade and other payables	1,179	611	-	-	-
	2,519	1,340	4,772	4,603	4,425
Current liabilities					
Borrowings	605	641	161	169	178
Current tax liability	15	15	15	15	15
Trade and other payables	2,580	3,528	2,515	2,785	2,875
	3,200	4,184	2,690	2,969	3,067
Net assets	2,133	3,121	3,631	4,566	5,634
Financed by:					
Share capital	500	500	500	500	500
Retained earnings	1,568	2,556	3,066	4,001	5,069

Other reserves	65	65	65	65	65
	2,133	3,121	3,631	4,566	5,634
Current ratio	0.7x	0.8x	2.1x	2.1x	2.4x
Gearing	54.1%	30.0%	56.8%	50.2%	44.0%

A. SUMMARY OF SIGNIFICANT ASSUMPTIONS AND ACCOUNTING POLICIES

1. Introduction

IG Finance plc (the “Issuer”) was incorporated on 19th December 2016 and has no trading record of operations. The Issuer itself is a special purpose vehicle (“SPV”) set up to act as a financing company solely for the needs of Impresa Limited (“the Guarantor”) its subsidiary undertakings (“the Group”)

The forecast statement of financial position, the forecast income statement, and the forecast statement of cash flows (“the Forecasts”) of the Issuer for the period of three years to December 2019 have been prepared to provide financial information for the purposes of inclusion in the Issuer’s Company Admission Document to be dated 7th April 2017. The Forecasts as presented below, together with the assumptions set out below, are the sole responsibility of the directors of the company.

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 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. Attention is drawn in particular, to the risk factors set out in the Admission Document, which describe the primary risks associated with the business to which the Forecasts relate.

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 the 20th March 2017 by the directors of the Issuer, 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 3 below.

2. Significant accounting policies

The significant accounting policies of the company are envisaged to be similar to significant accounting policies applied by the Group in the preparation of the audited financial statements of the Group for the financial year ended 31 December 2015. Where applicable, in so far as they relate to recognition and measurement criteria, these have been applied in the preparation of the forecast financial information.

3. Basis of preparation and principal assumptions

Since the Issuer has no trading record of operations these projections have been prepared solely on managements assumptions which have been summarised as follows:

Bond proceeds will be transferred from the Issuer to a Group company (JAB Investments limited) under the following arrangements:

- Loan amount of €3.6m at an annual interest rate of 6.1%
- Preference shares of €100k with a coupon rate of 12%

JAB Investments limited will transfer the funds to other group companies under an intercompany loan agreement as set out in the admission document under use of proceeds.

Annual administrative expenses are projected at €11,000 in 2017, subsequently increasing by a projected inflation rate of 3% per annum.

The amounts advanced to group companies will be repaid by the group companies out of operating cash flows as reflected in the financial sustainability forecasts of the group.

- The bond will be repaid out of proceeds from repayment of loans to group companies.
- Tax is projected at a rate of 35%

4. Conclusion

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

Approved by the board of directors on the 20th March 2017 and signed on its behalf by:



Charles Borg



Charles Borg

On behalf of Joseph Borg, Anton Borg, Joseph Restall,
Mark Borg, Julian Borg, Nicholas Borg

Unaudited Forecast Financial Information of IG Finance plc for the Financial Years Ending 2017, 2018, 2019

IG Finance plc

BASIS:

Bond (€)	3,700,000
Bond Interest (%)	5.5
Value of Preference shares	100,000
Preference shares (%)	12
Tax at Source (%)	35
Loan	3,600,000
Loan (%)	6.1

BUDGETED PROFIT & LOSS ACCOUNT

	2017 Eur	2018 Eur	2019 Eur
Income			
- Dividend on Preference Shares	18,462	18,462	18,462
- Interest Income	219,600	219,600	219,600
	<u>238,062</u>	<u>238,062</u>	<u>238,062</u>
Expenditure			
- Interest on Bond	203,500	203,500	203,500
- Annual Running Expenses	11,000	11,330	11,670
	<u>214,500</u>	<u>214,830</u>	<u>215,170</u>
Net Profit before tax for the Year	<u>23,562</u>	<u>23,232</u>	<u>22,892</u>
Income tax	1,785	1,670	1,551
Accumulated reserves	<u>21,777</u>	<u>21,562</u>	<u>21,341</u>
Cumulative Accumulated reserves	21,777	43,339	64,680

IG Finance plc

BUDGETED STATEMENT OF FINANCIAL POSITION

	2017 Eur	2018 Eur	2019 Eur
Non-Current Assets			
Preference Shares	100,000	100,000	100,000
Intercompany Loan	3,310,000	2,913,000	2,483,000
Current Assets			
Cash	68,777	380,339	798,680
Intercompany Loan	290,000	397,000	430,000
Total Assets	3,768,777	3,790,339	3,811,680
Equity			
Share Capital	47,000	47,000	47,000
Reserves	21,777	43,339	64,680
Non-Current Liabilities			
€3.7M Bond @5.5%	3,700,000	3,700,000	3,700,000
Current Liabilities			
€3.7M Bond @5.5%	-	-	-
Total Equity and Liabilities	3,768,777	3,790,339	3,811,680

Issuer



IG Finance plc

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Zejtun, ZTN 3000, Malta
www.igfinance.com.mt

Guarantor

Impresa Limited
BLB 018, Bulebel industrial Estate
Zejtun, ZTN 3000, Malta

Corporate Advisor, Placement Agent and Manager



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