

PROSPECTUS

30 September 2021

a public limited liability company registered under the laws of Malta
with company registration number C 100038 and with its registered office at
Dino Fino Home + Contract, Msida Valley Road, Birkirkara, BKR 9025

Up to €7,800,000 4.75% Secured* Bonds due 2033

with a nominal value of €100 per Bond to be issued at par
jointly and severally guaranteed by Dino Fino Operations Limited**

* The Bonds will be secured by a Special Hypothec granting the Security Trustee (for the benefit of Bondholders) a right of preference and priority for repayment over the Hypothecated Property. However, the value of the Hypothecated Property will be, as at the date of constitution of the Special Hypothec (and is likely expected to be, throughout the term of the Bonds), substantially lower than the full amount of interest and principal outstanding under the Bonds. Prospective investors should refer to section 1.6 of this Prospectus entitled "Risks Relating to the Special Hypothec and the Guarantee" for a full description of the relevant risks that should be considered by prospective investors in this regard.

** Prospective investors should refer to: (1) section 7.7 of this Prospectus entitled "Guarantee" for a full description of the scope, nature and terms, of the Guarantee; (2) section 1 of this Prospectus entitled "Risk Factors" for a discussion of certain risk factors which should be considered by prospective investors in connection the Guarantee; and (3) a copy of the Guarantee which is available for inspection as set out as set out in section 12 of this Prospectus.



Sponsor, Manager & Registrar



Legal Counsel

ISIN: MT0002561208

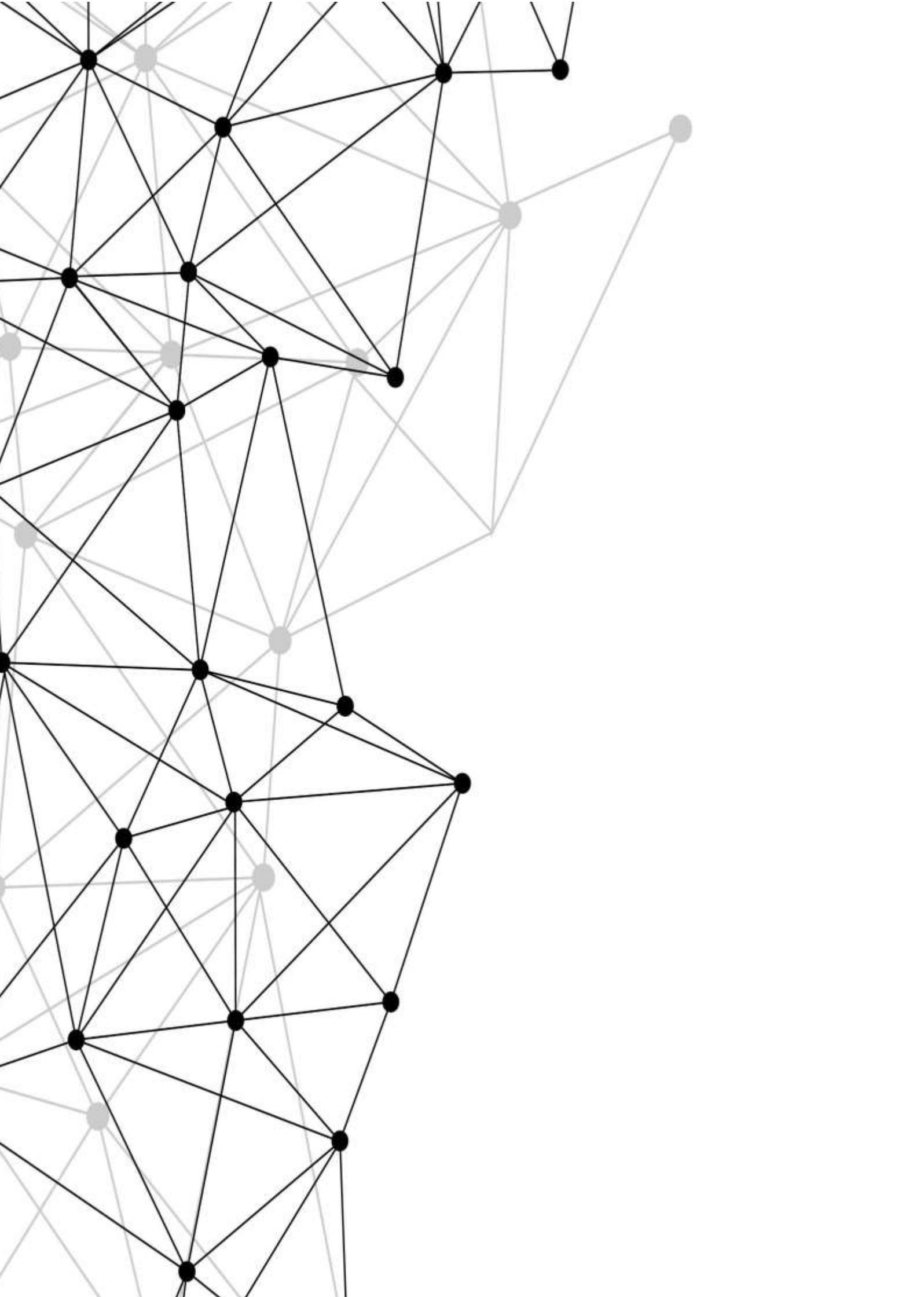
THIS PROSPECTUS HAS BEEN APPROVED BY THE MFSA AS THE COMPETENT AUTHORITY IN MALTA FOR THE PURPOSES OF THE PROSPECTUS REGULATION. THE MFSA HAS ONLY APPROVED THIS PROSPECTUS AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION AND SUCH APPROVAL SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER OR OF THE QUALITY OF THE BONDS.

THE MFSA ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN THE BONDS.

PROSPECTIVE INVESTORS SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE INVESTING IN ANY FINANCIAL INSTRUMENTS. PROSPECTIVE INVESTORS SHOULD ENSURE THAT THEY ARE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE BONDS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH THEIR OWN INDEPENDENT FINANCIAL ADVISORS.

Approved by the Directors:

Mr Dino Fino as Director of the Issuer and on behalf of each of Mr Benjamin Muscat, Ms Alexia Farrugia, Dr Austin Gauci Maistre and Mr Beppe Muscat.



IMPORTANT INFORMATION

THIS PROSPECTUS CONTAINS INFORMATION ON THE ISSUER, THE GUARANTOR AND THE BOND ISSUE IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES, THE COMPANIES ACT AND THE PROSPECTUS REGULATION.

THIS PROSPECTUS HAS BEEN FILED WITH THE MFSA IN SATISFACTION OF THE CAPITAL MARKETS RULES, WITH THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND WITH THE MALTA BUSINESS REGISTRY IN ACCORDANCE WITH THE COMPANIES ACT. THIS PROSPECTUS IS PUBLISHED IN ELECTRONIC FORM ON THE WEBSITE OF THE MFSA AND IS ALSO AVAILABLE, IN PRINTED FORM, FREE OF CHARGE, FROM THE REGISTERED OFFICE OF THE ISSUER AND THE AUTHORISED INTERMEDIARIES.

THE MFSA HAS AUTHORISED THE ADMISSIBILITY OF THE BONDS TO LISTING ON THE OFFICIAL LIST OF THE MALTA STOCK EXCHANGE, WHICH MEANS THAT THE BONDS ARE IN COMPLIANCE WITH THE CAPITAL MARKETS RULES. IN PROVIDING THIS AUTHORISATION, THE MFSA DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS OF INVESTING IN THE BONDS AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN THE BONDS.

INVESTING IN THE BONDS INVOLVES CERTAIN RISKS AND SPECIAL CONSIDERATIONS. A NUMBER OF RISK FACTORS RELATING TO THE ISSUER, THE GUARANTOR AND THE BONDS ARE SET OUT IN SECTION 1 BELOW, AND PROSPECTIVE INVESTORS ARE ENCOURAGED TO READ THEM CAREFULLY. PROSPECTIVE INVESTORS ARE ENCOURAGED TO SEEK ADVICE FROM A LICENSED STOCKBROKER OR AN INVESTMENT ADVISOR LICENSED UNDER THE INVESTMENT SERVICES ACT.

THE ISSUER CONFIRMS THAT (I) THIS PROSPECTUS CONTAINS ALL MATERIAL INFORMATION WITH RESPECT TO THE ISSUER, THE GUARANTOR AND THE BONDS; (II) THE INFORMATION CONTAINED HEREIN IN RESPECT OF THE ISSUER, THE GUARANTOR AND THE BONDS IS ACCURATE IN ALL MATERIAL RESPECTS AND IS NOT MISLEADING; (III) ANY OPINIONS AND INTENTIONS EXPRESSED HEREIN ARE HONESTLY HELD AND BASED ON REASONABLE ASSUMPTIONS; (IV) THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT, WHETHER FACT OR OPINION, IN THIS PROSPECTUS MISLEADING IN ANY MATERIAL RESPECT; AND (V) ALL REASONABLE ENQUIRIES HAVE BEEN MADE TO ASCERTAIN ALL FACTS AND TO VERIFY THE ACCURACY OF ALL STATEMENTS CONTAINED HEREIN.

IN THIS RESPECT, TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS (ALL OF WHOM ARE THE PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS PROSPECTUS), THE INFORMATION CONTAINED IN THIS PROSPECTUS IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT ITS IMPORT, AND THE DIRECTORS HAVE TAKEN ALL REASONABLE CARE TO ENSURE THAT THIS IS THE CASE. THE DIRECTORS ACCEPT RESPONSIBILITY ACCORDINGLY.

NO PERSON HAS BEEN AUTHORISED TO GIVE ANY INFORMATION, ISSUE ANY ADVERTISEMENT OR MAKE ANY REPRESENTATION WHICH IS NOT CONTAINED OR CONSISTENT WITH THIS PROSPECTUS OR ANY OTHER DOCUMENT PRODUCED IN RELATION TO THE ISSUER, THE GUARANTOR AND/OR THE BONDS AND, IF GIVEN OR

MADE, SUCH INFORMATION, ADVERTISEMENT OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER.

UNLESS OTHERWISE STATED, THE CONTENTS OF THE ISSUER'S AND/OR THE GUARANTOR'S WEBSITE (OR ANY OTHER WEBSITE REFERRED TO HEREIN) OR ANY OTHER WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S AND/OR THE GUARANTOR'S WEBSITE DO NOT FORM PART OF THE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITE AS A BASIS FOR A DECISION TO ACQUIRE THE BONDS.

ALL THE ADVISORS TO THE ISSUER AND THE GUARANTOR HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTOR IN RELATION TO THIS PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE CONTENTS OF AND ANY INFORMATION CONTAINED IN THE PROSPECTUS, ITS COMPLETENESS OR ACCURACY OR ANY OTHER STATEMENT MADE IN CONNECTION THEREWITH. ACCORDINGLY, NONE OF THE ADVISORS OR ANY PERSON MENTIONED IN THIS PROSPECTUS, OTHER THAN THE ISSUER AND ITS DIRECTORS, SHALL BE RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS PROSPECTUS, IN ANY SUPPLEMENT, AND IN ANY DOCUMENTS INCORPORATED BY REFERENCE, AND ACCORDINGLY, TO THE EXTENT PERMITTED BY THE LAWS OF ANY RELEVANT JURISDICTION, NONE OF THESE PERSONS ACCEPTS ANY RESPONSIBILITY AS TO THE ACCURACY AND COMPLETENESS OF THE INFORMATION CONTAINED IN ANY OF THESE DOCUMENTS.

EACH PERSON RECEIVING THIS PROSPECTUS ACKNOWLEDGES THAT SUCH PERSON HAS NOT RELIED ON ANY OF THE ADVISORS IN CONNECTION WITH ITS INVESTIGATION OF THE ACCURACY OF SUCH INFORMATION OR ITS INVESTMENT DECISION AND EACH PERSON MUST RELY ON (A) ITS OWN EVALUATION OF THE ISSUER, THE GUARANTOR AND THE BONDS AND THE MERITS AND RISKS INVOLVED IN INVESTING IN THE BONDS AND (B) THEIR OWN PROFESSIONAL ADVISORS, AS TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE ISSUER, THE GUARANTOR AND WHETHER TO ACQUIRE THE BONDS.

PROSPECTIVE INVESTORS SHOULD NOT TREAT THE CONTENTS OF THE PROSPECTUS AS ADVICE RELATING TO LEGAL, TAXATION, INVESTMENT OR ANY OTHER MATTERS AND SHOULD INFORM THEMSELVES, IN CONSULTATION WITH THEIR INDEPENDENT PROFESSIONAL ADVISORS ON: (A) THE LEGAL, TAX, FINANCIAL AND OTHER REQUIREMENTS FOR THE PURCHASE, HOLDING, TRANSFER OR OTHER DISPOSAL OF BONDS IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE; (B) ANY FOREIGN EXCHANGE RESTRICTIONS APPLICABLE TO THE PURCHASE, HOLDING, TRANSFER OR OTHER DISPOSAL OF BONDS WHICH THEY MIGHT ENCOUNTER; AND (C) THE INCOME AND OTHER TAX CONSEQUENCES WHICH MAY APPLY IN THEIR OWN COUNTRIES AS A RESULT OF THE PURCHASE, HOLDING, TRANSFER OR OTHER DISPOSAL OF BONDS.

THE PROSPECTUS AND/OR ANY OTHER DOCUMENT PRODUCED IN RELATION TO THE ISSUER, THE GUARANTOR, AND/OR THE BONDS AND/OR THE DELIVERY OF ANY BONDS MAY NOT BE TAKEN AS AN IMPLICATION THAT: (I) THE INFORMATION CONTAINED IN SUCH DOCUMENTS IS ACCURATE AND COMPLETE SUBSEQUENT TO THEIR RESPECTIVE DATES OF ISSUE; (II) THERE HAS BEEN NO ADVERSE CHANGE IN THE FINANCIAL CONDITION OF THE ISSUER AND/OR THE GUARANTOR SINCE SUCH DATES; OR (III) ANY OTHER

INFORMATION SUPPLIED IN CONNECTION WITH THE MATTERS CONTAINED IN THIS PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

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

THE BONDS, ALL THE RIGHTS AND OBLIGATIONS OF THE BONDHOLDERS, THE ISSUER AND THE GUARANTOR, AND ANY NON-CONTRACTUAL OBLIGATIONS ARISING OUT OF OR IN CONNECTION WITH THE BONDS, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH MALTESE LAW. THE COURTS OF MALTA SHALL HAVE EXCLUSIVE JURISDICTION TO SETTLE ANY DISPUTES THAT MAY ARISE OUT OF OR IN CONNECTION WITH THE BONDS, ALL THE RIGHTS AND OBLIGATIONS OF THE BONDHOLDERS, THE ISSUER AND/OR THE GUARANTOR, AND ANY NON-CONTRACTUAL OBLIGATIONS ARISING OUT OF OR IN CONNECTION WITH THE BONDS.

STATEMENTS MADE IN THIS DOCUMENT ARE (EXCEPT WHERE OTHERWISE STATED) BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THERETO.

THIS PROSPECTUS IS TO BE READ IN ITS ENTIRETY AND CONSTRUED IN CONJUNCTION WITH ANY SUPPLEMENT HERETO AND ANY DOCUMENTS THAT ARE INCORPORATED HEREIN BY REFERENCE.

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

THIS PROSPECTUS IS VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE HEREOF. THE OBLIGATION TO SUPPLEMENT THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES WILL NO LONGER APPLY WHEN THE PROSPECTUS IS NO LONGER VALID.

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DEFINITIONS

The following words and expressions shall bear the following meanings, except where the context otherwise requires:

Accountant's Report on Pro Forma Financial Information	the accountant's report dated 23 September 2021, prepared by Grant Thornton, on the pro forma financial information included in section 6.1 this Prospectus, a copy of which is set out as Annex B to this Prospectus;
Applicant/s	an applicant for the Bonds, being an Authorised Intermediary (applying for its own account and/or for its underlying clients) and/or underlying clients of an Authorised Intermediary that are applying through the Authorised Intermediary;
Application/s	the subscription agreement/s and/or application/s to subscribe to Bonds made by an Applicant/s;
Authorised Intermediary/ies	each of the licensed stockbrokers and financial intermediaries listed in Annex D to this Prospectus;
Board	the Board of Directors of the Issuer;
Bond/s	the 4.75% secured bonds (ISIN: MT0002561208) to be issued by the Issuer in terms of this Prospectus;
Bond Issue	the issue of the Bonds pursuant to this Prospectus;
Bondholder/s	any holder/s of the Bonds from time to time, as evidenced by an electronic entry in the CSD Register;
BOV Loan	the loan facility between the Guarantor (as borrower) and Bank of Valletta p.l.c. described in section 4.5 below;
Business Day	any day from Monday to Friday, on which commercial banks in Malta settle payments and are open for normal banking business;
Capital Markets Rules	the capital markets rules issued by the MFSA in respect of the Official List, as amended from time to time;

Civil Code	the Civil Code, Chapter 16 of the laws of Malta;
Companies Act	the Companies Act, Chapter 386 of the laws of Malta;
Corporate Governance Code	the Code of Principles of Good Corporate Governance set out as Appendix 5.1 to Chapter 5 of the Capital Markets Rules;
CSD	the central registration system for dematerialised financial instruments in Malta operated by the MSE and authorised in terms of the Financial Markets Act;
CSD Register	the register of Bonds held and maintained by the CSD on behalf of the Issuer;
Data Protection Act	the Data Protection Act, Chapter 586 of the laws of Malta;
Deed of Hypothec	a deed to be entered into by and between the Issuer and the Security Trustee on or around the Issue Date in the acts of Notary Dr. Andre Farrugia whereby the Issuer will constitute the Special Hypothec in favour of the Security Trustee (for the benefit of the Bondholders);
Dino Fino Brand	any and all trademarks, logos, service marks, trade names, business names, tag lines, descriptors, designs, typography, colour palettes, internet sites, stationery, signage, promotional items, advertising, marketing material, domains and domain names, trade secrets, know-how and any and all other intellectual property rights of whatever kind or nature relating to the 'Dino Fino' brand, whether registered or unregistered, owned by the IP Holding Company and licensed to Guarantor as at the date of this Prospectus and all goodwill existing in the same;
Directors	the directors of the Issuer;
Duty on Documents and Transfers Act	the Duty on Documents and Transfers Act, Chapter 364 of the laws of Malta;

Euro or €	the lawful currency of the Eurozone, being the region comprised of Member States of the European Union that have and continue to adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union and by the Treaty of Amsterdam;
Event of Default	each event specified as an event of default in section 9.15;
Financial Analysis Summary	the financial analysis summary dated 30 September 2021 prepared by the Sponsor and which is intended to summarise the key financial data set out in the Prospectus appertaining to the Issuer, a copy of which is set out as Annex C to this Prospectus;
Financial Markets Act	the Financial Markets Act, Chapter 345 of the laws of Malta;
Guarantee	a guarantee granted by the Guarantor to the Security Trustee (for the benefit of the Bondholders) in the Security Trust Deed, pursuant to which the Guarantor shall, <i>inter alia</i> , stand as surety (jointly and severally with the Issuer) for, and shall irrevocably and unconditionally guarantee the payment of, all amounts of principal and interest due by the Issuer to the Bondholders in respect of the Bonds;
Guarantor	Dino Fino Operations Limited, a private limited liability company registered under the laws of Malta with company registration number C 81069 and having its registered office situated at Dino Fino Home + Contract, Msida Valley Road, Birkirkara, BKR 9025, Malta;
Guarantor Loan	a loan of €1,269,000 that the Issuer intends to grant to the Guarantor pursuant to a loan agreement to be entered into between the Issuer and the Guarantor using part of the proceeds of the Bond Issue as described in section 7.2 below, which loan will bear interest at a rate of 4.75% per annum and have a maturity of approximately twelve years;

GDPR	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC;
Group	the group of companies that includes the Parent Company, of which the Issuer is a subsidiary, and all of the Issuer's subsidiaries;
Hypothecated Property	the commercial building without an official number and named Dino Fino Home + Contract, consisting of a street level showroom on level 0, an intermediate office space between level 0 and level 1, an office space on level 1 and an additional office space and car parking area on level 2, all of which are accessible from separate entrances abutting unto the service road adjacent to Msida Valley Road, Birkirkara, including its subterrain, also accessible through a staircase from Triq G.F. Agius De Soldanis, in Santa Venera, altogether bounded on the north-east by Msida Valley Road, on the south-west by the subterrain of Triq G.F. Agius de Soldanis and on the north-west by property of the successors in title of the Ganado Family;
Income Tax Act	the Income Tax Act, Chapter 123 of the laws of Malta;
Indebtedness	any and all monies, obligations and liabilities now or hereafter due, owing or incurred by the Issuer under the Bonds to the Bondholders (whether alone and/or with others) pursuant to the Terms and Conditions and in any and all cases whether for principal, interest, capitalised interest, charges, disbursements or otherwise and whether for actual or contingent liability, as well as any fees and/or expenses which the Bondholders may incur in the protection, preservation, collection or enforcement of the their rights against the Issuer and/or Guarantor;
Interest Commencement Date	19 November 2021;
Interest Payment Date	19 November of each year (including 19 November 2022, being the first interest payment date) and the Maturity Date (or if any such date is not a Business Day, the next following day that is a Business Day);

Intermediaries' Offer	the offer of Bonds, pursuant to this Prospectus, by the Issuer to the Authorised Intermediaries, for their own account and/or for the purposes of allocating the Bonds to their own clients;
Investment Services Act	the Investment Services Act, Chapter 370 of the laws of Malta;
IP Holding Company	Dino Fino Holdings Ltd, a private limited liability company registered under the laws of Malta with company registration number C 98379 and having its registered office situated at Dino Fino Home + Contract, Msida Valley Road, Birkirkara, BKR 9025, Malta;
Issuer	Dino Fino Finance p.l.c., a public limited liability company registered under the laws of Malta with company registration number C 100038 and having its registered office situated at Dino Fino Home + Contract Msida Valley Road, Birkirkara, BKR 9025, Malta;
Issue Date	19 November 2021 (or such earlier date as may be determined by the Issuer in the event that the Bonds are fully subscribed and the offer of Bonds is closed prior to the end of the Offer Period as set out in section 8.1);
Issue Price	€100 per Bond;
Maturity Date	19 November 2033;
Memorandum and Articles of Association	the memorandum and articles of association of the Issuer and/or of the Guarantor, as applicable, in force at the time of publication of this Prospectus, and the terms 'Memorandum of Association' and 'Articles of Association' shall be construed accordingly;
MFSA	the Malta Financial Services Authority as established under the MFSA Act, in its capacity as the competent authority in terms of the Financial Markets Act authorised to approve prospectuses and admissibility to listing and to monitor and supervise local regulated markets and participants thereof falling within the regulatory and supervisory remit of the MFSA;
MFSA Act	the Malta Financial Services Authority Act, Chapter 330 of the laws of Malta;

MSE	Malta Stock Exchange p.l.c., as originally constituted by the Financial Markets Act, bearing company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
MSE Bye-Laws	the bye-laws of and issued by the MSE;
Nominal Value	€100 (in respect of each Bond);
Offer Period	the period between 09:00 hours CET on 15 October 2021 and 17:00 hours CET on 5 November 2021 during which the Bonds are available for subscription;
Official List	the list prepared and published by the MSE as its official list in accordance with the MSE Bye-Laws;
Parent Company	Dino Fino Group Ltd, a private limited liability company registered under the laws of Malta with company registration number C 98378 and having its registered office situated at Dino Fino Home + Contract, Msida Valley Road, Birkirkara, BKR 9025, Malta;
PMLA	Prevention of Money Laundering Act (Chapter 373 of the laws of Malta) and all regulations issued thereunder;
Prospectus	this Prospectus in its entirety together with any Supplements;
Prospectus Regulation	Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended;
Security	the Guarantee and the Special Hypothec;
Security Trust Deed	the trust deed dated 30 September 2021 between the Issuer, the Guarantor and the Security Trustee, as the same may be amended, replaced or updated from time to time;

Security Trustee	Equity Wealth Solutions Limited (operating under the trading name EWS Trustees), an MFSA authorised trustee (in terms of the Trusts and Trustees Act) registered under the laws of Malta with company registration number C 31987 and having its registered office at 176, Old Bakery Street, Valletta, VLT 1455, Malta;
Special Hypothec	a first ranking special hypothec to be granted by the Issuer in favour of the Security Trustee (for the benefit of Bondholders), pursuant to the Deed of Hypothec, over the Hypothecated Property for the full amount of principal and interest due by the Issuer to the Bondholders in respect of the Bonds;
Sponsor	Calamatta Cuschieri Investment Services Limited, an MFSA authorised investment services firm (in terms of the Investment Services Act) registered under the laws of Malta with company registration number C 13729 and having its registered office at Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta, in its capacity as the Issuer's sponsor, manager and registrar in respect of the Bond Issue;
Supplement/s	any supplement to this Prospectus that may be issued from time to time by the Issuer;
Terms and Conditions	the terms and conditions of the Bonds set out in section 9; and
Valuation Report	the Valuation Report drawn up in relation to the Hypothecated Property by architect Raymond DeMicoli and dated 2 September 2021, a copy of which is available for inspection as set out in section 12 of this Prospectus and which shall be deemed to be incorporated by reference in, and form part of, this Prospectus.

Any reference in the Prospectus to "Malta" is to the "Republic of Malta".

Unless it otherwise required by the context:

- (a) words in this Prospectus importing the singular shall include the plural and *vice versa*;
- (b) words in this Prospectus importing the masculine gender shall include the feminine gender and *vice versa*;
- (c) the word "may" in this Prospectus shall be construed as permissive and the word "shall" in this Prospectus shall be construed as imperative; and
- (d) the word "person" shall refer to both natural and legal persons.

SUMMARY

This Summary is issued in accordance with the provisions of the Prospectus Regulation. Capitalised terms used but not otherwise defined in this Summary shall have the meanings assigned to them in the 'Definitions' section of the Prospectus.

A. INTRODUCTION AND WARNINGS

Prospective investors are hereby warned that:

- this summary should be read as an introduction to the Prospectus;
- any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole by the prospective investor;
- a prospective investor may lose all or part of the capital invested in subscribing for Bonds;
- where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under Maltese law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and
- civil liability attaches only to those persons who have tabled the summary including any translation thereof and who applied for its notification, but only if the summary, when read together with the other parts of the Prospectus, is misleading, inaccurate or inconsistent or does not provide key information in order to aid investors when considering whether to invest in the Bonds.

International Securities Identification Number (ISIN) of the Bonds: MT0002561208.

Identity and Contact Details of the Issuer:

Legal & Commercial Name:	Dino Fino Finance p.l.c
Company Registration Number:	C 100038
Registered Office Address:	Dino Fino Home + Contract Msida, Valley Road, Birkirkara, BKR 9025
LEI:	98450067AEE47RA70431
Telephone Number:	+356 21240100
E-mail Address:	finance@dinofino.com
Website:	www.dinofino.com/investor-relations/

This Prospectus has been approved by the MFSA, which is the competent authority in Malta for the purposes of the Prospectus Regulation, on 30 September 2021. The MFSA has only approved this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Issuer or of the quality of the Bonds.

Identity and Contact Details of the Competent Authority:

Address:	Malta Financial Services Authority, Triq I-Imdina, Zone 1, Central Business District, Birkirkara CBD 1010, Malta.
Telephone Number:	+356 2144 1155
Website:	www.mfsa.mt

B. KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

Identity of the Issuer

The issuer of the Bonds is Dino Fino Finance p.l.c, a public limited liability company registered in Malta in terms of the Companies Act. The Issuer's Legal Entity Identifier (LEI) number is 98450067AEE47RA70431.

Principal Activities of the Issuer

The Issuer is a holding and finance company that does not carry on any trading activities apart from the raising of capital for the Group. Accordingly, the Issuer is economically dependent on the income it derives from the Group and, specifically, on the operating and financial performance of the Guarantor.

Major Shareholders

The Issuer's sole shareholder is Mr Dino Fino, who holds 100% of the issued share capital of the Issuer indirectly through the Parent Company.

Directors of the Issuer

As at the date of this Prospectus, the Board is composed of the following five (5) Directors:

Mr Benjamin Muscat	Independent Non-Executive Director and Chairman
Ms Alexia Farrugia	Independent Non-Executive Director
Dr Austin Gauci Maistre	Non-Executive Director
Mr Dino Fino	Executive Director
Mr Beppe Muscat	Executive Director

Statutory Auditors of the Issuer

Grant Thornton of Fort Business Centre, Triq L-Intornjatur, Zone 1, Central Business District, Birkirkara CBD 1050, Malta, have been appointed as the Issuer's statutory auditors until the end of the next annual general meeting of the Issuer. Grant Thornton is a registered audit firm and principal with the Accountancy Board of Malta in terms of the Accountancy Profession Act (Chapter 281 of the laws of Malta) with registration number AB/26/84/22.

Grant Thornton have also been appointed as the Guarantor's statutory auditors until the end of the next annual general meeting of the Guarantor.

What is the key financial information regarding the issuer?

The Issuer was recently incorporated on 23 August 2021 and has no historical financial information. The following financial information represents the key pro forma financial information of the Issuer for FY2020.

Pro forma Income Statement for the year ended 31 December

	2020 €'000
Revenue	3,275
Cost of sales	(1,823)
Gross profit	1,452
Direct costs	(409)
Contribution	1,043
Other income	205
Overheads	(588)
Depreciation and amortisation	(245)
Net finance costs	(46)
Profit / (loss) before tax	369
Tax charge	(107)
Profit / (loss) after tax	262
Total comprehensive income	262

Pro forma Statement of Financial Position as at 31 December

	2020 €'000
Assets	
Non-current assets	5,013
Current assets	2,062
Cash balance	547
Total assets	7,623
Equity and liabilities	
Total shareholder's equity	3,541
Financial debt	1,133
Current liabilities	1,849
Other financial liabilities	1,100
Total equity and liabilities	7,623

What are the key risks that are specific to the issuer?

The most material risk factors specific to the Issuer are the following:

Risks Relating to the Issuer's Dependence on the Guarantor

The Issuer is a holding and finance company that does not carry on any trading activities apart from the raising of capital and advancing of the same to the Group. Accordingly, the Issuer is economically dependent on the income it derives from the Group and, specifically, on the operating and financial performance of the Guarantor. Therefore, the risks relating to the Guarantor are relevant to the Issuer.

C. KEY INFORMATION ON THE BONDS

What are the main features of the Bonds?

Securities:	Secured bonds
Amount:	Up to €7,800,000
Nominal Value:	€100 per Bond
Denomination:	Euro (€)
ISIN:	MT0002561208
Issue Price:	At Nominal Value (€100 per Bond)
Interest:	4.75% per annum
Issue Date:	19 November 2021
Interest Payment Dates:	19 November (including 19 November 2022, being the first interest payment date) and the Maturity Date (or if any such date is not a Business Day, the next following day that is a Business Day)
Maturity Date:	19 November 2033
Security & Guarantee	The obligations of the Issuer to the Bondholders under the Bonds will be secured by a Special Hypothec granting the Security Trustee (for the benefit of Bondholders) a right of preference and priority for repayment over the Hypothecated Property. However, the value of the Hypothecated Property will be, as at the date of constitution of the Special Hypothec (and is likely expected to be, throughout the term of the Bonds), substantially lower than the full amount of interest and principal outstanding under the Bonds. The Bonds are also guaranteed by the Guarantor as primary obligor, jointly and severally with the Issuer.
Rights:	The only rights attached to the Bonds are the right to (i) attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions; (ii) receive payment of capital and interest in accordance with the ranking as provided in the Terms and Conditions; and (iii) enjoy such other rights attached to the Bonds emanating from the Prospectus (iv) benefit from the enforcement of the Special Hypothec; and (v) seek recourse from the Guarantor pursuant to the Guarantee, in the case of failure by the Issuer to pay any Indebtedness.
Status:	The Bonds (their repayment and the payment of interest thereon) shall constitute the general, direct, and unconditional obligations of the Issuer to the Bondholders, and shall at all times rank <i>pari passu</i> , without any priority or preference among themselves. The Bonds shall rank subsequent to any other prior ranking indebtedness of the Issuer.
Transferability:	The Bonds shall be freely transferable.

Where will be Bonds be traded?

Application has been made to the MSE for the Bonds to be listed and traded on the Official List.

Is there a guarantee attached to the securities?

The Guarantor, as primary obligor, jointly and severally with the Issuer, unconditionally and irrevocably guarantees to the Security Trustee (for the benefit of the Bondholders) that if for any reason the Issuer fails to pay any Indebtedness as and when due, the Guarantor will, on first demand in writing made by the Security Trustee to the Guarantor, pay that sum to the Bondholders or to the Security Trustee for (the benefit of the Bondholders). The Guarantee constitutes the direct, general and unconditional obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by applicable law.

Brief description of the Guarantor

Legal & Commercial Name:	Dino Fino Operations Limited
Company Registration Number:	C 81069
Legal Form:	Limited liability company in terms of the Companies Act
Place of Registration & Domicile:	Malta
Date of Registration:	13 June 2017
Registered Office Address:	Dino Fino Home + Contract, Msida Valley Road, Birkirkara, BKR 9025, Malta
Legal Entity Identifier (LEI):	9845009B9X5A09D37777
Telephone Number:	21240100
E-mail Address:	info@dinofino.com
Website:	www.dinofino.com

The Guarantor is the main operating company in the Group, and operates primarily in the Maltese furniture market, specialising in kitchen and home furniture and contract furniture solutions. The Guarantor works with various brands, suppliers, manufacturers, and distributors, in order to procure, supply and deliver products to its clientele that follow the latest consumer trends.

What is the key financial information regarding the Guarantor?

The key financial information of the Guarantor is set out below.

Income Statement

for the year ended 31 December

	2020 €'000	2019 €'000	2018 €'000
Revenue	3,275	2,287	1,432
Cost of sales	(1,823)	(1,263)	(753)
Gross profit	1,452	1,024	679
Direct costs	(409)	(397)	(196)
Other income	205	18	-
Overheads	(588)	(434)	(334)
Depreciation and amortisation	(245)	(265)	(83)
Net finance costs	(46)	(47)	(46)
Profit / (loss) before tax	369	(102)	20
Tax charge	(107)	53	52
Profit / (loss) after tax	262	(49)	72
Total comprehensive income	262	(49)	72

Statement of Financial Position

As at 31 December

	2020 €'000	2019 €'000	2018 €'000
Assets			
Non-current assets	881	1,218	1,191
Current assets	2,062	1,078	963
Cash balance	546	114	174
Total assets	3,489	2,409	2,329
Equity and liabilities			
Total shareholder's equity	73	(88)	(40)
Financial debt	1,328	700	500
Current liabilities	2,089	1,797	1,869
Total equity and liabilities	3,489	2,409	2,329

Cash flow statement

For the year ended 31 December

	2020 €000	2019 €000	2018 €000
Net cash flow from operating activities	252	114	13
Net cash used in investing activities	(191)	(239)	(187)
Net cash flows from / (used in) financing activities	372	64	165

Net movement in cash and cash equivalents	433	(61)	(8)
Cash and cash equivalents at the beginning of the year	114	174	182
Cash and cash equivalents at the end of the year	546	114	174

What are the key risks that are specific to the guarantor?

The most material risk factors specific to the Guarantor are the following:

Pandemic risk

The broader macroeconomic effects of the COVID-19 pandemic could have a material adverse effect on the Guarantor's business and the financial performance of the Group. The ongoing COVID-19 pandemic and possible future outbreaks may have more direct adverse effects on the Guarantor, including but not limited to the disruption of the business operations of the Guarantor's various suppliers and of the supply chain generally, the forced government closure of non-essential retail stores, and a spread of disease among employees and resulting quarantine measures that may hinder the employees from carrying out their work.

Competition risk

The furniture industry is highly competitive and includes a vast array of market participants such as local furniture manufacturers, other retailers of furniture, distributors, agents, online retailers, and homeware and department stores. Competitors may adopt aggressive pricing policies, expand their store product range or online offering, adopt extensive advertising campaigns or sell products and provide services which may be more attractive to customers than the Guarantor's products and services. The development and growth in the furniture market has also resulted in new competitors introducing low-quality furniture onto the market and ultimately diminishing the demand for quality products.

Risks relating to the rapid changes in the furniture industry

The furniture industry is characterised by rapid change, frequent product introductions, technology enhancements and evolving customer requirements. The Guarantor must anticipate, identify and respond to changing trends and consumer preferences in the industry. The Guarantor's success is dependent on its ability to continue to procure, market and supply products that are attractive, competitive and cost-efficient.

Economic conditions and consumer spending habits

The Guarantor's financial success is dependent on customer preferences and general patterns of consumption in the furniture market. Consumer spending patterns, including spending on furniture products, are affected by factors beyond the Guarantor's control. Such factors include, among other things, prevailing economic conditions, employment levels, income levels and wage rates, and consumer perception of economic conditions. Consumers are more likely to defer the purchase of furniture in times of economic uncertainty, personal economic hardship or in environments of constrained consumer credit.

Correlation the Maltese property market

The increase in property transactions and new construction projects within the Maltese market in recent years have been a significant factor of increased furniture sales. Adverse changes to economic and credit market conditions, property pricing, transaction volumes, interest rates, levels of private and government spending power, employment and demographic trends could adversely affect the Maltese residential property market, which would, in turn, have a negative impact on the Guarantor's operations, financial condition and/or results.

What are the key risks that are specific to the Bonds?

The most material risk factors specific to the Bonds are the following:

Interest rate risk of the Bonds

The Bonds are fixed rate debt securities. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the market value of the Bonds. Investors should be aware that because of the way yield is typically calculated by market participants, the price of fixed income securities tends to move in a way that is inversely proportional to changes in interest rates.

No assurance of active secondary market for the Bonds

The existence of an orderly and liquid market for the Bonds will depend on several factors, including the presence of willing buyers and sellers of the Bonds at any given time and over whom the Issuer has no control. Illiquidity can have a severe adverse effect on the market value of the Bonds and the price quoted by Bondholders for Bonds already admitted to trading on the Official List may be at a significant discount to the original purchase price of those Bonds.

No restriction on the issuer incurring additional indebtedness

The Bonds do not restrict the Issuer's ability to incur additional debt (including through the issuance of bonds or other debt securities) or securing that indebtedness in the future, which actions may negatively affect the Issuer's financial position and its ability to make payments on the Bonds when due.

Suspension of trading or discontinuation of listing

Even after the Bonds are admitted to trading on the Official List, the Issuer is required to remain in compliance with certain requirements relating, inter alia, to the free transferability, clearance and settlement of the Bonds in order to remain a listed company in good standing. Moreover, the MFSA has the authority to suspend trading or listing of the Bonds if, among other things, it determines that such action is required for the protection of investors or of the integrity or reputation of the market. The MFSA may also discontinue the listing of the Bonds on the Official List. Any trading suspension or listing discontinuation could have a material adverse effect on the liquidity and value of the Bonds.

What are the key risks that are specific to the Special Hypothec and the Guarantee?

Ranking

The Bonds shall rank subsequent to any other prior ranking indebtedness of the Issuer. Although the obligations of the Issuer to the Bondholders in respect of the Bonds will be secured by means of the Special Hypothec granted in favour of the Security Trustee for the benefit of the Bondholders, there can be no guarantee that any other prior ranking privileges or security in specific situations will not arise by operation of law during the course of the Issuer's business which may rank with priority or preference to the Special Hypothec. Moreover, it is possible that additional third-party security interests may be registered that will rank in priority to the Bonds.

Value of the Hypothecated Property

The Special Hypothec that is to be granted in favour of the Security Trustee for the benefit and in the interest of Bondholders grants the Security Trustee a right of preference and priority for repayment over the Hypothecated Property. However, the estimated current market value of the Hypothecated Property (as set out in the Valuation Report) will amount to approximately 64% of aggregate Nominal Value of the Bonds (should the maximum aggregate principal amount of the Bonds being offered pursuant to this Prospectus actually be issued in full). Accordingly, the value of the Hypothecated Property as at the date of constitution of the Special Hypothec will be substantially lower than the full amount of interest and principal outstanding under the Bonds. It is therefore highly unlikely that the enforcement of the Special Hypothec by the Security Trustee, in the occurrence of an Event of Default, will result in the recovery of an amount sufficient to cover all sums that may be due to Bondholders in respect of the Bonds.

Guarantee

As the Bonds are being guaranteed by the Guarantor on a joint and several basis, the Security Trustee (for the benefit of Bondholders) shall be entitled to request the Guarantor to pay both the interest due and the principal amount under the Bonds. The strength of this undertaking on the part of the Guarantor and, therefore, the level of recoverability by the Bondholders from the Guarantor of any amounts due under any of the Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantor.

Enforcement rights

The Security is granted to the Security Trustee (for the benefit of the Bondholders) pursuant to the terms of the Security Trust Deed and the Deed of Hypothec. By acquiring Bonds, each Bondholder is considered to be bound by the terms of the Security Trust Deed as if such Bondholder had been a party to it. The protection and exercise of the Bondholders' rights against the Issuer and the enforcement of the Security or other claims under the Bonds must be exercised exclusively through the Security Trustee as specified in the Security Trust Deed, which therefore limits the Bondholders from enforcing their rights against the Issuer and/or the Guarantor, as applicable directly, whether through individual or collective action, without the involvement of the Security Trustee.

D. KEY INFORMATION ON THE OFFER OF BONDS TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

Under which conditions and timetable can I invest in the Bonds?

Expected Timetable of the Bond Issue:

1. Application Forms made available	7 October 2021
2. Offer Period (Intermediaries' Offer)	15 October 2021 - 5 November 2021
3. Announcement of Intermediaries' Offer results	19 November 2021
4. Issue Date	19 November 2021
5. Commencement of interest on the Bonds	19 November 2021
6. Refund of unallocated monies (if any)	19 November 2021
7. Expected date of admission of the Bonds to listing	19 November 2021
8. Expected date of commencement of trading of the Bonds	22 November 2021
9. Expected date for the constitution of the Special Hypothec	No later than 3 December 2021

Plan of distribution

The Bond Issue is open for subscription by all categories of investors including the general public and will be distributed by the Authorised Intermediaries participating in the Intermediaries' Offer. Accordingly, the Issuer has reserved the full amount of the Bond Issue for subscription by Authorised Intermediaries for their own account or for the account of their underlying clients.

General Terms and Conditions

Applications may be made through the Authorised Intermediaries (including the Sponsor) during the Offer Period. The Offer Period shall close immediately upon attaining full subscription or at the end of the Offer Period, whichever is the earliest.

The Bonds are being issued at their Nominal Value (€100 per Bond) subject to a maximum aggregate principal amount of the Bonds that may be issued not exceeding €7,800,000. Applications shall be subject to a minimum subscription amount of €2,000 in Nominal Value of Bonds (and in multiples of €100 thereafter) in relation to each underlying client to which an Application relates.

Application has been made to the MSE for the Bonds to be listed and traded on the Official List. Dealings in the Bonds shall not commence prior to the Bonds being admitted to the Official List of the MSE.

The issue and allotment of the Bonds is conditional upon: (a) a minimum aggregate subscription amount of €5,500,000 and (b) the approval by the Malta Stock Exchange of the Issuer's application for the Bonds to be admitted to the Official List.

In the event that any of these conditions is not satisfied by the close of the Offer Period, the Bond Issue will be withdrawn or revoked unilaterally by the Issuer.

Estimated expenses of the Bond Issue

The Bond Issue will involve expenses, including professional fees and costs related to publicity, advertising, printing, listing, registration, Sponsor, management, selling commission and other miscellaneous costs incurred in connection with this Bond Issue. Such expenses are estimated not to exceed €181,000 and shall be borne by the Issuer and deducted from the proceeds of the Bond Issue.

Why is this prospectus being produced?

The net proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €7,619,000, will be utilised for the following purposes, in the order of priority set out below:

- (1) €5,236,000 will be used for the purpose of financing the acquisition by the Issuer of the Hypothecated Property;
- (2) €1,269,000 will be loaned to the Guarantor, pursuant to the Guarantor Loan, for the following purposes:
 - a. €500,000 will be utilised by the Guarantor to repay the BOV Loan in full;
 - b. €300,000 will be utilised by the Guarantor to part finance certain finishing works to be undertaken on the Hypothecated Property that it will be leasing from the Issuer; and

- c. €469,000 will be utilised by the Guarantor for general corporate funding purposes;
- (3) €450,000 will be paid to the Parent Company to settle part of the outstanding balance of the purchase price due to it in respect of the earlier acquisition by the Issuer of the Guarantor and the IP Holding Company; and
- (4) €664,000 will be retained by the Issuer and utilised for general corporate funding purposes.

If the net proceeds of the Bond Issue are less than €7,619,000, the Issuer will, subject to a minimum aggregate subscription amount of €5,500,000, proceed with the issuance of the number of Bonds subscribed for and the net proceeds shall be applied in the manner and order of priority set out above.

The Bond Issue is not underwritten.

Other than the possible subscription for Bonds by Authorised Intermediaries (which include the Sponsor) and any fees payable to the various professional advisors and service providers in connection with the Bond Issue, the Issuer is not aware of any person involved in the Bond Issue that has a material interest in the Bond Issue.

1. RISK FACTORS

1.1 General

AN INVESTMENT IN THE BONDS ISSUED BY THE ISSUER INVOLVES CERTAIN RISKS, INCLUDING BUT NOT LIMITED TO THOSE RISKS DESCRIBED IN THIS SECTION. THE FOLLOWING RISKS ARE THOSE IDENTIFIED BY THE ISSUER AS AT THE DATE OF THIS PROSPECTUS. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, TOGETHER WITH THEIR INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE ISSUER AND THE BONDS.

THE RISK FACTORS BELOW HAVE BEEN CATEGORISED UNDER FOUR (4) MAIN CATEGORIES, ACCORDING TO WHETHER THE RISKS UNDER REVIEW RELATE TO THE: (I) THE ISSUER; (II) THE GUARANTOR AND ITS BUSINESS; (III) THE BONDS; AND (IV) THE SECURITY.

THE RISK FACTOR APPEARING FIRST UNDER EACH SUB-CATEGORY CONSTITUTES THAT RISK FACTOR THAT THE BOARD HAS ASSESSED TO BE THE MOST MATERIAL RISK FACTOR UNDER SUCH CATEGORY AS AT THE DATE OF THIS PROSPECTUS. IN MAKING THEIR ASSESSMENT OF MATERIALITY, THE BOARD HAS EVALUATED THE COMBINATION OF: (I) THE PROBABILITY THAT THE RISK FACTOR OCCURS AND (II) THE EXPECTED MAGNITUDE OF THE ADVERSE EFFECT ON THE FINANCIAL CONDITION AND PERFORMANCE OF THE ISSUER AND/OR THE GUARANTOR, IF THE RISK FACTOR WERE TO MATERIALISE.

SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES THAT MAY OR MAY NOT OCCUR AND NEITHER THE ISSUER NOR THE GUARANTOR ARE IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

SHOULD ANY OF THE RISKS DESCRIBED BELOW MATERIALISE, THEY COULD HAVE A SERIOUS ADVERSE EFFECT ON THE ISSUER'S AND/OR GUARANTOR'S FINANCIAL RESULTS AND TRADING PROSPECTS AND THE ABILITY OF THE ISSUER AND/OR THE GUARANTOR TO FULFIL ITS OBLIGATIONS UNDER THE BONDS.

THE RISKS AND UNCERTAINTIES DISCUSSED BELOW MAY NOT BE THE ONLY ONES THAT THE ISSUER AND/OR THE GUARANTOR FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE, THE DIRECTORS OF THE ISSUER AND/OR OF THE GUARANTOR MAY NOT CURRENTLY BE AWARE OF, COULD WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER AND/OR THE GUARANTOR. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CAREFULLY READ, CONSIDER AND UNDERSTAND THE PROSPECTUS AS A WHOLE BEFORE INVESTING IN THE BONDS. IN ADDITION, PROSPECTIVE INVESTORS OUGHT TO BE AWARE THAT RISK MAY BE AMPLIFIED DUE TO A COMBINATION OF RISK FACTORS.

1.2 Forward-looking statements

This document includes statements that are or may be deemed to be "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including but not limited to the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements are based purely on the intentions, beliefs or current expectations of the Issuer, Guarantor and/or the Directors of the Issuer and/or Guarantor. There can

be no assurance that the results and events contemplated by the forward-looking statements contained in this Prospectus will occur.

Forward-looking statements, by their very nature, involve substantial uncertainties because they relate to events and depend on circumstances that may or may not occur in the future, many of which are beyond the Issuer's and/or Guarantor's control. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer's and/or Guarantor's actual results of operations and financial condition may, as a result of many different factors, differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the results of operations and financial condition of the Issuer and/or the Guarantor are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Subject to its legal and regulatory obligations (including those under the Capital Markets Rules), the Issuer and/or the Guarantor and their Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

1.3 Risks relating to the Issuer's dependence on the Guarantor

The Issuer was incorporated on 23 August 2021 and, despite the inclusion of certain pro forma financials in Section 6.1 below, has no actual operating history that can be evaluated as a basis for the Issuer's potential performance. The Issuer is a holding and finance company that does not carry on any trading activities apart from the raising of capital and advancing of the same to the Group. Accordingly, the Issuer is economically dependent on the income it derives from the Group and, specifically, on the operating and financial performance of the Guarantor. The risks relating to the Guarantor as described in Section 1.4 are therefore relevant to the Issuer and, the materialisation of any of these risks will have a direct impact on the performance and financial position of the Issuer as well as its ability to meet its obligations to Bondholders.

1.4 Risks relating to the Guarantor and its business

1.4.1 Pandemic risk

In December 2019, an outbreak of a contagious respiratory virus now known as COVID-19 occurred and it has since spread globally. The virus has resulted in government authorities in many countries (including in Europe) taking extreme measures to arrest or delay the spread of the virus including the declaration of states of emergency, restrictions on movement, border controls, travel bans and the closure of offices, schools and other public amenities. While the full impact the pandemic and the resulting measures is not yet known, these events are expected to have a material adverse effect on general global economic conditions and market liquidity. The impact of a health crisis such as the COVID-19 pandemic, and other epidemics and pandemics that may arise in the future, could also affect the global economy in ways that cannot necessarily be foreseen at the present time. A health crisis may exacerbate other pre-existing political, social and economic risks. The broader macroeconomic effects of the COVID-19 pandemic as described above could have a material adverse effect on the Guarantor's business and the financial performance of the Group. Additionally, the ongoing COVID-19 pandemic and possible future outbreaks may have more direct adverse effects on the Guarantor and its business, including but not limited to the disruption of the business operations of the Guarantor's various suppliers and of the supply chain generally, the forced government closure of non-essential retail stores such as the Guarantor's showroom (something that has already occurred twice since 2020), and a spread of disease among the employees of the Group and resulting quarantine measures that may hinder the employees from carrying out their work. The occurrence of any of these events could have a material adverse effect on the Guarantor's business and the financial performance of the Group.

1.4.2 Competition risk

The furniture industry in which the Guarantor operates is highly competitive and includes a vast array of market participants such as local furniture manufacturers, other retailers of furniture, distributors, agents as well as new entrants to the market such as online retailers, and homeware and department stores. Competitors may adopt aggressive pricing policies, expand their store product range or online offering, adopt extensive advertising campaigns or sell products and provide services which may be more attractive to customers than the Guarantor's products and services. The development and growth in the furniture market has also resulted in new competitors introducing low-quality furniture onto the market and ultimately diminishing the demand for quality products. In order to successfully compete against the vast array of competition, the Group must be able to distinguish its products and services from those of its competitors, on the basis of the range and quality of product offering, cost competitiveness, customer care, and brand quality and recognition. Failing to distinguish its products and services and maintain its reputation, may

result in the Guarantor losing part or all of its market share to competitors being able to capture the Guarantor's market share, which may have a material adverse effect on the operations, prospects and financial results of the Group.

1.4.3 Risks relating to the rapid changes in the furniture industry

The furniture industry is characterised by rapid change, frequent product introductions, technology enhancements and evolving customer requirements. The Guarantor must anticipate, identify and respond to changing trends and consumer preferences in the industry. The Guarantor's success is dependent on its ability to continue to procure, market and supply products that are attractive, competitive and cost-efficient. The Guarantor also may not be able to successfully anticipate or adapt to changes or customer requirements on a timely basis which could have a material adverse effect the Group's operations, financial performance and cash flow.

1.4.4 Economic conditions and consumer spending habits

The Guarantor's financial success is dependent on customer preferences and general patterns of consumption in the furniture market. Consumer spending patterns, including spending on furniture products offered by the Guarantor, are affected by factors beyond the Guarantor's control. Such factors include, among other things, prevailing economic conditions, employment levels, income levels and wage rates, prevailing interest rates, income tax rates and politics, consumer confidence and consumer perception of economic conditions. Due to the discretionary nature and timing of most furniture purchases and the fact that such purchases often represent a significant expenditure, consumers are more likely to defer the purchase of furniture in times of economic uncertainty, personal economic hardship or in environments of constrained consumer credit. The occurrence of such circumstances is therefore likely to have a material adverse effect on the Guarantor's financial performance.

1.4.5 Correlation the Maltese property market

The increase in property transactions and new construction projects within the Maltese market in recent years have been a significant factor of increased furniture sales. Adverse changes to economic and credit market conditions, property pricing, transaction volumes, interest rates, levels of private and government spending power, employment and demographic trends could adversely affect the Maltese residential property market, which would, in turn, have a negative impact on the Guarantor's operations, financial condition and/or results.

1.4.6 Litigation risk

The Guarantor may, from time to time, face commercial disagreements, contractual disputes, and litigation with its counterparties, employees and customers, in the ordinary course of its business. The ultimate outcome of any disagreement, dispute or litigation, and the potential costs and required time, including any economic and/or reputational damage, could have a material and negative effect on the Guarantor's operations, financial condition and cash flows, as well as the deterioration of existing customer relationships and the Guarantor's ability to attract new customers.

1.4.7 Reputational risk

Reputational risk is the risk that negative publicity regarding the Guarantor's business practices, whether true or not, will cause a decline in the customer base, costly litigation, or revenue reductions, which could in turn could have a material adverse effect on the Guarantor's operations, earnings and financial position. The Guarantor relies heavily on market recognition of its brands and services and its financial success depends on the continued favourable public perception of the same. The Guarantor's ability to promote its brand, maintain or enhance its brand recognition and awareness among customers and maintain its reputation and the value associated with the Guarantor's brands is critical to its operations. The Guarantor may suffer reputational damage if its customers believe it has failed to maintain high levels of quality and integrity or if it fails to maintain its reputation as a supplier of quality products.

1.4.8 Recruitment and retention of qualified personnel

The Guarantor is dependent to a significant degree on the skills, experience and efforts of its management, design, sales and other personnel who set the Guarantor's strategic direction and manage and develop the Guarantor's business. The loss of key personnel or the Guarantor's failure to attract, replace, train or retain qualified personnel could have a negative impact on the Guarantor's operations, business and financial performance. Furthermore, the saturated furniture market leads to greater competition for the recruitment of qualified personnel and the Guarantor may be unable to recruit such personnel when required. If not successful in attracting and retaining qualified personnel,

the Guarantor's ability to effectively conduct its business could be affected, which could have a material adverse impact on the financial performance and condition of the Guarantor.

1.4.9 Information technology risks

The activities of the Guarantor are reliant on the continuous and proper functioning of its operating systems, including its IT systems and other technologies in undertaking its day-to-day business, including inventory monitoring, cash management, maintaining its website, electronic booking systems and in order to assess orders and supply needs. The Guarantor also stores sensitive data, including intellectual property, proprietary business information and personal data of its employees and the secure maintenance and transmission of this information is critical to its operations. This subjects the Guarantor to several risks associated with maintaining, developing and securing its IT systems. The Guarantor's IT systems could be vulnerable to damage or disruption caused by circumstances beyond the Guarantor's control, such as system and network failures, hardware error, viruses, cyberattacks and power loss. There can be no assurance that the Guarantor will be able to detect, prevent or secure its IT systems sufficiently against such disruptions. Furthermore, advancements of the Guarantor IT systems, which is required in order to remain competitive, may be associated with substantial capital expenditures. The COVID-19 pandemic has further increased the Guarantor's dependency on IT systems and exposure to cyber-security risk, mainly to enable remote working for its employees. In the event that a cyber-attack occurs on the Guarantor's operating systems, this could adversely affect the Group's reputation, financial performance and financial position.

1.5 Risks relating to the Bonds

1.5.1 Interest rate risk of the Bonds

The Bonds are fixed rate debt securities. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the market value of the Bonds. Investors should be aware that because of the way yield is typically calculated by market participants, the price of fixed income securities tends to move in a way that is inversely proportional to changes in interest rates. Accordingly, when prevailing market interest rates are rising, the prices that market participants will generally be willing to pay for the Bonds can be expected to decline. Conversely, if market interest rates are declining, secondary market prices for the Bonds will tend to rise. Moreover, fixed rate debt securities with a longer period to maturity will tend to reflect a greater degree of secondary market price volatility relative to movements in market interest rates when compared to fixed rate debt securities with a shorter remaining life.

1.5.2 No assurance of active secondary market for the Bonds

The existence of an orderly and liquid market for the Bonds will depend on a number of factors, including the presence of willing buyers and sellers of the Bonds at any given time and over whom the Issuer has no control. Accordingly, it is impossible to guarantee a liquid or any secondary market for the Bonds after their admission to trading or that such a market, should it develop, will subsist. See also Section 1.4.1 above (Pandemic risk). The global stock markets experienced significant volatility during 2020 as a result of the COVID-19 pandemic. Any such volatility and/or market downturn caused by COVID-19 or possible similar outbreaks in the future could lead to increased illiquidity of the stock markets generally and of any secondary market for the Bonds. Illiquidity can have a severe adverse effect on the market value of the Bonds and the price quoted by Bondholders for Bonds already admitted to trading on the Official List may be at a significant discount to the original purchase price of those Bonds. 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.

1.5.3 No restriction on the issuer incurring additional indebtedness

The Bonds do not restrict the Issuer's ability to incur additional debt (including through the issuance of bonds or other debt securities) or securing that indebtedness in the future, which actions may negatively affect the Issuer's financial position and its ability to make payments on the Bonds when due. Moreover, such indebtedness may have a prior ranking than the Bonds, in which case it could rank ahead of the Bonds in the event of a dissolution and winding up of the Issuer.

1.5.4 Suspension of trading or discontinuation of listing

Even after the Bonds are admitted to trading on the Official List, the Issuer is required to remain in compliance with certain requirements relating, inter alia, to the free transferability, clearance and settlement of the Bonds in order to remain a listed company in good standing. Moreover, the MFSA has the authority to suspend trading or listing of the Bonds if, among other things, it determines that such action is required for the protection of investors or of the integrity

or reputation of the market. The MFSA may also discontinue the listing of the Bonds on the Official List. Any trading suspension or listing discontinuation described above could have a material adverse effect on the liquidity and value of the Bonds.

1.5.5 Changes to the Terms and Conditions

In the event that the Issuer wishes to amend any of the Terms and Conditions it shall call a meeting of Bondholders in accordance with the provisions of Section 9.13.3 below. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

1.6 Risks relating to the Special Hypothec and the Guarantee

1.6.1 Ranking

The Bonds (their repayment and the payment of interest thereon) shall constitute the general, direct and unconditional obligations of the Issuer to the Bondholders, secured in the manner described in Section 9.4 below, and shall at all times rank *pari passu*, without any priority or preference among themselves. The Bonds shall rank subsequent to any other prior ranking indebtedness of the Issuer. Although the obligations of the Issuer to the Bondholders in respect of the Bonds will be secured by means of the Special Hypothec granted in favour of the Security Trustee for the benefit of the Bondholders, there can be no guarantee that any other prior ranking privileges or security in specific situations will not arise by operation of law during the course of the Issuer's business which may rank with priority or preference to the Special Hypothec. Moreover, it is possible that additional third-party security interests may be registered that will rank in priority to the Bonds against the unencumbered assets of the Issuer for so long as such security interests remain in effect.

1.6.2 Value of the Hypothecated Property

The Special Hypothec that is to be granted in favour of the Security Trustee for the benefit and in the interest of Bondholders grants the Security Trustee a right of preference and priority for repayment over the Hypothecated Property. However, the estimated current market value of the Hypothecated Property (as set out in the Valuation Report) will amount to approximately 64% of aggregate Nominal Value of the Bonds (should the maximum aggregate principal amount of the Bonds being offered pursuant to this Prospectus actually be issued in full). Accordingly, the value of the Hypothecated Property as at the date of constitution of the Special Hypothec will be substantially lower than the full amount of interest and principal outstanding under the Bonds. Moreover, it is also possible that the value of the Hypothecated Property may decrease over time as a result of a number of factors, including general economic factors, that could have an adverse impact on the value of the Hypothecated Property. It is therefore highly unlikely that the enforcement of the Special Hypothec by the Security Trustee (should there be an Event of Default), at any point in time during the term of the Bonds, will result in the recovery of an amount that is sufficient to cover all sums that may be due to Bondholders in respect of the Bonds.

In addition, the Valuation Report prepared by an independent qualified architect in respect of the Hypothecated Property contains certain assumptions. The actual value of the Hypothecated Property may be materially different from any future values that may be expressed or implied in any forward-looking statements or anticipated on the basis of historical trends, as the eventual reality might not match the assumptions. There can no assurance that the Valuation Report reflects what the actual market value of the Hypothecated Property will be at the time of enforcement of the Special Hypothec, and a lower market value at the time of enforcement will therefore have an adverse effect on the level of recoverability of amounts than might have otherwise been expected as of the date of this Prospectus.

1.6.3 Guarantee

As the Bonds are being guaranteed by the Guarantor on a joint and several basis, the Security Trustee (for the benefit of Bondholders) shall be entitled to request the Guarantor to pay both the interest due and the principal amount under the Bonds and to take action against the Guarantor without first having to take action against the Issuer, if the Issuer fails to pay the Indebtedness. The strength of this undertaking on the part of the Guarantor and, therefore, the level of recoverability by the Bondholders from the Guarantor of any amounts due under any of the Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantor.

1.6.4 Enforcement rights

The Security is granted to the Security Trustee (for the benefit of the Bondholders) pursuant to the terms of the Security Trust Deed and the Deed of Hypothec. By acquiring Bonds, each Bondholder is considered to be bound by the terms

of the Security Trust Deed as if such Bondholder had been a party to it. The protection and exercise of the Bondholders' rights against the Issuer and the enforcement of the Security or other claims under the Bonds must be exercised exclusively through the Security Trustee as specified in the Security Trust Deed, which therefore limits the Bondholders from enforcing their rights against the Issuer and/or the Guarantor, as applicable directly, whether through individual or collective action, without the involvement of the Security Trustee. The Security Trust Deed contains a number of provisions that prospective investors should be aware of prior to acquiring any Bonds (a copy of which is available for inspection as set out in section 12 of this Prospectus).

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

2. PERSONS RESPONSIBLE, CONSENT FOR USE AND AUTHORISATION OF PROSPECTUS

2.1 Persons Responsible

All of the Directors whose names appear under section 5.1 of this Prospectus are the persons responsible for all of the information contained in this Prospectus. To the best of the knowledge and belief of the Directors, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect its import, and the Directors have taken all reasonable care to ensure that this is the case. The Directors accept responsibility accordingly.

2.2 Consent for Use of Prospectus

For the purposes of any subscription for Bonds through any of the Authorised Intermediaries during the Offer Period in terms of this Prospectus and any subsequent resale, placement or other offering of Bonds by such Authorised Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Regulation, the Issuer consents for a period of 60 days from the date of this Prospectus, to the use of this Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale, placement or other offering of Bonds, provided this is limited only:

- (a) in respect of Bonds subscribed through Authorised Intermediaries during the Offer Period; and
- (b) to any resale or placement of Bonds subscribed for as aforesaid, taking place in Malta within the period of 60 days from the date of the Prospectus.

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

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

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

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

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

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

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

Any new information with respect to any Authorised Intermediary unknown at the time of approval of this Prospectus will be made available through a company announcement, which will be made available on the Issuer's website (www.dinofino.com/investor-relations/).

2.3 Authorisation Statement

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

3. ADVISORS AND STATUTORY AUDITORS

3.1 Advisors

Sponsor, Manager & Registrar	Calamatta Cuschieri Investment Services Limited Ewropa Business Centre Triq Dun Karm, Birkirkara BKR 9034 Malta
Legal Counsel	Ganado Advocates 171, Old Bakery Street Valletta, VLT 1455 Malta
Reporting Accountants	Grant Thornton Fort Business Centre, Triq L-Intornjatur Central Business District, CBD 1050 Malta
Financial Advisor	Deloitte Services Limited Deloitte Place, Triq L-Intornjatur, Central Business District, CBD, 3050 Malta

The services of the Issuer's and Guarantor's legal counsel and other advisors in respect of this Prospectus are limited to the specific matters upon which they have been consulted. There may be other matters that would have a bearing on the Issuer, the Guarantor or an investment in the Bonds upon which the Issuer's legal counsel and other advisors

have not been consulted. The Issuer's and the Guarantor's legal counsel and the other advisors do not undertake to monitor the compliance by the Issuer and/or the Guarantor with their obligations as described in this Prospectus, nor do they monitor the Issuer's and/or Guarantor's activities for compliance with applicable laws. Additionally, the Issuer's and the Guarantor's legal counsel and other advisors have relied and continue to rely upon information furnished to them by the Issuer, the Guarantor and their Directors, and have not investigated or verified, nor will they investigate or verify the accuracy and completeness of information set out herein concerning the Issuer, the Guarantor, the Issuer's service providers or any other parties involved in the Bond Issue (including all of their respective affiliates, directors, officers, employees and agents). Moreover, the Issuer's and the Guarantor's legal counsel and the other advisors accept no responsibility for any description of matters in this Prospectus that relate to (and any issues arising from) any applicable law that is not Maltese law.

3.2 Statutory Auditors

Grant Thornton of Fort Business Centre, Triq L-Intornjatur, Zone 1, Central Business District, Birkirkara CBD 1050, Malta, have been appointed as the Issuer's and the Guarantor's statutory auditors until the end of the next annual general meeting of the Issuer and the Guarantor, respectively. Grant Thornton is a registered audit firm and principal with the Accountancy Board of Malta in terms of the Accountancy Profession Act (Chapter 281 of the laws of Malta) with registration number AB/26/84/22.

The statutory auditor of the Guarantor in respect of the historical financial information reflected and/or incorporated by reference into this Prospectus (prior to the appointment of Grant Thornton) was Mr Silvio Muscat of 63C, Flat 1, Birkirkara Road, St Julian's, Malta, a registered auditor with the Accountancy Board of Malta in terms of the Accountancy Profession Act with registration number 48115A.

4. INFORMATION ON THE ISSUER AND THE GUARANTOR

4.1 General Information of the Issuer

Legal & commercial Name:	Dino Fino Finance p.l.c.
Company Registration number:	C 100038
Legal form:	Public limited liability company in terms of the Companies Act
Place of registration & domicile:	Malta
Date of registration:	23 August 2021
Registered office address:	Dino Fino Home + Contract Msida, Valley Road, Birkirkara, BKR 9025
Legal Entity Identifier (LEI):	98450067AEE47RA70431
Telephone number:	21240100
E-mail address:	finance@dinofino.com
Website:	www.dinofino.com/investor-relations/

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

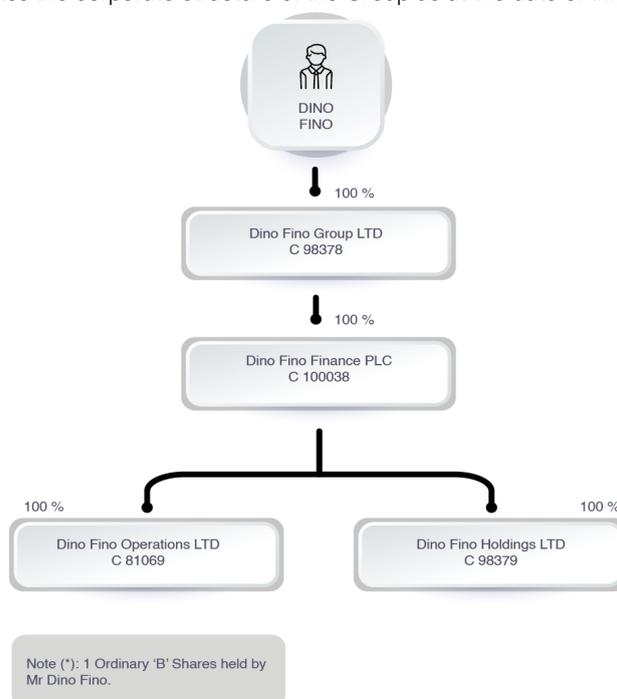
4.2 Business Overview of the Issuer

The Issuer is a holding and finance company that does not carry on any trading activities apart from the raising of capital for the Group. Accordingly, the Issuer is economically dependent on the income it derives from the Group and, specifically, on the operating and financial performance of the Guarantor. Further details on the Guarantor, including its principal activities, are set out elsewhere in this section 4.

The principal objects of the Issuer are set out in clause 4 of the Memorandum of Association of the Issuer, which are in summary, to carry on the business of a holding and finance company. A copy of the Memorandum of Association of the Issuer is available for inspection as set out in section 12 of this Prospectus.

4.3 Group Organisational Structure

The following diagram illustrates the corporate structure of the Group as at the date of this Prospectus:



The principal activities of the Issuer are described in section 4.2 above and those of the Guarantor are described in section 4.7 below.

The Parent Company is the ultimate holding company of the Group and holds all of the Issuer's shares.

The IP Holding Company was established to hold the Group's key intellectual property assets, namely the Dino Fino Brand.

4.4 Group Historical Development and Recent Events

The Guarantor was established in 2017 as 'Al Sadi Fino Company Limited' by Mr Dino Fino and his business partner at the time, following the departure of Mr Fino from C. Fino & Sons Ltd, where Mr Fino had previously worked for 21 years. Mr Fino leveraged on his significant prior experience and knowledge of the furniture industry to set up the Guarantor and its furniture and furnishings retail business.

The Guarantor began operating from its initial premises in Birkirkara in 2018 with four employees. In the same year, the Guarantor increased its workforce to 10 employees and moved to larger premises in Hamrun. The Guarantor later entered into a lease agreement with a third party in relation to the Hypothecated Property in Birkirkara (a 2000sqm four storey showroom), which was eventually opened in 2019 following a significant investment in the same by the Guarantor.

The Hypothecated Property provided the Guarantor with a larger showroom, office space for the management team and staff (which had increased to 20 employees) and further storage facilities for inventory. This move permitted the Guarantor to extend its furniture range from kitchens and office furniture and become a complete home furniture solution retailer. In March 2020, the Guarantor closed its Hamrun showroom and transferred all of its operations to the Hypothecated Property.

In September 2020, Mr Fino bought all of his business partner's shares in the Guarantor and became the sole shareholder of the Guarantor, following which the Guarantor's name was changed to 'Dino Fino Operations Limited', operating under the trading name 'Dino Fino Home + Contract'.

During Q1 2021, the Guarantor invested further in the Hypothecated Property, extending it by 200 square meters, and increased its workforce to a total of 35 employees. During the same period, the Guarantor also entered into a promise of sale agreement to buy the Hypothecated Property from its current owner. The Guarantor will be assigning its rights

under this promise of sale agreement to the Issuer, with the Issuer to finalise the acquisition of the Hypothecated Property using the majority of the Bond Issue proceeds (as set out in section 7.2 below).

The Guarantor utilises the Dino Fino Brand in its operations, which until recently was registered in Mr Fino's personal name. The Dino Fino Brand was, pursuant to a licensing agreement entered into on 13 April, 2021, formally licensed by Mr Fino to the Guarantor for a term of 25 years and for a royalty fee of 5.0% of gross revenue.

The Guarantor underwent a restructuring process during the first half of 2021 in order to (1) establish the Group structure (as depicted in section 4.3 above), including the Issuer as the financing arm of the Group, in preparation for the Bond Issue and (2) bring the Dino Fino Brand within the Group structure.

The Dino Fino Brand and all of Mr Fino's rights under the abovementioned licensing agreement were assigned to the IP Holding Company on 2 August 2021). The final step of this restructuring exercise was the transfer by the Parent Company of all of the shares in the Guarantor and the IP Holding Company to the Issuer in consideration for shares in the Issuer and cash consideration of €1,100,000. This cash consideration due to the Parent Company by the Issuer remains outstanding as of the date of this Prospectus and the Issuer intends to apply part of the Bond Issue proceeds to settle this in full (as set out in section 7.2 below).

4.5 Group Funding Structure and Expected Financing of Group's Activities

The Guarantor currently has two outstanding loan facilities with Bank of Valletta p.l.c. and FCM Bank Limited, for outstanding loan balances of €500,000 and €600,000, respectively.

The BOV Loan is a business loan that the Guarantor required in connection with exit of Mr Fino's ex-business partner from the Guarantor's business (specifically, to enable the Guarantor to settle amounts due to him). The Issuer intends to loan part of the Bond Issue proceeds to the Guarantor for the purpose of, among other things, repaying the BOV Loan in full (as set out in section 7.2 below).

The FCM Bank loan facility is a working capital support loan (to cover working capital requirements and shortfall in cashflow resulting from adverse business conditions following the COVID-19 outbreak) granted with the guarantee of the Government of Malta (through the Malta Development Bank). The facility was issued for a maximum term of seventy-two (72) months from the first drawdown at an interest rate that (as a result of the aforementioned guarantee) is lower than what FCM Bank or similar banks would charge for similar facilities (in a non-pandemic scenario). In addition to other market standard contractual arrangements, this loan facility is secured by, *inter alia*, a first general hypothec for the full amount over the present and future assets of the Guarantor, a general hypothecary guarantee for the full amount over the present and future assets of Mr Dino Fino and a contractual undertaking stating that the Guarantor will not repay any shareholders' loans and will not declare or pay any dividends without the bank's prior consent.

Aside from financing certain financial commitments of the Group using the proceeds of the Bond Issue (including the purchase of Hypothecated Property, the repayment of the BOV Loan and as otherwise described in section 7.2 below), the Issuer expects to finance its ongoing activities (including meeting its obligations to the Bondholders and to FCM Bank) primarily from the operating cash flows of the Guarantor, which will be transferred to the Issuer in the form of interest payments and principal repayments in respect of the Guarantor Loan, annual rent payments in respect of the Hypothecated Property and a mix of dividends and intra-group loans, as may be decided from time to time by the Group.

4.6 General Information of the Guarantor

Legal & Commercial Name:	Dino Fino Operations Limited
Company Registration Number:	C 81069
Legal Form:	Limited liability company in terms of the Companies Act
Place of Registration & Domicile:	Malta
Date of Registration:	13 June 2017
Registered Office Address:	Dino Fino Home + Contract, Msida Valley Road, Birkirkara, BKR 9025, Malta
Legal Entity Identifier (LEI):	9845009B9X5A09D37777
Telephone Number:	21240100
E-mail Address:	info@dinofino.com
Website:	www.dinofino.com

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

4.7 Business Overview of the Guarantor

4.7.1 Principal Activities of the Guarantor

The Guarantor is the main operating company in the Group, and operates primarily in the Maltese furniture market, specialising in kitchen and home furniture and contract furniture solutions. The Guarantor works with various brands, suppliers, manufacturers, and distributors, in order to procure, supply and deliver products to its clientele that follow the latest consumer trends.

The principal objects of the Guarantor are set out in clause 3 of its Memorandum of Association, which are in summary: to import, sell, deal and trade in materials including, household goods, leather goods, upholstery, furnishing and other interior goods as well as to import, manufacture, trade and/or sell articles in wood, plastic, aluminium and other materials in relation to any kind of fixtures, furniture and fittings for domestic, commercial and industrial use, both as wholesaler and retailer. A copy of the Memorandum of Association of the Guarantor is available for inspection as set out in section 12 of this Prospectus.

4.7.2 Product Range and Services

Home Furniture Division

The Guarantor derives the majority of its revenue from its residential furniture division, which contributed to 84.7% of the Guarantor's sales in financial year ending 31 December 2020. The Guarantor procures from suppliers, sells and delivers a vast range of kitchens and home furniture and decorations. Products include kitchens, dining room furniture, living room furniture, bedroom furniture, lighting fixtures, carpets, wooden flooring, internal and external apertures, wallpaper, fabrics, blinds, decorations, accessories, outdoor furniture including pergolas, bathrooms furniture, fixtures and floor tiles.

The Guarantor has no manufacturing operations and sources all products from suppliers based principally in Italy and Germany. The Guarantor only works with suppliers that can generally guarantee a reliable supply chain, exclusivity of brands and quality after-sales customer support. Through these suppliers, the Guarantor represents a large collection of brands including Aran World which incorporates Aran Cucine, Rastelli Cucine, Ciao Cucine, Newform Ufficio, Aran Notte together with other high profile suppliers including LAGO, Arketipo, Adriani & Rossi, Quadrifoglio Group, Siloma, Marinelli Home, Samoa, Cattelan Italia, SCAB Design, Tonin Casa, Magniflex, KYMO, Skema, Varaschin, EMU, Roberti, Pointhouse, Light & Living, Instabilelab, Marset, Foster, Cerdisa, Barazza, Acrotexture, and Zanini Porte. The Guarantor is continuously looking to establish relationships with new suppliers in order to diversify its supply base and product offering, also enabling it to introduce new product ranges as consumer trends change.

Additionally, the Guarantor has recently launched a custom design service that assists clients in designing custom-made furniture to fit their particular wishes and specifications, a service that is steadily gaining popularity with its clientele.

The Guarantor is also in the process of sourcing a factory in order to manufacture bespoke furniture locally, with an intention of launching this factory and line of furniture during 2022.

Contract Division

The Guarantor also operates in the contract furniture market, where it provides corporate clients with bespoke design, curation, supply, delivery, installation and project management solutions in relation to contract furniture projects for commercial installation, primarily in the hospitality industry (for hotels, restaurants and cafes) but also for other commercial project such as for offices and retail stores. The Guarantor's contract furniture division has contributed to 15.3% of the Guarantor's sales in financial year ending 31 December 2020. As part of the Guarantor's growth strategy the Guarantor has recently expanded its contracts division to include the supply and installation of outdoor and indoor pools both for residential and commercial purposes.

Dino Fino Outlet

The Guarantor has also recently launched an online shop – ‘Dino Fino Outlet’ (www.outlet.dinofino.com) – through which it offers a wide range of home décor items and furniture, including kitchens, living rooms, dining rooms, bedrooms and more. Dino Fino Outlet is a distinct sales channel through which the Guarantor sells a variety of products and brands that are not available for purchase at the Guarantor’s showroom, also adopting a more aggressive pricing strategy for the product range being sold online. The Guarantor believes that the proportion of its online sales will grow in proportion to its overall sales. The Guarantor intends to invest further in this aspect of its business to continue to improve on user experience, product visualisation, search engine optimisation and other aspects for the purpose of ensuring that it remains a scalable and effective online solution for the Guarantor and its clients.

4.8 Trend Information

The following is an overview of the most significant trends and uncertainties that are likely to have a material effect on the prospects of the Group:

Competition

The Guarantor operates in an increasingly competitive and fragmented market comprised of various furniture retailers ranging from household names, franchises, manufacturers, and low-budget imports as well as new entrants to the market such as online retailers, and homeware and department stores. In order to successfully compete against the vast array of competition, the Group must be able to distinguish its products and services from those of its competitors, on the basis of the range and quality of product offering, cost competitiveness, customer care, and brand quality and recognition.

The Guarantor looks to distinguish itself from its competitors and build on the Guarantor’s strong brand name and reputation by focusing, first and foremost, on customer service and satisfaction. The Guarantor generally maintains end-to-end direct control of its customer service and therefore aims to provide a high-quality shopping and after-sales experience through well-trained employees, expedient order management, timely product deliveries, comprehensive after-sales service, and long-term guarantees on its products. The Guarantor firmly believes that achieving a high-level of customer satisfaction starts with having professionally trained and motivated staff who understand and share this customer service ethos, which is why the Guarantor invests substantial resources in the recruitment, training and development of its staff. Staff receive a variety of in-house training sessions together with training sessions provided by the Guarantor’s foreign suppliers.

COVID-19

The outbreak of COVID-19 has a significant impact on the global furniture and home furnishings market in 2020 as a result of the disruption of supply chains due to trade restrictions and a decrease in foot-traffic due to lockdowns and closures of retail outlets imposed by governments globally. Lockdowns measures imposed by national governments to contain the transmission resulted in a decline in manufacture and trade of non-essential goods generally and an overall decline in economic activity. The COVID-19 outbreak is expected to continue to have some negative impact on furniture retail businesses during 2021, although the market it is generally expected to recover¹.

Moreover, local demand for furniture has to date been predominantly driven by the growth in the local property market, with the increase in property transactions and new construction projects in recent years having been a significant factor of increased sales for furniture retailers. This resulted in an approximate 2.9% annual growth in the value of furniture imports locally between 2014 and 2020. Although the long-term effects of COVID-19 on the local property market are still unclear, the pandemic is generally considered to have had some negative impact on its previously impressive growth rate. A contraction of the global and local economy and reduced income for many consumers as a result of COVID-19 could also have a resulting negative effect on the general purchasing power of consumers.

Despite the negative effects of COVID-19, the pandemic also appears to have had some positive impact on the furniture retail industry. With the pandemic forcing the majority the world’s population to spend more time at home, this appears to have motivated customers to spend more on home improvements, including on the purchase of new furniture, primarily through online sales. It has generally also resulted in an increase in online sales and, with customers having

¹ Source: Furniture and Home Furnishings Stores Global Market Report 2021: COVID 19 Impact and Recovery to 2030, January 2021, The Business Research Company;

realised that shopping online is more convenient, it is likely that there will be a paradigm shift in consumer behaviour, with online sales generally expected to continue to grow even after the pandemic.

Online Retail

In the European market, online trading and furniture e-commerce platforms are the fastest growing sales channels in the furniture trade. The Issuer believes that this trend, which has been amplified by the effects of COVID-19 (as described above), will continue during 2021 and beyond. Indeed, the recent launch of its online shop during 2020 served the Guarantor well during the initial waves of the pandemic. Following the forced closures of the Guarantor's showroom as a result of the Malta Government's orders on the closure of non-essential retail outlets, the Guarantor was also quick to act by introducing online consultations through its online platform, a practice which the Guarantor intends to keep in place for the foreseeable future. Certain furniture manufacturers are also investing in 3D product visualisations and augmented reality technologies (which allow customers to virtually visualize how these pieces will look and fit in their home according to the product's dimensions) to help sales representatives present their products and customers in decision making, and the Guarantor is following this trend closely to determine how this could be applied to its own business.

Apart from the above, the Group is not aware of any information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group's prospects for current financial year.

4.9 Legal and arbitration proceedings

There have not been any governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Issuer and/or Guarantor are aware) during the 12 months prior to the date of this Prospectus, which may have or have had significant effects on the Issuer's and/or the Group's financial position or profitability.

4.10 Material Contracts

Neither the Issuer nor the Guarantor have entered into any material contracts that were not entered into in the ordinary course of the Issuer's and/or the Guarantor's business, which could result in any member of the Group being under an obligation or an entitlement that is material to the Issuer's and/or Guarantor's ability to meet its obligations to Bondholders in respect of the Bonds.

4.11 Share Capital Structure and Major Shareholders

Share Capital Structure of the Issuer

As at the date of this Prospectus, the Issuer's authorised share capital is €5,000,000, divided into 4,999,999 Ordinary A Shares of €1 each and 1 Ordinary B Share of €1. The Issuer's issued share capital is €3,620,000 divided into €3,619,999 Ordinary A Shares of €1 per share and 1 Ordinary B Share, all fully paid up. The Ordinary A Shares and Ordinary B Shares are the only authorised and issued class of shares in the Issuer.

The Ordinary A shares shall carry the right to receive notice of, attend and vote at any general meeting of the Issuer, the right to dividends and the right to the surplus assets of the Issuer on its winding up. The holder of the Ordinary B Share shall not have the right to receive notice of, attend or vote at meetings, nor the right to dividends or to any distribution of the surplus assets of the Issuer on its winding up, save for an eventual return of capital.

All of the Issuer's Ordinary A shares are held by the Parent Company, which is in turn wholly owned by Mr Dino Fino. There are no arrangements currently known to the Issuer the operation of which may at a subsequent date result in a change of control in the Issuer.

The Issuer adopts certain measures in line with the Corporate Governance Code with a view to ensuring that any control by the major shareholder is not abused. The Board is ultimately responsible for the management and control of the Issuer. In terms of the Corporate Governance Code, all Directors are expected to apply high ethical standards, are obliged to avoid conflicts of interest and, in particular, are required to always act in the interest of the Issuer. The majority of the Board is composed of non-executive Directors, with the majority of the non-executive Directors also considered to be independent of the Issuer (meaning that they are free of any business, family, or other relationship with the Issuer, its controlling shareholder or the management of either, that creates a conflict of interest such as to

impair their judgement). The Chairman of the Board, who is responsible for leading the Board and facilitating the contribution of non-executive Directors, is also a non-executive independent Director. The non-executive Directors and, in particular, the non-executive independent Directors have an important role in overseeing the executive directors, dealing with situations involving conflicts of interests, and contributing more objectively in supporting, as well as constructively challenging and monitoring, the management team.

Share Capital Structure of the Guarantor

As at the date of this Prospectus, the Guarantor's authorised share capital is €650,000, divided into €650,000 ordinary shares of €1 each. The Guarantor's issued share capital is €100,100 divided into 100,100 ordinary shares of €1 each, all fully paid up. The ordinary shares are the only authorised and issued class of shares in the Issuer. All the shares in the Guarantor shall rank *pari passu* in all respect and carry the right to vote at any general meeting of the Guarantor and shall have a right to dividends in accordance with the dividend rights set out in the Memorandum of Association of the Guarantor. The holder/s of the ordinary shares shall have the right to the surplus assets of the Guarantor on its winding up.

The Guarantor's sole shareholder is the Issuer, which is ultimately owned by Mr Dino Fino as described above. There are no arrangements currently known to the Issuer the operation of which may at a subsequent date result in a change of control in the Issuer and/or the Guarantor.

5. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

5.1 The Issuer

5.1.1 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 not less than 3 and not more than 7 Directors. Directors of the Issuer are appointed by means of an ordinary resolution taken in a general meeting.

As at the date of this Prospectus, the Board is composed of 5 Directors who are responsible for the overall direction, management and strategy of the Issuer, each of whom is listed below:

Mr Benjamin Muscat	Independent Non-Executive Director and Chairman
Ms Alexia Farrugia	Independent Non-Executive Director
Dr Austin Gauci Maistre	Non-Executive Director
Mr Dino Fino	Executive Director
Mr Beppe Muscat	Executive Director

The business address of the Directors is that of the Issuer. The *curriculum vitae* of each the Directors is set out in section 5.1.2 below.

The company secretary of the Issuer is Dr Austin Gauci Maistre.

5.1.2 Curriculum Vitae of the Directors of the Issuer

Benjamin Muscat

Mr Benjamin Muscat is a Certified Public Accountant by profession (Fellow of the Association of Chartered and Certified Accountants – FCCA) with a long career in finance and management at senior executive positions. He has worked in various industry sectors, including switchgear manufacturing, food and beverages production, fast food franchising, hospitality and timeshare, construction and development of commercial and upmarket residential projects. He also has extensive experience in raising project specific funding via private and public sources and today Mr Muscat mainly provides independent directorship services. Mr Muscat has been appointed on the board of a number of listed companies including AX Holdings, Shoreline Mall p.l.c., Phoenicia Finance p.l.c., Merkanti Holdings p.l.c., The Convenience Shop (Holding) p.l.c. and Brown's Pharma Holding p.l.c. thus bringing significant professional and relevant experience to the Board of the Issuer.

Alexia Farrugia

Ms Alexia Farrugia obtained her degree in Banking and Finance in 2000 and, over the last twenty years, has worked in the financial services industry with posts in both client management roles, market trading and operations management. In 2011 Ms Farrugia pursued a Masters in Finance at Trinity College, Dublin where she specialised in Risk Management. She has since held executive and non-executive directorship posts on the Board of a number of companies, most licensed financial services companies and SICAVs. She is an authorised Risk Manager and Money Laundering Reporting Officer to investment services firms and financial institutions. She provides these services with the support of Actaco Financial, a firm she founded in 2016 which focuses on Anti-Money Laundering Regulation, Risk Management and Securitisation. Ms Farrugia has lectured Risk Management at the University of Malta and continues to lecture at the same university and other institutes on Securitisation. She is currently pursuing the Chartered Director programme offered by the Institute of Directors, UK.

Austin Gauci Maistre

Dr Gauci Maistre is a practicing lawyer by profession having obtained his Doctorate in Law in 2009 from the University of Malta. He was called to the bar in 2010 and started off his legal career in commercial and civil litigation. Dr Gauci Maistre holds a Masters degree in Financial Services from the University of Malta. Dr Gauci Maistre is currently a partner of FSGM Partners whereby he heads the firm's iGaming, Commercial and Corporate areas of practice. Dr Gauci Maistre has also held various directorship and/or company secretary positions on both private and public companies in Malta involved in various industries. Dr Gauci Maistre has been retained as the Group's legal counsel to since its inception and also acts as legal counsel to various other local and international clients.

Dino Fino

Mr Dino Fino is the CEO of Guarantor. Mr Fino has been involved in the Maltese furniture business for over 25 years holding various roles in the sales and marketing team of his family business; C. Fino + Sons Ltd. He left C. Fino + Sons Ltd in March 2017 at a time where he held the role of Sales & Marketing Director, subsequently launching his own business (that of the Guarantor) in August 2018.

Beppe Muscat

Beppe Muscat is a certified public accountant and registered auditor whereby he is a registered member of the Malta Institute of Accountants and the Institute of Financial Services Practitioners. Mr Muscat graduated from the University of Malta having obtained a Bachelor of Commerce in 2010 and a Bachelor of Accountancy (Honours), graduating with first class honours in 2012. Mr Muscat currently holds the role of CEO of NM Group, a business advisory firm founded in 1991. He sits on the Board of a number of companies based in Malta and is also authorised to act as a Key Official by the Malta Gaming Authority. Mr Muscat is also the founder and CEO of The PIPPO Foundation, a non-profit organisation which seeks to unite the corporate social responsibility goals of Maltese businesses with the needs of the local community. In 2021, he joined the SME chamber as a council member.

5.2 The Guarantor

5.2.1 Board of Directors of the Guarantor

The Memorandum of Association of the Guarantor provides that the business and affairs of the Guarantor shall be managed and administered by a Board of not less than 1 and not more than 4 directors. As at the date of this Prospectus, the sole director of the Guarantor is Mr Dino Fino. His business address is that of the Guarantor and his *curriculum vitae* is set out in section 5.1.2 above.

The company secretary of the Guarantor is Mr Dino Fino.

5.2.2 Senior Management of the Guarantor

As at the date of this Prospectus, the senior management team of the Guarantor is comprised primarily of the following persons:

Chief Executive Officer – Mr Dino Fino

Chief Financial Officer – Mr Beppe Muscat

The *curriculum vitae* of each Mr Dino Fino and Mr Beppe Muscat are set out in section 5.1.2 above.

5.3 Conflicts of Interest

In addition to being members of the Issuer's Board (1) Mr Dino Fino is the ultimate beneficial owner of the Group as well as a director and Chief Executive Officer of the Guarantor (2) Mr Beppe Muscat is the Chief Financial Officer of the Guarantor and (3) Dr Austin Gauci Maistre is the retained legal counsel of the Issuer and the Guarantor. Accordingly, there is a potential conflict of interest between the aforementioned Directors' duties (as Directors) to the Issuer and their interests in and/or duties to the Guarantor in respect of agreements and transactions entered into and that could involve or be entered into with Guarantor.

Save for the foregoing, there are no other identified potential or actual conflicts of interest between the duties of the Directors or the members of the Guarantor's senior management team towards the Issuer and/or the Guarantor and their private interests and/or other duties.

The Corporate Governance Code provides that Directors' primary responsibility is always to act in the interest of the Issuer and its shareholders as a whole irrespective of which shareholder nominated him/her to the Board. Accordingly, a Director should avoid conflicts of interest at all times and the personal interests of a Director must never take precedence over those of the Issuer and its shareholders.

Actual or potential conflicts of interest that may arise from time to time need will be managed in accordance with the procedures regulating conflicts of interest situations set out in the Issuer's Articles of Association. In this regard, Directors are required to inform the Board of any matter that may result or has already resulted in a conflict of interest. A record of such declaration is entered into the Issuer's minute book and the conflicted Director shall be precluded from voting on any resolution concerning a matter in respect of which he/she has declared an interest. Unless the other non-conflicted Directors of the Issuer otherwise resolve, the conflicted Director shall: (a) not be counted in the quorum present for the relevant meeting; (b) not participate in the discussion concerning a matter in respect of which he has declared a direct or indirect interest; and (c) withdraw from or, if applicable, not attend the meeting at which such matter is discussed.

5.4 Audit Committee

The Audit Committee assists the Board in fulfilling its supervisory and monitoring responsibilities according to detailed terms of reference that reflect the relevant requirements of the Capital Markets Rules. The terms of reference of the Audit Committee established by the Board 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 times a year, is a sub-committee of the Board and is directly responsible and accountable to the Board.

The primary purpose of the Audit Committee is to assist the Directors in conducting their role effectively so that the Issuer's oversight responsibilities, decision-making capability and the accuracy of its reporting and financial results are maintained at a high level at all times.

The Audit Committee is composed of the following members:

Benjamin Muscat (Chairman)
Alexia Farrugia (Member)
Austin Gauci Maistre (Member)

The Audit Committee shall at all times consist of at least three non-executive Directors, the majority of whom must meet the independence criteria set out in the Capital Markets Rules, and at least one member shall be competent in accounting and/or auditing. The current Audit Committee is constituted in its entirety by non-executive Directors, the majority of whom are also considered to be independent of the Issuer. Mr Benjamin Muscat is the current chairman of the Audit Committee and Mr Benjamin Muscat is the member of the Audit Committee that is designated as competent in accounting and/or auditing.

5.5 Compliance with Corporate Governance Requirements

As a result of the Bond Issue and pursuant to the terms of the Capital Markets Rules, the Issuer is required to comply with the provisions of the Corporate Governance Code. The Guarantor is not a public company and will not have any of its securities listed. Accordingly, the Guarantor is not bound by the provisions of the Corporate Governance Code.

The Issuer declares its full support for the Corporate Governance Code and undertakes to fully comply with the Corporate Governance Code to the extent that this is considered complementary to the size, nature, and operations of the Issuer. The Issuer shall also, on an annual basis in its annual report, detail the level of the Issuer's compliance with the principles of the Corporate Governance Code, explaining the reasons for non-compliance, if any. As at the date of this Prospectus, the Board considers the Issuer to be in compliance with the Corporate Governance Code, save for the following exceptions:

Principle 7 (Evaluation of the Board's Performance): The Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board's performance is evaluated on an ongoing basis by, and is subject to the constant scrutiny of the Board itself (2 of which are independent non-executive Directors), the Issuer's shareholders, the market and all of the rules and regulations to which the Issuer is subject as a company with its securities listed on a regulated market.

Principle 8 (*Committees*): The Board considers that the size and operations of the Issuer do not warrant the setting up of remuneration and nomination committees. Given that the Issuer does not have any employees or officers other than the Directors and the company secretary, it is not considered necessary for the Issuer to maintain a remuneration committee. The Issuer does not believe it is necessary to establish a nomination committee as appointments to the Board are determined by the shareholders of the Issuer in accordance with nomination and appointment process set out in the Issuer'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.

6. FINANCIAL INFORMATION

6.1 Pro Forma Financial Information of the Issuer for FY 2020

The Issuer was recently incorporated on 23 August 2021, and accordingly, has no historical financial information. The financial statements set out in this review represent pro forma financial statements of the Issuer. The pro forma information described in this Section 6.1 (and as more fully set out in Annex A of this Prospectus) presents what the consolidated financial statements of the Issuer would have looked like had the various Group companies existed in its current form, with all its current constituent components, for the entire period covered by the said pro forma information.

Since the transactions that led to the formation of the Issuer and its subsidiaries constitute merely an internal re-organisation of businesses that were, and remain, controlled by Mr Dino Fino, then in terms of International Financial Reporting Standards the consolidated statutory financial statements that will first be prepared by the Issuer for the period ending 31 December 2021 will also cover a full twelve months, with comparatives, as if the Issuer and its subsidiaries had been constituted as at 1 January 2020. The pro forma financial information for the year ending 31 December 2020 included in this Prospectus is therefore the Directors' best estimate of what the consolidated statutory financial statements would have represented had they been prepared and issued by the Issuer for FY20, and therefore constitute a hypothetical scenario.

The pro forma financial statements for the year ended 31 December 2020 are based on the audited financial statements of the Guarantor for the year ended 31 December 2020 and reflect the consolidated unaudited position of the Issuer (together with its subsidiaries) for the year ended 31 December 2020 as if the Issuer and its subsidiaries had been constituted as at 1 January 2020.

No adjustments have been made to the results, financial position and cash flows of the constituent companies in drawing up the pro forma income statement, other than the entries necessary in any process of accounting consolidation; and, as amplified further in Annex A to this Prospectus, to reflect what the consolidated equity of the Issuer would have amounted to had the transactions that led to the formation of the Issuer and its subsidiaries been executed on or before 31 December 2020.

The report on the pro forma financial information prepared independently by the statutory auditors of the Issuer, including a statement of the adjustments to equity made in arriving at the pro forma consolidated statement of financial position, is appended as Annex B to this Prospectus.

The pro forma consolidated income statement is set out below:

Pro forma Consolidated Statement of Comprehensive Income	Combined	Pro Forma adjustments	Pro Forma
For the year ended	31-Dec-20		31-Dec-20
	€'000	€'000	€'000
Revenue	3,275	-	3,275
Retail revenue	2,882		2,882
Contract revenue	393		393
Cost of sales	(1,823)		(1,823)
Gross profit	1,452	-	1,452
Direct costs	(409)		(409)
Contribution	1,043		1,043
Other income	205		205
Overheads	(588)		(588)
EBITDA²	660	-	660
Depreciation and amortisation	(245)		(245)
EBIT³	415	-	415
Net finance costs	(46)		(46)
Profit before tax	369	-	369
Tax charge	(107)		(107)
Profit / (loss) after tax	262	-	262
Total comprehensive income	262	-	262

Revenue

The key trends experienced by the Guarantor over the observable period related to the growth in turnover following the successful finalisation of the migration of all operations from the Hamrun showroom to the much larger Hypothecated Property in Birkirkara in March 2020. Having commenced operations from the Hamrun showroom in Q3-2017, the Issuer and its subsidiaries has overseen a substantial upturn in revenues. In fact, the Guarantor's turnover amounted to €3,300,000 in FY20.

The showroom migration allowed the Guarantor to significantly expand its product and supplier portfolio while simultaneously improving on the overall showroom experience. This paved the way for a substantial increase in retail sales, dwarfing the increase in sales from large-scale contracts over the same period to comfortably establish itself as the Guarantor's main revenue source, at 88% of the Guarantor's turnover.

The substantial increase in turnover did not have an impact on the Issuer and its subsidiaries' gross profit margin (gross profit divided by revenue of the same year), which stood at 44.3% in FY20.

Direct costs

A stable contribution margin has been achieved through stringent management control of direct costs, predominantly comprising direct wages to showroom staff, subcontracting fees related to delivery and installation services from third parties, and other consumables used in the course of business.

Direct wages are presented after offsetting the COVID Wage Supplement which provided employees with a basic wage cover to address the disruption caused by the COVID-19 pandemic. Adding these supplements back would result in a total direct wage bill of circa €353,000. Notwithstanding the pandemic and the associated operational challenges, it presented, no material changes were made to the total staff complement during FY20. In fact, increased turnover meant that direct wages represented 10.8% of FY20 sales.

Other income

The main components of this line item were the Guarantor's termination of the lease on the Hamrun showroom generated a one-off gain of circa €58,000, accounted for in line with *IFRS 16 - Leases*. The Guarantor also benefited from grants and incentives relating to the Micro Invest Scheme offered by Malta Enterprise, amounting to circa €44,000.

² EBITDA - Earnings before Interest, Tax, Depreciation and Amortisation

³ EBIT - Earnings before Interest and Tax

Administration costs

The primary component of administrative costs is the wages payable to back-office and warehouse staff, which increased by €18,000 in FY20.

Moreover, administrative expenses reflect other items which are only expected to be of a one-off nature. These include, *inter alia*: Mr Fino's buy-out of his business partner's 50% stake in the Guarantor in September 2020 resulted in one-off legal costs which, together with audit and accountancy fees, meant that legal and professional fees increased to €52,000; and pre-showroom and launch expenses relating to setting-up and event costs associated with the official launch of the Birkirkara premises in FY20.

In aggregate, administrative costs amounted to €588,000 in FY20.

Margins

Whilst the Guarantor has focused in recent months on driving the continued growth in the business by ramping up operations, this has been successfully attained without a dilution of EBITDA margin (EBITDA divided by revenue). EBITDA, as a percentage of revenue was 20.2% in FY2020.

Depreciation & amortisation

Depreciation is based on the existing property, plant and equipment carried by the Issuer and its subsidiaries, while amortisation is based on its intangible assets. A significant increase in the depreciation charge in FY19 is attributable to the depreciation of the right of use asset associated with the leased showrooms in Hamrun and the Hypothecated Property in Birkirkara, in line with *IFRS 16 - Leases*.

Interest & tax

Finance costs incurred by the Guarantor predominantly relate to the 5.0% interest expense charged on the lease liability over the leased showrooms, amounting to €40,000 in FY20. The remaining portion comprise the interest payable on bank borrowings and shareholders' loans.

The tax charge includes the tax payable by the Issuer and its subsidiaries, together with any deferred tax movements. Tax is charged in the main at the rate of 35% of taxable profits for the financial year.

The pro forma consolidated balance sheet is set out below:

Pro Forma Consolidated Balance Sheet	Combined	Pro Forma adjustments	Pro Forma
As at	31-Dec-20		31-Dec-20
	€'000	€'000	€'000
Assets			
Non-Current Assets			
Property, plant and equipment	470	-	470
Right of use asset	368	-	368
Deferred tax asset	43	-	43
Brand assets	-	2,000	2,000
Goodwill	-	2,132	2,132
Total non-current assets	881	4,132	5,013
Current Assets			
Inventory	1,348	-	1,348
Trade and other receivables	714	-	714
Cash balance	547	-	547
Total current assets	2,609	-	2,609
Total assets	3,491	4,132	7,623
Equity			
Share capital	101	3,440	3,541
Retained earnings	174	26	200
Dividends paid	(200)	-	(200)
Total equity	75	3,467	3,541
Liabilities			
Non-Current Liabilities			

Shareholders loans	467	(435)	33
Other third-party debt	1,100	-	1,100
Total non-current liabilities	1,567	665	1,133
Current liabilities			
Trade and other creditors	1,177	-	1,177
Other financial liabilities	-	1,100	1,100
Tax and VAT payable	178	-	178
Lease liability	493	-	493
Total current liabilities	1,849	1,100	2,949
Total liabilities	3,416	665	4,082
Total equity and liabilities	3,491	4,132	7,623

Non-current assets

Since commencement of the Birkirkara premises' lease in FY19, the Guarantor has carried out a variety of improvements to embellish the property, primarily by investing in furniture, fixtures and fittings, air-condition and ventilation systems, electrical, plumbing and installation of computer equipment. These improvements are classified under 'property, plant and equipment' in the books of the Guarantor.

As a result of the restructuring, the Issuer, acquired the shares of the Guarantor and the IP Holding Company for a combined consideration of €4,641,000 - €2,641,000 to fully acquire the Guarantor (net asset value of €509,000 at the time of the transaction, resulting in a goodwill of €2,132,000), and €2,000,000 to fully acquire the IP Holding Company (net asset value of €2,000,000 at the time of the transaction). Apart from the aforementioned goodwill, this restructuring has resulted in the recognition of the Dino Fino Brand at €2,000,000 in the pro forma financial information as at 31 December 2020.

Current assets, current liabilities and analysis of the working capital cycle

The Guarantor's inventory comprises items listed for sale at the Birkirkara premises, as well as warehouse stock. Inventory found at the Birkirkara showroom, stood at €207,000 in FY20. The remainder of the Guarantor's inventory constitutes warehouse stock (FY20: €134,000). The amount of warehouse inventory is generally variable, depending on the volume of orders sitting in the warehouse awaiting delivery and installation at client premises.

The majority of the Guarantor's receivables consist of trade receivables, comprising amounts due from clients in the ordinary course of business. Two significant contracts were concluded at the end of FY20, resulting in a significantly high trade receivables balance.

Most current liabilities on the Guarantor's books related to trade and other creditors, being the outstanding payables with suppliers which have, in absolute terms, increased year-on-year in light of increased trading activity. Following the COVID-19 outbreak and the measures implemented by the Government of Malta, management applied for (COVID) loan of €600,000 from FCM Bank, as part of the MDB COVID-19 Guarantee Scheme.

Other current liabilities include accruals, outstanding National Insurance and VAT dues and prepaid income. Accruals typically relate to payables covering the administrative side of the business, such as the remuneration of directors, utilities and professional fees. As at 31 December 2020, the Issuer and its subsidiaries had a National Insurance payments due of €41,000 and VAT dues of €131,000.

Equity composition

The acquisition of the Guarantor and IP Holding Company by the Issuer for €4,641,000, was settled through a share issue of €3,541,000 to its Parent Company, and a financial liability of €1,100,000, which is recorded under current liabilities due to the Parent Company.

Given that the Issuer will be the parent company of the two subsidiaries, and since the Issuer was not in operation for the year ended 31 December 2020, the pro forma consolidate equity position will only comprise the share capital of the Issuer, that is €3,541,000.

6.2 Historical Financial Information of the Guarantor

The Guarantor's audited financial statements for financial years ended 31 December 2018, 31 December 2019 and 31 December 2020 have been filed with the MFSA and shall be deemed to be incorporated by reference in, and form part

of, this Prospectus. These financial statements and the audit reports thereon are available for inspection (including on the Issuer's website) as set out in section 12 of this Prospectus.

As at the date of this Prospectus there has been no material adverse change in the prospects of the Guarantor since the date of the Guarantor's last published audited financial statements, nor has there been a significant change in the financial position or performance of the Guarantor (or of the Group) since 31 December 2020 (being the end of the last financial period for which the Guarantor has published audited financial statements).

Key references

The following are a list of cross-references to specific items of information in the Guarantor's audited financial statements (as available on the Issuer's website) for financial years ended 31 December 2018, 31 December 2019 and 31 December 2020.

Page Number in Annual Financial Statements

	Financial year ended 31 December 2018	Financial year ended 31 December 2019	Financial year ended 31 December 2020
Independent Auditors' Report	4	4	4
Statement of Financial Position	7	7	7
Income Statement	8	8	8
Statement of Cash Flows	10	10	10
Notes to Financial Statements	11	11	11

The statement of comprehensive income of the Guarantor over the observable period is summarised below:

Statement of Comprehensive Income for the year ended 31 December	Audited 2018 €'000	Audited 2019 €'000	Audited 2020 €'000
Revenue	1,432	2,287	3,275
Retail revenue	1,005	1,816	2,882
Contract revenue	427	471	393
Cost of sales	(753)	(1,263)	(1,823)
Gross profit	679	1,024	1,452
Direct costs	(196)	(397)	(409)
Contribution	483	627	1,043
Other income	-	18	205
Overheads	(334)	(434)	(588)
EBITDA⁴	149	211	660
Depreciation and amortisation	(83)	(265)	(245)
EBIT⁵	66	(55)	415
Net finance costs	(46)	(47)	(46)
Profit / (loss) before tax	20	(102)	369
Tax charge	52	53	(107)
Profit / (loss) after tax	72	(49)	262
Total comprehensive income	72	(49)	262

Source: Audited financial statements of Dino Fino Operations Limited for the years ended 31 December 2018, 2019, and 2020.

4 EBITDA - Earnings before Interest, Tax, Depreciation and Amortisation.

5 EBIT - Earnings before Interest and Tax.

The consolidated cash flow statement of the Guarantor over the observable period is summarised below:

Consolidated Cash flow statement	Audited	Audited	Audited
For the year ended 31 December	2018	2019	2020
	€000	€000	€000
Net cash flow from operating activities	13	114	252
Net cash used in investing activities	(187)	(239)	(191)
Net cash flows from / (used in) financing activities	165	64	372
Net movement in cash and cash equivalents	(8)	(61)	433
Cash and cash equivalents at the beginning of the year	182	174	114
Cash and cash equivalents at the end of the year	174	114	546

The consolidated balance sheet of the Guarantor over the observable period is summarised below:

Statement of Financial Position	Audited	Audited	Audited
As at 31 December	2018	2019	2020
	€'000	€'000	€'000
Assets			
Non-Current Assets			
Property, plant and equipment	263	418	470
Right of use asset	876	694	368
Deferred tax asset	52	106	43
Total non-current assets	1,191	1,218	881
Current Assets			
Inventory	111	332	341
Works-in-Progress	-	-	-
Trade and other receivables	852	746	1,721
Cash balance	174	114	546
Total current assets	1,138	1,191	2,608
Total assets	2,329	2,409	3,489
Equity			
Share capital	-	-	100
Accumulated losses	(40)	(89)	(27)
Total equity	(40)	(88)	73
Liabilities			
Non-Current Liabilities			
Shareholders loans	500	700	377
Other third-party debt	-	-	951
Lease liability	941	852	494
Total non-current liabilities	1,441	1,552	1,822
Current Liabilities			
Trade and other creditors	928	945	1,595
Total current liabilities	928	945	1,595
Total liabilities	2,368	2,497	3,417
Total equity and liabilities	2,329	2,409	3,489

6.3 Selected Financial Information of the Guarantor

The Guarantor is the main operating company of the Group, and operates primarily in the Maltese furniture market, specialising in kitchen and home furniture and contract furniture solutions. The principal object of the Guarantor is to engage in retail operations of home and office furniture and furnishings to domestic and commercial clients.

Turnover

Revenue is generated through:

- a) Retail sales representing sales of home and office furniture to retail customers. Retail sales generally take place within the Guarantor's Birkirkara showroom and comprise the Guarantor's primary source of revenue, at 88% of turnover; and
- b) Contract sales relating to larger-scale works whereby the Guarantor is contracted to furnish establishments of a sizeable footprint such as hotels or office blocks.

Revenue for the year ended 31 December 2020 amounted to €3,300,000, an increase of €1,000,000 (+43%) from the previous year (2019: €2,300,000). The revenue of FY2019 also increased by 64% from the previous year (FY2018: €1,400,000). These increases were primarily due to the commencement of operations from a second showroom in Birkirkara.

In FY2020, revenue generated from retail operations increased by €1,066,000 (+59%) from €1,816,000 in FY2019 to €2,882,000 (or 88% of aggregate income), primarily on account of the commencement of operations from two showrooms. The retail store turnover of €1,816,000 generated in FY2019 (or 80% of aggregate income) increased by €811,000 in FY2019. The increases in the revenue from retail operations are in line with the total revenue.

Contract revenue increased from €427,000 in FY2018 to €471,000 in FY2019 and decreased to €393,000 in FY2020.

Cost of sales

Cost of sales comprise direct material cost incurred in the course of business. Stringent control of such costs has meant that gross profit margin has remained stable over the three-year period.

Other income

Other income comprises one-off income not arising in the ordinary course of business and includes the COVID Wage Supplement received during FY2020. The Guarantor also benefited from various grants and incentives including the growth grant scheme whereby funding of €43,615 was received on the investments made at the Birkirkara showroom. Furthermore, the Guarantor's termination of the lease on the Hamrun showroom, which generated a one-off gain of circa €58,000 was accounted for as other income in line with *IFRS 16 - Leases*.

Direct costs

Direct costs are predominantly composed of direct wages to showroom staff which results in a total direct wage bill of circa €353,000, roughly a 12% increase on FY19 figures (€314,000). Other direct costs include subcontracting fees covering delivery and installation, surveying costs, and consumables used in the ordinary course of business.

Overheads

The primary component of overheads are the wages payable to back-office and warehouse staff, which increased by €60,000 in FY20. One-off expenses in FY20, relating to the showroom migration from Hamrun to Birkirkara and the buy-out of Mr Dino Fino's business partner shareholding in the Guarantor, have resulted in overheads amounting to €588,000 in FY20, which represents an increase of €154,000 over prior year.

EBITDA

As a result of the increasing revenues, the Guarantor's EBITDA increased to €660,000 in FY2020 from €211,000 in FY2019 (FY2018: €149,000). The growth in EBITDA was driven primarily by the growth in revenue.

Depreciation and amortisation

Depreciation is based on the existing property, plant and equipment carried by the Guarantor, while amortisation is based on its intangible assets. A significant increase in the depreciation charge in FY19 is attributable to the Guarantor's depreciation of the right of use asset associated with the leased showrooms in Hamrun and Birkirkara, in line with *IFRS 16 - Leases*.

Net finance costs

Finance costs incurred by the Guarantor predominantly relate to the 5.0% interest expense charged on the lease liability over the leased showrooms, amounting to €46,000 in FY20 (FY19: €47,000). The remaining portion comprise the interest payable on bank borrowings and shareholders' loans.

Cash flow

The Guarantor registered positive operating cash flows in all three years, with the Directors opting to use these funds to heavily reinvest in working capital. In fact, net cash generated from operating activities in FY2020 amounted to €252,000 as compared to €114,000 in FY2019 and €13,000 in FY2018.

Net cash used in investing activities mainly represents purchases of property, plant and equipment. In the period FY18 – FY20, the Guarantor carried out a total capital investment of €617,000 covering the purchase of furniture, fixtures and fittings for the setting up of the Hamrun and Birkirkara showrooms.

Net cash from financing activities in FY2020 amounted to €372,000 (FY2019: €64,000 and FY2018: €165,000) and primarily comprised proceeds from shareholders' loans and payments of lease obligations. Presently, the Guarantor has *circa* €1,600,000 worth of borrowings, of which €1,100,000 comprise bank loans. The remaining borrowings comprise €377,000 worth of shareholders' loans, the purpose of which was to help with general corporate funding requirements of the Guarantor.

Non-current assets

The Guarantor's non-current assets amounted to €881,000 in FY2020 (2019: €1,200,000, 2018: €1,200,000), principally made up of property, plant and equipment, the right-of-use-assets and deferred tax. Over the period, the Guarantor carried out a variety of improvements to embellish the Birkirkara property, primarily through acquiring furniture, fixtures and fittings, air-condition and ventilation systems, electrical, plumbing and installation of computer equipment. These improvements are classified under 'property, plant and equipment' in the books of the Guarantor. Despite this capital expenditure over the period, the decrease in total non-current assets mainly emanates from the derecognition of the right-of-use asset associated with the termination of the Hamrun showroom's lease.

Current assets and liabilities

Current assets as at 31 December 2020 amounted to €2,600,000 (2019: €1,200,000, 2018: €1,100,000) and principally comprise inventory, trade receivables and cash balances. The upturn in revenues has coincided with the Guarantor increasing its working capital base in FY2020 compared to FY2019, primarily by investing in its inventory – comprised of display items and warehouse stock. As at 31 December 2020, current liabilities stood at €1,600,000 (2019: €900,000, 2018: €900,000). The majority of current liabilities relate to trade and other creditors, being the outstanding payables with suppliers which have increased year-on-year as a result of the increased trading activity. Other current liabilities include accruals, outstanding National Insurance and VAT dues and prepaid income. Accruals typically relate to payables covering the administrative side of the business.

Equity base

During FY2020, the shareholders of the Guarantor resolved to increase the issued share capital from 1,500 ordinary shares of €1 each (20% paid up) to 100,000 ordinary shares of €1 each (fully paid up) through a return of allotment of shares. This resulted in the Guarantor ending FY20 with a share capital of €100,000. During the same year, the Guarantor paid a dividend of €200,000 to its shareholders, of which €100,000 dividend was paid to facilitate Mr Dino Fino's business partner's exit. No dividends were issued in the previous financial years. Accumulated losses as at 31 December 2020 amounted to €27,000, an improvement of €62,000 when compared to the prior year (2019: loss of €89,000).

Non-current liabilities

Non-current liabilities, which are made up of the shareholders' loans, bank borrowings and right-of-use liabilities, increased from €1,500,000 in FY2019 to €1,800,000 in FY2020 (FY2018: €1,400,000). As at 31 December 2020, the Guarantor's indebtedness amounted to *circa* €1,600,000 – of which €500,000 relate to a BOV Loan relating to the change in shareholding that took place in 2020; €600,000 represent a (COVID) loan from FCM Bank, as part of the MDB COVID-19 Guarantee Scheme; and €377,000 worth of shareholders' loans from Mr Dino Fino, bearing an interest rate of between 5% and 8%, the purpose of which was to help with general corporate funding requirements of the Guarantor.

7. USE OF PROCEEDS, SECURITY AND OTHER KEY INFORMATION

7.1 Estimated Expenses and Proceeds of the Bond Issue

The Bond Issue will involve expenses, including professional fees and costs related to publicity, advertising, printing, listing, registration, sponsor, management, selling commission and other miscellaneous costs incurred in connection with this Bond Issue. Such expenses are estimated not to exceed €181,000 and shall be borne by the Issuer. The amount of the expenses will be deducted from the proceeds of the Bond Issue, which, accordingly, will bring the estimated net proceeds from the Bond Issue to €7,619,000. There is no particular order of priority with respect to such expenses.

7.2 Use of Proceeds

The net proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €7,619,000, will be utilised for the following purposes, in the order of priority set out below:

- (1) €5,236,000 will be used for the purpose of financing the acquisition by the Issuer of the Hypothecated Property;
- (2) €1,269,000 will be loaned to the Guarantor, pursuant to the Guarantor Loan, for the following purposes:
 - a. €500,000 will be utilised by the Guarantor to repay the BOV Loan in full;
 - b. €300,000 will be utilised by the Guarantor to part finance certain finishing works to be undertaken on the Hypothecated Property that it will be leasing from the Issuer; and
 - c. €469,000 will be utilised by the Guarantor for general corporate funding purposes;
- (3) €450,000 will be paid to the Parent Company to settle part of the outstanding balance of the purchase price due to it in respect of the earlier acquisition by the Issuer of the Guarantor and the IP Holding Company (as described in section 4.4 above); and
- (4) €664,000 will be retained by the Issuer and utilised for general corporate funding purposes.

If the net proceeds of the Bond Issue are less than €7,619,000, the Issuer will, subject to a minimum aggregate subscription amount of €5,500,000, proceed with the issuance of the number of Bonds subscribed for and the net proceeds shall be applied in the manner and order of priority set out above. Any residual amounts required by the Issuer and/or the Guarantor for the purposes of the uses specified above, which shall not have been raised through the Bond Issue, shall be financed from the Group's general cash flow and/or bank financing.

7.3 Release of Proceeds

The Sponsor (in its capacity as registrar in respect of the Bond Issue) shall, save for the payment of the expenses related to the Bond Issue, transfer the proceeds of the Bond Issue to the Security Trustee. It is expected that within ten (10) Business Days following the admission to listing of the Bonds the Issuer, the vendor of the Hypothecated Property, and the Security Trustee, shall appear on a deed of sale and purchase for the sale and transfer of the Hypothecated Property to the Issuer, with the Security Trustee to concurrently release €5,236,000 of the Bond Issue proceeds to the vendor. The Issuer and the Security Trustee shall also, simultaneously, on the same deed of sale and purchase, grant and constitute the Special Hypothec in favour of the Security Trustee. Following the perfection of the Special Hypothec, the Security Trustee shall release the remainder of the Bond Issue proceeds to the Issuer.

7.4 Overview of the Bond Issue

The following is a brief overview of certain terms and conditions of the Bond Issue and of the Bonds. For a full description of the terms and conditions of the Bond Issue and of the Bonds this section 7 should be read in conjunction with the rest of this Prospectus, particularly section 8 (Terms and Conditions of the Bond Issue) and Section 9 (Terms and Conditions of the Bonds). Any decision to invest in the Bonds should be based on a consideration of this Prospectus as a whole.

Securities:	Secured bonds (see also section 1.6.2 – Value of the Hypothecated Property);
Amount:	Up to €7,800,000;
Nominal Value:	€100 per Bond;
Denomination:	Euro (€);
ISIN:	MT0002561208;
Issue Price:	At Nominal Value (€100 per Bond);
Minimum Subscription Amount:	€2,000 and in multiples of €100 thereafter;
Minimum Aggregate Subscription:	€5,500,000;
Transferability:	The Bonds shall be freely transferable;
Offer Period:	The period between 09:00 hours CET on 15 October 2021 and 17:00 hours CET on 5 November 2021 during which the Bonds are available for subscription;
Issue Date:	19 November 2021 (or such earlier date as may be determined by the Issuer in the event that the Bonds are fully subscribed and the offer of Bonds is closed prior to the end of the Offer Period as set out in section 8.1);
Interest:	4.75% per annum;
Interest Payment Dates:	19 November (including 19 November 2022, being the first interest payment date) and the Maturity Date (or if any such date is not a Business Day, the next following day that is a Business Day);
Maturity Date:	19 November 2033;
Redemption Amount:	Nominal Value together with accrued and unpaid interest up to the Maturity Date;
Listing:	The MFSA has approved the Bonds for admissibility to listing and subsequent trading on the Official List. Application has been made to the MSE for the bonds to be listed and traded on the Official List;
Form:	The Bonds will be issued in fully registered and dematerialised form and represented in uncertificated form by the appropriate entry in the CSD Register;
Status:	The Bonds (their repayment and the payment of interest thereon) shall constitute the general, direct, and unconditional obligations of the Issuer to the Bondholders, and shall at all times rank <i>pari passu</i> , without any priority or preference among themselves. The Bonds shall rank subsequent to any other prior ranking indebtedness of the Issuer;
Security & Guarantee	The Bonds are secured (but see also section 1.6.2 – Value of the Hypothecated Property) and guaranteed in respect of both the interest due and the principal amount under the said Bonds in the manner described in section 9.4 below;
Underwriting:	The Bond Issue will not be underwritten;
Governing Law of Bonds:	Maltese law;
Jurisdiction:	The Maltese Courts.

7.5 Interests of Persons Involved in the Bond Issue

Other than the possible subscription for Bonds by Authorised Intermediaries (which include the Sponsor) and any fees payable to the various professional advisors and service providers in connection with the Bond Issue, the Issuer is not aware of any person involved in the Bond Issue that has a material interest in the Bond Issue.

7.6 Special Hypothec

7.6.1 Description of the Special Hypothec

The obligations of the Issuer to the Bondholders under the Bonds will be secured by means of the Special Hypothec. Specifically, the Issuer shall, pursuant to the Deed of Hypothec, constitute in favour of the Security Trustee (for the benefit of Bondholders) the Special Hypothec over the Hypothecated Property for the full amount of principal and interest due by the Issuer to the Bondholders in respect of the Bonds. The Special Hypothec may be enforced by the Security Trustee upon the Bonds becoming immediately due and payable upon an Event of Default as described in section 9.15 below, following which Bondholders shall be paid out of the Hypothecated Property in priority to other creditors, save for any prior ranking privilege that may arise by operation of law.

The estimated current market value of the Hypothecated Property (as set out in the Valuation Report) is expected to amount to approximately 64% of aggregate Nominal Value of the Bonds (should the maximum aggregate principal amount of the Bonds being offered pursuant to this Prospectus actually be issued in full). Accordingly, the value of the Hypothecated Property as at the date of constitution of the Special Hypothec will be substantially lower than the full amount of interest and principal outstanding under the Bonds. The Bonds are thus only secured by specific assets (i.e. the Hypothecated Property) up to the amount of the Hypothecated Property and other than the Special Hypothec and the Guarantee as described in section 7.7 below, no other forms of security will be granted in favour of the Bondholders.

It is expected that the Special Hypothec will be constituted within ten (10) Business Days following the admission to listing of the Bonds in accordance with the process for the release of Bond Issue proceeds as described in Section 7.3 above.

7.6.2 The Hypothecated Property

The Hypothecated Property is a 2000sqm showroom in Birkirkara comprised of a ground level showroom, two floors comprised of further showroom space, office space and storage facilities, and a car parking area at the top floor level. The Hypothecated Property is currently leased from a third-party, with whom the Guarantor has entered into a promise of sale agreement for the purchase of the Hypothecated Property. The Guarantor will be assigning its rights under this promise of sale agreement to the Issuer, with the Issuer to finalise the acquisition of the Hypothecated Property using the majority of the Bond Issue proceeds (as set out in section 7.2 above).

Once the Hypothecated Property is acquired by the Issuer, the Hypothecated Property will be leased out by the Issuer to the Guarantor (with the Guarantor to continue to use the same as its showroom and office space) at an annual rent charge in line with prevailing market rates and entered into at arms' length on normal commercial terms.

A development application relating to the Hypothecated Property, has been recently approved by the Planning Authority, in relation to various additions and alterations to the existing showroom. Such works include an extension to the existing intermediate level to be constructed through a lightweight structure. The additions and alterations to the Hypothecated Property will be part financed using a portion of the Bond Issue proceeds (as set out in section 7.2 above).

7.6.3 Valuation Report

The Issuer has obtained an independent assessment of the current market value of the Hypothecated Property in connection with the Bond Issue, which assessment is set out in the Valuation Report. The current market value of the property has been estimated, pursuant to the Valuation Report, to be €5,000,000 as at 2 September 2021. The Valuation Report, which was prepared in accordance with the valuation standards published by the Royal Institution of Chartered Surveyors (RICS).

The Valuation Report was drawn up by architect Raymond DeMicoli, Senior Architect and Principal at DeMicoli & Associates Architects. The business address of Mr DeMicoli is DeMicoli & Associates Architects, Spinola Park, Level 0 Triq Mikiel Ang. Borg St. Julian's, SPK 1000.

The Valuation Report is available for inspection as set out in section 12 of this Prospectus and is deemed to be incorporated by reference in (and forms part of) this Prospectus.

7.7 Guarantee

The Guarantor has, in the Security Trust Deed, unconditionally and irrevocably guaranteed the due and punctual payment of the Indebtedness. The Bonds will accordingly be issued with the benefit of the joint and several Guarantee of the Guarantor.

The Guarantee constitutes the direct, general and unconditional obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by applicable law.

A copy of the Security Trust Deed, which includes the full terms and conditions of the Guarantee as described above, is available for inspection as set out in section 12 of this Prospectus. The material terms and conditions of the Guarantee, as set out in the Security Trust Deed, are described below.

Covenant to Pay

The Guarantor has, pursuant to the Security Trust Deed, as primary obligor, jointly and severally with the Issuer, unconditionally and irrevocably guaranteed to the Security Trustee (for the benefit of the Bondholders) that if for any reason the Issuer fails to pay the Indebtedness as and when due, the Guarantor will, on first demand in writing made by the Security Trustee on the Guarantor, pay that sum to the Security Trustee for (the benefit of the Bondholders).

Maximum liability

The Guarantee is a continuing guarantee for the whole amount due or owing to the Bondholders or which may hereafter at any time become due or owing to the Bondholders but the amount due by the Guarantor to the Bondholders under this Guarantee shall be up to and shall not be in excess of €7,800,000 apart from interest due up to the date of payment and costs and expenses relating to the protection, preservation, collection or enforcement of the Bondholders' rights against the Issuer and/or the Guarantor which shall be additional to this maximum sum stated.

Continuing and unconditional liability

Notwithstanding anything contained in the Civil Code, the liability of the Guarantor under the Guarantee shall continue to subsist, and will remain in full force and effect by way of continuing security, until such time as the Indebtedness is repaid in full and such liability shall in no way be prejudiced or effected, nor shall it in any way be discharged or reduced by reason of: (a) the bankruptcy, insolvency or winding up of the Issuer; or (b) the incapacity or disability of the Issuer for any reason whatsoever; or (c) any change in the name, style, constitution, any amalgamation or reconstruction of either the Issuer or the Guarantor; or (d) the Bondholders conceding any time or indulgence, or compounding with, discharging, releasing or varying the liability of the Issuer or renewing, determining, reducing, varying or increasing any facility or accommodation or transaction or otherwise dealing with the same in any manner whatsoever or concurring in, accepting or in any way varying any compromise, composition, arrangement or settlement or omitting to claim or enforce or exact payment from the Issuer; or (e) any novation, set off or other event, act or omission that might operate to exonerate the Guarantor without settlement in full of the Indebtedness towards the Bondholders.

Indemnity

As a separate and independent stipulation, the Guarantor has unconditionally and irrevocably agreed (a) that any sum which, although expressed to be payable by the Issuer under the Bonds, is for any reason (whether or not now existing and whether or not now known or becoming known to the Issuer, the Guarantor, the Security Trustee or any Bondholder) not recoverable from the Guarantor on the basis of a guarantee will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid by it to the Security Trustee on demand and (b) as a primary obligation, to indemnify the Security Trustee and each Bondholder against any loss suffered by them as a result of any sum expressed to be payable by the Issuer under the Bonds not being paid on the date and otherwise in the manner specified in the Terms and Conditions or any payment obligation of the Issuer under the Bonds being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not now known or becoming known to the Security Trustee or any Bondholder), the amount of that loss being the amount expressed to be payable by the Issuer in respect of the relevant sum. This indemnity constitutes a separate and independent obligation from the other obligations in the Guarantee and gives rise to a separate and independent cause of action.

Demands and payments

All the Indebtedness shall be due by the Guarantor under the Guarantee as a debt, certain, liquidated and due on the 7th day following the Security Trustee's first written demand to the Guarantor to pay.

All demands or notices to the Guarantor for the purposes of the Guarantee shall be sent by mail to Dino Fino Home + Contract, Msida Valley Road, Birkirkara, BKR 9025, Malta or by electronic mail to finance@dinofino.com, or such addresses as may be published by company announcement issued by the Issuer from time to time.

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

Application of monies received by security trustee

All monies received by the Security Trustee from the Guarantor in respect of the Bonds or amounts payable under the Security Trust Deed will be held by the Security Trustee on trust to apply them in the following order of priority, in payment of: (1) all costs, fees, charges, expenses and liabilities properly incurred by the Security Trustee (including remuneration payable to it) in carrying out its functions under the Security Trust Deed; (2) the interest owing upon the Bonds *pari passu* and without any preference or priority; (3) the principal monies owing upon the Bonds *pari passu* and without any preference or priority; and (4) the balance to the Guarantor.

No subrogation

Until the Indebtedness has been paid in full the Guarantor has agreed that (a) it will not, without the prior written consent of the Security Trustee exercise any rights of subrogation, reimbursement and indemnity against the Issuer or any other person liable for the Indebtedness (b) all rights of relief and subrogation arising in favour of the Guarantor upon a partial payment to the Security Trustee against the Issuer and any other person who may be liable for the Indebtedness, including any co-guarantors, shall be suspended and/or (c) it will not, without the prior written consent of the Security Trustee, claim any set-off or counter-claim against the Issuer or any other person liable for the Indebtedness nor shall the Guarantor claim or prove in competition with the Security Trustee and/or the Bondholders in the liquidation of the Issuer or any other person liable for the Indebtedness or benefit or share any payment from or in competition with the Issuer or any other person liable for the Indebtedness.

No assignment

The Guarantor shall not be entitled to assign or transfer any of their rights or obligations under the Guarantee.

Amendments

The Guarantor has consented to any amendment to the Terms and Conditions and/or modification of the Indebtedness or the release or modification of any guarantees or any security the Security Trustee may at any time hold as security for the Indebtedness, and this without the need of any prior or subsequent notice to the Guarantor and without any prejudice to the rights of the Security Trustee and the Bondholders. Accordingly, the Guarantor shall not have the power to veto any changes to Bondholders' rights under, and made pursuant to, the Terms and Conditions.

Governing Law and Jurisdiction

The Security Trust Deed, and the Guarantee included therein, are governed by and shall be construed in accordance with Maltese law. Any dispute, controversy or claim arising out of or relating to the Guarantee or as to the interpretation, validity, performance or breach thereof shall be brought exclusively before the Maltese courts.

8. TERMS AND CONDITIONS OF THE BOND ISSUE

8.1 Expected Timetable of the Bond Issue

1. Application Forms made available	7 October 2021
2. Offer Period (Intermediaries' Offer)	15 October 2021 – 5 November 2021
3. Announcement of Intermediaries' Offer results	19 November 2021
4. Issue Date	19 November 2021
5. Commencement of interest on the Bonds	19 November 2021
6. Refund of unallocated monies (if any)	19 November 2021
7. Expected date of admission of the Bonds to listing	19 November 2021
8. Expected date of commencement of trading of the Bonds	22 November 2021
9. Expected date for the constitution of the Special Hypothec	No later than 3 December 2021

The Issuer reserves the right to close the offer of Bonds prior to the end of the Offer Period in the event that the Bonds are fully subscribed prior to such date and time, in which case the events set out in steps 3 to 9 above shall be brought forward (although the number of Business Days between each of these events is not expected to be varied).

8.2 General Terms and Conditions

The Bond Issue, the listing of the Bonds on the Official List and the publication of the Prospectus were authorised by a resolution of the Board passed on 30 August 2021.

The Bonds are being issued at their Nominal Value (€100 per Bond) subject to a maximum aggregate principal amount of the Bonds that may be issued not exceeding €7,800,000. Application has been made to the MSE for the Bonds to be listed and traded on the Official List.

Applications by prospective investors shall be subject to a minimum subscription amount of €2,000 in Nominal Value of Bonds (and in multiples of €100 thereafter) in relation to each underlying client to which an Application relates.

The issue and allotment of the Bonds is conditional upon: (a) a minimum aggregate subscription amount of €5,500,000 and (b) the approval by the MSE of the Issuer's application for the Bonds to be admitted to the Official List.

In the event that any of these conditions is not satisfied by the close of the Offer Period, the Bond Issue will be withdrawn or revoked unilaterally by the Issuer.

The Issuer also reserves the right to withdraw the offer of Bonds prior to the Issue Date for reasons beyond its control, such as extraordinary events, substantial change of the political, financial, economic, legal, monetary or market conditions at national or international level and/or adverse events regarding the financial or commercial position of the Issuer and/or other relevant events that in the reasonable discretion of the Issuer may be prejudicial to the offer.

In the event of a revocation of the Bond Issue or withdrawal of the offer of the Bonds as aforesaid, any application monies received by or on behalf of the Issuer will be returned without interest (through the Sponsor and/or the Authorised Intermediaries, as applicable) by direct credit into the Applicant's bank account indicated by the Applicant in the relative Application. If no such bank account number is provided, or in the event that bank account details in the Application 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.

The Bond Issue is not underwritten. In the event that the Bond Issue is not fully subscribed the Issuer will, subject to a minimum aggregate subscription amount of €5,500,000, proceed with the listing of the amount of Bonds subscribed for.

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

8.3 Terms and Conditions of Application

- 8.3.1 Applications may be made through the Authorised Intermediaries (including the Sponsor) during the Offer Period. The Offer Period shall close immediately upon attaining full subscription or at the end of the Offer Period, whichever is the earliest. Applications must be accompanied by full price of the Bonds applied for in Euro and in cleared funds at the Issue Price. If an application and proof of payment of cleared funds do not reach the Sponsor by the close of the Offer Period, the Application will be deemed to have been declined.
- 8.3.2 Applications shall be subject to a minimum subscription amount of €2,000 in Nominal Value of Bonds (and in multiples of €100 thereafter) in relation to each underlying client to which an Application relates.
- 8.3.3 The contract created by the Issuer's acceptance of an Application shall be subject to the terms and conditions set out in this Prospectus as well as the Terms and Conditions.
- 8.3.4 If the subscription is made on behalf of another person, legal or natural, the person making such subscription will be deemed to have bound that person and will be deemed also to have given the confirmations, warranties, and undertakings contained in these terms and conditions on their behalf. Such Applicant 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 Sponsor or the relevant Authorised Intermediary.
- 8.3.5 In the case of joint Applicants, reference to the Bondholder in the Application and in this Prospectus is a reference to each Bondholder, and liability therefor is joint and several. In respect of a Bond held jointly by several persons, the joint holders shall nominate one of their numbers as their representative and his/her name will be entered in the CSD Register with such designation. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond so held. In the absence of such nomination

and until such nomination is made, the person first named in the CSD Register in respect of such Bond shall, for all intents and purposes, be deemed to be the registered holder of the Bond so held.

- 8.3.6 In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the CSD Register. The usufructuary shall, for all intents and purposes, be deemed vis-à-vis the Issuer to be the holder of the Bond so held and shall have the right to receive interest on the Bond and to vote at meetings of Bondholders, but shall not, during the continuance of the Bond, have the right to dispose of the Bond so held without the consent of the bare owner.
- 8.3.7 Any Bonds held by minors shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents/legal guardian/s 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. This is provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.
- 8.3.8 Legal entities, including corporates or corporate entities or association of persons, applying for the Bonds need to have a valid Legal Entity Identifier (LEI) which needs to be valid and unexpired, at least, until the admission to listing of the Bonds. Without a valid LEI, the Application will be cancelled by the Sponsor and/or the Authorised Intermediary (as applicable) and subscription monies will be returned to the Applicant.
- 8.3.9 No person receiving a copy of the Prospectus in any territory other than Malta may treat the same as constituting an invitation or offer to such person, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person without contravention of any registration or other legal requirements. It is the responsibility of any person outside Malta wishing to subscribe for the Bonds to satisfy himself/herself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- 8.3.10 It shall be incumbent on the respective Authorised Intermediaries to ascertain that all other applicable regulatory requirements relating to the subscription of the Bonds by an Applicant are complied with, including without limitation, the obligation to comply with all anti-money laundering and counter-terrorist financing rules and regulations, all applicable MiFIR (Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments) requirements as well as the applicable conduct of business rules and rules for investment services providers issued by the MFSA.
- 8.3.11 For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Subsidiary Legislation 373.01 of the laws of Malta), as amended from time to time, all appointed Authorised Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the "Members' Code of Conduct" appended as Appendix 3.6 to Chapter 3 of the MSE Bye-Laws. Furthermore, such information shall be held and controlled by the MSE in terms of the Data Protection Act and/or the GDPR, each as amended from time to time, for the purposes, and within the terms of the MSE's Data Protection Policy as published from time to time.
- 8.3.12 Subject to all other terms and conditions set out in this Prospectus, the Issuer or the Sponsor (acting on the Issuer's behalf) reserves the right to reject, in whole or in part, or to scale down, any Application, for any reason whatsoever, including but not limited to multiple or suspected multiple Applications or any Application which in the opinion of the Issuer or the Sponsor (acting on the Issuer's behalf) is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents. Both original and electronic copies of Applications submitted to the Issuer by Authorised Intermediaries will be accepted.
- 8.3.13 By submitting a completed and signed Application, any Applicant:
- (a) agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;
 - (b) acknowledges the processing of any personal data for the purposes specified in the privacy notice published by the Issuer, which is available on the Issuer's website at www.dinofino.com/investor-relations/. The Applicant hereby acknowledges that the processing of personal data may validly take place, even without the Applicant's consent, in the circumstances set out in the GDPR and the Data Protection Act and any applicable subsidiary legislation, as may be amended from time to time. The Applicant hereby confirms that he/she/it has been provided with and read the privacy notice;

- (c) warrants that the information submitted by the Applicant when subscribing for the Bonds is true and correct in all respects. All Applicants must have a valid MSE account number that will be used for the purposes of registering the Bonds by the CSD. In the event of a discrepancy between the details provided by the Applicant and those held by the MSE in relation to the MSE account number indicated by the Applicant, the details held by the MSE shall be deemed to be the correct details of the Applicant;
- (d) authorises the Issuer (or its service providers, including the CSD and/or the Sponsor) and/or the relevant Authorised Intermediary, as applicable, to process the personal data provided by the Applicant, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act and the GDPR. The Applicant has the right to request access to and rectification of the personal data relating to him/her in relation to the Bond Issue. Any such requests must be made in writing and addressed to the Issuer and sent to the CSD at the MSE. The requests must be signed by the Applicant to whom the personal data relates;
- (e) confirms that in making such Application, no reliance was placed on any information or representation in relation to the Issuer or the Bond Issue other than what is contained in this Prospectus and accordingly agree/s that no person responsible solely or jointly for this Prospectus or any part thereof will have any liability for any such other information or representation;
- (f) agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her remittance and any verification of identity as required by the PMLA, and that such monies will not bear interest;
- (g) agrees to provide the Authorised Intermediary, Sponsor and/or the Issuer, as the case may be, with any information which it/they may request in connection with the Application;
- (h) warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his/her Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer, Authorised Intermediary or the Sponsor, as applicable, acting in breach of the regulatory or legal requirements of any territory in connection with the Bond Issue and/or his/her Application;
- (i) warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- (j) represents that s/he is not a U.S. person (as such term is defined in 'Regulation S' under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
- (k) agrees that the advisors to the Issuer in relation to the Bond Issue will owe the Applicant no duties or responsibilities concerning the Bonds or their suitability for the Applicant;
- (l) agrees that all documents in connection with the issue of the Bonds will be sent at the Applicant's own risk to the address indicated by the Applicant in its Application; and
- (m) 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.

8.4 Plan of Distribution and Allotment

The Bond Issue is open for subscription by all categories of investors including the general public and will be distributed by the Authorised Intermediaries participating in the Intermediaries' Offer. Accordingly, the Issuer has reserved the full amount of the Bond Issue for subscription by Authorised Intermediaries for their own account or for the account of their underlying clients. In this regard, the Issuer shall enter into conditional subscription agreements with a number of Authorised Intermediaries for the subscription of Bonds, whereby it will bind itself to allocate the Bonds to the Authorised Intermediaries in accordance with the terms of such subscription agreements.

In terms of each subscription agreement to be entered into with an Authorised Intermediary, the Issuer will be conditionally bound to issue, and each Authorised Intermediary will be conditionally bound to subscribe for, such number of Bonds specified in the relevant subscription agreement subject to approval by the MSE of the Issuer's application for the Bonds to be admitted to listing and trading on the Official List. Each subscription agreement will become binding on each of the Issuer and the relevant Authorised Intermediary upon signing, subject to receipt by the Sponsor of all subscription proceeds in cleared funds on the date specified in the signed subscription agreement.

Authorised Intermediaries subscribing for Bonds may do so for their own account or for the account of their underlying clients, and shall in addition, be entitled to distribute any portion of the Bonds subscribed to their underlying clients upon commencement of trading or instruct the Sponsor to issue a portion of the Bonds subscribed by them directly to their underlying clients.

8.5 Allocation Policy

The Issuer shall allocate the entirety of the Bonds, up to an aggregate amount of €7,800,000, to Authorised Intermediaries participating in the Intermediaries' Offer as described above, without priority or preference and in accordance with the allocation policy determined by the Issuer and the Sponsor. The Issuer shall announce the results of the Bond Issue, upon the admission of the Bonds to listing and the basis of acceptance of Applications and allocation policy, through a company announcement. It is expected that any allotment advice will be made available to Applicants by the CSD shortly after listing of the Bonds. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the PMLA. Such monies will not bear interest while retained as aforesaid.

9. TERMS AND CONDITIONS OF THE BONDS

9.1 General

The Bonds (ISIN: MT0002561208) will be issued on the Terms and Conditions as set out below, and all subscribers (or purchasers from time to time) of the Bonds are deemed to have knowledge, accept and be bound by the Terms and Conditions. By acquiring Bonds, whether on initial subscription or through subsequent purchase, Bondholders agree that they shall be bound by the terms and conditions of the Security Trust Deed as if the Bondholders had been a party thereto and as if each Bondholder covenanted under the Security Trust Deed to observe and be bound by all the provisions thereof.

9.2 Currency and Denomination, Form and Title

9.2.1 Currency and Denomination

The Bonds will be issued in Euro. The Nominal Value of each Bond (denomination per unit) will be €100. The aggregate principal amount of Bonds that the Issuer may issue pursuant to this Prospectus is €7,800,000, divided into 78,000 Bonds of €100 each.

9.2.2 Form and Title

The Bonds are to be issued in fully registered and dematerialised form without coupons and are represented in uncertificated form by the appropriate entry in the CSD Register. There will be entered in the CSD Register, the names, addresses, identity card numbers (or details of some other official document, in the case of natural persons), registration numbers and "Legal Entity Identifier Numbers" (in the case of companies), and account details of the Bondholders and the particulars of the Bonds held by them respectively. Bondholders will also have, at all reasonable times during business hours, access to the CSD Register for purposes of inspecting information held on their respective accounts. Each Bondholder consents to the Issuer having a right to obtain, from the CSD Register, any available information on the Bondholders including contact details and their holdings of Bonds.

Certificates will not be delivered to Bondholders and title to the Bonds shall be evidenced by an electronic entry in the CSD Register. The CSD will issue, upon a request by a Bondholder, a statement of holdings to a Bondholder evidencing that Bondholder's entitlement to Bonds held in the register CSD Register. Except as ordered by a court of competent jurisdiction or as required by law, the Issuer shall be entitled to treat the person in whose name a Bond shall be registered in the CSD Register as the absolute owner thereof for the purpose of making payment and for all other purposes, regardless of any notice of any nominee relationship or trust.

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.

9.3 Status

The Bonds (their repayment and the payment of interest thereon) shall constitute the general, direct, and unconditional obligations of the Issuer to the Bondholders, guaranteed and secured in the manner described in Sections 9.4 below, and shall at all times rank *pari passu*, without any priority or preference among themselves. The Bonds shall rank subsequent to any other prior ranking indebtedness of the Issuer, if any.

9.4 Security

The Guarantor has (among other covenants), pursuant to the Security Trust Deed, as primary obligor, jointly and severally with the Issuer, unconditionally and irrevocably guaranteed to the Security Trustee (for the benefit of the Bondholders) that if for any reason the Issuer fails to pay any Indebtedness as and when due, the Guarantor will, on first demand in writing made by the Security Trustee on the Guarantor, pay that sum to the Bondholders or to the Security Trustee for (the benefit of the Bondholders). The Guarantee constitutes the direct, general and unconditional obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by applicable law.

The obligations of the Issuer to the Bondholders under the Bonds will also be secured by means of the Special Hypothec in favour of the Security Trustee for the benefit of the Bondholders, in accordance with the terms of the Security Trust Deed and the Deed of Hypothec. The Special Hypothec may be enforced by the Security Trustee upon the Bonds becoming immediately due and payable upon an event of default as described in section 9.15 below.

9.5 Rights Attached to the Bonds

There are no special rights attached to the Bonds other than the right of the Bondholders to: (i) attend, participate in and vote at meetings of Bondholders in accordance with these Terms and Conditions; (ii) receive payment of capital and interest in accordance with the ranking as provided in these Terms and Conditions; (iii) enjoy such other rights attached to the Bonds emanating from these Terms and Conditions and this Prospectus; (iv) benefit from the enforcement of the Special Hypothec; and (v) seek recourse from the Guarantor pursuant to the Guarantee, in the case of failure by the Issuer to pay any Indebtedness.

9.6 Interest

9.6.1 Interest Rate and Interest Payment Dates

Each Bond shall bear interest on its outstanding principal amount at a rate 4.75% per annum from (and including) the Interest Commencement Date up to (but excluding) the Maturity Date. Interest shall be payable in arrears in Euro on each Interest Payment Date and on the Maturity Date. The first payment of interest shall be made on the first Interest Payment Date. In the event that any Interest Payment Date falls due on a day other than a Business Day, the relevant Interest Payment Date will be the first following day which is a Business Day.

9.6.2 Accrual of Interest

When interest is required to be calculated for any period of less than a full year, it shall be calculated on the basis of a 360-day year, and in the case of an incomplete month, the number of days elapsed. Interest shall cease to accrue on each Bond on the day preceding the Maturity Date unless payment of principal is improperly withheld or refused or unless the Issuer defaults in respect of payment, in which event, interest shall continue to accrue at a rate of 4.75% per annum until the date of payment thereof.

9.7 Yield

The gross yield, calculated on the basis of the interest rate of the Bonds, the Issue Price, and the redemption value (at Nominal Value) of the Bonds on the Maturity Date, is 4.75%.

9.8 Payments

- 9.8.1 The Issuer will discharge all of its payment obligations under the Bonds by making payments to the bank accounts of the Bondholders indicated in the CSD Register. Payments will be made only by bank transfer into the bank accounts of Bondholders that are provided in the relevant Application Forms or as otherwise provided to the CSD. If no bank account number is provided, payments will be withheld (without interest) until a bank account number is provided. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, holdings of Bonds through the CSD. The Issuer shall not be responsible for any loss or delay in transmission or any charges in connection therewith.
- 9.8.2 Repayment of the principal amount of the Bonds will be made in Euro on the Maturity Date as the case may be by the Issuer to the person in whose name such Bonds are registered as at the close of business on the Maturity Date, together with interest accrued up to (but excluding) the Maturity Date. The Issuer shall not be responsible for any loss or delay in transmission. Upon repayment of the principal the Bonds shall be redeemed and the appropriate entry made in the CSD Register.
- 9.8.3 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/ 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.
- 9.8.4 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 relevant Interest Payment Date. Such payment shall be affected within seven (7) days of the relevant Interest Payment Date. The Issuer shall not be responsible for any loss or delay in transmission.
- 9.8.5 All payments with respect to the Bonds are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable fiscal or other laws and regulations prevailing in Malta.
- 9.8.6 No commissions or expenses shall be charged by the Issuer to Bondholders in respect of such payments. The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer.
- 9.8.7 Any claim against the Issuer by Bondholders in connection with all payments due to them in respect of the Bonds shall be prescribed (time-barred) upon the lapse of five (5) years from the day on which an action in relation to the same can be exercised.

9.9 Redemption

Unless previously purchased and cancelled in accordance with section 9.10 below, the Bonds shall be redeemed at their Nominal Value on the Maturity Date.

9.10 Purchase and Cancellation

To the extent permitted by law, the Issuer may at any time purchase Bonds in the open market or otherwise and at any price. All Bonds purchased by or on behalf of the Issuer will be cancelled and may not be re-issued or re-sold. Any Bonds so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Bonds shall be discharged.

9.11 Transferability

- 9.11.1 The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in accordance with applicable laws and the rules and regulations of the MSE.
- 9.11.2 Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may from time to time properly be required by the Issuer or the CSD, elect either to be registered himself as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the Bond.
- 9.11.3 All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.
- 9.11.4 The cost and expenses of effecting any trading or transfer in the Bonds on the MSE shall be at the charge of the Bondholder or at the charge of such person as the rules and regulations of the MSE may from time to time determine.
- 9.11.5 As the Bonds will be held at the CSD, investors will have to rely on its procedures for transfers. The CSD will not register the transfer or transmission of Bonds for a period of 15 days preceding the due date for any payment of principal or interest on the Bonds.

9.12 Further Issues

The Issuer may from time to time, without the consent of the Bondholders, incur further debt or issue further bonds or other securities, either having the same terms and conditions as (and/or fungible with) any outstanding debt securities or upon such other terms and conditions as the Issuer may determine at the time of their issue, including (but not limited to) bonds or other debt securities which are secured and/or have a prior ranking than the Bonds. Although the aggregate Nominal Value of the Bonds that may be issued under this Prospectus is limited to €7,800,000, there is no other restriction on the amount of debt that the Issuer may incur (whether through the issuance of debt securities or otherwise). Accordingly, the Issuer may incur additional indebtedness (other than the indebtedness incurred in relation to the issue of the Bonds), which indebtedness may be secured by the whole or any part of its present or future, undertaking, assets or revenues without, the consent of the Bondholders, and which could rank ahead of the Bonds in the event of a dissolution and winding up of the Issuer.

9.13 Meetings of the Bondholders

For all intents and purposes any meeting of Bondholders, including but not limited to meetings held for the purposes set out in section 9.14 below, shall be held in accordance with the provisions of the Security Trust Deed (as described in this Section). In the event of any inconsistency between the provisions of these Terms and Conditions and the Security Trust Deed (whether in relation to meetings of Bondholders or otherwise), the provisions of the Security Trust Deed shall prevail.

- 9.13.1 The Security Trustee, in accordance with the provisions set out in the Security Trust Deed, may at any time and at the cost of the Issuer, prior to exercising any power or discretion hereunder, may (a) call a meeting of the Bondholders; or (b) write to all Bondholders requesting their instructions or directions; provided that the Security Trustee shall not be liable for any action it may deem necessary to take prior to acting in accordance with this paragraph and the Security Trustee shall not be bound to act on behalf of the Bondholders under the Security Trust Deed unless it receives duly authorised instructions or directions as stipulated in the Security Trust Deed.

- 9.13.2 A meeting of the bondholders may also be convened, at any time, by the Issuer.
- 9.13.3 A meeting of the Bondholders shall also be convened by the Security Trustee on the requisition of one (1) or more Bondholders holding in aggregate, at the date of the deposit of the requisition, not less than 10% of the Nominal Value of Bonds, for the time being outstanding.
- 9.13.4 In case of a requisition of a meeting, the requisition shall state the objects of the meeting and shall be signed by the requisitioner/s and deposited at the registered office of the Security Trustee and may consist of several documents in like form each signed by the requisitioner, or if there is more than one (1) requisitioner, in any one document by all of them.
- 9.13.5 If the Security Trustee does not, within twenty-one (21) days from the date of the deposit of the requisition, proceed duly to convene a meeting, the requisitioner/s may convene a meeting in the same manner, as nearly as possible, as that in which meetings are to be convened by the Security Trustee, but a meeting so convened shall not be held after the expiration of three (3) months from the date of the deposit of the requisition.
- 9.13.6 At least 14 days' notice (exclusive of the day on which the notice is given and of the day of the meeting) of the meeting shall be given to the Bondholders. The notice shall specify the date, time and place of the meeting as well as the general nature of the resolution/s being proposed and to be tabled at the meeting. The notice shall also explain how Bondholders may appoint proxies.
- 9.13.7 Notice of every meeting of the Bondholders shall be given to (a) every Bondholder; (b) the Issuer; (c) the Guarantor; (d) the Security Trustee; and (e) the auditor/s for the time being of the Issuer. No person other than the foregoing persons shall be entitled to receive notice of a meeting of Bondholders.
- 9.13.8 The accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting, by any person entitled to receive notice shall not invalidate the proceedings of a meeting.
- 9.13.9 No business shall be transacted at a meeting of the Bondholders unless a quorum is present, in person or by proxy, at the commencement of the meeting.
- 9.13.10 At any such meeting, 2 or more Bondholders present in person or by proxy and holding or representing not less than 50% of the aggregate principal amount of the Bonds outstanding at the time will form a quorum for the transaction of business. If within half an hour (30 minutes) from the time appointed for the commencement of the meeting, a quorum is not present, the meeting, howsoever called, shall stand adjourned to the same day in the next week, at the same time and place or to such other day and place as the chairman of the meeting may decide and if at the adjourned meeting a quorum is not yet present within half an hour (30 minutes) from the time appointed for the meeting, the Bondholders present shall constitute a quorum.
- 9.13.11 A meeting of the Bondholders shall have the power, with the approval of a majority of Bondholders, holding not less than 75% in Nominal Value of the Bonds held by those Bondholders present at the meeting or at any adjourned meeting thereof, as the case may be, to do any of the following:
- (a) instruct or direct the Security Trustee in respect of proceedings or any other action to be taken to enforce the obligations of the Issuer and/or the Guarantor under this Deed and/or the Terms and Conditions of the Bonds and/or any the Deed of Hypothec and/or the Prospectus;
 - (b) to assent to any proposal for modification of the Security Trust Deed and/or the Terms and Conditions, as put forward by the Issuer and/or the Security Trustee;

- (c) to authorise any person or persons to concur in and execute all such documents and do all such acts and things as may be necessary to carry out and give effect to any resolution passed with the approval of a majority of Bondholders, holding not less than 75% in Nominal Value of the Bonds held by those Bondholders present at the meeting or at the adjourned meeting, as the case may be;
- (d) to give any authority, direction or sanction or approval which under the Terms and Conditions is required to be given by the Bondholders;
- (e) to remove the Security Trustee or any subsequent trustee and to approve a person to be appointed as trustee in its stead;
- (f) to authorise the Security Trustee and/or any of its directors, officers, delegates or appointees to concur in and execute and do all such documents, instruments, acts and things as may be necessary to carry out and give effect to any resolution passed with the approval of a majority of Bondholders, holding not less than 75% in Nominal Value of the Bonds held by those Bondholders present at the meeting or at the adjourned meeting, as the case may be;
- (g) to discharge or exonerate the Security Trustee and/or any of its directors, officers, delegates or appointees from all liability in respect of any act or omission for which the Security Trustee and/or any of its directors, officers, delegate or appointees may have become responsible under the Security Trust Deed provided that it shall not be permissible for the Security Trustee and/or any of its directors, officers, delegates or appointees to be exonerated from the effects of their own fraud, wilful misconduct or gross negligence; and
- (h) to appoint any persons (whether or not Bondholders) as a committee/s to represent the interest of the Bondholders and to confer upon such committee/s any powers or discretions which the Bondholders could themselves exercise.

9.13.12 For the purpose of an adjourned meeting, it shall not be required to send notices anew, provided that all persons entitled to receive notice for the original meeting shall be informed of the adjournment and the time and place of the adjourned meeting.

9.13.13 The chairman of a meeting of the Bondholders shall be a director of the Security Trustee or such other person as the Security Trustee may nominate in writing from time to time. The chairman of an adjourned meeting need not be the same person as the chairman of the original meeting. At the commencement of any meeting, the chairman may lay down the procedures which shall be adopted for the proceedings of that meeting. Such procedure shall be binding on the meeting.

9.13.14 Each matter submitted to a meeting shall be decided by a show of hands unless a poll is (before or following the result of the show of hands) demanded by the chairman or 3 Bondholders in person or by proxy. On a show of hands, every Bondholder shall have one vote and on a poll every Bondholder shall have one vote for each Bond held and any fractional interests shall be disregarded. Voting, whether on a show of hands or on a poll, shall be taken in such manner as the chairman of the meeting shall direct.

9.13.15 Unless a poll be so demanded, a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the minute book is made, it shall be conclusive evidence of the fact without need for the proof of the number of proportion of the votes recorded in favour of or against such resolution.

9.13.16 Any vote to be taken at a meeting (except for choosing a chairman) shall only be decided upon by means of a resolution passed with the approval of a majority of Bondholders holding not less than 75% in Nominal Value of the Bonds held by those Bondholders present at the meeting or at any adjourned meeting thereof, as the case may be.

- 9.13.17 Any resolution passed with the required majority at any meeting shall be binding on all Beneficiaries, whether or not present at the meeting, and whether or not voting, and each of them shall be bound to give effect to it accordingly.
- 9.13.18 Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them.
- 9.13.19 A resolution in writing signed by or on behalf of all the Bondholders who for the time being are entitled to receive notice of a meeting, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Bondholders, shall be valid and effectual as if it had been passed at a meeting of the Bondholders duly convened and held.
- 9.13.20 The instrument appointing a proxy shall be deposited at least seventy-two (72) hours before the time fixed for the meeting at such place as the Security Trustee shall designate or approve and, in default it shall not be valid unless the chairman of the meeting decides otherwise before the meeting proceeds to business. The instrument appointing a proxy must be in writing signed by the appointer or the appointer's attorney. A proxy holder need not be a Bondholder.

9.14 Amendments to Terms and Conditions

- 9.14.1 The provisions of the Terms and Conditions may be amended by the Issuer with the approval of a majority of Bondholders, holding not less than 75% in Nominal Value of the Bonds held by those Bondholders present at a meeting of the Bondholders called for that purpose or at any adjourned meeting thereof, as the case may be.
- 9.14.2 In the event that the Issuer wishes to amend any of the provisions set out in these Terms and Conditions, it must call a meeting of the Bondholders for this purpose. Subject to having obtained the necessary approval by the said Bondholders at a meeting of the Bondholders as set out above, any such proposed amendment or amendments to the provisions of the Terms and Conditions shall subsequently be given effect to by the Issuer.

9.15 Events of Default and Enforcement

- 9.15.1 The Security Trustee may, in its discretion, and shall, upon the request by Bondholders holding not less than 75% in Nominal Value of the Bonds held by those Bondholders present at a meeting of the Bondholders or at any adjourned meeting thereof, as the case may be, give notice to the Issuer that the Bonds are, and shall accordingly immediately become, due and payable at their Nominal Value together with interest accrued on the occurrence of any of the following events (each, an 'Event of Default') and without the need of any authorisation and/or confirmation from a competent court in the event that:
- (a) the Issuer fails to pay any interest on any Bond when due and such failure shall continue for 60 days after written notice thereof shall have been given to the Issuer by any Bondholder or the Security Trustee, unless remedied by the Guarantor prior to the expiry of that 60-day period; or
 - (b) the Issuer fails to repay any principal on any Bond when due and such failure shall continue for 60 days after written notice thereof shall have been given to the Issuer by any Bondholder or the Security Trustee, unless remedied by the Guarantor prior to the expiry of that 60-day period; or
 - (c) the Issuer and/or the Guarantor, as applicable, fail to perform or observe any material covenant, material condition or material obligation contained in these Terms and Conditions (other than any obligation for the payment of principal or interest in respect of the Bonds), the Security Trust Deed and/or the Deed of Hypothec and such failure is incapable of remedy or is not remedied within 60 days after notice of such default shall have been given to the Issuer by the Security Trustee; or

- (d) the Special Hypothec is not constituted and perfected (as a first ranking special hypothec) within twenty (20) Business Days following the admission to listing of the Bonds;
- (e) either of the Issuer and/or the Guarantor is deemed unable or admits in writing its inability to pay its debts as they fall due or otherwise becomes insolvent; or
- (f) the Issuer and/or the Guarantor 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 and/or the Guarantor is adjudicated or found bankrupt or insolvent, or an order is made by any competent court, or a resolution is passed by the Issuer and/or the Guarantor or any other action is taken for the dissolution, liquidation, or winding-up of the Issuer and/or the Guarantor.

9.15.2 Any notice, including any notice declaring Bonds due shall be made by means of a written declaration delivered by hand or registered mail to the registered office of the Issuer.

9.15.3 The Security Trustee shall not be bound to take any steps to ascertain whether any Event of Default or other similar condition, event or circumstance has occurred or may occur, and, until it shall have actual knowledge or express notice to the contrary, the Security Trustee shall be entitled to assume that no such Event of Default or condition, event or other circumstance has happened and that each of the Issuer and the Guarantor is observing and performing all the obligations, conditions and provisions on its part contained under the Terms and Conditions, the Security Trust Deed and/or the Deed of Hypothec, as applicable.

9.15.4 At any time after notice has been given to the Issuer by the Security Trustee that the Bonds shall have become immediately due and payable in accordance with Section 9.15.1 above, the Security Trustee may, in its sole discretion, institute such proceedings as it may think fit against the Issuer and/or the Guarantor to enforce repayment of the principal together with accrued but unpaid interest (including enforcement of the Special Hypothec), provided that the Security Trustee shall not be bound to do so unless it shall have been (a) so requested by Bondholders holding not less than 75% in Nominal Value of the Bonds held by those Bondholders present at a meeting of the Bondholders called for that purpose or at any adjourned meeting thereof, as the case may be and (b) indemnified and, if it so requires, secured to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may incur by so doing.

9.15.5 Only the Security Trustee may enforce the provisions of the Security Trust Deed, the Terms and Conditions and the Deed of Hypothec, and no Bondholder shall be entitled to enforce performance of any such provisions unless the Security Trustee, having become bound to proceed as described in section 9.15.4 above, fails to do so within a period of 60 days after becoming so bound.

9.16 Notices

Notices to Bondholders shall be mailed to them at their respective addresses contained in the CSD Register and shall be deemed to have been served at the expiration of 3 calendar days after the date of mailing. In proving such service, it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholder at the address contained in the CSD Register.

9.17 Governing Law and Jurisdiction

9.17.1 Governing law

The Bonds, all the rights and obligations of the Bondholder and the Issuer, and any non-contractual obligations arising out of or in connection with the Bonds, shall be governed by and construed in accordance with Maltese law.

9.17.2 Jurisdiction

The Courts of Malta shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds, all the rights and obligations of the Bondholder and/or the Issuer, and any non-contractual obligations arising

out of or in connection with the Bonds. The Issuer and the Bondholders hereby irrevocably submit to the exclusive jurisdiction of the Courts of Malta to hear and determine any proceedings and to settle any dispute which may arise out of, or in connection with the Bonds.

Each of the Issuer and the Bondholder waives any objection to the Maltese Courts on grounds of inconvenient forum or otherwise as regards proceedings in connection herewith and agrees that a judgment or order of such a Court shall be conclusive and binding on it and may be enforced against it in the Courts of any other jurisdiction.

10. TAXATION

10.1 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 transfer as well as on any income derived therefrom or on any gains derived on the transfer of such Bonds. The following is a summary of the anticipated tax treatment applicable to Bondholders in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive.

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

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

10.2 Malta Tax on Interest

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer or the Guarantor (as the case may be) is instructed by a Bondholder entitled to elect to receive the interest gross of any withholding tax, or if the Bondholder does not fall within the definition of “recipient” in terms of article 41(c) of the Income Tax Act, interest shall be paid to such person net of a final withholding tax, currently at the rate of 15% (or 10% in the case of certain types of collective investment schemes) of the gross amount of the interest, pursuant to article 33 of the Income Tax Act. Bondholders who do not fall within the definition of a “recipient” do not qualify for the said rate and should seek advice on the taxation of such income as special rules may apply.

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

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 Maltese income tax return and be subject to tax on such interest at the standard rates applicable to such Bondholder at that time.

Any such election made by a resident “recipient” Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer or the Guarantor (as the case may be). Such election or revocation will be effective within the time limit set out in the Income Tax Act. Even in this latter case, the Issuer or the Guarantor (as the case may be) will advise the Maltese Commissioner for Revenue on an annual basis in respect of all interest paid and of the identity of all such recipients.

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 or the Guarantor (as the case may be) in terms of law.

10.3 Exchange of Information

In terms of applicable Maltese legislation, the Issuer or the Guarantor (as the case may be) and/or its agent are required to collect and forward certain information (including, but not limited to, information regarding payments made to Bondholders) to the Maltese Commissioner for Revenue. The Maltese Commissioner for Revenue will or may, in turn, automatically or on request, forward the information to other relevant tax authorities subject to certain conditions.

10.4 Maltese Taxation on Capital Gains on a Transfer of the Bonds

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

10.5 Duty on Documents and Transfers

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

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

Furthermore, even if the Bonds are considered marketable securities for the purposes of the Duty on Documents and Transfers Act, in terms of article 50 of the Financial Markets Act as the Bonds constitute financial instruments of a company quoted on a regulated market exchange, as is the MSE, redemptions and transfers of the Bonds should, in any case, be exempt from duty.

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

11. STATEMENTS BY EXPERTS, DECLARATIONS OF INTEREST AND THIRD-PARTY INFORMATION

Save for the Accountant’s Report on Pro Forma Financial Information, the Financial Analysis Summary and the Valuation Report, this Prospectus does not contain any statement or report attributed to any person as an expert.

The Accountant’s Report on Pro Forma Financial Information is available for inspection as set out in section 12 of this Prospectus, in the form and context in which it appears, with the authorisation of Grant Thornton, which have given, and have not withdrawn, their consent to its inclusion herein.

The Financial Analysis Summary has been included as Annex C to this Prospectus, in the form and context in which it appears, with the authorisation of the Sponsor, which has given, and has not withdrawn, its consent to its inclusion herein.

The Valuation Report is available for inspection as set out in section 12 of this Prospectus (and is deemed to be incorporated by reference in, and forms part of, this Prospectus), in the form and context in which it appears, with the authorisation of architect Raymond DeMicoli, who has given, and has not withdrawn, his consent to its inclusion herein.

None of the foregoing experts have any beneficial interest in the Issuer. The Issuer confirms that each of the aforementioned reports and documents and any other information sourced from third parties and contained and

referred to in this Prospectus has been accurately reproduced in this Prospectus and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

12. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents (or copies of the same) are available for physical inspection at the Issuer's registered office and on the Issuer's website (www.dinofino.com/investor-relations/) for the duration of the validity of the Prospectus:

- (a) Memorandum and Articles of Association of the Issuer;
- (b) Memorandum and Articles of Association of the Guarantor;
- (c) Audited financial information of the Guarantor for the financial years ended 2018, 2019 and 2020, together with the auditors' reports thereon;
- (d) Accountant's Report on Pro Forma Financial Information;
- (e) Financial Analysis Summary;
- (f) Valuation Report; and
- (g) Security Trust Deed

Annex A: Pro Forma Financial Information

Basis of Preparation

Dino Fino Finance p.l.c. was incorporated on 23 August 2021 and with effect from 23 August 2021 Dino Fino Finance p.l.c. acquired, from Mr Dino Fino, full ownership and control of Dino Fino Operations Limited and Dino Fino Holdings Limited (together referred to as the 'Acquired Entities'). This transfer was implemented through the intra group corporate restructuring (the 'Restructuring') outlined in section 4.4.

The pro forma financial information has been prepared for illustrative purposes only, to show how the consolidated financial statements of the Acquired Entities would have been impacted should the Restructuring, implemented as of 23 August 2021, have been hypothetically carried out as at 31 December 2020 (the 'Reference Date').

The pro forma financial information comprises a pro forma consolidated income statement, consolidated statement of financial position and consolidated cash flow statement for the financial year ended 31 December 2020. The pro forma financial information has been prepared by reference to the consolidated financial statements of the Acquired Entities as at the Reference Date, and superimposing the entries necessary to reflect the Restructuring that was implemented as of 23 August 2021.

Because of its nature, the pro forma financial information does not represent the Issuer's actual financial position. The pro forma financial information is not intended to, and does not, provide all the information and disclosures necessary to give a true and fair view of the results of the operations and the financial position of the Issuer in accordance with International Financial Reporting Standards as adopted by the EU (IFRS).

The pro forma financial information has been compiled on the basis of the accounting policies adopted by the Issuer taking into account the requirements of Annex 20 of EC Regulation 2019/980.

Pro Forma Adjustments

The following is a description of the pro forma adjustments made to the combined results and financial position of the Acquired Entities for the financial year ended 31 December 2020:

Being the entries required to reflect the effect of the Restructuring implemented on 23 August 2021 as at the Reference Date. The combined statement of financial position of the Acquired Entities includes the following adjustments:

- (a) The capitalisation of a shareholders' loan of €435,000 at Dino Fino Operations Limited level.
- (b) The incorporation of Dino Fino Holdings Limited, a sister company to Dino Fino Operations Limited, which newly formed entity has acquired the Dino Fino brand from its ultimate beneficial owner for a consideration of €2,000,000. The consideration was settled through an issue of ordinary share capital to its ultimate beneficial owner.
- (c) The incorporation of Dino Fino Finance p.l.c., which company has acquired the shares of Dino Fino Operations Limited and Dino Fino Holdings Limited for a combined consideration of €4,641,000 - €2,641,000 to fully acquire Dino Fino Operations Limited (net asset value of €509,000 at the time of the transaction, resulting in a goodwill of €2,132,000), and €2,000,000 to fully acquire Dino Fino Holdings Limited (net asset value of €2,000,000 at the time of the transaction).
- (d) The acquisition of Dino Fino Operations Limited and Dino Fino Holding Limited by Dino Fino Finance p.l.c. for €4,641,000, was settled through a share issue of €3,541,000 to its Parent Company, and a financial liability of €1,100,000 payable to the Parent Company.
- (e) Given that Dino Fino Finance p.l.c. will be the parent company of Dino Fino Holdings Limited and Dino Fino Operations Ltd, and since Dino Fino Finance p.l.c. was not in operation for the year ended 31 December 2020, the pro forma consolidate equity position will only comprise the share capital of Dino Fino Finance p.l.c., that is €3,541,000.

The entries relating to the Restructuring do not impact the combined income statement and combined cash flow statement as at the Reference Date.

Pro Forma Consolidated Balance Sheet	Combined	Pro Forma adjustments	Pro Forma
As at	31-Dec-20		31-Dec-20
	€'000	€'000	€'000
Assets			
Non-Current Assets			
Property, plant and equipment	470	-	470
Right of use asset	368	-	368
Deferred tax asset	43	-	43
Brand assets	-	2,000	2,000
Goodwill	-	2,132	2,132
Total non-current assets	881	4,132	5,013
Current Assets			
Inventory	1,348	-	1,348
Trade and other receivables	714	-	714
Cash balance	547	-	547
Total current assets	2,609	-	2,609
Total assets	3,491	4,132	7,623
Equity			
Share capital	101	3,440	3,541
Retained earnings	174	26	200
Dividends paid	(200)	-	(200)
Total equity	75	3,467	3,541
Liabilities			
Non-Current Liabilities			
Shareholders loans	467	(435)	33
Other third-party debt	1,100	-	1,100
Total non-current liabilities	1,567	665	1,133
Current liabilities			
Trade and other creditors	1,177	-	1,177
Other financial liabilities	-	1,100	1,100
Tax and VAT payable	178	-	178
Lease liability	493	-	493
Total current liabilities	1,849	1,100	2,949
Total liabilities	3,416	665	4,082
Total equity and liabilities	3,491	4,132	7,623

Pro Forma Consolidated Statement of Comprehensive Income	Combined	Pro Forma adjustments	Pro Forma
For the year ended	31-Dec-20		31-Dec-20
	€'000	€'000	€'000
Revenue	3,275	-	3,275
Retail revenue	2,882	-	2,882
Contract revenue	393	-	393
Cost of sales	(1,823)	-	(1,823)
Gross profit	1,452	-	1,452
Direct costs	(409)	-	(409)
Contribution	1,043	-	1,043
Other income	205	-	205
Overheads	(588)	-	(588)
EBITDA	660	-	660
Depreciation and amortisation	(245)	-	(245)
EBIT	415	-	415
Net finance costs	(46)	-	(46)
Profit before tax	369	-	369
Tax charge	(107)	-	(107)
Profit/ (loss) after tax	262	-	262
Total comprehensive income	262	-	262

Annex B: Accountant's Report on Pro Forma Financial Information



The Board of Directors
Dino Fino Finance p.l.c.
Dino Fino Home + Contract,
Msida Valley Road,
Birkirkara BKR 9025
Malta

September 23, 2021

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Independent accountant's assurance report on the compilation of pro forma financial information

Dear Members of the Board,

Report on the compilation of pro forma financial information included in a prospectus

We have completed our assurance engagement to report on the compilation of pro forma financial information of Dino Fino Finance p.l.c. (the 'Issuer' and together with its fellow subsidiaries the 'Group') as prepared by the directors of the Issuer (the 'Directors'). The proforma financial information consists of the Group's pro forma Consolidated Income Statement and the Consolidated Statement of Financial Position as at 31 December 2020 as set out in Annex A of the Issuer's prospectus (the 'Prospectus'). The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are specified in Annex 20 of EC Regulation 2019/980 (the 'Regulation') and described in the 'Basis of Preparation' section included in Annex A of the Prospectus (the 'Applicable Criteria').

The Issuer was incorporated on 23 August 2021 and with effect from 23 August 2021 acquired full ownership of Dino Fino Operations Limited and Dino Fino Holdings Limited (entities referred to jointly as the 'Acquired Entities'). This transfer was implemented through the intra group corporate restructuring (the 'Restructuring') outlined in Section 4.4 of the Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate how the combined financial position and combined income statements of the Acquired Entities would have been impacted should the Restructuring, implemented as of 23 August 2021, have been hypothetically carried out as at 01 January 2020.

The pro forma financial information comprises a pro forma consolidated income statement, and statement of financial position for the financial year ended 31 December 2020. In preparing the pro forma financial information, the Directors have extracted information about the Group's results and financial position from the combined financial statements of the Acquired Entities that have been prepared for the financial year ended 31 December 2020.

Directors' responsibility for the pro forma financial information

The Directors are responsible for compiling the pro forma financial information on the basis of the Applicable Criteria.

Our responsibilities

Our responsibility is to express an opinion, as required by Annex 20 of the EC Regulation 2019/980, about whether the pro forma financial information has been compiled, in all material respects, by the Directors on the basis of the Group's accounting policies as described in the combined financial statements of the Acquired Entities for the year ended 31 December 2020 and the basis of preparation set out in Annex A of the Prospectus, and accordingly on the basis of the Applicable Criteria.

Basis of opinion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance engagements to report on the compilation of pro forma financial information included in a prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the pro forma financial information on the basis of the Applicable Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction as at 31 December 2020, would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the accountant's judgment, having regard to the accountant's understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- the pro forma financial information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of the Group.

Yours faithfully



George Vella

Partner, Head of Advisory

Annex C: Financial Analysis Summary



The Directors
Dino Fino Finance p.l.c.
Dino Fino Home + Contract,
Msida Valley Road,
Birkirkara BKR 9025,

30 September 2021

Re: Financial Analysis Summary – 2021

Dear Sirs,

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

The purpose of the financial analysis is that of summarising key financial data appertaining to Dino Fino Finance p.l.c. (the “**Issuer**”) as explained in part 1 of the Analysis. The data is derived from various sources or is based on our own computations as follows:

- (a) Historical financial data for the three years ended 31 December 2018, 2019 and 2020 has been extracted from the audited financial statements of the Issuer for the three years in question.
- (b) The forecast data for the financial year ending 2021 has been provided by management.
- (c) Our commentary on the Issuer’s results and financial position is based on the explanations set out by the Issuer in the Prospectus and MFSA Listing Policies.
- (d) The ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions set out in Part 4 of the Analysis.
- (e) The principal relevant market players listed in Part 3 of the document have been identified by management. Relevant financial data in respect of competitors has been extracted from public sources such as the web sites of the companies concerned or financial statements filed with the Registrar of Companies or websites providing financial data.

The Analysis is meant to assist potential investors by summarising the more important financial data set out in the Prospectus. The Analysis does not contain all data that is relevant to potential investors and is meant to complement, and not replace, the contents of the full Prospectus. The Analysis does not constitute an endorsement by our firm of the proposed bond issue and should not be interpreted as a recommendation to invest in the Bonds. We shall not accept any liability for any loss or damage arising out of the use of the Analysis and no representation or warranty is provided in respect of the reliability of the information contained in the Prospectus. Potential investors are encouraged to seek professional advice before investing in the bonds.

Yours sincerely,



Nick Calamatta
Director

FINANCIAL ANALYSIS SUMMARY 2021



Dino Fino Finance p.l.c.

30 September 2021

Prepared by Calamatta Cuschieri
Investment Services Ltd

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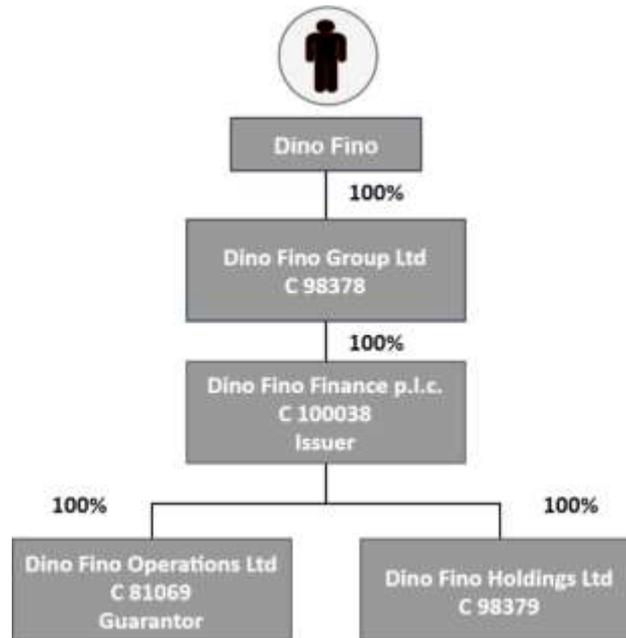
Introduction

Dino Fino Finance p.l.c. is issuing €7.8 million 4.75% Secured Bonds 2033 pursuant to a prospectus dated 30 September 2021. This Financial Analysis Summary has been prepared in line with the MFSA Listing Policies.

Part 1 - Information about the Group

1.1 Issuer and Group's Subsidiaries Key Activities and Structure

The Group structure is as follows:



Dino Fino Finance p.l.c. (the “**Company**” or the “**Issuer**” or “**DFF**”) is a public limited liability company incorporated in Malta on 23 August 2021, bearing company registration number C 100038.

The Issuer was incorporated for the purpose of raising capital for the Group, which is made up of the Issuer, Dino Fino Group Ltd (the “**Parent**” or “**DFG**”), Dino Fino Operations Ltd (the “**Guarantor**” or “**DFO**”) and Dino Fino Holdings Ltd (“**DFH**”). The Issuer is wholly-owned by the Parent, while the Guarantor and DFH are its direct subsidiaries.

The Issuer’s authorised share capital is of €5,000,000, divided into 4,999,999 Ordinary A Shares of €1 each and 1 Ordinary B Share of €1 each. The Issuer’s issued share capital is of €3,620,000 divided into 3,619,999 Ordinary A Shares of €1 per share and 1 Ordinary B Share, all fully paid up. The Ordinary A Shares and Ordinary B Shares are the only authorised and issued class of shares in the Issuer. The Ordinary A shares shall carry the right to receive notice of,

attend and vote at any general meeting of the Issuer, the right to dividends and the right to the surplus assets of the Issuer on its winding up. The holder of the Ordinary B Share shall not have the right to receive notice of, attend or vote at meetings, nor the right to dividends or to any distribution of the surplus assets of the Issuer on its winding up, save for an eventual return of capital.

The Guarantor is a private limited liability company incorporated in Malta on 13 June 2017, bearing company registration number C 81069. The Guarantor acts as the Group’s operating company whilst paying rent, interest and dividend to the Issuer and royalties to DFH.

The Guarantor’s authorised share capital is €650,000, divided into 650,000 ordinary shares of €1 each. The Guarantor’s issued share capital is €100,100 divided into 100,100 ordinary shares of €1 each, all fully paid up. The ordinary shares are the only authorised and issued class of shares in the Issuer. The Guarantor’s sole shareholder is the Issuer.

Dino Fino Holdings Ltd is a private limited liability company incorporated in Malta on 8 March 2021, bearing company registration number C 98379. It is the intellectual property (“IP”) asset owner and operator, including conducting ongoing marketing endeavours as to protect and grow the value of the DINO FINO brand.

1.2 Directors and Key Employees

Board of Directors - Issuer

As at the date of this Analysis, the board of directors of the Issuer is constituted by the following persons:

Name	Office Designation
Mr Benjamin Muscat	Independent Non-Executive Director and Chairman
Mr Dino Fino	Executive Director
Mr Beppe Muscat	Executive Director
Dr Austin Gauci Maistre	Non-Executive Director
Ms Alexia Farrugia	Independent Non-Executive Director

The business address of all of the directors is the registered office of the Issuer.

Dr Austin Gauci Maistre is the company secretary of the Issuer.

The board of the Issuer is composed of five (5) directors who are responsible for the overall direction and management of the Issuer. Two (2) executive directors are entrusted with the Issuer’s day-to-day management whereas three non-executive directors, the majority of whom are independent of the issuer, are to provide the Issuer with direction and strategy, monitoring and supervision of its performance, while ensuring that controls and risk management systems are adequately in place.

Board of Directors – Guarantor

As at the date of this Analysis, the board of the directors of the Guarantor is constituted by the following:

Name	Office Designation
Mr Dino Fino	Executive Director

The business address of the director is the registered office of the Guarantor.

Mr Dino Fino is the company secretary of the Guarantor.

1.3 Major Assets owned by the Group

The Issuer’s main assets are predominantly the Brand and IP which reflects the value attributable to the DINO FINO

Brand, the right of use asset over the Birkirkara showroom which is currently under promise of sale agreement and when acquired, will be fully owned by the Group, fixtures and fittings installed in the showroom, and working capital, including the inventory on display in the showroom.

1.4 Operational Developments

1.4.1 Group restructuring

The Guarantor was set up by Mr Dino Fino and his 50% business partner at the time, Mr Abdulmajid Al Sadi. DFO is engaged in retail operations of home and office furniture and furnishings to domestic and commercial clients.

In September 2020, Mr Fino bought Mr Al Sadi’s share in DFO, which in turn is now 100% owned and controlled by Mr Fino. It paved the way for the current bond issue, which includes Mr Fino’s plans to acquire the showroom, consolidate the Brand ownership under the same corporate structure and pursue a more focused expansionary direction.

For the purpose of the proposed bond issue, the Group was recently restructured as follows:

- i. DFG and DFH were incorporated, capitalising shareholder loans owed by DFO to Mr Fino;
- ii. Mr Fino contributed the IP he held in his personal name to DFH, and then transferred DFH and DFO to DFG in exchange for the issuance and allotment of paid up share capital amounting to the fair value of the assets;
- iii. DFF was incorporated as a subsidiary of DFG in exchange for a combination of newly issued and allotted shares together with an outstanding payable of €1.1m which will subsequently be settled through the proposed bond issue. DFF was incorporated to act as the issuer of the bond issue.

This new structure was created as a result of a recent restructuring exercise carried out by Mr Fino to:

- i. Bring the IP and associated brand licence agreement into the group structure; and
- ii. Consolidate his holdings under a new finance vehicle in anticipation of the proposed purpose of the showroom and the bond issue.

1.4.2 Home Furniture Division

The Guarantor procures from suppliers, sells and delivers a vast range of kitchens and home furniture and decorations. Products include kitchens, dining room furniture, living room furniture, bedroom furniture, lighting fixtures, carpets, wooden flooring, internal and external apertures, wallpaper, fabrics, blinds, decorations, accessories, outdoor furniture including pergolas, bathrooms furniture, fixtures and floor tiles.

The Guarantor has no manufacturing operations and sources all products from suppliers based principally in Italy and Germany. The Guarantor only works with suppliers that can generally guarantee a reliable supply chain, exclusivity of brands and quality after-sales customer support. Through these suppliers, the Guarantor represents a large collection of brands including Aran World which incorporates Aran Cucine, Rastelli Cucine, Ciao Cucine, Newform Ufficio, Aran Notte together with other high profile suppliers including LAGO, Arketipo, Adriani & Rossi, Quadrifoglio Group, Siloma, Marinelli Home, Samoa, Cattelan Italia, SCAB Design, Tonin Casa, Magniflex, KYMO, Skema, Varaschin, EMU, Roberti, Pointhouse, Light & Living, Instabilelab, Maset, Foster, Cerdisa, Barazza, Acrotecture, and Zanini Porte. The Guarantor is continuously looking to establish relationships with new suppliers in order to diversify its supply base and product offering, also enabling it to introduce new product ranges as consumer trends change.

Additionally, the Guarantor has recently launched a custom design service that assists clients in designing custom-made furniture to fit their particular wishes and specifications, a service that is steadily gaining popularity with its clientele.

The Guarantor is also in the process of sourcing a factory in order to manufacture bespoke furniture locally, with an intention of launching this factory and line of furniture during 2022.

1.4.3 Contract Division

The Guarantor also operates in the contract furniture market, where it provides corporate clients with bespoke design, curation, supply, delivery, installation and project management solutions in relation to contract furniture projects for commercial installation, primarily in the hospitality industry (for hotels, restaurants and cafes) but also for other commercial project such as for offices and retail stores. As part of the Guarantors growth strategy, the Guarantor has recently expanded its contracts division to include the supply and installation of outdoor and indoor pools both for residential and commercial purposes.

1.4.4 Dino Fino Outlet

The Guarantor recently launched an online shop entitled 'Dino Fino Outlet', through which it offers a wide range of home décor items and furniture, including kitchens, living rooms, dining rooms, bedrooms and more. Dino Fino outlet is a distinct sales channel through which the Guarantor sells a variety of products and brands that are not available for purchase at the Guarantor's showroom, also adopting a more aggressive pricing strategy for the product range being sold online. The Guarantor believes that the proportion of its online sales will grow in proportion to its overall sales. The Guarantor intends to invest further in this aspect of its business to continue to improve on user experience, product visualisation, search engine optimisation and other aspects for the purpose of ensuring that it remains a scalable and effective online solution for the Guarantor and its clients.

1.4.5 Planned property acquisition and extension

The Group has successfully negotiated the acquisition of the Birkirkara showroom (currently leased to DFO from an unrelated third party) for €5.236m (including stamp duty) and has signed a promise of sale agreement for said acquisition by DFF which is expected to be finalised in October 2021.

1.4.6 Proposed Bond Issue and Use of Proceeds

The net proceeds from the Bond Issue, after provision of relevant issue expenses (€0.2m), are expected to amount to *circa* €7.6m. These will be utilised for the following purposes, in the order of priority:

- i. €5.236m for the acquisition of Birkirkara showroom by DFF as explained in section 1.4.5 directly above;
- ii. €0.5m for the refinancing of bank facilities taken by DFO;
- iii. €0.3m to DFO for the finishing of the showroom and the set up a specialised furniture section;
- iv. €0.45m to settle amounts due to DFG from the Group's acquisition of DFO and DFH as explained in section 1.4.1; and
- v. €1.133m for the Group's general corporate funding requirements.

1.4.7 Bond Security

The bond will be secured by the Birkirkara showroom. The value of the Hypothecated Property (as defined in the Prospectus) will be, as at the date of constitution of the Special Hypothec (and is likely expected to be, throughout the term of the Bonds), substantially lower than the full amount of interest and principal outstanding under the Bonds.

There will also be a corporate guarantee by DFO covering the debt servicing obligations of the bond.

1.5 COVID-19 impact on the Group's operational and financial performance

The outbreak of COVID-19 has a significant impact on the global furniture and home furnishings market in 2020 as a result of the disruption of supply chains due to trade restrictions and a decrease in foot-traffic due to lockdowns and closures imposed by governments globally. Lockdowns measures imposed by national governments to contain the transmission resulted in a decline in manufacture and trade of non-essential goods generally and an overall decline in economic activity. The COVID-19 outbreak is expected to continue to have some negative impact on furniture retail businesses during 2021, although the market it is generally expected to recover.

Moreover, local demand for furniture has to date been predominantly driven by the growth in the local property market, with the increase in property transactions and new construction projects in recent years having been a significant factor of increased sales for furniture retailers. This resulted in an approximate 2.9% annual growth in the value of furniture imports locally between 2014 and 2020. Although the long-term effects of COVID-19 on the local property market are still unclear, the pandemic is generally considered to have had some negative impact on its previously impressive growth rate. A contraction of the global and local economy and reduced income for many consumers as a result of COVID-19 could also have a resulting negative effect on the general purchasing power of consumers.

Despite the negative effects of COVID-19, the pandemic also appears to have had some positive impact on the furniture retail industry. With the pandemic forcing the majority the world's population to spend more time at home, this appears to have motivated customers to spend more on home improvements, including on the purchase of new

furniture, primarily through online sales. It has generally also resulted in an increase in online sales and, with customers having realised that shopping online is more convenient, it is likely that there will be a paradigm shift in consumer behaviour, with online sales generally expected to continue to grow even after the pandemic.

1.5.1 Liquidity Measures

At the start of the COVID pandemic, Management applied for a COVID assistance loan for DFO in anticipation of a deterioration of trading conditions and a slowdown in debtor payments.

1.5.2 Other Measures

As a result of the COVID pandemic management initiated an online sales strategy wherein sales agents can carry out online virtual sessions with clients and this ensured that sales efforts could be continued through online channels when showroom was closed.

Operating costs structures remained relatively unaltered with the company being eligible and receiving assistance through the wage supplement scheme.

Part 2 - Historical Performance and Forecasts

In view of the Group restructuring exercise explained above, the financial statements detailed below, from section 2.1 to section 2.3, include the consolidated historical and projected financial performance of the Issuer. It is key to note however, that the historic financial performance of the Issuer, from FY18 to FY20, presents the financial operating performance of DFO, which has been, and is expected to remain the main operating company of the Group.

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

The financial information below is extracted from the audited consolidated financial statements of DFO for the financial years ended 31 December 2018 to 2020. The projected financial information for the years ending 31 December 2021 has been provided by Group management.

2.1 Issuer's Statement of Comprehensive Income

Income Statement	FY18	FY19	FY20	FY21F
	€'000s	€'000s	€'000s	€'000s
Revenue	1,432	2,287	3,275	4,000
Cost of sales	(753)	(1,263)	(1,823)	(2,227)
Gross profit	679	1,024	1,452	1,773
Direct costs	(196)	(397)	(350)	(466)
Contribution	483	627	1,102	1,307
Other income	-	18	112	133
Overheads	(335)	(435)	(554)	(644)
EBITDA	148	210	660	796
Depreciation and amortisation	(83)	(265)	(245)	(293)
EBIT	65	(55)	415	503
Finance costs	(46)	(47)	(46)	(177)
Profit before tax	19	(102)	369	326
Income tax charge	53	53	(107)	(129)
Profit after tax	72	(49)	262	197

Ratio Analysis	FY18	FY19	FY20	FY21F
Profitability				
Growth in Revenue (YoY Revenue Growth)	n/a	59.7%	43.2%	22.1%
Gross Profit Margin (Gross Profit/ Revenue)	47.4%	44.8%	44.3%	44.3%
Contribution Margin (Contribution/ Revenue)	33.7%	27.4%	33.6%	32.7%
EBITDA Margin (EBITDA / Revenue)	10.3%	9.2%	20.2%	19.9%
Operating (EBIT) Margin (EBIT / Revenue)	4.5%	-2.4%	12.7%	12.6%
Net Margin (Profit for the year / Revenue)	5.0%	-2.1%	8.0%	4.9%
Return on Common Equity (Net Income / Average Equity)	-180.0%	76.6%	-3742.9%	10.1%
Return on Assets (Net Income / Average Assets)	3.1%	-2.1%	8.9%	2.2%

Revenue Analysis (€'000s)	FY18	FY19	FY20	FY21F
Retail	613	1,571	2,183	2,667
Contracts	260	407	393	480
Completed contracts	873	1,978	2,576	3,147
Work in Progress (WIP)	559	308	699	853
Total revenue	1,432	2,286	3,275	4,000
% Composition - Retail	42.8%	68.7%	66.7%	66.7%
% Composition - Contracts	18.2%	17.8%	12.0%	12.0%
% Composition - WIP	39.0%	13.5%	21.3%	21.3%
% Growth - Retail	n/a	156.3%	39.0%	22.2%
% Growth - Contracts	n/a	56.5%	-3.4%	22.1%
% Growth - Completed contracts	n/a	126.6%	30.2%	22.2%
% Growth - WIP	n/a	-44.9%	126.9%	22.0%
% Growth - Total revenue	n/a	59.6%	43.3%	22.1%

The Group has two main revenue streams, predominantly consisting of retail sales and contract sales. As noted from the above presented financial data, retail sales relate to the Group's primary source of revenue, and represents retail customer sales generally derived from the Group's showrooms. Contrarily, contract sales represent the sales generated from larger-scale works whereby DFO is contracted to furnish larger establishments such as hotels and office blocks. Additionally, work in progress (WIP) revenue represents revenue earned on contracted partially completed jobs.

Revenue generated during FY20 amounted to *circa* €3.3m, representing an overall increase of approximately €1m or 43% on a comparable basis (FY19: €2.3m). The Group started its operations from a showroom in Hamrun and in early 2018 the Group leased a larger showroom in Birkirkara. The new showroom commenced operations in June 2019 and all operations were migrated to the Birkirkara showroom in March 2020.

The larger showroom allowed DFO to expand its product and supplier portfolio and to improve the overall showroom experience. As a result, the above illustrated revenue growth over the historical period is mainly attributable to the commencement of operations from a second showroom in Birkirkara.

In line with previous years, the retail segment remained the largest contributor towards the Group's revenue (FY20: 66.7%). More specifically, revenue generated under this division during the year under review, increased by €1.1m or 59%, from €1.8m in FY19 to €2.9m in FY20. Additionally, contracts revenue and WIP revenue amounted to *circa* €0.4m and €0.7m during FY20, representing 12% and 21.3% respectively of the Group's total revenue.

On a Group consolidated basis, management expects revenue to increase to €4.0m during FY21, mainly on

account of continued growth across all of the Group's operating segments.

Cost of goods sold mainly includes direct material cost incurred by the Group in the course of business. Additionally, gross profit, which reflects revenue net of direct material costs amounted to *circa* €1.5m during FY20, translating into a gross profit margin of 44.3%. Stringent control of such costs has meant that gross profit margin has remained stable over the three-year historical period presented above. In terms of forward looking expectations, management based its projections for FY21 and beyond, on a static gross profit margin of 44.3%, with this being deemed to be aligned to the FY20 results. To this extent, the Issuer is not projecting any form of improved purchasing power which DFO is expecting to benefit from moving forward.

Direct costs are predominantly composed of direct wages and also take into account subcontracting fees related to delivery and installation services, and other consumables used in the course of business of the Group. FY20 direct costs incurred by DFO are presented net of COVID wage supplements amounting to €61.4k received from the Government. As a result, adding these back results in a figure of €410k for FY20 compared to €397k in FY19, demonstrating a marginal increase of 3.3% on a comparative basis. The projected increase in direct costs during FY21 is attributable to an increase in the overall wages incurred as the Group envisages to employ an additional sales representative during the year. In view of this, the Issuer's contribution margin is expected to be 32.7% during FY21 (FY20: 33.6%).

Other income comprises one-off income not arising in the ordinary course of business and includes the COVID Wage Supplement received during FY20. Additionally, the Guarantor also benefited from various grants and incentives including the growth grant scheme whereby funding of *circa*

€43k was received on the investments made at the Birkirkara showroom. Furthermore, the Guarantor's termination of the lease on the Hamrun showroom, which generated a one-off gain of *circa* €58,000 was accounted for as other income in line with *IFRS 16 - Leases*. Other income is projected to amount to €133k during FY21.

The primary component of overheads is the wages payable to back-office and warehouse staff. One-off expenses incurred during FY20 relating to the showroom migration from Hamrun to Birkirkara and the buy-out of Mr Dino Fino's business partner shareholding in the Guarantor, have resulted in overheads amounting to approximately €0.6m in FY20, which represents an increase of €154k or 27.3% on a comparative basis. Other components of overheads include advertising and promotion expenses, as well as other overheads. Total overheads are projected to amount higher to €0.6m during FY21.

As a result of the aforementioned increasing growth in revenues, the Guarantor's EBITDA increased to *circa* €0.7m in FY20 (FY18: €0.1m), driven primarily by the ramp up in operations, and economies of scale realised by leveraging the existing head office structure over a greater sales volume. Notable improvements were also reflected in the Guarantor's EBITDA margin throughout the FY18-FY20. The Issuer is projecting EBITDA margin to amount to approximately 20% during FY21.

The Guarantor's depreciation and amortisation charge relates to the Group's property plant and equipment, intangible assets, as well as depreciation incurred on the right of use asset associated with the leased showrooms in accordance with *IFRS 16*. Depreciation and amortisation charge on a Group consolidated basis is projected to amount to €0.3m during FY21.

Finance costs include a 5.0% interest expense associated with the lease liability over the leased showrooms with the remaining balance represents interest paid on the DFO's bank and shareholder loans. The Group's FY21 finance costs take into account the anticipated interest incurred on the proposed bond issue and are expected to amount to €0.2m.

The tax charge includes tax payable for the year together with deferred tax movements. Moreover, tax is projected at a rate of 35% on profit before tax.

2.2 Issuer's Statement of Financial Position

Statement of Financial Position	FY18	FY19	FY20	FY21F
	€'000s	€'000s	€'000s	€'000s
Assets				
Non-current assets				
Property, plant and equipment	263	418	470	5,591
Brand and IP	-	-	-	1,933
Goodwill	-	-	-	2,212
Right of use assets	876	694	368	-
Deferred tax asset	52	106	43	44
Total non-current assets	1,191	1,218	881	9,780
Current assets				
Inventories	111	332	341	416
Work in progress	559	308	1,007	1,230
Trade and other receivables	293	438	715	937
Cash balance	175	113	546	2,091
Total current assets	1,138	1,191	2,609	4,674
Total assets	2,329	2,409	3,490	14,454
Equity				
Share capital	-	-	100	3,621
Retained earnings	(40)	(88)	(26)	197
Total equity	(40)	(88)	74	3,818
Bond	-	-	-	7,624
Shareholders loan	500	700	467	650
Other third party debt	-	-	1,100	540
Lease liability	941	852	493	-
Total debt	1,441	1,552	2,060	8,814
Deferred tax liability	-	-	-	18
Trade and other payables	554	662	682	961
National insurance payable	17	71	41	42
Prepaid income	320	76	459	560
Tax and VAT payable	37	136	174	241
Other liabilities	928	945	1,356	1,822
Total liabilities	2,369	2,497	3,416	10,636
Total equity and liabilities	2,329	2,409	3,490	14,454

Ratio Analysis	FY18	FY19	FY20	FY21F
Financial Strength				
Gearing 1 (Net Debt / Net Debt and Total Equity)	103.3%	106.5%	95.3%	63.8%
Gearing 2 (Total Liabilities / Total Assets)	101.7%	103.7%	97.9%	73.6%
Gearing 3 (Net Debt / Total Equity)	n/a	n/a	n/a	176.1%
Net Debt / EBITDA	8.6x	6.9x	2.3x	8.4x
Current Ratio (Current Assets / Current Liabilities)	1.2x	1.3x	1.9x	2.6x
Quick Ratio (Current Assets - Inventory / Current Liabilities)	1.1x	0.9x	1.7x	2.3x
Interest Coverage level 1 (EBITDA / Cash interest paid)	n/a	n/a	94.3x	31.8x
Interest Coverage level 2 (EBITDA / finance costs)	3.2x	4.5x	14.3x	4.5x

The Guarantor's non-current assets amounted to *circa* €0.9m in FY20 (FY19: €1.2m), principally made up of property, plant and equipment, right-of-use-assets and deferred tax. On a historical basis (FY18-FY20), the Guarantor carried out a number of improvements to embellish the Birkirkara property, primarily through acquiring furniture, fixtures and fittings, air-condition and ventilation systems, electrical, plumbing and installation of computer equipment. These improvements are classified under 'property, plant and equipment' in the books of the Guarantor. Notwithstanding this aforementioned capital expenditure over the period, the decrease in total non-current assets during FY20 mainly relates to the previously mentioned de-recognition of the right-of-use asset associated with the termination of the Hamrun showroom's lease.

Moving into 2021, projected PPE movements mainly take into account the €5.3m concerning the showroom acquisition following this proposed bond issue in FY21. Moreover, the inclusion of brand and intangible property (IP) of €2m during FY21 reflects the value attributable to the DINO FINO Brand, net of annual amortisation. The IP value which has been supported by an independent professional valuation is amortised on a straight-line basis over an assumed useful life of 25 years. As part of the recently implemented Group restructuring exercise, the Issuer is also projecting to account for €2.2m in goodwill during FY21.

As far as current assets are concerned, the Guarantor's inventory comprises items listed for sale at the Birkirkara premises, as well as warehouse stock. Inventory found at the Birkirkara showroom, stood at €0.2m in FY20, whereby the remainder of the Guarantor's inventory constitutes warehouse stock. The amount of warehouse inventory is generally variable, depending on the volume of orders sitting in the warehouse awaiting delivery and installation at client premises. Inventories are projected to amount to €0.4m during FY21.

Trade receivables, which reflect general trade receivables, increased from €0.2m FY19 to €0.4m in FY20, mainly as a result of two significant contracts that were concluded during the year. Trade and other receivables are projected to increase in line with revenue, and as such are projected to amount to *circa* €0.9m during FY21.

The Issuer's acquisition of the Guarantor and DFH of €4.6m was settled through a share issue of €3.5m to its Parent Company, and a financial liability of €1.1m, which is recorded under current liabilities due to the Parent Company. In view of this, total equity is projected to amount to €3.8m during FY21. More specifically, this projected equity figure reflects the value of ordinary shares allotted to DFG in April 2020 in exchange for the contribution of DFG's shares in DFH and DFO.

On a historical basis, the Guarantor's total debt was mainly composed of the aforementioned financial liability (FY20: €1.1m), shareholders loan (FY20: €0.5m) and lease liabilities (FY20: €0.5m). Total debt is projected to amount higher to €8.8m during FY21, mainly on account of the proposed bond issue.

Additionally, the Guarantor's other liabilities include trade and other creditors, mainly referring to outstanding payables with suppliers which have, in absolute terms, increased year-on-year in light of increased trading activity. Other current liabilities also include accruals, outstanding National Insurance and VAT dues and prepaid income. As at December 2020, other liabilities amounted to €1.4m and are projected to amount higher to €1.8m during FY21.

The below table reflects the net working capital movements across FY18-FY20:

Trade working capital Analysis (€'000s)	FY18	FY19	FY20
Inventories	111	331	341
WIP	559	308	1,007
Trade debtors	100	158	407
Other receivables	-	91	110
Deposits with creditors	49	109	136
Prepayments	144	79	62
Total working capital	963	1,076	2,063
Trade creditors	(353)	(551)	(613)
Related party creditors	-	(42)	(11)
Accruals	(201)	(69)	(58)
Prepaid income	(320)	(76)	(459)
Net working capital	89	338	922

2.3 Issuer's Statement of Cash Flows

Statement of Cash Flow	FY18	FY19	FY20	FY21F
	€'000s	€'000s	€'000s	€'000s
EBITDA	148	210	660	796
Movement in inventories	(56)	(220)	(9)	(75)
Movement in trade and other receivables	(823)	106	(975)	(446)
Movement in trade and other payables	489	263	(18)	149
Movement in prepaid income	254	(245)	383	102
Less: Gain on termination of lease	-	-	(58)	(133)
Add back: Fixed asset write off	-	-	37	-
Add back: Formation expense write off	1	-	-	-
Cash generated from operations	13	114	20	393
Tax paid	-	-	-	(44)
Interest paid	-	-	(7)	(25)
Interest paid to related party	-	-	-	(9)
Net cash flows generated from / (used in) operating activities	13	114	13	315
Purchase of showroom	-	-	-	(5,236)
Purchase of fixed assets	(187)	(239)	(191)	-
Return on investment of excess cash	-	-	-	5
Net cash flows from / (used in) investing activities	(187)	(239)	(191)	(5,231)
Net proceeds from bond issue	-	-	-	7,619
Payments due to DFGL	-	-	-	(450)
Proceeds/ Repayment of Shareholders' loan	200	200	(134)	(33)
Injection	-	-	1	1
Proceeds from bank loan	-	-	1,100	(560)
Dividend paid	-	-	(200)	-
Payment for lease obligations	(35)	(136)	(156)	(117)
Net cash flows from / (used in) financing activities	165	64	611	6,460
Movement in cash and cash equivalents	(9)	(61)	433	1,544
Cash and cash equivalents at start of year	182	173	112	545
Cash and cash equivalents at end of year	173	112	545	2,089

Ratio Analysis	FY18	FY19	FY20	FY21
Cash Flow				
Free Cash Flow (Net cash from operations + Interest - Capex)	€(174)	€(125)	€(171)	€(4,910)

The Guarantor registered positive operating cash flows over the historical period (FY18-FY20), whilst significantly investing in expanding working capital. Net operating cash flow is expected to amount higher during FY21 to €0.3m.

Net cash used in investing activities mainly represents purchases of property, plant and equipment. Over FY18-FY20, the Guarantor carried out a total capital investment of €0.6m covering the purchase of furniture, fixtures and fittings for the setting up of the Hamrun and Birkirkara showrooms. Additionally, projected investing activities

reflect the purchase of the Birkirkara showroom following the proposed bond issue.

Net cash from financing activities in FY2020 amounted to €611km (FY19: €64k) and primarily comprised proceeds from shareholders' loans and payments of lease obligations. Following the proposed bond issue, net cash flows from financing activities are expected to amount to €6.4m. End of year cash balance during FY21 is projected to improve to €2m (FY20: €0.5m).

Part 3 - Key Market and Competitor Data

3.1 General Market Conditions

The Issuer is subject to general market and economic risks that may have a significant impact on its current and future property developments and their timely completion within budget. These include factors such as the health of the local property market, inflation and fluctuations in interest rates, exchange rates, property prices and rental rates. In the event that general economic conditions and property market conditions experience a downturn, which is not contemplated in the Issuer's planning during development, this shall have an adverse impact on the financial condition of the Issuer and may therefore affect the ability of the Issuer to meet its obligations under the Bonds.

3.1.1 Malta Economic Update¹

In July, business conditions were again positive, reflecting the fact that most macroeconomic variables continued to improve from the very low levels observed in 2020. This is reflected in large annual percentage changes for several indicators. Nevertheless, the level of economic activity generally still remains below pre-pandemic levels. On the other hand, although European Commission data show that sentiment eased again in July, it remained above its year-ago level and its long-term average.

In June, industrial production rose at a faster annual rate compared with a month earlier, while the volume of retail trade rose at a slower pace. Activity in the residential property market remained brisk. The number of registered unemployed fell, while the unemployment rate has virtually returned to its pre-pandemic level. The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood at 0.2% in June, unchanged from May.

Inflation based on the Retail Price Index (RPI) rose to 1.5% in June from 1.3% a month earlier. Maltese residents' deposits expanded at an annual rate of 6.5% in June, following an increase of 6.3% in the previous month, while annual growth in credit to Maltese residents eased to 8.9%, from 9.1% a month earlier. In June, the deficit on the cash based Consolidated Fund narrowed when compared with a year earlier, reflecting an increase in government revenue and a decline in government expenditure.

¹ Central Bank of Malta – Economic Update 8/2021

3.1.2 The furniture retail industry

The furniture retail industry is predominantly composed of companies operating in the production, retailing and selling of furniture for residential and commercial purposes. Operators in this industry typically sell household, outdoor and office supplies and equipment, such as living room, dining room and bedroom furniture, as well as upholstered furniture. Usually, desks and home office goods such as lamps, recliners, rugs and outdoor furniture make up the rest of sales generated by companies operating within this industry. Furniture retailers also offer products such as mattresses, blinds, awnings and antique-reproduced furniture.

More generally, industry retailers operate from large stores and showrooms enabling them to showcase their product range. The majority of furniture retailers provide extensive selections of furniture for consumers to choose from, but some stores focus on one specialty area of furniture. The business of operating a furniture retail store inevitably encompasses merchandising, sales management, inventory management, and credit financing when applicable.

Demand within the furniture retail industry predominantly exists for bedroom, living room, and dining room furniture, closely followed by upholstered furniture. Undoubtedly, this demand is primarily driven by new home sales, the need to replace old furniture, as well as new business formations and employment growth in the case of office furniture.

As noted in prior sections of this Analysis, the local furniture retail industry witnessed a healthy level of growth over recent years, with this being mainly aligned to the growth in the local property market. Unsurprisingly, the increase in the number of property transactions over the past years has contributed towards an elevated level of revenue for furniture retailers.

Notwithstanding the implications brought about by the pandemic on the global economy in general, and more specifically on the local furniture retailing industry in terms of supply chain disruptions and store closures imposed by the Government, there are still a number of positive pandemic-related outcomes one may take note of.

Following the coronavirus outbreak locally, the demand for residential units was at a standstill during the first half of

2020, due to imposed lockdowns and social distancing restrictions. However, as restrictions eased, the demand for residential units steadily increased again after being bolstered by a number of fiscal policy incentives introduced by the Government of Malta.

The Government namely introduced the granting of interest-free loans (up to €175k), a reduction in stamp duty from 5% to 1.5% for all buyers on the first €400k of property value, and the extension of the first-time buyer scheme with the cap on property also being increased, with such changes also being applicable in 2021.

In view of the above, the Malta Developers' Association (MDA)² recently issued a statement explaining that these incentives assisted in taking promises of sales from an all-time low in April 2020 to an all-time high in April 2021 in a span of one year, giving a boost to the economy and keeping it afloat during the most difficult years to date.

Upon taking into consideration the aforementioned increase in the number of property transactions throughout the pandemic, it is therefore expected that the demand for furniture locally, is expected to continue strengthening moving forward.

Moving to the level of existing competition within the industry, competition mainly exists between furniture stores and outlets, mass merchandisers, and department stores. Smaller furniture stores concentrate on offering unique furniture products that appeal to specific consumers. Imperatively, profitability in the furniture retailing industry is reliant upon the effectiveness of marketing and merchandising strategies adopted by the respective operating companies.

In conclusion, the local furniture retail industry is highly competitive and fragmented by a number of furniture retailers ranging from household names, franchises, manufacturers, and low-budget imports as well as new entrants to the market such as online retailers, and homeware and department stores. In order to successfully compete against the vast array of competition, one must be able to offer a differentiated product, on the basis of the range and quality of product offering, cost competitiveness, customer care, brand quality and recognition.

3.2 Comparative Analysis

The purpose of the table below compares the proposed debt issuance of the Group to other debt instruments. Additionally, we believe that there is no direct comparable company related to the Issuer and as such we included a variety of Issuers with different maturities.

More importantly, we have included different issuers with similar maturity to the Issuer. One must note that given the material differences in profiles and industries, the risks associated with the Group's business and that of other issuers is therefore different.

² Malta Developers' Association – News: MDA appeals for property tax incentives to be extended

Dino Fino Finance p.l.c.
FINANCIAL ANALYSIS SUMMARY 2021

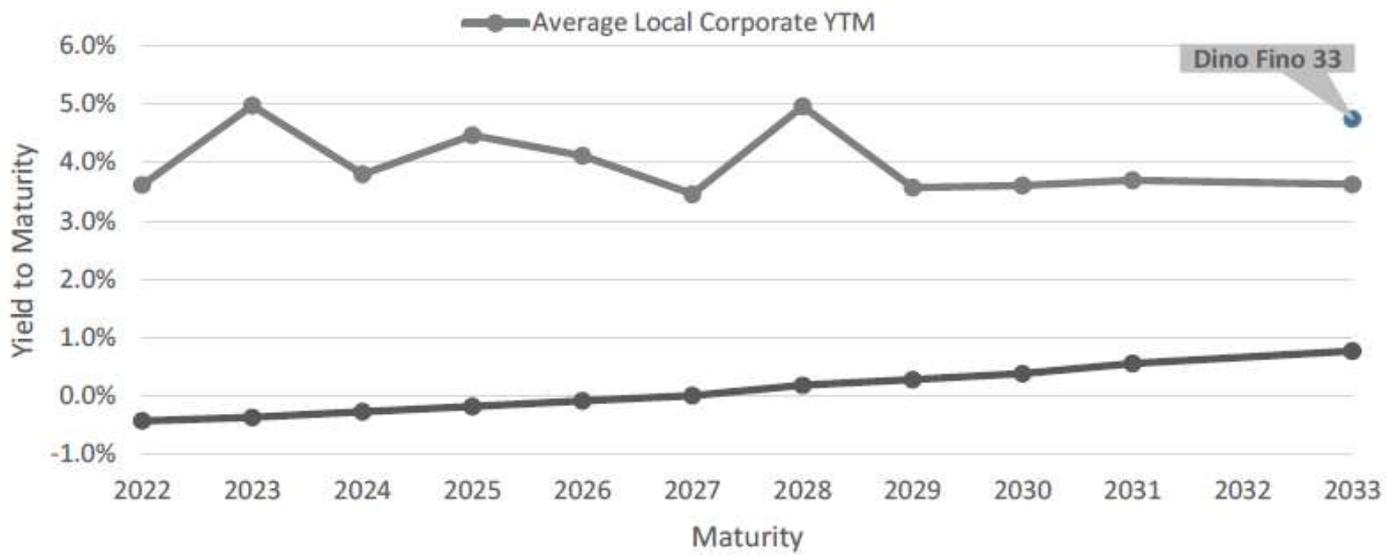
Security	Nom Value	Yield to Maturity	Interest coverage (EBITDA)	Total Assets	Total Equity	Total Liabilities / Total Assets	Net Debt / Net Debt and Total Equity	Net Debt / EBITDA	Current Ratio	Return on Common Equity	Net Margin	Revenue Growth (YoY)
	€000's	(%)	(times)	(€'millions)	(€'millions)	(%)	(%)	(times)	(times)	(%)	(%)	(%)
3.75% Mercury Projects Finance plc Secured € 2027	11,500	3.15%	34.1x	69.4	24.3	65.0%	57.1%	1.1x	0.9x	210.3%	125.6%	119.2%
4.35% SD Finance plc Unsecured € 2027	65,000	3.95%	6.8x	324.4	137.6	57.6%	43.3%	4.1x	1.4x	9.0%	20.5%	5.7%
4% Eden Finance plc Unsecured € 2027	40,000	3.41%	(.5)x	190.5	108.5	43.1%	31.8%	(51.4)x	0.9x	-4.3%	-39.2%	-73.1%
4.4% Central Business Centres plc Unsecured € 2027 S1/17 T1	6,000	3.83%	1.9x	34.8	20.2	41.8%	36.3%	10.1x	0.2x	19.9%	292.6%	15.3%
3.75% Tumas Investments plc Unsecured € 2027	25,000	3.32%	7.2x	229.6	137.5	40.1%	17.6%	1.6x	4.5x	8.3%	32.6%	-42.5%
4.5% Grand Harbour Marina plc Unsecured € 2027	15,000	3.93%	3.0x	27.4	2.5	90.7%	88.4%	9.4x	1.7x	-13.5%	-9.5%	-0.4%
3.5% Simonds Farsons Cisk plc Unsecured € 2027	20,000	2.51%	16.7x	187.9	116.2	38.2%	25.9%	1.8x	1.6x	10.6%	11.5%	3.7%
4% Stivala Group Finance plc Secured € 2027	45,000	3.36%	2.6x	354.1	231.4	34.6%	26.5%	11.5x	5.0x	11.7%	229.8%	-46.9%
3.75% Virtu Finance plc Unsecured € 2027	25,000	3.17%	4.0x	200.0	86.6	56.7%	47.7%	5.9x	1.6x	5.4%	14.4%	-27.4%
3.75% Bortex Group Finance plc Unsecured € 2027	12,750	3.62%	2.5x	61.4	26.7	56.6%	49.4%	12.2x	2.5x	-4.4%	-5.3%	9.4%
3.85% Hili Finance Company plc Unsecured € 2028	40,000	3.53%	4.1x	628.9	110.1	82.5%	77.1%	5.7x	1.2x	20.5%	4.6%	0.0%
4% Exalco Finance plc Secured € 2028	15,000	3.66%	4.5x	70.9	42.0	40.8%	28.1%	4.5x	1.7x	5.6%	47.7%	10.0%
4.5% Endo Finance plc € Unsecured Bonds 2029	13,500	4.66%	4.2x	30.8	11.6	62.5%	55.0%	4.5x	1.2x	9.1%	10.2%	77.1%
4% SP Finance plc Secured EUR Bonds 2029	12,000	3.70%	6.4x	20.9	16.0	23.6%	15.0%	2.7x	0.5x	2.5%	28.0%	6.9%
3.75% TUM Finance plc Secured € 2029	20,000	3.53%	0.0x	66.6	35.9	11.5%	35.7%	0.0x	0.4x	14.9%	166.9%	0.0%
3.65% Stivala Group Finance plc Secured € 2029	15,000	3.04%	2.6x	354.1	231.4	34.6%	26.5%	11.5x	5.0x	11.7%	229.8%	-46.9%
3.8% Hili Finance Company plc Unsecured € 2029 (xd)	80,000	3.65%	4.1x	628.9	110.1	82.5%	77.1%	5.7x	1.2x	20.5%	4.6%	0.0%
3.75% AX Group plc Unsec Bds 2029 Series II	10,000	3.47%	0.8x	348.7	217.4	37.6%	25.5%	28.3x	0.8x	-3.5%	-27.5%	-44.7%
4.25% Mercury Projects Finance plc Secured € 2031	11,000	3.66%	34.1x	69.4	24.3	65.0%	57.1%	1.1x	0.9x	210.3%	125.6%	119.2%
4% Cablenet Communication Systems plc Unsecured € 2030	40,000	3.35%	11.4x	91.1	13.1	86.3%	66.5%	1.6x	1.1x	-19.5%	-6.1%	17.9%
4.65% Smartcare Finance plc Secured € 2031	13,000	4.37%	2.0x	24.9	13.4	46.0%	38.2%	15.9x	1.9x	-1.0%	-2.9%	355.0%
3.5% GO plc Unsecured € Bonds 2031	60,000	2.99%	48.3x	357.4	126.4	64.6%	47.8%	1.6x	1.0x	11.2%	7.6%	4.2%
3.9% Browns Pharma Holdings plc Unsec Call € Bonds 27-31	13,000	3.28%	6.4x	45.9	18.9	37.6%	32.7%	2.9x	0.3x	8.1%	5.3%	103.5%
4.75% Dino Fino Finance plc Secured € 2033	7,800	4.75%	14.3x	3.5	0.1	97.9%	95.3%	2.3x	1.9x	n/a	8.0%	43.2%
**Average		3.53%										

Source: Latest available audited financial statements

* Last closing price as at 09/06/2021

**Average figures do not capture the financial analysis of the Issuer

Yield Curve Analysis



The above graph illustrates the average yearly yield of all local issuers as well as the corresponding yield of MGSs (Y-axis) vs the maturity of both Issuers and MGSs (X-axis), in their respective maturity bucket, to which the spread premiums can be noted. The graph illustrates on a stand-alone basis, the yield of the 4.75% Dino Fino Finance plc bond.

As at 24 August 2021, the average spread over the Malta Government Stocks (MGS) for comparable issuers with

maturity range of 6-10 years was 335 basis points. The proposed 4.75% Dino Fino Finance plc 2033 bond is being priced with a 4.75% coupon issued at par, meaning a spread of 419 basis points over the equivalent MGS, and therefore at a premium to the average on the market of 89 basis points. It is pertinent to note that the above analysis is based on a maturity-matching basis and that the Issuer’s industry is significantly different to the corporates identified and as such its risks also differ to that of other issuers.

Part 4 - Glossary and Definitions

Income Statement	
Revenue	Total revenue generated by the Group/Company from its principal business activities during the financial year.
Costs	Costs are expenses incurred by the Group/Company in the production of its revenue.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the Group's/Company's earnings purely from operations.
Operating Profit (EBIT)	EBIT is an abbreviation for earnings before interest and tax.
Depreciation and Amortisation	An accounting charge to compensate for the decrease in the monetary value of an asset over time and the eventual cost to replace the asset once fully depreciated.
Net Finance Costs	The interest accrued on debt obligations less any interest earned on cash bank balances and from intra-group companies on any loan advances.
Net Income	The profit made by the Group/Company during the financial year net of any income taxes incurred.
Profitability Ratios	
Growth in Revenue (YoY)	This represents the growth in revenue when compared with previous financial year.
Gross Profit Margin	Gross profit as a percentage of total revenue.
EBITDA Margin	EBITDA as a percentage of total revenue.
Operating (EBIT) Margin	Operating margin is the EBIT as a percentage of total revenue.
Net Margin	Net income expressed as a percentage of total revenue.
Return on Common Equity	Return on common equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing the net income by the average common equity (average equity of two years financial performance).
Return on Assets	Return on assets (ROA) is computed by dividing net income by average total assets (average assets of two years financial performance).
Cash Flow Statement	
Cash Flow from Operating Activities (CFO)	Cash generated from the principal revenue producing activities of the Group/Company less any interest incurred on debt.
Cash Flow from Investing Activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Group/Company.
Cash Flow from Financing Activities	Cash generated from the activities that result in change in share capital and borrowings of the Group/Company.
Capex	Represents the capital expenditure incurred by the Group/Company in a financial year.
Free Cash Flows (FCF)	The amount of cash the Group/Company has after it has met its financial obligations. It is calculated by taking Cash Flow from Operating Activities less the Capex of the same financial year.
Balance Sheet	
Total Assets	What the Group/Company owns which can be further classified into Non-Current Assets and Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Inventory	Inventory is the term for the goods available for sale and raw materials used to produce goods available for sale.
Cash and Cash Equivalents	Cash and cash equivalents are Group/Company assets that are either cash or can be converted into cash immediately.
Total Equity	Total Equity is calculated as total assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.
Total Liabilities	What the Group/Company owes which can be further classified into Non-Current Liabilities and Current Liabilities.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Total Debt	All interest-bearing debt obligations inclusive of long and short-term debt.
Net Debt	Total debt of a Group/Company less any cash and cash equivalents.
Current Liabilities	Obligations which are due within one financial year.

Financial Strength Ratios

Current Ratio	The Current ratio (also known as the Liquidity Ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares current assets to current liabilities.
Quick Ratio (Acid Test Ratio)	The quick ratio measures a Group's/Company's ability to meet its short-term obligations with its most liquid assets. It compares current assets (less inventory) to current liabilities.
Interest Coverage Ratio	The interest coverage ratio is calculated by dividing EBITDA of one period by cash interest paid of the same period.
Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets.
Gearing Ratio Level 1	Is calculated by dividing Net Debt by Net Debt and Total Equity.
Gearing Ratio Level 2	Is calculated by dividing Total Liabilities by Total Assets.
Net Debt / EBITDA	The Net Debt / EBITDA ratio measures the ability of the Group/Company to refinance its debt by looking at the EBITDA.

Other Definitions

Yield to Maturity (YTM)	YTM is the rate of return expected on a bond which is held till maturity. It is essentially the internal rate of return on a bond and it equates the present value of bond future cash flows to its current market price.
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Calamatta Cuschieri

Calamatta Cuschieri Investment Services Ltd

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Calamatta Cuschieri Investment Services Ltd. is a founding member of the Malta Stock Exchange
and is licenced to conduct investment services by the Malta Financial Services Authority

Annex D: List of Authorised Intermediaries

Calamatta Cuschieri Investment Services Ltd

Address: Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034
Telephone: 25688688

FINCO Treasury Management Ltd

Address: The Bastions, Office No 2, Emsvin Cremona Street, Floriana FRN 1281
Telephone: 21220002

Michael Grech Financial Investment Services Limited

Address: The Brokerage, Level O A, St Marta Street, Victoria VCT 2550, Gozo
Telephone: 21554492