

SUMMARY

DATED 19 DECEMBER 2023

This Summary is issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules issued by the Malta Financial Services Authority and in accordance with the Prospectus Regulation.

Issue of €15,000,000 6.25% unsecured Bonds 2034
By



**A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA
WITH COMPANY REGISTRATION NUMBER C 80722**

with the joint and several Guarantee of Camilleri Holdings Limited

ISIN: MT0001521211

Legal Counsel

MAMO TCV
ADVOCATES

Sponsor, Manager & Registrar



THIS SUMMARY HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY, AS COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MALTA FINANCIAL SERVICES AUTHORITY ONLY APPROVED THIS SUMMARY AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER AND THE SECURITIES THAT ARE THE SUBJECT OF THIS SUMMARY.

THIS SUMMARY IS VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE THEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO SUPPLEMENT THIS SUMMARY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.

APPROVED BY THE DIRECTORS

Anthony Camilleri

in his capacity as Director, and for and on behalf of Christos Barmperis, Michael Borg Costanzi and John Soler

A. INTRODUCTION AND WARNINGS

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 investor. An investor investing in the Bonds could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only where this summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Bonds.

Details of the Issuer and the Bonds are as follows:

| | |
|--------------------------|--|
| Legal Name of Company: | Camilleri Finance p.l.c. |
| Registered Address: | 14, Manuel Borg Gauci Street, Qormi, QRM 4000, Malta |
| Registration Number: | C 80722 |
| Legal Entity Identifier: | 4851007XV4ID18IC5U98 |
| Email Address: | info@orion.com.mt |
| Website: | www.orion.com.mt |

The Bonds will have the following ISIN: MT0001521211.

The Prospectus has been approved by the Malta Financial Services Authority as the competent authority under the Prospectus Regulation on the 19 December 2023. The Malta Financial Services Authority only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval shall not be considered as an endorsement of the Issuer.

Details of the Malta Financial Services Authority:

| | |
|----------|--|
| Address: | Malta Financial Services Authority, Triq l-Imdina, Zone 1, Central Business District, Birkirkara CBD 1010, Malta. |
| Tel: | +356 21441155 |
| Website: | www.mfsa.mt |

B. KEY INFORMATION ON THE ISSUER

WHO IS THE ISSUER OF THE SECURITIES?

General

The Issuer's legal and commercial name is Camilleri Finance p.l.c., a public limited liability company incorporated and operating under Maltese law with LEI 4851007XV4ID18IC5U98.

Principal Activities

The principal objective of the Company is that of a holding and finance company.

Shares and Ownership

Save for one (1) share, the Company is 100% owned by Orion Retail Investments Limited (C 80707).

Key Managing Directors and Statutory Auditor

The members of the Board of Directors are:

- Mr. Christos Barmperis;
- Mr. Anthony Camilleri;
- Dr. Michael Borg Costanzi; and
- Mr. John Soler.

The Company's statutory auditor is Horwath Malta, a firm registered as a partnership of certified public accountants holding a practising certificate to act as auditors in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta).

WHAT IS THE KEY FINANCIAL INFORMATION REGARDING THE ISSUER?

The Company's historical audited financial statements for the years ended 31 December 2020, 31 December 2021 and 31 December 2022 and unaudited interim financial statements for the six-month periods ended 30 June 2022 and 30 June 2023 are available on the Company's website and at the registered office of the Company.

There has been no significant change in the Group's financial or trading position since the publication of the interim financial information for the six (6) months ended 30 June 2023.

Key figures extracted from the said financial report are being presented below:

| Camilleri Finance p.l.c. | 31-Dec 2022 | 31-Dec 2021 | 31-Dec 2020 | 30-Jun 2023 | 30-Jun 2022 |
|--|-------------------------|-------------------------|-------------------------|---------------------------|---------------------------|
| | Audited Euro '000 | Audited Euro '000 | Audited Euro '000 | Unaudited Euro '000 | Unaudited Euro '000 |
| <i>Statement of Comprehensive Income</i> | | | | | |
| Profit / (loss) for the period | 13 | 18 | 24 | 3 | 6 |
| <i>Statement of Financial Position</i> | | | | | |
| Total assets | 4,755 | 4,976 | 5,156 | 4,381 | |
| <i>Statement of Cash Flows</i> | | | | | |
| Net cash flows generated from / (used in) operating activities | 28 | 36 | 35 | (100) | (79) |
| Net cash flows generated from / (used in) financing activities | 0 | (18) | 48 | 11 | 0 |

WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE ISSUER?

The risks of the Issuer are indirectly those of the Group. Below are considered to be the most material risks associated with the Group:

- *Financial Requirements:* the Group companies may need to incur additional debt in the future. There can be no guarantee that the Group's future borrowings will (a) be subject to fixed interest rates and (b) not contain significant financial covenants.
- *General Retail Conditions:* The health of the retail market may be affected by a number of factors, including, *inter alia*, consumer demand, tastes, preferences, trends, inflation, fluctuation in interest rates/exchange rates, direct and indirect taxation, regulations, and other general market and economic conditions which are particularly accentuated owing to the size of the Maltese market.
- *Competition:* The Group already operates in a highly competitive market and this level of competition may increase, which may limit the future ability of the Group to maintain its market share and revenue level.
- *Dependence on Franchise Agreements:* The Group is dependent on maintaining a good relationship with each of the franchise owners to ensure continuity and renewal of the respective franchise agreements. A termination of any of the Franchise Agreements would have an adverse effect on the Group's operations and income.

C. KEY INFORMATION ON THE SECURITIES

WHAT ARE THE MAIN FEATURES OF THE SECURITIES?

The Bonds are being issued in an aggregate amount of up to €15,000,000 with a nominal value of €100 per Bond, redeemable at their nominal value on 23 February 2034 and bearing interest at the rate of 6.25% per annum. The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. 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 the Terms and Conditions of the Bonds; (ii) payment of capital and interest in accordance with the ranking of the Bonds; and (iii) such other rights attached to the Bonds.

The ISIN of the Bonds is: MT0001521211. Unless previously re-purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 23 February 2034. The Bonds shall bear interest from and including 23 February 2024 at the rate of 6.25% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 23 February 2025 (covering the period 23 February 2024 to 22 February 2025).

The Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional and secured obligations of the Issuer, guaranteed by the Guarantor and shall at all times rank *pari passu* without any priority or preference among themselves.

The Bonds are freely transferable and have been created in accordance with Maltese law.

WHERE WILL THE SECURITIES BE TRADED?

Application has been made for the Bonds to be admitted to trading on the Official List of the MSE.

IS THERE A GUARANTEE ATTACHED TO THE SECURITIES?

The Guarantor, as duly authorised and as primary obligor, jointly and severally with the Issuer, unconditionally and irrevocably guarantees to the Bondholders, to pay the Indebtedness or any balance thereof at any time due or owing

under the Bonds in the event that the Issuer fails to pay any sum payable by it to the Bondholders pursuant to the terms of the Bonds as and when same shall become due.

The guarantee is a continuing guarantee for the whole amount due or owing under the Bonds from time to time or which may hereafter at any time become due or owing under the Bonds by the Issuer but the amount due by the Guarantor to the Bondholders under the Guarantee shall be up to and shall not be in excess of €15,000,000 (fifteen million Euro) apart from interests 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 Guarantor which shall be additional to the maximum sum herein stated.

Whilst the assets of the Issuer are free and unencumbered, the Remaining Encumbrances will remain with respect to the assets of the Guarantor. Moreover, there can be no guarantee that privileges accorded by law in specific situations will not arise during the course of the business of each of the Issuer and the Guarantor which may rank with priority or preference to the Bond Obligations.

Details of the Guarantor are as follows:

| | |
|----------------------------|--|
| Legal Name of the Company: | Camilleri Holdings Limited |
| Registered Address: | 63, St. Dominic Street, Valletta VLT 1602, Malta |
| Registration Number: | C 27495 |
| Email Address: | info@camillerigroup.com |
| Website: | www.camillerigroup.com |
| LEI: | 984500FC7B40A2BDC458 |

The Guarantor is a holding company being the parent company of the Group and is the legally registered owner of the Properties.

The Guarantor's historical audited financial statements for the years ended 31 December 2020, 31 December 2021 and 31 December 2022 and unaudited interim financial statements for the six-month periods ended 30 June 2022 and 30 June 2023 are available on the Company's website and at the registered office of the Company.

The audit reports of these three financial years do not contain any qualification, modification of opinion or disclaimers. The audit reports for the years ended 31 December 2021 and 31 December 2022 contain an emphasis of matter issued by the auditor. These are being reproduced below:

31 December 2021

We draw your attention to the disclosure made in note 2.1 to the financial statements concerning the group's financial position. The financial statements have been prepared on the going concern basis, the validity of which depends on the continuing financial support of the group's shareholders. Our opinion is not qualified in this report.

31 December 2022

We draw your attention to the disclosure made in note 2.1 to the financial statements concerning the group's financial position. The financial statements have been prepared on the going concern basis, the validity of which depends on the success of obtaining the necessary financing. Our opinion is not qualified in this report.

There has been no significant change in the Group's financial or trading position since the publication of the interim financial information for the six (6) months ended 30 June 2023.

Key figures extracted from the said financial report are being presented below:

| Camilleri Holdings Limited - Consolidated | 31-Dec 2022 | 31-Dec 2021 | 31-Dec 2020 | 30-Jun 2023 | 30-Jun 2022 |
|--|----------------------------------|----------------------------------|----------------------------------|------------------------------------|------------------------------------|
| | <i>Audited Euro '000</i> | <i>Audited Euro '000</i> | <i>Audited Euro '000</i> | <i>Unaudited Euro '000</i> | <i>Unaudited Euro '000</i> |
| <i>Statement of Comprehensive Income</i> | | | | | |
| Profit / (loss) for the period | (717) | 331 | (1,260) | (662) | (301) |
| <i>Statement of Financial Position</i> | | | | | |
| Total assets | 46,217 | 45,427 | 45,514 | 43,623 | |
| <i>Statement of Cash Flows</i> | | | | | |
| Net cash flows generated from / (used in) operating activities | 1,025 | 1,727 | 3,189 | (248) | (452) |
| Net cash flows generated from / (used in) investing activities | (185) | (223) | (79) | (69) | (78) |
| Net cash flows generated from / (used in) financing activities | (2,951) | (2,481) | (709) | (1,010) | (1,268) |

WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE GUARANTOR?

The risks of the Issuer are indirectly those of the Group and, in turn, all risks relating to the Group, including the Guarantor, are the risks relevant to the Issuer as detailed in the section entitled What are the Key Risks that are Specific to the Issuer?

WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE SECURITIES?

- Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.
- A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different.
- The terms and conditions of the Bonds permit 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; and
- Failure of the Company to comply with the applicable law in Malta may result in the suspension or discontinuation of listing of the Bonds.

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

WHY IS THE PROSPECTUS BEING PRODUCED?

The Company has produced and published the Prospectus in satisfaction of the Capital Markets Rules and Prospectus Regulation applicable to bond issues and their admission to trading on the Official List of the MSE.

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €14,500,000, will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

- a. the amount of *circa* €4,200,000 will be used to make the Redemption Payment;
- b. the amount of *circa* €3,200,000 will be used to make the Group Facilities Repayment;
- c. the amount of *circa* €2,150,000 will be used for the Refurbishment Expenses; and
- d. the amount of *circa* €4,950,000 will be used for general corporate funding.

The Issuer is seeking to obtain the approval of the Existing 2017 Orion Prospects Bondholders for the early redemption of the 2017 Orion Prospects Bonds pursuant to a meeting called for the purpose in terms of the 2017 Orion CAD. The proposal for the early redemption of the 2017 Orion Prospects Bonds placed before the Existing 2017 Orion Prospects Bondholders' meeting shall only be considered approved if at least 60% in nominal value of the Existing 2017 Orion Prospects Bondholders shall have voted in favour of the proposal. Upon redemption of the 2017 Orion Prospects Bonds, all Existing 2017 Orion Prospects Bondholders will be afforded the Redemption Premium.

The Bond Issue is not subject to any underwriting agreement on a firm commitment basis.

Conflicts of Interest in relation to the Bond Issue

None

UNDER WHICH CONDITIONS AND TIMETABLE CAN I INVEST IN THIS SECURITY?

The issue and allotment of the Bonds is conditional upon: (i) the Minimum Amount being subscribed for; (ii) the Guarantee being granted; (iii) the Issuer obtaining the approval of the Existing 2017 Orion Prospects Bondholders for the early redemption of the 2017 Orion Prospects Bonds; and (iv) the Bonds being admitted to the Official List. In the event that any one or more of the aforesaid conditions is not satisfied the Sponsor, Manager & Registrar shall return the proceeds of the Bond Issue to Applicants.

Allocation Policy

The Issuer shall allocate the Bonds on the basis of the following allocation policy and order of priority:

- i. first to Existing 2017 Orion Prospects Bondholders applying for Bonds by way of 2017 Orion Prospects Bond Transfer (and subject to any Cash Top-Up as and if applicable), and subject to a minimum application of €1,000;
- ii. the remaining Bonds not subscribed to in terms of the above shall be allocated to Authorised Intermediaries participating in the Intermediaries' Offer on behalf of all Applicants that are not applicants in terms of the immediately preceding paragraph and in accordance with an allocation policy to be determined by the Company and the Registrar. As part of the Intermediaries Offer, the Issuer may enter into Placement Agreements with one or more of the Authorised Financial Intermediaries for the placement of up to the aggregate amount of Bonds not subscribed for by the Existing 2017 Orion Prospects Bondholders as part of the 2017 Orion Prospects Bond Transfer.

Expected Timetable of the Offer

| | |
|--|--|
| 1. Meeting of Existing 2017 Orion Prospects Bondholders* ¹ | 12 January 2024 |
| 2. Application Forms available | 15 January 2024 |
| 3. Opening and closing date for Applications to be received from Existing 2017 Orion Prospects Bondholders | 15 January 2024 to 19 January 2024, both days included |
| 4. Opening and closing of Intermediaries' Offer Period* ² | 22 January 2024 to 9 February 2024, both days included |
| 5. Announcement of basis of acceptance through a company announcement | 16 February 2024 |
| 6. Refunds of unallocated monies, if any | 23 February 2024 |
| 7. Dispatch of allotment letters | 23 February 2024 |
| 8. Expected date of early redemption of the 2017 Orion Prospects Bonds | 23 February 2024 |
| 9. Commencement of interest on the Bonds | 23 February 2024 |
| 10. Expected date of admission of the Bonds to listing | 23 February 2024 |
| 11. Expected date of commencement of trading in the Bonds | 26 February 2024 |
| 12. Expected release of Current Encumbrances | Not later than 23 March 2024 |

| | |
|---|---|
| 1 | <i>In the event that a quorum is not present within thirty (30) minutes from the time scheduled for the commencement of the meeting, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Existing 2017 Orion Prospects Bondholders present at that meeting (the number of days between the original and the adjourned Meeting of Existing 2017 Orion Prospects Bondholders the "Adjournment Days"). In such eventuality, the events set out in steps 2 to 12 above shall be postponed by the same number of days as the number of Adjournment Days.</i> |
| 2 | <i>The Issuer reserves the right to close the Intermediaries' Offer of the Bonds before 9 February 2024 at 12:00 hours CET in the event that the Bonds are fully subscribed prior to said date and time. In such eventuality the events set out in steps 5 to 12 above shall be brought forward.</i> |

Admission to Trading on a Regulated Market and Plan for Distribution

Subject to admission to listing of the Bonds to the Official List of the MSE, the Bonds will be assigned ISIN MT0001521211. The Bonds will be allotted by the Company in accordance with its allocation policy.

Expenses

The total expenses of the Bond Issue are estimated to be *circa* €500,000 and shall be borne by the Company. No expenses will be specifically charged by the Company to any Applicant who subscribes for Bonds.

REGISTRATION DOCUMENT

DATED 19 DECEMBER 2023

This Registration Document is issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules issued by the MFSA and of the Prospectus Regulation.

Issue of €15,000,000 6.25% unsecured Bonds 2034
By



A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA WITH COMPANY REGISTRATION NUMBER C 80722 WITH THE JOINT AND SEVERAL GUARANTEE* OF THE GUARANTOR

*Prospective investors are to refer to the Guarantee contained in Annex II of the Securities Note forming part of the Prospectus for a description of the scope, nature and terms of the Guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in the Prospectus for a discussion of certain risk factors which should be considered by prospective investors in connection with the Bonds and the Guarantee provided by the Guarantor.

Legal Counsel

MAMO TCV
ADVOCATES

Sponsor, Manager & Registrar



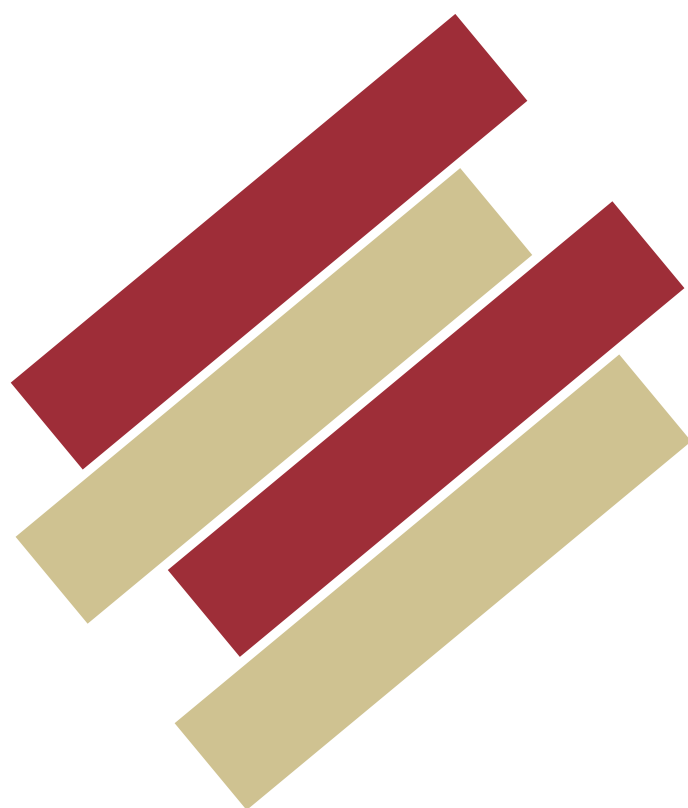
THIS REGISTRATION DOCUMENT HAS BEEN APPROVED BY THE MFSA AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MFSA HAS AUTHORISED THE ADMISSIBILITY OF THE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE MFSA HAS APPROVED THIS REGISTRATION DOCUMENT AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY AS PRESCRIBED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT HOWEVER BE CONSIDERED AS AN ENDORSEMENT OF THE COMPANY THAT IS THE SUBJECT OF THIS REGISTRATION DOCUMENT. IN PROVIDING THIS AUTHORISATION, THE MFSA DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENTS.

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

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENT. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN FINANCIAL ADVISER.

APPROVED BY THE DIRECTORS

Anthony Camilleri
in his capacity as Director, and for and on behalf of Christos Barmperis, Michael Borg Costanzi and John Soler



Contents

| | | | |
|--|-----------|--|-----------|
| 1. IMPORTANT INFORMATION | 14 | 7. TREND INFORMATION | 29 |
| | | 7.1 <i>Trend Information of the Issuer</i> | 29 |
| 2. DEFINITIONS | 15 | 7.2 <i>Trend Information of the Group</i> | 30 |
| 3. RISK FACTORS | 18 | 8. KEY FINANCIAL REVIEW | 31 |
| 3.1 <i>Introduction</i> | 18 | 8.1 <i>The Issuer</i> | 31 |
| 3.2 <i>General Risk Factors</i> | 18 | 8.2 <i>The Group</i> | 32 |
| 3.3 <i>Risks Specific to the Issuer</i> | 19 | 9. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES | 36 |
| 3.4 <i>Risks Specific to the Guarantor</i> | 19 | 9.1 <i>Board of Directors of the Issuer</i> | 36 |
| 3.5 <i>Risks Specific to the Group and the Operations</i> | 19 | 9.2 <i>Board of Directors of the Guarantor</i> | 37 |
| 4. IDENTITY OF DIRECTORS, ADVISERS AND AUDITORS | 21 | 9.3 <i>Senior Management</i> | 38 |
| 4.1 <i>Directors and Company Secretary</i> | 21 | 9.4 <i>Audit Committee</i> | 38 |
| 4.2 <i>Advisers</i> | 21 | 9.5 <i>Conflicts of Interest</i> | 38 |
| 4.3 <i>Auditors</i> | 22 | 9.6 <i>Compliance with the Code of Principles of Good Corporate Governance</i> | 39 |
| 4.4 <i>Authorisation Statement</i> | 22 | 10. LEGAL AND ARBITRATION PROCEEDINGS | 39 |
| 5. INFORMATION ABOUT THE GROUP | 22 | 11. MATERIAL CONTRACTS | 39 |
| 5.1 <i>The Company</i> | 22 | 12. ADDITIONAL INFORMATION | 39 |
| 5.2 <i>The Guarantor</i> | 23 | 12.1 <i>Share Capital of the Company</i> | 39 |
| 5.3 <i>Historical Development of the Group</i> | 23 | 12.2 <i>Share Capital of the Guarantor</i> | 39 |
| 5.4 <i>The Subsidiaries</i> | 23 | 12.3 <i>Memorandum and Articles of Association of the Company</i> | 40 |
| 5.5 <i>Organisational Structure and Major Shareholders</i> | 25 | 12.4 <i>Memorandum and Articles of Association of the Guarantor</i> | 40 |
| 5.6 <i>Financing and Financial Solvency</i> | 26 | 13. INTEREST OF EXPERTS AND ADVISERS | 40 |
| 5.7 <i>Current Encumbrances</i> | 26 | 14. DOCUMENTS ON DISPLAY | 40 |
| 5.8 <i>Refurbishment of Outlets</i> | 27 | | |
| 5.9 <i>Terms and Conditions of Loan Agreements</i> | 27 | | |
| 6. BUSINESS OVERVIEW – PRINCIPAL ACTIVITIES & MARKETS | 27 | | |
| 6.1 <i>Principal Activities of the Issuer</i> | 27 | | |
| 6.2 <i>Principal Activities of the Guarantor</i> | 28 | | |
| 6.3 <i>Overview of the Business of the Group</i> | 28 | | |
| 6.4 <i>Principal Markets</i> | 29 | | |

1. IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON THE COMPANY, THE GUARANTOR AND THE BUSINESS OF THE GROUP OF WHICH THEY FORM PART IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES, THE COMPANIES ACT AND THE PROSPECTUS REGULATION.

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

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

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER BY ANY PERSON IN ANY JURISDICTION (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION.

THIS REGISTRATION DOCUMENT IS VALID FOR A PERIOD OF TWELVE MONTHS FROM THE DATE HEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE COMPANY IS NOT OBLIGED TO SUPPLEMENT THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THE PROSPECTUS AND ANY PERSONS WISHING TO ACQUIRE ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES OF THE COMPANY ADMITTED TO TRADING ON THE MSE SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF SO APPLYING FOR ANY SUCH SECURITIES AND OF ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE MFSA IN SATISFACTION OF THE CAPITAL MARKTS RULES, TO THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH THE COMPANIES ACT.

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

ALL THE ADVISORS TO THE COMPANY NAMED IN THIS REGISTRATION DOCUMENT UNDER THE HEADING "IDENTITY OF DIRECTORS, ADVISORS AND AUDITORS" IN SECTION 4 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE COMPANY IN RELATION TO THE PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE INFORMATION ON THE ISSUER'S WEBSITE DOES NOT FORM PART OF THE PROSPECTUS UNLESS THAT INFORMATION IS INCORPORATED BY REFERENCE INTO THE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE SECURITIES

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 FINANCIAL AND OTHER PROFESSIONAL ADVISORS.

2. DEFINITIONS

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

| | |
|---|---|
| 2017 Orion Prospects Bonds | the €5,000,000 4.75% unsecured bonds 2027 issued by the Issuer pursuant to the 2017 Orion CAD admitted to listing and trading on the Prospects MTF Market of the MSE and bearing ISIN MT0001521203. Further details on the 2017 Orion Prospects Bonds are set out in sub-section 5.1 of this Registration Document; |
| 2017 Orion CAD | the company admission document dated 22 May 2017 published in connection with the issue by the Issuer of the 2017 Orion Prospects Bonds and setting out the terms and conditions thereof; |
| Act or Companies Act | the Companies Act (Cap. 386 of the Laws of Malta); |
| Bond Issue or Offer | the issue of the Bonds; |
| Bonds | the €15,000,000 6.25% unsecured bonds 2034 issued at par by the Issuer in terms of the Prospectus; |
| Bondholder/s | a holder of the Bonds; |
| Bond Obligations | the punctual performance by the Company of all its obligations under the Bonds upon issuance including the repayment of principal and payment of interest thereon; |
| C. Camilleri and Sons Limited | C. Camilleri and Sons Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 5572 and having its registered office at 63, St. Dominic Street, Valletta, Malta; |
| C. Camilleri & Sons (Catering) Ltd | C. Camilleri & Sons (Catering) Ltd, a private limited liability company registered under the laws of Malta bearing company registration number C 32922 and having its registered office at 63, St. Dominic Street, Valletta VLT 1602, Malta; |
| Camilleri Establishments Limited | Camilleri Establishments Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 9390 and having its registered office at 196, Merchants Street, Valletta, Malta; |
| Camilleri Investments Limited | Camilleri Investments Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 56996 and having its registered office at 13-20, Manwel Borg Gauci Street, Qormi QRM 4000, Malta; |
| Camilleri Trading Limited | Camilleri Trading Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 21411 and having its registered office at 63, St. Dominic Street, Valletta VLT 1602, Malta; |
| Camilleri Import & Export Limited | Camilleri Import & Export Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 51631 and having its registered office at 13-20, Manwel Borg Gauci Street, Qormi QRM 4000, Malta; |
| Camilleri Trends Ltd | Camilleri Trends Ltd, a private limited liability company registered under the laws of Malta bearing company registration number C 47627 and having its registered office at 13-20, M. Borg Gauci Str, Handaq, Qormi, Malta; |
| Capital Markets Rules | the capital markets rules issued by the MFSA in respect of the Official List, as amended from time to time; |
| Catering Operations | the operations of C. Camilleri & Sons (Catering) Ltd as set out in sub-section 6.3 of this Registration Document; |
| Company or Issuer | Camilleri Finance p.l.c., a public limited liability company registered under the laws of Malta bearing company registration number C 80722 and having its registered office at 14, Manuel Borg Gauci Street, Qormi QRM 4000, Malta; |
| Confectionary Operations | the operations of C. Camilleri and Sons Ltd as set out in sub-section 6.3 of this Registration Document; |
| Current Encumbrances | any privilege, hypothec, pledge, lien, charge or other encumbrance or real right which grants rights of preference to a creditor over the Properties as set out in sub-section 5.7 of this Registration Document; |

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| Cyka Limited | Cyka Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 22070 and having its registered office at 218, Merchants Street, Valletta VLT 1170, Malta; |
| Directors or Board | the directors of the Company whose names are set out in sub-section 4.1 of this Registration Document forming part of the Prospectus under the heading “Directors of the Issuer”; |
| Euro or € | the lawful currency of the Republic of Malta; |
| Fashion Brand Operations | the operations of Cyka Limited, Camilleri Establishments Limited and Camilleri Trading Limited as set out in sub-section 6.3 of this Registration Document; |
| Fgura Property | Matalan/Mothercare, Zabbar Road, Fgura (Number 254, 252, 250 and 248 Zabbar Road and Number 232 Triq Mater Boni Consili); |
| Gross Profit Margin | revenue less cost of goods sold, divided by revenue; |
| Group | the Issuer, the Guarantor and the Subsidiaries and each one a “Group Company”; |
| Group Facilities | the banking facilities of the Group as set out in sub-section 5.6 of this Registration Document; |
| Guarantee | the joint and several guarantee dated on or around the date of the Prospectus granted by the Guarantor as security for the punctual performance of the Bond Obligations. A copy of the Guarantee is appended to the Securities Note as Annex II thereto; |
| Guarantor or Camilleri Holdings | Camilleri Holdings Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 27495 and having its registered office at 63, St. Dominic Street, Valletta VLT 1602, Malta; |
| Handaq Plots | plots situated on 49-51, M. Borg Gauci Street and 61-62 Luigi Maria Galea Street, Handaq Qormi; |
| Handaq Property | collectively the Handaq Plots and the Handaq Warehouses; |
| Handaq Warehouses | warehouses built on plots 19 and 20, M. Borg Gauci Street, Handaq, Qormi; |
| Lease Agreements | the lease agreements between Orion Retail (on behalf of the Guarantor in terms of the Property Management Agreement) and the Retail Group Lessees with respect to the Properties as set out in sub-section 6.3 of this Registration Document and each one a “Lease Agreement”; |
| Loan Agreements | the loan agreements between the Issuer and the Guarantor and Issuer and Cyka Limited as set out in sub-section 5.8 of this Registration Document; |
| Malta Stock Exchange or MSE | Malta Stock Exchange plc, as originally constituted in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta; |
| Memorandum and Articles of Association or M&A | the memorandum and articles of association of the Company in force at the time of publication of the Prospectus. The terms “Memorandum” and “Articles” 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; |
| Official List | the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws; |
| Operations | collectively, the Catering Operations, the Confectionary Operations, the Fashion Brand Operations and the Property Management Operations; |
| Orion Retail | Orion Retail Investments Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 80707 and having its registered office at 14, Manuel Borg Gauci Street, Qormi QRM 4000, Malta; |

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| Properties | each of the properties currently owned by the Guarantor as set out in sub-section 6.3 of this Registration Document and each one a “Property”; |
| Property Management Agreement | an agreement entered into on 5 May 2017 by virtue of which the Guarantor appointed Orion Retail as the manager responsible for managing properties owned by Guarantor for a period of 25 years, with effect from 19 June 2017, and the rights granted the Guarantor by virtue of the Property Management Agreement the “Property Management Rights”; |
| Property Management Operations | the operations of Orion Retail as set out in sub-section 6.3 of this Registration Document; |
| Prospects or Prospects MTF | the multilateral trading facility operated by the MSE; |
| Prospects MTF List | the list prepared and published by the MSE containing the financial instruments admitted to Prospects; |
| Prospectus | collectively, the Summary, this Registration Document and the Securities Note, all dated 19 December 2023; |
| Prospectus Regulation | Commission Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council 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 may be amended and/or supplemented from time to time; |
| Re-Store Limited | Re-Store Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 36741 and having its registered office at Demajo House, 103 Archbishop Street, Valletta, Malta; |
| Registration Document | this document in its entirety; |
| Retail Group Lessees | Camilleri Establishments Limited, Camilleri Trading Limited and the Guarantor; |
| Securities Note | the securities note issued by the Company dated 19 December 2023, forming part of the Prospectus; |
| Sliema Property 1 | Matalan, The Strand, Sliema (Ground floor and first floor levels, “Galileo Apartments”, Number 8 and 9, The Strand Sliema, including the directum dominium of Tony’s Bar until 2044); |
| Sliema Property 2 | Mothercare, The Plaza Centre, Sliema; |
| Subsidiaries | C. Camilleri and Sons Limited; C. Camilleri & Sons (Catering) Ltd; Camilleri Establishments Limited; Camilleri Investments Limited; Camilleri Trading Limited; Camilleri Import & Export Limited; Camilleri Trends Ltd; Cyka Limited; Orion Retail Investments Limited; Re-Store Limited; and Treat & Taste Limited; |
| Summary | the summary issued by the Company dated 19 December 2023, forming part of the Prospectus; |
| Treat & Taste Limited | Treat & Taste Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 34312 and having its registered office at 13/20, Manuel Borg Gauci Street, Qormi QRM 4000, Malta; and |
| Valletta Property | Mothercare, South Street, Valletta. |

All references in the Prospectus to “Malta” are to the “Republic of Malta”.

Unless it appears otherwise from the context:

- words importing the singular shall include the plural and *vice-versa*;
- words importing the masculine gender shall include also the feminine gender and *vice-versa*;
- the word “person” shall refer to both natural and legal persons;
- the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative;
- any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression is illustrative only and does not limit the sense of the words preceding those terms; and
- any reference to a law, legislative act, and/or other legislation shall mean that particular law, legislative act and/or legislation as in force at the time of issue of the Prospectus.

3. RISK FACTORS

3.1 INTRODUCTION

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN 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 MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE COMPANY. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE COMPANY IS NOT IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS INTENDED TO BE INDICATIVE OF THE ORDER OF PRIORITY AND OF THE EXTENT OF THEIR CONSEQUENCES.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE COMPANY'S FINANCIAL RESULTS AND TRADING PROSPECTS AND THE ABILITY OF THE COMPANY TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES ISSUED BY THE COMPANY FROM TIME TO TIME. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE COMPANY AS AT THE DATE OF THE PROSPECTUS, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE COMPANY FACES. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE COMPANY'S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE COMPANY.

THIS REGISTRATION DOCUMENT IS NOT INTENDED TO CONSTITUTE, AND SHOULD NOT BE CONSTRUED AS CONSTITUTING, A RECOMMENDATION BY THE COMPANY, THE ADVISERS LISTED IN SECTION 4 OR ANY FINANCIAL INTERMEDIARY TO PURCHASE THE BONDS. PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS OF THE PROSPECTUS.

3.2 GENERAL RISK FACTORS

i. Forward-Looking Statements

The Prospectus 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 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 relate to matters that are not historical facts. They appear in a number of places within the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company and/ or the Directors concerning, amongst other things, the Company's strategy and business plans, results of operations, financial condition, liquidity, prospects, dividend policy of the Company and the market in which it operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Company's actual results of operations, financial condition, liquidity, dividend policy and the development of its strategy may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the results of operations, financial condition, liquidity and dividend policy of the Company are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, changes in economic conditions, legislative and regulatory developments, changes in fiscal regimes and the availability of suitable financing.

Potential investors are advised to read the Prospectus in its entirety, and, in particular, all the risk factors set out in the Prospectus, for a description of the factors that could vary the Company's future performance. In the light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur.

All forward-looking statements contained in this document are made only as at the date hereof. Subject to applicable legal and regulatory obligations, the Company and its 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 such statement is based.

ii. Tax Risks

The Group is subject to the general tax environment in Malta. The Group's tax burden may increase as a consequence of current or future tax assessments, tax audits or court proceedings based on changes in tax laws or changes in the application or interpretation thereof. Additionally, divergent interpretations by the tax authorities or the courts are possible. If any of these should occur, this could have a material adverse effect on the net assets, financial condition and results of operations of the Group.

iii. Legal and Regulatory Risks

The Group's business is subject to the general legal environment in Malta which may change to its detriment. Any changes which may affect or change the interpretation or application of existing laws could have a negative effect on the business of the Group.

iv. Litigation, Administrative Proceedings and Similar Claims

Entities of the Group may have been and probably will be in the future subject to administrative and legal proceedings in the ordinary course of business. Any such material litigation could have a material adverse effect on the financial condition and results of operations of the Group.

3.3 RISKS SPECIFIC TO THE ISSUER

i. The Company's dependence on the Guarantor and the Group

As better described in sub-section 6.1 of this Registration Document, the Issuer is the financing arm of the Group, having previously raised funds through the issuance of the 2017 Orion Prospects Bonds.

The financial performance and financial position of the Issuer is largely dependent, including for the purpose of servicing interest payments on the Bonds and the repayment of the principal on maturity date, on receipt of interest and loan repayments from Orion Retail (the parent company of the Issuer) and the Guarantor. Orion Retail and the Guarantor are in turn dependent on the Subsidiaries. Accordingly, the operating results of the Group have a direct effect on the Issuer's financial position and therefore the risks intrinsic to the business and operations of the Group have a direct effect on the Issuer. In the event that any one or more of the Guarantor and/or the Subsidiaries underperforms in any one financial year or otherwise experience adverse fluctuations in cash flows, volatility in cash flows, liquidity strains or other financial difficulties, such underperformance or adverse financial position and operational results may, in turn, adversely affect the financial position and operational results of the Group, and in turn, the Issuer, and impact negatively the market value of the securities issued by the Issuer from time to time, including the Bonds, and, or, the ability of the Issuer to meet its obligations towards holder of its debt or other securities, including its obligations towards Bondholders.

The ability of Group companies to effect interest payments and loan repayments to the Issuer will depend on their respective cash flows and earnings which may be restricted by: changes in applicable laws and regulations; the terms of agreements to which they are or may become party, including the indenture governing their existing indebtedness, if any; or other factors beyond the control of the Issuer. The additional risks specific to the other companies forming part of the Group upon which the Issuer depends are set out in sub-section 3.4 below. The occurrence of any such factor could have an adverse effect on the financial position and performance of the Issuer which may, in turn, negatively affect its ability to meet its obligations in respect of the payment of interest on the Bonds and repayment of principal when due.

ii. Subordination to other Indebtedness

There is nothing that restricts the Guarantor from providing its property as security for its own indebtedness. In the event of the liquidation, winding-up or dissolution or bankruptcy, administration, reorganization, insolvency, receivership or similar proceeding of the Guarantor, to the extent that it provides its assets as security for other indebtedness without also securing the debt financed by the proceeds of the Bond Issue, the secured debt will effectively be senior to the debt financed by the proceeds of the Bond Issue. The Bondholders may thus not benefit from any of the assets held by the Guarantor.

3.4 RISKS SPECIFIC TO THE GUARANTOR

As better described in sub-section 6.1 of this Registration Document, the Guarantor is the holding company of the Group. As the holding company of the Group, the Guarantor is ultimately dependent upon the operations and performance of its subsidiaries and their respective operations. Below are considered to be risks associated with the Group, of which the Guarantor is the parent company, and accordingly such risks are all ultimately risks pertaining to the Guarantor itself.

3.5 RISKS SPECIFIC TO THE GROUP AND THE OPERATIONS

General

i. Financing Requirements

The Operations have been partially financed through bank financing and the issuance of the 2017 Orion Prospects Bonds. Whilst proceeds from the Bond Issue will be utilised to repurchase the 2017 Orion Prospects Bonds and make the Group Facilities Repayment, the Group companies may need to incur additional debt in the future. There can be no guarantee that the Group's future borrowings will be subject to fixed interest rates nor can there be any guarantee that the agreements with banks will not impose significant financial covenants on the respective borrower company. Varying interest rates and/or the imposition of significant financial covenants have the ability to restrict the growth of the Group. Additionally, certain parts of the Operations (particularly the Fashion Brand Operations) require bank guarantees and/or letters of credit and obtaining the same may require further security and/or financial covenants which could also restrict the growth of the Operations.

ii. Relations with Suppliers

The profitability of the Operations partially depends on the Group's ability to anticipate and react to changes in the cost of its supplies, and on its dependence on timely deliveries by its suppliers. Any deterioration in relationships with suppliers could have an adverse effect on the Operations. Other factors, such as interruptions to or increased cost of supply could materially adversely affect the availability and costs of the products and services sold as part of the Operations.

Confectionary Operations and Fashion Brand Operations

i. General Retail Market Conditions

The health of the retail market may be affected by a number of factors, including, *inter alia*, consumer demand, tastes, preferences, trends, inflation, fluctuation in interest rates/exchange rates, direct and indirect taxation, regulations, and other general market and economic conditions which are particularly accentuated owing to the size of the Maltese market. Adverse factors could cause customers and potential customers to postpone or reduce spending on products or services or put downward pressure on prices, which could have an adverse effect on the Group's business, results of operations or cash flows, consequently adversely impacting the Group.

ii. Competition

The Group already operates in a highly competitive market and this level of competition may increase, which may limit the future ability of the Group to maintain its market share and revenue level. Current and potential competitors may have longer operating histories, greater name recognition, and greater financial, technical, marketing and other resources than the Group. There can be no assurance that the Group will be able to maintain or increase its market share and to compete effectively with current or future competitors or that the competitive pressures will not consequently have a material adverse effect on the Group's business, financial condition, operational performance and its ability to fulfil its obligations under the Bonds.

iii. Dependence on Franchise Agreements

The Group's retail and fashion business is presently focused on franchise agreements or arrangements. The Group is dependent on maintaining a good relationship with each of the franchise owners to ensure continuity and renewal of the respective franchise agreements. A termination of any of the Franchise Agreements would have an adverse effect on the Group's operations and income.

iv. Sustainability in Fashion

Sustainability Risks are the financial risks that may arise when environmental, social or governance factors negatively impact the financial profile of an investment. The fashion industry impacts climate change and the environment in general. As consumers become more aware of sustainability issues, there may be a change in consumer attitudes towards products that are considered less sustainable than others. Should the brands that make up the Fashion Brand Operations not align themselves with this trend, negative consumer attitudes towards these brands may develop causing consumers to seek a more sustainable option. This could result in a reduction of spending on the Group's offering, which could have an adverse effect on the Group's business, results of operations or cash flows, consequently adversely impacting the Group.

Catering Operations

i. General Catering Market Conditions

The Catering Operations are subject to a number of factors that affect the restaurant industry generally, including: changes in the general economic conditions of the market and changes in consumer confidence, competition with respect to price, service, location and food quality; changes in demographic trends, and changes in the regulatory framework regulating such business. Adverse changes in any one or more of these factors could reduce customer transactions forming part of the Catering Operations.

ii. Competition

As the market in this particular area of the catering sector is already highly concentrated, the Group faces significant competition. In the event that the Group were to be unable to compete successfully, this could adversely affect the Group's business and the results of its operations. The Group's operations are also dependent on its ability to avoid any degradation in product quality and, or service levels for customers, which could undermine confidence in the services provided by the Group and cause a loss of customers or make it more difficult to attract new ones. The business of the Group could be significantly hurt from these delays, errors, failures or faults.

Property Management Operations

i. Concentration of Tenants

Save for a part of Sliema Property 1, all Properties are leased out to the Retail Group Lessees and as such all of Orion Retail's annual rental income is generated from companies forming part of the Group. The Property Management Operations would be adversely impacted if the Group Lessees default on their lease agreements, in which case there will be a risk of loss of rental income if the respective tenant is not replaced in a timely manner.

ii. Default of Tenants

In the event that the present lease agreements are terminated early in the event of default, there can be no guarantee that Orion Retail will continue to find suitable tenants for the Properties on the terms it seeks from time to time. In addition, the financial stability of the tenants may change over time. Defaults by tenants could result in a reduction in rental revenues, which could require the Group to contribute additional capital or obtain alternative financing. In addition,

Orion Retail may incur costs in enforcing rights under the lease of a defaulting tenant, including eviction and re-leasing costs. Any adverse changes in tenants' financial conditions may negatively affect cash flows generated by the tenants. If tenants were to default on or fail to renew their leases, Orion Retail may need to expend significant time and money in attracting replacement tenants. In addition, in connection with any renewal or re-letting, Orion Retail may incur costs to renovate or remodel the space. Any of the foregoing factors may adversely affect the business, financial condition and results of operations of the Group.

4. IDENTITY OF DIRECTORS, ADVISERS AND AUDITORS

4.1 DIRECTORS AND COMPANY SECRETARY

The Directors of the Company, whose names are set out hereunder, are the persons responsible for the information contained in the Prospectus. Having taken all reasonable care to ensure that such is the case, the information contained in the Prospectus is, to the best of the Directors' knowledge, in accordance with the facts and contains no omission likely to affect its import. The Directors accept responsibility accordingly.

| Camilleri Holdings Limited - Consolidated | |
|--|------------------------|
| Name | Designation |
| Christos Barmperis (Maltese Identity Card No. 106393A) | Executive |
| Anthony Camilleri (Maltese Identity Card No. 559857M) | Non-Executive Chairman |
| Michael Borg Costanzi (Maltese Identity Card No. 87461M) | Non-Executive* |
| John Soler (Maltese Identity Card No. 951349M) | Non-Executive* |

* Independent

The Company Secretary is Pierre Griscti (Maltese I.D Card No. 216365M)

| Directors of the Guarantor | |
|---|------------------------|
| Name | Designation |
| Christos Barmperis (Maltese Identity Card No. 106393A) | Executive |
| Andre Camilleri (Maltese Identity Card No. 129367M) | Executive |
| Anthony Camilleri (Maltese Identity Card No. 559857M) | Non-Executive Chairman |
| Christian Camilleri (Maltese Identity Card No. 232383M) | Executive |
| Joseph Camilleri (Maltese Identity Card No. 363960M) | Executive |
| Pierre Griscti (Maltese Identity Card No. 216365M) | Executive |
| Ann Micallef (Maltese Identity Card No. 21184M) | Executive |
| Alexia Spiteri (Maltese Identity Card No. 208880M) | Executive |

The Company Secretary is Joseph Camilleri (Maltese I.D Card No. 363960M)

4.2 ADVISERS

The persons listed under this sub-heading have advised and assisted the Directors in the drafting and compilation of the Prospectus.

Legal Counsel

Mamo TCV Advocates
103, Palazzo Pietro Stiges,
Strait Street,
Valletta VLT 1436, Malta

Financial Advisers

Grant Thornton Limited
Fort Business Centre, Level 2,
Triq L-Intornjatur, Zone 1, Central Business District,
Birkirkara CBD 1050, Malta

Sponsor, Manager & Registrar

Calamatta Cuschieri Investment Services Limited,
Ewropa Business Centre,
Triq Dun Karm,
Birkirkara BKR 9034, Malta

4.3 AUDITORS

The details of the Issuer's auditors are set out below:

Name: Horwath Malta (AB/26/84/27)
Address: La Provvida, Karm Zerafa Street, Birkirkara, Malta

Horwath Malta acts as auditors for the Issuer. The financial statements for 2020, 2021 and 2022 for the Issuer have been audited by Horwath Malta and are available on the publicly available register maintained by the Malta Business Registry.

Horwath Malta is a firm registered as a partnership of certified public accountants holding a practising certificate to act as auditors in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta).

The details of the Guarantor's auditors are set out below:

Name: Grant Thornton (AB/26/84/22)
Address: Fort Business Centre, Level 2, Triq L-Intornjatur, Zone 1, Central Business District, Birkirkara CBD 1050, Malta

Grant Thornton acts as auditors for the Guarantor. The financial statements for 2020, 2021 and 2022 for the Guarantor have been audited by Grant Thornton and are available on the publicly available register maintained by the Malta Business Registry.

Grant Thornton is a firm registered as a partnership of certified public accountants holding a practising certificate to act as auditors in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta).

4.4 AUTHORISATION STATEMENT

This Registration Document has been approved by the MFSA, as competent authority under the Prospectus Regulation. The MFSA only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Registration Document.

5. INFORMATION ABOUT THE GROUP

5.1 THE COMPANY

| | |
|-------------------------------------|---|
| Legal Name of the Company: | Camilleri Finance p.l.c. |
| Registered Address: | 14, Manuel Borg Gauci Street, Qormi, QRM 4000, Malta |
| Activity: | Holding and finance company. The Issuer is mainly dependent on the business prospects of the Guarantor. |
| Place of Registration and Domicile: | Malta |
| Registration Number: | C 80722 |
| Date of Registration: | 03 May 2017 |
| Legal Form: | The Company is lawfully existing and registered as a public limited liability company in terms of the Act |
| Telephone No: | +356 21472255 |
| Email Address: | info@orion.com.mt |
| Website: | www.orion.com.mt* |
| LEI: | 4851007XV4IDI8IC5U98 |

* The information on the Issuer's website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

The Issuer was established on 3 May 2017 as a wholly-owned subsidiary of Orion Retail (itself a wholly owned subsidiary of the Guarantor), save for 1 Ordinary B share. In 2017, the Issuer issued the 2017 Orion Prospects Bonds in terms of the 2017 Orion CAD. The proceeds from the issue were advanced by the Issuer to Orion Retail for the purpose of paying the cash element (*circa* €4,900,000) of the total consideration due to the Guarantor by Orion Retail to acquire the Property Management Rights in terms of the Property Management Agreement. Please see the 2017 Orion CAD for more information and sub-section 6.3 of this Registration Document.

The principal object of the Issuer is to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, assets including but not limited to securities and other financial interests. The Issuer's intended purpose is to raise finance for the business of the Group. In this respect, the Issuer is mainly dependent on the business prospects of the Guarantor and the Subsidiaries.

On 11 October 2023 the Issuer resolved to increase its issued share capital to €250K and change its name from Orion Finance p.l.c. to Camilleri Finance p.l.c.

5.2 THE GUARANTOR

| | |
|-------------------------------------|--|
| Legal Name of the Guarantor: | Camilleri Holdings Limited |
| Registered Address: | 63, St. Dominic Street, Valletta VLT 1602, Malta |
| Activity: | Holding company. |
| Place of Registration and Domicile: | Malta |
| Registration Number: | C 27495 |
| Date of Registration: | 27 December 2000 |
| Legal Form: | The Guarantor is lawfully existing and registered as a private limited liability company in terms of the Act |
| Telephone No: | +356 21472255 |
| Email Address: | info@camillerigroup.com |
| Website: | www.camillerigroup.com* |
| LEI: | 984500FC7B40A2BDC458 |

* The information on the Issuer's website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

The Guarantor was established on 27 December 2000 and is the parent company of the Group. It has legal title to the Properties as better described in sub-section 6.3 of this Registration Document and entered into the Property Management Agreement as better described in sub-section 6.3 of this Registration Document. As security for the Group Facilities, the Properties are subject to the Current Encumbrances. Please see sub-section 5.6 of this Registration Document for more information.

The principal object of the Guarantor is the holding of moveable and immovable property. The Guarantor is principally engaged, through the Subsidiaries, in investments that are predominantly involved in the business sectors described in sub-section 6.3 of this Registration Document.

5.3 HISTORICAL DEVELOPMENT OF THE GROUP

The Group is a family owned business dating back more than one hundred and eighty (180) years. Originally associated exclusively with the confectionery business and less formally known as Camilleri tal-Ħelu, the diversification strategy of the Group has resulted in the incorporation or acquisition of the Subsidiaries and the carrying out of the Operations. Please see sub-section 5.4 for further information on the development of the Group through the incorporation or acquisition of the Subsidiaries and sub-section 6.3 for further information on the development and carrying out of the Operations.

5.4 THE SUBSIDIARIES

C. Camilleri and Sons Limited

C. Camilleri and Sons Limited was established on 17 July 1981 and has an authorised share capital of €23,293.73 and an issued share capital of 10,000 ordinary shares of €2.329373, each fully paid up. It is a wholly-owned subsidiary of the Guarantor, save for 1 Ordinary share.

This company is involved in the Confectionary Operations.

C. Camilleri & Sons (Catering) Ltd

C. Camilleri and Sons (Catering) Ltd was established on 30 December 2003 and has an authorised share capital of €611,646.76 and an issued share capital of 262,580 ordinary shares of €2.329373, each fully paid up. It is a wholly-owned subsidiary of the Guarantor, save for 1 Ordinary share.

This company is involved in the Catering Operations.

Camilleri Establishments Limited

Camilleri Establishments Limited was established on 4 February 1988 and has an authorised share capital of €34,940.60 and an issued share capital of 10,000 ordinary shares of €2.329373, each fully paid up. It is a wholly-owned subsidiary of the Guarantor, save for 1 Ordinary share.

This company is involved in the Fashion Brand Operations and is the franchisee in terms of the Matalan® brand.

Camilleri Investments Limited

Camilleri Investments Limited was established on 19 July 2012 and has an authorised share capital of €10,000 and an issued share capital of 10,000 ordinary shares of €1, each fully paid up. It is a wholly-owned subsidiary of the Guarantor.

This company is non-operational.

Camilleri Trading Limited

Camilleri Trading Limited was established on 9 May 1997 and has an authorised share capital of €11,646.86 and an issued share capital of 5,000 ordinary shares of €2.329373 each fully paid up. It is a wholly-owned subsidiary of the Guarantor, save for 1 Ordinary share.

This company is involved in the Fashion Brand Operations and is the franchisee in terms of the Mothercare® brand.

Camilleri Import & Export Limited

Camilleri Import & Export Limited was established on 11 January 2011 and has an authorised share capital of €5,000 and an issued share capital of 5,000 ordinary shares of €1 each fully paid up. It is a wholly-owned subsidiary of the Guarantor.

This company is non-operational.

Camilleri Trends Ltd

Camilleri Trends Ltd was established on 31 August 2009 and has an authorised share capital of €10,000 and an issued share capital of 10,000 ordinary shares of €1, each fully paid up. It is a wholly-owned subsidiary of the Guarantor.

This company is non-operational.

Orion Retail Investments Limited

Orion Retail Investments Limited was established on 2 May 2017 and has an authorised share capital of €4,500,000 and an issued share capital of 3,014,764 ordinary shares of €2, each fully paid up. It is a wholly-owned subsidiary of the Guarantor.

This company is involved in the Property Management Operations and entered into the Property Management Agreement with the Guarantor.

Cyka Limited

Cyka Limited was established on 31 October 1997 and has an authorised share capital of €250,000 and an issued share capital of 250,000 ordinary shares of €1, each fully paid up. It is a wholly-owned subsidiary of the Guarantor having been acquired, and forming part of the Group, on the 28 September 2017.

This company is involved in the Fashion Brand Operations and is the franchisee in terms of the Jules®, Lipsy London®, Morgan® and Promod® brands.

Re-Store Limited

Re-Store Limited was established on 4 August 2005 and has an authorised share capital of €27,952.48 and an issued share capital of 6,000 ordinary A shares of €2.329373, each fully paid up and 6,000 ordinary B shares of €2.329373, each fully paid up. It is 50% owned by the Guarantor.

This company is non-operational.

Treat & Taste Limited

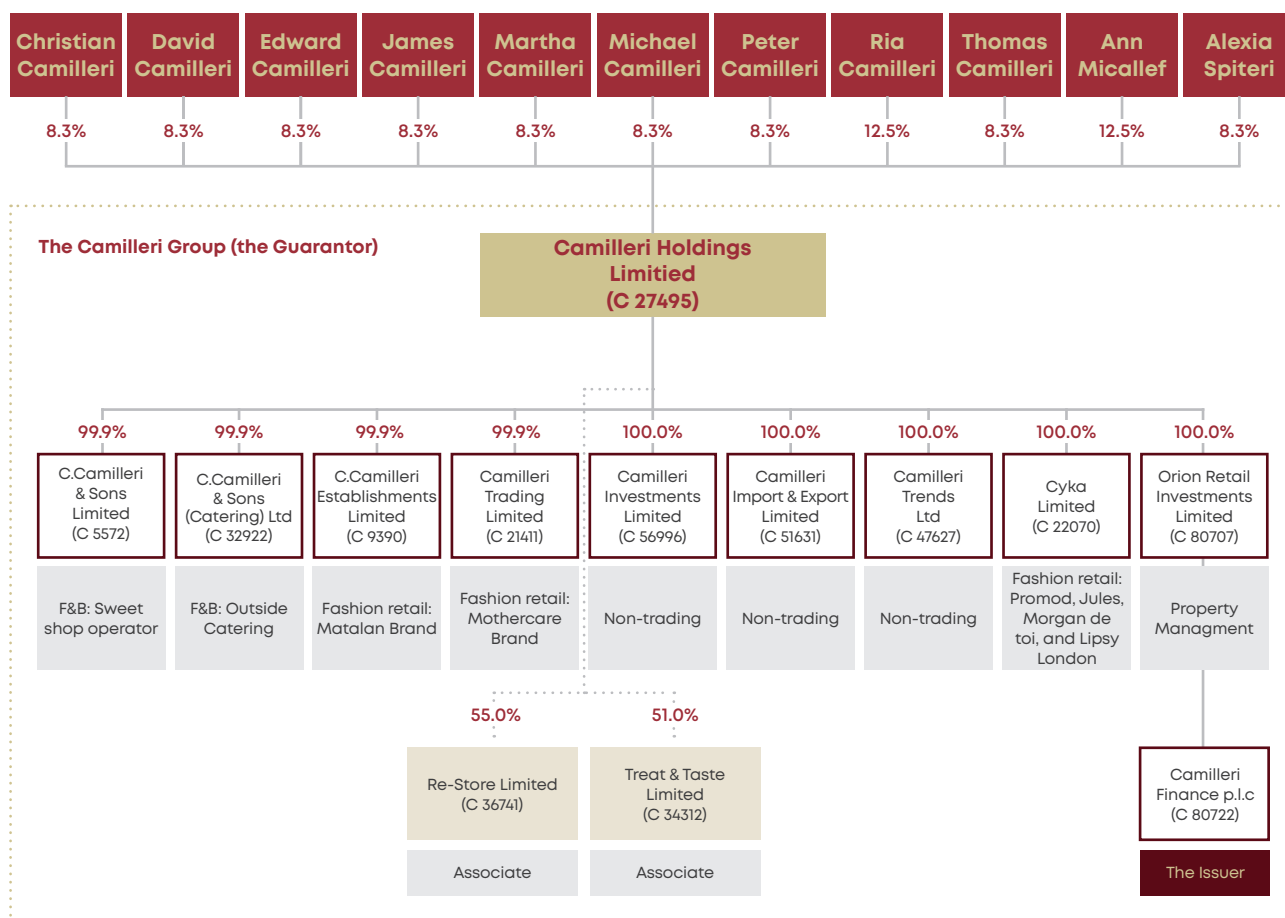
Treat & Taste Limited was established on 19 July 2004 and has an authorised share capital of €27,952.48 and an issued share capital of 6,120 ordinary A shares of €2.329373, each fully paid up and 5,880 ordinary B shares of €2.329373, each fully paid up. It is 51% owned by the Guarantor.

This company is non-operational.

5.5 ORGANISATIONAL STRUCTURE AND MAJOR SHAREHOLDERS

ORGANISATIONAL STRUCTURE OF THE GROUP

The organisational structure of the Group as at the date of the Prospectus is illustrated in the diagram below:



MAJOR SHAREHOLDERS OF THE ISSUER

As at the date of this Registration Document, the Company has the following shareholder/s which hold more than 10% of the Issuer's issued ordinary shares, thereby being regarded as substantial shareholders in terms of the Capital Markets Rules:

Name of Shareholder

Orion Retail Investments Limited
14, Manuel Borg Gauci Street,
Qormi QRM 4000, Malta
Company Registration No. C 80707

Number of Shares held

249,999 Ordinary A Shares

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

MAJOR SHAREHOLDERS OF THE GUARANTOR

As at the date of this Registration Document, the Guarantor has the following shareholder/s which hold more than 10% of the Guarantor's issued ordinary shares, thereby being regarded as substantial shareholders in terms of the Capital Markets Rules:

Name of Shareholder

Ria Camilleri
34, Moments,
Wied Ghollieqa Street
Kappara, San Gwann, Malta
Maltese ID Card No. 225385M

Number of Shares held

1,572 Ordinary A Shares
1,572 Ordinary B Shares
1,572 Ordinary C Shares

Ann Micallef
59, Celine, Flat 2
Triq Antonio Micallef
Balzan, Malta
Maltese ID Card No. 21184M

1,572 Ordinary A Shares
1,572 Ordinary B Shares
1,572 Ordinary C Shares

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

The Audit Committee is tasked with the review of transactions and arrangements between the Company and a related party, which includes the major shareholder/s of the Company, the Guarantor and the major shareholders of the Guarantor, which must take place at arms' length. Therefore, the Audit Committee also acts to ensure that no major shareholder can abuse of its position through any contractual relationship between the Company and a major shareholder.

5.6 FINANCING AND FINANCIAL SOLVENCY

2017 Orion Prospects Bonds

The Issuer has previously raised finance through the 2017 Orion Prospects Bonds. Shortly after the proceeds from the Bond Issue have been received by the Issuer, €4,200,000 will be utilised to repurchase all outstanding 2017 Orion Prospects Bonds and pay any interest thereon. Please see sub-section 4.1 of the Securities Note which better explains the use of proceeds for this Bond Issue.

Loan Facilities

As at the date of the Prospectus, the Guarantor has the following facilities in place:

- a fixed term loan of which there remains a balance owing of *circa* €746,146 as at the date of this Registration Document ("**BOV Loan I**");
- a COVID-19 Assist loan of which there remains a balance owing of *circa* €761,117 as at the date of this Registration Document ("**BOV Loan II**");
- a loan facility of which there remains a balance owing of *circa* €2,235,522 as at the date of this Registration Document ("**MeDirect Facility I**"); and
- a general banking facility of which there remains a balance owing of *circa* €2,300,000 as at the date of this Registration Document ("**MeDirect Facility II**").

The purpose for BOV Loan I was end finance for the acquisition of Cyka Limited. The purpose of BOV Loan II was relief to the impact of the COVID-19 pandemic. The purpose for MeDirect Facility I was to consolidate and refinance previous financing that was provided to (i) acquire the Fgura Property, (ii) refurbish the head office at the Handaq Property and (iii) fund the capital expenditure to refurbish the various retail outlets at certain Properties. The purpose of MeDirect Facility II is to support the Group's working capital requirements in connection with the Operations.

As at the date of the Prospectus, Camilleri Establishments Limited has the following facilities in place:

- two fixed term loans of which there remains a balance owing of *circa* €366,317 and €300,000 at the date of this Registration Document, a guarantee facility of €1,000,000 and an overdraft facility of €1,000,000 ("**BOV Loan III**");

The purpose of BOV Loan III was to finance the company's working capital requirements, issue trade guarantees and refinancing.

As at the date of the Prospectus, Cyka Limited has the following facilities in place:

- an overdraft of €150,000 and a commitment facility of €1,000,000 (the "**BOV OD and CF**"); and
- Jamie Loan I in respect of which there remains a balance owing of €74,522 as at the date of this Registration Document ("**BOV Loan IV**").

The purpose of the BOV OD and CF was to finance the working capital requirements and issue letters of credit to be used for foreign suppliers in relation to the Fashion Operations.

The purpose of BOV Loan IV was as end finance capital expenditure on Promod, Morgon, Miss Selfridge and Jules outlets in the Pama Complex.

(BOV Loan I, MeDirect Loan I and BOV Loan IV collectively the "**Facilities Being Repaid**"). (BOV Loan II, BOV Loan III, MeDirect Loan II and the BOV OD and CF collectively the "**Facilities Remaining**").

Shortly after the proceeds from the Bond Issue have been received by the Issuer, *circa* €3,100,000 will be utilised to repay all amounts outstanding in terms of the Facilities Being Repaid (the "**Group Facilities Repayment**"). Please see sub-section 4.1 of the Securities Note which better explains the use of proceeds for this Bond Issue.

Privileged Debt

As at the date of the Prospectus, the Guarantor has agreements in place with respect to privileged creditors amounting to €800,000 (the "**Privileged Debt**").

5.7 CURRENT ENCUMBRANCES

In so far as the Issuer or the Guarantor are concerned, the Group Facilities are secured as follows (collectively the "**Current Encumbrances**"):

| Loan | Security | Security Provider |
|--|--|--|
| BOV Loan I | 2nd GH 1st SH on: - Sliema Property 1 | Camilleri Holdings Camilleri Holdings |
| BOV Loan II | N/A | N/A |
| MeDirect Facility I & MeDirect Facility II | 1st GH 1st SH on: - Sliema Property 2 - Fgura Property - Handaq Warehouses 1st SP on: - Sliema Property 2 - Fgura Property - Handaq Warehouses | Camilleri Holdings Camilleri Holdings Camilleri Holdings |
| BOV Loan III | 2nd SHG on: - Sliema Property 1 1st SHG on: - Handaq Plots 2nd SHG on: - Sliema Property 1 | Camilleri Holdings Camilleri Holdings Camilleri Holdings |
| BOV OD and CF | 2nd GHG 1st SHG on: - Sliema Property 1 | Camilleri Holdings Camilleri Holdings |
| BOV Loan IV | 2nd GHG | Camilleri Holdings |

For the purposes of this sub-section 5.7:

- “GH”** means general hypothec;
“GHG” means general hypothecary guarantee;
“SH” means special hypothec;
“SHG” means special hypothecary guarantee; and
“SP” means special privilege.

Simultaneous to the payment of the Group Facilities Repayment, (i) there will be publication (but not registration) of the necessary notarial deeds for the cancellation of the Current Encumbrances in respect of BOV Loan I and (ii) the Current Encumbrances in place relating to the Facilities Remaining will be reduced to exclude the Facilities Being Repaid (the **“Remaining Encumbrances”**).

Therefore, in a situation of competing creditors, the Bondholders will rank parri passu with all unsecured creditors but after (i) Bank of Valletta p.l.c. and MeDirect Bank (Malta) p.l.c. with respect to the Facilities Remaining/Remaining Encumbrances and (ii) the Privileged Debt.

5.8 REFURBISHMENT OF OUTLETS

The Group intends to refurbish its outlets which currently house the Matalan and Mothercare brands. This will include but will not be limited to the introduction of new franchise concepts, the planned acquisition of targeted new brands as well as investment in new IT infrastructure. It is anticipated that this will take place between 2024 and 2026 at a cost of *circa* €2,150,000 (the **“Refurbishment Expenses”**).

5.9 TERMS AND CONDITIONS OF LOAN AGREEMENTS

Pursuant to the Loan Agreements:

- Issuer shall lend the Guarantor an amount of *circa* €3,100,00 in order to make the Group Facilities Repayment with respect to BOV Loan I and MeDirect Loan I. Interest on the loan outstanding shall accrue at 8%, and shall be payable annually. The principal shall be paid on 23 February 2034; and
- Issuer shall lend Cyka Limited an amount of *circa* €78,380 in order to make the Group Facilities Repayment with respect to BOV Loan IV. Interest on the loan outstanding shall accrue at 8%, and shall be payable annually. The principal shall be paid on 23 February 2034.

6. BUSINESS OVERVIEW – PRINCIPAL ACTIVITIES & MARKETS

6.1 PRINCIPAL ACTIVITIES OF THE ISSUER

Save for 1 Ordinary share, the Issuer is a fully owned subsidiary of Orion Retail. The principal activity of the Issuer is to act as a finance company, initially for the Orion Group through the 2017 Orion Prospects Bonds and now for the Group through the Bonds. The Issuer does not itself carry on any trading activities apart from the raising of capital and advancing thereof to members of the Group as and when the demands of its business so requires. Accordingly, the Issuer is economically dependent on the operations and performance of the Group.

6.2 PRINCIPAL ACTIVITIES OF THE GUARANTOR

The Guarantor is the indirect parent company of the Issuer. It is the holding company of the Group having investments in a number of subsidiaries involved in the Operations.

6.3 OVERVIEW OF THE BUSINESS OF THE GROUP

The core business activities of the Group are organised into the following categories:

- Immovable property;
- Property Management Operations;
- Fashion Brand Operations;
- Catering Operations; and
- Confectionary Operations.

Immovable Property

As at the date of the Prospectus, the Guarantor is the legal owner of the following “Properties”:

1. the Fgura Property;
2. Sliema Property 1;
3. Sliema Property 2;
4. the Valletta Property; and
5. the Handaq Property.

Orion Retail acquired the Property Management Rights over the Properties through the entering into of the Property Management Agreement with the Guarantor.

Property Management Operations

Orion Retail acquired the Property Management Rights over the Properties through the entering into of the Property Management Agreement with the Guarantor. At the time of the execution of the Property Management Agreement, the Property Management Rights were valued at *circa* €15,200,000, as had been valued by Grant Thornton on 8 May 2017 (a copy of this valuation report was included in the 2017 Orion CAD). The consideration for the acquisition of the Property Management Rights was made up as follows:

- €6,028,328 through the issue and allotment of 3,014,164 ordinary shares of €2 each, issued by Orion Retail to the Guarantor. The issue and allotment was made on the 26 June 2017;
- €4,900,000 in cash paid by Orion Retail to the Guarantor. The cash element was settled through the 2017 Orion Prospects Bond; and
- €4,221,672 as deferred consideration payable in instalments and to be settled in full during Q2 2024.

Following the execution of the Property Management Agreement, all Lease Agreements with the Retail Group Lessees were renewed in 2017 and leased for a period of fifteen (15) years effective 19 June 2017. The first ten (10) years are *di fermo*, whilst the remaining five (5) years are *di rispetto* at the option of the lessee. The Properties¹ are leased as follows:






| Loan | Property |
|----------------------------------|--|
| Camilleri Establishments Limited | - Sliema Property 1 - Fgura Property |
| Camilleri Holdings Limited | - Handaq Property |
| Camilleri Trading Limited | - Sliema Property 2 - Fgura Property - Valletta Property |

Please see sub-section 6.5.2 of the 2017 Orion CAD for the main terms and conditions of the Lease Agreements and further information on the emphyteutical grant herein referred.

Fashion Brand Operations

Cyka Limited, Camilleri Establishments Limited and Camilleri Trading Limited are the Subsidiaries engaged in the Fashion Brand Operations, having entered into a number of franchise agreements with respect to the Mothercare®, Matalan®, Jules®, Lipsy London®, Morgan® and Promod® brands. The Fashion Brand Operations are carried out from the following locations:

¹ To note that a part of Sliema Property 1 was granted on temporary emphyteusis to Tony's Bar, operated by B. Tagliaferro & Sons Limited, a company registered under the Laws of Malta with company registration number C 817, having its registered office situated at 62, Republic Street, Valletta, Malta

| Franchisee | Brand | Location |
|----------------------------------|---|---|
| Camilleri Establishments Limited |  | <ul style="list-style-type: none"> - Sliema Property 1 - Fgura Property |
| Camilleri Trading Limited |  | <ul style="list-style-type: none"> - Sliema Property 2 - Fgura Property - Valletta Property |
| Cyka Limited |  | <ul style="list-style-type: none"> - Pama Shopping Village, Mosta - Daniels Mall, Hamrun - Merchant Street, Valletta - Plaza Shopping Centre, Sliema |
| |  | <ul style="list-style-type: none"> - Pama Shopping Village, Mosta |
| |  | <ul style="list-style-type: none"> - Pama Shopping Village, Mosta - Rabat, Gozo - Merchant Street, Valletta - Plaza Shopping Centre, Sliema |
| |  | <ul style="list-style-type: none"> - Pama Shopping Village, Mosta - Rabat, Gozo - Merchant Street, Valletta - Plaza Shopping Centre, Sliema - Daniels Mall, Hamrun |

Catering Operations

C. Camilleri and Sons Ltd had been in the confectionery business since 1843. In 1983 the Group diversified and branched out into catering. C. Camilleri & Sons (Catering) Ltd caters for all types of functions or events. Furthermore, the company is the exclusive caterer at Olive Gardens in Mdina, also extending its services to other independently owned venues. Given that outside catering is a seasonal business as it depends principally on summer weddings, the Group, through C. Camilleri & Sons (Catering) Ltd diversified its food and business division by operating canteens. As at the date of the Prospectus, the Group operates three canteens in private schools and an office canteen in Mriehel.

Confectionary Operations

Calcedonio Camilleri started the family business as C. Camilleri & Sons in 1843 – the oldest confectionery trading company on the Maltese islands. He established a confectionery shop in Merchants Street, Valletta, which today is still the company's flagship store.

The shop offers a vast selection of products which include chocolates, cakes, biscuits, home-made confectionary and seasonal goods, alcoholic beverages and wines, amongst many others. Camilleri tal-Helu stocks a number of prestigious brands such as Ritter Sport, La Suissa, Lindt, Perugina, Walkers, Duc Do, Maclean's, Doulton, Treets, Dolgam, Villa Guelfa, Gangemi and more. The company was also the pioneer of the 'Pick 'n Mix' concept in Malta offering an array of sweets purchased by weight and superior brands such as Haribo, Tangerine, Fini, Big Bear and Tilleys. Furthermore, its portfolio also comprises a range of wines representing Manfredi, Castelvechio (Piemonte) and San Simone. C. Camilleri & Sons Ltd. also distributes a number of these brands through various retail and wholesale channels.

6.4 PRINCIPAL MARKETS

The Group operates in and from Malta.

7. TREND INFORMATION

7.1 TREND INFORMATION OF THE ISSUER

There has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements. The Issuer is dependent on the business prospects of the Group and, therefore, the trend information of the Guarantor detailed below has a material effect on its financial position and prospects.

7.2 TREND INFORMATION OF THE GROUP

There has been no material adverse change in the prospects of the Company or the Guarantor since the date of publication of its latest audited financial statements nor has there been any significant change in the financial performance of the Group since the end of the last financial period for which financial information has been published to the date of this Registration Document.

The following is an overview of the most significant recent trends affecting the Guarantor and the markets in which it operates:

Immovable Property

Market data relating to commercial property in Malta (which includes industrial, logistics, warehousing, retail, hospitality and a predominant portion in the office asset class) is not available and it is therefore difficult to gauge the health of this sector. The Group's property portfolio principally comprises of the Properties, all of which are classified as commercial property. As at the date of the Prospectus, all Properties are fully occupied as better explained in sub-section 6.3 of this Registration Document.

Property Management Operations

Orion Retail was set up as a property managing company of the Group. In this regard, Orion Retail aims to continue to manage the Properties that fall under its responsibility. Consequently, its principal income stream will be the generation of income from long-term lease agreements with the Retail Group Lessees. In view of the long-term nature of such leases, the Directors do not consider the Group to be unduly exposed to operating uncertainties relating to the commercial real estate sector and/or to other external events related to the economy, which could be deemed likely to have a material impact on this aspect of the business of the Group, for the next ten years. Orion Retail's business prospects therefore predominantly revolve around the ability of Retail Group Lessees to service their obligations in a timely manner. The annual amounts receivable by Orion Retail are quantifiable and revisable over time at pre-agreed terms. Please see sub-section 6.3 of this Registration Document. They have also been based on commercial rental rates and the respective Lease Agreements were entered into on an arm's length basis. Therefore, the lease provides Orion Retail with a visible and stable revenue stream, which will increase over time, at a rate of 3.2% until the expiration of the Lease Agreements. Given the financial stability of the Retail Group Lessees, the Directors are confident that the anticipated revenue streams in the coming year and foreseeable future will be generated as contracted.

Fashion Brand Operations²

Apparel retail trade in the EU was marginally in decline between 2010 and 2013 but increased at a constant rate of growth thereafter, up to Q2 2020. Pursuant to the COVID-19 outbreak retail activity declined by 8.4% in Q2 2020 compared to Q4 2019 but fully recovered by Q4 2020.

Retail activity in Malta has broadly tracked the EU average, except for the outperformance registered in 2018 and 2019. Various factors have contributed to this strong performance, including: (i) the robust overall growth of the Maltese economy and (ii) the increase in population of the expat community in Malta.

In 2020, the fashion retail sector in Malta decreased by 20% from Q4 2019 as a result of the pandemic recovered to some extent in Q3 2020 and Q4 2020, but short of the level achieved in Q4 2019. Between Q1 2021 and Q1 2022, the fashion retail sector in Malta grew by 12.8%, being significantly better than the EU average growth of 5.7% for the same period.

Revenue in the Apparel market is expected to be, in accordance with industry expectations, *circa* \$347,000,000 in 2023. The market is expected to grow annually by 3.79% (CAGR 2023-2027) with women's fashion occupying *circa* 50% of the business which by 90% will be dominated by non-luxury goods³.

Catering and Confectionary Operations⁴

The food and beverage service sector comprises of restaurants and mobile food service activities and beverage serving activities. In 2020, total income from this sector in Malta amounted to €341,400,000, a decrease of 35% compared to the prior year (2019: €525,300,000). During the years 2010 to 2018, the year-on-year ("y-o-y") growth registered by this sector was broadly in line with the country growth rate (all sectors). In 2019, gross value added derived from the food & beverage service sector decreased by 7% y-o-y compared to an increase of 6% y-o-y from all sectors, while the temporary closure of food and beverage outlets in 2020 resulted in a y-o-y decline in gross value added of 35% compared to a reduction of 6% from all sectors.

The post pandemic market suggests an expected annual growth of 4.39% (CAGR 2023-2028) whilst in the confectionary segment the expected growth, for the same period, is estimated at 4.06% on a €162,000,000 revenue basis for 2023.

2 Source: https://ec.europa.eu/eurostat/databrowser/view/STS_TRTU_Q__custom_3915986/default/line?lang=en

3 Source: <https://www.statista.com/outlook/cmo/apparel/malta#revenue>

4 Source: EU Food and Drink Industry 2022, Data & Trends FoodDrinks Europe
National Statistics Office Malta (NACE 56.1 & NACE 56.3 data)

8. KEY FINANCIAL REVIEW

8.1 THE ISSUER

The information included below is extracted from the audited financial statements of the Issuer for the financial years ended 31 December 2020, 2021, 2022 and the unaudited interim financial statements of the Issuer for the six-month periods ending 30 June 2022 and 30 June 2023.

As at the date of the Prospectus there has been no material adverse change in the prospects of the Issuer (or the Group) since 31 December 2022, being the end of the last financial period for which the Issuer has published audited financial statements.

The said financial statements have been published and are available on the Issuer's website (<https://www.orion.com.mt/>) and are available for inspection at its registered office as set out in section 14 of this Registration Document.

There has been no significant changes in the financial or trading position of the Issuer which has occurred since the interim financial information has been published.

Furthermore, the Issuer hereby confirms that there has been no material change or recent development which could adversely affect potential investors' assessments in respect of the Bonds, other than the information contained and disclosed in the Prospectus.

| Key references | Page number in the financial statements report | | | Page number in interim financial statements |
|---|--|---------------------------------------|---------------------------------------|---|
| | Financial year ended 31 December 2020 | Financial year ended 31 December 2021 | Financial year ended 31 December 2022 | Interim financial information for the six months ended 30 June 2023 |
| Information incorporated by reference in the Prospectus | | | | |
| Independent Auditors' Report | 9-13 | 9-13 | 9-13 | n/a |
| Statement of Comprehensive Income | 14 | 14 | 14 | 3 |
| Statement of Financial Position | 15 | 15 | 15 | 4 |
| Statement of Cash Flows | 17 | 17 | 17 | 6 |
| Notes to the Financial Statements | 18-32 | 18-32 | 18-31 | 7-8 |

| Camilleri Finance p.l.c. Statement of profit or loss €000 | FY2020A 12 months | FY2021A 12 months | FY2022A 12 months | FY2022M 6 months | FY2023M 6 months |
|---|----------------------|----------------------|----------------------|---------------------|---------------------|
| Finance income | 360 | 345 | 326 | 163 | 152 |
| Finance cost | (242) | (232) | (221) | (111) | (105) |
| Net interest income | 118 | 113 | 106 | 52 | 47 |
| Other income | 1 | - | - | - | - |
| Administrative expenses | (76) | (80) | (81) | (40) | (40) |
| Profit before income tax | 42 | 32 | 25 | 12 | 7 |
| Income taxation | (18) | (14) | (11) | (6) | (4) |
| Profit for the year | 24 | 18 | 13 | 6 | 3 |

| Camilleri Finance p.l.c. Statement of financial position as at | | | | |
|---|--------------|--------------|--------------|--------------|
| €000 | Dec-20 | Dec-21 | Dec-22 | Jun-23 |
| ASSETS | | | | |
| Non-current assets | | | | |
| Loan receivable | 4,350 | 4,050 | 3,550 | 3,550 |
| Sinking fund | 200 | 250 | 300 | 11 |
| Total non-current assets | 4,550 | 4,300 | 3,850 | 3,561 |
| Current assets | | | | |
| Loan receivable | 250 | 300 | 500 | 500 |
| Trade and other receivables | 4 | 8 | 8 | 12 |
| Cash and cash equivalents | 352 | 369 | 397 | 308 |
| Total current assets | 606 | 676 | 905 | 820 |
| Total assets | 5,156 | 4,976 | 4,755 | 4,381 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Share capital | 50 | 50 | 50 | 50 |
| Retained earnings | 104 | 122 | 135 | 138 |
| Total equity | 154 | 172 | 185 | 188 |
| Non-current liabilities | | | | |
| Borrowings | 4,847 | 4,655 | 4,413 | 4,128 |
| Total non-current liabilities | 4,847 | 4,655 | 4,413 | 4,128 |
| Current liabilities | | | | |
| Trade and other payables | 154 | 148 | 143 | 48 |
| Current tax liability | 1 | 1 | 13 | 17 |
| Total current liabilities | 155 | 150 | 156 | 65 |
| Total liabilities | 5,002 | 4,805 | 4,569 | 4,193 |
| Total equity & liabilities | 5,156 | 4,976 | 4,755 | 4,381 |

| Camilleri Finance p.l.c. Statement of cash flows | | | | | |
|---|----------------------|----------------------|----------------------|---------------------|---------------------|
| €000 | FY2020A 12 months | FY2021A 12 months | FY2022A 12 months | FY2022M 6 months | FY2023M 6 months |
| Net cash from operating activities | 35 | 36 | 28 | (79) | (100) |
| Net cash from financing activities | 48 | (18) | - | - | 11 |
| Movement in cash and cash equivalents | 82 | 17 | 28 | (79) | (89) |
| Cash and cash equivalents at the beginning | 269 | 352 | 369 | 369 | 397 |
| Cash and cash equivalents at the end | 352 | 369 | 397 | 290 | 308 |

In June 2017, the Issuer successfully raised €5,000,000 through the issuance of 4.75% unsecured bonds on Prospects MTF List. The bonds are repayable in full upon maturity on 18 June 2027 (together with interest accrued to date) unless previously re-purchased, cancelled or redeemed. The amount of €4,900,000 (being the bond proceeds net of issue costs) was on-lent to Orion Retail.

Finance income represents the interest generated on the loans granted to Orion Retail, which totalled €1,200,000 million between 1 January 2020 and 30 June 2023. Finance costs represent the accrued interest on the outstanding debt security, which totalled €771,000 during the same period. After accounting for administrative expenses and taxation, profit generated by the Issuer between 1 January 2020 and 30 June 2023 amounted to €58,000.

8.2 THE GROUP

The financial information included hereinafter is extracted from the audited financial statements of the Group for the financial years ended 31 December 2020, 2021 and 2022 and the unaudited interim financial statements of the Group for the six-month periods ending 30 June 2022 and 30 June 2023.

The audited financial statements of the Group are incorporated by reference and can be accessed on the Issuer's website (www.orion.com.mt) and are available for inspection at its registered office as set out in section 14 of this Registration Document.

There has been no significant changes in the financial or trading position of the Group which has occurred since the interim financial information has been published.

| Key references | Page number in the financial statements report | | | Page number in interim financial statements |
|-----------------------------------|--|---------------------------------------|---------------------------------------|---|
| | Financial year ended 31 December 2020 | Financial year ended 31 December 2021 | Financial year ended 31 December 2022 | Interim financial information for the six months ended 30 June 2023 |
| Independent Auditors' Report | 44-46 | 44-46 | 45-47 | n/a |
| Statement of Comprehensive Income | 4 | 4 | 4 | 4 |
| Statement of Financial Position | 5 | 5 | 5 | 5-6 |
| Statement of Cash Flows | 7 | 7 | 7 | 7 |
| Notes to the Financial Statements | 8-43 | 8-43 | 8-44 | 8-10 |

The audit reports of these three financial years do not contain any qualification, modification of opinion or disclaimers. The audit reports for the years ended 31 December 2021 and 31 December 2022 contain an emphasis of matter issued by the auditor. These are being reproduced below:

31 December 2021

We draw your attention to the disclosure made in note 2.1 to the financial statements concerning the group's financial position. The financial statements have been prepared on the going concern basis, the validity of which depends on the continuing financial support of the group's shareholders. Our opinion is not qualified in this report.

31 December 2022

We draw your attention to the disclosure made in note 2.1 to the financial statements concerning the group's financial position. The financial statements have been prepared on the going concern basis, the validity of which depends on the success of obtaining the necessary financing. Our opinion is not qualified in this report.

| Camilleri Holdings Limited Consolidated statement of comprehensive income as at | | | | | |
|--|----------------------|----------------------|----------------------|---------------------|---------------------|
| €000 | FY2020A 12 months | FY2021A 12 months | FY2022A 12 months | FY2022M 6 months | FY2023M 6 months |
| Revenue | 14,595 | 16,283 | 18,396 | 8,591 | 8,729 |
| Cost of goods sold | (9,527) | (9,808) | (11,019) | (5,092) | (4,978) |
| Gross profit | 5,068 | 6,475 | 7,377 | 3,499 | 3,751 |
| Other Income | 1,761 | 1,652 | 842 | 383 | 157 |
| Administrative expenses | (8,084) | (7,017) | (8,565) | (3,600) | (3,904) |
| Finance costs | (934) | (813) | (856) | (410) | (485) |
| Profit before tax | (2,188) | 297 | (1,203) | (129) | (480) |
| Tax income/(expense) | 928 | 34 | 486 | (173) | (182) |
| Profit/(loss) for the year | (1,260) | 331 | (717) | (301) | (662) |
| Other comprehensive income | | | | - | |
| Revaluation of property plant and equipment | 1,517 | - | 1,129 | - | - |
| Tax effect on revaluation | (138) | - | (103) | - | - |
| Other comprehensive income | 1,379 | - | 1,026 | - | - |
| Comprehensive income/(loss) for the year | 119 | 331 | 310 | (301) | (662) |

Camilleri Finance p.l.c.
Consolidated statement of financial position as at

| €000 | Dec-20 | Dec-21 | Dec-22 | Jun-23 |
|---------------------------------------|---------------|---------------|---------------|---------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Goodwill | 3,610 | 3,610 | 3,610 | 3,610 |
| Intangible assets | 492 | 469 | 433 | 429 |
| Property, plant and equipment | 25,370 | 25,142 | 26,071 | 25,913 |
| Right-of-use assets | 6,501 | 5,559 | 5,108 | 4,808 |
| Long-term financial assets | 352 | 124 | 146 | - |
| Investment property | 16 | 16 | 16 | 16 |
| Investment in associates | 28 | 28 | 28 | 28 |
| Deferred tax assets | 1,842 | 2,074 | 2,566 | 2,484 |
| Sinking fund | 200 | 250 | 300 | 11 |
| Total non-current assets | 38,411 | 37,273 | 38,279 | 37,300 |
| Current assets | | | | |
| Inventories | 2,716 | 3,886 | 4,098 | 4,648 |
| Trade and other receivables | 2,201 | 1,923 | 1,589 | 1,433 |
| Cash and cash equivalents | 2,160 | 2,319 | 2,249 | 242 |
| Current tax asset | 27 | 27 | - | - |
| Total current assets | 7,103 | 8,154 | 7,937 | 6,323 |
| Total assets | 45,514 | 45,427 | 46,217 | 43,623 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Share capital | 75 | 75 | 75 | 75 |
| Retained earnings | 4,360 | 4,691 | 3,974 | 3,231 |
| Revaluation reserve | 13,130 | 13,130 | 14,156 | 14,156 |
| Total equity | 17,565 | 17,896 | 18,205 | 17,462 |
| Non-current liabilities | | | | |
| Bonds payable | 4,847 | 4,655 | 4,413 | 4,127 |
| Borrowings | 6,383 | 5,219 | 4,094 | 4,746 |
| Long-term financial liabilities | 8 | 8 | 1 | - |
| Trade and other payables | - | 255 | 291 | - |
| Lease liabilities | 6,162 | 5,343 | 4,911 | 4,552 |
| Deferred tax liabilities | 907 | 900 | 1,009 | 1,002 |
| Total non-current liabilities | 18,307 | 16,380 | 14,719 | 14,428 |
| Current liabilities | | | | |
| Borrowings | 1,851 | 3,067 | 5,031 | 3,282 |
| Current tax liability | 337 | 241 | 46 | 234 |
| Trade & other payables | 6,616 | 7,050 | 7,324 | 7,294 |
| Lease liabilities | 838 | 792 | 892 | 923 |
| Total current liabilities | 9,642 | 11,151 | 13,293 | 11,733 |
| Total liabilities | 27,949 | 27,531 | 28,011 | 26,161 |
| Total equity & liabilities | 45,514 | 45,427 | 46,217 | 43,623 |

| Camilleri Holdings Limited | | | | | |
|--|------------------|------------------|------------------|-----------------|-----------------|
| Consolidated statement of cash flows | | | | | |
| €000 | FY2020A | FY2021A | FY2022A | FY2022M | FY2023M |
| | 12 months | 12 months | 12 months | 6 months | 6 months |
| Net cash from/(used in) operating activities | 3,189 | 1,727 | 1,025 | (452) | (248) |
| Net cash from/(used in) investing activities | (79) | (223) | (185) | (78) | (69) |
| Net cash from/(used in) financing activities | (709) | (2,481) | (2,951) | (1,268) | (1,010) |
| Net change in cash and cash equivalents | 2,401 | (977) | (2,111) | (1,797) | (1,327) |
| Cash and cash equivalents at the beginning | (1,026) | 1,375 | 398 | 398 | (1,713) |
| Cash and cash equivalents at the end | 1,375 | 398 | (1,713) | (1,399) | (3,040) |
| Bank overdrafts | 785 | 1,921 | 3,962 | 1,587 | 3,282 |
| Cash and cash equivalents after overdraft | 2,160 | 2,319 | 2,249 | 188 | 242 |

Revenue increased from €14,595,258 in FY2020 to €18,395,716 in FY2022, which translates to a compound annual growth rate increase of 8.0%. Fashion retail is the Group's main revenue driver, representing over 85% of the total revenue during the period under review. This relates to the sale of fashion wear and related items through a chain of retail outlets and online stores operated and managed by the Group under various brands. The remaining 15% of total revenue is generated through the Group's food and beverage operations.

| Revenue by segment | | | | | |
|---------------------------|------------------|------------------|------------------|-----------------|-----------------|
| €000 | FY2020A | FY2021A | FY2022A | FY2022M | FY2023M |
| | 12 months | 12 months | 12 months | 6 months | 6 months |
| Fashion retail | 12,910 | 14,050 | 15,175 | 7,212 | 7,175 |
| Food and beverage | 1,686 | 2,233 | 3,220 | 1,380 | 1,554 |
| Total revenue | 14,595 | 16,283 | 18,396 | 8,592 | 8,729 |

The Group generated revenue of €14,595,258 in FY2020, equivalent to a 29.4% drop when compared to the prior year (FY2019: €20,679,690). This is primarily due to the unprecedented disruptions in the operations of businesses worldwide, including Malta, following the onset of COVID-19. During FY2020, the M&Co franchise was liquidated internationally and management converted the M&Co outlet in Valletta to Jules/Morgan de toi.

The Group's financial performance in FY2021 improved as the rapid vaccination programme in May 2021 led to the gradual easing of a number of restrictions impacting the Group's retail and food and beverage outlets. The Group's operations in FY2021 were also affected by (i) the sale of the Miss Selfridge brand internationally in June 2021 resulting in the conversion of Miss Selfridge Plaza to Jules and Miss Selfridge PAMA to Lipsy London; (ii) the discontinuation of the George brand in January 2021 as Management decided not to extend the franchise agreement and, as a result, the three George outlets were converted to Matalan; and (iii) the opening of one Jules outlet and one Morgan de toi outlet in Valletta in August 2021. Consequently, the Group's revenue in FY2021 was 11.6% higher than the previous year.

The 13.0% increase in FY2022 revenue over the previous year was partly due to the improved conditions as the local elections in Malta were held in March and as all pandemic restrictions were lifted in April. Furthermore, in FY2022, the Group opened a Morgan de toi outlet and a second sweetshop in Gozo, and added another canteen to its portfolio.

During the first six months of FY2023, the Group generated revenue of €8,729,062, representing an increase of 2% over the first six months of FY2022. The Group's revenue is seasonal in nature, with the second half of the year generating most of its annual revenue driven by weddings and events which typically place during summer, Black Friday and Christmas.

Cost of goods sold mainly includes cost of inventories sold in the fashion retail and food and beverage business. Gross Profit Margin increased steadily during the period under review from 34.7% in FY2020 to 40.1% by FY2022.

Administrative expenses of the Group are centralised and paid from Camilleri Holdings Limited, and thereafter recharged to its subsidiaries. Administrative expenses include staff costs, rent, advertising, water and electricity, laundry and cleaning expenses, professional fees, and depreciation and amortisation among others.

Administrative expenses decreased from €8,083,978 in FY2020 to €7,016,554 in FY2021 driven by the Group's operational disruptions caused by the COVID-19 pandemic, which in turn saw a reduction in wages and salaries, repairs and maintenance and selling and distribution expenses. These then increased to €8,565,280 in FY2022 primarily due to write-offs amounting to €1,200,000 composed of €660,000 inventory write-off and €523,000 bad debts and receivables write-off.

Depreciation and amortisation includes the depreciation of property, plant and equipment, amortisation of intangible assets and amortisation of the Group's leases. These are depreciated and amortised on a straight-line basis over the estimated useful life.

Finance costs exceed €800k per annum and comprise bank interest on the Group's bank loans bond interest on the 2017 Orion Prospects Bonds and unwinding on the lease liability in line with IFRS 16, Leases.

Overall, the Group reported total comprehensive income during the period under review. In FY2020 and FY2022, the Group revalued its Properties, which increase in property value is accounted for within other comprehensive income. The Properties were valued by an independent architect.

Non-current assets in the statement of financial position as at 30 June 2023 amounted to €37,300,153 (31 December 2022: €38,279,296). Material non-current assets include: (i) property, plant and equipment amounting to €25,912,776 (2022: €26,070,519) comprising of the Properties which were revalued in both FY2020 and FY2022; (ii) right-of-use assets amounting to €4,808,129 (31 December 2022: €5,108,101) which relates to Group's rights over its leased outlets; (iii) goodwill of €3,610,000 (31 December 2022: €3,610,000) in relation to the Group's acquisition of J.P. Caruana confectionery and Cyka Limited in FY2017; and (iv) deferred tax assets totalling €2,483,796 (31 December 2022: €2,566,344) pertaining to tax losses carried forward.

Current assets as at 30 June 2023 amounted to €6,323,085 (31 December 2022: €7,937,284) and primarily include inventories, trade and other receivables, and cash and cash equivalents. Current liabilities stood at €11,733,122 (31 December 2022: €13,292,616), made up mainly of bank borrowings, trade and other payables and lease liabilities on account of IFRS 16.

Non-current liabilities as at 30 June 2023 amounted to €14,427,901 (31 December 2022: €14,718,612) and mainly include bank borrowings, the balance of the 2017 Orion Prospects Bonds, deferred tax liabilities and lease liabilities on account of IFRS 16.

Total equity of the Group as at 30 June 2023 stood at €17,462,461 (31 December 2022: €18,205,352) composed of share capital of €75,236, retained earnings of €3,231,201, and revaluation reserve of €14,156,204.

Between 1 January 2020 and 30 June 2023, the Group generated €5,693,380 from operating activities principally reflecting the improvements in the Group's operations following the discontinuation of non-performing outlets and refurbishing the same to accommodate profitable brands and the opening of additional fashion outlets, a confectionery shop and two more canteens.

Net cash flows used in investing activities during the period totalled €556,781 mainly reflecting the acquisition or disposal of property, plant and equipment and movements in right-of-use assets which are reflective of the aforesaid changes in operations.

Over the period under review, the Group used €7,150,589 in financing activities which include: (i) €1,960,838 net repayments of bank loans; (ii) €4,748,518 related to rent/lease payments; (iii) payments received from related parties amounting to €305,735; and (iv) transfers of cash to the sinking fund net of the partial redemption of the 2017 Orion Prospects Bonds amounting to €746,968.

9. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

9.1 BOARD OF DIRECTORS OF THE ISSUER

The Company's governance principally lies in its Board of Directors, responsible for the general governance of the Company and to set its strategic aims, for its proper administration and management and for the general supervision of its affairs. Its responsibilities include the oversight of the Company's internal control procedures and financial performance, and the review of the Company's business risks, thus ensuring such risks are adequately identified, evaluated, managed and minimised.

The M&A provides that the Board of Directors shall be composed of not more than seven (7) and not less than three (3) directors. The business address of each Director is the same as the registered address of the Company.

The Directors of the Company are included in section 4.1 of this Registration Document. A *curriculum vitae* for each of the Directors is set out below.

Christos Barmperis

Mr. Christos Barmperis holds a Bachelor of Science (Honours) in Marketing from the American University of Athens and a Master of Business Administration, with specific focus given to Finance, from the City University of Seattle. Mr Barmperis joined Camilleri Group in January 2013 as Chief Operations Officer. He was then promoted to Managing Director and now holds the role of Chief Executive Officer of the Group. Prior to that, he served at C Level positions in leading retailing global brands such as Carrefour group, Dixons group, Intersport and other regional brands in Europe and the Balkans, accumulating international experience in over 8 countries.

Anthony Camilleri

Anthony Camilleri is the eldest of the founding members of the Group. He was the catalyst for the diversification of the Group from confectionery and catering into retail fashion. Mr Camilleri has been in the family business for over 50 years and has over 35 years' experience in the fashion sector. He has been instrumental in the expansion of the business into its current form as CEO of the Group. Anthony is president of the Valletta Merchants Street Business Community and is also a founding Governor of the Valletta Alive Foundation.

Michael Borg Costanzi

Dr. Michael Borg Costanzi is a lawyer by profession and is currently a legal advisor at Mamo TCV Advocates. Prior to joining Mamo TCV in 2015, Dr Borg Costanzi spent 35 years at Bank of Valletta p.l.c. whereby he held various senior executive roles including Chief Officer, with responsibility for Bank of Valletta's legal office. He was also a member of the Bank's Executive Committee and Compliance and Risk Management Committees. Between 2000 and 2009, Michael lectured banking students and law students at the University of Malta. In addition to Orion Retail Investments Limited and Camilleri Finance p.l.c., Michael presently sits on the Board of Mediterranean Maritime Hub Finance p.l.c., Klikk Finance p.l.c., and FCM Bank Limited.

John Soler

John Soler has more than 40 years' experience in retail banking after holding several senior positions with Bank of Valletta p.l.c. He led the bank's operations for over a decade before being appointed to the senior management team as Chief Officer Credit, with responsibility for Bank of Valletta's lending portfolio, including consumer lending, business lending, home loans and card business. Mr Soler presently is chairman of the board of FCM Bank Ltd, and sits on the board of AX Group p.l.c., Valletta Cruise Port p.l.c. and KA Holdings p.l.c. He is Chairman of the Audit Committee of AX Group p.l.c..

9.2 BOARD OF DIRECTORS OF THE GUARANTOR

A board of eight (8) directors is entrusted with the Guarantor's day-to-day management. The business address of each director is at the registered office of the Issuer. The composition of the board of directors of the Guarantor is provided in section 4.1 of this Registration Document. The *curriculum vitae* for Mr Christos Barmperis and Mr Anthony Camilleri are provided in section 9.1 of this Registration Document.

The *curriculum vitae* for the remaining directors of the Guarantor are provided below:

Joseph Camilleri

Joseph Camilleri's work experience started in 1980 when he started his journey as a retail outlet manager at the Group's sweets shop in Valletta. He then occupied several managerial roles ranging from the factory manager to the BHS shop manager in Sliema. Later, he was entrusted with the role of brand director for two decades for Camilleri Trading Limited.

Andre Camilleri

Andre Camilleri is the youngest brother of the fourth generation of the business. He has been involved in the management of the organisation for the past 35 years. Andre was initially involved with the running of the sweets shop in Valletta and the outside catering operations. He was heavily involved in the opening of the first BHS outlet in Malta in Merchants Street. For the past number of years, he has been solely responsible for the management of the logistics division of the entire group.

Alexia Spiteri

Alexia Spiteri is a Marketing Executive at Camilleri Holdings Limited with six years of experience. Working alongside the Marketing Manager, she develops and oversees marketing plans and campaigns for the various brands of the Group. Prior to her current role, Alexia held the position of Catering Manager for fourteen years whereby she was responsible for the Catering Division of the Group. Alexia holds a Bachelor's Degree in Management from the University of Malta and a Master of Science in Food Management from the University of Surrey.

Ann Micallef

Ann Micallef joined the business in 2003 as a sales assistant. She moved through the ranks and commenced working in administration while attending the University of Malta. In 2006, Ann joined PricewaterhouseCoopers as a junior associate in Audit and Business Assurance, where she obtained four years of experience. Given that she always admired the family business, she re-joined the Group in 2010 as an Operations Manager for one of the franchise brands. By 2012 she was responsible for three fashion retail brands and ten local retail outlets. She served as an Operations Manager to the Group's fashion sector for three years until she was promoted to General Manager at the end of 2015, responsible for the Retail Operations and Marketing functions within the Group. Ann Micallef holds a Bachelor's degree in Accountancy (Honours) from the University of Malta.

Christian Camilleri

Having graduated from Leicester University with a Diploma in Business Management, Christian Camilleri oversees the role of General Manager at C. Camilleri and Sons Limited. Christian has over 20 years of experience, holding different managerial roles within the company. He is responsible for the work involved behind planning and budgeting various aspects of the business as well as aiding in resolving customer complaints and boosting team performances.

Pierre Griscti

Pierre Griscti joined the Camilleri group in 1989 in the early years of the fashion business as a finance executive. He was promoted to Chief Financial Officer in 2016. Pierre was a key player in the financial growth and development of the Group as one of the leading players in the catering, confectionery and fashion sectors. Pierre is a member of the Association of Chartered Certified Accountants and sits on the Board of Directors and various committees of the group companies.

9.3 SENIOR MANAGEMENT

The following are the respective key members of the Group's senior management team:

| | |
|---------------------|--------------------------------------|
| Christos Barmperis: | Chief Executive Officer |
| Pierre Griscti: | Chief Finance Officer |
| Alexander Fabri: | Group I.T. Manager |
| Caroline Mercieca: | Group Marketing Head |
| Mark de Gray: | General Manager - Camilleri Catering |
| Romina Mohnani: | Retail Head Buyer - Fashion Brands |

The business address of the members of senior management is the same as that of the Guarantor. The *curriculum vitae* for Mr Christos Barmperis and Mr Pierre Griscti are provided in section 9.1 and section 9.2 of this Registration Document.

The *curriculum vitae* for the remaining key members of the Group's senior management team are provided below:

Alexander Fabri

Alexander Fabri commenced his career in April 1995 as a system administrator at the Malta Financial Services Centre. In 2001 he joined a global software development company, however in January 2002, he joined Philip Toledo Limited as a software support engineer. He then joined the Group in October 2003 as the Group I.T. Manager. In 2018, Alexander obtained a Master of Business Administration with Distinction in Business Management and Leadership Skills from Anglia Ruskin University in Cambridgeshire, England in 2018.

Caroline Mercieca

Caroline Mercieca, an accomplished marketing, and communications professional has dedicated a decade of her career to achieving results at the Group. Presently holding the role of Group Head of Marketing, she carries a track record of accomplishments across various sectors. Caroline's journey began as a Marketing Executive at the Group, where she managed social media, focusing on improving brand awareness. She holds a Professional Diploma in Digital Marketing from the ICE Malta to keep abreast of changes of the profession. Caroline also holds experience in office management and beyond her corporate roles, she managed a salon business.

Mark de Gray

Having studied at De La Salle College and ITS, Mark de Gray is an accomplished professional in the culinary industry holding years of experience. He started his career at Corinthia Inflight Catering and became involved in productions, menu planning, presentation and costing for both local and international airlines, ultimately reaching a managerial position. Whilst occupying several roles at Corinthia for nearly two decades, he enrolled himself in Food Safety and HACCP courses and was involved in business ventures in Libya in the same line of work. He was also responsible for running the catering operations for James Caterers. Apart from this, Mark was entrusted with setting up catering operations in three small hospitals, several elderly homes, and the new hospital Catering operation. He currently holds the role of General Manager of the Catering Operations and 'Olive Gardens', whilst simultaneously managing the four canteens operated by the Group.

Romina Mohnani

Romina Mohnani is a Retail Head Buyer for the Fashion Operations within the Group and has been so for the past 20 years, with her main achievements including the implementation of strategies for market specific procurement. In 2001 she worked for purchasing within Time International, mainly retailing sportswear and luxury watches. Prior to that, Romina was involved in the management of her family business within the textile industry. Romina was educated at the Convent of the Sacred Heart in St Julian's, Malta and furthered her education at the American College in London where she earned a Diploma in Commercial Art.

9.4 AUDIT COMMITTEE

The Audit Committee's primary objective is to assist the Board in fulfilling its oversight responsibilities over the financial reporting processes, financial policies and internal control structure. The Audit Committee oversees the conduct of the internal and external audit and acts to facilitate communication between the Board, management and the internal and external auditors. The Audit Committee reports directly to the Board.

The Audit Committee is composed of Mr Anthony Camilleri (non-executive Director), Mr John Soler (independent non-executive Director) and Dr Michael Borg Costanzi (independent non-executive Director). The Chairman of the Audit Committee, appointed by the Board, is entrusted with reporting to the Board on the workings and findings of the Audit Committee. Mr John Soler occupies the post of Chairman of the Audit Committee and is considered by the Board to be competent in accounting and, or auditing in terms of the Capital Markets Rules.

9.5 CONFLICTS OF INTEREST

As at the date of this Registration Document, Mr Anthony Camilleri and Mr Christos Barmperis are Directors and directors of the Guarantor. As such, they are susceptible to conflicts between the potentially diverging interests of the Company and the Guarantor. These could arise *inter alia* in a parent/subsidiary and/or lender/borrower scenario. Moreover, Mr Anthony Camilleri is a Director and a director on the Subsidiaries. As such, he is susceptible to conflicts between the

potentially diverging interests of the Company and the Subsidiaries. These could arise *inter alia* in a parent/subsidiary and/or lessor/lessee scenario.

However, in accordance with Article 67 of the Articles, a director who is in any way, whether directly or indirectly, interested in a contract or proposed contract or in any transaction or arrangement (whether or not constituting a contract) with the Company shall declare the nature of his interest at a meeting of the directors and save for as provided in the Articles, a director shall not vote in respect of any contract or arrangement or any other proposal in which he has any material interest.

Furthermore, as already mentioned, the Company's audit committee acts as gatekeeper in order to ensure no potential conflicts of interest between the Company and any related parties. No private interests or duties unrelated to the Issuer have been disclosed by the respective directors which may or are likely to place any of them in conflict with any interests in, or duties towards, each other. To the extent known or potentially known to the Issuer as at the date of the Prospectus, there are no other potential conflicts of interest between any duties of the Directors and their respective private interests and/or their other duties, which require disclosure in terms of the Prospectus Regulation.

9.6 COMPLIANCE WITH THE CODE OF PRINCIPLES OF GOOD CORPORATE GOVERNANCE

The Issuer complies with the Code of Principles of Good Corporate Governance (the “**Code**”), save as is provided below. The Issuer adopts measures in line with the Code with a view to ensuring that all transactions are carried out at arm's length. As at the date hereof, the Board considers the Issuer to be in compliance with the Code save for the following exceptions:

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

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

Going forward, the Issuer shall, on an annual basis, in its annual report, explain the level of the Issuer's compliance with the principles of the Code, explaining the reasons for non-compliance, if any, in line with the requirements of the Capital Markets Rules.

10. LEGAL AND ARBITRATION PROCEEDINGS

There are no governmental, legal or arbitration proceedings, either actual or threatened, during a period covering the previous twelve (12) months which may have or have had a significant effect on the financial position or profitability of the Company or the Guarantor.

11. MATERIAL CONTRACTS

There are no contracts that have been entered into outside the ordinary course of business of the Company or the Guarantor which could result in any group member being under an obligation or an entitlement that is material to the ability of the Company or the Guarantor to meet their obligations to security holders in respect of the securities being issued.

12. ADDITIONAL INFORMATION

12.1 SHARE CAPITAL OF THE COMPANY

As at the date of the Prospectus, the authorised share capital of the Company is two hundred and fifty thousand Euro (€250,000) divided into:

- two hundred and forty nine thousand nine hundred and ninety nine (249,999) Ordinary A Shares of one (1) Euro each; and
- one (1) Ordinary B Share of one (1) Euro each.

The issued share capital of the Company is two hundred and fifty thousand Euro (€250,000) divided into:

- two hundred and forty nine thousand nine hundred and ninety nine (249,999) Ordinary A Shares of one (1) Euro each; and
- one (1) Ordinary B Share of one (1) Euro each.

There is no capital of the Company which is currently under option.

12.2 SHARE CAPITAL OF THE GUARANTOR

As at the date of the Prospectus, the authorised share capital of the Guarantor is seventy five thousand four hundred and fifty six Euro (€75,456) divided into:

- twelve thousand five hundred and seventy six (12,576) Ordinary A Shares of two (2) Euro each;
- twelve thousand five hundred and seventy six (12,576) Ordinary B Shares of two (2) Euro each; and
- twelve thousand five hundred and seventy six (12,576) Ordinary C Shares of two (2) Euro each.

The issued share capital of the Guarantor is seventy five thousand four hundred and fifty six Euro (€75,456) divided into:

- twelve thousand five hundred and seventy six (12,576) Ordinary A Shares of two (2) Euro each;
- twelve thousand five hundred and seventy six (12,576) Ordinary B Shares of two (2) Euro each; and
- twelve thousand five hundred and seventy six (12,576) Ordinary C Shares of two (2) Euro each

There is no capital of the Guarantor which is currently under option.

12.3 MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY

The Articles of the Company are registered with the Malta Business Registry. A full list of the objects for which the Company is established is provided in Article 3 of the Memorandum. These objects include *inter alia*:

To carry on the business of a finance and investment company in connection with the ownership, development, operation and financing of the business activities of any related company, whether in Malta or overseas, and thereby, to lend or advance money or otherwise give credit to any related company, with or without security, on such terms as the directors may deem fit; and to invest and deal with the moneys of related companies in such manner as the directors may deem fit

12.4 MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE GUARANTOR

The Guarantor's memorandum and articles of association are registered with the Malta Business Registry. A full list of the objects for which the Company is established is provided in Article 3 of the Memorandum. These objects include *inter alia*:

To subscribe for, acquire, hold, manage, administer, dispose or otherwise deal with, directly or indirectly, any shares, stock, debentures, debenture stock, bonds, notes, options, interests in or securities of all kinds of any company, corporation, entity, partnership or other body of persons, only in the name of and on behalf of the company

13. INTEREST OF EXPERTS AND ADVISERS

Save for the financial analysis summary set out as Annex IV to the Securities Note, the Prospectus does not contain any statement or report attributed to any person as an expert.

The financial analysis summary has been included in the form and context in which they appear with the authorisation of Calamatta Cuschieri Investment Services Limited, which has given and has not withdrawn its consent to the inclusion of such reports herein. Calamatta Cuschieri Investment Services Limited does not have any material interest in the Company. The Company confirms that the financial analysis summary has been accurately reproduced in the Prospectus and that there are no facts of which the Company is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

14. DOCUMENTS ON DISPLAY

For the duration period of this Registration Document the following documents shall be available for inspection at the registered address of the Company during office hours:

- i. the Memorandum and Articles of Association of the Company;
- ii. the Memorandum and Articles of Association of the Guarantor;
- iii. the audited financial statements for the years ended 2020, 2021 and 2022 of the Company;
- iv. the audited financial statements for the years ended 2020, 2021 and 2022 of the Guarantor;
- v. the unaudited interim financial statements of the Company and the Guarantor covering the periods between 1 January 2022 and 30 June 2022 and 1 January 2023 and 30 June 2023;
- vi. the financial analysis summary dated 19 December 2023 and prepared by Calamatta Cuschieri Investment Services Limited, as reproduced in Annex IV of the Securities Note; and
- vii. the Guarantee.

The documents listed above are also available for inspection in electronic form on the Issuer's website: www.orion.com.mt

SECURITIES NOTE

DATED 19 DECEMBER 2023

This document is a Securities Note issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules and of the Prospectus Regulation.

This Securities Note is issued pursuant to the requirements of Rule 4.14 of the Capital Markets Rules and contains information about the Bonds being offered by the Issuer pursuant to the Bond Issue. Application has been made for the admission to listing and trading of the Bonds of the Company on the Official List of the Malta Stock Exchange. This Securities Note should be read in conjunction with the most updated Registration Document issued from time to time containing information about the Company.

Issue of €15,000,000 6.25% unsecured Bonds 2034
By



A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA
WITH COMPANY REGISTRATION NUMBER C 80722

Due on the Redemption Date with the joint and several Guarantee* of the Guarantor

*Prospective investors are to refer to the Guarantee contained in Annex II of this Securities Note forming part of the Prospectus for a description of the scope, nature and term of the Guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in the Prospectus for a discussion of certain risk factors which should be considered by prospective investors in connection with the Bonds and the Guarantee provided by the Guarantor.

ISIN: MT0001521211

Legal Counsel

MAMO TCV
ADVOCATES

Sponsor, Manager & Registrar



THIS SECURITIES NOTE HAS BEEN APPROVED BY THE MFSA, AS COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MFSA ONLY APPROVED THIS SECURITIES NOTE AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER AND THE SECURITIES THAT ARE THE SUBJECT OF THIS SECURITIES NOTE. INVESTORS SHOULD MAKE THEIR OWN ASSESSMENT AS TO THE SUITABILITY OF INVESTING IN THE SECURITIES, THE SUBJECT OF THIS SECURITIES NOTE.

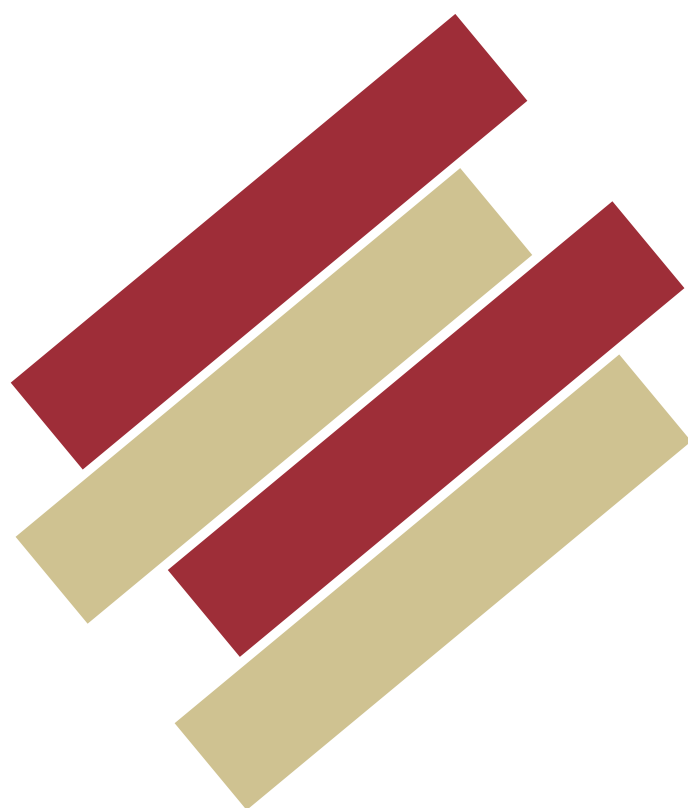
THE MFSA ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS, INCLUDING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

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN FINANCIAL ADVISER.

APPROVED BY THE DIRECTORS

Anthony Camilleri

in his capacity as Director, and for and on behalf of Christos Barmperis, Michael Borg Costanzi and John Soler



Contents

| | | | | | |
|------|--|----|------|---|----|
| 1 | DEFINITIONS | 47 | 5.14 | Negative Pledge | 56 |
| | | | 5.15 | Authorisations and Approvals | 56 |
| 2 | RISK FACTORS | 48 | 5.16 | Notices | 56 |
| 2.1 | Forward Looking Statements | 48 | 5.17 | Governing Law and Jurisdiction | 56 |
| 2.2 | Suitability of Investment | 48 | | | |
| 2.3 | Risks Relating to the Bonds | 48 | 6 | TAXATION | 57 |
| 2.4 | Risks Relating to the Guarantee | 49 | 6.1 | General | 57 |
| | | | 6.2 | Tax on Interest | 57 |
| 3 | PERSONS RESPONSIBLE | 49 | 6.3 | Exchange of Information | 57 |
| 3.1 | Consent for Use of Prospectus | 49 | 6.4 | Taxation on Capital Gains on a Transfer of the Bonds | 58 |
| 4 | ESSENTIAL INFORMATION | 50 | 7 | TERMS AND CONDITIONS OF THE BOND ISSUE | 59 |
| 4.1 | Reasons for the Issue and Use of Proceeds | 50 | 7.1 | Expected Timetable of the Bond Issue | 59 |
| 4.2 | Expenses | 51 | 7.2 | Terms and Conditions of Application | 59 |
| 4.3 | Issue Statistics | 51 | 7.3 | Plan of Distribution and Allotment | 62 |
| 4.4 | Interest of Natural and Legal Persons Involved in the Issue | 52 | 7.4 | Applications by Existing 2017 Orion Prospects Bondholders | 62 |
| 5 | INFORMATION CONCERNING THE SECURITIES TO BE ISSUED AND ADMITTED TO TRADING | 52 | 7.5 | Intermediaries' Offer | 63 |
| | | | 7.6 | Pricing | 63 |
| 5.1 | General | 52 | 7.7 | Allocation Policy | 63 |
| 5.2 | Ranking of the Bonds | 53 | 7.8 | Admission to Trading | 63 |
| 5.3 | Rights attaching to the Bonds | 53 | 7.9 | Credit Rating | 63 |
| 5.4 | Interest | 53 | 7.10 | Additional Information | 64 |
| 5.5 | Yield | 53 | | | |
| 5.6 | Registration, Form, Denomination and Title | 53 | | ANNEX I – LIST OF AUTHORISED FINANCIAL INTERMEDIARIES | 65 |
| 5.7 | Redemption and Repurchase of the Bonds | 54 | | | |
| 5.8 | Payments | 54 | | ANNEX II – GUARANTEE | 66 |
| 5.9 | Redemption and Purchase | 54 | | | |
| 5.10 | Events of Default | 55 | | ANNEX III – SPECIMEN APPLICATION FORM | 70 |
| 5.11 | Transferability of the Bonds | 55 | | | |
| 5.12 | Further Issues | 55 | | | |
| 5.13 | Meetings of Bondholders | 55 | | ANNEX IV – FINANCIAL ANALYSIS SUMMARY | 72 |

IMPORTANT INFORMATION

IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES, THE COMPANIES ACT AND THE PROSPECTUS REGULATION, THIS SECURITIES NOTE CONTAINS INFORMATION ON AN ISSUE BY THE ISSUER OF €15,000,000 BONDS 2034 OF A NOMINAL VALUE OF €100 PER BOND ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 6.25% PER ANNUM PAYABLE ANNUALLY ON 23 FEBRUARY OF EACH YEAR UNTIL THE REDEMPTION DATE. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON THE REDEMPTION DATE UNLESS OTHERWISE PREVIOUSLY REPURCHASED FOR CANCELLATION.

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

THIS SECURITIES NOTE HAS BEEN APPROVED BY THE MFSA AS COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MFSA ONLY APPROVES THIS SECURITIES NOTE AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHALL NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER THAT IS THE SUBJECT OF THIS SECURITIES NOTE.

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER BY ANY PERSON IN ANY JURISDICTION (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THE PROSPECTUS AND ANY PERSONS WISHING TO ACQUIRE ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES OF THE COMPANY ADMITTED TO TRADING ON THE MSE SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF SO APPLYING FOR ANY SUCH SECURITIES AND OF ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE SECURITIES DESCRIBED IN THIS SECURITIES NOTE OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED THE PROSPECTUS REGULATION ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF SAID REGULATION, THE SECURITIES CAN ONLY BE OFFERED TO "QUALIFIED INVESTORS" (AS DEFINED IN SAID REGULATION) AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF SAID REGULATION.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE MFSA IN SATISFACTION OF THE CAPITAL MARKETS RULES, TO THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH THE COMPANIES ACT.

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

ALL THE ADVISERS TO THE COMPANY NAMED IN THE REGISTRATION DOCUMENT UNDER THE HEADING "*IDENTITY OF DIRECTORS, ADVISERS AND AUDITORS*" IN SECTION 4 OF THE REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE COMPANY IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE INFORMATION ON THE ISSUER'S WEBSITE DOES NOT FORM PART OF THE PROSPECTUS UNLESS THAT INFORMATION IS INCORPORATED BY REFERENCE INTO THE PROSPECTUS.

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 FINANCIAL AND OTHER PROFESSIONAL ADVISERS.

THIS SECURITIES NOTE IS VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE THEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO SUPPLEMENT THIS SECURITIES NOTE IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.

1 DEFINITIONS

Words and expressions and capitalised terms used in this Securities Note shall, except where the context otherwise requires and except where otherwise defined herein, bear the same meaning as the meaning given to such words, expressed and capitalised terms as indicated in the Registration Document forming part of the Prospectus. Additionally, the following words and expressions as used in this Securities Note shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

| | |
|--|---|
| Applicant/s | a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form or who apply for the subscription of Bonds through the Intermediaries' Offer; |
| Application/s | the application/s to subscribe for the Bonds made by an Applicant/s by (a) completing an Application Form/s and delivering same to any of the Authorised Financial Intermediaries, or (b) applying for the subscription of Bonds through the Intermediaries' Offer; |
| Application Form | the form of application of subscription for the Bonds by Existing 2017 Orion Prospects Bondholders, a specimen of which is contained in Annex III of this Securities Note; |
| Authorised Financial Intermediaries | the list of authorised financial intermediaries contained in Annex I of this Securities Note; |
| Bond Issue Price | the price of €100 per Bond; |
| Business Day | any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business; |
| CSD | the Central Securities Depository of the MSE; |
| Cut-Off Date | close of business on 19 December 2023 (trading session of 15 December 2023); |
| Existing 2017 Orion Prospects Bondholders | the holders of the 2017 Orion Prospects Bonds as at the Cut-Off Date; |
| Interest Payment Date | 23 February of each year between and including each of the years 2025 and the year 2034, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day; |
| Intermediaries' Offer | shall have the meaning provided in sub-heading 7.5 of this Securities Note; |
| Intermediaries' Offer Period | the period between 22 January 2024 to 9 February 2024 during which the Bonds are on offer for subscription by the Authorised Financial Intermediaries; |
| Issue Date | expected on 23 February 2024; |
| Nominal Amount | means €100 per Bond; |
| Placement Agreement/s | the conditional placement agreement/s entered into or to be entered into, as the case may be, between the Issuer and the Authorised Financial Intermediaries; |
| Redemption Date | 23 February 2034; |
| Redemption Premium | 1%; |
| Redemption Value | the nominal value of each Bond (€100 per Bond); and |
| Terms and Conditions | the terms and conditions of issue of the Bonds set out in section 7 of this Securities Note. |

Unless it appears otherwise from the context:

- Words importing the singular shall include the plural and *vice-versa*;
- Words importing the masculine gender shall include also the feminine gender and *vice-versa*;
- The word "may" shall be construed as permissive and the word "shall" shall be construed as imperative.
- The word "person" shall refer to both natural and legal persons.

2 RISK FACTORS

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.

THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL UPON MATURITY ON THE REDEMPTION DATE UNLESS THE BONDS ARE PREVIOUSLY RE-PURCHASED AND CANCELLED. THE ISSUER SHALL REDEEM THE BONDS ON THE REDEMPTION DATE.

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISORS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

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

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

2.1 FORWARD LOOKING STATEMENTS

This Securities Note contains “forward looking statements” which include, among others, statements concerning matters that are not historical facts and which may involve projections of future circumstances. These forward-looking statements are subject to a number of risks, uncertainties and assumptions and important factors that could cause actual risks to differ materially from the expectations of the Issuer’s Directors. No assurance is given that the future results or expectations will be achieved.

2.2 SUITABILITY OF INVESTMENT

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

- a. has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in the Prospectus or any applicable supplement;
- b. has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor’s currency;
- c. understands thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- d. be able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

2.3 RISKS RELATING TO THE BONDS

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

- a. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. Investors should also be aware that the price of fixed rate bonds should theoretically move adversely to changes in interest rates. When prevailing market interest rates are rising their prices decline and, conversely, if market interest rates are declining, the prices of fixed rate bonds rise. This is called market risk since it arises only if a Bondholder decides to sell the Bonds before maturity on the secondary market.
- b. A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder’s currency of reference, if different. Any adverse fluctuations may impair the return of investment of the Bondholder in real terms after taking into account the relevant exchange rate.
- c. Even after the Bonds are admitted to trading on the Official List of the MSE, the Issuer is required to remain in compliance with certain requirements relating, *inter alia*, to the free transferability, clearance and settlement of the Bonds in order to remain a listed company in good standing. Moreover, the MFSA has the authority to suspend trading or listing of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The MFSA may discontinue the listing of the Bonds on the MSE. Any such trading suspensions or listing revocations/discontinuations could have a material adverse effect on the liquidity and value of the Bonds.
- d. In the event that the Issuer wishes to amend any of the Terms and Conditions of the Bonds it shall call a meeting of Bondholders in accordance with the provisions of sub-section 5.13 of this Securities Note. These provisions permit

defined majorities to bind all Bondholders, including Bondholders who do not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority.

- e. The Bonds and the Terms and Conditions of the Bond Issue are based on the requirements of the Capital Markets Rules, the Act and the Regulation in effect as at the date of the Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of the Prospectus.

2.4 RISKS RELATING TO THE GUARANTEE

- a. The Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed by the Guarantor and shall at all times rank *pari passu* without any priority or preference among themselves. Whilst the assets of the Issuer are free and unencumbered, the Remaining Encumbrances will remain with respect to the assets of the Guarantor. Moreover, there can be no guarantee that privileges accorded by law in specific situations will not arise during the course of the business of each of the Issuer and the Guarantor which may rank with priority or preference to the Bond Obligations.
- b. Whilst guaranteed by the Guarantee, the Guarantor is not providing any of its assets as security for the bond obligations. Subject to the negative pledge, the Guarantor is not restricted from constituting hypothecs and privileges as security (even over the Properties) for its own and related parties' obligations which are outside the scope of this Bond. In such cases, the rights of the Bond Holders will rank after the aforementioned security that may be constituted by the Guarantor. Furthermore, as a result of the Current Encumbrances and Privileged Debt, in the case of a competition of creditors, the Privileged Debt and, until payment and cancellation, the Current Encumbrances (and subsequently, the Remaining Encumbrances) will rank prior to the claims of the Bondholders.
- c. There can be no guarantee that the value of the assets of the Issuer and/or the Guarantor (as may be provided as security in terms of the immediately preceding paragraph) will be sufficient to cover the full amount of interest and principal outstanding under the Bonds.

3 PERSONS RESPONSIBLE

This document includes information given in compliance with the Capital Markets Rules and the Prospectus Regulation for the purpose of providing prospective investors with information with regard to the Issuer and the Bonds. All of the directors of the Issuer, whose names appear under the sub-heading "Directors" under the heading "Identity of Directors, Advisers and Auditors" in section 4 of the Registration Document, accept responsibility for the information contained in this Securities Note.

To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information. The directors of the Issuer accept responsibility accordingly.

3.1 CONSENT FOR USE OF PROSPECTUS

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

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

- i. in respect of the Bonds subscribed for through Authorised Financial Intermediaries of this Securities Note during the Intermediaries' Offer Period ;
- ii. to any resale or placement of the Bonds taking place in Malta;
- iii. to any resale or placement of the Bonds taking place within the period of 60 days from the date of the Prospectus.

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

Other than as set out above, neither the Issuer nor the Sponsor, Manager & Registrar has authorised (nor do they authorise or consent to the use of the 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, Manager & Registrar and neither the Issuer nor the Sponsor, Manager & Registrar has any responsibility or liability for the actions of any person making such offers.

Investors should enquire whether an intermediary is considered to be an Authorised Financial Intermediary in terms of the Prospectus. If the investor is in doubt as to whether it can rely on the Prospectus and/or who is responsible for its contents, it should obtain legal advice.

No person has been authorised to give any information or to make any representation not contained in or inconsistent with the Prospectus. If given or made, it must not be relied upon as having been authorised by the Issuer or Sponsor, Manager & Registrar. The Issuer does not accept responsibility for any information not contained in the Prospectus.

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

Any Authorised Financial Intermediary using the Prospectus in connection with a resale, placement or other offering of the 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 the Prospectus for such resale, placement or other offering in accordance with the consent of the Issuer and the conditions attached thereto. The consent provided herein shall no longer apply following the lapse of such period.

Any new information with respect to Authorised Financial Intermediaries unknown at the time of approval of this Securities Note will be made available through a company announcement which will also be made available on the Issuer's website: <https://www.orion.com.mt/>

4 ESSENTIAL INFORMATION

4.1 REASONS FOR THE ISSUE AND USE OF PROCEEDS

For the purpose of this section 4.1, the following definitions are repeated:

"2017 Orion Prospects Bonds" means the €5,000,000 4.75% unsecured bonds 2027 issued by the Issuer pursuant to the 2017 Orion CAD admitted to listing and trading on the Prospects MTF market of the MSE and bearing ISIN MT0001521203. Further details on the 2017 Orion Prospects Bonds are set out in sub-section 5.1 of the Registration Document;

"Group Facilities" means the banking facilities of the Group as set out in sub-section 5.6 of the Registration Document;

"Group Facilities Repayment" means the repayment of BOV Loan I, MeDirect Loan 1 and BOV Loan IV as set out in sub-section 5.6 of the Registration Document;

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €14,500,000, will be utilised for the following purposes, in the following amounts and order of priority:

1. an amount of *circa* €4,200,000 of the Bond Issue net proceeds will be used by the Issuer for the redemption of the outstanding amount of 2017 Orion Prospects Bonds remaining in issue as at or about 23 February 2024, being the expected date of redemption of the 2017 Orion Prospects Bonds as determined by the Issuer and duly notified to Existing Orion Prospects Bondholders (the **"Redemption Payment"**);
2. an amount of *circa* €3,200,000 of the Bond Issue net proceeds will be used for the purpose of making the Group Facilities Repayment resulting in the repayment of part of the Group Facilities and the partial release of the Current Encumbrances on the Properties, as described in sub-section 5.7 of the Registration Document;
3. an amount of *circa* €2,150,000 of the Bond Issue net proceeds will be used for the Refurbishment Expenses, as described in sub-section 5.8 of the Registration Document; and
4. an amount of *circa* €4,950,000 will be applied for general corporate funding purposes of the Group.

With respect to the Redemption Payment, in terms of the 2017 Orion CAD, the Issuer will seek to obtain the approval of the Existing 2017 Orion Prospects Bondholders for the early redemption of the 2017 Orion Prospects Bonds. The meeting of the Existing 2017 Orion Prospects Bondholders for this purpose is to be called by the Directors by giving the Existing 2017 Orion Prospects Bondholders listed on the applicable bondholder register as at a date being not more than 30 days preceding the date scheduled for the meeting, 14 days' notice in writing. The notice itself (as well as the results of the Existing 2017 Orion Prospects Bondholders' meeting) shall also be announced to the market via company announcement. The proposal placed before the meeting of Existing 2017 Orion Prospects Bondholders shall only be considered approved if at least 60% in nominal value of the Existing 2017 Orion Prospects Bondholders present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.

With respect to the Group Facilities Repayment, the Group Facilities Repayment will be made so that simultaneous to the said payment, there is the publication (but not registration) of the necessary notarial deeds for the cancellation of the existing charges over the Current Encumbrances so that the Properties are held by the Guarantor subject to the Remaining Encumbrances.

In the event that the Bond Issue is subscribed for an amount of less than €10,000,000 (the **"Minimum Amount"**), no allotment of the Bonds shall be made, the subscription of Bonds shall be deemed not to have been accepted by the Issuer and all money received from Authorised Financial Intermediaries shall be returned by the Issuer acting through the Sponsor, Manager & Registrar, without interest, by direct credit transfer to the respective Authorised Financial Intermediary to the

account number indicated on the respective Application Form by 23 February 2024. Neither the Issuer nor the Sponsor, Manager & Registrar will be responsible for any charges, loss or delays in transmission of the refunds. In this regard, any monies returnable to Authorised Financial Intermediaries may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act, 1994 (Chapter 373 of the laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

The issue and allotment of the Bonds is conditional upon: (i) the Minimum Amount being subscribed for; (ii) the Guarantee being granted in terms of Annex II to this Securities Note; (iii) the Issuer obtaining the approval of the Existing 2017 Orion Prospects Bondholders for the early redemption of the 2017 Orion Prospects Bonds pursuant to a meeting called for the purpose in terms of the 2017 Orion CAD; and (iv) the Bonds being admitted to the Official List. In the event that any one or more of the aforesaid conditions is not satisfied the Sponsor, Manager & Registrar shall return the proceeds of the Bond Issue to Applicants.

4.2 EXPENSES

Professional fees and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed five hundred thousand Euro (€500,000). There is no particular order of priority with respect to such expenses.

4.3 ISSUE STATISTICS

| | |
|---|---|
| Amount: | €15,000,000; |
| Form: | The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD; |
| Denomination: | Euro (€); |
| ISIN: | MT0001521211; |
| Minimum amount per subscription: | In the case Existing 2017 Orion Prospects Bondholders, a minimum of €1,000 and multiples of €100 thereafter. In all other cases a minimum of €2,000 and multiples of €100 thereafter; |
| Redemption Date: | 23 February 2034; |
| Redemption Value | At par (€100 per Bond); |
| Plan of Distribution: | The Bonds are open for subscription by all categories of investors including Existing 2017 Orion Prospects Bondholders and Authorised Financial Intermediaries whether for their own account or those of their clients; |
| Preferred Allocation: | <p>Existing 2017 Orion Prospects Bondholders applying for Bonds are to settle all of the amount due on the Bonds applied for by the transfer to the Issuer of 2017 Orion Prospects Bonds at par value, subject to a minimum Application of €1,000 in Bonds. Any Existing 2017 Orion Prospects Bondholders whose holding in 2017 Orion Prospects Bonds is less than €1,000 shall be required to pay the difference together with the submission of their Application Form (“Cash Top-Up”).</p> <p>Existing 2017 Orion Prospects Bondholders electing to subscribe for Bonds through the transfer to the Issuer of all of the 2017 Orion Prospects Bonds held by them as at the Cut-Off Date (including any Cash Top-Up necessary as stated above) (“2017 Orion Prospects Bond Transfer”) shall be allocated Bonds for the corresponding nominal value of 2017 Orion Prospects Bonds transferred to the Issuer (including the Cash Top-Up, where applicable).</p> <p>Subject to the payment of the Redemption Premium and any applicable interest to the Existing 2017 Orion Prospects Bondholders, the transfer of 2017 Orion Prospects Bonds to the Issuer in consideration for the subscription for Bonds shall cause the obligations of the Issuer with respect to such 2017 Orion Prospects Bonds to be extinguished, and shall give rise to obligations on the part of the Issuer under the Bonds. Bonds applied for by Existing 2017 Orion Prospects Bondholders by way of 2017 Orion Prospects Bond Transfer as described above shall be allocated prior to any other allocation of Bonds. An Existing 2017 Orion Prospects Bondholder wishing to apply for a number of Bonds exceeding in value the aggregate nominal value of 2017 Orion Prospects Bonds held by him/her/it as at the Cut-Off Date (including the Cash Top-Up, where applicable) may subscribe for such additional Bonds through the Intermediaries’ Offer in terms of sub-section 7.5 below;</p> |
| Bond Issue Price: | At par (€100 per Bond); |
| Status of the Bonds: | The Bonds shall constitute the general, direct, and unconditional obligations of the Issuer, guaranteed by the Guarantor; |

| | |
|--------------------------------------|--|
| Listing: | The MFSA has approved the Bonds for admissibility to listing and subsequent trading on the Official List of the Malta Stock Exchange. Application has been made to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List; |
| Intermediaries' Offer Period: | The period between 22 January 2024 to 9 February 2024 during which the Bonds are on offer for subscription by the Authorised Financial Intermediaries; |
| Placement | The Issuer may enter into Placement Agreements with one or more of the Authorised Financial Intermediaries for the placement of up to the aggregate amount of Bonds not subscribed for by the Existing 2017 Orion Prospects Bondholders in terms of sub-section 7.4 below; |
| Interest: | 6.25% per annum; |
| Intermediaries' Offer: | shall have the meaning provided in sub-heading 7.5 of this Securities Note; |
| Interest Payment Date(s): | annually on 23 February as from 23 February 2025 (the first interest payment date); |
| Governing Law of Bonds: | The Bonds are governed by and shall be construed in accordance with Maltese law; and |
| Jurisdiction: | The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds. |

4.4 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for the possible subscription for the Bonds by Authorised Financial Intermediaries (which includes Calamatta Cuschieri Investment Services Limited), and any fees payable to Calamatta Cuschieri Investment Services Limited in connection with the Bond Issue as Sponsor, Manager & Registrar, so far as the Issuer is aware, no other person involved in the Bond Issue has an interest, conflicting or otherwise, material to the Bond Issue.

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

Each Bond shall be issued on the terms and conditions set out in this Securities Note and, by subscribing to or otherwise acquiring the Bonds, the Bondholders are deemed to have knowledge of all the terms and conditions of the Bonds hereafter described and to accept and be bound by the said terms and conditions.

5.1 GENERAL

Each Bond forms part of a duly authorised issue of 6.25%Bonds 2034 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €15,000,000 (except as otherwise provided under section 5.12 "Further Issues"). The Issue Date of the Bonds is expected to be 23 February 2024, subject to dates being postponed or brought forward as per timetable.

- The currency of the Bonds is Euro (€).
- Subject to admission to listing of the Bonds to the Official List of the MSE, the Bonds are expected to be assigned ISIN MT0001521211.
- Unless previously purchased and cancelled the Bonds shall be redeemable at par on the Redemption Date.
- The issue of the Bonds is made in accordance with the requirements of the Capital Markets Rules, the Act, and the Prospectus Regulation.
- The Bond Issue is not underwritten.
- Upon redemption of the 2017 Orion Prospects Bonds, all Existing 2017 Orion Prospects Bondholders will be afforded the Redemption Premium. Existing 2017 Orion Prospects Bondholders will have the Redemption Premium settled in cash upon redemption of the 2017 Orion Prospects Bonds (by direct credit into the Existing 2017 Orion Prospects Bondholders' bank account).
- In the event that an Applicant applying for Bonds has not been allocated any Bonds or have been allocated a number of Bonds which is less than the number applied for, the Applicant shall receive a full refund or, as the case may be, the balance of the price of the Bonds applied for but not allocated, without interest by direct credit into the Applicant's bank account as indicated by the Applicant in the Application Form at any time before the Bonds are admitted to listing on the Official List of the MSE. Neither the Issuer nor the Registrar will be responsible for any charges, loss or delays in transmission of the refunds. In this regard, any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act, 1994 (Chapter 373 of the laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

h. There are no special rights attached to the Bonds other than as specified in section 5.3 hereunder.

5.2 RANKING OF THE BONDS

As at the date of the Prospectus, the Issuer does not have any bank financing in place, nor has it granted any security over any of its assets. The Issuer has previously raised finance through the 2017 Orion Prospects Bonds. Shortly after the proceeds from the Bond Issue have been received by the Issuer, €4,200,000, will be utilised to repurchase all 2017 Orion Prospects Bonds.

However, as better described in sub-section 5.6 of the Registration Document, the Guarantor has the Group Facilities in place which are secured by the Current Encumbrances. Whilst the payment of the Group Facilities Repayment will cause the cancellation of the Current Encumbrances, it should be noted that, in the case of a competition of creditors, until such payment and cancellation, the Current Encumbrances will rank prior to the claims of the Bondholders. Following the cancellation, the Remaining Encumbrances shall be in place which will rank prior to the claims of the Bondholders.

Furthermore, as also better described in sub-section 5.6 of the Registration Document, the Guarantor has agreements in place with respect to privileged creditors and therefore, in the case of a competition of creditors, the Privileged Debt will also rank prior to the claims of the Bondholders.

The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed by the Guarantor and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt, if any. Third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer and/or the Guarantor for so long as such security interests remain in effect.

5.3 RIGHTS ATTACHING TO THE BONDS

This Securities Note in its entirety contains the terms and conditions of issue of the Bonds and creates the contract between the Issuer and a Bondholder. Any and all references to the terms and conditions of the Bonds shall be construed as a reference to all and each section of this Securities Note. A Bondholder shall have such rights as are, pursuant to this Securities Note, attached to the Bonds, including:

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

5.4 INTEREST

The Bonds shall bear interest from and including 23 February 2024 at the rate of 6.25% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be made on 23 February 2025 (covering the period 23 February 2024 to 22 February 2025). Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. In terms of article 2156 of the Civil Code (Cap. 16 of the Laws of Malta), the right of Bondholders to bring claims for payment of interest and repayment of the principal on the Bonds is barred by the lapse of five (5) years.

When interest is required to be calculated for any period of less than a full year, it shall be calculated on the basis of a three hundred and sixty (360) day year consisting of twelve (12) months of thirty (30) days each, and in the case of an incomplete month, the number of days elapsed.

5.5 YIELD

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds is 6.25% per annum.

5.6 REGISTRATION, FORM, DENOMINATION AND TITLE

Certificates will not be delivered to Bondholders in respect of the Bonds. The entitlement to the Bonds will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer by the CSD. There will be entered in such electronic register the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies) and MSE account numbers, and any other relevant information as required from time to time, of the Bondholders and particulars of the Bonds held by them respectively, and the Bondholders shall have, at all reasonable times during business hours, access to the register of bondholders held at the CSD for the purpose of inspecting information held on their respective account.

The CSD will issue, upon a request by a Bondholder, a statement of holdings to such Bondholder evidencing his/her/its entitlement to the Bonds held in the register kept by the CSD.

Upon submission of an Application Form, Bondholders who opt to subscribe for the online e-portfolio account with the CSD, by marking the appropriate box on the Application Form, will be registered by the CSD for the online e-portfolio facility and will receive by mail at their registered address a handle code to activate the new e-portfolio login. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further detail on the e-portfolio is found on the afore-mentioned website.

The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100, provided that on subscription the Bonds will be issued for €1,000 for Existing 2017 Orion Prospects Bondholders and €2,000 in all other cases. Authorised Financial Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the aforementioned minimum subscription amount to each underlying client.

Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading "*Transferability of the Bonds*" in section 5.11 of this Securities Note.

5.7 REDEMPTION AND REPURCHASE OF THE BONDS

5.7.1 REDEMPTION AT MATURITY

The Issuer shall redeem all, but not only some, of the outstanding Bonds in full on the Redemption Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest. If the Redemption Date is not a Business Day, then the redemption shall occur on the following applicable Business Day.

5.7.2 ISSUER'S PURCHASE OF BONDS

The Issuer may, subject to applicable law, at any time and at any price purchase Bonds on the market or in any other way, provided that the Bonds will be cancelled by the Issuer.

5.7.3 DISCHARGE OF OBLIGATIONS

In terms of this sub section 5.7.3, the Issuer shall be discharged of any and all payment obligations under the Bonds upon payment made net of any withholding or other taxes due or which may be due under Maltese law and which is payable by the Bondholders.

5.8 PAYMENTS

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

In the case of Bonds held subject to usufruct, payment will be made against the joint instructions of all bare owners and usufructuaries. Before effecting payment, the Issuer and/or the CSD shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bare owner/s and the usufructuary/ies to payment of the Bonds.

Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business fifteen (15) days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in Euro. Such payment shall be affected within seven (7) days of the Interest Payment Date. The Issuer shall not be responsible for any loss or delay in transmission.

All payments with respect to the Bonds are subject in all cases to any applicable fiscal or other laws and regulations prevailing in Malta. In particular, but without limitation, all payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is or may become compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Malta or any authority thereof or therein having power to tax.

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.

5.9 REDEMPTION AND PURCHASE

Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 23 February 2034. The Issuer shall be discharged of any and all payment obligations under the Bonds upon payment made net of any withholding or other taxes due or which may be due under Maltese law and which is payable by the Bondholders. Subject to the provisions of this sub section 5.9, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike. All Bonds repurchased by the Issuer shall be cancelled forthwith and may not be re-issued or re-sold.

5.10 EVENTS OF DEFAULT

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

- a. the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- b. the Issuer shall fail to pay the principal amount on any Bond when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- c. the Issuer shall fail duly to perform or shall otherwise be in breach of any other material obligation contained in the Terms and Conditions of the Bonds and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- d. an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer; or
- e. the Issuer, unless contractually entitled to do so or does so with the consent of the counterparty/ies, stops or suspends payments (whether of principal or interest) with respect to all or any class of its respective debts or announces an intention to do so or ceases or threatens to cease to carry on its respective business or a substantial part of its respective business; or
- f. the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or
- g. there shall have been entered against the Issuer a final judgment by a court of competent jurisdiction from which no appeal may be or is made for the payment of money in excess of €1,000,000 or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed.

5.11 TRANSFERABILITY OF THE BONDS

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

Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may from time to time properly be required by the Issuer or the CSD, elect either to be registered himself as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person.

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

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

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

5.12 FURTHER ISSUES

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further debentures, debenture stock, bonds, loan notes, or any other debt securities, either having the same terms and conditions as any outstanding debt securities or upon such terms as the Issuer may determine at the time of their issue.

5.13 MEETINGS OF BONDHOLDERS

Bondholders have the following powers, exercisable by a resolution voted for at a meeting of Bondholders, by a majority holding not less than seventy-five per cent (75%) of the nominal value of Bondholders present at the meeting in person or by proxy:

- a. power to authorise the Issuer to amend and modify the Terms and Conditions;
- b. power to approve any scheme of reconstruction of the Issuer or the amalgamation of Issuer with any other company or corporation;

and any such resolution shall be binding on all Bondholders and each Bondholder is bound to give effect to it accordingly.

The Issuer may at any time convene a meeting of the Bondholders. If the Issuer receives a written request by Bondholders holding ten per cent (10%) of the then outstanding principal amount of the Bonds and is indemnified to its satisfaction

against all costs, losses and expenses, the Issuer must convene a meeting of Bondholders. Meetings shall be convened and requested only for the purpose of considering a resolution specified in the immediately preceding paragraph.

A meeting of Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose, a quorum shall be considered present if there are Bondholders present, whether in person or by proxy, accounting for at least fifty per cent (50%) in nominal value of the Bonds then outstanding.

Once a quorum is declared present by the Chairman of the meeting (being the person who in accordance with the Memorandum and Articles of Association of the Issuer would chair a general meeting of shareholders) the meeting may then proceed to business and the Directors of the Issuer or the Bondholder(s) who requested the meeting (as the case may be) or their representatives shall present to the Bondholders the reasons for proposing the resolution. The meeting shall allow reasonable and adequate time to the Issuer to present its views to the Bondholders and to the Bondholders to present their views to the Issuer and to the other Bondholders. The meeting shall then put the resolution to a vote of the Bondholders present.

The voting process shall be managed by the Company Secretary under the supervision and scrutiny of the auditors of the Issuer.

Save for the above, the rules generally applicable to proceedings at general meetings of shareholders of the Issuer shall mutatis mutandis apply to meetings of Bondholders. In the event that the Bonds are listed, and for so long as the Bonds remain listed, any resolution which may be proposed shall be subject to any laws, regulations, rules or bye-laws which may be applicable from time to time.

5.14 NEGATIVE PLEDGE

By means of the Guarantee, the Guarantor has undertaken to not, and shall procure that the other members of the Group shall not, for as long as any principal or interest under the Bonds or any of the Bonds remains outstanding, create or permit to subsist any Security Interest (as defined below), other than a Permitted Security Interest (as defined below), upon the whole or any part of a Group member's present or future assets or revenues to secure any Financial Indebtedness (as defined below) of the relative Group member, unless at the same time or prior thereto the Issuer's indebtedness under the Bonds is secured equally and rateably therewith, and the instrument creating such Security Interest so provides.

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

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

"Permitted Security Interest" means: (A) any Security Interest arising by operation of law; (B) any Security Interest securing temporary bank loans or overdrafts in the ordinary course of business; (C) any other Security Interest (in addition to (A) and (B) above) securing Financial Indebtedness of the Guarantor or any other Group company, in an aggregate outstanding amount not resulting in:

- the value of property, cash and cash equivalents, financial securities actively traded on a recognised market, and 55% of inventory, which inventory does not exceed €6 million, falling below the value of the sum of the principal amount of the bonds still outstanding plus amounts due on which a Security Interest is attached.

5.15 AUTHORISATIONS AND APPROVALS

The Board of Directors of the Issuer authorised the Bond Issue pursuant to a board of directors' resolution passed on 4 December 2023. The MFSA has authorised the Bonds as admissible to the Official List pursuant to the Capital Markets Rules by virtue of a letter dated 19 December 2023.

The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 23 February 2024 and trading may commence as from the next Business Day therefrom.

5.16 NOTICES

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

5.17 GOVERNING LAW AND JURISDICTION

The Bonds are governed by and shall be construed in accordance with Maltese law.

Any legal action, suit or proceedings against the Issuer arising out of or in connection with the Bonds and/or the Prospectus shall be brought exclusively before the Maltese courts.

6 TAXATION

6.1 GENERAL

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Bonds, including their acquisition, holding and 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 interpretation of tax law and practice relative to the applicable legislation, as known to the Issuer at the date of the Prospectus, in respect of a subject on which no official guidelines exist. Investors are reminded that tax law and practice and their interpretation as well as the levels of tax on the subject matter referred to in the preceding paragraph, may change from time to time.

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

6.2 TAX ON INTEREST

Since interest is payable in respect of a Bond which is the subject of a public issue and such interest should constitute “investment income” in terms of article 41(a)(iv)(1) of the Income Tax Act, Chapter 123 of the Laws of Malta (the ‘Income Tax Act’), unless the Bondholder elects, by means of an instruction in writing sent to the Issuer in terms of article 35 of the Income Tax Act, 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 fifteen percent (15%) (ten percent (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 abovementioned ‘investment income’ final withholding tax and should seek advice on the taxation of such income as special rules may apply.

Article 41(c) of the Income Tax Act defines the term “recipient” for the purposes of the provisions therein applicable to “investment income”, and includes (*inter alia*) a person (or a receiver, guardian, tutor, curator, judicial sequestrator, trustee, foundation or other fiduciary acting on behalf of a person) who is resident in Malta during the year in which “investment income” is payable to him/her, and EU/EEA nationals (and their spouse were applicable) who are not resident in Malta for Maltese tax purposes but who apply the tax rates applicable to Maltese residents on the basis that the income that arises in Malta is at least 90% of their world-wide income.

The aforementioned withholding tax is considered a final tax and a Maltese resident individual Bondholder is not obliged to declare the interest so received in his or her 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 will render an account to the Maltese Commissioner for Tax and Customs of all payments of qualifying ‘investment income’ as well as an account of the amounts so deducted, including the identity of the recipient.

In the case of a valid election in terms of article 35 of the Income Tax Act 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 or her Maltese income tax return and be subject to tax on such interest at the standard rates applicable to such Bondholder at that time. Additionally, in this latter case the Issuer will advise the Maltese Commissioner for Tax and Customs on an annual basis in respect of all interest paid gross and of the identity of all such recipients. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

6.3 EXCHANGE OF INFORMATION

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

6.3.1 THE COMMON REPORTING STANDARD AND THE DIRECTIVE ON ADMINISTRATIVE COOPERATION

The Organisation for Economic Co-operation and Development (‘OECD’) has developed a global framework, commonly known as the Common Reporting Standard (‘CRS’) for the identification and timely reporting of certain financial information on individuals, and controlling persons of certain entities, who hold financial accounts with financial institutions of participating jurisdictions in order to increase tax transparency and cooperation between tax administrations. Numerous jurisdictions, including Malta, have signed the OECD multilateral competent authority agreement, which is a multilateral agreement outlining the framework to automatically exchange certain financial and personal information as set out within CRS.

So as to introduce an extended automatic exchange of information regime in accordance with the global standard released by the OECD, CRS has also been adopted in the EU through the implementation of Council Directive 2014/107/EU

of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of tax information in the field of taxation. This has been transposed in Malta by means of Legal Notice 384 of 2015 amending the Cooperation with Other Jurisdictions on Tax Matters Regulations, Subsidiary Legislation 123.127 ('CRS Legislation'), and has been applicable since 1 January 2016. In terms of this legal notice, the automatic exchange of information obligations shall extend to jurisdictions that are not EU Member States with which there is a relevant arrangement in place.

Malta based financial institutions (defined as such for the purposes of CRS) are obliged to identify and annually report to the Maltese Commissioner for Tax and Customs financial accounts held by a reportable person, as defined under the CRS Legislation, including certain entities with one or more controlling persons, as defined under the CRS Legislation. Financial information relating to the Bonds and the holders thereof may fall within the purview of CRS and may be subject to reporting and information exchange provisions.

Under CRS, financial institutions resident in a CRS participating jurisdiction (such as Malta) would be required to apply onerous due-diligence procedures for the identification of reportable accounts. Bondholders may be required to provide certain information and certifications to financial institutions, such as qualifying custodians or any intermediaries, in order to satisfy their obligations under CRS. Certain confidential information in relation to the Bondholders and/or other reportable persons may be reported to the Commissioner for Tax and Customs or other relevant overseas tax authorities and automatically exchanged pursuant to these arrangements with the tax administrations of other participating jurisdictions.

Prospective investors are advised to seek professional advice in relation to the CRS and EU Council Directive 2014/107/EU. Not complying with the CRS rules may give rise to certain fines or closure of financial accounts.

6.3.2 FOREIGN ACCOUNT TAX COMPLIANCE ACT

The United States of America ('U.S.') has enacted rules, commonly referred to as 'FATCA', that generally impose a reporting regime and, in some cases withholding requirements, with respect to certain U.S. source payments (including dividends and interest), gross proceeds from the disposition of property that can produce U.S. source interest and dividends as well as certain payments made by, and financial accounts held with, entities that are classified as financial institutions under FATCA. The U.S. has entered into an intergovernmental agreement with Malta dated 6 December 2013 regarding the implementation of FATCA with in Malta which has been implemented into Maltese law through the Exchange of Information (United States of America) (FATCA) Order, Subsidiary Legislation 123.156 ('FATCA Legislation').

Under the FATCA Legislation, financial institutions in Malta (defined as such for the purposes of FATCA) are required to satisfy applicable due diligence requirements to identify and report financial accounts held by specified U.S. persons, as defined under the FATCA Legislation, and certain non-U.S. entities, which are controlled by U.S. Controlling Persons, as defined under the FATCA Legislation, to the Malta Commissioner for Tax and Customs. The Maltese Government and the Government of the U.S. shall annually exchange the information obtained pursuant to the FATCA Legislation on an automatic basis.

Financial account information in respect of holders of the Bonds could fall within the scope of FATCA and they may therefore be subject to reporting obligations. In order to comply with its FATCA obligations, if any, the Issuer and/or its agent may be required to obtain certain information, forms and other documentation on the Bondholders to report information on reportable accounts to the Commissioner for Tax and Customs, in accordance with applicable laws and regulations, which will in turn report this information to the Internal Revenue Service in the U.S. Bondholders should note that a specified US person in terms of FATCA may include a wider range of investors than the current U.S. Person definition referred to in the Terms And Conditions Of Application.

Financial institutions reserve the right to request any information and/or documentation required, in respect of any financial account, in order to comply with the obligations imposed under FATCA and any referring legislation. In the case of failure to provide satisfactory documentation and/or information, financial institutions may take such action as it thinks fit, including without limitation, the closure of the financial account.

6.4 TAXATION ON CAPITAL GAINS ON A TRANSFER OF THE BONDS

On the basis that the Bonds should 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", and to the extent that the Bonds are held as capital assets by the Bondholder, no income tax or capital gains should be chargeable in respect of a transfer of the Bonds.

Duty on Documents and Transfers

In terms of the Duty on Documents and Transfers Act, Chapter 364 of the Laws of Malta (the "Duty on Documents and Transfers Act"), duty of 2% on the consideration or the real value (whichever is higher) is chargeable, *inter alia*, on the transfer or transmission *causa mortis* of a "marketable security". However, on the basis that the Bonds should not fall within the definition of a "marketable security", defined in the Duty on Documents and Transfers Act as "a holding of share capital in any company and any document representing the same", the transfer/transmission of the Bonds should not be chargeable to duty.

Furthermore, in terms of article 50 of the Financial Markets Act, Chapter 364 of the Laws of Malta, as the Bonds should constitute qualifying financial instruments of a company quoted on a regulated market (that is, the MSE) any transfers or transmissions of the Bonds should, in any case, be exempt from duty.

THE ABOVE INFORMATION IS BASED ON TAX LAW AND PRACTICE APPLICABLE AS AT THE DATE OF THE PROSPECTUS. 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 AND DEPENDS, AMONG OTHER THINGS, ON THE PARTICULAR INDIVIDUAL CIRCUMSTANCES OF THE INVESTORS AND OF THE CLASSIFICATION OF THE BONDS FROM A MALTESE TAX PERSPECTIVE.

7 TERMS AND CONDITIONS OF THE BOND ISSUE

7.1 EXPECTED TIMETABLE OF THE BOND ISSUE

| | |
|--|--|
| 1. Meeting of Existing 2017 Orion Prospects Bondholders ^{*1} | 12 January 2024 |
| 2. Application Forms available | 15 January 2024 |
| 3. Opening and closing date for Applications to be received from Existing 2017 Orion Prospects Bondholders | 15 January 2024 to 19 January 2024, both days included |
| 4. Opening and closing of Intermediaries' Offer Period ^{*2} | 22 January 2024 to 9 February 2024, both days included |
| 5. Announcement of basis of acceptance through a company announcement | 16 February 2024 |
| 6. Refunds of unallocated monies, if any | 23 February 2024 |
| 7. Dispatch of allotment letters | 23 February 2024 |
| 8. Expected date of early redemption of the 2017 Orion Prospects Bonds | 23 February 2024 |
| 9. Commencement of interest on the Bonds | 23 February 2024 |
| 10. Expected date of admission of the Bonds to listing | 23 February 2024 |
| 11. Expected date of commencement of trading in the Bonds | 26 February 2024 |
| 12. Expected release of Current Encumbrances | Not later than 23 March 2024 |

1 *In the event that a quorum is not present within thirty (30) minutes from the time scheduled for the commencement of the meeting, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Existing 2017 Orion Prospects Bondholders present at that meeting (the number of days between the original and the adjourned Meeting of Existing 2017 Orion Prospects Bondholders the "Adjournment Days"). In such eventuality, the events set out in steps 2 to 12 above shall be postponed by the same number of days as the number of Adjournment Days.*

2 *The Issuer reserves the right to close the Intermediaries' Offer of the Bonds before 9 February 2024 at 12:00 hours CET in the event that the Bonds are fully subscribed prior to said date and time. In such eventuality the events set out in steps 5 to 12 above shall be brought forward.*

7.2 TERMS AND CONDITIONS OF APPLICATION

The following terms and conditions shall be read in conjunction with all the other terms and conditions relative to and regulating the contractual relationship created between the Issuer on the one hand and the Applicant on the other.

- a. The issue and allotment of the Bonds is conditional upon: (i) the Minimum Amount being subscribed for; (ii) the Guarantee being granted in terms of Annex II to this Securities Note; (iii) the Issuer obtaining the approval of the Existing 2017 Orion Prospects Bondholders for the early redemption of the 2017 Orion Prospects Bonds pursuant to a meeting called for the purpose in terms of the 2017 Orion CAD; and (iv) the Bonds being admitted to the Official List. In the event that any one or more of the aforesaid conditions is not satisfied the Sponsor, Manager & Registrar shall return the proceeds of the Bond Issue to Applicants.
- b. In relation to the 2017 Orion Prospects Bond Transfer, Existing 2017 Orion Prospects Bondholders may subscribe for Bonds by completing an Application Form and lodging the same with any of the Authorised Financial Intermediaries. The general public or Existing 2017 Orion Prospects Bondholders outside of the 2017 Orion Prospects Bond Transfer may subscribe for Bonds through the Authorised Financial Intermediaries in the manner instructed thereby during the Intermediaries' Offer Period, which will open at 08:30 hours on 22 January 2024 and will close no later than 12:00 hours on 9 February 2024. In the event of an Intermediaries' Offer, the general public may apply for the Bonds through the respective Authorised Financial Intermediary in the manner instructed thereby.
- c. The Bonds will be issued in multiples of €100. The minimum subscription amount of Bonds that can be subscribed for by Applicants is €1,000 for Existing 2017 Orion Prospects Bondholders and €2,000 in all other cases. Applications for the Bonds must be accompanied by the full price of the Bonds applied for, in Euro.
- d. By submitting an Application, the Applicant is thereby confirming to the Issuer and the Authorised Financial Intermediary through whom the Application is made that the Applicant's remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the respective Authorised Financial Intermediary and Issuer reserve the right to invalidate the relative Application. Furthermore the Applicant will not be entitled to be registered in the register of Bondholders, unless the Applicant makes payment in cleared funds and such consideration is accepted by the respective Authorised Financial Intermediary (which acceptance shall be made in the Authorised Financial Intermediary's absolute discretion and may be on the basis that the Applicant indemnifies the Authorised Financial Intermediary against all costs, damages, losses, expenses

and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation).

- e. The contract created by the Issuer's acceptance of an Application submitted by a prospective bondholder through an Authorised Financial Intermediary shall be subject to all the terms and conditions set out in this Securities Note and the Memorandum and Articles of Association of the Issuer.
- f. If an Application is submitted on behalf of another party or on behalf of a corporation or corporate entity or association of persons, the person submitting such Application will be deemed to have duly bound his principal, or the relative corporation, corporate entity, or association of persons, and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions on their behalf. Such representative may be requested to submit the relative power of attorney/resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Issuer and the Registrar, but it shall not be the duty or responsibility of the Registrar or Issuer to ascertain that such representative is duly authorised to submit an Application.
- g. Legal entities (including corporations or corporate entities or associations 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 code the Application would be cancelled by the respective Authorised Financial Intermediary or the Issuer acting through the Registrar and subscription monies will be returned to the Applicant.
- h. In the case of joint applicants, reference to the Applicant in these terms and conditions is a reference to each of the joint Applicants, and liability therefor is joint and several. The person first-named in the register of Bondholders shall, for all intents and purposes, be deemed to be such nominated person by all joint Applicants. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held. It shall not be incumbent on the Registrar or the Issuer to verify the signatory/ies on any Application Form submitted.
- i. In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed vis-à-vis the Issuer to be the holder of the Bond/s so held and shall have the right to receive interest on the Bond/s and to vote at meetings of the Bondholders but shall not, during the continuance of the Bond/s, have the right to dispose of the Bond/s so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Bond (which shall be due to the bare owner). It shall not be incumbent on the Registrar or the Issuer to verify the signatory/ies on any Application Form submitted.
- j. Applications in the name of deceased persons shall not be accepted by the Issuer and Authorised Financial Intermediaries.
- k. Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or the legal guardian/s and may be required to be accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application is submitted. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / legal guardian/s signing the Application Form until such time as the minor attains the age of 18 years, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer is duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. It shall not be incumbent on the Registrar or the Issuer to verify the signatory/ies on any Application Form submitted.
- l. The Bonds have not been and will not be registered under the Securities Act of 1933 of the United States of America and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.
- m. No person receiving a copy of the Prospectus or an Application Form in any territory other than Malta may treat the same as constituting an invitation or offer to such person nor should such person in any event use such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or such Application Form could lawfully be used without contravention of any registration or other legal requirements.
- n. It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself/herself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- o. Subject to all other terms and conditions set out in the Prospectus, the Issuer through the Registrar or the Authorised Financial Intermediary reserve the right to reject, in whole or in part, or to scale down, any Application and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application which, in the opinion of the Issuer through the Registrar or the Authorised Financial Intermediary, is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents.
- p. By not later than 16 February 2024, the Issuer shall announce the result of the Issue through an announcement on its website. The result of the Bond Issue will also be made public via a company announcement upon listing of the Bonds.
- q. In the event that an Applicant has not been allocated any Bonds or has been allocated a number of Bonds which is less than the number applied for, the Applicant shall receive a full refund or, as the case may be, the balance of the

price of the Bonds applied for but not allocated, without interest, by cheque sent by mail to the address shown on the Application Form, or by credit transfer to such account indicated in the Application Form, at the Applicant's sole risk within 10 Business Days from the date of final allocation. The Authorised Financial Intermediaries, the Registrar and the Issuer shall not be responsible for any charges, loss or delay arising in connection with such direct credit transfer.

- r. For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations 2008 (Legal Notice 180 of 2008, as subsequently amended), all Authorised Financial Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the "Members' Code of Conduct" appended as Appendix 3.6 of the MSE Bye-Laws, irrespective of whether the Authorised Financial Intermediaries are MSE members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR)(EU) 2016/679 for the purposes and within the terms of the MSE's data protection and privacy policy as published from time to time.
- s. It shall be incumbent on the respective Authorised Financial Intermediary to ascertain that all other applicable regulatory requirements relating to subscription of Bonds by an Applicant are complied with, including without limitation the obligation to comply with all applicable anti-money laundering and counter-terrorist financing rules and regulations, all applicable MiFIR requirements as well as applicable MFSA Conduct of Business Rules and MFSA Rules for investment services providers.
- t. By submitting an Application, the Applicant:
 - i. 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;
 - ii. warrants that the information submitted by the Applicant is true and correct in all respects and in the case where an MSE account number is provided by the Applicant, such MSE account number is the correct account of the Applicant. In the event of a discrepancy between the personal details (including name and surname and the Applicant's address) appearing on any Application Form submitted and those held by the MSE in relation to the MSE account number indicated on the Application Form, the details held by the MSE shall be deemed to be the correct details of the Applicant authorises the Issuer, the Registrar and the MSE to process the personal data that the Applicant provides on Application, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR)(EU) 2016/679. The Applicant has the right to request access to, and rectification of, the personal data relating to him/her as processed in relation to the Bond Issue. Any such requests must be made in writing and sent to the MSE. The requests must further be signed by the Applicant to whom the personal data relates;
 - iii. confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer or the issue of the Bonds other than what is contained in the Prospectus and accordingly agree/s that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;
 - iv. agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her/its remittance or surrender of the 2017 Orion Prospects Bonds, as the case may be, and any verification of identity as required by the Prevention of Money Laundering Act (Chapter 373 of the laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
 - v. agrees to provide the Authorised Financial Intermediary, the Registrar and/or the Issuer, as the case may be, with any information which may be requested in connection with the Application;
 - vi. 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, the Registrar or the Authorised Financial Intermediary acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bond or his/her Application;
 - vii. warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
 - viii. represents that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the "**United States**") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
 - ix. agrees that all documents in connection with the issue of the Bonds will be sent at the Applicant's own risk and may be sent by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as set out in any Application Form submitted by the Applicant or on its behalf; and
 - x. 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.
- u. Any licensed financial intermediary effecting a transfer of Bonds in the secondary market shall be required to carry out an Appropriateness Test and, if providing advice, a Suitability Test, in respect of the transferee, and be satisfied, based on the results of such test (or tests, as applicable), that an investment in the Bonds may be considered appropriate and/or suitable (as applicable) for such transferee.

7.3 PLAN OF DISTRIBUTION AND ALLOTMENT

Applications for subscription to the Bonds may be made through any of the Authorised Financial Intermediaries (which include the Sponsor, Manager & Registrar). The Bonds are open for subscription by:

- a. Existing 2017 Orion Prospects Bondholders up to the amount of 2017 Orion Prospects Bonds held as at the Cut-Off Date and subject to any Cash Top-Up as and if applicable; and
- b. Authorised Financial Intermediaries through an Intermediaries' Offer in respect of any balance of the Bonds not subscribed to by Existing 2017 Orion Prospects Bondholders as aforesaid.

Applications for subscriptions to the Bonds may be made through the Authorised Financial Intermediaries (which include the Sponsor, Manager & Registrar) subject to (i) in the case of Existing 2017 Orion Prospects Bondholders, a minimum Application of €1,000 and in multiples of €100 thereafter and (ii) in all other cases, a minimum Application of €2,000 and in multiples of €100 thereafter. It is expected that an allotment letter will be dispatched to Applicants by latest 23 February 2024. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance or surrender of the 2017 Orion Prospects Bonds, as the case may be, and any verification of identity as required by the Prevention of Money Laundering Act, 1994 (Chapter 373 of the laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid. Dealings in the Bonds shall not commence prior to admission to trading of the Bonds by the MSE or prior to the said notification.

7.4 APPLICATIONS BY EXISTING 2017 ORION PROSPECTS BONDHOLDERS

The consideration payable by Existing 2017 Orion Prospects Bondholders applying for Bonds is to be settled by the transfer to the Issuer of all of the 2017 Orion Prospects Bonds held by such Applicant as at the Cut-Off Date, subject to a minimum application of €1,000, which transfer shall be effected at the par value of the 2017 Orion Prospects Bonds. Any Existing 2017 Orion Prospects Bondholders whose holding in 2017 Orion Prospects Bonds is less than €1,000 shall be required to pay the Cash Top-Up. Existing 2017 Orion Prospects Bondholders electing to subscribe for Bonds through 2017 Orion Prospects Bond Transfer shall be allocated Bonds for the corresponding nominal value of 2017 Orion Prospects Bonds transferred to the Issuer (including the Cash Top-Up, where applicable). The transfer of 2017 Orion Prospects Bonds to the Issuer in consideration for the subscription for Bonds shall cause the obligations of the Issuer with respect to such 2017 Orion Prospects Bonds to be extinguished, and shall give rise to obligations on the part of the Issuer under the Bonds.

Bonds applied for by Existing 2017 Orion Prospects Bondholders by way of 2017 Orion Prospects Bond Transfer (including the Cash Top-Up, where applicable) shall be allocated prior to any other allocation of Bonds. A 2017 Orion Prospects Bond Transfer shall be without prejudice to the rights of Existing 2017 Orion Prospects Bondholders to receive interest on the 2017 Orion Prospects Bonds up to but excluding 23 February 2024. The 2017 Orion Prospects Bonds shall be redeemed on 23 February as determined by the Issuer and duly notified to Existing 2017 Orion Prospects Bondholders.

All Applications for the subscription of Bonds by Existing 2017 Orion Prospects Bondholders by means of 2017 Orion Prospects Bond Transfer must be submitted to any Authorised Financial Intermediary (which include the Sponsor, Manager & Registrar) by 12:00 hours CET of 19 January 2024.

Payment by Applicants of the Cash Top-Up referred to above, and the full price of the additional Bonds applied for referred to below, shall be made in Euro and in cleared funds at the Bond Issue Price, either through a bank transfer, or in cash or by cheque payable to the respective Authorised Financial Intermediary.

Existing 2017 Orion Prospects Bondholders subscribing for Bonds by means of 2017 Orion Prospects Bond Transfer are, in virtue of such subscription, confirming:

- a. that all of the 2017 Orion Prospects Bonds held by the Applicant on the Cut-Off Date are being transferred to the Issuer, together with the payment due in respect of any Cash Top-Up, as and if applicable;
- b. that the Application Form constitutes the Applicant's irrevocable mandate to the Issuer to:
 - i. cause the transfer of the said 2017 Orion Prospects Bonds in the Issuer's name in consideration of the issue of Bonds; and
 - ii. engage, at the Issuer's cost, the services of such brokers or intermediaries as may be necessary to fully and effectively vest title in the said 2017 Orion Prospects Bonds in the Issuer and fully and effectively vest title in the appropriate number of Bonds in the Applicant; and
 - iii. that in respect of the payment of the Cash Top-Up and/or the exercise of the option to subscribe to additional Bonds, the Applicant's remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer and the Sponsor, Manager & Registrar reserve the right to invalidate the relative Application, and furthermore the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders, unless the Applicant makes payment in cleared funds and such consideration is accepted by the Issuer, acting through the Sponsor, Manager & Registrar (which acceptance shall be made in the Issuer's absolute discretion and may be on the basis that the Applicant indemnifies the Issuer against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation).

Where the Applicant is the holder of 2017 Orion Prospects Bonds which as at the Cut-Off Date are held subject to usufruct, the signatures of both the bare owner and the usufructuary will be required in the Application Form.

In addition to the aforesaid, Existing 2017 Orion Prospects Bondholders transferring all of the 2017 Orion Prospects Bonds held by them as at the Cut-Off Date may apply for an amount of Bonds in excess of the amount of 2017 Orion Prospects Bonds being transferred by 2017 Orion Prospects Bond Transfer. In such case Existing 2017 Orion Prospects Bondholders may subscribe for additional Bonds, in multiples of €100, through the Intermediaries' Offer.

Existing 2017 Orion Prospects Bondholders shall have priority in the allocation of Bonds solely with respect to that number of Bonds for which payment is being made by means of a 2017 Orion Prospects Bond Transfer, subject to the Cash Top-Up, as and if applicable.

In the event that Existing 2017 Orion Prospects Bondholders apply for additional Bonds other than by 2017 Orion Prospects Bond Transfer, no guarantee of allocation shall arise with respect to the excess Bonds applied for but such excess Bonds shall, together with Applications received from other Existing 2017 Orion Prospects Bondholders, be subject to an allocation policy, without priority or preference between them, as shall be determined by the Issuer in accordance with sub-section 7.7 of this Securities Note.

Holders of 2017 Orion Prospects Bonds as at the Cut-Off Date who do not elect to avail themselves of the possibility to exchange their investment in terms of the procedure outlined in this sub-section 7.4 shall receive all capital and accrued interest to date, together with the Redemption Premium, on 23 February 2024. Those that do avail themselves of the possibility to exchange their investment in terms of the procedure outlined in this sub-section 7.4 shall receive all accrued interest to date, together with the Redemption Premium, on the same date.

The balance of the Bonds not subscribed for by Existing 2017 Orion Prospects Bondholders limitedly by means of a 2017 Orion Prospects Bond Transfer as contemplated above, shall be made available for subscription, *pari passu* without priority or preference between them, as part of the Intermediaries' Offer.

7.5 INTERMEDIARIES' OFFER

The Company may enter into a subscription agreement with each Authorised Intermediary for the purchase of Bonds, whereby the Company will bind itself to allocate Bonds to the Authorised Intermediaries in accordance with the terms of such subscription agreement and the allocation policy to be adopted by the Company. In terms of each subscription agreement, the Company will conditionally bind itself to sell, and each Authorised Intermediary will conditionally bind itself to purchase on its own account or on account of its underlying clients, such number of Bonds specified in the relevant subscription agreement subject to, among other things, approval by the MSE of the Company's application for the Bonds to be admitted to trading on the Official List. Each subscription agreement will become binding on each party thereto upon signing, subject to receipt by the Registrar of the purchase price in cleared funds.

7.6 PRICING

The Bonds are being issued at par, that is, at €100 per Bond with the full amount payable upon subscription.

7.7 ALLOCATION POLICY

The Issuer shall allocate the Bonds on the basis of the following allocation policy and order of priority:

- i. first to Existing 2017 Orion Prospects Bondholders applying for Bonds by way of 2017 Orion Prospects Bond Transfer (and subject to any Cash Top-Up as and if applicable) in accordance with sub-section 7.4 above, and subject to a minimum application of €1,000;
- ii. the remaining Bonds not subscribed to in terms of sub-section 7.7 (i) shall be allocated to Authorised Intermediaries participating in the Intermediaries' Offer on behalf of all Applicants that are not applicants in terms of the immediately preceding paragraph and in accordance with an allocation policy to be determined by the Company and the Registrar. As part of the Intermediaries' Offer, the Issuer may enter into Placement Agreements with one or more of the Authorised Financial Intermediaries for the placement of up to the aggregate amount of Bonds not subscribed for by the Existing 2017 Orion Prospects Bondholders as part of the 2017 Orion Prospects Bond Transfer.

The Issuer shall announce the result of the Bond Issue and the basis of acceptance of all Applications and the allocation policy to be adopted through a company announcement within five (5) Business Days of the closing of the Issue Period.

7.8 ADMISSION TO TRADING

- i. The MFSA has authorised the Bonds as admissible to listing pursuant to the Capital Markets Rules by virtue of a letter dated 19 December 2023.
- ii. Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List of the Malta Stock Exchange.
- iii. The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 23 February 2024 and trading is expected to commence on 26 February 2024.

7.9 CREDIT RATING

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

7.10 ADDITIONAL INFORMATION

Save for the financial analysis summary set out as Annex IV to this Securities Note, this Securities Note does not contain any statement or report attributed to any person as an expert.

The financial analysis summary has been included in the form and context in which they appear with the authorisation of Calamatta Cuschieri Investment Services Limited (C 13729) with registered address situated at Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta. Calamatta Cuschieri Investment Services Limited has given and has not withdrawn its consent to the inclusion of such reports herein. Calamatta Cuschieri Investment Services Limited does not have any material interest in the Company. The Company confirms that the financial analysis summary has been accurately reproduced in the Prospectus and that there are no facts of which the Company is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

ANNEX I – LIST OF AUTHORISED FINANCIAL INTERMEDIARIES

BANK OF VALLETTA P.L.C.

C 2833

Premium Banking Centre, 475, Triq il-Kbira San Guzepp, St Venera SVR 1011
22751732

CALAMATTA CUSCHIERI INVESTMENT SERVICES LIMITED

C 13729

Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034
25688688

FINCO TREASURY MANAGEMENT LIMITED

C 17017

The Bastions, Office No 2, Emvin Cremona Street, Floriana FRN 1281
21220002

JESMOND MIZZI FINANCIAL ADVISORS LIMITED

C 30176

67 Level 3, South Street, Valletta VLT 1105
21224410

MEDIRECT BANK MALTA PLC

C 34125

The Centre, Tigne' Point, Sliema TPO 0001
25574400

MICHAEL GRECH FINANCIAL INVESTMENT SERVICES LIMITED

C 28229

The Brokerage, Lvl 0 A, St Marta Street, Victoria, Gozo VCT 2550
22587000

ANNEX II – GUARANTEE

To: All Bondholders

19 December 2023

Dear Sirs,

Re: **GUARANTEE & INDEMNITY**

Camilleri Holdings Limited (C 27495) (hereinafter together with our lawful successors and assigns referred to as the “Guarantor”), having noted that:

- i. by virtue of a prospectus dated 19 December 2023 issued by Camilleri Finance p.l.c. (the “**Issuer**”) in connection with the issue of €15,000,000 6.25% Bonds 2034 (as the same may be amended, varied or supplemented hereinafter referred to as the “**Prospectus**”) the Issuer shall, under the joint and several guarantee of the Guarantor, issue up to €15,000,000 in Bonds at an annual interest rate of 6.25% to be redeemed and finally repaid on 23 February 2034 subject to the terms and conditions of the Prospectus (the “**Bonds**”);
- ii. the Guarantor is the parent company of the Issuer;
- i. in connection with the issue of the Bonds, the Guarantor has agreed to grant and execute this Guarantee and Indemnity (hereinafter referred to as “**Guarantee**”) for the benefit of the Bondholders; and

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

1. INTERPRETATION

In this Guarantee, unless the context otherwise requires:

- a. terms and expressions defined in or construed for the purposes of the Prospectus shall have the same meanings or be construed in the same manner when used in this Guarantee, unless defined otherwise in this Guarantee;
- b. “**Indebtedness**” means any and all moneys, obligations and liabilities now or hereafter due, owing or incurred by the Issuer under the Secured Bonds to the Bondholders in terms of the Prospectus and in any and all cases whether for principal, interests, capitalised interests, charges, disbursements, or otherwise and whether for actual or contingent liability;
- c. “**writing**” or “**in writing**” shall mean any method of visual representation and shall include facsimile transmissions, telexes and other such electronic methods.

2. GUARANTEE

2.1 COVENANT TO PAY

In satisfaction of the conditions for the issuance of the Bonds, and in consideration of the Bondholders acquiring the Bonds, the Guarantor, as duly authorised and as primary obligor, hereby jointly and severally with the Issuer, unconditionally and irrevocably guarantees to the Bondholders, to pay the Indebtedness or any balance thereof at any time due or owing under the Bonds in the event that the Issuer fails to pay any sum payable by it to the Bondholders pursuant to the terms of the Bonds as and when same shall become due.

2.2 MAXIMUM LIABILITY

This is a continuing guarantee for the whole amount due or owing under the Bonds from time to time or which may hereafter at any time become due or owing under the Bonds by the Issuer but the amount due by the Guarantor to the Bondholders under this Guarantee shall be up to and shall not be in excess of

€ 15,000,000 (fifteen million Euro)

apart from interests 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 Guarantor which shall be additional to the maximum sum herein stated.

2.3 INDEMNITY

As a separate and alternative stipulation, the Guarantors unconditionally and irrevocably agree that any Indebtedness to be payable by the Issuer but which is for any reason (whether or not now known or becoming known to the Issuer, the Guarantors or any Bondholder) not recoverable from the Guarantors, will nevertheless be recoverable from them as if they were the sole principal debtors and will be paid by them to the Bondholder on demand. This indemnity constitutes a separate and independent obligation from the other obligations in this Guarantee, gives rise to a separate and independent obligation from the other obligations in this Guarantee, and gives rise to a separate and independent cause of action.

3. CONTINUING AND UNCONDITIONAL LIABILITY

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

- a. the bankruptcy, insolvency or winding up of the Issuer; or
- b. the incapacity or disability of the Issuer; or
- c. any change in the name, style, constitution, any amalgamation or reconstruction of either the Issuer or Guarantor; or
- d. a Bondholder conceding any time or indulgence, or compounding with, discharging, releasing or varying the liability of the Issuer or any other person liable or renewing, determining, reducing, varying or increasing any accommodation or transaction or otherwise dealing with the same in any manner whatsoever or concurring in, accepting or in any way varying any compromise, composition, arrangement or settlement or omitting to claim or enforce or exact payment from the Issuer or any other person liable.

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

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

4.2 Until the Indebtedness has been paid in full the Guarantor agrees that it will not:

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

5. NEGATIVE PLEDGE

By means of the Guarantee, the Guarantor has undertaken to not, and shall procure that the other members of the Group shall not, for as long as any principal or interest under the Bonds or any of the Bonds remains outstanding, create or permit to subsist any Security Interest (as defined below), other than a Permitted Security Interest (as defined below), upon the whole or any part of a Group member's present or future assets or revenues to secure any Financial Indebtedness (as defined below) of the relative Group member, unless at the same time or prior thereto the Issuer's indebtedness under the Bonds is secured equally and rateably therewith, and the instrument creating such Security Interest so provides.

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

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

"Permitted Security Interest" means: (A) any Security Interest arising by operation of law; (B) any Security Interest securing temporary bank loans or overdrafts in the ordinary course of business; (C) any other Security Interest (in addition to (A) and (B) above) securing Financial Indebtedness of the Guarantor, in an aggregate outstanding amount not:

- resulting in the value of property, cash and cash equivalents, financial securities actively traded on a recognised market, and 55% of inventory, which inventory does not exceed €6 million, falling below the value of the sum of the principal amount of the bonds still outstanding plus amounts due on which a Security Interest is attached.

6. ADDITIONAL GUARANTEE

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

7. NO ASSIGNMENT

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

8. REPRESENTATIONS AND WARRANTIES

8.1 The Guarantor represents and warrants:

- i. that it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business;
- ii. that it has power to grant this Guarantee and that this Guarantee is duly authorised and all corporate action has been taken by the Guarantor in accordance with its deeds of constitution and the laws of its incorporation and regulation;
- iii. that this Guarantee constitutes and contains valid and legally binding obligations of the Guarantor enforceable in accordance with its terms;
- iv. that this Guarantee does not and will not constitute default with respect to or run counter to any law, by-law, articles of incorporation, statute, rule or regulation, to which the Guarantor is or may be subject;
- v. that the granting of this Guarantee is in the commercial interest of the Guarantor and that the Guarantor acknowledges that it is deriving commercial benefit therefrom.

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

9. PAYMENTS

9.1 All the Indebtedness shall be due by the Guarantor under this Guarantee as a debt, certain, liquidated and due on the sixtieth (60th) day following an Event of Default under the Prospectus.

10. NOTICES

10.1 Any notice required to be given by any party hereto to the other party shall be deemed to have been validly served if delivered by hand or sent by pre-paid registered letter through the post or by facsimile to such other party at his address given herein or such other address as may from time to time be notified to the other party for this purpose and any notice so served shall be deemed to have been served, if delivered by hand, at the time of delivery, or if by post, seven (7) days after posting and if by facsimile, at the time of transmission of the facsimile.

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

Camilleri Finance p.l.c.

Address: 14, Manuel Borg Gauci Street, Qormi, QRM 4000, Malta
Telephone No: +356 21472255
Email: info@orion.com.mt
Contact Person: Mr Anthony Camilleri

Camilleri Holdings Limited

Address: 63, St. Dominic Street, Valletta VLT 1602, Malta
Telephone No: +356 21472255
Email: info@orion.com.mt
Contact Person: Mr Anthony Camilleri

Provided that each party may at any time change such address or email by giving seven (7) days' prior written notice to the other party. Every notice, request, demand, letter or other communication hereunder shall be in writing and shall be delivered by hand or by post or through any other communication methods including email and shall be deemed to be received in case of post within seven (7) days of dispatch or in case of other methods immediately upon confirmed transmission.

11. APPLICABLE LAW AND JURISDICTION

This Guarantee shall be governed by and construed in accordance with Maltese law.

Any dispute, controversy or claim arising out of or relating to this Guarantee or as to the interpretation, validity, performance or breach thereof shall be referred to and finally resolved by arbitration under the UNCITRAL Rules of Arbitration in accordance with the provisions of Part V (International Arbitration) of the Arbitration Act, 1996. Any arbitration commenced pursuant to this clause shall take place in Malta and be administered by the Malta Arbitration Centre. The number of arbitrators shall be three (3), one arbitrator to be appointed by each of the Parties or, in default, by the Malta

Arbitration Centre, whereas the third arbitrator shall be appointed by the first two arbitrators or, if they fail to agree on such an appointment, by the Malta Arbitration Centre. No appeal shall lie from any such award given.

Yours faithfully,

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line and three dots.

Name: Mr Anthony Camilleri
duly authorised, for and on behalf of
Camilleri Finance p.l.c.

Yours faithfully,

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line and three dots.

Name: Mr Anthony Camilleri
duly authorised, for and on behalf of
Camilleri Holdings Limited

ANNEX III – SPECIMEN APPLICATION FORM



€15,000,000 6.25% UNSECURED BONDS 2034 APPLICATION FORM - EXISTING 2017 ORION PROSPECTS BONDHOLDERS

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

| | | | |
|---|---|---|--|
| A APPLICANT (see notes 2 to 7) | | | |
| <input type="checkbox"/> Non-Resident | <input type="checkbox"/> Minor (under 18) | <input type="checkbox"/> Body Corporate/ Body of Persons | <input type="checkbox"/> CIS-Prescribed Fund |
| | | I.D. CARD / PASSPORT / COMPANY REG. NO. | |
| | | MSE A/C NO. (mandatory) | |
| | | CURRENT HOLDINGS | |
| DOCUMENT TYPE | COUNTRY OF ISSUE | DATE OF BIRTH | NATIONALITY |
| LEI (Legal Entity Identifier) (if applicant if NOT an individual) | | <input type="checkbox"/> REGISTER FOR E-PORTFOLIO (mobile number is mandatory for e-port- folio registration) | MOBILE NUMBER |
| C ADDITIONAL (JOINT) APPLICANTS (see note 3) (please use Addendum to Application Form if space is not sufficient) | | | |
| TITLE (Mr/Mrs/Ms/..) | FULL NAME & SURNAME | | I.D. CARD / PASSPORT NO. |
| DOCUMENT TYPE | COUNTRY OF ISSUE | DATE OF BIRTH | NATIONALITY |
| D DECISION MAKER/MINOR'S PARENTS/LEGAL GUARDIAN(S) (see notes 4 and 7) (to be completed ONLY if applicable) | | | |
| TITLE (Mr/Mrs/Ms/..) | FULL NAME & SURNAME | | I.D. CARD / PASSPORT NO. |
| DOCUMENT TYPE | COUNTRY OF ISSUE | DATE OF BIRTH | NATIONALITY |
| TITLE (Mr/Mrs/Ms/..) | FULL NAME & SURNAME | | I.D. CARD / PASSPORT NO. |
| DOCUMENT TYPE | COUNTRY OF ISSUE | DATE OF BIRTH | NATIONALITY |
| E I/WE APPLY TO PURCHASE AND ACQUIRE (see note 8) | | | |
| AMOUNT IN FIGURES € | | AMOUNT IN WORDS | |
| Camilleri Finance p.l.c. 6.25% Unsecured Bonds 2034 (the "Bonds") (minimum subscription of €1,000 and in multiples of €100 thereafter) at the Issue Price (at par), as defined in the Prospectus dated 19 December 2023 (the "Prospectus"), payable in full upon application under the Terms and Conditions of the Bonds as set out in the Prospectus. (See note 9) | | | |
| F RESIDENT - WITHHOLDING TAX DECLARATION (see note 10) (to be completed ONLY if the Applicant is a resident of Malta) | | | |
| <input type="checkbox"/> I/We elect to receive interest NET of FWT | | <input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without FWT) | |
| G NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see note 12) (to be completed ONLY if the Applicant is a non-resident) | | | |
| TAX COUNTRY | | CITY OF BIRTH | |
| T.I.N. (Tax Identification Number) | | COUNTRY OF BIRTH | |
| <input type="checkbox"/> NOT resident in Malta but resident in the European Union | | <input type="checkbox"/> NOT resident in Malta and NOT resident in the European Union | |
| INTEREST, REFUND AND REDEMPTION MANDATE (see notes 11 and 12) (completion of this panel is MANDATORY) | | | |
| BANK | IBAN | | |
| I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions of the Bonds as contained therein which I/we fully accept. I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the Bonds in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MiFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided. | | | |
| Signature/s of Applicant/s | | Date | |
| (Parent/s or legal guardian/s are/is to sign if Applicant is a minor) (All parties are to sign in the case of a joint Application) (Bare owner/s and usufructuary/ies to sign in the case of holdings that are subject to usufruct) | | | |
| AUTHORISED INTERMEDIARY'S STAMP | AUTHORISED INTERMEDIARY'S CODE | | APPLICATION NUMBER |

NOTES ON HOW TO COMPLETE THIS APPLICATION FORM AND OTHER INFORMATION

The following notes are to be read in conjunction with the Prospectus dated 19 December 2023 regulating the Bond Issue

1. This Application is governed by the Terms and Conditions of Application contained in section 7 of the Securities Note forming part of the Prospectus dated 19 December 2023. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. The Application Form is to be completed in BLOCK LETTERS. Applicants who are non-residents in Malta for tax purposes, must indicate their passport number in Panel B and complete Panel G. The relative box in Panel A must also be marked appropriately.
3. Applicants are to insert full personal details in Panel B. In the case of an Application by more than one person (including husband and wife) full details of all individuals must be given in Panels B and C but the person whose name appears in Panel B shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 6 below). Applications by more than two persons are to use the Addendum to the Application Form.

Upon submission of an Application Form, Bondholders who opt to have an online e-portfolio facility (by marking the relative box in Panel B), will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for the e-Portfolio facility requires a mobile number to be provided on the Application Form. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further detail on the e-portfolio may be found on <https://eportfolio.borzamalta.com.mt/help>.

4. Applications in the name and for the benefit of minors shall be allowed provided that the applicant already holds an account on the MSE. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. Panel D must be inserted with full details of the parents/legal guardians.
5. In the case of a body corporate, the name of the entity exactly as registered and the registration number are to be inserted in Panel B. A valid Legal Entity Identifier ("LEI") needs to be inserted in Panel B. Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
6. APPLICANTS ARE TO INSERT AN MSE ACCOUNT NUMBER IN THE SPACE PROVIDED IN PANEL B, AND FAILURE TO DO SO WILL RESULT IN REJECTION OF THE APPLICATION FORM. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF. A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE, WILL HAVE TO BE AFFECTED.
7. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "decision maker") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in Panel D.
8. Applications must be for a minimum subscription of €1,000 and thereafter in multiples of €100 and must be accompanied by the relevant subscription amount in Euro.
9. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will be obliged to declare interest so received in the tax return. The Issuer will render an account to the Maltese Commissioner for Revenue of all interest paid, all amounts of tax deducted by the payor in respect of the interest paid and of the identity of all such recipients. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a prescribed fund (having indicated their status in the appropriate box in Panel A) will have final withholding tax (currently 10%), deducted from interest payments.

In terms of section 6 of the Securities Note forming part of the Prospectus, unless the Issuer is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of article 4(c) of the Income Tax Act (Cap. 123 of the laws of Malta), interest shall be paid to such person net of final withholding tax, (currently 15%) of the gross amount of interest, pursuant to article 33 of the Income Tax Act (Cap. 123 of the laws of Malta).

10. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation. The contents of Notes 9 and 10 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisers in case of doubt.
11. Interest and redemption proceeds will be credited to the account indicated in Panel H or as otherwise amended by the Bondholder/s during the term of the Bond.
12. The offer period for Existing 2017 Orion Prospects Bondholders will open at 08:30 hours on 15 January 2024 and will close at 12:00 hours on 19 January 2024, or earlier in case of over-subscription. Completed Application Forms are to be delivered to any Authorised Financial Intermediary listed in Annex I of the Securities Note forming part of the Prospectus during regular office hours. Remittances by post are made at the risk of the Applicant and the Company disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists. If any Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies equivalent to the number of Bonds not being accepted will be returned by direct credit into the IBAN specified in Panel H.
13. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
 - a. the Issuer or its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR)(EU) 2016/679 as amended from time to time;
 - b. the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer.

Any such requests must be made in writing and addressed to the Issuer. The request must be signed by yourself as the Applicant to whom the personal data relates.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds on offer will be repayable in full upon redemption. An investor should consult a financial adviser, licensed under the Investment Services Act (Cap. 370 of the laws of Malta), for advice.

ANNEX IV – FINANCIAL ANALYSIS SUMMARY

The Directors
Camilleri Finance p.l.c
14, Manuel Borg Gauci Street
Qormi
QRM 4000



Re: Financial Analysis Summary – 2023

19 December 2023

Dear Board Members,

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 Camilleri Finance p.l.c. (the “**Issuer**”). The data is derived from various sources or is based on our own computations as follows:

- a. Historical financial data for the three years ending 31 December 2020, 2021 and 2022 has been extracted from the audited financial statements of the Issuer and of the Group.
- b. The forecast data for the financial years ending 31 December 2023 and 2024 has been provided by management.
- c. Our commentary on the Issuer results and financial position is based on the explanations provided by management.
- d. The ratios quoted in the Analysis 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.

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 Issuer's securities. 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 Issuer's securities.

Yours sincerely,

A handwritten signature in black ink, appearing to read "P. Mangion", with a stylized flourish at the end.

Patrick Mangion
Head of Capital Markets

FINANCIAL ANALYSIS SUMMARY 2023

CAMILLERI FINANCE P.L.C.
19 DECEMBER 2023
PREPARED BY CALAMATTA CUSCHIERI
INVESTMENT SERVICES LIMITED



Contents

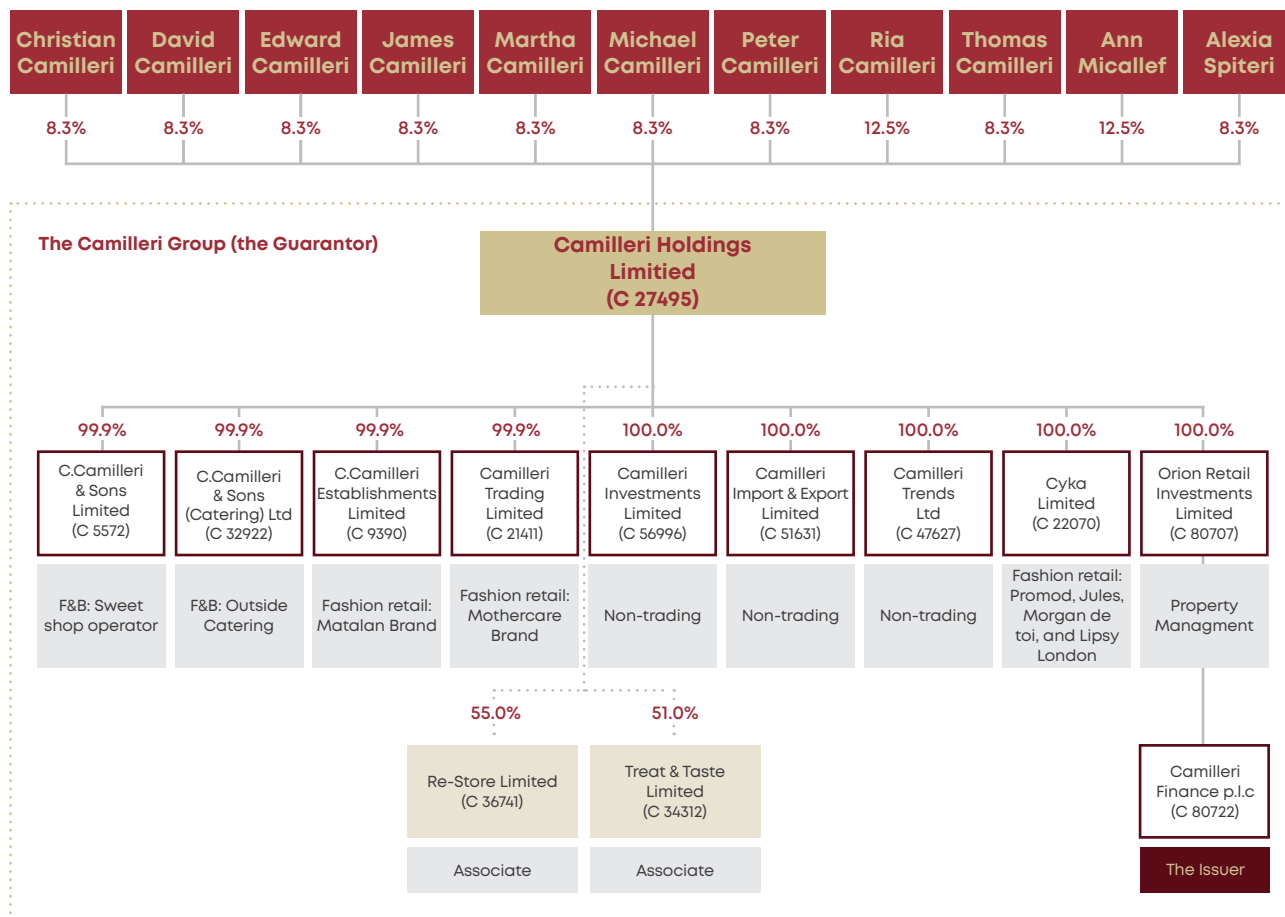
| | | |
|---------------|---|-----------|
| PART 1 | INFORMATION ABOUT THE GROUP | 76 |
| 1.1 | <i>Group's key activities and Group Structure</i> | 76 |
| 1.2 | <i>Board of Directors</i> | 77 |
| 1.3 | <i>Major Assets and Franchise Rights owned by the Group</i> | 78 |
| 1.4 | <i>Operational Developments</i> | 80 |
| 1.5 | <i>Use of proceeds</i> | 80 |
| | | |
| PART 2 | HISTORICAL PERFORMANCE AND FORECASTS | 81 |
| 2.1 | <i>Issuer's Income Statement</i> | 81 |
| 2.2 | <i>Issuer's Statement of Financial Position</i> | 82 |
| 2.3 | <i>Issuer's Statement of Cash Flows</i> | 83 |
| 2.4 | <i>Group's Income Statement</i> | 84 |
| 2.5 | <i>Group's Statement of Financial Position</i> | 86 |
| 2.6 | <i>Group's Statement of Cash Flows</i> | 88 |
| | | |
| PART 3 | KEY MARKET AND COMPETITOR DATA | 89 |
| 3.1 | <i>Economic Update</i> | 89 |
| 3.2 | <i>Economic Outlook</i> | 89 |
| 3.3 | <i>EU and Maltese Apparel Retail Market</i> | 90 |
| 3.4 | <i>EU and Maltese Food and Beverage Market</i> | 91 |
| 3.5 | <i>Comparative Analysis</i> | 93 |
| | | |
| PART 4 | GLOSSARY AND DEFINITIONS | 94 |

PART 1 INFORMATION ABOUT THE GROUP

Camilleri Finance p.l.c. (the “**Issuer**”) has applied for a bond issue in respect of €15m 6.25% Unsecured Bonds 2034, of a nominal value of €100 per bond issued at par, pursuant to the prospectus published by the Issuer dated 19 December 2023 (the “**Prospectus**”). This Analysis has been prepared in line with the MFSA Listing Policies.

1.1 GROUP’S KEY ACTIVITIES AND GROUP STRUCTURE

The Group’s complete organisation chart is set out below:



The Issuer was incorporated on 3 May 2017 as a public limited liability company, with company registration number C 80722 under the name Orion Finance p.l.c. On 11 October 2023 it changed its name to “**Camilleri Finance p.l.c.**”. As of the date of this Analysis, the authorised and issued share capital of the Issuer is €250,000 divided into 250,000 ordinary shares having a nominal value of €1 each. The Issuer is a wholly owned subsidiary of Orion Retail Investments Limited, except for one ordinary share held by Mr Anthony Camilleri.

Camilleri Holdings Limited (“**Camilleri Holdings**”, “**CHL**”, or the “**Guarantor**”), was set up as the holding company of the Group. It was incorporated on 27 December 2000 with registration number C 27495. As of the date of this Analysis, the authorised and issued share capital of the Guarantor is €75,456 divided into 12,576 ordinary A shares, 12,576 ordinary B shares, and 12,576 ordinary C shares having a nominal value of €2 each.

The Issuer, originally established as a finance company, is committed to facilitating various aspects of business activities within related companies. This commitment involves lending or advancing money, extending credit to related entities, and managing funds as directed by its directors. The issuance of bonds aligns with the Issuer’s overarching goals. Historically, up to FY22 the Issuer functioned as a financing entity for the Orion sub-group, consisting of the Issuer and its immediate parent Orion Retail Investments Limited (“**Orion Retail**”). However, with the proposed bond issuance, the Issuer is strategically shifting its focus to raise funds for CHL and its subsidiaries (collectively referred to as the “**Group**”). In this new capacity, the Issuer is dedicated to capital raising and fund advancement for the Group, abstaining from direct involvement in trading activities.

The Issuer assumes a crucial role as a financial vehicle for the Group’s upcoming projects, particularly in the immediate future. Its economic reliance closely mirrors the financial and operational performance of the Group, engaged in the sale of fashion retail and food, as outlined in this Analysis.

The Group draws its origin from 1843 when it opened a confectionery shop in the heart of Valletta. For many years, the Camilleri Group was associated exclusively with the confectionery business in Malta, as a wholesaler and retailer, renowned as “Camilleri tal-Heġu”.

138 years later, in 1981, C. Camilleri & Sons became a limited liability company and set up C. Camilleri & Sons (Catering) Limited in 1983 to diversify and branch out into catering for all types of functions, receptions and parties by offering their services to wedding venues, gardens, museums and other related venues. It is also the exclusive caterer at Olive Gardens in Mdina.

A few years later in 1988, Camilleri Establishments Limited was set up as the initial holder of the BHS franchise in Malta. In 2016, BHS filed for bankruptcy and as a result, the Group lost franchising rights for this brand. In 2017 licenses to sell Matalan products were obtained and all BHS stores were converted to Matalan outlets.

In 1997 Camilleri Trading Limited was established, which holds the Mothercare franchise in both Malta and Gozo. The first Mothercare store was opened in South Street, Valletta and has since been enlarged and refurbished. This company now operates another 4 Mothercare stores in prominent locations such as Sliema, Birkirkara, Fgura and Victoria Gozo.

Camilleri Investments Limited commenced operations for the M&Co brand in September 2013. As this franchise was discontinued internationally in FY20, the company is currently non-trading, however the outlet in Valletta was converted into Jules / Morgan de toi.

In 2016 Camilleri Group announced the formation of a strategic partnership between C. Camilleri & Sons Limited and J. P. Caruana and, in the beginning of 2017, C. Camilleri & Sons Limited acquired the operational business of J. P. Caruana. Through this venture, the company became the sole contractual distributor of Haribo, Maoam, Glisten, Tilleys, Tangerine and Ashbury in Malta.

In the same year Camilleri Holdings Limited acquired 100% of CYKA Limited, which held the licenses to import, retail and distribute George, Promod, Miss Selfridge, Morgan de toi and Jules brands.

In 2018, given that outside catering is a seasonal business depending principally on summer weddings, the Group, through C. Camilleri & Sons (Catering) Limited diversified its food and business division by adding private school canteens to its portfolio. The first school they offered this service to was San Andrea School in Mgarr which secondary school caters for approximately 700 students. As at the date of this Analysis, the Group operates canteens in 3 private schools, with the 2 other schools being St Martins College in Msida, where they cater for around 600 secondary school students as well as its live-in students and foreign students during the summer, and St. Michael's Foundation in San Gwann where they cater for approximately 600 students.

In 2022 the Group did not renew its agreement with George and the three George outlets situated in Hamrun, Paola and Victoria Gozo were converted to Matalan outlets. Later that year, the Miss Selfridge brand was sold internationally and rebranded as an exclusive online store operated by its new owners. Consequently, the store at the Plaza Mall was converted into a Jules outlet and the outlet at the Pama shopping complex was converted into a Lipsy London outlet.

Following the success of private school canteens, in 2023 C. Camilleri & Sons (Catering) Limited started catering for Evolution Gaming, one of the largest gaming companies in Malta. The Evolution Gaming canteen operates 24/7 and serves approximately 1.5k employees daily.

Since its establishment in 1843, the Group has evolved to encompass not only traditional confectionery but also expanded into the realms of outside catering and fashion retail. Furthermore, throughout its years of operation the Group has built a portfolio of property with a current market value of circa €24.4m.

Despite these diversifications, the essence of the enterprise remains rooted in its familial foundations. Currently, the reins of the business are held firmly by the fifth generation, signifying an enduring commitment to its heritage and a testament to the enduring legacy of family ownership and management.

1.2 BOARD OF DIRECTORS

As of the date of this Analysis, the following persons constitute the board of directors of the Issuer.

| Name | Designation |
|-----------------------|-------------------------------------|
| Anthony Camilleri | Non-executive Director and Chairman |
| John Soler | Independent, non-executive director |
| Michael Borg Costanzi | Independent, non-executive director |
| Christos Barmperis | Executive Director |

The business address for all the directors of the Issuer is the registered office of the Issuer, which is located at 14, Manuel Borg Gauci Street, Qormi, QRM 4000, Malta.

Pierre Griscti is the company secretary of the Issuer.

The board of the Issuer is composed of 4 directors who are entrusted with the overall direction and management of the Issuer. Christos Barmperis occupies a senior executive position within the Group and is entrusted with the Issuer's day-to-day management. John Soler, Michael Borg Costanzi and Anthony Camilleri serve on the board of the Issuer in a non-executive capacity, whose main functions are to monitor the operations and performance of the executive director as well as to review any proposals tabled by the executive director. John Soler and Michael Borg Costanzi are considered as independent directors since they are free of any business, family, or other relationship with the Issuer that could create a conflict of interest such as to impair their judgement.

1.3 MAJOR ASSETS AND FRANCHISE RIGHTS OWNED BY THE GROUP

1.3.1 Fashion Retail

The Group operates a total of 27 fashion retail outlets across Malta, including Valletta, Sliema, Birkirkara, Fgura, and Victoria Gozo. These outlets showcase a portfolio of 6 distinct brands: Mothercare, Matalan, Jules, Morgan de toi, Promod, and Lipsy London. Fashion retail stands as a cornerstone, contributing over 84% to the FY22 revenue.

1.3.1.1 Matalan

Matalan specialises in offering a wide array of clothing for women, men, and children, as well as homeware. Recognised as a leading UK and international omni-channel retailer, Matalan boasts 8 locations, comprising 2 owned stores and 6 rented outlets.

1.3.1.2 Mothercare

Mothercare, a leading global brand, operates through a network of global franchise partners with approximately 700 stores in around 36 countries worldwide. The product range includes clothing for infants and children up to 10 years, maternity apparel, car seats, pushchair systems, bedding, soft furnishings and furniture, bathing products, and high chairs. Mothercare has a presence in five locations, with three owned stores and two rented outlets.

1.3.1.3 Promod

Promod is a French fashion brand. The women's wear collection encompasses a variety of styles, from casual to smart, with a focus on French feminine allure, audacious mixing and matching, and eco-friendly initiatives. Promod operates in 5 rented locations.

1.3.1.4 Jules

Jules offers a complete wardrobe ranging from formal to sportswear. With a commitment to sustainability, Jules introduces "in progress" products that are more environmentally friendly, including an expanding range of denim. Jules locally has a presence in 4 locations.

1.3.1.5 Morgan de toi

Morgan de toi, a Parisian brand with a legacy of around 40 years, has built a prominent image in France and internationally. Catering to a young, active, and urban customer base, the brand embraces values of femininity, originality, and freedom. Morgan de Toi currently operates in 4 rented locations.

1.3.1.6 Lipsy London

Lipsy London, a fashion-forward and affordable brand, offers a diverse range of clothing, footwear, and underwear for various occasions. With statement designs featuring ruffle hemlines, draped fabric, cowl necks, and lace panels, Lipsy London guarantees a stylish selection for any event. The brand operates in 1 rented location.

1.3.2 Food and Beverage

The food and beverage segment of the Group comprises a mix of elements, featuring a historical sweet shop, a confectionery, an outside catering division, and strategically placed canteens.

The Group's historical sweet shop, situated at 153 Merchant Street, Valletta, and the recent addition in the Duke's complex in Victoria Gozo, serve as local spots for various treats, from pick and mix sweets to chocolates, cakes, seasonal delights, and a selection of wines and spirits.

1.3.2.1 "Camilleri tal- Helu" Confectionary

The flagship store at 153 Merchants Street, Valletta, has a long-standing history dating back to 1843. Operating under C. Camilleri & Sons Limited, it holds the title of the oldest confectionery trader in the Maltese islands. A recent expansion to Victoria, Gozo in April 2022 further solidifies the brand's regional presence.

This confectionery outlet offers an array of sweets, featuring over 240 varieties of pick and mix sweets, chocolates, biscuits, artisan ice cream, local specialities, special diet confectionery, cakes, and traditional treats. The store has a diverse portfolio, including brands acquired through the 2017 J.P. Caruana confectionery acquisition, and serves as the distributor of Haribo, Moam, Glisten, Tilley's, Tangerine, and Ashbury.

Additionally, the confectionery plays a role in the distribution of a range of wines, representing brands such as Manfredi, Castelvechio (Piemonte), and San Simone through various retail and wholesale channels.

1.3.2.2 Outside Catering

Camilleri Catering orchestrates outside catering events that vary in scales and forms, from casual to formal affairs, offering services at venues like Castello dei Baroni, Chateau Buskett, Cottage Gardens, Eden Lodge, Esplora, Gardjola Gardens, Hastings Gardens, and Lower Barrakka Gardens. Olive Gardens, as an exclusive venue, provides versatile

setups for standing receptions and seated dinners, both indoors and outdoors, capable of accommodating up to 1,000 standing guests.

1.3.2.3 Canteens

Recognising the seasonality inherent in outside catering, the Group diversified its food and business division by operating canteens. Currently, 3 canteens in private schools and an office canteen in Mrieħel provide fresh, warm, and cold food options daily, adding a stable dimension to the food and beverage segment.

1.3.3 Properties owned by the Group

In addition to the foundational components of the Group, Camilleri Holdings possesses four pivotal main street properties (the "Properties"). These properties serve as locations for Matalan Sliema, Mothercare Sliema, Mothercare Valletta, and Mothercare/Matalan Fgura. Additionally, the Group maintains a property in Ħandaq, serving as its head office and primary warehouse. While CHL facilitated the acquisition of these properties, the management responsibilities were subsequently transferred to Orion Retail through a property management agreement dated 5 May 2017.

1.3.3.1 Matalan Premises, Sliema

This establishment, situated at The Strand, Sliema, encompasses the premises currently housing the Matalan fashion retail outlet, along with a section occupied by Tony's Bar.

The commercial property boasts an approximate internal shop area of 837sqm, with Tony's Bar occupying an approximate floor area of 73sqm. Additionally, there is a shared access space of 44sqm, necessary for common entry to third-party residences located above these commercial properties, also serving as an entrance shop window. On the first floor, the premises feature a commercial frontage of 16.5m overlooking the main street, utilised entirely as a display window/balcony.

1.3.3.2 Mothercare Premises, Sliema

This venue, located at St. Anne's Square, Sliema, overlooking the Sliema ferries, operates as a retail outlet under the Mothercare brand. Accessible from 3 separate entrances (The Plaza Shopping Centre, St. Anne's Square, and Ġuże Fava Street) the commercial property spans 2 floors, with a total floor area of 328sqm. At the ground floor level, the property exhibits an 8m frontage on St. Anne's Square, while at the first-floor level, it features a 5.15m frontage on Guze Fava Street.

1.3.3.3 Mothercare Premises, Valletta

This property, situated at 14 South Street, Valletta, houses the retail outlet under the Mothercare brand. Originally consisting of 2 separate units beneath adjacent apartment blocks, connected by a main internal staircase, the premises boast 2 prominent main entrances from Ordnañce Street and South Street. The site covers an area of approximately 559sqm, with 253sqm at the ground floor, 239sqm at the first floor, and 67sqm at the basement level.

1.3.3.4 Matalan/ Mothercare, Fgura

This outlet, accommodating the retail spaces of Matalan and Mothercare, is situated on the basement floor, ground floor, and front part of the first floor level. The property includes 12 car parking spaces and the contractual right of way over the plant room for utilising the fire escape at the back. With an approximate gross external area of 1,945sqm, the property features a frontage of 11.95m on the ground floor and 16.4m frontage on the first floor, overlooking Żabbar Road, Fgura.

This outlet comprises a building accessible from Żabbar Road and Mater Boni Consilii Street, constructed on a site formerly occupied by 4 properties numbered 248, 250, 252, and 254 on Żabbar Road, beneath a cluster of 11 garages accessible through a long driveway from Mater Boni Consilii Street located at the back of the development.

1.3.3.5 Qormi Plots

This plot is located at 49-51 Manuel Borg Gauci Street and 61-62 Luigi Maria Galea Street, possesses two street frontages in a containment area. The total developable area measures 851sqm, allowing potential development into industrial warehouses or industrial uses in line with recent development trends in the Ħandaq area. Presently, the land serves as a car park, including a covered parking bay for the Group's commercial fleet.

1.3.3.6 Qormi Warehouse

Constructed approximately 32 years ago on plots 19 and 20, Manuel Borg Gauci Street, Qormi, this warehouse consists of a double plot construction.

Under Planning Authority permit PA00762/12, the Group added an additional floor to the building, designated for offices, archives, stores, and a canteen. The permit also included the change of use of part of the ground floor level from a metal works workshop to stores and the change of use of part of the first-floor level from offices to catering (food preparation).

1.4 OPERATIONAL DEVELOPMENTS

1.4.1 Bond Issuance for Group Funding

The Issuer is currently engaged in a strategic initiative to raise funds for CHL and its subsidiaries through a proposed bond issue. This financial move reflects the Issuer's commitment to securing capital for the Group's initiatives, emphasising a forward-looking financial strategy.

1.4.2 Diversification of Food and Business Division

Building on the 2018 initiative to diversify its food and business division through private school canteens, the Group continues to expand its presence in this sector. Notably, in 2023, the Group extended its catering services to Evolution Gaming, a prominent gaming company in Malta.

1.4.3 Refurbishments

In 2016, the formation of a strategic partnership with J.P. Caruana led to the acquisition of its operational business in 2017. Concurrently, Camilleri Holdings Limited secured full ownership of CYKA Limited in the same year. In 2022, strategic decisions were made to discontinue agreements with specific brands. The transformation saw the conversion of 3 George outlets into Matalan stores, while the Miss Selfridge brand underwent an international sale, repositioning itself as an exclusive online store.

The Group is actively planning a comprehensive refurbishment initiative for its outlets housing the Matalan and Mothercare brands. This undertaking encompasses the introduction of innovative franchise concepts, the targeted acquisition of new brands, and a substantial investment in state-of-the-art IT infrastructure. The refurbishment is slated to occur between 2024 and 2026, incurring an estimated cost of approximately €2.2m.

1.5 USE OF PROCEEDS

The net proceeds from the proposed bond issue will be used by the Issuer and advanced to CHL via a loan agreement as defined in the Prospectus, for the following purposes, in the amounts and order of priority set out below:

- €4.2m will be used by the Issuer for the redemption of the outstanding amount of the bonds issued by Camilleri Finance p.l.c. currently admitted to the Prospects MTF (the "Prospects Bonds") remaining in issue as at or about January 2024 (including payment of interest thereon), being the expected date of redemption of the Prospects Bonds as determined by the Issuer and duly notified to existing 2holders of the Prospects Bonds;
- €3.2m will be used to refinance bank loans associated with the Group's capital expenditures which includes:
 - i. Bank of Valletta p.l.c. loan originally used as end finance to acquire CYKA Limited;
 - ii. MeDirect Bank (Malta) p.l.c. loan used to consolidate and refinance HSBC exposure originally provided to acquire the property in Żabbar Road, Fgura, refurbishment of the Head Office property in Handaq, and capital expenditure of retail outlets; and
 - iii. Bank of Valletta p.l.c. loans originally used as end finance for finishing and furnishing the old George outlet at PAVI.
- €2.15m will be utilised for store refurbishments to enhance current store infrastructure and for the opening of new stores in view of the Group's expansion;
- €4.95m for general corporate funding purposes; and
- €0.5m to cover the issue costs which are then amortised over the term of the bond. This includes a provision for professional fees and placement fees incurred by the Issuer in connection with the proposed issue.

PART 2 HISTORICAL PERFORMANCE AND FORECASTS

The financial information in sections 2.1 to 2.6 is extracted from the audited financial statements of the Issuer and the Group for the financial years ended 31 December 2020, 2021 and 2022.

The projected financial information of the Issuer and the Group for the years ending 31 December 2023 and 2024 have been provided by management. This financial information relates to events in the future and is based on assumptions that the Issuer believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecasts and actual results may be material.

2.1 ISSUER'S INCOME STATEMENT

| Income Statement | 2020A | 2021A | 2022A | 2023F | 2024P |
|----------------------------------|------------|------------|------------|------------|------------|
| | € '000s | € '000s | € '000s | € '000s | € '000s |
| Finance income | 360 | 345 | 326 | 375 | 1,160 |
| Finance cost | (234) | (224) | (212) | (211) | (945) |
| Net interest income | 126 | 121 | 114 | 164 | 215 |
| Other income | 1 | - | - | - | - |
| Administrative expenses | (76) | (80) | (81) | (84) | (132) |
| Amortisation of bond issue costs | (8) | (8) | (8) | (9) | (50) |
| Profit before tax | 42 | 32 | 25 | 70 | 33 |
| Tax | (18) | (14) | (11) | (25) | (12) |
| Profit for the year | 24 | 18 | 13 | 45 | 21 |

| Ratio Analysis | 2020A | 2021A | 2022A | 2023F | 2024P |
|--|-------|-------|-------|-------|-------|
| Profitability | | | | | |
| Operating Profit Margin (PBT / Revenue) | 33.1% | 26.4% | 21.9% | 42.7% | 15.3% |
| Net Margin (Profit for the year / Finance Income) | 6.7% | 5.2% | 4.0% | 12.0% | 1.8% |
| Return on Common Equity (Net Income / Average Equity) | n/a | 36.0% | 26.0% | 30.0% | 8.4% |
| Return on Assets (Net Income / Average Assets) | n/a | 0.4% | 0.3% | 0.5% | 0.1% |
| Return on capital employed (PBT/ Total Assets - Current Liabilities) | 0.8% | 0.7% | 0.5% | 0.5% | 0.2% |

The Issuer, serving as the financial arm of the Group, primarily generates revenue through interest income derived from funds extended to Orion Retail. These funds, totalling €4.9m, originated from the Prospects Bonds and were allocated to settle the cash component for Orion Retail's acquisition of property management rights from CHL. In accordance with the loan agreement, the €4.9m funds were lent to Orion Retail at an interest rate of 7.5% per annum. The interest, paid semi-annually on 18 June and 18 December, spans ten years until 18 June 2027. The Issuer's interest income is calculated based on the outstanding loan balance at the beginning of each fiscal year.

As outlined in the loan agreement, Orion Retail made capital repayments to the Issuer, subsequently transferred to a sinking fund to fulfil sinking fund obligations. This contributed to a decrease in finance income from €0.4m in FY20 to €0.3m in FY22.

Following the bond issue in FY23, the Issuer plans to generate interest at a rate of 8.0% per annum on funds advanced to Orion Retail. The projected interest income, arising from the €14.5m net proceeds earmarked for Orion Retail from FY24 onwards, is expected to reach €1.2m in FY24. Notably, a portion of these funds will be retained by the Issuer for investment, with the understanding that Orion Retail assumes ultimate responsibility for associated rights and risks.

On the other hand, finance costs encompass interest accrued by the Issuer on its debt securities (the Prospects Bonds) amounting to €5.0m, carrying an interest rate of 4.75% per annum and maturing in 2027, unless repurchased and cancelled earlier. Utilising funds transferred to the sinking fund, following the treasury management policy, as outlined in the Issuer's audited financial statement of 2022, led to a decrease in finance costs from €234k in FY20 to €212k in FY22. Following the issue of the proposed bond, finance costs are expected to increase substantially to €945k in FY24.

The minor value for other income pertains to gains from repurchasing bonds on the secondary market. Administrative expenses, covering professional fees, director fees, and auditor's remuneration, remained stable between FY20 and FY22 and are forecasted to rise from €84k in FY23 to €132k in FY24, mainly due to increased directors' fees. Bond issue costs of €0.1m are being amortised over ten years, aligning with the bond's lifespan. In FY24, the bond issue costs will be €0.5m and will be initially capitalised and amortised over the ten-year term using the straight-line method, in line with IAS 38 – *Intangible Assets*.

After accounting for taxation, the Issuer realised a profit of €13k in FY22, which is lower than the €18k registered in FY21. This is expected to rebound in FY23, reaching €45k and then decreasing to €21k in FY24.

2.2 ISSUER'S STATEMENT OF FINANCIAL POSITION

| Statement of Financial Position | 2020A | 2021A | 2022A | 2023F | 2024P |
|--|--------------|--------------|--------------|---------------|---------------|
| | € '000s | € '000s | € '000s | € '000s | € '000s |
| Assets | | | | | |
| Non-current assets | | | | | |
| Loan receivable | 4,350 | 4,050 | 3,550 | 12,350 | 12,850 |
| Sinking fund | 200 | 250 | 300 | - | - |
| Total non-current assets | 4,550 | 4,300 | 3,850 | 12,350 | 12,850 |
| Current assets | | | | | |
| Loan receivable | 250 | 300 | 500 | - | - |
| Trade and other receivables | 4 | 8 | 8 | 6 | 6 |
| Future capital expenditure | - | - | - | 2,150 | 1,650 |
| Cash and cash equivalents | 352 | 369 | 397 | 486 | 545 |
| Total current assets | 606 | 676 | 905 | 2,643 | 2,202 |
| Total assets | 5,156 | 4,976 | 4,755 | 14,993 | 15,052 |
| Equity | | | | | |
| Share capital | 50 | 50 | 50 | 250 | 250 |
| Retained earnings | 104 | 122 | 135 | 181 | 203 |
| Total equity | 154 | 172 | 185 | 431 | 453 |
| Liabilities | | | | | |
| Non-current liabilities | | | | | |
| Borrowings | 4,847 | 4,655 | 4,413 | 14,500 | 14,550 |
| Total non-current liabilities | 4,847 | 4,655 | 4,413 | 14,500 | 14,550 |
| Current liabilities | | | | | |
| Trade and other payables | 154 | 149 | 143 | 37 | 37 |
| Current tax liability | 1 | 1 | 13 | 25 | 12 |
| Total current liabilities | 155 | 150 | 156 | 62 | 49 |
| Total liabilities | 5,002 | 4,805 | 4,569 | 14,562 | 14,599 |
| Total equity and liabilities | 5,156 | 4,976 | 4,755 | 14,993 | 15,052 |
| Ratio Analysis | 2020A | 2021A | 2022A | 2023F | 2024P |
| Financial Strength | | | | | |
| Gearing 1 (Net Debt / Net Debt and Total Equity) | 96.7% | 96.1% | 95.6% | 97.0% | 96.9% |
| Gearing 2 (Total Liabilities / Total Assets) | 97.0% | 96.6% | 96.1% | 97.1% | 97.0% |
| Gearing 3 (Net Debt / Total Equity) | 3147.4% | 2706.4% | 2385.4% | 3364.3% | 3211.9% |
| Current Ratio (Current Assets / Current Liabilities) | 3.9x | 4.5x | 5.8x | 42.6x | 44.9x |

In FY22, the Issuer's total assets amounted to €4.8m, primarily driven by a €3.6m loan receivable from Orion Retail. The current portion of the loan reflects the scheduled repayment by Orion Retail by the end of FY24, aligning with the predetermined loan agreement. Through the proposed bond issue this is expected to increase in FY23, significantly increasing the total asset base to €12.4m and €12.9m the year after.

Aligned with the company admission document of the Prospects Bonds dated 22 May 2017 and the Issuer's treasury management policy, a sinking fund was established to cover 100% of the value of the Prospects Bonds between FY19 and FY27. Cumulative contributions to the sinking fund until FY22 totalled €850k, with €839k utilised to repurchase the Issuer's bonds by 30 June 2023. Consequently, the sinking fund balance is expected to be nil from FY23 onward.

Current assets in FY22 include a €500k loan receivable that related to the transfer of funds to Orion Retail, which are due for payment by FY23. Cash and cash equivalents have shown a consistent increase since FY20, reaching €397k in FY22. This trend is expected to continue, with projections indicating an increase to €486k by the end of FY23 and a further rise

to €545k in FY24. The Issuer plans to allocate funds for investments starting from the end of FY23, amounting to €2.2m. This results in a significant increase in current assets in FY23, reaching €2.6m compared to the €1.0m registered in FY22. As of FY22, the Issuer had a share capital of €50k and retained earnings of €135k. Projections indicate an increase in share capital to €250k in FY23 and FY24. Retained earnings, which consist of the spread on interest on the loan receivable from CHL, interest on the investments and the management fees less administrative expenses, are expected to grow from €135k in FY22 to €181k in FY23 and are projected to further increase to €203k in FY24, consequently increasing the total equity base annually.

Liabilities during the historical period primarily consist of borrowings related to the outstanding Prospects Bonds. This liability gradually decreased to €4.4m during FY22. However, due to the proposed bond issue, it is expected to surge significantly to €14.5m in FY23.

Minor liabilities include trade and other payables, comprising trade payables, amounts due to fellow subsidiaries, and accrued interest on outstanding securities. These have gradually decreased from €154k in FY20 to €143k in FY22. Projections indicate a further decrease to €37k by the end of FY23, with expectations to maintain this level in FY24.

The Issuers gearing ratio has been above 95% during the historical period and is expected to follow this trend throughout the projected period given that it is a finance company. Additionally, as the Issuer plans to set aside funds for future investments, the current assets are anticipated to significantly surpass current liabilities, anticipating an improvement in their short-term liquidity position. This positive trend is highlighted by the current ratio, revealing the magnitude by which current assets cover current liabilities going from 5.8x in FY22 to an impressive 42.6x in FY23 and further to 44.9x in FY24.

2.3 ISSUER'S STATEMENT OF CASH FLOWS

| Cash Flows Statement | 2020A | 2021A | 2022A | 2023F | 2024P |
|---|----------------|----------------|----------------|----------------|----------------|
| | € '000s | € '000s | € '000s | € '000s | € '000s |
| Operating activities | | | | | |
| Profit before income tax | 42 | 32 | 25 | 70 | 33 |
| Adjustments | (118) | (113) | (106) | (154) | (165) |
| Working capital changes | 4 | - | - | - | - |
| Cash generated from / (used in) operations | (71) | (80) | (80) | (84) | (132) |
| Interest received | 360 | 345 | 326 | 375 | 1,160 |
| Interest paid | (237) | (229) | (218) | (326) | (945) |
| Tax paid | (18) | - | - | (13) | (25) |
| Net cash flows generated from / (used in) operating activities | 35 | 36 | 28 | (47) | 59 |
| Investing activities | | | | | |
| Movement in future capital expenditure | - | - | - | (2,150) | 500 |
| Net cash flows generated from / (used in) investing activities | - | - | - | (2,150) | 500 |
| Financing activities | | | | | |
| Repayments to fellow subsidiary | - | (18) | - | - | - |
| Net repayments from / (to) parent company | 248 | 250 | 300 | (8,300) | (500) |
| Redemption of bonds | (100) | (200) | (250) | (4,413) | - |
| Proceeds from new bonds | - | - | - | 15,000 | - |
| Bond issue costs | - | - | - | (500) | - |
| Equity injection | - | - | - | 200 | - |
| Movement in sinking fund | (100) | (50) | (50) | 300 | - |
| Net cash flows generated from / (used in) financing activities | 48 | (18) | - | 2,287 | (500) |
| Movement in cash and cash equivalents | 82 | 17 | 28 | 90 | 59 |
| Cash and cash equivalents at start of year | 269 | 352 | 369 | 397 | 486 |
| Cash and cash equivalents at end of year | 352 | 369 | 397 | 486 | 545 |
| Ratio Analysis | 2020A | 2021A | 2022A | 2023F | 2024P |
| Cash Flow | € '000s | € '000s | € '000s | € '000s | € '000s |
| Free Cash Flow (Net cash from operations + Interest - Capex) | €271 | €264 | €245 | €279 | €1,004 |

Considering its treasury management function, the Issuer's primary cash movements, aside from raising and repaying debt instruments, involve extending loans to Orion Retail. The interest rate on these loan advances is set at a rate which is marginally higher than the cost of finance to the Issuer such that the Issuer will be in a position to cover administrative

expenses incurred in managing the debt instrument on behalf of Orion Retail. The cash utilised in operations shows relative stability between FY20 and FY22, resulting in a generated cash flow of €28k during FY22. However, the projections for FY23 anticipate a net cash outflow of €47k in operating activities, primarily due to an expected increase in interest payments. The subsequent year forecasts a significant improvement, with operating activities generating €59k, attributed to higher interest received.

Historically, the Issuer had no investing activities, but it plans to allocate €2.2m for investing activities in FY23 relating to the Group's refurbishment and expansion plans, with €0.5m earmarked for utilisation in FY24.

While financing activities show limited fluctuation in the historical period with repayments from Orion Retail and transfers to the sinking fund, in FY23 the Issuer is expected to witness diverse activities, including proceeds from the new bond issue, early repayment of the Prospects Bonds, loan advances to the Group from the proposed bond, allocation of funds for investment aligned with the Group's expansion plans, and a €200k cash injection by the Group to augment the Issuer's share capital. Consequently, net cash generated from financing activities is expected to increase to €2.3m from the nil amount recorded in FY22.

Cash and cash equivalents movement during FY22 amounted to €28k, surpassing the €17k movement in FY21. This upward trend is expected to continue, reaching €90k in FY23 and followed by a decline in FY24 to €59k, resulting in a positive year-end balance higher than the preceding years.

Although free cash flow declined from €264k in FY21 to €245k in FY22, it is anticipated to rebound in FY23 and FY24, driven by higher interest received.

2.4 GROUP'S INCOME STATEMENT

| Income Statement | 2020A | 2021A | 2022A | 2023F | 2024P |
|---|----------------|--------------|----------------|--------------|--------------|
| | € '000s | € '000s | € '000s | € '000s | € '000s |
| Revenue | 14,595 | 16,283 | 18,396 | 20,642 | 21,394 |
| Cost of goods sold | (9,527) | (9,808) | (11,019) | (12,160) | (12,197) |
| Gross profit | 5,068 | 6,475 | 7,377 | 8,482 | 9,197 |
| Other income | 1,761 | 1,652 | 842 | 252 | 214 |
| Operating expenses | (6,325) | (5,566) | (7,196) | (6,591) | (6,705) |
| EBITDA | 505 | 2,561 | 1,022 | 2,144 | 2,706 |
| Depreciation and amortisation | (1,759) | (1,451) | (1,369) | (1,357) | (1,347) |
| Finance costs | (934) | (813) | (856) | (935) | (1,408) |
| Profit / (loss) before tax | (2,188) | 297 | (1,203) | (149) | (49) |
| Tax income / (expense) | 928 | 34 | 486 | 52 | 17 |
| Profit / (loss) after tax | (1,260) | 331 | (717) | (97) | (32) |
| Other comprehensive income | | | | | |
| Revaluation of property plant and equipment | 1,517 | - | 1,129 | - | - |
| Tax effect on revaluation | (138) | - | (103) | - | - |
| Other comprehensive income | 1,379 | - | 1,026 | - | - |
| Comprehensive income / (loss) | 119 | 331 | 309 | (97) | (32) |

| Ratio Analysis | 2020A | 2021A | 2022A | 2023F | 2024P |
|--|--------|-------|--------|--------|--------|
| Profitability | | | | | |
| Growth in Revenue (YoY Revenue Growth) | n/a | 12% | 13% | 12% | 4% |
| Gross Profit Margin (Gross Profit / Revenue) | 34.7% | 39.8% | 40.1% | 41.1% | 43.0% |
| EBITDA Margin (EBITDA / Revenue) | 3.5% | 15.7% | 5.6% | 10.4% | 12.6% |
| Net Profit Margin (Profit for the year / Revenue) | (8.6)% | 2.0% | (3.9)% | (0.5)% | (0.1)% |
| Return on Common Equity (Net Income / Average Equity) | n/a | 1.9% | (4.0)% | (0.5)% | (0.2)% |
| Return on Assets (Net Income / Average Assets) | n/a | 0.7% | (1.6)% | (0.2)% | (0.1)% |
| Return on capital employed (EBITDA / Total Assets - Current Liabilities) | 1.4% | 7.5% | 3.1% | 5.2% | 6.6% |

The revenue of the Group experienced notable fluctuations over the historical years, reflecting the significant impact of the COVID-19 pandemic and strategic changes within the Group.

In FY20, revenue amounted to €14.6m, with fashion retail constituting over 85% of this. The pandemic-related disruptions, including government-imposed closures and changes in brand affiliations, such as the liquidation of the M&Co franchise and the conversion of outlets, contributed to a challenging environment that affected revenue. FY21 witnessed a 12.0%

growth, reaching €16.3m, fuelled by the reopening of travel and tourism and strategic measures such as increased discounts and government vouchers. FY22 demonstrated further resilience, with revenue reaching €18.4m, a 13.0% increase from the previous year. This growth was attributed to improved performance in the second half, marked by the easing of pandemic restrictions and the opening of new outlets. The increased canteen business has also contributed to an increase in revenue. The seasonal nature of revenue, influenced by events like weddings and holiday seasons, is expected to persist and as of 30 June 2023, CHL has generated €8.7m in revenue (30 June 2022: €8.6m). Looking forward, the Group projects to reach €20.6m in FY23 and €21.4m in FY24.

The cost of goods sold, primarily covering inventory costs in fashion retail and F&B, aligns with the revenue growth trend. The gross profit margin increased steadily from 34.7% in FY20 to 40.1% in FY22. The forecast indicates an improvement to 41.1% in FY23 and a further increase to 43.0% in FY24. The improvement in overall gross profit margin reflects increased efficiencies in economies of scale with the growth of the business.

Other income, including rental income and various services, saw fluctuations influenced by external factors. Operating expenses, initially reduced in FY21 due to pandemic-induced disruptions, increased in FY22, partly due to write-offs. Future operating expenses are projected to decrease in FY23, reflecting the absence of significant write-offs, but increase slightly in FY24 due to anticipated expansion efforts.

Depreciation and amortisation cover property, plant and equipment and intangible assets, and are expected to be presented in the report with relevant numerical values. Finance costs exceeding €0.8m per annum include various interest components, with FY23 increasing to €0.9m by incorporating bond interest and banking-related charges. In FY24 the Group anticipates the inclusion of interest on the Issuer's proposed bond issue, reaching finance costs of €1.4m.

In FY20 and FY22, the Group revalued its Properties, which increase in property value is accounted for within other comprehensive income. The Properties were valued by an independent architect. Overall, the Group reported a total comprehensive income of €0.3m during the period under review which is higher than the total comprehensive income generated in FY20 of €0.1m.

2.5 GROUP'S STATEMENT OF FINANCIAL POSITION

| Statement of Financial Position | 2020A | 2021A | 2022A | 2023F | 2024P |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|
| | € '000s | € '000s | € '000s | € '000s | € '000s |
| Assets | | | | | |
| Non-current assets | | | | | |
| Goodwill | 3,610 | 3,610 | 3,610 | 3,610 | 3,610 |
| Intangible assets | 492 | 469 | 433 | 380 | 346 |
| Property, plant and equipment | 25,370 | 25,142 | 26,071 | 25,767 | 25,930 |
| Right-of-use assets | 6,501 | 5,559 | 5,108 | 4,971 | 5,916 |
| Long-term financial assets | 352 | 124 | 146 | - | - |
| Investment property | 16 | 16 | 16 | 16 | 16 |
| Investment in associates | 28 | 28 | 28 | 42 | 42 |
| Deferred tax assets | 1,842 | 2,074 | 2,566 | 2,618 | 2,618 |
| Sinking fund | 200 | 250 | 300 | - | - |
| Total non-current assets | 38,411 | 37,273 | 38,279 | 37,406 | 38,478 |
| Current assets | | | | | |
| Inventories | 2,716 | 3,886 | 4,098 | 4,648 | 4,648 |
| Trade and other receivables | 2,228 | 1,950 | 1,589 | 2,018 | 1,392 |
| Cash and cash equivalents | 2,160 | 2,319 | 2,249 | 2,509 | 1,889 |
| Future capital expenditure | - | - | - | 2,150 | 1,650 |
| Total current assets | 7,103 | 8,154 | 7,937 | 11,325 | 9,579 |
| Total assets | 45,514 | 45,427 | 46,217 | 48,731 | 48,058 |
| Equity | | | | | |
| Share capital | 75 | 75 | 75 | 75 | 75 |
| Retained earnings | 4,360 | 4,691 | 3,974 | 3,877 | 3,845 |
| Revaluation reserve | 13,130 | 13,130 | 14,156 | 14,156 | 14,156 |
| Total equity | 17,565 | 17,896 | 18,205 | 18,109 | 18,076 |
| Liabilities | | | | | |
| Non-current liabilities | | | | | |
| Bonds payable | 4,847 | 4,655 | 4,413 | 14,500 | 14,550 |
| Borrowings | 6,383 | 5,219 | 4,094 | 862 | 178 |
| Long-term financial liabilities | 8 | 8 | 1 | - | - |
| Trade and other payables | - | 255 | 291 | 2,055 | 1,376 |
| Lease liabilities | 6,162 | 5,343 | 4,911 | 4,884 | 5,912 |
| Deferred tax liabilities | 907 | 900 | 1,009 | 1,009 | 1,009 |
| Total non-current liabilities | 18,307 | 16,380 | 14,719 | 23,311 | 23,024 |
| Current liabilities | | | | | |
| Borrowings | 1,851 | 3,067 | 5,031 | 481 | 416 |
| Trade and other payables | 6,953 | 7,291 | 7,370 | 5,973 | 5,649 |
| Lease liabilities | 838 | 792 | 892 | 858 | 893 |
| Total current liabilities | 9,642 | 11,151 | 13,293 | 7,312 | 6,958 |
| Total liabilities | 27,949 | 27,531 | 28,011 | 30,622 | 29,982 |
| Total equity and liabilities | 45,514 | 45,427 | 46,217 | 48,731 | 48,058 |

| Ratio Analysis | 2020A | 2021A | 2022A | 2023F | 2024P |
|--|--------|-------|-------|--------|--------|
| Financial Strength | | | | | |
| Gearing 1 (Net Debt / Net Debt and Total Equity) | 50.5% | 48.4% | 48.4% | 51.3% | 52.6% |
| Gearing 2 (Total Liabilities / Total Assets) | 61.4% | 60.6% | 60.6% | 62.8% | 62.4% |
| Gearing 3 (Net Debt / Total Equity) | 102.1% | 93.7% | 93.9% | 105.3% | 111.0% |
| Net Debt / EBITDA | 35.5x | 6.5x | 16.7x | 8.9x | 7.4x |
| Current Ratio (Current Assets / Current Liabilities) | 0.7x | 0.7x | 0.6x | 1.5x | 1.4x |
| Interest Coverage 1 (EBITDA / Cash interest paid) | 0.9x | 7.8x | 3.3x | 2.9x | 2.7x |
| Interest Coverage 1 (EBITDA / Finance Costs) | 0.5x | 3.2x | 1.2x | 2.3x | 1.9x |

The Group's diverse asset portfolio encompasses property, plant and equipment, right of use assets, goodwill, inventories, trade and other receivables, as well as cash and cash equivalents. The total assets in FY22 amounting to €46.2m, exhibit a minor increase from €45.4m in the preceding year. Projections indicate an increase to €48.7m by the close of FY23, followed by a slight decline to €48.1m by FY24, showcasing sustained stability.

In FY22, non-current assets reached €38.3m, up from €37.3m in FY21, with property, plant and equipment being valued at €26.1m compared to FY21 where it was valued at €25.1m. Goodwill, consistent at €3.6 million since FY20, originates from the Group's acquisition of J.P. Caruana Confectionery and Cyka Limited in FY17.

Right-of-use assets, totalling €5.1m in FY22 (FY21: €5.6m), pertain to the Group's leased outlets, acquired through new lease agreements in accordance with IFRS 16. Amortisation of intangible assets, spanning 5 to 20 years, aligns with the respective lease periods and useful lives.

Deferred tax assets of €2.6m in FY22 relate to potential future benefits from tax losses once profitability is regained, anticipated to be absorbed through annual tax charges and not fluctuate drastically in FY23 and FY24.

Current assets, totalling €7.9m in FY22 (FY21: €8.2m), predominantly include inventories, trade and other receivables, and cash and cash equivalents.

Inventories, reflective of goods held for resale, rose from €2.7m in FY20 to €4.1m in FY22, nearly doubling. The Group's proactive inventory management includes enhanced demand forecasts, close monitoring of market trends, and diversification of product offerings, driven by shifts in customer behaviour exacerbated by the extended impact of the COVID-19 pandemic.

Trade and other receivables amounted to €1.6m in FY22, primarily comprising trade receivables, amounts owed by related parties, shareholders, and third parties.

By the end of FY23, the Group plans to allocate funds equivalent to assumed additional capital expenditures of €2.2m by the end of FY23. This balance is expected to decrease in line with the utilisation of funds for the Group's refurbishment and expansion plans.

Equity, represented by share capital, retained earnings, and revaluation reserve, amounted to €17.6m in FY20 and increased to €18.2m in FY22. It is anticipated to have minor fluctuations and decrease slightly to c. €18.1m in FY23 and FY24.

Total liabilities, aggregating to €28.0m over the historical period, are driven by bonds payable, borrowings, long-term financial liabilities, trade and other payables, lease liabilities, and deferred tax liabilities. Non-current liabilities as of FY22 decreased to €14.7m from €16.4m in FY21, primarily encompassing bank borrowings, the balance of the Prospects Bonds, deferred tax liabilities, and lease liabilities due to IFRS 16. Current liabilities, increased from €11.2m in FY21 to €13.3m in FY22, consisting of bank borrowings, trade and other payables, and lease liabilities under IFRS 16.

Borrowings in FY22, which include bank overdrafts, amounted to €9.1m. These are related to loan facilities from Bank of Valletta and MeDirect Bank (Malta) plc, with variable interest rates currently varying between 4.65% and 8.3% which were drawn for various purposes, including the acquisition of Cyka Limited, refurbishments, and working capital. Due to the anticipated €15.0m bond issue the total borrowings are expected to decline from FY23 onward. Consequently, the bonds payable increase to €14.5m, net of €0.5m bond issue costs, which cover the €4.4m early redemption of the Prospects Bond.

Deferred tax liabilities, which arise from temporary differences between taxable and accounting profits, increased from €0.9m in FY20 and FY21 to €1.0m in FY22. This value is expected to remain constant, aligning with differences recognised in the Group's investment property and property, plant, and equipment, and is projected to correspond with the Group's projected profits.

Total trade and other payables are expected to remain fairly stable between €7.0m and €8.0m throughout the projected period.

The Group's gearing has decreased from 50.5% in FY20 to 48.4% in FY22. It is expected to slightly increase to 51.3% by FY23 and 52.6% by FY24, reflecting stable net debt and equity post bond issue. Interest cover is projected to increase to 2.3x in FY23 from 1.2x in FY22 and remain over 1.5x during the forecast period, aligning with the Group's anticipated generated profits. The current ratio of the Group is expected to be more than 1.0x from FY23 onwards, thereby improving the short-term liquidity position of the Group.

2.6 GROUP'S STATEMENT OF CASH FLOWS

| Cash Flows Statement | 2020A | 2021A | 2022A | 2023F | 2024P |
|---|----------------|----------------|----------------|----------------|----------------|
| | € '000s | € '000s | € '000s | € '000s | € '000s |
| Operating activities | | | | | |
| EBITDA | 505 | 2,561 | 1,022 | 2,144 | 2,706 |
| Adjustments | - | - | 434 | 358 | 369 |
| Changes in inventories | 1,411 | (1,170) | (212) | (549) | - |
| Changes in trade and other receivables | 1,229 | (23) | 81 | (191) | 644 |
| Changes in trade and other payables | 623 | 689 | 5 | 366 | (1,004) |
| Cash generated from operations | 3,768 | 2,057 | 1,331 | 2,128 | 2,715 |
| Interest paid | (579) | (329) | (306) | (747) | (995) |
| Net cash flows generated from / (used in) operating activities | 3,189 | 1,727 | 1,025 | 1,381 | 1,720 |
| Investing activities | | | | | |
| Disposal (acquisition) of intangible assets | (6) | (12) | - | (10) | - |
| Movement in future capital expenditure | - | - | - | (2,150) | 500 |
| Payments to acquire PPE | (187) | (211) | (185) | (29) | (500) |
| Proceeds from disposal of PPE | 114 | - | - | - | - |
| Net cash flows generated from / (used in) investing activities | (79) | (223) | (185) | (2,189) | - |
| Financing activities | | | | | |
| Proceeds from / (payments of) bank loan | 849 | (1,191) | (1,203) | (3,820) | (749) |
| Amounts received from / (paid to) related parties | - | 335 | (29) | - | - |
| Rent paid | (1,358) | (1,375) | (1,419) | (1,538) | (1,590) |
| Proceeds from bond | - | - | - | 15,000 | - |
| Bond issue costs | - | - | - | (500) | - |
| Redemption of bonds | (100) | (200) | (250) | (4,413) | - |
| Movement in sinking fund | (100) | (50) | (50) | 300 | - |
| Net cash flows generated from / (used in) financing activities | (709) | (2,481) | (2,951) | 5,029 | (2,340) |
| Movement in cash and cash equivalents | 2,401 | (977) | (2,111) | 4,220 | (619) |
| Cash and cash equivalents at start of year | (1,026) | 1,375 | 398 | (1,713) | 2,507 |
| Cash and cash equivalents at end of year | 1,375 | 398 | (1,713) | 2,507 | 1,888 |
| Bank overdraft | 785 | 1,921 | 3,962 | 2,800 | 2,800 |
| Cash and cash equivalents after overdraft | 2,160 | 2,319 | 2,249 | 5,307 | 4,688 |
| Ratio Analysis | 2020A | 2021A | 2022A | 2023F | 2024P |
| Cash Flow | € '000s | € '000s | € '000s | € '000s | € '000s |
| Free Cash Flow (Net cash from operations + Interest - Capex) | €3,581 | €1,845 | €1,146 | €2,009 | €2,215 |

In FY22, the net cash generated from operating activities decreased to €1.0m from €1.7m in FY21, primarily attributed to a decrease in EBITDA recognised during the year. Even though the Group expects to have higher interest paid in FY23 and FY24, with an anticipated increase in EBITDA year on year, the cash generated from operating activities is projected to rebound to €1.4m in FY23 and further increase to €1.7m in FY24.

The net cash used in investing activities decreased marginally in FY22 to €185k from €223k in FY21. However, in FY23, the Group expects to allocate funds for investment assets, capital expenditures relating to its expansion, acquisition of franchise rights and additional right of use assets which result in a substantial increase of c. €2.0m cash used in investing activities. In FY24 no significant cash movement is anticipated in investing activities, except for the capital expenditure of €0.5m which is countered by a payment for the acquisition of property, plant and equipment of the same amount.

Net cash used in financing activities increased from €2.5m in FY21 to €3.0m in FY22, due to the expected increased debt and repayment activities. In FY23, the Group is expected to generate €5.0m from financing activities, following the issue of the proposed bond. Consequently, cash is expected to be used in financing activities during FY24, amounting to approximately €2.3m made up of an €0.8 payment of bank loans and €1.6m payment of rent.

Although in FY22 there was a negative cash movement of €2.1m, the Group remained in positive cash flow as supported by the use of bank overdraft facilities. Whilst the Group is projected to have a positive cashflow without the use of bank

overdraft facilities in FY24 there is a plan to retain the bank overdraft, putting the Group in a very strong liquidity position. The free cash flow of the Group decreased from €1.9m in FY21 to €1.2m in FY22. Nevertheless, it is projected to increase significantly to €2.0m in FY23 and €2.2m in FY24, aligning with the fluctuations in the cash generated from operations. This indicates that the Group is generating more cash than it is utilising on capital expenditure.

PART 3 KEY MARKET AND COMPETITOR DATA

At the time of publication of this Analysis, management considers that generally, it shall be subject to the normal business risks associated with the industries in which the companies are involved and operate and, barring unforeseen circumstances, does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of the companies and their respective businesses, at least with respect to the financial year 2023. However, investors are strongly advised to carefully read the risk factors disclosed in the Prospectus.

3.1 ECONOMIC UPDATE¹

The Bank's Business Conditions Index (BCI) indicates that in October, annual growth in business activity rose marginally, and remained slightly above its historical average, estimated since January 2000. The European Commission confidence surveys show that sentiment in Malta decreased sharply in October from its all-time peak reached in September. However, it remained above its long-term average, estimated since November 2002.

In month-on-month terms, sentiment deteriorated across all sectors, bar the services sector. The strongest decrease was recorded in industry. Additional data show that in month-on-month terms, price expectations increased across all sectors, except in the construction sector. They remained above their long-run average in all sectors.

In October, the European Commission's Economic Uncertainty Indicator (EUI) for Malta edged down when compared with September, indicating marginally lower uncertainty. Uncertainty decreased mostly in the retail sector. In September, industrial production rose marginally while retail trade fell slightly, compared with a year earlier. The unemployment rate increased slightly to 2.8% in September when compared to the previous month, but stood below the rate recorded a year earlier.

Commercial building permits in September were higher than a month earlier and were also higher when compared with a year earlier. On the other hand, residential building permits fell compared with both month-ago and year-ago levels. In October, the number of residential promise-of-sale agreements rose on a year-on-year basis, while the number of final deeds of sales fell.

The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood at 4.2% in October, down from 4.9% in the previous month. Inflation based on the Retail Price Index (RPI) eased to 3.7%, from 4.1% in September.

The level of Maltese residents' deposits decreased from their year ago level. This decline reflects lower balances belonging to financial intermediaries and, to a lesser extent, those belonging to firms, while household deposits increased. Meanwhile, annual growth in credit to Maltese residents edged up slightly compared with a month earlier.

In September, the Consolidated Fund recorded a surplus, compared with a substantial deficit a year earlier, reflecting a surge in government revenue and a decline in government expenditure.

3.2 ECONOMIC OUTLOOK²

According to the Bank's latest forecasts, Malta's gross domestic product (GDP) growth is projected to slow down from around 7.0% in 2022, to 4.0% in 2023, and to ease slightly further to 3.8%, and 3.7%, in 2024 and 2025, respectively. When compared to the previous projections, the Bank's latest forecast for headline GDP is revised upwards throughout the projection horizon. Indeed, GDP growth was revised up by 0.3 percentage points in 2023, and by 0.2 percentage points in 2024 and 2025.

In 2023, net exports are expected to be the main contributor to GDP growth. This reflects the expected sharp slowdown in imports (goods imports specifically are set to contract after being boosted by strong investment in the aviation sector in 2022), as well as robust growth in exports. Meanwhile, domestic demand is expected to lower growth, as the base effect from the extraordinary investment in 2022 should offset positive contributions from government and private consumption. From 2024, domestic demand is expected to be the main driver of growth, as private consumption growth is expected to remain relatively robust despite relatively high inflation. Net exports are also projected to contribute positively in 2024 and 2025, due to robust services exports.

Employment growth is set to moderate to 3.6% in 2023 from 6.0% in 2022, which partly reflects the envisaged normalisation in economic activity towards potential growth. In the following two years, employment is set to expand by 2.7% and 2.4%, respectively. In view of relatively high inflation, as well as tight labour market conditions, nominal wage growth is projected to be relatively strong from a historical perspective. Compensation per employee is thus set to grow by 5.5% in 2023, 4.9% in 2024 and 3.9% in 2025, outpacing consumer price inflation during the later period of the projection horizon.

¹ Central Bank of Malta – Economic update – 11/2023

² Central Bank of Malta – Economic projections – 2023 – 2025

Annual inflation based on the Harmonised Index of Consumer Prices (HICP) is projected to moderate to 5.3% in 2023, as international supply bottlenecks are expected to ease further. However, lingering indirect effects from recent increases in input costs are set to keep inflation high from a historical perspective. The fall in inflation in 2023 reflects a broad-based decrease across all sub-components of HICP, except for energy inflation, as energy prices are expected to remain unchanged in view of government support measures. Services is envisaged to be the main contributor to HICP inflation, but food and non-energy industrial goods (NEIG) are also projected to contribute to annual HICP inflation in 2023.

The general government deficit is set to decline to 4.9% of GDP in 2023, from 5.8% in 2022. It is then set to continue declining over the rest of the forecast horizon, reaching 3.4% of GDP by 2025. This improvement is driven by a declining share of expenditure in GDP, mainly due to the profile of inflation-mitigation measures. The general government debt ratio is set to increase throughout the forecast horizon, and to reach 55.3% by 2025. This is driven by the expected level of primary deficits, which partly offset the debt-decreasing impact of the interest-growth differential.

On balance, risks to economic activity are tilted to the downside for 2023 and 2024 and are more balanced thereafter. The main downside risks relate to the possibility of stronger than envisaged weakness in the international economic environment, which could lead to lower exports. Foreign demand may also be weaker than expected if monetary policy in advanced economies tightens more forcibly than assumed in this projection round. GDP data for the first quarter of the year also implies some downside risks to domestic demand. On the other hand, private consumption could surprise on the upside if wage growth is higher than expected, particularly in the outer years of the projection horizon.

Risks to inflation are to the upside for the entire projection horizon. Indeed, inflation could be more persistent than assumed in the baseline projections and could continue to be affected by indirect effects from past increases in commodity prices. Moreover, second round effects from higher wages and profit margins could also prolong high inflation. Conversely, further monetary tightening and lower foreign demand could ease inflationary pressures in the medium-term.

On the fiscal side, risks are on the downside (deficit-increasing) particularly in 2023. These mainly reflect the likelihood of additional support measures towards Air Malta. Deficit-decreasing risks in the outer years of the forecast horizon mainly relate to fiscal consolidation pressures as the general escape clause in the Stability and Growth Pact is deactivated at the end of 2023.

3.3 EU AND MALTESE APPAREL RETAIL MARKET

The apparel retail market includes baby clothing, toddler clothing and casual wear, essentials, formalwear, formalwear-occasion, and outerwear for men, women, boys and girls; excludes sports-specific clothing.

3.3.1 The European apparel retail market³

The European apparel retail industry exhibited a fluctuating growth pattern in recent years. In 2017, the market experienced moderate growth of 2.4%, followed by slower growth rates of 1.2% in 2018 and 0.7% in 2019. The impact of the COVID-19 pandemic was profound in 2020, causing a contraction of 19.6%. Despite this setback, the industry rebounded in 2021, generating total revenues of \$378.9 billion, with a compound annual rate of change (CARC) of -0.6% between 2017 and 2021.

The pandemic significantly affected apparel retail, with clothing being classified as non-essential, leading to store closures and a decline in consumer demand. However, as vaccination rates increased and investor confidence strengthened, the industry experienced robust growth in 2021.

3.3.1.1 Category segmentation

Womenswear is the largest segment of the apparel retail industry in Europe, accounting for 53.6% of the industry's total value in 2021. The Menswear segment accounts for a further 32.2% of the industry.

3.3.1.2 Market distribution

The European apparel retail market is characterized by fragmentation, with a multitude of localized and international retailers contributing to heightened competition. Low barriers to entry and relatively low capital requirements have historically increased the likelihood of new entrants. However, in 2022, economic uncertainty arising from Russia's invasion of Ukraine has introduced disruptions in the supply chain and elevated energy prices, impacting the threat of new entrants.

Leading players in the market include LVMH Moët Hennessy Louis Vuitton, reporting revenues of €64.2 billion (\$75.9 billion) for FY2021, reflecting a notable increase of 43.8% over FY2020. Other prominent players include Inditex SA, Adidas, and H & M Hennes & Mauritz AB.

Clothing, Footwear, and Accessories Specialists form the dominant distribution channel, representing 49.4% of the total industry's value, with Online Specialists contributing a further 16.3%.

3 MarketLine Market Industry Profile – Europe Apparel Retail, August 2022

3.3.1.3 Outlook for the European Apparel Market⁴

In 2023, the European Apparel market is poised for growth, anticipating revenue of €445.60 billion, showcasing the industry's robust and resilient nature. With a projected annual growth rate of 2.78% (CAGR 2023-2027), the market affirms its potential for sustained success.

The Women's Apparel segment leads the market with a substantial volume of €241.70 billion in 2023, underlining its significant influence. Globally, the United States takes the lead in revenue generation, reaching €330 billion in 2023, emphasizing the competitiveness of the European market.

On a per-person basis, individual contributions to the Apparel market's revenue are estimated at €527.90 in 2023, highlighting widespread consumer impact. Looking forward, the market is poised for substantial volume growth, expecting 35.3 billion pieces by 2027, indicative of sustained demand.

The forecast for 2024 anticipates a moderate volume growth of 0.3%, reflecting a carefully balanced trajectory of expansion. On average, each person is expected to contribute 41.7 pieces to the market in 2023, providing insights into individual consumption patterns.

Non-luxury segments are projected to dominate, constituting an impressive 93% of total sales in the Apparel market by 2023, showcasing the strong presence of accessible and mass-market offerings. In the French market, high-end fashion brands maintain a stronghold, emphasizing the enduring appeal of luxury fashion in France's vibrant apparel landscape.

3.3.2 The Maltese apparel retail market⁵

Between 2010 and 2019, the retail trade consistently experienced steady growth. However, the advent of the COVID-19 outbreak in March 2020 led to an 8.4 percentage point decline in retail activity in Q2 2020 compared to Q4 2019. Remarkably, the sector fully recovered by Q3 2020. Malta's retail activity generally tracked the EU average, with notable outperformance in 2018 and 2019, attributed to the robust Maltese economy, a strong labour market surpassing the EU average, and an increase in the expat community.

In Q2 2020, the fashion retail sector in Malta saw a significant 20.0 percentage point decrease due to pandemic-related lockdowns. Despite a partial recovery in Q3 and Q4 2020, it fell short of the Q4 2019 levels. However, between Q1 2021 and Q1 2022, the fashion retail sector in Malta exhibited remarkable growth of 14.6 percentage points, surpassing the EU average of 14.5 percentage points for the same period.

3.3.2.1 Outlook for the Maltese Apparel Market⁶

In 2023, Malta's Apparel market demonstrated impressive growth, reaching a noteworthy revenue of €326.40 million, indicating the strength of a thriving industry. The market is projected for continuous expansion, with a 4.37% annual growth rate (CAGR 2023-2027), emphasizing resilience and potential for sustained success.

Women's Apparel leads the segments with a substantial market volume of €164.10 million in 2023, showcasing significant influence within the Maltese market. While Malta contributes significantly to the global Apparel market, the United States leads in revenue generation, reaching €330 billion in 2023, providing context to Malta's standing globally.

On a per-person basis, each individual in Malta contributes €609.90 in revenue to the Apparel market in 2023, highlighting the market's impact on the local population. Looking ahead, the market anticipates reaching a volume of 21.1 million pieces by 2027, with a forecasted 2.9% volume growth in 2024, indicating a trajectory of expansion.

On average, each person in Malta is expected to contribute a volume of 35.5 pieces to the Apparel market in 2023, offering insights into individual consumption patterns. Non-luxury segments are projected to account for a substantial 90% of sales by 2023, reflecting a market catering to a broad consumer base.

A surge in demand for local and sustainable fashion is driving Malta's Apparel market growth, underscoring a shift towards conscious consumer choices and a thriving local industry.

3.4 EU AND MALTESE FOOD AND BEVERAGE MARKET

The food and beverage market consists of fresh, prepared, or packaged food as well as alcoholic and non-alcoholic beverages. It also includes manufacturing, packaging, and distribution to meet consumer demand. Examples in modern e-commerce typically include naturally sourced products like juice, water, jerky, plant-based alternatives, and other edible, eco-friendly products. Sustainable packaging, safety measures, and transparent manufacturing fill the current direct-to-consumer food and beverage landscape.

3.4.1 The European food service market⁷

The food and beverage industry stands as a pivotal contributor to the European economy, playing a vital role in economic sustenance. In 2020, the EU food and drink industry demonstrated its significance by generating an impressive

4 Statista - EU Apparel Market, Nov 2023

5 Eurostat NACE Rev.2 (retail trade except motor vehicles and motorcycles quarterly data)

6 Statista - Maltese Apparel Market, Nov 2023

7 EU Food and Drink Industry 2023, Data & Trends FoodDrinks Europe

turnover of €1,112 billion, with a commendable value added of €229 billion. Notably, the industry exhibited robust financial commitment, with a noteworthy investment of €40.5 billion in the same year, establishing itself as the manufacturing sector with the highest capital spending.

The industry's financial prowess aligns with its inherent traits of stability, resilience, and robustness. These characteristics underscore the sector's ability to weather challenges and consistently contribute to the economic landscape.

As of January 2023, a comprehensive analysis of the EU food supply chain reveals significant price increases compared to the same period in 2022: agricultural prices (+22%), food manufacturing prices (+21%), general inflation (+10%) and food consumer prices (+18%).

In this period, packaging prices exhibited diverse trends, portraying a nuanced landscape of fluctuations: wooden containers (+7%), pulp, paper and paperboard (+19%), primary plastics (+2%), plastic packaging (+10%) and light metal packaging (+17%). However, it's noteworthy that these trends exhibit a downward trajectory for most categories in the period between January and June 2023.

3.4.1.1 Market positioning

The European Union (EU) stands unrivalled as the world's premier exporter of food and drinks, outpacing major global players such as the US, China, and Brazil. In the realm of imports, the EU claims a strong second position globally, trailing only the US and surpassing formidable competitors like China, the UK, and Japan.

In the fiscal year 2022, the EU solidified its prominence in global food and drink exports, with a staggering €39 billion directed to the United Kingdom. Remarkably, the UK emerged as the leading export market, surpassing both the US (€26.9 billion) and China (€13.9 billion).

Among the EU Member States, Ireland emerges as a pivotal player with a robust trade relationship with the UK. A substantial 31.7% of Ireland's food and drink exports find their destination in the UK, while nearly 42% of its imports originate from the UK. This underscores Ireland's significant dependence on and contribution to the bilateral food and drink trade.

In this intricate tapestry of global trade, wine emerges as the EU's standout product exported to the UK. On the other hand, distilled spirits take a commanding lead in imports of food and drinks from the UK. This nuanced interplay reflects the sophisticated dynamics of the EU-UK food and drink trade relationship, showcasing the harmonious exchange of culinary delights across borders.

3.4.1.2 Market innovation trends

The driving forces propelling innovation in the food industry unfold across 15 distinct trends, thoughtfully categorized along five key axes aligned with overarching consumer expectations: pleasure, health, physical well-being, convenience, and ethics.

According to the insightful World Food Innovation Barometer curated by ProteinesXTC, pleasure emerges as the predominant driver, commanding an impressive relative share of approximately 48.8% within the innovative landscape of 2022. This highlights the paramount role that the pursuit of culinary delight plays in steering food innovation trends.

While the weight of the health axis experiences a subtle reduction, it firmly retains its position as the second most influential axis in the realm of food innovation. This underscores the enduring importance of health-conscious considerations within the broader context of culinary advancements.

The world's ten most innovative food and beverage subsectors are (1) soft drinks, (2) frozen salted products, (3) butchery and poultry, (4) aperitif grocery products, (5) catering, (6) dairy products, (7) chocolates, (8) alcohol, (9) other fresh non-dairy products and (10) condiments and sauces.

3.4.1.3 Outlook for EU Food and Beverage Industry

The food and beverage industry market grew from \$6.7 billion in 2022 to \$7.2 billion in 2023 at a compound annual growth rate (CAGR) of 7.3%. The Russia-Ukraine war disrupted the chances of global economic recovery from the COVID-19 pandemic, at least in the short term. The war between these two countries has led to economic sanctions on multiple countries, a surge in commodity prices, and supply chain disruptions, causing inflation across goods and services and affecting many markets across the globe.

The repercussions of the conflict are multifaceted, encompassing economic sanctions on multiple nations, a surge in commodity prices, and disruptions in the supply chain. These factors, in turn, have instigated inflation across a spectrum of goods and services, exerting a discernible impact on the worldwide food and beverage industry. Despite these challenges, the sector is resilient, with an anticipated expansion to \$9.2 billion by 2027, underpinned by a CAGR of 6.3%.⁸

Furthermore, insights from FoodDrinks Europe underscore the long-term trajectory, projecting a global population surge to €9.7 billion by 2050, accompanied by a corresponding 50% upswing in global food production. The nexus between population growth, rising incomes, and heightened food demand remains robust. However, the ability to meet this augmented demand hinges on the judicious utilization of resources and the enhancement of capacity to foster sustainable production practices.⁹

8 Report Linker: Food and Beverages Global Market Report 2023

9 EU Food and Drink Industry 2023, Data & Trends FoodDrinks Europe

3.4.2 The Maltese food and beverage market¹⁰

The food and beverage service sector comprise restaurants & mobile food service activities and beverage serving activities. In 2020, total income from this sector in Malta amounted to €341.4 million, a decrease of 35% compared to the prior year (2019: €525.3 million).

The market output has progressively increased from 2010 to 2018 at a moderately stable growth rate. In 2019, market output declined by 7% to €525.3 million (2018: €564.6 million) and decreased further by 35% in 2020 to €341.4 million following the onset of the pandemic which was driven by the temporary closure of hotels, restaurants, bars and other food and beverage outlets imposed by Government to control the pandemic.

During the years 2010 to 2018, the year-on-year ("y-o-y") growth registered by this sector was broadly in line with the country's growth rate (all sectors). In 2019, gross value added derived from the food & beverage service sector decreased by 7% (y-o-y) compared to an increase of 6% (y-o-y) from all sectors, while the temporary closure of food & beverage outlets in 2020 resulted in a y-o-y decline in gross value added of 35% compared to a reduction of 6% from all sectors.

3.5 COMPARATIVE ANALYSIS

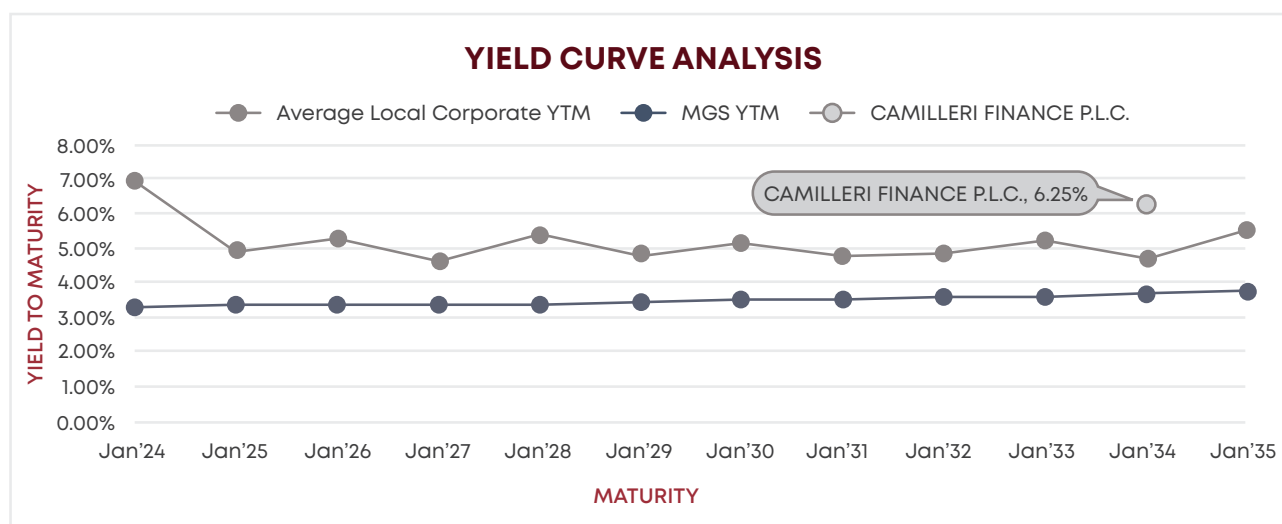
The purpose of the table below compares the Bond issued by the Issuer to other debt instruments. One must note that given the material differences in profiles and industries, the risks associated with the Group's business and that of other issuers is therefore different.

| 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) | (€'mil-lions) | (€'mil-lions) | (%) | (%) | (times) | (times) | (%) | (%) | (%) |
| 6% Pharmacare Finance plc Unsecured € 2033 | 17,000 | 5.70% | 0.0x | 37.9 | 17.0 | 55.2% | 35.0% | 4.0x | 1.4x | 1.1% | 2.0% | 43.0% |
| 5.25% Qawra Palace plc Secured € 2033 | 25,000 | 4.72% | 0.7x | 16.6 | 6.5 | 60.7% | 48.8% | 19.3x | 2.9x | (10.7)% | (19.8)% | 698.5% |
| 5.25% Bonnici Bros Properties plc Unsecured € 2033 SI T1 | 12,000 | 5.05% | 0.0x | 31.9 | 17.1 | 46.5% | 18.8% | 5.6x | 0.0x | 1.4% | 23.5% | 106.1% |
| 6.25% AST Group plc Secured Bonds 2033 | 8,500 | 5.57% | (2.4)x | 9.5 | 4.4 | 54.2% | 14.0% | 0.5x | 1.6x | 9.9% | 0.8% | 51.8% |
| 6% JD Capital plc Secured Bonds 2033 S2 T1 | 11,000 | 5.60% | 1.7x | 57.5 | 16.8 | 70.8% | 57.5% | 18.5x | 1.7x | 1.3% | 1.8% | (27.3)% |
| 4% Central Business Centres plc Unsecured € 2027-2033 | 21,000 | 4.67% | 1.3x | 58.2 | 23.8 | 59.1% | 55.3% | 18.6x | 0.7x | 0.8% | 10.0% | 19.9% |
| 4.75% Dino Fino Finance plc Secured € 2033 | 7,800 | 4.80% | (2.0)x | 16.5 | 3.4 | 79.3% | 68.6% | (8.1)x | 0.9x | (34.4)% | (21.8)% | N/A |
| 4.50% The Ona plc Secured € 2028-2034 | 16,000 | 4.68% | 0.0x | 29.5 | 8.4 | 71.4% | 64.1% | 9.8x | 2.3x | 19.4% | 19.8% | 534.1% |
| 6.25% Camilleri Finance p.l.c. Unsecured € 2034 | 15,000 | 6.25% | 3.3x | 46.2 | 18.2 | 60.6% | 48.4% | 8.9x | 0.6x | (4.0)% | (3.9)% | 13.0% |
| | *Average | 5.10% | | | | | | | | | | |

Source: Latest Available Audited Financial Statements

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

¹⁰ National Statistics Office Malta (NACE 56.1 & NACE 56.3 data)



Source: Central Bank of Malta and Malta Stock Exchange (MSE)

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 standalone basis, the yield on the Issuer's proposed bonds.

As at 4 December 2023, the average spread over the Malta Government Stocks (MGS) for corporates with maturity range of 10 years was 149 basis points. Meanwhile, the Camilleri Finance p.l.c. bond has a spread of 265 basis points over the equivalent MGSs. Therefore, as at this same date, the Bond was trading at a premium of 116 basis points in comparison to the market of comparable corporate bonds. The above analysis is based on a similar maturity basis.

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. |
| EBIT (Operating Profit) | 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. |
| Profit After Taxation | 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. |
| Current Liabilities | Obligations which are due within 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. |

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 finance costs 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. |
| Gearing Ratio Level 3 | Is calculated by dividing Net Debt by Total Equity. |
| 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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