

This Summary Note is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and in accordance with the provisions of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015.

21 October 2016

## SUMMARY NOTE

in respect of an issue of up to:

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

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

### PREMIER CAPITAL P.L.C.

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA  
WITH COMPANY REGISTRATION NUMBER C 36522  
ISIN:- MT0000511213

Manager & Registrar

Legal Counsel

Sponsor



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

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### APPROVED BY DIRECTORS



Melo Hili



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



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## IMPORTANT INFORMATION

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THIS SUMMARY NOTE CONSTITUTES PART OF A PROSPECTUS AND CONTAINS INFORMATION IN RELATION TO PREMIER CAPITAL P.L.C. IN ITS CAPACITY AS ISSUER. THIS DOCUMENT INCLUDES INFORMATION GIVEN IN COMPLIANCE WITH: (A) THE COMPANIES ACT, (CAP. 386 OF THE LAWS OF MALTA) AND COMMISSION REGULATION (EC) NO. 809/2004 OF 29 APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION CONTAINED IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS (AS AMENDED BY COMMISSION DELEGATED REGULATION (EU) NO. 486/2012 OF 30 MARCH 2012, COMMISSION DELEGATED REGULATION (EU) NO. 862/2012 OF 4 JUNE 2012, COMMISSION DELEGATED REGULATION (EU) NO. 759/2013 OF 30 APRIL 2013, COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7 MARCH 2014 AND COMMISSION DELEGATED REGULATION (EU) NO. 2016/301 OF 30 NOVEMBER 2015); AND (B) THE RULES AND REGULATIONS APPLICABLE TO THE ADMISSION OF SECURITIES ON THE OFFICIAL LIST OF THE MSE.

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IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE APPLICANTS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH SECURITIES AND 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 LISTING AUTHORITY AND THE MSE, AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES. APPLICATION HAS BEEN MADE TO THE MSE, FOR THE BONDS TO BE ADMITTED TO THE OFFICIAL LIST OF THE MSE. **A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISOR.**

THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THIS DOCUMENT. ACCORDINGLY NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN ANY FINANCIAL INSTRUMENTS AND SECURITIES ISSUED BY THE ISSUER.

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THE DIRECTORS OF THE ISSUER CONFIRM THAT WHERE INFORMATION INCLUDED IN THIS PROSPECTUS HAS BEEN SOURCED FROM A THIRD PARTY, SUCH INFORMATION HAS BEEN ACCURATELY REPRODUCED, AND AS FAR AS THE DIRECTORS OF THE ISSUER ARE AWARE AND ARE ABLE TO ASCERTAIN FROM INFORMATION PUBLISHED BY THAT THIRD PARTY, NO FACTS HAVE BEEN OMITTED WHICH WOULD RENDER THE REPRODUCED INFORMATION INACCURATE OR MISLEADING.

THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. IF YOU NEED ADVICE WITH RESPECT TO THE BOND ISSUE, YOU SHOULD CONSULT A LICENSED STOCKBROKER OR AN INVESTMENT ADVISOR LICENSED UNDER THE INVESTMENT SERVICES ACT, CAP. 370 OF THE LAWS OF MALTA.

THIS DOCUMENT AND ALL AGREEMENTS, ACCEPTANCES AND CONTRACTS RESULTING THEREFROM SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF MALTA, AND ANY PERSON ACQUIRING ANY BONDS PURSUANT TO THE PROSPECTUS SHALL SUBMIT TO THE JURISDICTION OF THE MALTESE COURTS, WITHOUT LIMITING IN ANY MANNER THE RIGHT OF THE ISSUER TO BRING ANY ACTION, SUIT OR PROCEEDING, IN ANY OTHER COMPETENT JURISDICTION, ARISING OUT OF OR IN CONNECTION WITH ANY PURCHASE OF BONDS, OR AGREEMENT, ACCEPTANCE OR CONTRACT RESULTING HEREFROM, OR THE PROSPECTUS AS A WHOLE.

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

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

This Summary Note is prepared in accordance with the requirements of the Regulation.

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

Except where the context otherwise requires, the capitalised words and expressions used in this Summary Note shall bear the meanings assigned to them in the Registration Document and the Securities Note, as the case may be.

## SECTION A: INTRODUCTION AND WARNINGS

### A.1 Prospective investors are hereby warned that:

- i. this summary is being provided to convey the essential characteristics and risks associated with the Issuer and the securities being offered pursuant to this document. This part is merely a summary and therefore should only be read as an introduction to the Prospectus. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this summary in making a decision as to whether to invest in the securities described in this document. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor;
- ii. where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and
- iii. civil liability attaches only to those persons who have tabled the summary including any translation thereof, and who applied for its notification, but only if the summary, when read together with the other parts of the Prospectus: is misleading, inaccurate or inconsistent; or does not provide key information in order to aid investors when considering whether to invest in such securities.

### A.2 Consent required in connection with the use of the Prospectus by the Authorised Financial Intermediaries

Prospective investors are hereby informed that:

- i. For the purposes of any subscription for Bonds through any of the Authorised Financial Intermediaries and any subsequent resale, placement or other offering of Bonds by such Authorised Financial Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Directive, the Issuer consents to the use of this Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale or placement or other offering of Bonds, provided this is limited only:
  - (a) in respect of Bonds subscribed for through Authorised Financial Intermediaries during the Offer Period for Existing Bondholders, Hili Ventures Group Stakeholders and Hili Ventures Group Bondholders and during the Public Offer Period;
  - (b) to any resale or placement of Bonds subscribed for as aforesaid, taking place in Malta;
  - (c) to any resale or placement of Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Prospectus.



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- ii. **In the event of a resale, placement or other offering of Bonds by an Authorised Financial Intermediary, the Authorised Financial Intermediary shall be responsible to provide information to investors on the terms and conditions of the resale, placement or other offering at the time such is made.**

## SECTION B: ISSUER

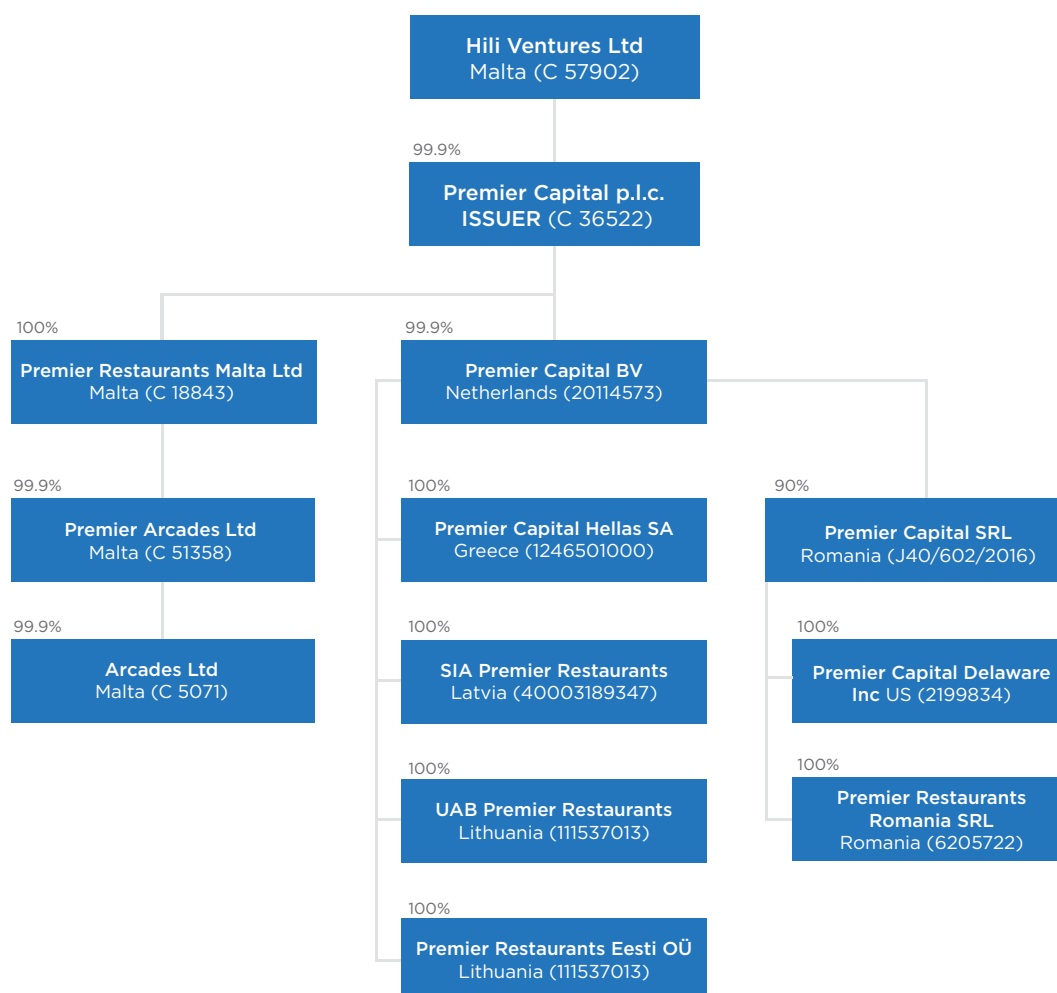
- B.1** The legal and commercial name of the Issuer is Premier Capital p.l.c.
- B.2** The Issuer was registered in Malta in terms of the Companies Act (Cap 386 of the laws of Malta) on 30 June 2005, as Premier Capital Limited, a private limited liability company, and was subsequently converted to a public limited liability company, with effect from 26 February 2010. The Issuer is domiciled in Malta.
- B.4b** At the time of publication of the Prospectus, the Group considers that generally it shall be subject to the normal business risks associated with the business in which the Premier Group Companies operate, and, barring unforeseen circumstances, does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be considered likely to have a material effect on the upcoming prospects of the Group and its business, at least with respect to the current financial year.

The Group's principal objective is to focus on expanding the McDonald's restaurant network within existing and new markets, given the belief of the Group's management that there is significant market potential to continue to develop the McDonald's concept in Malta, the Baltic countries, Romania and Greece and possibly other territories (subject to franchisor's approval and granting of the associated licenses).

In the case of Malta and the Baltic countries, the Group already has a high penetration rate, comparable to that prevailing in the more developed city centres in Western Europe. The Group's management believes that growth in these regions remains sustainable, with plans for relocations and renovations of its existing restaurants. With regards to Romania and Greece, the Group's management believes that there is further room for higher penetration rates. The relatively low penetration rate of restaurants per capita, combined with the high level of brand recognition enjoyed and the Group's pricing strategy for the region, is believed to postulate the right platform for expansion in these regions.

- B.5** The Premier Group operates McDonald's restaurants in Malta, Estonia, Latvia, Lithuania, Greece and Romania. Apart from offering support and management and consultancy services to companies within the Premier Group, the Issuer acts as a holding company for the various subsidiaries of the Group which operate the McDonald's restaurants in the said countries.

The organisational structure of the Group is illustrated in the diagram below:



- B.9** Not Applicable: no profit forecasts or estimates have been included in the Prospectus.
- B.10** Not Applicable: the audit reports on the audited consolidated financial statements for the years ended 31 December 2013, 2014 and 2015 of the Issuer do not contain any material qualifications.
- B.12** The historical financial information relating to the Issuer for the three financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 as audited by Deloitte Audit Limited are set out in the consolidated financial statements of the Issuer. Such audited consolidated financial statements have been published and are available on the Issuer's website ([www.premiercapital.com.mt](http://www.premiercapital.com.mt)) and at its registered office.

There have been no material adverse changes in the prospects of the Issuer since the date of its last published audited financial statements.

There were no significant changes in the financial or trading position of the Issuer since the date of its last published audited financial statements.



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The key highlights taken from the audited financial statements of the Issuer for the years ended 31 December 2013, 2014 and 2015 are set out below:

<b>Premier Capital p.l.c. Consolidated Income Statement for the year ended 31 December</b>	<b>2013 €'000</b>	<b>2014 €'000</b>	<b>2015 €'000</b>
Revenue	88,944	94,612	99,938
EBITDA <sup>1</sup>	7,638	9,697	10,361
Total comprehensive income (expense)	(121)	1,339	1,460

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

<b>Premier Capital p.l.c. Consolidated Cash Flow Statement for the year ended 31 December</b>	<b>2013 €'000</b>	<b>2014 €'000</b>	<b>2015 €'000</b>
Net cash from operating activities	7,599	8,335	7,780
Net cash from investing activities	(2,484)	(8,039)	(7,679)
Net cash from financing activities	(2,806)	(1,901)	(266)
<b>Net movement in cash and cash equivalents</b>	<b>2,309</b>	<b>(1,605)</b>	<b>(165)</b>
<b>Cash and cash equivalents at end of year</b>	<b>4,436</b>	<b>2,831</b>	<b>2,666</b>

<b>Premier Capital p.l.c. Consolidated Balance Sheet as at 31 December</b>	<b>2013 €'000</b>	<b>2014 €'000</b>	<b>2015 €'000</b>
<b>ASSETS</b>			
Non-current assets	58,685	60,209	62,740
Current assets	10,896	9,769	9,468
	<b>69,581</b>	<b>69,978</b>	<b>72,208</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	16,170	17,009	17,739
Non-current liabilities	38,695	36,240	35,792
Current liabilities	14,716	16,729	18,677
	<b>69,581</b>	<b>69,978</b>	<b>72,208</b>

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

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

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

During FY2015, the Group increased its number of restaurants it operates to 63 as at year end (2014: 61). Development activity included the opening of two new restaurants in Greece and the remodeling of another restaurant. The Group also opened three new restaurants and remodeled one in the Baltic countries. The total investment undertaken on new openings was of €3.6 million, whilst €1.0 million was used to fund the remodeling of restaurants in Greece and the

Baltics. In addition, an amount of €0.8 million was invested in the upgrade of the Group's IT systems, and €2.2 million was spent on equipment replacements and upgrades in existing restaurants.

Set out below are the interim financial results of the Issuer for the six month period 1 January to 30 June 2016, and the comparatives for the period 1 January to 30 June 2015. The said results, which are unaudited, have been published and are available on the Issuer's website ([www.premiercapital.com.mt](http://www.premiercapital.com.mt)) and at its registered office.

<b>Premier Capital p.l.c. Consolidated Income Statement for the six-month period to 30 June</b>	<b>2015 €'000</b>	<b>2016 €'000</b>
Revenue	45,722	103,230
EBITDA <sup>1</sup>	3,320	11,468
Total comprehensive income (expense)	(718)	2,834

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

<b>Premier Capital p.l.c. Consolidated Cash Flow Statement for the six-month period to 30 June</b>	<b>2015 €'000</b>	<b>2016 €'000</b>
Net cash from operating activities	1,809	8,281
Net cash from investing activities	(3,276)	(49,727)
Net cash from financing activities	851	58,234
<b>Net movement in cash and cash equivalents</b>	<b>(616)</b>	<b>16,788</b>
<b>Cash and cash equivalents at end of period</b>	<b>2,215</b>	<b>19,611</b>

<b>Premier Capital p.l.c. Consolidated Balance Sheet as at</b>	<b>31 Dec'15 Audited €'000</b>	<b>30 Jun'16 Unaudited €'000</b>
<b>ASSETS</b>		
Non-current assets	62,740	119,785
Current assets	9,468	30,246
	<b>72,208</b>	<b>150,031</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	17,739	41,221
Non-current liabilities	35,792	75,204
Current liabilities	18,677	33,606
	<b>72,208</b>	<b>150,031</b>

In January 2016, the Group acquired the business operating McDonald's restaurants in Romania. This acquisition added 67 restaurants to the Group portfolio, increasing the total number of restaurants to 130.

During the six month period, the Group generated revenue amounting to €103.2 million (FP2015: €45.7 million) and EBITDA of €11.5 million (FP2015: €3.3 million). After accounting for depreciation and net finance costs, the Group registered a pre-tax profit of €4.1 million (FP2015: loss of €0.9 million). The Group reported total comprehensive income of €2.8 million (FP2015: loss of €0.7 million).

The Group's net asset value increased from €17.7 million as at 31 December 2015 to €41.2 million as at 30 June 2016, principally due to the acquisition of the McDonald's business in Romania.



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- B.13** Not Applicable: the Issuer is not aware of any recent events which are to a material extent relevant to the evaluation of its solvency.
- B.14** The Issuer, which is owned as to 99.99% of its shares by its parent, Hili Ventures Ltd (C 57902), acts as a holding company for the various subsidiaries of the Group indicated in the organisational structure diagram in Element B.5 of this Summary Note, which operate the McDonald's restaurants in Malta, Estonia, Latvia, Lithuania, Greece and Romania. As such, as a holding company of the Group, the Issuer is dependent upon the operations and performance of its subsidiaries and their respective operations.
- B.15** The principal objects of the Issuer's activities are set out in Article 3 of its Memorandum of Association and include, but are not limited to, acting as a holding company and carrying on the business of a finance and investment company and in particular, but without prejudice to the generality of the foregoing, the financing or re-financing of the funding requirements of the business of the other Premier Group Companies.
- B.16** To the extent known to the Issuer, the Issuer is not directly or indirectly controlled by any of its majority shareholders.
- B.17** Not Applicable: the Issuer has not sought the credit rating of an independent rating agency, and there has been no assessment by any independent rating agency of the Bonds issued by the Issuer.

## SECTION C: SECURITIES

- C.1** The Issuer shall issue a maximum of €65,000,000 in Bonds having a face value of €100 per bond. The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at CSD. On admission to trading, the Bonds will have the following ISIN: MT0000511213. The Bonds shall bear interest at the rate of 3.75% per annum.
- C.2** The Bonds are denominated in Euro (€).
- C.5** The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.
- C.8** There are no special rights attached to the Bonds other than the right of the Bondholders to:
- (i) the payment of capital;
  - (ii) the payment of interest;
  - (iii) ranking with respect to other indebtedness of the Issuer in accordance with the status of the Bonds, as follows: the Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt, if any;
  - (iv) attend, participate in and vote at meetings of Bondholders in accordance with the terms and conditions of the Bond; and
  - (v) enjoy all such other rights attached to the Bonds emanating from the Prospectus.

As at 31 August 2016, the Group's indebtedness amounted to €82.7 million, comprising of bank loans, corporate bonds and other borrowings from related parties. The Group's bank borrowings are secured by hypothecs, pledges, privileges and guarantees provided by Group companies. The indebtedness being created by the Bonds ranks after secured bank borrowings amounting to €51.8 million. In addition, the Bonds would also rank after any future debts which may be secured by a cause of preference such as a pledge, mortgage, privilege and/or a hypothec.

- C.9** The Bonds shall bear interest from and including 23 November 2016 (the "**Interest Payment Date**") at the rate of 3.75% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The nominal value of the Bonds will be repayable in full upon maturity on 23 November 2026 (the "**Redemption Date**") unless they are previously re-purchased and cancelled. Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date is 3.75%.

An Exchangeable Bond Transfer shall be without prejudice to the rights of the holders of Exchangeable Bonds to receive interest on the Exchangeable Bonds up to and including 15 March 2017.



The remaining component of Element C.9 is Not Applicable, given that no representative of debt security holders has been appointed.

- C.10** Not Applicable: there is no derivative component in the interest payments on the Bonds.
- C.11** The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 21 October 2016. Application has been made to the MSE for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List. The Bonds are expected to be admitted to the MSE with effect from 30 November 2016 and trading is expected to commence on 1 December 2016.

## SECTION D: RISKS

### D.2 Key information on the key risks specific to the Issuer:

Holding of a Bond involves certain risks including those described below. Prospective investors should carefully consider, with their own independent financial and other professional advisors, the following risk factors and other investment considerations, as well as all the other information contained in the Prospectus, before deciding to acquire Bonds. Prospective investors are warned that by investing in the Bonds they may be exposing themselves to significant risks that may have the consequence of losing a substantial part or all of their investment.

This document contains statements that are, or may be deemed to be, “forward-looking statements”, which relate to matters that are not historical facts and which may involve projections of future circumstances. They appear in a number of places throughout the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and/or its’ Directors. 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.

Prospective investors are advised to read the Prospectus in its entirety and, in particular, the sections entitled “Risk Factors” in the Registration Document and Securities Note, for an assessment of the factors that could affect the Issuer’s future performance.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds will be repayable in full upon maturity, unless the Bonds are previously re-purchased and cancelled.

An investment in the Issuer and the Bonds may not be suitable for all recipients of the Prospectus and prospective investors are urged to consult an independent investment advisor licensed under the Investment Services Act (Cap 370 of the laws of Malta) as to the suitability or otherwise of an investment in the Bonds before making an investment decision.

The risk factors set out below are a summary of the principal risks associated with an investment in the Issuer and the Bonds – there may be other risks which are not mentioned in this summary.

#### *The principal risks relating to the Group and its Business*

- i. The Group’s operations are subject to a number of risks common to the informal eating-out industry, certain of which are beyond its control, and consequently its performance may be influenced by a number of factors. These include: a downturn in international market conditions or the national and/or local political, economic and market conditions; reduced availability of financing; increases in operating expenses as a result of inflation; fluctuations in interest rates and exchange rates; competition with respect to price, service, location and food quality; changes in demographic trends; potential litigation in relation to operational aspects of the business; changes in the applicable regulatory framework; the termination or non-renewal of material agreements to which Group Companies are a party, including franchising, licensing or rental agreements.
- ii. The industry in which the Group operates is affected by changes in consumer demands. Large fluctuations in consumer spending could negatively affect the Group’s operations, earnings and financial position.



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- iii. The Group has a number of competitors across different product categories, segments and geographic markets. It cannot be ruled out that these competitors will grow to be stronger in the future and there is no guarantee that the Group will be able to compete successfully against current as well as future competitors, which may have a negative effect on the Group's operations, earnings and financial position.
- iv. The Group is subject to various laws and regulations affecting its business and each of its restaurants is subject to licensing and regulation by a number of governmental authorities. Difficulties in obtaining, or any failure to obtain, the required licenses or approvals, or the loss thereof, could adversely affect the Group's business and the results of its operations. Furthermore, various bodies have the power to conduct inspections of the Group's restaurants and to close down any which fail to comply with regulations.
- v. The Group's success in the market in which it operates partially depends on its ability to maintain its image and reputation. However, in view of the nature of its business, the Group may be the subject of complaints or claims from customers alleging food-related illness, injuries suffered on the Group's premises, or other food quality or operational concerns. Adverse publicity resulting from such allegations may materially affect sales revenues generated by the Premier Group restaurants, regardless of whether such allegations are true or whether the Group is ultimately held liable. In addition the Group may be subject to a type of litigation which is particular to the nature of its business. All litigation is expensive, time consuming and may divert management's attention away from the operation of the business.
- vi. The Group relies heavily on the reputation of its branded products. An event, or series of events, that materially damage/s the reputation of the McDonald's brand could have an adverse effect on the value of that brand and subsequent revenues from that brand or business. Although the Group may not have had any material problems in the past with contamination of any of its products, in the event of contamination occurring in the future, this may lead to business interruption, product recalls or liability, each of which could have an adverse effect on the Group's business, reputation, prospects, financial condition and results of operations.
- vii. The Group's revenues and costs are dependent on a variety of factors influenced by the economies and government policies of the countries in which it operates. These factors include, among others, increases or decreases in gross domestic product, inflation, unemployment, interest rates, currency value, tax rates and the size and demographic characteristics of the population. In this context, particular reference is made to the Greek market, which has been, and still is, passing through difficult economic cycles with contraction in GDP growth, increases in indirect taxation and high unemployment levels. The future development and sustainability of this market is dependent on the stability of the socio-political infrastructure of the country.

#### *The principal risks relating to the Group*

- i. In view of its growth strategy, the Premier Group may encounter certain risks associated with the opening of new restaurants. Each new restaurant opened from time to time will generally take several months from its opening to reach planned operating levels, mainly due to inefficiencies typically associated with new restaurants including lack of market awareness and the need to hire and train sufficient staff. The Group cannot guarantee that it will be able to achieve its expansion goals or that new restaurants will be operated on a profitable basis within expected timeframes or at all. Furthermore, the Group cannot guarantee that any new restaurant it opens from time to time will obtain operating results similar to those of its existing restaurants, as the success of further expansion will depend on numerous factors many of which are beyond the Group's control or influence.
- ii. The success of the restaurants operated by the Group is significantly influenced by its ability to locate and secure adequate restaurant sites. There can be no assurance that current locations will continue to be attractive or that the Group will be able to identify and secure additional prime locations as demographic patterns change. Furthermore, there can also be no assurance that future sites will produce results which are the same as or better than the existing sites. In accordance with its expansion strategy, the Group's primary intention is to open new, or relocate existing, restaurants in the Baltic countries, Romania, Greece and/or Malta. However, it may also consider potential expansion into new geographical markets. There can be no assurance that proposals for further expansion in existing or other jurisdictions will be forthcoming from the franchisor. In markets where the Premier Group has little or no past experience, it may face competitive conditions, consumer tastes and discretionary spending patterns which are different from Premier Group's existing markets, and this in turn may cause the Group's operation in such other new jurisdiction to be less successful than its operations in existing markets.

- iii. The Premier Group faces the risk that its existing systems and procedures, financial control mechanisms, management resources and human resources, may prove inadequate or insufficient to support any further expansion of restaurants. Failure to continue to improve its infrastructure or to manage other factors necessary for it to achieve its expansion objectives, could adversely affect the Group's results of operations and business.
- iv. The development of restaurants, as with any other property development, is subject to a number of specific risks, including the risk of delays in the construction schedule, the risk of cost overruns, the risk of insufficiency of resources to complete, and higher interest costs, as well as various counter-party risks, such as contractors and sub-contractors engaged in the construction and finishing of the restaurants defaulting in their obligations to carry out the necessary works within the specified timeframe and budget. If these risks were to materialise, they would have an adverse impact on the Group's revenue generation, cash flows and financial performance.
- v. The McDonald's system in Malta, the Baltic countries, Greece and Romania is adopted, used and developed pursuant to the terms of their respective master franchise (or franchise) agreements, by virtue of which the Group has undertaken to develop restaurants under and in accordance with the McDonald's brand and standards. In light of the aforesaid, Premier Group's revenues are dependent on the continued existence of its contractual relationships with McDonald's, and, in turn, of its right to operate McDonald's-branded restaurants in Malta, the Baltic countries, Greece and Romania. Furthermore, many factors and decisions in the business of the Group are subject to restrictions, specifications or approval. While every effort is expected to be made to ensure a positive relationship between the Group and its franchisor, there is no assurance that events or circumstances in the future may not adversely affect that relationship or that its franchisor will not enforce its contractual rights under any of the said agreements in a manner that is adverse to the Group.
- vi. The master franchise (or franchise) agreements relating to the development of McDonald's restaurants in Malta, the Baltic countries, Greece and Romania, do not grant the franchisee exclusive territorial rights pursuant to or in conjunction with the rights granted thereto in terms of such agreements.
- vii. The Premier Group's profitability depends in part on its ability to anticipate and react to changes in the cost of its supplies. Although the Group's restaurants are supplied with the majority of their required volume products by or through independent suppliers that are approved by the European supply chain of the McDonald's Corporation, the Group resorts to a limited number of distributors in each of Malta, Estonia, Latvia, Lithuania, Greece and Romania in order to meet its distribution needs. Any failure by any such distributor to perform within stipulated timelines could negatively affect the availability, quality and cost of ingredients and could cause significant short-term disruption in the Group's supply chain and its operations, all of which could adversely affect the Group's business, the results of its operations and its financial condition.
- viii. Almost all of Premier Group's restaurants are on property which is leased, the majority of which are long-term, with the average term being approximately 20 years from the date of grant. The leases often provide for a right of renewal, provided that the Group remains in compliance with the terms of the lease. Notwithstanding compliance, however, there is no guarantee that the Group will be able to renew these leases on commercially acceptable terms - and if it were to be unable to do so, the potential loss of prime restaurant locations could have an adverse effect on the Group's results of operations and business. In addition, in certain circumstances the Group may wish to close a restaurant but would find itself unable to terminate the associated lease in a cost-effective and expeditious manner with the required approval of the franchisor, which could in turn have an adverse effect on the Premier Group's business and the results of its operations.
- ix. Premier Group's future success and growth will in part depend on the personal efforts and abilities of a select group of employees, senior management and other key personnel. The loss of key personnel and the failure by the Group to replace them within a reasonable time could have a short-term adverse effect on the Group's business and the results of its operations.
- x. Historically, the Premier Group has maintained insurance at levels determined by it to be appropriate in the light of the cost of cover and the risk profiles of the business in which it operates. It may be difficult and take time to recover losses for which it is covered by its insurance policies from the insurer. No assurance can be given that the Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates.



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*The principal risks relating specifically to the Issuer*

- i. The proceeds of the Bond Issue shall be partly loaned to other companies forming part of the Premier Group (the Borrowing Companies), in the amounts and proportions described in Element E.2b below. The Issuer's dependence on the receipt of loan repayments due by the Borrowing Companies in order to service interest payments on the Bonds and eventually repay the principal of the Bonds may be affected by factors beyond its control. More specifically, the ability of the Borrowing Companies to effect loan repayments will depend on their respective cash flows and earnings, which may be restricted by changes in applicable laws and regulations, by the terms of agreements to which they are or may become party or by other factors beyond the control of the Issuer. The occurrence of any such factors could in turn negatively affect the ability of the Issuer to meet its obligations in respect of the repayment of principal and interest under the Bonds punctually when due.
- ii. The Issuer's activities potentially expose it to a variety of financial risks, including interest rate risk and currency risk. The Issuer is exposed to currency risk due to changes in the rates of exchange between the currencies of its operating subsidiaries and its own. This exposure was triggered by the inclusion of the Romanian market within the Group since January 2016 as the Group is now operating in a territory that does not have the Euro as its base currency, but the Romanian Leu (Ron).

**D.3 Key information on the key risks specific to the Bonds:**

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

- i. There can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Nor can there be any assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price or at all.
- ii. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.
- iii. Any Bondholder whose currency of reference is not the Euro will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference.
- iv. No prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time.
- v. The Issuer has not granted any security over any of its assets and therefore as security for its obligations under the Bonds. Accordingly, the Issuer's obligations under the Bonds are unsecured obligations ranking equally with its other present and future unsecured obligations. Furthermore, subject to the negative pledge clause set out in the Securities Note, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.
- vi. In the event that the Issuer wishes to amend any of the Terms and Conditions of this Bond Issue shall call a meeting of Bondholders in accordance with the provisions of the Securities Note. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.
- vii. The Terms and Conditions of this Bond Issue are based on Maltese law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of the Prospectus.
- viii. The Issuer may incur further borrowings or indebtedness and may create or permit to subsist security interests upon the whole or any part of its present or future undertakings, assets or revenues (including uncalled capital).

- ix. Even after the Bonds are admitted to trading on the MSE, the Issuer is required to remain in compliance with certain requirements relating *inter alia* to the free transferability, clearance and settlement of the Bonds in order to remain a listed company in good standing. Moreover, the Listing Authority has the authority to suspend trading or listing of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The Listing Authority may discontinue the listing of the Bonds on the MSE. Any such trading suspensions or listing revocations/discontinuations described above could have a material adverse effect on the liquidity and value of the Bonds.

## SECTION E: OFFER

**E.2b** The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €64,000,000, will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

- (i) a maximum amount of €24,641,000 will be used by the Issuer for the purpose of acquiring, for cancellation, Exchangeable Bonds from Existing Bondholders by way of Exchangeable Bond Transfer, and to redeem any Exchangeable Bonds remaining in issue as at 16 March 2017, this being the first early date of redemption of the Exchangeable Bonds;
- (ii) a maximum amount of €13,300,000 shall be used to repay bank facilities issued by HSBC Malta and DNB Latvia. A further amount of €10,800,000 shall be used to settle a portion of borrowings from BRD Romania, which funds were applied in January 2016 for the purpose of part-financing the acquisition consideration of the business operating McDonald's restaurants in Romania, comprising 67 restaurants;
- (iii) a maximum amount of €15,259,000 will be used to part-finance the forthcoming capital expenditure which in FY2017 is projected at €18,000,000, and primarily comprises the opening of new stores as well as the remodeling and upgrading of the Group's McDonald's restaurants.

In the event that the Bond Issue is not fully subscribed, and provided the amount received is not less than €25,000,000, the Issuer will proceed with the listing of the amount of Bonds subscribed for, and shall apply the net proceeds received in the manner and order of priority set out above. Any residual amounts required by the Issuer for the purposes of the uses specified above which shall not have been raised through the Bond Issue shall be financed from the Group's general cash flow and/or bank financing. In the event that proceeds received on closure of the subscription period amounts to below €25,000,000, no allotment of the Bonds shall be made, the subscription of Bonds shall be deemed not to have been accepted by the Issuer and all money received from subscribers shall be refunded accordingly.

**E.3** The Bonds are open for subscription to all categories of investors, which may be broadly split as follows:

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

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



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The following is a synopsis of the general terms and conditions applicable to the Bonds. A Bondholder is deemed to have invested only after having received, read and understood the contents of the Prospectus, including the full terms and conditions contained in the annexes thereto:

1. *Form, Denomination and Title*

The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100 provided that on subscription the Bonds will be issued for a minimum of €2,000 per individual Bondholder. 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 in the Securities Note.

2. *Interest*

Details of interest payable on the Bonds is provided in Element C.9 of this Summary Note.

3. *Status of the Bonds and Security*

The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, and shall at all times rank *pari passu* without any priority or preference with all other present and future unsecured obligations of the Issuer.

4. *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 effected 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.

5. *Redemption*

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 November 2026.

6. *Events of Default*

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

- (i) the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for thirty (30) days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- (ii) 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
- (iii) 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
- (iv) the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; or
- (v) the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or
- (vi) there shall have been entered against the Issuer a final judgment by a court of competent jurisdiction from which no appeal may be or is made for the payment of money in excess of five million Euro (€5,000,000) or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed; or
- (vii) any default occurs and continues for ninety (90) days under any contract or document relating to any Financial Indebtedness (as defined in the Securities Note) of the Issuer in excess of five million Euro (€5,000,000) or its equivalent at any time.

7. *Transferability of the Bonds*

The Bonds are freely transferable and, once admitted to the Official List shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time. 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 register the transfer or transmission of Bonds for a period of fifteen (15) days preceding the due date for any payment of interest on the Bonds.



**8. Register of Bondholders**

Certificates will not be delivered to Bondholders in respect of the Bonds in virtue of the fact that the entitlement to Bonds will be represented in an uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer by the CSD. There will be entered in such electronic register the names, addresses, identity card numbers, registration numbers and MSE account numbers of the Bondholders and particulars of the Bonds held by them respectively, and the Bondholders shall have, at all reasonable times during business hours, access to the register of Bondholders held at the CSD for the purpose of inspecting information held on their respective account.

**9. Further Issues**

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

**10. Meetings of Bondholders**

The Terms and Conditions of the Bonds may be amended or waived with the approval of the Bondholders at a meeting called for that purpose by the Issuer.

**11. 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.

**E.4** Save for the possible subscription for Bonds by Authorised Financial Intermediaries (which includes Bank of Valletta p.l.c., Charts Investment Management Service Limited and the latter's sister company Mediterranean Bank plc), and any fees payable in connection with the Bond Issue to Charts Investment Management Service Limited as Sponsor and Bank of Valletta p.l.c. as Manager and Registrar, so far as the Issuer is aware, no person involved in the Issue has an interest material to the Issue.

**E.7** Not applicable. No expenses will be charged to investors by the Issuer.

**TIME TABLE:**

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

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



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This Registration Document is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and in accordance with the provisions of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015.

21 October 2016

## REGISTRATION DOCUMENT

by

### PREMIER CAPITAL P.L.C.

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA  
WITH COMPANY REGISTRATION NUMBER C 36522

Manager & Registrar

Legal Counsel

Sponsor



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A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT 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 INDEPENDENT FINANCIAL ADVISOR.

### APPROVED BY DIRECTORS



Melo Hili



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



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## IMPORTANT INFORMATION

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THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON PREMIER CAPITAL P.L.C. IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES OF THE LISTING AUTHORITY, THE COMPANIES ACT (CAP. 386 OF THE LAWS OF MALTA) AND COMMISSION REGULATION (EC) NO. 809/2004 OF 29 APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION CONTAINED IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS AS AMENDED BY COMMISSION DELEGATED REGULATION (EU) NO. 486/2012 OF 30 MARCH 2012, COMMISSION DELEGATED REGULATION (EU) NO. 862/2012 OF 4 JUNE 2012, COMMISSION DELEGATED REGULATION (EU) NO. 759/2013 OF 30 APRIL 2013, COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7 MARCH 2014 AND COMMISSION DELEGATED REGULATION (EU) NO. 2016/301 OF 30 NOVEMBER 2015.

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

**STATEMENTS MADE IN 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.**

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

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



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## 1. DEFINITIONS

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In this Registration Document the following words and expressions shall bear the following meanings except where the context otherwise requires:

<b>Act</b>	the Companies Act (Cap. 386 of the laws of Malta);
<b>Bond(s)</b>	the €65,000,000 bonds of a nominal value of €100 per bond redeemable at their nominal value on the Redemption Date bearing interest at the rate of 3.75% per annum;
<b>Bondholder</b>	a holder of Bonds;
<b>Bond Issue</b>	the Issue of the Bonds;
<b>Borrowing Companies</b>	the Premier Group Companies which may from time to time enter into a loan agreement with the Issuer in connection with the use of Bond Issue proceeds;
<b>Directors or Board</b>	the directors of the Issuer whose names are set out under the heading "Identity of Directors, Advisors and Auditors";
<b>Euro or €</b>	the lawful currency of the Republic of Malta;
<b>Hili Ventures Limited or the Parent</b>	Hili Ventures Limited, a company registered under the laws of Malta with company registration number C 57902 and having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta;
<b>Issuer or Premier Capital p.l.c. or Company</b>	Premier Capital p.l.c., a public limited liability company registered in Malta with company number C 36522, having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta;
<b>Listing Authority</b>	the MFSA, appointed as Listing Authority for the purposes of the Financial Markets Act (Cap. 345 of the Laws of Malta) by virtue of Legal Notice 1 of 2003;
<b>Malta Stock Exchange or MSE</b>	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
<b>Manager &amp; Registrar</b>	Bank of Valletta p.l.c., a public limited liability company registered in Malta with company number C 2833 and having its registered office at BOV Centre, Cannon Road, Santa Venera SVR 9030, Malta;
<b>Memorandum and Articles of Association</b>	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus;
<b>MFSA</b>	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta);
<b>Premier Group or Group</b>	Premier Capital p.l.c., its Parent and its subsidiaries, that is: <ol style="list-style-type: none"><li>i. Premier Restaurants Malta Limited (C 18843), formerly named First Foods Franchise Limited, incorporated under the laws of Malta;</li><li>ii. Premier Arcades Limited Malta (C 51358), incorporated under the laws of Malta;</li><li>iii. Arcades Limited (C 5071), incorporated under the laws of Malta;</li><li>iv. SIA Premier Restaurants Latvia (company registration number: 40003189347), formerly named SIA McDonald's Latvia Limited, incorporated under the laws of Latvia;</li><li>v. UAB Premier Restaurants (company identification code: 111537013), formerly named McDonald's Restaurant Operations Inc, incorporated under the laws of Lithuania;</li><li>vi. Premier Restaurants Eesti OÜ (business identity code: 1019006), formerly named McDonald's Eesti AS, incorporated under the laws of Estonia;</li><li>vii. Premier Capital BV The Netherlands (company registration number: 20114573), incorporated under the laws of The Netherlands;</li><li>viii. Premier Capital SRL Romania (commercial register number: J40/602/2016), incorporated under the laws of Romania;</li><li>ix. Premier Capital Delaware Inc. (company number: 2199834), formerly McDonald's Systems of Romania Inc., incorporated under the laws of the United States;</li><li>x. Premier Restaurants Romania SRL (company number: 6205722), formerly McDonald's Romania SRL, incorporated under the laws of Romania;</li><li>xi. Premier Capital Hellas SA Greece (general commercial registry number: 00124650100), incorporated under the laws of Greece;</li></ol>

<b>Premier Group Company</b>	any one of the companies forming part of the Premier Group;
<b>Prospectus</b>	collectively, the Registration Document, the Securities Note and the Summary Note;
<b>Redemption Date</b>	30 November 2026;
<b>Registration Document</b>	this document in its entirety;
<b>Regulation</b>	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 amending Regulation (EC) No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities; Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 supplementing Directive 2003/71/EC of the European Parliament and of the Council with regard to regulatory technical standards for publication of supplements to the prospectus and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015 supplementing Directive 2003/71/EC of the European Parliament and of the Council with regard to regulatory technical standards for publication of the prospectus and dissemination of advertisements and amending Commission Regulation (EC) No. 809/2004;
<b>Securities Note</b>	the securities note issued by the Issuer dated 21 October 2016, forming part of the Prospectus;
<b>Summary Note</b>	the summary note issued by the Issuer dated 21 October 2016, forming part of the Prospectus.

## 2. RISK FACTORS

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AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS THE FOLLOWING RISK FACTORS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THIS REGISTRATION DOCUMENT, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER. 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 THE PROSPECTUS NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE BONDS ISSUED BY THE ISSUER: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION NOR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE SPONSOR OR AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THIS PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY BONDS ISSUED BY THE ISSUER. ACCORDINGLY PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.

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

### 2.1 FORWARD-LOOKING STATEMENTS

The Prospectus and the documents incorporated therein by reference or annexed thereto contain forward-looking statements that include, among others, statements concerning the Group's and Issuer's strategies and plans relating to the attainment of its objectives, capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts and which may involve predictions of future circumstances.



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Prospective investors can generally identify forward-looking statements by the use of forward-looking terminology such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe”, or, in each case, their negative or other variations or comparable terminology. These forward-looking statements are inherently subject to a number of risks, uncertainties and assumptions. Important factors that could cause actual results to differ materially from the expectations of the Group’s and the Issuer’s Directors include those risks identified under the heading “Risk Factors” and elsewhere in the Prospectus. If any of the risks described were to materialise, they could have a serious effect on the Group’s and the Issuer’s financial results, trading prospects and the ability of the Issuer to fulfil its obligations under the securities to be issued. Accordingly, the Issuer cautions the reader that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ from those expressed or implied by such statements and no assurance is given that the future results or expectations will be achieved.

## 2.2 RISKS RELATING TO THE GROUP AND ITS BUSINESS

### 2.2.1 Risks inherent in the nature of the informal eating-out (IEO) industry

The Premier Group is subject to certain risks common to the industry in which it operates, certain of which are beyond its control. The performance of the Group may be influenced by the general condition of the economies in which it operates or which it is exposed to.

The Group’s performance is subject to a number of factors that affect the restaurant industry generally and the IEO segment of the industry in particular, including:

- a downturn in international market conditions or the national and/or local political, economic and market conditions, which may in turn cause changes in consumer confidence and demands, disposable income and discretionary spending patterns;
- increases in interest rates and a reduction in the availability of financing and/or refinancing on favourable terms;
- any fluctuations in the exchange rates between the Euro and the Romanian Leu (RON) which could have an impact on that part of the Group’s profitability;
- periodic local oversupply of IEO outlets in Malta;
- increases in operating expenses as a result of inflation, increased personnel costs and health and safety related costs, higher utility costs (including energy costs), increased taxes and insurance costs, as well as unanticipated costs as a result of acts of nature and their consequences and other factors that may not be offset by increased product rates;
- competition with respect to price, service, location and food quality;
- changes in demographic trends, traffic patterns and the type, number and location of competing restaurants;
- potential litigation in relation to operational aspects of the business;
- changes in the regulatory framework setting out the requirements and obligations applicable to, *inter alia*, restaurant-owners and employers in general;
- the termination, non-renewal and/or the renewal on less favourable terms of the material contracts described in Section 4.2.4; and
- the termination or non-renewal of agreements entered into by the Group with respect to the leased properties.

Adverse changes in any one or more of these factors could reduce customer transactions at Premier Group’s restaurants, impose limits on pricing or cause Premier Group to incur additional expenditure in modifying its concepts or restaurants, any or all of which could adversely affect Premier Group’s business and the results of its operations.

The Premier Group’s operations are also dependent on its ability to avoid (and where not possible, mitigate) any degradation in product quality and/or service levels for customers, which could undermine confidence in the services provided by the Premier Group and cause a loss of customers or make it more difficult to attract new ones. The business of the Premier Group could be negatively impacted from these delays, errors, failures or faults.



### 2.2.2 Consumer preferences and perceptions

The industry in which the Group operates is affected by changes in consumer demands. Large fluctuations in consumer spending could negatively affect the Group's operations, earnings and financial position.

Furthermore, the demand for informal eating-out products is affected by changes in dietary patterns and trends. Consumers are increasingly conscious of their food choices, focusing on balanced nutritional values as well as assurance of quality. This may, in turn, reduce the demand for the Group's products which may also have a negative effect on the Group's business.

### 2.2.3 Competition

The Group has a number of competitors across different product categories, segments and geographical markets. It cannot be ruled out that these competitors will grow to be stronger in the future should any of them change their concepts or pricing to compete more directly with Premier Group or the menu items and options offered by the Group. There is no guarantee that the Group will be able to compete successfully against current as well as future competitors which may have a negative effect on the Group's operations, earnings and financial position.

### 2.2.4 Regulation

Premier Group is subject to various laws and regulations affecting its business. Each of its restaurants is subject to licensing and regulation by a number of governmental authorities, which may include alcoholic beverage controls, smoking laws, health and safety measures, disability access requirements and fire safety requirements. Difficulties in obtaining, or any failure to obtain, the required licenses or approvals, or the loss thereof, could adversely affect Premier Group's business and the results of its operations.

Various bodies have the power to conduct inspections of Premier Group's restaurants and to close down any restaurants which fail to comply with the regulations. Premier Group is also liable under relevant legislation for any damage caused through its serving food of inappropriate quality.

### 2.2.5 Potential claims and complaints

Premier Group's success in the market in which it operates partially depends on its ability to maintain its image and reputation. However, in view of the nature of its business, the Group may be the subject of complaints or claims from customers alleging food-related illness, injuries suffered on the Group's premises, or other food quality or operational concerns. Adverse publicity resulting from such allegations may materially affect sales revenues generated by the Premier Group restaurants, regardless of whether such allegations are true or whether the Group is ultimately held liable. Furthermore, the proliferation of new methods of mass communication facilitated by the internet makes it easier for allegations to adversely affect the brand image and reputation or the reputation of the industry in general.

In addition, the Premier Group may be subject to a type of litigation which is particular to the nature of its business. All litigation is expensive, time consuming and may divert management's attention away from the operation of the business. In addition, the Premier Group cannot be certain that its insurance coverage will be sufficient to cover one or more substantial claims.

It is possible that if complaints, claims or legal proceedings such as the aforementioned were to be brought against a direct competitor of the Premier Group, the latter would also be affected due to the adverse publicity brought against, and concerns raised in respect of, the informal eating-out segment in general.

In addition, other litigation including, but not limited to, disputes with its employees based on claims of, amongst others, discrimination, harassment or wrongful termination, may divert financial and management resources that would otherwise be used to benefit the future performance of Premier Group's operations.



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### 2.2.6 Contamination and reputation risk

The Premier Group relies heavily on the reputation of its branded products. An event, or series of events, that materially damage/s the reputation of the McDonald's brand could have an adverse effect on the value of that brand and subsequent revenues from that brand or business. Although the Group may not have had any material problems in the past with contamination of any of its products, in the event of contamination occurring in the future, this may lead to business interruption, product recalls or liability, each of which could have an adverse effect on the Group's business, reputation, prospects, financial condition and results of operations. Although the Group may maintain insurance policies against these risks, it may not be able to enforce its rights in respect of these policies and, in the event contamination occurs, any amounts that the Group does recover may not be sufficient to offset any damage it may suffer.

Companies in the food and beverage sector are occasionally exposed to litigation relating to alcohol advertising, alcohol abuse problems, complaints or litigation from customers alleging food related illnesses, injuries suffered on the Group's premises or other food quality or operational concerns. If such complaints or litigation result in fines or damage to the Group's reputation, the Group's business could also be impacted.

### 2.2.7 Economic and political factors relating to Malta, Estonia, Latvia, Lithuania, Greece and Romania may affect the Premier Group

Premier Group's revenues and costs are dependent on a variety of factors influenced by the economies and government policies of the countries in which it operates as a whole as well as by regional economies within those countries. These factors include, among others, increases or decreases in gross domestic product, inflation, unemployment, interest rates, currency value, tax rates and the size and demographic characteristics of the population. Any future adverse developments in any one or more of these factors could affect the Group's business and the results of its operations.

In this context, particular reference is made to the Greek market. Premier Capital operates 23 restaurants (17.29% of total) spread in mainland Greece and its islands. Greece has been, and still is, passing through difficult economic cycles with contraction in GDP growth, increases in indirect taxation and high unemployment levels. The future development and sustainability of this market is dependent on the stability of the socio-political infrastructure of the country. Furthermore, the continued implementation of austerity measures in an effort to reduce government deficit may have an effect on this market in which the Group operates.

## 2.3 RISKS RELATING TO THE GROUP

### 2.3.1 Premier Group's growth strategy may be influenced by factors beyond its control

In view of its growth strategy, the Premier Group may encounter certain risks associated with the opening of new restaurants. Each new McDonald's restaurant opened from time to time will generally take several months from its opening to reach planned operating levels, mainly due to inefficiencies typically associated with new restaurants including lack of market awareness and the need to hire and train sufficient staff. The Premier Group cannot guarantee that it will be able to achieve its expansion goals or that new restaurants will be operated on a profitable basis within expected timeframes or at all.

Furthermore, the Premier Group cannot guarantee that any new restaurant it opens from time to time will obtain operating results similar to those of its existing restaurants. The success of any further expansion will depend upon numerous factors, many of which are beyond Premier Group's control, including the following:

- ability to identify and secure available and suitable restaurant sites;
- ability to secure required planning and other governmental approvals and permits in a timely manner;
- competition for restaurant sites and competition in the Group's markets generally;
- ability to manage the construction and development costs of new restaurants, as well as delays in the timely development of new restaurants;
- ability to hire, train and retain qualified operating personnel, particularly managers;
- the need to obtain the Franchisor's (as defined in Section 4.2.4.1 below) approval for new restaurant development; and
- generally, the economic conditions prevailing from time to time.

### 2.3.2 Ability to locate and secure adequate restaurant sites

The success of the McDonald's restaurants operated by the Premier Group is significantly influenced by location. There can be no assurance that current locations will continue to be attractive or that the Premier Group will be able to identify and secure additional prime locations as demographic patterns change. It is possible that current locations may become less attractive or be affected by adverse economic conditions or other factors, potentially resulting in reduced sales in those locations. There can also be no assurance that future sites will produce results which are the same as or better than the existing sites.

In accordance with its expansion strategy, the Premier Group's primary intention is to open new, or relocate existing, restaurants in the Baltic countries, Romania, Greece and/or Malta. However, it may also consider potential expansion into new geographical markets should such an opportunity be presented to it by its Franchisor (See Section 5.1.1 of this Registration Document). There can be no assurance that proposals for further expansion in the said or other jurisdictions will be forthcoming from the franchisor. In markets where the Premier Group has little or no past experience, it may face competitive conditions, consumer tastes and discretionary spending patterns which are different from Premier Group's existing markets, and this in turn may cause the Premier Group's operation in such other new jurisdiction to be less successful than its operations in existing markets.

### 2.3.3 Expansion may strain the Group's infrastructure and other resources

The Premier Group faces the risk that its existing systems and procedures, restaurant management systems, financial control mechanisms, information systems, management resources and human resources, may prove inadequate or insufficient to support any further expansion of restaurants. The Premier Group may not be able to respond on a timely basis to all of the changing demands that its planned expansion will impose on its infrastructure and other resources. If it fails to continue to improve its infrastructure or to manage other factors necessary for it to achieve its expansion objectives, Premier Group's results of operations and business could be adversely affected.

### 2.3.4 Development of restaurants

The development of restaurants, as with any other property development, is subject to a number of specific risks, including the risk of delays in the construction schedule, the risk of cost overruns, the risk of insufficiency of resources to complete, and higher interest costs. If these risks were to materialise, they would have an adverse impact on the Premier Group's revenue generation, cash flows and financial performance.

Furthermore, the Premier Group is subject to various counter-party risks, such as contractors and sub-contractors engaged in the construction and finishing of the restaurants defaulting in their obligations to carry out the necessary works within the specified timeframe and budget. Such parties may fail to perform or default on their obligations to the Premier Group due to insolvency, lack of liquidity, market or economic downturns, operational failure or other reasons which are beyond the Premier Group's control.

### 2.3.5 Premier Group is dependent on its Licensor/Franchisor

The McDonald's system in Malta, the Baltic countries, Greece and Romania is developed pursuant to the terms of franchises issued by McDonald's Corporation (in the case of Malta and Romania) or by McDonald's International Property Company Ltd, a subsidiary of McDonald's Corporation (in the case of the Baltic countries and Greece). The Premier Group has undertaken to develop restaurants under and in accordance with the McDonald's brand and standards as prescribed by the said Master Franchise (or Franchise) agreements (as defined in Section 4.2.4.1 below). Furthermore, pursuant to Master Franchise (or Franchise) agreements entered into with McDonalds Corporation (or its subsidiary McDonald's International Property Company Ltd, as applicable) the Premier Group has been granted the right to adopt and use the McDonald's restaurant system in accordance with the terms of such agreements.

In light of the aforesaid, the Premier Group's revenues are dependent on the continued existence of its contractual relationships with McDonald's, and, in turn, of its right to operate McDonald's-branded restaurants in Malta, the Baltic countries, Greece and Romania. Furthermore, many factors and decisions in the business of the Premier Group are subject to restrictions, specifications or approval. In view of the nature of franchising

and the said Franchise agreements entered into with the Franchisor, the long-term success of the Premier Group will depend, to a significant extent, on:

- the continued vitality of the McDonald's concepts and the overall success of the franchise system;
- the ability of the Premier Group and its Franchisor to identify and react to new trends in the restaurant industry, including the development of popular menu items;
- the ability of the Premier Group and its Franchisor to develop and pursue appropriate marketing strategies in order to maintain and enhance the name recognition, reputation and market perception of McDonald's restaurants and to introduce and develop new products;
- the goodwill associated with the McDonald's trademarks;
- the quality, consistency and management of the Franchisor's overall systems; and
- a continued cooperative franchise relationship with its Franchisor.

As already mentioned, the development and operation of Premier Group's business in Malta, the Baltic countries, Greece and Romania is regulated by agreements which require the Premier Group to comply with a comprehensive set of terms and conditions. By their very nature, agreements of this kind contain terms and conditions that are prescriptive. Moreover, the success of a franchise significantly depends on the relationship between the Franchisor and the Franchisee (as defined in Section 4.2.4.1 below). While every effort is expected to be made to ensure a positive relationship between the Premier Group and its Franchisor, there is no assurance that events or circumstances in the future may not adversely affect that relationship or that its Franchisor will not enforce its contractual rights under any of the said agreements in a manner that is adverse to the Premier Group.

#### 2.3.6 Lack of total territorial exclusivity

The Master Franchise (or Franchise) agreements relating to the development of McDonald's restaurants in Malta, the Baltic countries, Greece and Romania do not grant the franchisee exclusive territorial rights pursuant to or in conjunction with the rights granted thereto in terms of such agreements.

#### 2.3.7 Changes in resource availability and costs

The Premier Group's profitability depends in part on its ability to anticipate and react to changes in the cost of its supplies. Although the Premier Group's restaurants are supplied with the majority of their required volume products by or through independent suppliers that are approved by the European supply chain of the McDonald's Corporation, the Premier Group resorts to a limited number of distributors in each of Malta, Estonia, Latvia, Lithuania, Greece and Romania in order to meet its distribution needs. Any failure to perform by any such distributor could cause significant short-term disruption in the Premier Group's supply chain which could adversely affect the Premier Group's business and the results of its operations.

Dependence on frequent deliveries of fresh produce and groceries subjects food service businesses to the risk that shortages or interruptions in supply, caused by factors such as general economic conditions, unanticipated demand, problems in production or distribution, natural disasters, adverse weather conditions, could negatively affect the availability, quality and cost of ingredients. Suppliers of such products are also subject to food safety and other regulations, and any failure on their part to comply could require Premier Group to reject their products and seek alternative sources of supply. Failure by any of the suppliers of food ingredients, packaging materials or other key items to comply with regulations, or allegations of compliance failure, may disrupt the operations of the Group. Disruption of the suppliers' operations could disrupt the Group's own operations and impact its ability to supply its customers in a timely manner, or at all, which could have an adverse effect on the business, results of operations and financial conditions of the Group.

The prices of processed food ingredients and packaging materials used in several of the Group's product categories, as well as freight, are subject to fluctuations in prices attributable to, among other things, changes in supply and demand of commodities and fuel prices.

Increases in the cost of important products could significantly increase the Premier Group's restaurant expenses, although the Premier Group seeks to mitigate this exposure, where possible, by agreeing pre-determined standard rates with suppliers. The Premier Group cannot, however, predict whether it will be able

in all circumstances to anticipate and react to changing costs by adjusting its purchasing practices and menu prices, and a failure in any case to do so could adversely affect its business and the results of its operations. In addition, because it operates in price-sensitive markets, the Premier Group may not be able to fully amortise the loss incurred by virtue of such changing costs by raising the prices charged to its customers.

#### 2.3.9 Leases and lease renewal

Almost all of the Premier Group's restaurants, that is, approximately ninety-two percent (92%), are on property which is leased. The restaurants vary between those which are stand-alone stores and those located within shopping malls or airports, with some offering a drive-thru facility and/or McCafe coffee station within the restaurant. The majority of the leases are long-term, with the average term being approximately 20 years from the date of the grant (assuming the exercise of all renewal options with defined terms and excluding leases which renew periodically until terminated or which have no defined end date). The leases often provide for a right of renewal, provided that the Premier Group remains in compliance with the terms of the lease. Notwithstanding compliance, however, there is no guarantee that the Premier Group will be able to renew these leases on commercially acceptable terms – and if the Premier Group were to be unable to do so, the potential loss of prime restaurant locations could have an adverse effect on the Premier Group's results of operations and business.

In addition, in certain circumstances the Premier Group may wish to close a restaurant but would find itself unable to terminate the associated lease in a cost-effective manner and with the required approval of the Franchisor. The inability to close a restaurant which is operating poorly in a cost-effective and expeditious manner could have an adverse effect on the Premier Group's business and the results of its operations.

#### 2.3.10 The Premier Group's dependence on key personnel

The Premier Group's future success and growth will in part depend on the personal efforts and abilities of a select group of employees, senior management and other key personnel. Although the Premier Group believes it would be able to replace its key employees within a reasonable time should the need arise, the loss of key personnel could have a short-term adverse effect on the Premier Group's business and the results of its operations.

#### 2.3.11 The Premier Group's insurance coverage

Historically, the Premier Group has maintained insurance at levels determined by it to be appropriate in the light of the cost of cover and the risk profiles of the business in which it operates. With respect to losses for which the Premier Group is covered by its policies, it may be difficult and may take time to recover such losses from insurers. In addition, the Premier Group may, in some cases, not be able to recover the full amount from the insurer. No assurance can be given that the Premier Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates.

### 2.4 RISKS RELATING SPECIFICALLY TO THE ISSUER

#### 2.4.1 Issuer's dependence on payments due by the Borrowing Companies may be affected by factors beyond the Issuer's control

The proceeds of the Bond Issue shall be partly loaned to other companies forming part of the Premier Group (the Borrowing Companies), in the amounts and proportions described in the Securities Note (see section 4.1 "Reasons for the Bond Issue and Use of Proceeds").

In addition to the receipt of dividends from the Premier Group Companies, the Issuer will be largely dependent on the receipt of loan repayments from the Borrowing Companies in order to service interest payments on the Bonds and eventually repay the principal of the Bonds. In this respect, therefore, the operating results of the Borrowing Companies, which all form part of the Premier Group, have a direct effect on the Issuer's financial position, and as such the risks intrinsic to the business and operations of such other Premier Group Companies shall have a direct effect on the ability of the Issuer to meet its obligations in respect of the repayment of principal and interest under the Bonds punctually when due.



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The loan repayments to be effected by the said Borrowing Companies in favour of the Issuer are subject to certain risks. More specifically, the ability of the Borrowing Companies to effect loan repayments will depend on their respective cash flows and earnings, which may be restricted by changes in applicable laws and regulations, by the terms of agreements to which they are or may become party, including the indenture governing their existing indebtedness, or by other factors beyond the control of the Issuer. The occurrence of any such factors could in turn negatively affect the ability of the Issuer to meet its obligations in respect of the repayment of principal and interest under the Bonds punctually when due.

#### 2.4.2 Issuer's potential exposure to certain financial risks

The Issuer's activities potentially expose it to a variety of financial risks, including interest rate risk and currency risk.

Interest rate risk refers to the potential changes in the value of financial assets and liabilities in response to changes in the level of interest rates and their impact on cash flows. The Issuer may be exposed to the risks associated with the effects of fluctuations in the prevailing levels of the market interest rates on its financing position and cash flows.

The Issuer is exposed to currency risk due to changes in the rates of exchange between the currencies of its operating subsidiaries and its own. This exposure was triggered with the inclusion of the Romanian market within the Group since January 2016 as the Group is now operating in a territory that does not have the Euro as its base currency, but the Romanian Leu (Ron). Although Romanian tariffs may be indexed to the Euro, a material depreciation of the Ron against the Euro could have a material adverse effect on the Group's financial condition and results of operations.

### 3. IDENTITY OF DIRECTORS, ADVISORS AND AUDITORS

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

#### 3.1 DIRECTORS

<b>Melo Hili</b> 395765(M)	2, Immaculate Conception Street, Lija LJA 1274, Malta	<b>Chairman and Non-Executive Director</b>
<b>Victor Tedesco</b> 594964(M)	16, Triq Ghajn Zejtuna, Santa Marija Estate, Malta	<b>Executive Director (Managing Director)</b>
<b>Charles J. Farrugia</b> 745557(M)	67, Stefanotis Street, Sta Lucia SLC 1810, Malta	<b>Non-Executive Director</b>
<b>Ann Fenech</b> 28763(M)	24, Mekong, Triq Nathalie Poutiatin Tabone, Sliema SLM 1874, Malta	<b>Non-Executive Director</b>
<b>Tomasz Nawrocki</b> (AT)2467590	72-600, Swinoujscie, Gdynska 23b/24, Poland	<b>Non-Executive Director</b>
<b>Massimiliano Lupica</b> (AR)5482277	Strada Costa Volpara 8/E, 01100 Viterbo, Italy	<b>Non-Executive Director</b>

Dr Karen Coppini, holder of identity card number 91185(M), residing at 179, Triq il-Kbira, Mosta MST 1014, Malta, is the company secretary of the Issuer.

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

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

### 3.2 ADVISORS

#### *Legal Counsel to the Issuer*

Name: Camilleri Preziosi  
Address: Level 3, Valletta Buildings, South Street,  
Valletta VLT 1103, Malta

#### *Sponsor*

Name: Charts Investment Management Service Limited  
Address: Valletta Waterfront, Vault 17, Pinto Wharf,  
Floriana FRN 1913, Malta

#### *Manager & Registrar*

Name: Bank of Valletta p.l.c.  
Address: BOV Centre, Cannon Road,  
Santa Venera SVR 9030, Malta

### 3.3 AUDITORS

Name: Deloitte Audit Limited  
Address: Deloitte Place, Mriehel Bypass,  
Mriehel BKR 3000, Malta

Deloitte Audit Limited has audited the financial statements of the Issuer for the financial years ended 31 December 2013, 2014 and 2015 as referred to in Section 15 of the Registration Document. Deloitte Audit Limited is a firm of certified public accountants holding a practising certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Cap. 281, Laws of Malta).

## 4. INFORMATION ABOUT THE ISSUER

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### 4.1 HISTORICAL DEVELOPMENT OF THE ISSUER

#### 4.1.1 Introduction

Full Legal and Commercial Name of the Issuer:	Premier Capital p.l.c.
Registered Address:	Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta
Place of Registration and Domicile:	Malta
Registration Number:	C 36522
Date of Registration:	30 June 2005
Legal Form:	The Issuer was formed as a private limited liability company, and subsequently (on 26 February 2010) converted into a public limited company and thereafter renamed Premier Capital p.l.c. The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act.





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it possible.

Telephone Number:	+356 2568 1888
Fax:	+356 2568 1838
Email:	info@premiercapital.com.mt
Website:	www.premiercapital.com.mt

#### 4.1.2 Principal Objects of the Issuer

The principal objects of the Issuer's activities are set out in Article 3 of its Memorandum of Association and include, but are not limited to, acting as a holding company and carrying on the business of a finance and investment company and in particular but without prejudice to the generality of the foregoing the financing or re-financing of the funding requirements of the business of the other Premier Group Companies. Accordingly, subject to the success of the Bond Issue, the Issuer will enter into loan agreements with the Borrowing Companies for the purpose of financing their investment needs from time to time as set out in Section 4.1 of the Securities Note.

## 4.2 OVERVIEW OF THE PREMIER GROUP'S BUSINESS

### 4.2.1 Introduction

The Premier Group operates McDonald's restaurants in Malta, Estonia, Latvia, Lithuania, Greece and Romania. Apart from offering support and management and consultancy services to companies within the Premier Group (See Section 7 of the Registration Document – Management Structure), the Issuer acts as a holding company for the various subsidiaries of the Group which operate the McDonald's restaurants in the said countries. As such, the Issuer is dependent upon the operations and performance of its subsidiaries and their respective operations.

McDonald's global brand is well-known. Marketing, promotional and public relations activities are designed to promote McDonald's brand image and differentiate it from its competitors. McDonald's is the world's leading global food service retailer with over 36,000 locations in over 100 countries<sup>1</sup>. More than 80% of McDonald's worldwide are owned and operated by independent business entrepreneurs.

The McDonald's franchise for Malta was awarded to the group company Premier Restaurants Malta Limited (formerly First Foods Franchise Limited), in 1995, pursuant to the terms of an operating license agreement entered into with, *inter alia*, McDonald's Corporation. To date, the Group operates 9 restaurants in Malta and Gozo on the basis of this franchise.

In 2007, the Premier Group was awarded the McDonald's franchise in respect of each of Estonia, Latvia, and Lithuania (the "Baltic countries"), pursuant to which it was charged with the responsibility of developing the brand in those territories by taking over from the McDonald's Corporation the operation of the then existing 19 McDonald's restaurants in the Baltic countries (7 restaurants in Estonia, 6 restaurants in Latvia and 6 restaurants in Lithuania), and by acquiring the right, and taking on the responsibility, to open new restaurants in the Baltic countries – the Premier Group currently operates 33 McDonald's restaurants in the Baltic countries (10 restaurants in Estonia, 12 restaurants in Latvia and 11 restaurants in Lithuania). The majority of these restaurants are located in the Baltic countries' respective capital cities, Tallinn, Riga and Vilnius.

In 2011, Premier Capital p.l.c. was awarded the franchise for McDonald's in Greece, taking over 19 restaurants. To date, the number of restaurants in Greece for which the Company is franchisee has risen to 23.

As of January 2016, the Group more than doubled its total portfolio of restaurants to up to 130 restaurants following the addition of 67 McDonald's branded restaurants in Romania to the portfolio of 63 restaurants already operated by the Premier Group in Malta, Estonia, Latvia, Lithuania and Greece. To date, the number of restaurants which the Group operates in Romania is 68. Of the 133 restaurants it currently operates, the Group owns 10 within the Romanian market.

<sup>1</sup>McDonald's Reports Second Quarter 2016 Results (Announcement Date: 26<sup>th</sup> July 2016)



#### 4.2.2 Principal Markets

Apart from being the only franchisee of the McDonald's brand and operator of McDonald's restaurants in each of Malta, Estonia, Latvia and Lithuania by virtue of the abovementioned franchise agreements, the Premier Group is, at present, the only developer of McDonald's restaurants in such territories, by virtue of:

- (i) a Master Franchise Agreement dated 1 July 2015 in respect of McDonald's restaurants operating and to be opened in Malta (replacing an earlier 20-year term agreement dated 25 May 1995 relating to restaurants to be opened in Malta, which agreement was on 5 July 2005 assigned in favour of the Premier Group);
- (ii) a Franchise Agreement dated 19 December 2007 entered into between McDonald's International Property Company Limited and Melo Hili in respect of McDonald's restaurants operating and yet to be opened in each of Estonia, Latvia and Lithuania, which agreement was forthwith assigned in favour of Premier Restaurants Eesti OÜ, a fully owned subsidiary of SIA Premier Restaurants Latvia which in turn is fully owned by the Issuer;
- (iii) a Master Franchise Agreement dated 31 May 2011 entered into between McDonald's International Property Company Limited and Melo Hili in respect of McDonald's restaurants operating and to be opened in Greece, which agreement was assigned to Premier Capital Hellas SA which in turn is 99.99% owned by the Issuer;
- (iv) a Franchise Agreement dated 22 January 2016 entered into between McDonald's Corporation and Premier Restaurants Romania SRL (formerly McDonald's Romania SRL) in respect of McDonald's restaurants operating and to be opened in Romania.

Restaurant sales by country for the three financial years ended 31 December 2013, 2014 and 2015 were as follows:

<b>Premier Capital p.l.c. Revenue by Territory</b>	<b>2013 Actual (€'000)</b>	<b>2014 Actual (€'000)</b>	<b>2015 Actual (€'000)</b>
Estonia	17,180	17,387	17,659
Greece	18,602	20,940	24,127
Latvia	17,457	18,092	18,744
Lithuania	15,258	16,418	18,260
Malta	20,447	21,775	21,148
	<b>88,944</b>	<b>94,612</b>	<b>99,938</b>

McDonald's operates more than 36,500 restaurants globally in four classifications of markets: the United States of America, foundational markets<sup>2</sup>, international lead markets<sup>3</sup> and high growth markets<sup>4</sup>. As per official data as at end of 2015, the number of restaurants in such markets was 14,259 (39% of all McDonald's restaurants worldwide), 10,198 (28%), 6,802 (19%) and 5,266 (14%) respectively<sup>5</sup>. The territories in which the Premier Group operates are within the foundational markets category, specifically Europe. Out of the 10,198 restaurants in this category, 1,664 (16%) are located in Europe, 8% of which are the restaurants managed by the Premier Group.

<sup>2</sup>This refers to those markets with potential to operate under a largely franchised model, namely Japan, Latin America, Asia, Europe, Middle East.

<sup>3</sup>This refers to some of the largest, best resourced and most established markets with strong, developed economies and, in most cases, similar competitive dynamics and opportunities for growth, including Australia, Canada, France, Germany and the U.K.

<sup>4</sup>This refers to those markets with relatively higher restaurant expansion and franchising potential, namely China, Korea, Russia, Poland, Italy, Spain, the Netherlands and Switzerland.

<sup>5</sup>McDonald's Corporation 2015 Annual Report <<http://corporate.mcdonalds.com/content/dam/AboutMcDonalds/Investors%202/2015%20Annual%20Report.pdf>>

### 4.2.3 McDonald's Corporation

McDonald's Corporation is a corporation organised under the laws of the State of Delaware, United States. Its principal executive offices are at 1 McDonald's Plaza, Oak Brook, Illinois 60523, United States. McDonald's franchises and operates McDonald's restaurants in the food service industry. These restaurants serve a varied, yet limited, value-priced menu in more than 100 countries around the world. Although there may be geographic variations, the menu is substantially uniform. In addition, McDonald's tests new products on an ongoing basis.

When granting franchises, McDonald's is selective and generally not in the practice of franchising to passive investors. Pursuant to such franchise setup, the Premier Group has represented the McDonald's Corporation in Malta since 1995, the Baltic countries since 2007, Greece since 2011 and Romania since 2016.

Under McDonald's *conventional franchise arrangement*, franchisees provide a portion of the capital required by initially investing in the equipment, signs, seating and décor of their restaurant businesses, and by reinvesting in the business over time. McDonald's Corporation owns the land and building or secures long-term leases for both Corporation-operated and conventional franchised restaurant sites. This maintains long-term occupancy rights, helps control related costs and assists in alignment amongst franchisees. Under the *master franchise arrangement*, licensees provide capital for the entire business, including the real estate interest, while McDonald's Corporation has no capital invested: the operation conducted by the Premier Group falls within this category. In addition, McDonald's Corporation has an equity investment in a limited number of foreign affiliates that invest in real estate and operate or franchise restaurants within a market.

McDonald's Corporation views itself primarily as a franchisor and continually reviews the mix of company-operated and franchised restaurants to deliver optimal customer experience and drive profitability.

### 4.2.4 Franchise and Developmental Agreements

The McDonald's System (as defined below) in Malta, the Baltic countries, Greece and Romania is developed and operated by the Premier Group pursuant to the terms of the franchise and developmental agreements pertaining to each jurisdiction.

The McDonald's System is a comprehensive restaurant system for the retailing of a limited menu of uniform and quality food products, emphasising prompt and courteous service in a clean, wholesome atmosphere which is intended to be attractive to children and families (the "**McDonald's System**").

#### 4.2.4.1 Franchise Agreements

In terms of its Master Franchise Agreements or Franchise Agreements (hereinafter "**Franchise Agreements**"), McDonald's Corporation (the "**Franchisor**") grants to the respective member of the Premier Group pertaining to the jurisdiction for which the Franchise Agreement is entered into (the "**Franchisee**") the right to operate and manage the McDonald's branded restaurants in line with McDonald's System, including permission to make use of the trade name, trademarks and other property of McDonald's but only in connection with the operation, promotion and management of the restaurants. No rights or licences are granted to the Franchisee for any territory other than the geographical area of the jurisdiction in question and the Franchisee may not exercise any of its rights at a location that has not been approved by the Franchisor.

The Franchisor may, at any time during the term, operate, directly or indirectly, any restaurant using the McDonald's System and/or the property in the territory; or grant such a right to any other person; or grant the right or licence to grant sub-franchises to any other person. The Franchisor may also assign the Franchise Agreement to any of its affiliates without any further consent or prior notification of the Franchisee. However, neither the Franchise Agreement nor any of the rights and/or obligations thereunder may be assigned by the Franchisee without the Franchisor's prior written consent. The Franchisor shall also have the right to modify or discontinue the use by the Franchisee of any property, or to require the Franchisee to commence use of new or substitute property.

The Franchisee shall pay to the Franchisor an initial non-refundable franchise fee multiplied by the number of remaining years in the term per restaurant. On a monthly basis, the Franchisee shall also pay

a royalty equal to a percentage of the gross sales from the operation of all of the restaurants and for this reason each monthly payment is to be accompanied by a written statement showing the gross sales and any taxes levied on the Franchisor withheld by the Franchisee acting on its behalf. Any sum that may become due and owing from the Franchisee shall bear default interest from and after its due date at an annual rate equal to the highest rate allowed by national law or, if there is no such maximum rate, then 15% per annum.

The Franchisee acknowledges that every component of the McDonald's System is important to the Franchisor and is vital to the operation of the restaurants, including a designated menu; uniformity of food specifications, preparation methods, quality and appearance; and uniformity of facilities and service. To this effect, the Franchisor shall have the right to inspect the restaurants at all reasonable times to ensure that the Franchisee's operation thereof is in compliance with the standards of the McDonald's System.

The Franchisee shall have no authority, express or implied, to act as agent of the Franchisor, or any of its affiliates for any purpose unless otherwise explicitly set forth in the agreement. It is and shall remain an independent contractor responsible for all obligations and liabilities of, and for all loss or damage to, the restaurants and their business.

The occurrence of any of the following events shall constitute a material breach of the agreement:

- if the Franchisee fails to maintain one or more restaurants in a clean, wholesome manner and in compliance with the standards prescribed by the McDonald's System;
- if the Franchisee or any of its shareholders shall be adjudicated as bankrupt, become insolvent, or over-indebted, or shall make a general assignment for the benefit of its creditors;
- if any amounts owing to the Franchisor are not paid within 30 days after the date such payment is due;
- if the Franchisee or any of its shareholders shall duplicate or misappropriate the McDonald's System and/or property;
- if the Franchisee shall use any trade name, trademark, or other property right of the Franchisor exceeding the restrictions in the agreement, or make or cause a disclosure of any portion of the McDonald's System or trade secrets or business manuals;
- if the Franchisee shall sell food or beverage products other than those designated by the Franchisor or which fail to conform to McDonald's System specifications for those products, or which are not prepared in accordance with the methods prescribed by the Franchisor; or
- if the Franchisee shall deny McDonald's the right of inspection of the restaurants.

In case of any of such material breaches or others, the Franchisor may unilaterally terminate the agreement by sending a written notice to the Franchisee, which termination shall be effective at the end of 30 days from such notice unless the Franchisee has fully cured such material breach during this time.

The term of the franchise is that of 20 years from its effective date. However, the Franchisor shall determine whether to grant the Franchisee a new term franchise upon expiration of the agreement and shall provide a written notice thereto not earlier than the 17<sup>th</sup> anniversary of the effective date. Upon expiration of the Franchise Agreement without being granted a new term franchise or termination of the Franchise Agreement, the Franchisee would be required to immediately cease all operation of the restaurants.

#### 4.2.4.2 Developmental Agreements

In terms of the Developmental Agreements, McDonald's Corporation (the "**Licensor**") grants to the respective member of the Premier Group pertaining to the jurisdiction for which the Developmental Agreement is entered into (the "**Licensee**") the licence to develop and open one or more McDonald's branded restaurants within the jurisdiction in accordance with the development schedule provided in the Developmental Agreement. The Licensor does not however by virtue of such Developmental Agreement grant the Licensee any exclusive territorial rights pursuant to or in conjunction with the rights granted to it pursuant to the Developmental Agreement or the franchise agreement (the "**Franchise Agreement**").

Site selection for each restaurant to be developed shall be the primary responsibility of the Licensee, subject to final approval by the Licensor following analysis of the suitability and feasibility of the site in question. The Licensor shall have the absolute discretion to withhold such approval for any or no stated reason. In the same manner, the Licensee shall not close any existing restaurants except pursuant to the approval by the Licensor.

Once a site is approved by the Licensor, the Licensee shall be responsible for the construction of the restaurant, to be carried out in line with McDonald's schematic design plans approved or provided by the Licensor in order to ensure compliance with McDonald's standards. The same applies for all rebuilding, remodeling and re-imaging works which are to be undertaken by the Licensee with respect to the existing restaurants within the territory. The Developmental Agreements specify a minimum investment amount for both existing and new restaurants.

All required governmental approvals to permit the performance of the parties under the Developmental Agreement are to be secured by the Licensee. Indeed, if at any time during the term of the Developmental Agreement, the Licensee is unable to obtain and/or maintain in force such government approvals, or such approvals are granted subject to conditions deemed unacceptable by the Licensor, the Licensor may elect to terminate the agreement following written notice to the Licensee.

The Licensor may assign the Developmental Agreement or any rights and obligations thereunder to any of its affiliates without any consent or prior notification of the Licensee. However, no such assignment by the Licensee may take place without the Licensor's prior written approval.

Nothing in the Developmental Agreement shall be construed to imply the existence of a partnership between the parties thereto or to make one party thereto the representative, distributor, or agent of any kind or nature of the other party.

The Licensor's decision to grant development rights to the Licensee is based on the latter's commitment to devote all of its resources to the development of the restaurant business in the territory. The Licensee therefore agrees that during the term of the Developmental Agreement it will not commence, acquire or get involved in any new business without the Licensor's prior written consent. Any violation of this provision shall be deemed a material breach of the Developmental Agreement, entitling the Licensor to terminate the agreement upon delivery of written notice thereof. In addition, the Licensor may unilaterally terminate the Developmental Agreement immediately by means of a notice in writing to the Licensee without recourse to any court and without any obligation of compensation, in any one of the following events:

- the termination of the Franchise Agreement in accordance with its terms;
- a material breach under the Franchise Agreement;
- failure to comply with the terms of this agreement with respect to the development schedule, site selection or restaurant design;
- the representations and warranties of the Licensee are found to be untrue; or
- a breach under this or any other agreement with McDonald's and failure to cure such breach within 30 days after notice thereof.

Upon termination of the Developmental Agreement, the Licensee's rights for further development shall be terminated.

The term of the Developmental Agreement is typically that of five years, unless earlier terminated as provided in such agreement. Following the expiration of the agreement, the Licensee shall not, except with the Licensor's prior written consent, have any right to develop any restaurant that has not been approved before expiration or that is not operational within one year from the date of such expiration. The expiration of the Developmental Agreement shall not affect the term of the Franchise Agreement.

All obligations of the parties contained in the Franchise Agreement, which is executed simultaneously with the execution of the developmental agreement, shall be applicable to the developmental agreement during the entirety of its term.

The Premier Group is currently party to one Developmental Agreement, relating to Romania. As at the date hereof, discussions between the Premier Group and McDonald's International Property Company Limited are being held in relation to Developmental Agreements covering the Baltics and Greece, in respect of which previous Developmental Agreements have since expired.

## 4.3 PRINCIPAL INVESTMENTS OF THE GROUP AND THE ISSUER

### 4.3.1 Principal Investments of the Group

As at the date of the Prospectus, the Premier Group has not made any firm commitments towards possible investments relating to the business of the Group. However, on an ongoing basis, the Group seeks to identify and evaluate potential opportunities across all territories it operates in.

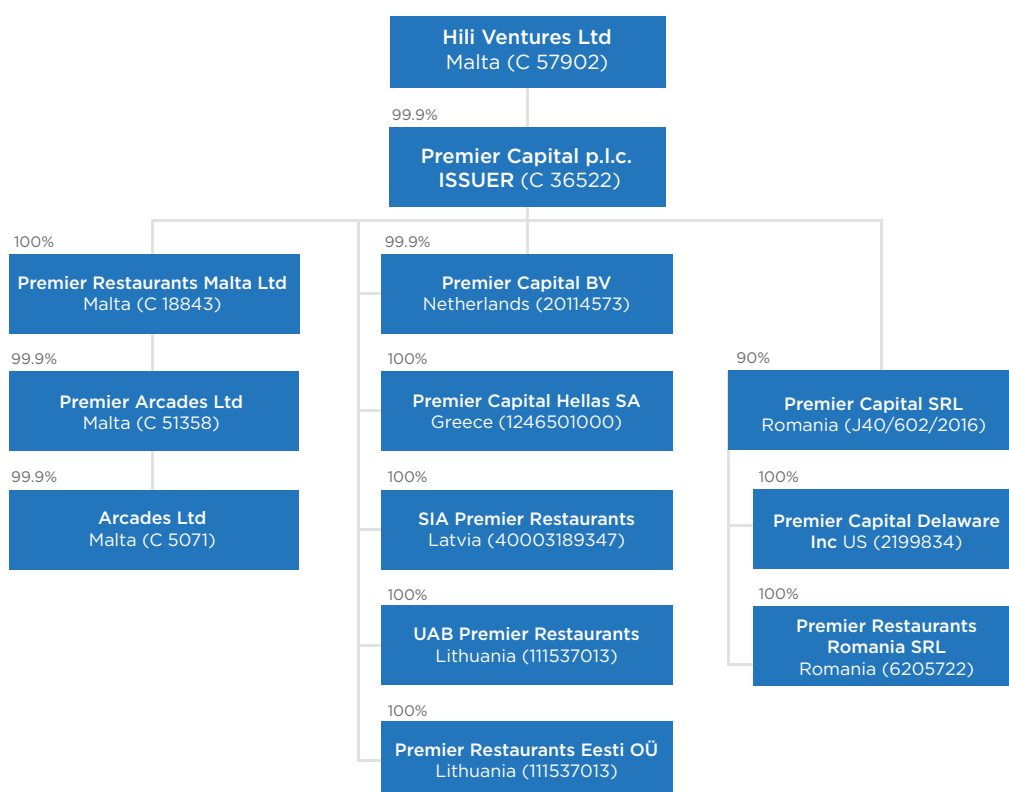
### 4.3.2 Principal Investments of the Issuer

Since the last published financial statements, the principal investment of the Issuer was the acquisition of the McDonald's chain in Romania. In January 2016, the Group acquired 90 per cent shareholding in Premier Capital SRL, an SPV company purposely set up to acquire Premier Capital Delaware Inc. (formerly, McDonald's Systems of Romania Inc.), a non-trading holding company registered in Delaware US, which in turn owns 100 per cent of the shares in Premier Restaurants Romania SRL (formerly, McDonald's Romania SRL) ('McD Romania'). The transfer to Premier Capital SRL was concluded for a total consideration of €61.8 million. McD Romania is headquartered in Bucharest, and owns and operates 68 restaurants across the country.

The Issuer is not party to any principal future investments, and has not entered into or committed for any such investments. However, a budget for capital expenditure has been allocated for the opening of new stores, and the remodeling and upgrading of existing McDonald's restaurants. Such expenditure for FY2017 is projected to amount to *circa* €18 million, and will be financed through net proceeds of the Bond Issue as to *circa* €15.3 million and the remaining balance through internally generated funds.

## 4.4 ORGANISATIONAL STRUCTURE

The following chart outlines the shareholding structure relative to the Premier Group:





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The Premier Capital Group Companies operating the Premier Group's restaurants are the following:

- Premier Restaurants Malta Limited, a 100% owned subsidiary of the Issuer, incorporated in Malta on 30 June 2005 operates 9 restaurants in Malta, of which one (in Valletta) is operated jointly with Arcades Limited, a company incorporated in Malta on 2 July 1980, which is 100% owned by the said Premier Arcades Limited, Malta, a company incorporated in Malta on 7 December 2010;
- Premier Capital Hellas SA Greece, a 100% owned subsidiary of Premier Capital BV, The Netherlands (in turn a 99.99% owned subsidiary of the Issuer), incorporated in Greece on 18 May 1993, operates 23 restaurants;
- Premier Capital SRL Romania, a 90% owned subsidiary of Premier Capital BV, The Netherlands (in turn a 99.99% owned subsidiary of the Issuer), incorporated in Romania on 18 January 2016, operates 68 restaurants;
- SIA Premier Restaurants Latvia, a 100% owned subsidiary of Premier Capital BV, The Netherlands (in turn a 99.99% owned subsidiary of the Issuer), incorporated in Latvia on 6 April 1994, operates 12 restaurants in Riga;
- Premier Restaurants Eesti OÜ, a 100% owned subsidiary of Premier Capital BV, The Netherlands (in turn a 99.99% owned subsidiary of the Issuer), incorporated in Estonia on 6 April 1994, operates 10 restaurants; and
- UAB Premier Restaurants, a 100% owned subsidiary of Premier Capital BV, The Netherlands (in turn a 99.99% owned subsidiary of the Issuer), incorporated in Lithuania on 28 July 1995, operates 11 restaurants.

## 5. TREND INFORMATION AND FINANCIAL PERFORMANCE

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### 5.1 TREND INFORMATION

There have been no material adverse changes in the prospects of the Premier Group since the date of the financial statements referred to in Section 15 of this Registration Document.

At the time of publication of this Prospectus, the Premier Group considers that generally it shall be subject to the normal business risks associated with the business in which the Premier Group Companies operate, and, barring unforeseen circumstances, does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be considered likely to have a material effect on the upcoming prospects of the Group and its business, at least with respect to the current financial year.

#### 5.1.1 Strategy

The business strategy of the Premier Group is based on the following considerations:

##### ***Expand penetration within existing and new geographical territories***

The Premier Group's principal objective following the Bond Issue will be to focus on the expansion of the McDonald's restaurant network within existing and new markets, given the belief of the Group's management that there is significant market potential (as detailed in the section 5.1.2 entitled "The Informal Eating-Out market in Malta, Estonia, Latvia, Lithuania, Greece and Romania" below) to continue to develop the McDonald's concept in Malta, the Baltic countries, Romania and Greece and, possibly, other territories (subject to franchisor's approval and granting of the associated licenses).

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

##### ***Continue to improve revenue and profitability***

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

##### ***Commitment to customer satisfaction***

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

### 5.1.2 The Informal Eating-Out Market in Malta, Estonia, Latvia Lithuania, Greece and Romania

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

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

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

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

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

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

### 5.1.3 Restaurant Development

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

- determine key development markets;
- select and approve new locations in those markets;
- negotiate attractive lease terms; and
- design, construct and manage restaurants.

#### 5.1.3.1 Determining key development markets

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

#### 5.1.3.2 Selection and approval of new locations

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



### 5.1.3.3 Negotiation of attractive lease terms

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

### 5.1.3.4 Restaurant design and construction

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

## 5.2 OPERATING AND KEY FINANCIAL REVIEW

The financial information about the Issuer is included in the audited consolidated financial statements for each of the financial years ended 31 December 2013 to 2015, highlights of which are set out hereunder. The said statements have been published and are available on the Issuer's website ([www.premiercapital.com.mt](http://www.premiercapital.com.mt)) and at its registered office.

<b>Premier Capital p.l.c. Consolidated Income Statement for the year ended 31 December</b>	<b>2013 (€'000)</b>	<b>2014 (€'000)</b>	<b>2015 (€'000)</b>
Revenue	88,944	94,612	99,938
Net operating expenses	(81,306)	(84,915)	(89,577)
<b>EBITDA<sup>1</sup></b>	<b>7,638</b>	<b>9,697</b>	<b>10,361</b>
Depreciation	(5,325)	(5,880)	(6,403)
Net finance costs	(2,337)	(2,331)	(2,261)
<b>Profit (loss) before tax</b>	<b>(24)</b>	<b>1,486</b>	<b>1,697</b>
Taxation	(100)	(338)	(371)
<b>Profit (loss) after tax</b>	<b>(124)</b>	<b>1,148</b>	<b>1,326</b>
<b>Other comprehensive income</b>			
Gain on available-for-sale investments	3	191	134
<b>Total comprehensive income (expense)</b>	<b>(121)</b>	<b>1,339</b>	<b>1,460</b>

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

<b>Premier Capital p.l.c. Consolidated Cash Flow Statement for the year ended 31 December</b>	<b>2013 (€'000)</b>	<b>2014 (€'000)</b>	<b>2015 (€'000)</b>
Net cash from operating activities	7,599	8,335	7,780
Net cash from investing activities	(2,484)	(8,039)	(7,679)
Net cash from financing activities	(2,806)	(1,901)	(266)
<b>Net movement in cash and cash equivalents</b>	<b>2,309</b>	<b>(1,605)</b>	<b>(165)</b>
Cash and cash equivalents at beginning of year	2,127	4,436	2,831
<b>Cash and cash equivalents at end of year</b>	<b>4,436</b>	<b>2,831</b>	<b>2,666</b>



<b>Premier Capital p.l.c. Consolidated Balance Sheet as at 31 December</b>	<b>2013 (€'000)</b>	<b>2014 (€'000)</b>	<b>2015 (€'000)</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill and other intangibles	25,955	25,416	25,084
Property, plant and equipment	28,331	29,406	30,682
Financial assets	672	1,849	3,039
Deferred tax asset	1,939	2,015	2,495
Prepayments	1,788	1,523	1,440
	<b>58,685</b>	<b>60,209</b>	<b>62,740</b>
<b>Current assets</b>			
Inventory	2,263	2,939	3,011
Trade and other receivables	1,723	1,383	1,389
Other current assets	2,206	1,646	705
Cash and cash equivalents	4,704	3,801	4,363
	<b>10,896</b>	<b>9,769</b>	<b>9,468</b>
<b>Total assets</b>	<b>69,581</b>	<b>69,978</b>	<b>72,208</b>
<b>EQUITY</b>			
<b>Equity and reserves</b>	<b>16,170</b>	<b>17,009</b>	<b>17,739</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings and bonds	35,192	32,958	32,777
Other non-current liabilities	3,503	3,282	3,015
	<b>38,695</b>	<b>36,240</b>	<b>35,792</b>
<b>Current liabilities</b>			
Bank overdrafts	268	970	1,697
Borrowings	2,650	2,535	3,438
Other current liabilities	11,798	13,224	13,542
	<b>14,716</b>	<b>16,729</b>	<b>18,677</b>
	<b>53,411</b>	<b>52,969</b>	<b>54,469</b>
<b>Total equity and liabilities</b>	<b>69,581</b>	<b>69,978</b>	<b>72,208</b>

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

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



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

A key achievement for the Group in FY2013 was its ability to serve more customers since commencement of operations. In the reviewed year, the Group served a total of 35 million customers and registered year-on-year guest count growth in all the five territories.

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

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

During **FY2014**, the Group registered an EBITDA of €9.7 million (FY2013: €7.6 million) on revenue of €94.6 million (FY2013: €88.9 million). After accounting for depreciation and net finance costs, the Group registered a pre-tax profit of €1.5 million (FY2013: pre-tax loss of €23,703). The Group reported total comprehensive income of €1.3 million (FY2013: total comprehensive expense of €0.9 million).

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

In terms of guest count, the Group served a total of 35.5 million customers in FY2014, an increase of 446,000 customers (+1.3%) over FY2013 (35 million customers). Furthermore, the Group registered year-on-year guest count growth in all five markets where it operates.

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

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

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

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

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

Set out below are the interim financial results of the Issuer for the six month period 1 January to 30 June 2016, and the comparatives for the period 1 January to 30 June 2015. The said results, which are unaudited, have been published and are available on the Issuer's website ([www.premiercapital.com.mt](http://www.premiercapital.com.mt)) and at its registered office.

<b>Premier Capital p.l.c. Consolidated Income Statement for the six-month period 1 January to 30 June</b>	<b>2015 Unaudited (€'000)</b>	<b>2016 Unaudited (€'000)</b>
Revenue	45,722	103,230
Net operating expenses	(42,402)	(91,762)
<b>EBITDA<sup>1</sup></b>	<b>3,320</b>	<b>11,468</b>
Depreciation	(3,107)	(5,643)
Net finance costs	(1,158)	(1,774)
<b>Profit (loss) before tax</b>	<b>(945)</b>	<b>4,051</b>
Taxation	164	(1,306)
<b>Profit (loss) after tax</b>	<b>(781)</b>	<b>2,745</b>
<b>Other comprehensive income</b>		
Gain on available-for-sale investments	63	89
<b>Total comprehensive income (expense)</b>	<b>(718)</b>	<b>2,834</b>

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

<b>Premier Capital p.l.c. Consolidated Cash Flow Statement for the six-month period 1 January to 30 June</b>	<b>2015 Unaudited (€'000)</b>	<b>2016 Unaudited (€'000)</b>
Net cash from operating activities	1,809	8,281
Net cash from investing activities	(3,276)	(49,727)
Net cash from financing activities	851	58,234
<b>Net movement in cash and cash equivalents</b>	<b>(616)</b>	<b>16,788</b>
Cash and cash equivalents at beginning of period	2,831	2,666
Impact of foreign exchange differences	-	157
<b>Cash and cash equivalents at end of period</b>	<b>2,215</b>	<b>19,611</b>

Premier Capital p.l.c. Consolidated Balance Sheet as at	31 Dec'15 Audited (€'000)	30 Jun'16 Unaudited (€'000)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill and other intangibles	25,084	38,359
Property, plant and equipment	30,682	71,839
Available-for-sale investments & other financial assets	3,039	3,411
Loans and receivables	-	1,900
Deferred tax asset	2,495	2,756
Prepayments	1,440	1,520
	<b>62,740</b>	<b>119,785</b>
<b>Current assets</b>		
Inventory	3,011	4,252
Trade and other receivables	1,389	2,879
Other current assets	705	2,036
Cash and cash equivalents	4,363	21,079
	<b>9,468</b>	<b>30,246</b>
<b>Total assets</b>	<b>72,208</b>	<b>150,031</b>
<b>EQUITY</b>		
<b>Equity and reserves</b>	<b>17,739</b>	<b>41,221</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings and bonds	32,777	72,309
Other non-current liabilities	3,015	2,895
	<b>35,792</b>	<b>75,204</b>
<b>Current liabilities</b>		
Bank overdrafts	1,697	566
Borrowings	3,438	9,670
Other current liabilities	13,542	23,370
	<b>18,677</b>	<b>33,606</b>
	<b>54,469</b>	<b>108,810</b>
<b>Total equity and liabilities</b>	<b>72,208</b>	<b>150,031</b>

In January 2016, the Group acquired the business operating McDonald's restaurants in Romania. This acquisition added 67 restaurants to the Group portfolio, increasing the total number of restaurants to 130.

During the first six months of 2016, the Group focused its strategies on further developing the business in the markets in which it operates. The Group firmly believes that business expansion opportunities exist in all its six markets, both in terms of growth in sales of existing and new restaurants. In the period under review, the Group opened the 23<sup>rd</sup> restaurant in Greece, a seasonal restaurant located in the island of Santorini, and another in Bugibba, Malta following its relocation to a prime area. As at 30 June 2016, the Group operated a total of 132 restaurants across six territories.

During the six month period, the Group generated revenue amounting to €103.2 million (FP2015: €45.7 million) and EBITDA of €11.5 million (FP2015: €3.3 million). After accounting for depreciation and net finance costs, the Group registered a pre-tax profit of €4.1 million (FP2015: loss of €0.9 million). The Group reported total comprehensive income of €2.8 million (FP2015: loss of €0.7 million).

The Group's net asset value increased from €17.7 million as at 31 December 2015 to €41.2 million as at 30 June 2016, principally due to the acquisition of the McDonald's business in Romania. Further detail of the said acquisition is provided hereunder.

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

Details of the purchase consideration are as follows:

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

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

The assets and liabilities recognised as a result of the acquisition are as follows:

<b>Premier Capital p.l.c.</b>	
<b>Recognition of Assets and Liabilities of McDonald's Romania</b>	
	<b>(€'000)</b>
Cash and cash equivalents	13,427
Property, plant and equipment	43,542
Intangible assets	3,137
Inventories	653
Receivables	1,166
Payables	(7,928)
Current tax liabilities	(917)
<b>Net identifiable assets acquired</b>	<b>53,080</b>
Less: non-controlling interest	(1,931)
Add: goodwill	10,663
	<b>61,812</b>

The initial accounting for the acquisition of the operations in Romania has been provisionally determined as at 30 June 2016. The net identifiable assets acquired and non-controlling interest are required to be reset based on fair values, and as such have been determined based on the directors' best estimates, pending the finalisation of market valuations and other calculations.



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## 6. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

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### 6.1 THE BOARD OF DIRECTORS

The Board of Directors of the Issuer is to consist of a minimum of five (5) and a maximum of seven (7) Directors. Presently there are six (6) directors. The Board meets regularly to establish and review the policies and strategies of the Issuer and to monitor the implementation thereof and the overall performance of the Issuer.

#### 6.1.1 Executive Directors

The Executive Directors of the Issuer are entrusted with the company's day-to-day management and are also directors or officers of other companies within the Group. The only Executive Director of the Issuer is Victor Tedesco.

#### 6.1.2 Non-Executive Directors

The Non-Executive Directors constitute a majority on the Board of the Issuer and their main functions are to monitor the operations of the Executive Directors and their performance, as well as to review any proposals tabled by the Executive Directors.

The Non-Executive Directors are Melo Hili, Charles J. Farrugia, Ann Fenech, Tomasz Nawrocki and Massimiliano Lupica.

#### 6.1.3 Curriculum Vitae of Directors

**Carmelo sive Melo Hili** is the Chairman of the Issuer, the holding company of the Premier Group. He joined the family business in 1988 and was appointed managing director of Motherwell Bridge, then a joint venture with Motherwell Bridge Group of Scotland. Mr Hili later also headed the company's Italian operation and was a board member of Motherwell Bridge Bhicam in the Bahamas. He was named developmental licensee for McDonald's in Malta in 2005, for Estonia, Latvia and Lithuania in 2007, and for Greece in 2011. Mr Hili is also chairman of Motherwell Bridge Industries and is a member of the supervisory board of the Ronald McDonald Charity Foundation in Latvia.

**Victor Tedesco** is the Managing Director of the Issuer. He joined the McDonald's team in Malta before the first restaurant opened in Valletta in 1995. He was part of the team that opened the Valletta, St Julian's and Sliema restaurants. He was St Julian's store manager for three years during which time he won a Manager of the Year award in the European market. He became operations manager and moved to head office. In 2007, he was appointed director of operations for the Baltics and moved to Riga for three and a half years. In 2011, he was entrusted with leading the operation in Greece. He returned to Malta in 2014 as managing director for Malta and Greece. He was appointed board director of Hili Properties p.l.c. in 2014. He assumed responsibility for all of Premier Capital, Hili Ventures' McDonald's division, in 2014.

**Charles J. Farrugia** is a Non-Executive Director and Audit Committee member of the Issuer. Mr Farrugia worked in the banking sector for 35 years and sat on a number of boards and committees within the HSBC Malta Group. Before retirement, in December 2009, he held the post of Head Global Banking & Markets and was a senior executive director of HSBC Malta p.l.c. for a number of years. Mr Farrugia holds the position of non-executive director within several Maltese companies.

**Ann Fenech** is a Non-Executive Director of the Issuer. She is the Managing Partner of Fenech and Fenech Advocates, and the Head of the Marine Litigation Department. After qualifying in 1986 she joined the shipping and commercial firm of Holman Fenwick and Willan in London where she stayed until 1991 prior to joining New Orleans firm of Chaffe, McCall, Phillips Toler and Sarpy. She is the President of the Malta Maritime Law Association and Vice-Chairman of the Yachting Services Trade Section at the Malta Chamber of Commerce and Enterprise.

**Tomasz Nawrocki** is a Non-Executive Director of the Issuer. After setting out in banking at Millennium Bank in Poland, Tomasz Nawrocki joined McDonald's in 2001 as trainee manager at McDonald's Poland. He joined Premier Capital as operations manager at McDonald's Baltics in 2008. Mr Nawrocki became McDonald's managing director in the Baltic States in 2011 and moved from McDonald's Estonia where he was country manager for a year. He was appointed managing director of Hili Ventures' Apple division PTL Holdings p.l.c. in 2015 - with overall responsibility for the leadership of the SAD Apple retail business and iSpot Apple Premium Reseller chain in his native Poland, and the iCentre APR stores in Hungary and Romania.

**Massimiliano Lupica** is a Non-Executive Director of the Issuer and chairman of its Audit Committee. He has worked in the McDonald's Operation and Field Service Department for more than 20 years. Mr Lupica is now a franchisor in the Italian market.

## **6.2 DIRECTORS' SERVICE CONTRACTS**

None of the Directors of the Issuer have a service contract with the Issuer, save in the case of Victor Tedesco, whose executive functions as managing director of the Issuer are regulated by a service contract. A copy of such contract is available for inspection at the registered office of the Issuer in accordance with the requirements of the Listing Rules.

All Directors may be removed from their posts of Director by ordinary resolution of the shareholders in general meeting.

## **6.3 AGGREGATE EMOLUMENTS OF DIRECTORS**

In terms of the Memorandum and Articles of Association of the Issuer, the aggregate emoluments of all Directors in any one financial year, and any increases thereto, shall be such amount as may from time to time be determined by the Issuer in general meeting, and any notice convening the general meeting during which an increase in the maximum limit of such aggregate emoluments shall be proposed, shall contain a reference to such fact. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Issuer or in connection with the business of the Issuer.

For the financial year ended 31 December 2015 the Group paid an aggregate of €304,463 to its Directors.

## **6.4 LOANS TO DIRECTORS**

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

## **6.5 REMOVAL OF DIRECTORS**

A Director may, unless he resigns, be removed by ordinary resolution of the shareholders as provided in article 140 of the Act.

## **6.6 POWERS OF DIRECTORS**

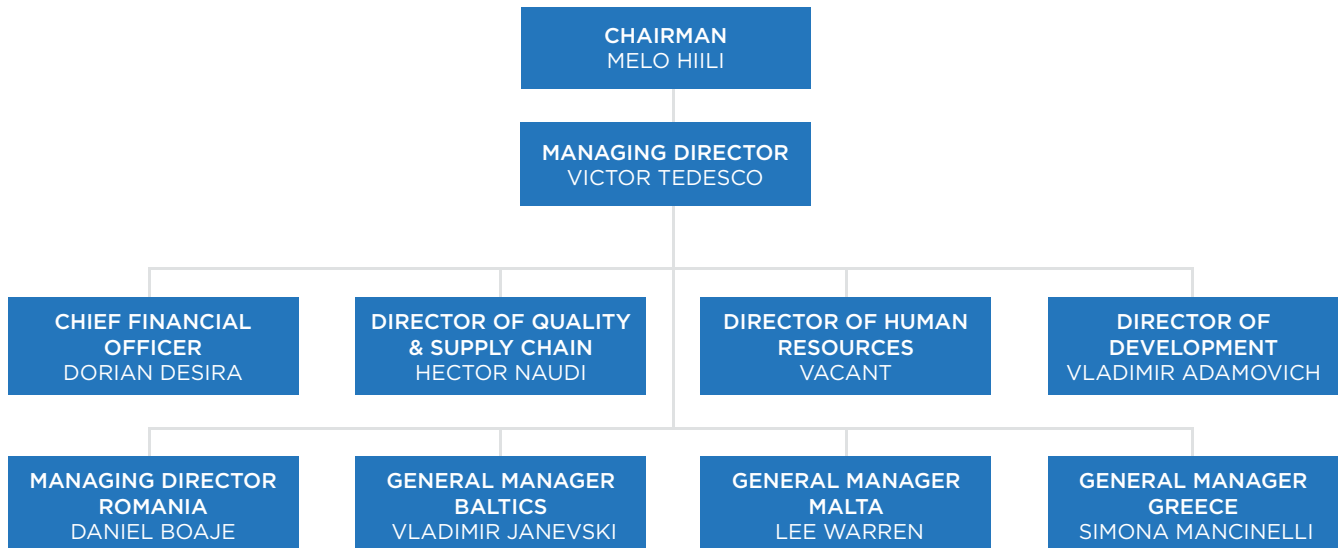
By virtue of the Articles of Association of the Issuer the Directors are empowered to transact all business which is not by the Articles expressly reserved for the shareholders in general meeting.



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## 7. MANAGEMENT STRUCTURE

### 7.1 SENIOR MANAGEMENT TEAM



**Victor Tedesco** is the Managing Director of Premier Capital p.l.c. The curriculum vitae of Mr Tedesco is included in section 6.1.3 above.

**Dorian Desira** holds the post of Chief Financial Officer of the Issuer. He started out at the Group in 1997 as an accounts clerk. He was promoted to management accountant with the Group's holding company in 2001 and later became financial controller at the Group's IT arm and MB Services. In 2008, he graduated as an accountant from the Association of Chartered Certified Accountants after completing a four-year programme. A year later, he joined Premier Restaurants Malta as Finance Manager. On takeover of the Greek McDonald's operation in 2011, Dorian moved to Greece to support the new addition to the Group. He returned to Malta as General Manager overseeing the McDonald's operation of nine restaurants, including the opening of the Sliema store in 2013. In May 2014, Dorian was appointed Chief Finance Officer for the Premier Capital Group. Dorian holds a CPA warrant and is a fellow member of the Malta Institute of Accountants and the Association of Chartered Certified Accountants.

**Hector Naudi** holds the post of Director of Quality and Supply Chain. He started his working career in 1967 as an accounts clerk in the automobile industry, when in 1978 he moved to the Hili family business running a car hire firm. In 1987 Hector was appointed director on Carmelo Caruana Co. Ltd where he established the freight forwarding department. Simultaneously he was appointed director on President Holidays, an incoming niche tourist company. In 1995 when McDonald's came to Malta he was responsible for the setting up of the Distribution Centre, and in 2011 was appointed Director of Quality and Supply Chain, the position he currently holds.

**Vladimir Adamovic** holds the post of Director of Development. He started his career with McDonald's in 1988 in Munich, Germany responsible for developing McDonald's properties in Yugoslavia and Hungary. He also supervised all aspects of construction of first restaurants in Poland and Czechoslovakia. He has held senior roles as Director of Development in Central and Eastern Europe and Russia. In 2010 Vladimir was appointed Development Director for Premier Capital Limited, responsible for Malta, Estonia, Latvia, Lithuania, Greece and Romania. He is a mechanical engineer by profession with more than 30 years of experience with McDonald's Corporation and is multilingual, speaking Serbian, Croatian, Bosnian, English, Russian, Bulgarian and Italian.

**Daniel Boaje** holds the post of Managing Director for Romania. In March 2011 Daniel was appointed Managing Director of McDonald's in Romania, a business covering 21 cities in Romania with 68 restaurants and more than 4,000 employees. In January 2016, when McDonald's Romania joined the Hili Ventures group and Premier Capital, Daniel Boaje became a partner in the business besides his role as Managing Director. A Graduate of the Asebus Executive MBA, Daniel has a solid experience in management and leadership in McDonald's, a company he worked for 10 years until 2004, and returned to McDonald's Romania as Director of Business Development in 2010. His career has been consolidated in the financial sector between 2004 and 2010, the period when he was Operations Director and then Managing Director of Cetelem IFN-BNP Paribas.



**Vladimir Janevski** holds the post of General Manager for Estonia, Latvia and Lithuania. He is a management professional with more than eighteen years of experience in business operations, team leading, sales and marketing. Vladimir holds a degree of Bachelor of Science, obtained in Faculty for Physical culture at University St. Cyrillius and Methodius, Skopje as well as Master of Business Administration (MBA), Awaiting award, obtained in 2010 at the University American College Skopje. His professional career began in the food and beverage industry at SJ Kompani (DL McDonald's Macedonia) which he joined in 1997 as a crew, followed by Manager and Store Manager position nine years later. In 2007 Vladimir took the position of General Manager at SJ Kompani (DL McDonald's Macedonia) but in 2013 he took a life-changing turn in his career and joined SIA Premier Restaurants Latvia (DL McDonald's Baltics) as the Director of Operations with pan-Baltic responsibilities, followed by taking the position of the Director of Operations and Development in 2014 at SIA Premier Restaurants Latvia (DL McDonald's Baltics). Vladimir became the General Manager of Premier Restaurants Estonia, Latvia and Lithuania in December 2014.

**Lee Warren** holds the post of General Manager for Malta. He joined Premier Restaurants in January 2015 to head the Marketing Departments for McDonald's in Malta and Greece. For more than eight years prior, Lee worked with Foster Clarks (ex Unilever), the largest food manufacturer and exporter in Malta. He held positions in various senior roles and departments, leaving the company as Senior Strategic Brand Manager. He graduated from the University of Malta, with an honours degree in Communications. He was promoted to General Manager for McDonald's in Malta in January 2016.

**Simona Mancinelli** holds the post of General Manager for Greece. She started her career in 1989 as Store Manager with Burghy Restaurants in Italy. She managed restaurants in Rome, Milan and Catania. In 1996 Burghy Restaurants was acquired by McDonald's and in 2005 Simona was promoted to Operations Consultant with McOpCo for Milan. In 2007 she became Business Consultant for the lakes area responsible for 16 restaurants. During this period, she opened 9 restaurants and supervised the remodeling of several others in the North East Area of Italy. In 2011 she moved to Greece to assist in the acquisition of McDonald's Hellas by Hili Ventures, as Operations Consultant. In 2012, Simona was promoted to Director of Operations and eventually in 2014 she was promoted to General Manager of Premier Capital Hellas SA in Greece.

## 7.2 EMPLOYEES OF THE GROUP

As at the date of the Prospectus, the Issuer has a total of nine employees, and in aggregate, the Premier Group has approximately 7,000 employees, with an average ratio of 60:40 between full-time employees and part-time employees.

## 7.3 CONFLICT OF INTEREST

In view of the lender-borrower relationship which is to arise between the Issuer and the Borrowing Companies, in future there may be situations that could give rise to conflicts between the potentially diverging interests of members of the Group. In these situations the Directors of the Issuer shall act in accordance with the majority decision of those directors who would not have a conflict in the situation and in line with the advice of outside legal counsel. The same applies in the case of directors sitting on the Board of Directors of the Issuer who are also directors of Hili Properties p.l.c., a subsidiary of the Parent not forming part of the Premier Group from which Premier Capital leases a number of properties in Malta and the Baltic countries.

No private interests or duties unrelated to the Premier Group which may or are likely to place any of them in conflict with any interests in, or duties towards, the Premier Group, have been disclosed by the Directors.

The Audit Committee has the task of ensuring that any such potential conflicts of interest are handled in the best interests of the Issuer. To the extent known or potentially known to the Issuer as at the date of this Prospectus, there are no other potential conflicts of interest between any duties of the Directors and of executive officers of the Issuer and their private interests and/or their other duties, which require disclosure in terms of the Regulation.



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## 8. AUDIT COMMITTEE PRACTICES

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### 8.1 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 Committee oversees the conduct of the internal and external audit and acts to facilitate communication between the Board, management, the external auditors and the internal audit team. The internal and external auditors are invited to attend the Audit Committee meetings. The Audit Committee reports directly to the Board of Directors.

The terms of reference of the Audit Committee include support to the Board of Directors of the Issuer in its responsibilities in dealing with issues of risk, control and governance, and associated assurance. The Board has set formal terms of establishment and the terms of reference of the Audit Committee which set out its composition, role and function, the parameters of its remit as well as the basis for the processes that it is required to comply with.

Briefly, the Committee is expected to deal with and advise the Board on:

- (a) its monitoring responsibility over the financial reporting process, financial policies, internal control structures and audit of the annual and consolidated financial statements;
- (b) maintaining communications on such matters between the Board, management and the external auditors;
- (c) preserving the Issuer's assets by assessing the Issuer's risk environment and determining how to deal with those risks; and
- (d) making recommendations to the Board, for it to put to the shareholders for their approval in general meeting, in relation to the appointment of the external auditors.

In addition, the Audit Committee also has the role and function of evaluating any proposed transaction to be entered into by the Issuer and a related party, to ensure that the execution of any such transaction is at arm's length, on a commercial basis and ultimately in the best interests of the Issuer.

The Committee is made up entirely of Non-Executive Directors who are appointed for a period of three years, the majority of whom are independent of the Issuer. Massimiliano Lupica, an independent non-executive director, acts as Chairman, whilst Charles J. Farrugia (independent non-executive director) and Tomasz Nawrocki (non-executive director), act as members. The Issuer's Company Secretary, Dr Karen Coppini, acts as secretary to the Committee. In compliance with the Listing Rules, Charles J. Farrugia is considered by the Board to be competent in accounting and/or auditing matters.

### 8.2 INTERNAL AUDIT

The role of the internal auditor is to carry out systematic risk-based reviews and appraisals of the operations of the Issuer (as well as of the subsidiaries and associates of the Group) for the purpose of advising management and the Board, through the Audit Committee, on the efficiency and effectiveness of internal management policies, practices and controls. The function is expected to promote the application of best practices within the organisation.

The internal auditor reports directly to the Audit Committee.

## 9. COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

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The Issuer is subject to, and supports, the Code of Principles of Good Corporate Governance (the “Code”) forming part of the Listing Rules. The Issuer is confident that the adoption of the Code has resulted in positive effects accruing to the Issuer. The Board considers that during the financial year ended 31 December 2015, the Issuer was in compliance with the Code save as set out hereunder.

As at 29 April 2016, being the date of approval of the latest audited consolidated financial statements, the Issuer was not fully in compliance with the said Principles of Good Corporate Governance specifically by virtue of the following:

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 scrutiny of the shareholders of the company.

Principle 8: “Committees”

Under the present circumstances, the board does not consider it necessary to appoint a remuneration committee and a nomination committee as decisions on these matters are taken at shareholder level.

Principle 10: “Institutional Shareholders”

This principle is not applicable since the company has no institutional shareholders.

## 10. HISTORICAL INFORMATION

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The historical financial information relating to the Issuer for the three financial years ended 31 December 2013 to 2015 as audited by Deloitte Audit Limited are set out in the consolidated financial statements of the Issuer. Such audited consolidated financial statements are available for inspection as set out in Section 15 below.

There have been no significant changes to the financial or trading position of the Issuer and the Group since the end of the financial period to which the last audited consolidated financial statements referred to in Section 5.2 relate.

## 11. LITIGATION

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The Directors are not aware of any current litigation against or otherwise involving the Issuer, including actual, pending or threatened governmental, legal or arbitration proceedings, which the Directors consider could have significant effects on the Issuer’s financial position or profitability.

## 12. ADDITIONAL INFORMATION

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### 12.1 MAJOR SHAREHOLDERS AND SHARE CAPITAL

The authorised share capital of the Issuer is €40,000,000 divided into 400,000 Ordinary Shares having a nominal value of €100 each. The issued share capital is €33,674,700 divided into 336,747 Ordinary Shares having a nominal value of €100 each.

The issued share capital of the Issuer is subscribed for, allotted and taken up as fully paid up shares by Hili Ventures Ltd (C 57902) as to 336,746 Ordinary Shares of €100 each and the remaining 1 Ordinary Share having a nominal value of €100 is held by Melo Hili (395765M).

The authorised share capital of the Issuer may be increased by an ordinary resolution of the shareholders in general meeting. Shares can be issued when and under those conditions decided by extraordinary resolution of the shareholders in general meeting.

Each ordinary share confers the right to one (1) vote at general meetings of the Issuer.



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It is not expected that the Issuer issues during the next financial year any shares, whether fully or partly paid up, in consideration for cash or otherwise.

There is no capital of the Issuer which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Issuer is to be put under option.

The Issuer adopts measures in line with the Code to ensure that the relationship of the Issuer with the rest of the Group and/or with the shareholders are retained at arm's length, including adherence to rules on Related Party Transactions set out in Chapter 5 of the Listing Rules requiring the vetting and approval of any related party transaction by the Audit Committee, in which the majority is constituted by independent Non-Executive Directors of the Issuer.

## **12.2 MEMORANDUM AND ARTICLES OF ASSOCIATION**

### **12.2.1 Objects**

The Memorandum and Articles of Association of the Issuer are registered with the Register of Companies. The main objects of the Issuer's activities are set out in Clause 3 of the Memorandum of Association of the Issuer and include, but are not limited to, acting as a holding company and investing and holding share participations and debentures in any other company, partnership or business.

A copy of the Memorandum and Articles of Association of the Issuer may be inspected during the lifetime of this Registration Document at the registered office of the Issuer and at the Registry of Companies.

### **12.2.2 Appointment of Directors**

At present, in terms of the Memorandum and Articles of Association, the Board shall consist of not less than five (5) and not more than seven (7) directors. Directors shall be appointed by means of an ordinary resolution of the shareholders of the Company in general meeting, save for those directors appointed by a particular class of Equity Securities.

### **12.2.3 Powers of Directors**

The Directors are vested with the management of the Issuer, and their powers of management and administration emanate directly from the Memorandum and Articles of Association and the law. The Directors are empowered to act on behalf of the Issuer and in this respect have the authority to enter into contracts, sue and be sued in representation of the Issuer. In terms of the Memorandum and Articles of Association they may do all such things that are not by the Memorandum and Articles of Association reserved for the shareholders in general meeting.

Directors may not vote on any proposal, issue, arrangement or contract in which they have a personal material interest.

The maximum limit of aggregate emoluments of the Directors is, in terms of the Memorandum and Articles of Association, to be established by the shareholders in general meeting.

In terms of the Memorandum and Articles of Association, the Board of Directors may exercise all the powers of the Issuer to borrow money and to hypothecate or charge its undertaking, property and uncalled capital or any part thereof, and to issue equity and debt securities on such terms, in such manner and for such consideration as they think fit. The shareholders in general meeting have the overriding authority to change, amend, restrict and/or otherwise modify such limit and the Directors' borrowing powers.

There are no provisions in the Issuer's Memorandum and Articles of Association regulating the retirement or non-retirement of Directors over an age limit.

### 13. MATERIAL CONTRACTS

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The Issuer has not entered into any material contracts which are not in the ordinary course of its business which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to security holders in respect of the securities being issued pursuant to, and described in, the Securities Note.

### 14. THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

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Save for the financial analysis summary set out as Annex III 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 it appears with the authorisation of Charts Investment Management Service Limited, which has given and has not withdrawn its consent to the inclusion of such report herein. Charts Investment Management Service Limited does not have any material interest in the Issuer. The Issuer confirms that the financial analysis summary has been accurately reproduced in the Prospectus and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

The sourced information contained in Section 4.2 has been accurately reproduced and as far as the Issuer is aware and is able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### 15. DOCUMENTS AVAILABLE FOR INSPECTION

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For the duration period of this Registration Document, the following documents (or copies thereof) shall be available for inspection at the registered address of the Issuer:

- a) Memorandum and Articles of Association;
- b) Audited Consolidated Financial Statements of the Issuer for the financial years ended 31 December 2013 to 2015;
- c) Interim Unaudited Consolidated Financial Statements of the Issuer for the six-month period 1 January to 30 June 2016;
- d) The letter of confirmation drawn up by Deloitte Audit Limited dated 21 October 2016;
- e) Financial Analysis Summary prepared by Charts Investment Management Service Limited dated 21 October 2016; and
- f) The director's service contract between the Issuer and Victor Tedesco, as managing director.

Documents (a), (b), (c) and (e) are also available for inspection in electronic form on the Issuer's website [www.premiercapital.com.mt](http://www.premiercapital.com.mt)



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

21 October 2016

## SECURITIES NOTE

in respect of an issue of up to:

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

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

### PREMIER CAPITAL P.L.C.

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

Manager & Registrar

Legal Counsel

Sponsor



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

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

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

#### APPROVED BY DIRECTORS



Melo Hili



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



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## IMPORTANT INFORMATION

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

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

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

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

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION.

IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR ANY BONDS ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE APPLICANTS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH BONDS AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRY OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE ISSUE IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE BONDS OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF SAID DIRECTIVE, THE BONDS CAN ONLY BE OFFERED TO “QUALIFIED INVESTORS” (AS DEFINED IN SAID DIRECTIVE) AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF SAID DIRECTIVE.

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

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

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

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

ALL THE ADVISORS TO THE ISSUER NAMED IN THE PROSPECTUS UNDER THE HEADING "ADVISORS" UNDER SECTION 3 OF THE REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS ISSUE AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL UPON MATURITY. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.



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## 1. DEFINITIONS

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

<b>Act</b>	the Companies Act (Cap. 386 of the Laws of Malta);
<b>Applicant/s</b>	a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;
<b>Application/s</b>	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form and delivering same to any of the Authorised Financial Intermediaries;
<b>Application Form/s</b>	the forms of application of subscription for Bonds, specimens of which are contained in Annex II of this Securities Note;
<b>Authorised Financial Intermediaries</b>	the licensed stockbrokers and financial intermediaries listed in Annex I of this Securities Note;
<b>Bond(s)</b>	the €65,000,000 unsecured bonds of a nominal value of €100 per bond redeemable at their nominal value on the Redemption Date, bearing interest at the rate of 3.75% per annum;
<b>Bondholder</b>	a holder of Bonds;
<b>Bond Issue</b>	the issue of the Bonds;
<b>Bond Issue Price</b>	the price of €100 per Bond;
<b>Business Day</b>	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
<b>CSD</b>	the Central Securities Depository of the Malta Stock Exchange, having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
<b>Cut-Off Date</b>	close of business of 21 October 2016 (trading session of 19 October 2016);
<b>Euro or €</b>	the lawful currency of the Republic of Malta;
<b>Exchange, Malta Stock Exchange or MSE</b>	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta), having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, and bearing company registration number C 42525;
<b>Exchangeable Bond Transfer</b>	the subscription for Bonds by an Existing Bondholder settled, after submitting the pre-printed Application Form 'A' (received by mail directly from the Issuer), by the transfer to the Issuer of all or part of the Exchangeable Bonds held by such Existing Bondholder;
<b>Exchangeable Bonds</b>	the 6.8% bonds 2017-2020 (ISIN: MT0000511205) redeemable on any day falling between and including 16 March 2017 and 14 March 2020, amounting as at the date of the Prospectus to €24,641,000, issued by the Issuer pursuant to a prospectus dated 1 March 2010;
<b>Existing Bondholder</b>	a holder of Exchangeable Bonds as at the Cut-Off Date;
<b>Hili Ventures Group</b>	Hili Ventures Limited, its subsidiaries and any affiliates;
<b>Hili Ventures Group Bondholders</b>	the holders of bonds of the €37,000,000 4.5% Hili Properties p.l.c. Unsecured Bonds 2025 (ISIN: MT0000941204) and €36,000,000 5.1% PTL Holdings p.l.c. Unsecured Bonds 2024 (MT0000841206) as at the Cut-Off Date;
<b>Hili Ventures Group Stakeholders</b>	the shareholders, directors and employees of any company forming part of the Hili Ventures Group as at 21 October 2016;
<b>Hili Ventures Limited or the Parent</b>	Hili Ventures Limited, a company registered under the laws of Malta with company registration number C 57902 and having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta;
<b>Interest Payment Date</b>	23 November of each year between and including each of the years 2017 and the year 2026, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
<b>Issue Date</b>	expected on 30 November 2016;

<b>Issuer or Premier Capital or Company</b>	Premier Capital p.l.c., a public limited liability company registered in Malta with company number C 36522, having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta;
<b>Listing Authority</b>	the MFSA, appointed as Listing Authority for the purposes of the Financial Markets Act (Cap. 345 of the Laws of Malta) by virtue of Legal Notice 1 of 2003;
<b>Listing Rules</b>	the listing rules of the Listing Authority;
<b>Manager &amp; Registrar</b>	Bank of Valletta p.l.c. of BOV Centre, Cannon Road, Santa Venera SVR 9030, Malta;
<b>Offer Period</b>	the period between 28 October 2016 and 10 November 2016 during which the Bonds are on offer to Existing Bondholders, Hili Ventures Group Stakeholders and Hili Ventures Group Bondholders;
<b>Official List</b>	the list prepared and published by the MSE as its official list in accordance with the MSE Bye-Laws;
<b>Prospectus</b>	collectively the Registration Document, Summary Note and this Securities Note (each as defined in this Securities Note);
<b>Prospectus Directive</b>	Directive 2003/71/EC of the European Parliament and of the Council of 4 November, 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as may be amended from time to time;
<b>Public Offer Period</b>	the period between 28 October 2016 and 16 November 2016 (or such earlier date as may be determined by the Issuer) during which the Bonds are on offer to the general public;
<b>Redemption Date</b>	23 November 2026;
<b>Redemption Value</b>	the nominal value of each Bond (€100 per Bond);
<b>Registrar</b>	Bank of Valletta p.l.c. of BOV Centre, Cannon Road, Santa Venera SVR 9030, Malta;
<b>Registration Document</b>	the registration document issued by the Issuer dated 21 October 2016, forming part of the Prospectus;
<b>Regulation</b>	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 amending Regulation (EC) No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities; Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 supplementing Directive 2003/71/EC of the European Parliament and of the Council with regard to regulatory technical standards for publication of supplements to the prospectus and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015 supplementing Directive 2003/71/EC of the European Parliament and of the Council with regard to regulatory technical standards for publication of the prospectus and dissemination of advertisements and amending Commission Regulation (EC) No. 809/2004;
<b>Securities Note</b>	this document in its entirety;
<b>Sponsor</b>	Charts Investment Management Service Limited, an authorised financial intermediary licensed by the MFSA and a Member of the MSE;
<b>Summary Note</b>	the summary note issued by the Issuer dated 21 October 2016 forming part of the Prospectus;
<b>Terms and Conditions</b>	the terms and conditions of the Bond Issue, including the terms contained in this Securities Note.



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## 2. RISK FACTORS

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### 2.1 GENERAL

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

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

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

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

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

### 2.2 FORWARD LOOKING STATEMENTS - CAUTIONARY STATEMENT

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

### 2.3 SUITABILITY OF INVESTMENT IN THE BOND

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

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

### 2.4 RISKS RELATING TO THE BONDS

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

- **Orderly and Liquid Market**

The existence of an orderly and liquid market for the Bonds depends on a number of factors, including but not limited to the presence of willing buyers and sellers of the Issuer’s Bonds at any given time and the general economic conditions in the market in which the Bonds are traded. Such factors are dependent upon the individual decisions of investors

and the general economic conditions of the market, over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price or at all.

- Subsequent Changes in Interest Rates

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

- Currency Risk

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

- Changes in Circumstances

No prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time. If such changes take place they could have an adverse effect on the market price for the Bonds.

- Ranking of the Bonds

The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt, if any. Furthermore, subject to the negative pledge clause (Section 5.7 of this Securities Note), third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.

- Changes to Terms and Conditions

In the event that the Issuer wishes to amend any of the Terms and Conditions of the Bonds it shall call a meeting of Bondholders in accordance with the provisions of Section 5.13 of this Securities Note. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

- Changes in Law

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

- Additional Indebtedness and Security

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

- Discontinuation of Listing

Even after the Bonds are admitted to trading on the MSE, the Issuer is required to remain in compliance with certain requirements relating *inter alia* to the free transferability, clearance and settlement of the Bonds in order to remain a listed company in good standing. Moreover, the Listing Authority has the authority to suspend trading or listing of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The Listing Authority may discontinue the listing of the Bonds on the MSE. Any such trading suspensions or listing revocations/ discontinuations described above could have a material adverse effect on the liquidity and value of the Bonds.



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### 3. PERSONS RESPONSIBLE

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

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

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

#### 3.1 CONSENT FOR USE OF PROSPECTUS

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

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

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

None of the Issuer, the advisors identified in Section 3.2 of the Registration Document, or any of their respective advisors, take any responsibility for any of the actions of any Authorised Financial Intermediary, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to a resale or placement of Bonds.

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

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

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

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



Any resale, placement or other offering of Bonds to an investor by an Authorised Financial Intermediary will be made in accordance with any terms and other arrangements in place between such Authorised Financial Intermediary and such investor including as to price, allocations and settlement arrangements. Where such information is not contained in the Prospectus, it will be the responsibility of the applicable Authorised Financial Intermediary at the time of such resale, placement or other offering to provide the investor with that information and neither the Issuer or the Sponsor or other Authorised Financial Intermediary has any responsibility or liability for such information.

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

Any new information with respect to Authorised Financial Intermediaries unknown at the time of the approval of this Securities Note will be made available through a company announcement which will also be made available on the Issuer's website: [www.premiercapital.com.mt](http://www.premiercapital.com.mt)

## 4. ESSENTIAL INFORMATION

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

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

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

In the event that the Bond Issue is not fully subscribed, and provided the amount received is not less than €25,000,000, the Issuer will proceed with the listing of the amount of Bonds subscribed for, and shall apply the net proceeds received in the manner and order of priority set out above. Any residual amounts required by the Issuer for the purposes of the uses specified in this Section 4.1 which shall not have been raised through the Bond Issue shall be financed from the Group's general cash flow and/or bank financing. In the event that proceeds received on closure of the subscription period amounts to below €25,000,000, no allotment of the Bonds shall be made, the subscription of Bonds shall be deemed not to have been accepted by the Issuer and all money received from subscribers shall be refunded accordingly.

### 4.2 EXPENSES

Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €1,000,000. There is no particular order of priority with respect to such expenses.



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#### 4.3 ISSUE STATISTICS

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

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

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

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

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

### 5.1 GENERAL

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

### 5.2 RANKING OF THE BONDS

The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt, if any. Furthermore, subject to the negative pledge clause set out in Section 5.7 of this Securities Note, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect. As at the date of this Securities Note, the Issuer does not have any subordinated indebtedness.

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



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**Consolidated Borrowings as at 31 August 2016**

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

### 5.3 RIGHTS ATTACHED TO THE BONDS

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

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

### 5.4 INTEREST

- 5.4.1** The Bonds shall bear interest from and including 23 November 2016 at the rate of 3.75% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 23 November 2017 (covering the period 23 November 2016 to 22 November 2017). Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. In terms of article 2156 of the Civil Code (Cap. 16 of the Laws of Malta), the right of Bondholders to bring claims for payment of interest and repayment of the principal on the Bonds is barred by the lapse of five (5) years.
- 5.4.2** When interest is required to be calculated for any period of less than a full year, it shall be calculated on the basis of a three hundred and sixty (360) day year consisting of twelve (12) months of thirty (30) days each, and in the case of an incomplete month, the number of days elapsed.
- 5.4.3** An Exchangeable Bond Transfer (as defined in Section 7.2.1 below) shall be without prejudice to the rights of the holders of Exchangeable Bonds to receive interest on the Exchangeable Bonds up to and including 15 March 2017. The Issuer will settle the difference between the interest rates applicable to the Exchangeable Bonds and the interest rate of 3.75% applicable to the Bonds, from 23 November 2016 up to 15 March 2017, being the day prior to the first early date of redemption of the Exchangeable Bonds, to all persons holding Exchangeable

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

## 5.5 YIELD

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date is 3.75%.

## 5.6 REGISTRATION, FORM, DENOMINATION AND TITLE

- 5.6.1** Certificates will not be delivered to Bondholders in respect of the Bonds in virtue of the fact that the entitlement to Bonds will be represented in an uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer by the CSD. There will be entered in such electronic register the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies) and MSE account numbers of the Bondholders and particulars of the Bonds held by them respectively, and the Bondholders shall have, at all reasonable times during business hours, access to the register of bondholders held at the CSD for the purpose of inspecting information held on their respective account.
- 5.6.2** The CSD will issue, upon a request by a Bondholder, a statement of holdings to such Bondholder evidencing his/her/its entitlement to Bonds held in the register kept by the CSD.
- 5.6.3** The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100 provided that on subscription the Bonds will be issued for a minimum of €2,000 per individual Bondholder. Authorised Financial Intermediaries subscribing for Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client.
- 5.6.4** Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading **'Transferability of the Bonds'** in Section 5.11 of this Securities Note.
- 5.6.5** Upon submission of an Application Form, Bondholders who do not have an online e-portfolio account will be registered by the CSD for the online e-portfolio facility and will receive by mail at their registered address a handle code to activate the new e-portfolio login. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Those Bondholders who opt not to avail themselves of this facility should indicate such on the Application Form. Further detail on the e-portfolio is found on <https://eportfolio.borzamalta.com.mt/Help>

## 5.7 NEGATIVE PLEDGE

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

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

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



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

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

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

## 5.8 PAYMENTS

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

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

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

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

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

## 5.9 REDEMPTION AND PURCHASE

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

**5.9.2** Subject to the provisions of this Section 5.9, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike.

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

## 5.10 EVENTS OF DEFAULT

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

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

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

## **5.11 TRANSFERABILITY OF THE BONDS**

- 5.11.1** The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.
- 5.11.2** Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may from time to time properly be required by the Issuer or the CSD, elect either to be registered himself as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person.
- 5.11.3** All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.
- 5.11.4** The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Issuer.
- 5.11.5** The Issuer will not register the transfer or transmission of Bonds for a period of fifteen (15) days preceding the due date for any payment of interest on the Bonds.

## **5.12 FURTHER ISSUES**

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





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### 5.13 MEETINGS OF BONDHOLDERS

- 5.13.1** The Issuer may from time to time call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which in terms of the Prospectus require the approval of a Bondholders' meeting.
- 5.13.2** No change or amendment to, or waiver of, any of the applicable Terms and Conditions of the Bonds may be made unless such decision is made at a meeting of Bondholders duly convened and held.
- 5.13.3** A meeting of Bondholders shall be called by the Directors by giving all Bondholders listed on the register of Bondholders as at a date being not more than thirty (30) days preceding the date scheduled for the meeting, not less than fourteen (14) days' notice in writing. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the Prospectus that is proposed to be voted upon at the meeting and seeking the approval of Bondholders. Following a meeting of Bondholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Bondholders whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Bondholders, in accordance with the provisions of this Section 5.13, at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.
- 5.13.4** A meeting of Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose at least two (2) Bondholders present, in person or by proxy, representing not less than 50% in nominal value of the Bonds then outstanding, shall constitute a quorum. If a quorum is not present within thirty (30) minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Bondholders present at that meeting. The Issuer shall within two (2) days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven (7) days, and not later than fifteen (15) days, following the original meeting. At an adjourned meeting: the number of Bondholders present, in person or by proxy, shall constitute a quorum; and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.
- 5.13.5** Any person who in accordance with the Memorandum and Articles of Association of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of Bondholders.
- 5.13.6** Once a quorum is declared present by the chairman of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting the directors or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.
- 5.13.7** The voting process shall be managed by the Company Secretary under the supervision and scrutiny of the auditors of the Issuer.
- 5.13.8** The proposal placed before a meeting of Bondholders shall only be considered approved if at least 65% in nominal value of the Bondholders present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.
- 5.13.9** Save for the above, the rules generally applicable to proceedings at general meetings of shareholders of the Issuer shall *mutatis mutandis* apply to meetings of Bondholders.



#### 5.14 AUTHORISATIONS AND APPROVALS

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

#### 5.15 NOTICES

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

### 6. TAXATION

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#### 6.1 GENERAL

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Bonds, including their acquisition, holding and disposal as well as any income/gains derived therefrom or made on their disposal. The following is a summary of the anticipated tax treatment applicable to Bondholders in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive.

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

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

#### 6.2 MALTA TAX ON INTEREST

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

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

In the case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his income tax return and be subject to tax on it at the progressive rate/s applicable to that person at that time. Additionally in this latter case the Issuer will advise the Inland Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients unless the beneficiary does not qualify as a "recipient" in terms of article 41(c) of the Income Tax Act. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

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



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

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

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

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

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

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

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

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

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

## 7. TERMS AND CONDITIONS OF THE BOND ISSUE

### 7.1 EXPECTED TIMETABLE OF THE BOND ISSUE

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

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

### 7.2 TERMS AND CONDITIONS OF APPLICATION

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



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

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

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

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

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

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

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

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

It is the responsibility of investors wishing to apply for the Bonds to inform themselves as to the legal requirements of so applying including any requirements relating to external transaction requirements in Malta and any exchange control in the countries of their nationality, residence or domicile.

**7.3.4** The contract created by the Issuer's acceptance of an Application filed by a prospective Bondholder shall be subject to all the terms and conditions set out in this Securities Note and the Memorandum and Articles of Association of the Issuer.

**7.3.5** If an Application Form is signed on behalf of another party or on behalf of a corporation or corporate entity or association of persons, the person signing will be deemed to have duly bound his principal, or the relative corporation, corporate entity, or association of persons, and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions on their behalf. Such representative may be requested to submit the relative power of attorney/resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Issuer and the Registrar, but it shall not be the duty or responsibility of the Registrar or Issuer to ascertain that such representative is duly authorised to appear on the Application Form.

**7.3.6** In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each of the joint Applicants, and liability therefor is joint and several. The person whose name shall be inserted in the field entitled "Applicant" on the Application Form, or first-named in the register of Bondholders shall, for all intents and purposes, be deemed to be such nominated person by all those joint holders whose names appear in the field entitled

“Additional (Joint) Applicants” in the Application Form or joint holders in the register, as the case may be. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held.

- 7.3.7** In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed *vis-à-vis* the Issuer to be the holder of the Bond/s so held and shall have the right to receive interest on the Bond/s and to vote at meetings of the Bondholders but shall not, during the continuance of the Bond/s, have the right to dispose of the Bond/s so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Bond (which shall be due to the bare owner).
- 7.3.8** Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.
- 7.3.9** The Bonds have not been and will not be registered under the Securities Act of 1933 of the United States of America and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.
- 7.3.10** No person receiving a copy of the Prospectus or an Application Form in any territory other than Malta may treat the same as constituting an invitation or offer to such person, nor should such person in any event use such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or such Application Form could lawfully be used without contravention of any registration or other legal requirements.
- 7.3.11** It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself/herself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- 7.3.12** Subject to all other terms and conditions set out in the Prospectus, the Issuer reserves the right to reject, in whole or in part, or to scale down, any Application, including multiple or suspected multiple applications, and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application which in the opinion of the Issuer is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents. Only original Application Forms will be accepted and photocopies/facsimile copies will not be accepted.
- 7.3.13** The Bonds will be issued in multiples of €100. The minimum subscription amount of Bonds that can be subscribed for by Applicants is €2,000.
- 7.3.14** By submitting a signed Application Form, the Applicant is thereby confirming that the Applicant’s remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application. Furthermore, the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders, unless the Applicant makes payment in cleared funds and such consideration is accepted by the Issuer, acting through the Registrar (which acceptance shall be made in the Issuer’s absolute discretion and may be on the basis that the Applicant indemnifies the Issuer against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant’s remittance to be honoured on first presentation).
- 7.3.15** Within five (5) Business Days from closing of the Public Offer Period, the Issuer shall announce the result of the Issue and shall determine, and issue a company announcement setting out, the basis of acceptance of Applications and allocation policy to be adopted.



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- 7.3.16** Other than in the case of an Exchangeable Bond Transfer, in the event that an Applicant has not been allocated any Bonds or has been allocated a number of Bonds which is less than the number applied for, the Applicant shall receive a full refund or, as the case may be, the balance of the price of the Bonds applied for but not allocated, without interest, by credit transfer to such account indicated in the Application Form, at the Applicant's sole risk within five (5) Business Days from the date of final allocation. The Issuer shall not be responsible for any charges or delay arising in connection with such credit transfer.
- 7.3.17** For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations 2008 (Legal Notice 180 of 2008, as subsequently amended), all Authorised Financial Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the "Members' Code of Conduct" appended as Appendix 3.6 of the MSE Bye-Laws, irrespective of whether the Authorised Financial Intermediaries are Exchange Members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the Data Protection Act (Cap. 440 of the Laws of Malta) for the purposes and within the terms of the MSE's data protection and privacy policy as published from time to time.
- 7.3.18** By completing and delivering an Application Form, the Applicant:
- a) agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;
  - b) warrants that the information submitted by the Applicant in the Application Form is true and correct in all respects and in the case where an MSE account number is indicated in the Application Form, such MSE account number is the correct account of the Applicant. In the event of a discrepancy between the personal details (including name and surname and the Applicant's address) appearing on the Application Form and those held by the MSE in relation to the MSE account number indicated on the Application Form, the details held by the MSE shall be deemed to be the correct details of the Applicant;
  - c) authorises the Issuer and the MSE to process the personal data that the Applicant provides in the Application Form, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta). The Applicant has the right to request access to and rectification of the personal data relating to him/her as processed by the Issuer and/or the MSE. Any such requests must be made in writing and sent to the Issuer at the address indicated in the Prospectus. The requests must further be signed by the Applicant to whom the personal data relates;
  - d) confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer or the issue of the Bonds other than what is contained in the Prospectus and accordingly agree/s that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;
  - e) agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her remittance or surrender of the Exchangeable Bonds, as the case may be, and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the Laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
  - f) agrees to provide the Registrar and/or the Issuer, as the case may be, with any information which it/they may request in connection with the Application;
  - g) warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his/her Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bond or his/her Application;
  - h) warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
  - i) represents that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
  - j) agrees that unless such Application is made with Charts Investment Management Service Limited, the latter will not, in their capacity of Sponsor, treat the Applicant as their customer by virtue of such Applicant making an Application for the Bonds, and that Charts Investment Management Service Limited will owe the Applicant no duties or responsibilities concerning the price of the Bonds or their suitability for the Applicant;

- k) agrees that all documents in connection with the issue of the Bonds will be sent at the Applicant's own risk and may be sent by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as set out in the Application Form;
- l) renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of these Bonds.

#### 7.4 PLAN OF DISTRIBUTION AND ALLOTMENT

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

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

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

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

It is expected that an allotment advice will be dispatched to Applicants within five (5) Business Days of the announcement of the allocation policy. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance or surrender of the Exchangeable Bonds, as the case may be, and any verification of identity as required by the Prevention of Money Laundering Act, (Cap. 373 of the Laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

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

#### 7.5 PRICING

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

#### 7.6 ALLOCATION POLICY

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

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





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

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

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

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

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

## **7.7 ADMISSION TO TRADING**

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

## **7.8 ADDITIONAL INFORMATION**

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

The financial analysis summary has been included in the form and context in which it appears with the authorisation of Charts Investment Management Service Limited of Valletta Waterfront, Vault 17, Pinto Wharf, Floriana, FRN 1913, Malta, which has given and has not withdrawn its consent to the inclusion of such report herein.

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



## Annex I - Authorised Financial Intermediaries

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



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## Annex II - Specimen Application Forms

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

**A**

**APPLICANT (see note 4)**

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

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

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

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

**B**

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

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

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

AMOUNT IN WORDS

AMOUNT IN FIGURES BOX 1

€

AMOUNT IN FIGURES BOX 2

€

AMOUNT IN FIGURES BOX 3  
*Difference payable on Application  
Box 2 -Box 1*

€

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

**C**

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

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

**D**

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

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

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

**E**

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

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

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

\_\_\_\_\_  
Date

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

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

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

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

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

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

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

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

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

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

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

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

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

**APPLICANT/S (see notes 2 to 6)**

**A**  Non-Resident  Body Corporate / Body of Persons

**B** TITLE (Mr/Mrs/Ms/...) FULL NAME & SURNAME / REGISTERED NAME

ADDRESS

POST CODE

MSE A/C NO. (if applicable) I.D. CARD / PASSPORT / COMPANY REG NO. TEL NO. MOBILE NO. (MANDATORY for e-portfolio registration)

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

**ADDITIONAL (JOINT) APPLICANTS (see note 4)** (please use an additional Application Form if space is not sufficient)

**C** TITLE (Mr/Mrs/Ms/...) FULL NAME & SURNAME I.D. CARD / PASSPORT NO.

TITLE (Mr/Mrs/Ms/...) FULL NAME & SURNAME I.D. CARD / PASSPORT NO.

This Application Form is not transferable and entitles you to subscribe for Premier Capital p.l.c. 3.75% Unsecured Bonds 2026 as shareholder, director or employee of any company forming part of the Hili Ventures Group as at 21 October 2016 (the "Hili Ventures Group Stakeholders").

**I/WE APPLY TO PURCHASE AND ACQUIRE (see notes 7 & 8)**

**D**

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

**RESIDENT - WITHHOLDING TAX DECLARATION (see notes 9 & 10a)** (to be completed ONLY if the Applicant is a resident of Malta)

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

**NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see notes 3, 10 & 10a)** (to be completed ONLY if the Applicant is a non-resident)

**F**

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

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

**INTEREST, REFUND AND REDEMPTION MANDATE (see note 11)** (completion of this panel is MANDATORY)

**G** BANK IBAN

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

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

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

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

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

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

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

without deduction of final withholding tax), but will then be obliged to declare interest so received in the tax return. Interest received by Non-Resident Applicants is not taxable in Malta and Non-Residents will receive interest gross. Authorised entities applying in the name of a prescribed fund will have final withholding tax (currently 10%) deducted from interest payments. In terms of Section 6.2 of the Securities Note, unless the Issuer is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of Article 41(c) of the Income Tax Act, interest shall be paid to such person net of final withholding tax (currently 15%) of the gross amount of interest, pursuant to Article 33 of the Income Tax Act.

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

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

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

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

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

**A**

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

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

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

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

**B**

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

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

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

**C**

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

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

**D**

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

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

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

**E**

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

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

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

\_\_\_\_\_  
Date

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

# Premier Capital p.l.c.

## Financial Analysis Summary

21 October 2016

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

21 October 2016

Dear Sirs

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

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

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

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

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

Yours faithfully,



**Wilfred Mallia**  
Director

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## PART 1 – INFORMATION ABOUT THE COMPANY

### 1. KEY ACTIVITIES

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

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

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

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

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

Details of the purchase consideration are as follows:

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

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

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

An analysis of restaurant sales by country is provided hereunder:

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

## 2. DIRECTORS AND SENIOR MANAGEMENT

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

### Board of Directors

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

### Senior Management of the Group

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

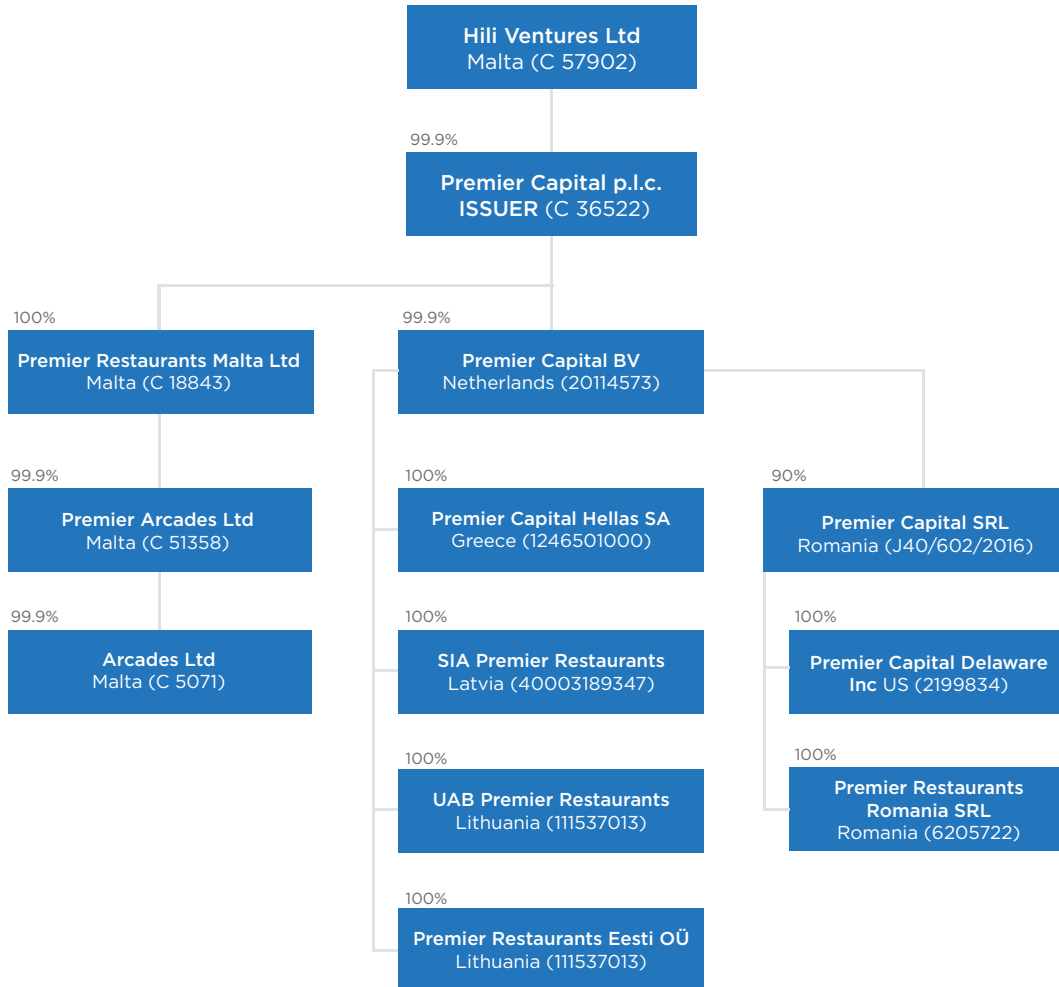
The Group has appointed executives in each of the core area of its business – finance, quality & supply chain, human resources (post is currently vacant) and development – all of whom report directly to the Managing Director. In addition, the Group has appointed a general manager for each of the four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

The members of Senior Management are the following:

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

### 3. GROUP ORGANISATIONAL STRUCTURE

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



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



#### 4. GROUP OPERATIONAL DEVELOPMENT

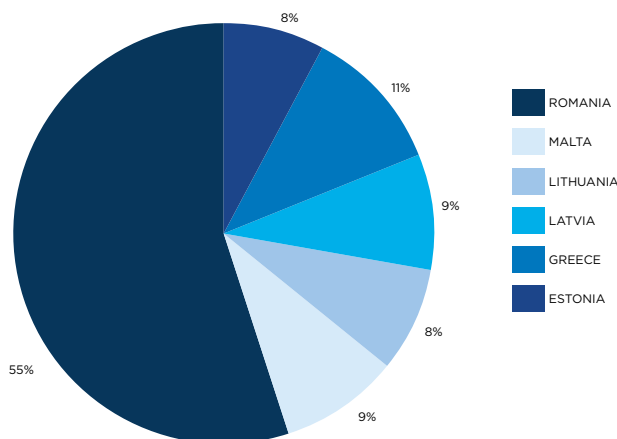
As at 30 June 2016, the Group operated 132 restaurants in Estonia, Greece, Latvia, Lithuania, Malta and Romania. The table below provides an analysis of performance by country for the financial years FY2013 to FY2018:

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

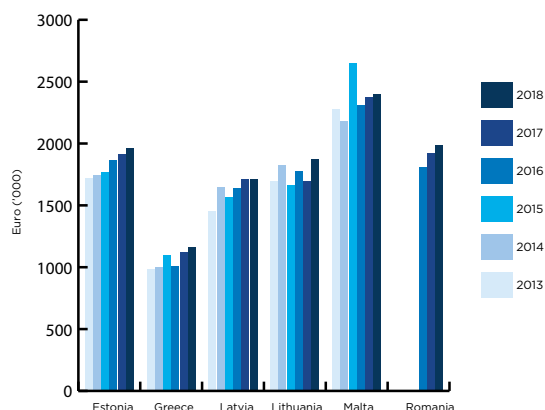
Premier Capital p.l.c Segment Information (cont.)	2013 Actual	2014 Actual	2015 Actual	2016 Projection	2017 Projection	2018 Projection	CAGR FY 13-15	CAGR FY 13-18
<b>LITHUANIA</b>								
Revenue (€'000)	15,258	16,418	18,260	19,537	21,980	26,220	9.4%	9.4%
Profit (loss) before tax (€'000)	1,352	1,972	2,197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

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

Projected Group Revenue - FY2016



Average Revenue per Restaurant (by Country)



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

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

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

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

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

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

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

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

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

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

## 5. BUSINESS DEVELOPMENT STRATEGY AND MARKET ANALYSIS

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### 5.1 Strategy

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

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

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

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

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

**(c) Commitment to customer satisfaction**

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

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

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

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

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

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

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

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

**5.3 Restaurant development**

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

**(a) Determine key development markets**

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

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

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

**(c) Negotiate attractive lease terms**

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

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

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

## PART 2 – GROUP PERFORMANCE REVIEW

### 6. FINANCIAL INFORMATION

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

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

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

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

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

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

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

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

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

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

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



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

Source: Charts Investment Management Service Limited

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Source: Charts Investment Management Service Limited

### Sinking Fund

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

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

### Related Party Debt Securities

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

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

## PART 3 – COMPARABLES

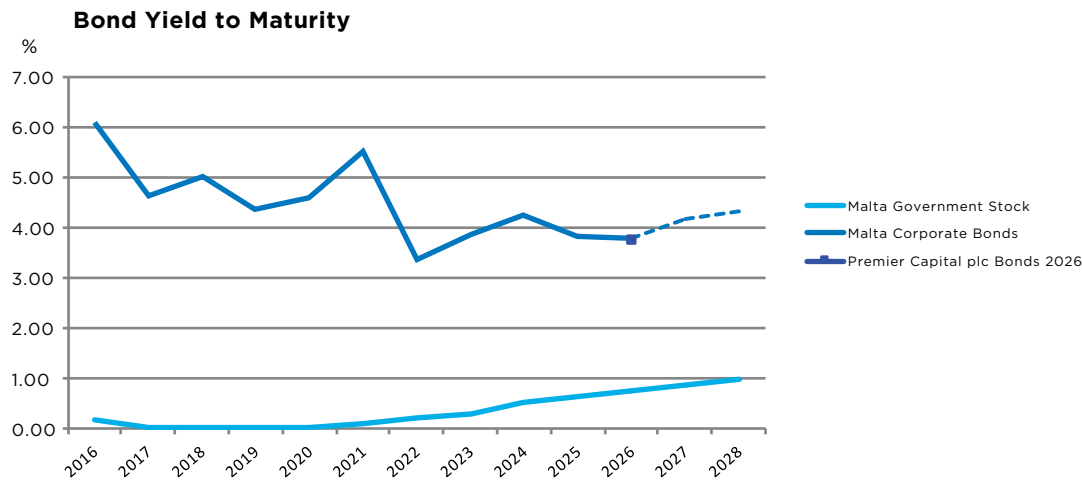
The table below compares the Company and its proposed bond issue to other debt issuers listed on the Malta Stock Exchange and their respective debt securities. Although there are significant variances between the activities of the Company and other issuers (including different industries, principal markets,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

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

30 September'16

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

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



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

## PART 4 – EXPLANATORY DEFINITIONS

### Income Statement

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

### Profitability Ratios

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

<b>Efficiency Ratios</b>	
Return on equity	Return on equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing profit after tax by shareholders' equity.
Return on capital employed	Return on capital employed (ROCE) indicates the efficiency and profitability of a company's capital investments, estimated by dividing operating profit by capital employed.
Return on Assets	Return on assets (ROA) is computed by dividing profit after tax by total assets.
<b>Equity Ratios</b>	
Earnings per share	Earnings per share (EPS) is the amount of earnings per outstanding share of a company's share capital. It is computed by dividing net income available to equity shareholders by total shares outstanding as at balance sheet date.
<b>Cash Flow Statement</b>	
Cash flow from operating activities	Cash generated from the principal revenue-producing activities of the Group.
Cash flow from investing activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Group.
Cash flow from financing activities	Cash generated from the activities that result in change in share capital and borrowings of the Group.
<b>Balance Sheet</b>	
Non-current assets	Non-current asset are the Group's long-term investments, which full value will not be realised within the accounting year. Non-current assets are capitalised rather than expensed, meaning that the Group allocates the cost of the asset over the number of years for which the asset will be in use, instead of allocating the entire cost to the accounting year in which the asset was purchased. Such assets include goodwill and other intangible assets, property, plant & equipment, financial assets and deferred tax assets.
Current assets	Current assets are all assets of the Group, which are realisable within one year from the balance sheet date. Such amounts include inventory, accounts receivable and cash and bank balances.
Current liabilities	All liabilities payable by the Group within a period of one year from the balance sheet date, and include accounts payable and short-term debt.
Net debt	Borrowings before unamortised issue costs less cash and cash equivalents.
Non-current liabilities	The Group's long-term financial obligations that are not due within the present accounting year. The Group's non-current liabilities include bank borrowings, bonds and deferred tax liabilities.
Total equity	Total equity includes share capital, reserves & other equity components, and retained earnings.

## Financial Strength Ratios

Liquidity ratio

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

Interest cover

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

Gearing ratio

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