SUMMARY NOTE

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.

Dated 31 July 2017

In respect of an Issue of

€20,000,000 3.50% Unsecured Bonds 2027

of a nominal value of €100 per Bond issued at par (the "**Bonds**") by

FARSONS GROUP

Farsons

Simonds Farsons Cisk plc

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA

WITH COMPANY REGISTRATION NUMBER C 113

ISIN: MT0000071234

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE BONDS AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENT IS 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 HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN THESE BONDS.

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 BONDS OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISER.

APPROVED BY THE DIRECTORS OF SIMONDS FARSONS CISK PLC

Luis Farrugia

Louis A. Farrugia

Roderick Chalmers

signing as Chairman and Director in their own capacity, as Directors of the Company and on behalf of each of Marcantonio Stagno d'Alcontres, Michael Farrugia, Dr Max Ganado, Marina Hogg, Marquis Marcus J Scicluna Marshall and Baroness Christiane Ramsay Pergola.

SPONSOR & MANAGER	REGISTRAR	LEGAL COUNSEL
RIZZO FARRUGIA YOUR INVESTMENT CONSULTANTS	MALTA STOCK EXCHANGE plc	MAMO TCV ADVOCATES

IMPORTANT INFORMATION

THIS SUMMARY NOTE CONSTITUTES PART OF A PROSPECTUS AND CONTAINS INFORMATION IN RELATION TO SIMONDS FARSONS CISK PLC 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) (THE "**REGULATION**"); AND (B) THE RULES AND REGULATIONS APPLICABLE TO THE ADMISSION OF SECURITIES ON THE OFFICIAL LIST OF THE MSE.

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, ITS DIRECTORS, OR ADVISERS.

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.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT AND ANY PERSON 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 INVESTORS FOR ANY BONDS 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 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 ADVISER.**

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.

ALL THE ADVISERS TO THE ISSUER HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PUBLIC OFFER AND PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON. NONE OF THE ADVISERS ACCEPT ANY RESPONSIBILITY TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE CONTENTS OF, ANY INFORMATION CONTAINED INAND THE TRANSACTIONS PROPOSED IN THE PROSPECTUS, ITS COMPLETENESS OR ACCURACY OR ANY OTHER STATEMENT MADE IN CONNECTION THEREWITH.

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 WEB SITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

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 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 ADVISERS.

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 listed in Annex I of the Securities Note during the Issue Period;

    b. to any resale or placement of Bonds taking place in Malta;

    c. to any resale or placement of Bonds taking place within the period of 60 days from the date of the Prospectus.

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

SECTION B – ISSUER

B.1 The legal and commercial name of the Issuer is Simonds Farsons Cisk plc (C 113).

B.2 The Issuer was incorporated and registered under the Commercial Partnerships Ordinance on 4 September 1965. The Issuer was converted to a public limited liability company on 3 December 1997, currently operates under the Act and is domiciled in Malta.

B.4b The following is an overview of the most significant recent trends affecting the Issuer and the markets in which it operates:

The Group's business is highly dependent on the performance of the local economy and, to a limited extent, also geopolitical issues within the Mediterranean region and possibly beyond. Locally, influencing factors include consumer confidence and spending, private consumption and the tourism industry. Other non-economic factors including one-off events, whether sports, entertainment or other, and weather conditions also impact, with a varying degree, the Group's overall performance.

The Group has consistently registered improved turnover and profitability, resulting in improved earnings before interest, tax, depreciation and amortisation (EBITDA):

	Jan-17	Jan-16	Jan-15	Jan-14	Jan-13
Turnover (€'000)	**88,414**	86,370	79,503	78,629	77,180
% increase	**2%**	9%	1%	2%	
Profit attributable to ordinary shareholders (€'000)	**12,132**	11,223	8,009	6,325	5,969
% increase	**8%**	40%	27%	6%	
EBITDA (€'000)	**19,262**	17,383	15,601	14,036	12,871
% increase	**11%**	11%	11%	9%	

Over the years, several factors contributed to the attainment of these results, including:
- Growth in sales of the beer portfolio particularly within the Group's own brands;
- Increase in sales of the imported beverages portfolio;
- Savings originating from costs of raw materials and overhead costs containment;
- Improved productivity and efficiency parameters;
- New targeted product launches in line with consumer and market trends; and
- Review of internal processes and the increased application of information technology.

The Board of Directors remains determined to sustain the Group's competitive advantage through continued investment and innovation while ensuring that the Group is adequately resourced to take on new challenges and exploit new market opportunities.

Innovation and exports growth remain areas of priority for the Group in line with the Group's strategic vision of developing the local and international business.

In recent years, the Group has invested heavily in its operations and renovated its brewing, soft drinks and beer packaging facilities together with its warehousing and logistics operations. These investments were also instrumental at reducing the Group's energy consumption and water usage thus enhancing its competitiveness while safeguarding the environment.

The main investments of the Group over the last 10 years included:

2008 – The new soft drinks packaging hall and logistics centre

2008 was a landmark in the history of the Farsons Group. Following the liberalisation of the soft drinks market at the end of 2007, the glass bottles have been fast replaced by the more convenient PET bottles and cans. This major packaging revolution has brought about new challenges to the company and a €24 million investment in a new soft drinks packaging hall and modern warehousing and distribution facilities was completed in February 2008.

2012 – Brewhouse, laboratory and water treatment facilities

The inauguration of the new €12.5 million Brewhouse took place in September 2012. This new Brewhouse is an iconic building of a notable architectural design that builds on the legacy of the past Farsons breweries, while testament of the Group's "green" credentials. The Brewhouse investment completes the last phase of the Master Plan that was initiated in the 1980's.

2016 – Beer packaging facility

The new state of the art beer packaging facility enabled the Group to produce and pack beer and soft drinks in exportable packages, and to embark on its vision of establishing itself as a regional player within the beverage sector. This €27 million investment was commissioned in April 2016 and includes packaging materials stores. With a total footprint of 4,500 square metres, the new facility has the capacity to package bottles and cans at impressive speeds.

Segmental Trends

The Group's own brands, particularly the Cisk™ and Kinnie™ portfolios, contribute significantly to the positive performance of the Group. Nonetheless, market conditions and trends within the soft drinks sector are not expected to change in the medium term as the market continues to evolve towards increased focus on wider consumer health issues that, paired with a faster-paced lifestyle, is causing constant shifts in consumer tastes and trends. Nonetheless this also presents the Group with other market opportunities that are being carefully evaluated.

In line with international trends, the craft beers segment is also growing in market share. Within this context, the Group has aligned its product portfolio through innovation and further development of its own beer portfolio, also particularly in view of the Group's export growth strategy and ambitions.

The beverage importation division has also posted encouraging performance with notable revenue growth registered across its diverse portfolio together with increased profitability.

The food importation arm has gone through a period of re-organisation and consolidation in the light of fast evolving market dynamics, where the private label concept has become a reality and is consolidating further. This prompted the need for new strategies where targeted measures have been implemented to address the performance of this segment.

The franchised foods business is dependent on ongoing plans for refurbishment projects for existing establishments while also opening new outlets. Identifying outlets in strategically located positions is key to this segments' success and work in this respect is currently well underway.

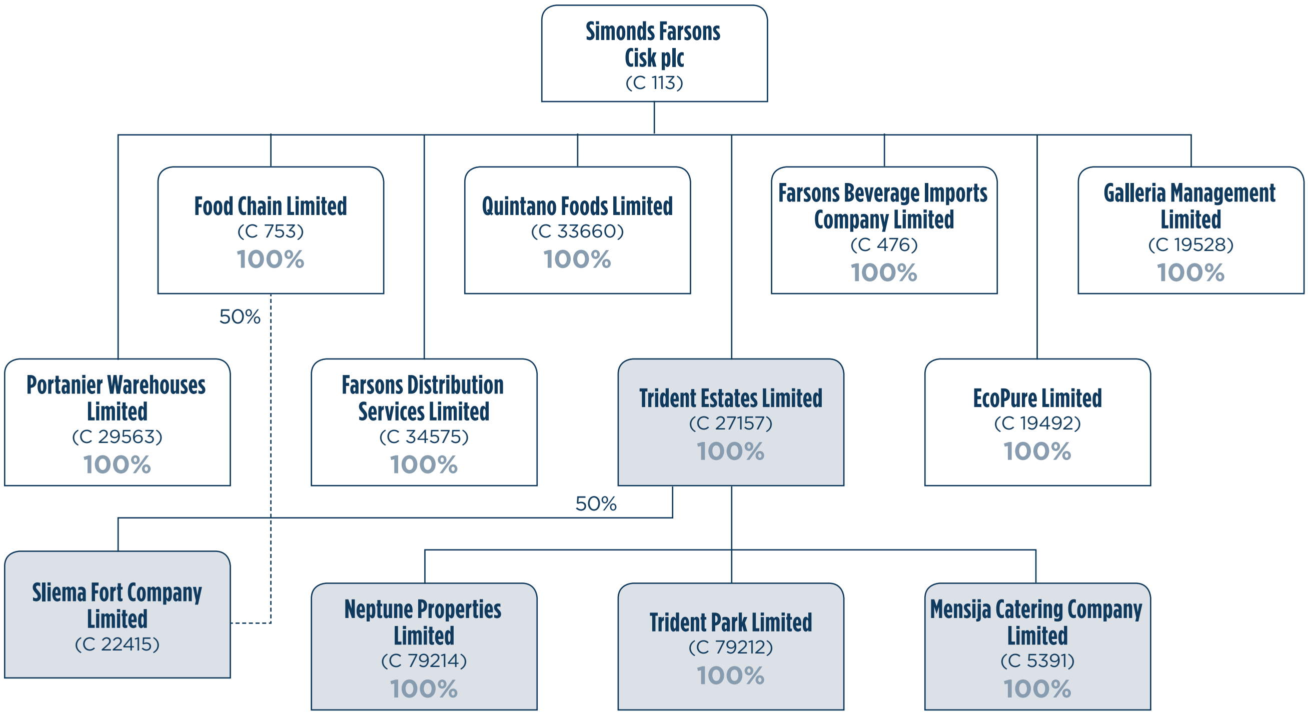
There has been no material adverse change in the prospects of the Issuer since the date of publication of its latest audited financial statements.

The future outlook at Farsons is based on further and consistent growth, which will continue to be spearheaded through ongoing innovation, along with a determined drive on the export business.

The Company is also in the process of separating the fast-moving consumer food and beverage business from the property interests of the Group by way of a spin-off transaction. This transaction will involve the distribution of the Company's shareholding in the property group on a pro-rata basis to their shareholding in SFC.

The Board has ambitions for growth, while exploiting new market opportunities and developing all the Group's segments. With continued visionary foresight and the necessary strategic thinking, followed by effective decision-making and the successful delivery of all business plans, the Board is confident that the Group is adequately positioned to offer the required resilience while being able to respond effectively and proactively to an evolving and increasing complex market dynamics.

B.5 The Issuer is the parent company of the Farsons Group. The organisational structure of the Group is illustrated in the diagram below as at the date of the Prospectus:



In liquidation: Malta Deposit and Return System Limited (C38304)
FSG Company Limited (C27784)

The shaded companies form part of the Trident Group and will no longer form part of the SFC Group following the Spin-Off.

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 financial statements for the years ended 31 January 2015, 2016 and 2017 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 January 2015, 2016 and 2017 as audited by PricewaterhouseCoopers are set out in the consolidated financial statements of the Issuer. The said financial statements are available for viewing at the registered office of the Issuer and are also available on the Issuer's website (www.farsons.com).

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.

Extracts of the above-mentioned historical financial information are set out below:

Issuer's Condensed Consolidated Income Statement

	FY15	FY16	FY17
	€'million	€'million	€'million
Revenue	**79.2**	**86.0**	**88.1**
Cost of sales	(49.7)	(53.0)	(53.7)
Gross Profit	**29.5**	**33.0**	**34.4**
Operating costs	(19.8)	(21.5)	(21.5)
Operating Profit	**9.7**	**11.5**	**12.9**
Finance costs (net of finance income)	(1.5)	(1.4)	(1.5)
Profit before tax	**8.2**	**10.1**	**11.4**
Tax	5.2	0.9	0.5
Profit for the year from continuing operations	**13.4**	**11.0**	**11.9**
Profit/(loss) for the year from discontinued operations	(5.4)	0.2	0.2
Profit for the year	**8.0**	**11.2**	**12.1**

The audited financial statements for the periods under review include a categorisation of the Group's results between continuing and discontinued operations. The discontinued operations relate primarily to the Group's property management business segment which, as outlined further in section 5.4 of the Registration Document, is in the process of being separated from the Group's other business activities through the Spin-Off.

The Consolidated Income Statements indicate that the Group's profits before tax have increased from €8.2 million in FY15 to €11.4 million in FY17. The improvement in results reflects a combination of increased business levels as well as the implementation of production and operational efficiencies. The Group's total revenue reached €88.1 million in FY17, up from €79.2 million in FY15, equivalent to a CAGR of 5.5% over the period. The Group experienced growth in revenues across all its principal segments. The Group has invested significantly in its operational assets to improve efficiency and reduce production costs. Operating profit increased from €9.7 million in FY15 to €12.9 million in FY17.

Issuer's Condensed Consolidated Statement of Comprehensive Income	FY15	FY16	FY17
	€'million	€'million	€'million
Profit for the year	8.0	11.2	12.1
Other comprehensive income:			
Items that will not be re-classified to profit or loss:			
Movement in deferred tax due to change in tax rates on immovable property	–	1.1	–
Revaluation surplus, net of deferred tax	–	–	4.7
Items that may be subsequently reclassified to profit or loss:			
Cash flow hedges, net of deferred tax	(0.5)	(0.1)	0.2
Total comprehensive income for the year	**7.5**	**12.2**	**17.0**

The consolidated Statements of Comprehensive Income for the periods include the recognition of a revaluation surplus on the Group's property portfolio of €4.7 million recognised in FY17 and the effect of the change in tax rates on immovable property that resulted in the recognition of income of €1.1 million in FY16.

Issuer's Condensed Consolidated Statement of Financial Position	FY15	FY16	FY17
	€'million	€'million	€'million
ASSETS			
Non-current assets	84.0	97.6	118.0
Current assets	32.6	33.4	33.7
Non-current assets classified as held for sale	33.0	31.6	31.2
Total Assets	**149.6**	**162.6**	**182.9**
EQUITY			
Total equity	100.2	109.5	123.3
LIABILITIES			
Non-current liabilities	25.2	26.1	33.2
Current liabilities	19.3	24.2	24.3
Liabilities directly attributable to non-current assets held for sale	4.9	2.8	2.1
Total liabilities	**49.4**	**53.1**	**59.6**
Total equity & liabilities	**149.6**	**162.6**	**182.9**

The Group's Consolidated Statement of Financial Position as at FY17 indicates total assets of €182.9 million, an increase of €33.3 million (+22%) on the position reported in FY15. This increase reflects the significant investments made by the Group in this period, particularly with respect to an investment of circa € 26.2 million in the new beer packaging hall. The book value of the Group's equity increased by €23.1 million (+23%) to €123.3 million as at 31 January 2017. The Group has distributed total dividends of €8.7 million between FY15 and FY17, which is equivalent to 24% of the total comprehensive income recognised in the period. The Group's total liabilities increased by €10.3 million from €49.4 million as at FY15 to €59.7 million as at FY17. This increase primarily reflects an increase in the level of bank borrowings, drawn down to finance the Group's capital investments in the period.

Issuer's Condensed Consolidated Cash Flow Statement	FY15	FY16	FY17	Total FY15 – FY17
	€'million	€'million	€'million	€'million
Cash flows from operating activities	**15.6**	**16.5**	**13.1**	**45.2**
Cash flows used in investing activities	**(7)**	**(18)**	**(19.7)**	**(44.7)**
Cash flows (used in)/from financing activities	**(4.2)**	**(1.7)**	**4.1**	**(1.8)**
Movement in cash and cash equivalents	**4.4**	**(3.2)**	**(2.5)**	**(1.3)**
Opening cash and cash equivalents	–	4.4	1.2	–
Closing cash and cash equivalents	**4.4**	**1.2**	**(1.3)**	**(1.3)**

The Group's Consolidated Statements of Cash Flow indicate that the Group's operations have generated aggregate cash of €45.2 million in the 3-year period between FY15 and FY17. This cash generation has been applied towards the repayment of debt and payment of dividends with the balance re-invested into the business and applied towards the financing of the Group's capital investments during the period.

B.13 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 is not dependent upon other entities within the Group.

B.15 The Group's main activities may be split into the following categories:

Brewing, production and sale of branded beers and beverages segment

The business of brewing, production and sale of beer and branded beverages is the core business of the Group, and comprises the activities of Simonds Farsons Cisk plc, Farsons Distribution Services Limited and EcoPure Limited. Apart from its own range of beers and soft drinks developed in-house, SFC represents Budweiser™, Carlsberg™, Skol™, Pepsi™, 7UP™, Mirinda™, Britvic™ and Like Cola™, as exclusive packagers for Malta.

Importation, wholesale and retail of food and beverages, including wines & spirits segment

This segment has shown significant growth over the last few years, particularly following the acquisition of the business of Quintano Foods and comprises Farsons Beverage Imports Company Limited and Quintano Foods Limited. The Group represents some world-renowned beer brands including Becks™, Guinness™, John Smith™, and Corona Extra™, ciders including Strongbow™, Woodpecker™ and Bulmers™ together with branded spirits such as Campari™, Ballantine's™, Jim Beam™, Whyte & Mackay™, Cointreau™, Molinari™, Absolut Vodka™, Remy Martin™, Jagermeister™, Vladivar™, Pernod™, BOLS™, Beefeater™, Chivas Regal™, Havana Club™ and Aperol™ together with a large range of Italian, French and new-world wines such as Jacob's Creek™, Ruffino™, Robert Mondavi™ and Bolla™ amongst others. Red Bull™, Monin™, Kimbo™, Perrier™ and Vittel™ are also represented through this segment. The recent representation of Red Bull™ has further strengthened the number of brands being represented. Quintano Foods represent the renowned Danone™, Quaker™, Walkers™, Tropicana™ and Trevalli™ amongst other prestigious brands.

Operation of franchised food retailing establishments segment

The catering business of the Farsons Group comprises the franchise operations conducted through KFC™, Pizza Hut™ and Burger King™. These operations consist of fourteen franchised restaurants.

Property management segment

This segment was established so as to enable the Group to achieve better utilisation of its investment property holdings. Trident and its subsidiary companies own a number of properties that are primarily used within the Group, in particular, the food retailing establishments and the food importation arm. Other properties are also leased to third parties. The shareholders of the Issuer have, at the annual general meeting held on the 27 June 2017, approved the Spin-Off of Trident and its subsidiaries from the Company through the distribution of an interim dividend in kind of the Company's entire shareholding in Trident.

B.16 The following shareholders hold more than 10% of the Company's issued ordinary shares, thereby regarded as substantial shareholders in terms of the Listing Rules:

	No. of Shares	*%*
M.S.M. Investments Limited	7,948,862	26.50
Farrugia Investments Limited	7,948,862	26.50
Sciclunas Estates Limited	7,896,164	26.32

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 €20,000,000 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: MT0000071234. The Bonds shall bear interest at the rate of 3.50% 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 multiples of €100) 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.

The Bonds will rank after any current or future debts of the Company which may be secured by a cause of preference such as a privilege and/or a hypothec.

C.9 The Bonds shall bear interest from and including 13 September 2017 at the rate of 3.50% per annum on the nominal value thereof, payable annually in arrears on the Interest Payment Date (annually on 13 September). The nominal value of the Bonds will be repayable in full upon maturity on 13 September 2027 (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 3.50%.

The redemption of the Exchangeable Bonds shall be without prejudice to the rights of the holders of Exchangeable Bonds to receive interest on the Exchangeable Bonds up to and including 12 September 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 31 July 2017. 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 20 September 2017 and trading is expected to commence on 22 September 2017.

SECTION D – RISKS

Holding of a Bond involves certain risks including those described below. Prospective investors should carefully consider, with their own independent financial and other professional advisers, the following risk factors and other investment considerations, as well as all the other information contained in the Prospectus, before deciding to acquire the 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 adviser 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.

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

i. The business activities of the Farsons Group are predominantly concentrated in and aimed at the Maltese market. Accordingly, the Group is highly susceptible to local economic trends and negative economic factors and trends, particularly those influencing consumer demand, may have a negative impact on the business of the Group.

ii. The Group operates in markets which are highly seasonal with higher demand in summer being attributable to hotter temperatures and the increased number of tourist arrivals in Malta. A fall in the number of tourist arrivals in Malta and lower than average summer temperatures may both have a negative impact on the demand for the Group's products.

iii. The Group's exports initiative is dependent for its success on the legal, fiscal, cultural and religious norms prevalent in overseas markets. Changes therein may influence the Group's profitability.

iv. Maintaining the Group's competitive position depends on its continued ability to offer products that have a strong appeal to consumers. Patterns in consumer trends may change due to a variety of factors which could affect consumer spending and demand. Consumer trends are also impacted by the incidence of widespread disease in livestock and poultry either in Malta or abroad. Consumer demand is also shaped by attitudes towards sugar consumption both locally and abroad.

v. The Group is exposed to substantial competition in all its business segments both locally and overseas and increased competition could lead to downward pressure on the prices of the Group's products and/or a decline in the Group's market share.

vi. Raw materials used in the production process of some of the Group's products are predominantly commodities that are subject to the price volatility on international markets caused by changes in the demand and supply for these products. The Group may be negatively affected by increases in such prices, if it is not able to pass on such prices to the consumer. Similarly, increased utility and personnel costs could have a material negative impact on the results of the Group.

vii. The Group's growth is in part attributable to the efforts and abilities of the members of its executive management team and other key personnel. Loss, without replacement could have a material adverse effect on the Group's business, financial condition and results of operations.

viii. The Group's operational results are also heavily dependent on maintaining good relations with its workforce. A number of the Group's workforce in various operations is unionised. Any work stoppages or strikes could adversely affect the Group's ability to operate its businesses.

ix. The Group depends on key pieces of plant, equipment, components and machinery. If any such plant, equipment, component or machinery succumb to breakdown or cease to operate and a replacement is not readily available and/or there are operational difficulties in the supply chain, then the Group's production and ability to fulfil its contractual commitments would be adversely impacted, thereby having a material negative impact on the Group's business, financial condition, results of operations and prospects.

x. The Group is dependent on a number of information technology systems for the smooth running of its production lines as well as in its administration. A significant breakdown in these computerised systems may affect the operations of the Group and consequently its profitability.

xi. The Group is highly dependent on its relationship with its distributors and franchisors and this could adversely affect the Issuer's operating results and growth strategy if it is unable to maintain the existing relationships or replace them with alternative relationships on equally favourable terms.

xii. The Group's operations are subject to a significant degree of regulation. Changes in the law or regulations governing its products could impact negatively the Group's financial results. Furthermore, failure to maintain and/or obtain any necessary licences could have a negative impact on the Group's business and its operational results.

xiii. The Group relies heavily on the reputation of its branded products. An event, or series of events, that materially damage/s the reputation of one or more of the Group's franchise brands could have an adverse effect on the value of that brand and subsequent revenues from that brand or business.

xiv. Contamination 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.

xv. Companies in the beverage and food sector are occasionally exposed to complaints and/or litigation. If these result in fines or damage to the Group's reputation, the Group's business could also be impacted.

xvi. Should the Spin-Off materialise there may be a (i) reduction in the Company's fixed assets, (ii) change in the nature of the Company's assets, (iii) loss of income from the Trident Group, (iv) Increase in the Company's level of financial gearing, and (v) counterparty risks in that the Group will have had to enter into lease agreements with the Trident Group.

xvii. The Group's activities potentially expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

xviii. The Group is exposed to foreign exchange risk, counterparty risk and interest rate risk.

xix. The Group is exposed to insurance coverage risk in that it may be difficult for the Group to recover losses from insurers and/or the amount recovered may not be sufficient to make good the loss suffered.

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:

- 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. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market in which the Bonds are traded, 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. Accordingly, 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
  The Bonds have a fixed interest rate, accordingly investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds and their transferability.

- Currency Risk
  Any investor whose currency of reference is not the Euro shall 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 of the Bonds.

- **Changes to Terms and Conditions**
In the event that the Issuer wishes to amend any of the Terms and Conditions of Issue of the Bonds it shall call a meeting of Bondholders in accordance with the provisions of section 6.13 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.

- **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.

- **Ranking of Bonds**
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 section 6.3 of 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.

SECTION E – OFFER

E.2b The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €19,600,000, 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 €15,000,000 will be used by the Issuer for the purpose of redeeming the Maturing Bonds remaining in issue as at the Cut-off Date; and
ii. the remaining amount of approximately €4,600,000 will be used by the Issuer for general corporate purposes including the funding of the capital investment programme planned for the next few years, as detailed in section 5.6 of the Registration Document.

In the event that the Bond Issue is not fully subscribed, the Issuer will proceed with the listing of the amount of Bonds subscribed for and the proceeds from the Bond Issue shall be applied for the purpose and in the order set out above. Any residual amount required by the Issuer for the purpose of the use specified (i) and (ii) above which shall not have been raised through the Bond Issue shall be financed through alternative funding sources.

E.3 The Company is granting preference to Maturing Bondholders who may for the Bonds by electing to settle all or part of the amount due on the Bonds through the transfer to the Issuer of Maturing Bonds at par value, subject to a minimum Application of €2,000 in Bonds and rounded upwards to the nearest €100. Any holders of Maturing Bonds whose holding in Maturing Bonds is less than €2,000 shall be required to pay the difference together with the submission of their Application Form. Bonds applied for by Maturing Bondholders by way of Maturing Bond Transfer as described above shall be allocated prior to any other allocation of Bonds.

Holders of the Maturing Bonds wishing to apply for a number of Bonds exceeding in value the aggregate nominal value of Maturing Bonds held as at the Cut-off Date (including Cash Top-Up, where applicable) may subscribe for such additional Bonds by completing the appropriate section of the same non-transferable, pre-printed Application Form.

Any balance of the Bonds not subscribed to by holders of Maturing Bonds shall be offered for subscription to Authorised Financial Intermediaries through an Intermediaries' Offer.

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 direct credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the Bondholder. 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 re-purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 13 September 2027.

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 sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; or
ii. 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, **provided** that an approved merger or division of the Issuer shall not constitute an Event of Default **provided further** that the resultant entity has assumed the obligations under the Bonds; or
iii. the Issuer ceases or suspends payments (whether of principal or interest) with respect to all or any class of its respective debts or announces an intention to do so; or
iv. the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or
v. 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 ten million Euro (€10,000,000) or its equivalent and one hundred and eighty (180) days shall have passed since the date of delivery of such judgment without its having been satisfied or stayed; or
vi. any default occurs and continues for one hundred and eighty (180) days under any contract or document relating to any financial indebtedness of the Issuer in excess of ten million Euro (€10,000,000) or its equivalent at any time. For the purposes of this clause, the term financial indebtedness shall have the meaning set out in section 6.3 of the Securities Note.

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 Rizzo, Farrugia & Co (Stockbrokers) Ltd), and any fees payable in connection with the Bond Issue to Rizzo, Farrugia & Co (Stockbrokers) Ltd as Sponsor and Manager, 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

Application Forms mailed to Maturing Bondholders	8 August 2017
Closing date for Applications to be received from Maturing Bondholders	5 September 2017 (by 12:00 hours CET)
Intermediaries Offer*	7 September 2017
Announcement of basis of acceptance	13 September 2017
Commencement of interest	13 September 2017
Dispatch of allotment advices and refunds (if any)	14 September 2017
Expected date of admission of the Bonds to listing	20 September 2017
Expected date of commencement of trading in the Bonds	22 September 2017

* In the event that the total value of Applications received from Maturing Bondholders exceeds €20,000,000, the Intermediaries' Offer will not take place.

REGISTRATION DOCUMENT

Dated 31 July 2017

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.

by

FARSONS GROUP

Farsons

Simonds Farsons Cisk plc

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA
WITH COMPANY REGISTRATION NUMBER C 113

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENT IS 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 HOSOWEVER 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 ADVISER.

APPROVED BY THE DIRECTORS OF SIMONDS FARSONS CISK PLC

Luis Farrugia	
Louis A. Farrugia	**Roderick Chalmers**

signing as Chairman and Director in their own capacity, as Directors of the Company and on behalf of each of Marcantonio Stagno d'Alcontres, Michael Farrugia, Dr Max Ganado, Marina Hogg, Marquis Marcus J Scicluna Marshall and Baroness Christiane Ramsay Pergola.

SPONSOR & MANAGER	REGISTRAR	LEGAL COUNSEL
RIZZO FARRUGIA YOUR INVESTMENT CONSULTANTS	MALTA STOCK EXCHANGE plc	MAMO TCV ADVOCATES

IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON SIMONDS FARSONS CISK PLC IN ITS CAPACITY AS ISSUER 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.

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 SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS REGISTRATION DOCUMENT AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS OR ADVISERS.

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.

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES: 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. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

PROSPECTIVE INVESTORS ARE ADVISED TO READ THE PROSPECTUS IN ITS ENTIRETY AND, IN PARTICULAR, THE SECTIONS ENTITLED "*RISK FACTORS*", FOR AN ASSESSMENT OF THE FACTORS THAT COULD AFFECT THE ISSUER'S FUTURE PERFORMANCE.

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

IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES 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.

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

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED 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 SECURITIES 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.

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.

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

THE 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 ADVISERS.

Table of Contents

1. DEFINITIONS

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

Act	the Companies Act (Cap. 386 of the laws of Malta);
Bonds	the €20,000,000 3.50% bonds 2027 to be issued by the Issuer pursuant to the Prospectus;
CAGR	compound annual growth rate which is worked out in accordance with the following formula: CAGR = [(Ending value/Beginning value) ^ (1/no. of years)] – 1;
Directors or **Board**	the directors of the Issuer whose names are set out under the heading *"Administrative, Management and Supervisory Bodies"*
Euro or **€**	the lawful currency of the Republic of Malta;
Farsons Group or **Group**	the Issuer (as parent company) and its Subsidiaries;
FY15	the financial year ended 31 January 2015;
FY16	the financial year ended 31 January 2016;
FY17	the financial year ended 31 January 2017;
Issuer, **SFC** or the **Company**	Simonds Farsons Cisk plc, a company registered under the laws of Malta with company registration number C 113 and having its registered office at The Brewery, Mdina Road, Mrieħel, Birkirkara, BKR 3000, Malta;
Listing Authority	the Board of Governors, acting as the Listing Authority under the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta);
Listing Rules	the Listing Rules of the Listing Authority;
Malta Stock Exchange or **MSE**	Malta Stock Exchange plc, as originally constituted in terms of the Financial Markets Act (Cap. 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
Memorandum and Articles	the Memorandum and Articles of Association of the Company drawn up in terms of the Act and registered at the Registry of Companies of the MFSA and "**Memorandum**" and "**Articles**" shall be construed accordingly;
MFSA	Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta);
Official List	the list prepared and published by the Malta Stock Exchange, containing information of all listed securities, together with such other information as the Malta Stock Exchange may consider appropriate to include therein;
Prospectus	collectively, this Registration Document, the Securities Note and the Summary Note;
Registration Document	this document in its entirety;

Regulation	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 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of supplements to the prospectus; and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of the prospectus and dissemination of advertisements;
Securities Note	the securities note issued by the Issuer dated 31 July 2017, forming part of the Prospectus;
SFC Group	means the new SFC group after the restructuring takes place, and will comprise of the Issuer together with the following subsidiaries: • Farsons Beverage Imports Company Limited registered under the laws of Malta with company registration number C 476; • Quintano Foods Limited registered under the laws of Malta with company registration number C 33660; • Food Chain Limited registered under the laws of Malta with company registration number C 753; • Ecopure Limited registered under the laws of Malta with company registration number C 19492; • Farsons Distribution Services Limited registered under the laws of Malta with company registration number C 34575; • Galleria Management Limited registered under the laws of Malta with company registration number C 19528; • Portanier Warehouses Limited registered under the laws of Malta with company registration number C 29563; • Malta Deposit and Return System Limited registered under the laws of Malta with company registration number C 38304 – in liquidation; and • FSG Company Limited registered under the laws of Malta with company registration number C 27784 – in liquidation.
Spin-Off	the distribution of a dividend in kind of the Company’s entire shareholding in Trident;

Subsidiaries each of

- EcoPure Limited registered under the laws of Malta with company registration number C 19492;
- Farsons Distribution Services Limited registered under the laws of Malta with company registration number C 34575;
- Farsons Beverage Imports Company Limited registered under the laws of Malta with company registration number C 476;
- Quintano Foods Limited registered under the laws of Malta with company registration number C 33660;
- Food Chain Limited registered under the laws of Malta with company registration number C 753;
- Trident Estates Limited registered under the laws of Malta with company registration number C 27157;
- Portanier Warehouses Limited registered under the laws of Malta with company registration number C 29563;
- Sliema Fort Company Limited registered under the laws of Malta with company registration number C 22415;
- Galleria Management Limited registered under the laws of Malta with company registration number C 19528;
- Mensija Catering Company Limited registered under the laws of Malta with company registration number C 5391;
- Neptune Properties Limited registered under the laws of Malta with company registration number C 79214;
- Trident Park Limited registered under the laws of Malta with company registration number C 79212;
- Malta Deposit and Return System Limited registered under the laws of Malta with company registration number C 38304 – in liquidation; and
- FSG Company Limited registered under the laws of Malta with company registration number C 27784 – in liquidation.

Summary Note the summary note issued by the Issuer dated 31 July 2017, forming part of the Prospectus;

Trident Trident Estates Limited (previously known as Trident Development Limited), a company registered under the laws of Malta with company registration number C 27157 and having its registered office at The Brewery, Mdina Road, Mrieħel, Birkirkara, BKR 3000, Malta; and

Trident Group Trident and its subsidiaries after the restructuring takes place, namely:

- Mensija Catering Company Limited registered under the laws of Malta with company registration number C 5391;
- Sliema Fort Company Limited registered under the laws of Malta with company registration number C 22415;
- Trident Park Limited registered under the laws of Malta with company registration number C 79212; and
- Neptune Properties Limited registered under the laws of Malta with company registration number C 79214.

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

Unless it appears otherwise from the context:

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

2. RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND NEITHER THE ISSUER IS IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

IMPORTANT FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THE EXPECTATIONS OF THE ISSUER'S DIRECTORS INCLUDE THOSE RISKS IDENTIFIED UNDER THIS SECTION 2 AND ELSEWHERE IN THE PROSPECTUS. IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER'S FINANCIAL RESULTS AND TRADING PROSPECTS AND ON THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES TO BE ISSUED IN TERMS OF THE PROSPECTUS. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE ISSUER AS AT THE DATE OF THE PROSPECTUS, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER MAY FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER AND DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER.

NEITHER THE PROSPECTUS NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH SECURITIES ISSUED BY THE ISSUER: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION (II) NOR 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 SECURITIES ISSUED BY THE ISSUER. PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.

2.1 Forward-looking statements

The Prospectus and the documents incorporated therein by reference or annexed thereto contain forward-looking statements that include, among others, statements concerning the 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. Investors can generally identify forward-looking statements by the use of terminology such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", or similar phrases. These forward-looking statements are inherently subject to a number of risks, uncertainties and assumptions.

Accordingly, the Issuer cautions prospective investors that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied by such statements, that such statements do not bind the Issuer with respect to future results and no assurance is given that the projected future results or expectations covered by such forward-looking statements will be achieved. All forward-looking statements contained in the Prospectus are made only as at the date hereof. The Issuer and its respective directors expressly disclaim any obligations to update or revise any forward-looking statements contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

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

2.2 Risks relating to the Group and its Business

• Concentration and Dependence on the Maltese Market

The business activities of the Farsons Group are predominantly concentrated in and aimed at the Maltese market. Accordingly, the Group is highly susceptible to local economic trends, and negative economic factors and trends, particularly those influencing consumer demand, may have a negative impact on the business of the Group.

• Seasonality

The Group operates in markets which are highly seasonal with higher demand in summer being attributable to hotter temperatures and the increased number of tourist arrivals in Malta. A fall in the number of tourist arrivals in Malta and lower-than-average summer temperatures may both have a negative impact on the demand for the Group's products.

• Dependence on Export Markets

The Group's exports initiative is dependent for its success on the legal, fiscal, cultural and religious norms prevalent in overseas markets. Changes therein may influence the Group's profitability.

• Consumer Trends

The Group markets a collection of branded products which are easily recognisable by the customer. Maintaining the Group's competitive position depends on its continued ability to offer products that have a strong appeal to consumers. Patterns in consumer trends may change due to a variety of factors including changes in taste, social trends, travel and vacation patterns, weather effects and general economic conditions which could affect consumer spending and demand. Consumer trends are also impacted by the incidence of widespread disease in livestock and poultry either in Malta or abroad. The emergence of such a disease could also affect the demand for those Group products which contain ingredients linked to the disease. Consumer demand is also shaped by attitudes towards sugar consumption both locally and abroad. Such changes may consequently affect the profitability of the Group.

• Competition

The Group is exposed to substantial competition in all its business segments both locally and overseas. Increased competition, particularly in the parallel importation of beverages, and unanticipated actions by competitors or customers could lead to downward pressure on the prices of the Group's products and/or a decline in the Group's market share. This could have a negative impact on the Group's operating results and its ability to fulfil its obligations under the Bonds.

• Input Costs

Raw materials used in the production process of some of the Group's products are predominantly commodities that are subject to the price volatility on international markets caused by changes in the demand and supply for these products. The Group may be negatively affected by increases in such prices, if it is not able to pass on such prices to the consumer. Similarly, increased utility and personnel costs could have a material negative impact on the results of the Group.

• Personnel

The Group's growth is in part attributable to the efforts and abilities of the members of its executive management team and other key personnel. If one or more of the members of this team were unable or unwilling to continue in their present position, the Group might not be able to replace them within the short term, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's operational results are also heavily dependent on maintaining good relations with its workforce. A number of the Group's workforce in various operations is unionised. Any work stoppages or strikes could adversely affect the Group's ability to operate its businesses.

• Dependence on Plant, Equipment, Components and Machinery

The Group depends on key pieces of plant, equipment, components and machinery. If any such plant, equipment, component or machinery succumb to breakdown or cease to operate and a replacement is not readily available and/or there are operational difficulties in the supply chain, then the Group's production and ability to fulfil its contractual commitments would be adversely impacted, thereby having a material negative impact on the Group's business, financial condition, results of operations and prospects.

• Information Technology

The Group is dependent on a number of information technology systems for the smooth running of its production lines as well as in its administration. A significant breakdown in these computerised systems including but not limited to power losses, security breaches, computer viruses and vandalism or other illegal acts may affect the operations of the Group and consequently its profitability.

• Distribution and Franchise Relationships

The Group is highly dependent on its relationship with its distributors and franchisors. The Group's core business and the business of importation and sale of beverages including wines and spirits is dependent on the renewal of representation and distributorship agreements with the proprietors of the international brands that it represents. The relationship between the franchisor and the franchisee is a key ingredient in the ongoing success of Food Chain Limited which has operated Pizza Hut™, Burger King™ and KFC™ since the early nineties. Whilst the relationship between franchisor and franchisee remains a positive one, no assurances can be given that circumstances may not change negatively in the future.

This dependence could adversely affect the Issuer's operating results and growth strategy if it is unable to maintain the existing relationships or replace them with alternative relationships on equally favourable terms.

• Regulatory and Taxation

The Group's operations are subject to a significant degree of regulation. Changes in the law or regulations governing its products, in particular increases in indirect taxes, could impact negatively the Group's financial results if these are associated with increased costs to the Group. Furthermore, failure to maintain and/or obtain any necessary licences could have a negative impact on the Group's business and its operational results.

• Contamination, Complaints and Reputation Risk

The Group relies heavily on the reputation of its branded products. An event, or series of events, that materially damage/s the reputation of one or more of the Group's franchise brands could have an adverse effect on the value of that brand and subsequent revenues from that brand or business.

Contamination 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, especially in the case of its leading brands such as Cisk™ and Kinnie™. 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 beverage and food sector are occasionally exposed to litigation relating to alcohol advertising, alcohol abuse problems or the health consequences from the misuse of alcohol, complaints or litigation from customers alleging food related illnesses, injuries suffered on the Group's premises or other food quality/health concerns. If such complaints/litigation result in fines or damage to the Group's reputation, the Group's business could also be impacted.

• Spin-Off

The shareholders of the Issuer have, at the annual general meeting held on 27 June 2017, approved the Spin-Off of Trident and its subsidiaries from the Company through the distribution of an interim dividend in kind of the Company's entire shareholding in Trident.

i. Reduction in the Company's fixed assets: should the Spin-Off materialise, a number of entities currently making up the Group will no longer form part of the Group, thereby reducing the fixed asset base of the Group which could impact the Company's ability to fulfil its obligations under the Bonds;

ii. Change in the nature of the Company's assets: should the Spin-Off materialise, a number of entities currently making up the Group will no longer form part of the Group thereby reducing the asset base of the Group. The nature of the assets that will no longer form part of the Group mainly relates to immovable property and therefore the diversity of the nature of assets will decrease altering the risk profile of the Company;

iii. Loss of income from the Trident Group: should the Spin-Off materialise, the Company will no longer receive income derived from dividends receivable from Trident;

iv. Lease Agreements: should the Spin-Off materialise, the Group will no longer hold title to a number of the properties used for its operating activities. Whilst the Group will ensure that a number of lease agreements are in place with companies forming part of the Trident Group in relation to such properties, said arrangement will give rise to counter-party risks should any company in the Trident Group not perform in line with its obligations under the lease agreements; and

v. Increase in the Company's level of financial gearing: should the Spin-Off materialise, the consequent reduction in equity would result in an increase in the Group's financial gearing.

• Financial Risk

The Group's activities potentially expose it to a variety of financial risks: market risk (including cash flow interest rate risk and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Issuer's financial performance.

i. Cash Flow and Fair Value Interest Rate Risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates, comprising bank borrowings, expose the Group to cash flow interest rate risk. The Group's bank borrowings are subject to an interest rate that varies according to revisions made to the underlying reference rate.

ii. Credit Risk

Financial assets that potentially subject the Group to concentrations of credit risk consist principally of cash at banks and debtors. The Group's cash is placed with prime financial institutions. The Group has no concentration of credit risk that could materially impact on the sustainability of its operations. However, in common with similar business concerns, the failure of specific large customers could have a material impact on the Group's results.

iii. Liquidity and Funding

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally creditors and interest-bearing borrowings. The Group uses both the capital markets and banks to obtain debt finance for its operations. Changes in banking risk appetite caused by international financial turmoil may impact the willingness of banks to provide loans to companies. Also, changes in demand for debt instruments on capital markets could have an adverse impact on the Group's operations.

• Interest Rate

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 profitability. The Issuer is 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. Bank loans expose the Issuer to cash flow interest rate risk. Changes in interest rates can have an adverse effect on the financial position and profitability of the Issuer.

• Foreign Exchange Risk

The Group is exposed to foreign exchange risk arising from commercial transactions and recognised assets and liabilities, which are denominated in a currency that is different from the Group's functional currency. Although the majority of the Group's business transactions are in Euro, fluctuations in exchange rates of the euro against the functional currencies for the purchase or sale of transactions may adversely affect the results of the Group when translated into Euro. On specific transactions, the Group uses forward contracts to hedge its exposure to fluctuations in foreign currency exchange rates.

• Counterparty Risk

This risk arises from credit exposures to counterparties including amounts receivable from Group Companies. Failure on the part of counterparties to fulfil their obligations may impact the business of the Issuer. The Issuer does not hold any collateral as security in this respect.

• Potential Claims and Complaints

The Group's success in the market 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 Group's various business segments, 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 Group may be subject to litigation. Litigation is expensive, time consuming and may divert management's attention away from the operation of the business. In addition, the Group cannot be certain that its insurance coverage will be sufficient to cover one or more substantial claims.

• Insurance Coverage Risk

Historically, the Group has maintained insurance at levels which it determines 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 Group is covered by its policies, it may be difficult and may take time to recover such losses from insurers. In addition, the Group may, in some cases, not be able to recover the full amount 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.

3. RESPONSIBILITY STATEMENT

This Registration Document includes information prepared in compliance with the Listing Rules of the Listing Authority for the purpose of providing investors with information with regard to the Issuer. Each and all of the Directors of the Issuer whose names appear under the heading *"Directors and Company Secretary"* in section 7.1 of this Registration Document, are the persons responsible for the information contained herein. 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.

4. ADVISERS TO THE ISSUER AND STATUTORY AUDITORS

The persons listed below have advised and assisted the Directors of the Issuer in the drafting and compilation of the Prospectus.

4.1 Advisers to the Issuer

Legal Counsel to the Issuer
Name: Mamo TCV Advocates
Address: 103, Palazzo Pietro Stiges, Strait Street, Valletta VLT 1436 – MALTA

Sponsor and Manager
Name: Rizzo, Farrugia & Co. (Stockbrokers) Limited
Address: Airways House, Third Floor, High Street, Sliema SLM 1549 – MALTA

Registrar
Name: Malta Stock Exchange plc
Address: Garrison Chapel, Castille Place, Valletta VLT 1063 – Malta

4.2 Statutory Auditors

Name: PricewaterhouseCoopers
Address: 78, Mill Street, Qormi QRM 3101 – MALTA

The annual statutory financial statements of the Issuer for the financial years ended 31 January 2015, 2016 and 2017 have been audited by PricewaterhouseCoopers. PricewaterhouseCoopers is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta).

5. INFORMATION ABOUT THE ISSUER

5.1 Information about the Issuer

Full Legal and Commercial

Name of the Issuer:	Simonds Farsons Cisk plc
Registered Address:	The Brewery, Mdina Road, Mrieħel, Birkirkara, BKR 3000, Malta
Place of Registration and Domicile:	Malta
Registration Number:	C 113
Date of Registration:	4 September 1965
Legal Form:	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act
Telephone Numbers:	+356 2381 4291
Email:	sfc@farsons.com
Website:	www.farsons.com

5.2 History and Development of the Issuer

The origins of Simonds Farsons Cisk plc date back to 1928 when the first locally brewed beer, Farsons Pale Ale was launched in 1928 by L. Farrugia & Sons Limited a few months after the Company's Hamrun Brewery was completed. A year later, L. Farrugia & Sons merged with H & G Simonds, brewers from Reading in the UK who were engaged in the shipment of regular supplies of beer to the island since 1880. The new Company was called Simonds Farsons Limited.

Simonds Farsons Cisk Limited came into being in 1948 as the result of a merger between Simonds Farsons Limited and The Malta Export Brewery which was a competing brewery marketing its Cisk Pilsner beer in Malta and North Africa. Following this merger, it was decided to invest in a new brewery, and construction works started on a site at Mrieħel. Construction of the brewery was carried out under the direction of the Managing Director Mr Lewis V. Farrugia, an architect by profession. Mr Farrugia dedicated two years in developing a plan and project which, according to his experience, would meet the requirements of the market. The brewery was formally inaugurated in July 1950. A beer packaging hall was then commissioned in 1974, a state of the art fully automated brewing process plant that included an extensive tank farm facility, was inaugurated in 1990 and by 2008, the Company inaugurated a new soft drinks packaging hall incorporating plastic PET packaging facilities, a logistics centre and administrative offices in response to Malta's accession to the European Union and the resultant full liberalisation of the local carbonated soft drinks market. A new brewhouse was inaugurated in September 2012. This investment completed the last phase of the Master Plan that was initiated in the 1980's. In 2016, a new Beer Packaging Facility was commissioned. The new facilities introduced along the years enhanced Farsons' brewing capabilities and paved the way for new opportunities.

A year after the inauguration of the Mrieħel brewery, Simonds Farsons Cisk Limited diversified into the production of soft drinks and the next significant milestone was the development of Kinnie™, a bittersweet non-alcoholic drink made from oranges and aromatic herbs. Kinnie™, manufactured and marketed under its own trademark and label, was launched in 1952.

In 1978, the Company acquired the Malta Bottling Co. Ltd which held the franchise to manufacture and bottle Pepsi-Cola in Malta. PepsiCo International Limited appointed the Company the exclusive franchisee to produce, bottle, sell and distribute the 7Up™ brand in 2002.

EcoPure Limited was set up in 1995 to bottle and distribute drinking water in 18.9 litre and 11 litre bottles, as well as providing water coolers and dispensers for rental or purchasing.

During Mr Anthony Miceli-Farrugia's tenure, the Company diversified into the catering business through Express Catering Company Limited, operator of Wimpy™ restaurants chain, and the development of the Fortizza restaurant. The importation of wines and spirits was consolidated by the formation of a dedicated company, Wands Limited.

Mr Louis Anthony Farrugia, son of Lewis, was appointed Managing Director in 1980. Over a number of years, rights were acquired to operate the Pizza Hut™, Burger King™ and KFC™ franchises in Malta. The Group's fast food and casual dining business today encompasses fourteen outlets and is conducted through three subsidiaries.

The beverage importation business operated through Wands Limited was enhanced through the acquisition of Anthony Caruana & Sons Limited in 2000 and of the Guido Vella Cash & Carry three years later. All operations were merged into Farsons Beverage Imports Company Limited in 2009. This company is mainly engaged in the importation and distribution of wines, spirits and beers and operates Farsonsdirect, a retail outlet situated adjacent to the Farsons brewery, as well as its online retail website.

In 2004, the Group moved into the food importation sector through the acquisition of the business of Law Quintano & Co. Limited through Quintano Foods Limited. The company is engaged in the importation, marketing and distribution of branded food products. Trident (previously Trident Developments Limited) was established with the objective of owning, managing and developing the Group's substantial property interests.

With the onset of full liberalisation of the local soft drinks market, the Company invested in a technologically advanced PET soft drinks packaging plant and in a centralised logistics centre including modern automated warehousing facilities and an effective distribution set up and subsequently, a state of the art new Brewhouse which was inaugurated in 2012.

In 2016, a new beer packaging facility complete with its own warehouse complex came on train allowing increased efficiency and opening up a number of packaging solutions which were previously unavailable.

From a corporate perspective, in 1995 Simonds Farsons Cisk became the first private sector company to list its equity on the Malta Stock Exchange.

5.3 Key Financial Review

This section sets out highlights taken from the audited consolidated financial statements of the Issuer for each of the financial years ended 31 January 2015, 2016 and 2017. The said statements are available for inspection as set out under the heading *"Documents available for inspection"* in section 15 of this Registration Document.

There were no significant changes to the financial or trading position of the Issuer from that presented in its financial statements for the financial year ended 31 January 2017.

5.3.1 *Consolidated Income Statement*

Consolidated Income Statement	FY15	FY16	FY17
	€'million	€'million	€'million
Revenue	**79.2**	**86.0**	**88.1**
Cost of sales	(49.7)	(53.0)	(53.7)
Gross Profit	**29.5**	**33.0**	**34.4**
Selling & distribution costs	(9.8)	(10.2)	(10.7)
Administrative expenses	(9.6)	(11.1)	(10.8)
Other operating expenses	(0.4)	(0.2)	–
Operating Profit	**9.7**	**11.5**	**12.9**
Finance costs (net of finance income)	(1.5)	(1.4)	(1.5)
Profit before tax	**8.2**	**10.1**	**11.4**
Tax	5.2	0.9	0.5
Profit for the year from continuing operations	**13.4**	**11.0**	**11.9**
Profit/(loss) for the year from discontinued operations	(5.4)	0.2	0.2
Profit for the year	**8.0**	**11.2**	**12.1**

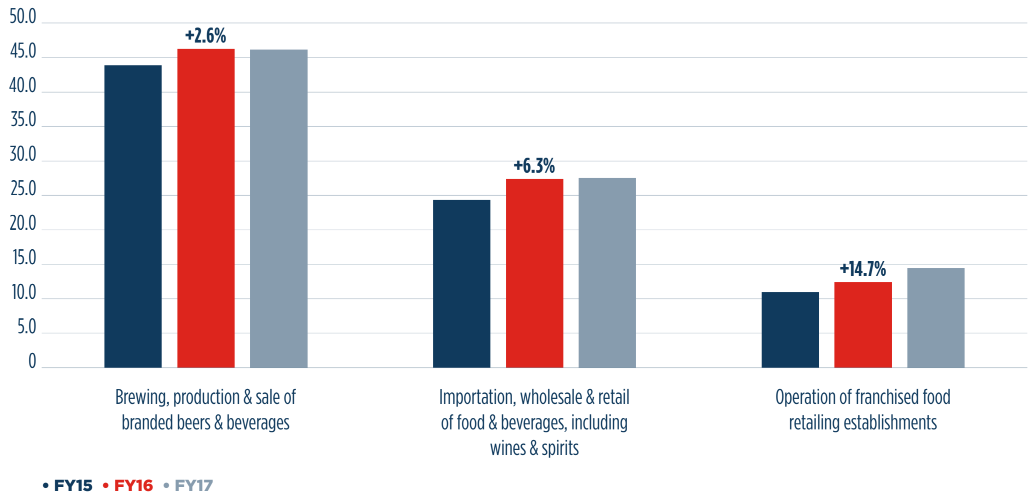
The audited financial statements for the periods under review include a categorisation of the Group's results between continuing and discontinued operations. The discontinued operations relate primarily to the Group's property management business segment which, as outlined further in section 5.4, is in the process of being separated from the Group's other business activities through the Spin-Off. The analysis shows that the discontinued operations had a significant impact on the results of FY15, with a net loss of €5.4 million recorded with respect to these operations, and a negligible overall impact in FY16 and FY17. The loss in FY15 arose primarily due to an impairment charge that had been recognised in relation to the Group's property portfolio.

The reported results also reflect net tax income being recognised throughout the period under review. This is mainly due to the recognition of deferred tax assets arising on unutilised tax credits available to the manufacturing arm of the Group. The application of investment tax credits schemes has become more restrictive in respect of large undertakings and this has led the Group to reassess the extent to which the related deferred tax may be utilised in the foreseeable future. This reassessment resulted in the recognition of further deferred tax assets on investment aid of €5.3 million in FY15, €1.1 million in FY16 and €1.4 million in FY17.

The Consolidated Income Statements indicate that the Group's profits before tax have increased from €8.2 million in FY15 to €11.4 million in FY17. The improvement in results reflects a combination of increased business levels as well as the implementation of production and operational efficiencies.

The Group's total revenue reached €88.1 million in FY17, up from €79.2 million in FY15, equivalent to a CAGR of 5.5% over the period. As illustrated by the table below, the Group experienced growth in revenues across all its principal business segments, including beverages (revenue CAGR of 2.6% in FY15 – FY17), food importation (revenue CAGR of 6.3% in FY15 – FY17) and franchise food outlets (revenue CAGR of 14.7% in FY15 – FY17).

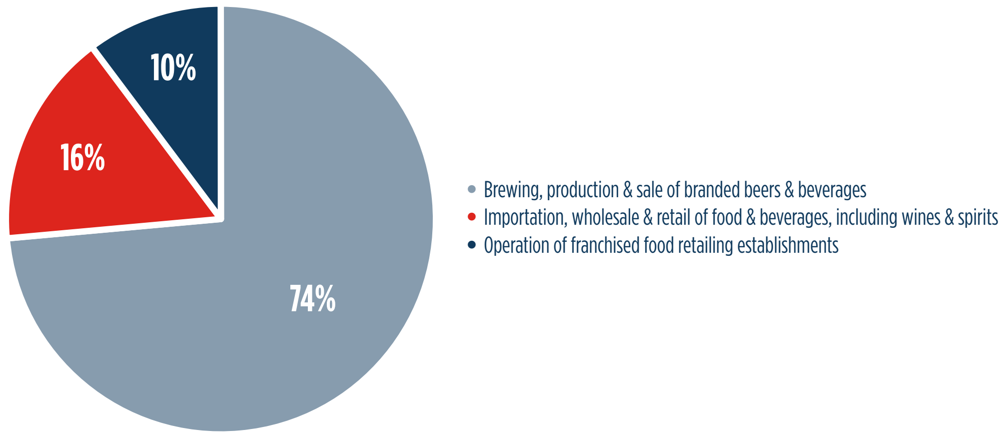
Analysis of revenue by business segment (FY15 – FY17)



The Group has invested significantly in its operational assets to improve efficiency and reduce production costs. Operating profit increased from €9.7 million in FY15 to €12.9 million in FY17, with the operating profit margin increasing from 12.2% to 14.6%. The marked increase in the Group's operating profit margin primarily reflects the improved efficiencies in production and operations across all business segments.

The chart below illustrates the composition of the Group's FY17 operating profit by business segment. The analysis highlights the relative importance of the beverage business to the Group, which segment accounted for 74% of the Group's operating profit in FY17.

Analysis of FY17 Operating Profit by Business Segment



5.3.2 Consolidated Statement of Comprehensive Income

Consolidated Statement of Comprehensive Income	FY15	FY16	FY17
	€'million	€'million	€'million
Profit for the year	**8.0**	**11.2**	**12.1**
Other comprehensive income:			
Items that will not be re-classified to profit or loss:			
Movement in deferred tax due to change in tax rates on immovable property	–	1.1	–
Revaluation surplus, net of deferred tax	–	–	4.7
Items that may be subsequently reclassified to profit or loss:			
Cash flow hedges, net of deferred tax	(0.5)	(0.1)	0.2
Total comprehensive income for the year	**7.5**	**12.2**	**17.0**

The principal items included in the Consolidated Statements of Comprehensive Income for the periods include the recognition of a revaluation surplus on the Group's property portfolio of €4.7 million recognised in FY17 and the effect of the change in tax rates on immovable property that resulted in the recognition of income of €1.1 million in FY16.

5.3.3 *Summary Consolidated Statement of Financial Position*

Consolidated Statement of Financial Position	FY15	FY16	FY17
	€'million	€'million	€'million
ASSETS			
Property, plant & equipment	80.2	90.0	110.9
Trade and other receivables	1.4	2.8	3.0
Other non-current assets	2.4	4.8	4.1
Total non-current assets	**84.0**	**97.6**	**118.0**
Inventories	11.1	12.3	14.6
Trade and other receivables	16.6	18.5	18.3
Other current assets	4.9	2.6	0.8
Total current assets	**32.6**	**33.4**	**33.7**
Non-current assets classified as held for sale	**33.0**	**31.6**	**31.2**
Total Assets	**149.6**	**162.6**	**182.9**
EQUITY & LIABILITIES			
Share capital	9.0	9.0	9.0
Reserves	91.2	100.5	114.3
Total equity	**100.2**	**109.5**	**123.3**
Borrowings	22.5	23.8	31.6
Other non-current liabilities	2.7	2.3	1.6
Total non-current liabilities	**25.2**	**26.1**	**33.2**
Borrowings	1.8	3.0	4.4
Trade and other payables	16.7	20.1	19.0
Other current liabilities	0.8	1.1	0.9
Total current liabilities	**19.3**	**24.2**	**24.3**
Liabilities directly attributable to non-current assets held for sale	4.9	2.8	2.1
	24.2	**27.0**	**26.4**
Total liabilities	**49.4**	**53.1**	**59.6**
Total Equity & Liabilities	**149.6**	**162.6**	**182.9**

The Group's Consolidated Statement of Financial Position as at FY17 indicates total assets of €182.9 million, an increase of €33.3 million (+22%) on the position reported in FY15. This increase reflects the significant investments made by the Group in this period, particularly with respect to an investment of circa €26.2 million in the new beer packaging hall, which is reflected in the increase in the carrying amount of property, plant & equipment from €80.2 million in FY15 to €110.9 million in FY17.

Other significant assets held by the Group include trade and other receivables of €21.3 million (FY15: €18.0 million) and inventory of €14.6 million (FY15: €11.1 million). The movement in these assets reflects the increase in the Group's level of business during this period.

The book value of the Group's equity increased by €23.1 million (+23%) to €123.3 million as at 31 January 2017. The Group has distributed total dividends of €8.7 million between FY15 and FY17, which is equivalent to 24% of the total comprehensive income recognised in the period.

The Group's total liabilities increased by €10.2 million (+22%) from €49 million as at FY15 to €59.6 million as at FY17. This increase primarily reflects an increase in the level of borrowings, which increased from €24 million in FY15 to €36 million in FY17 in line with bank facilities drawn down to finance the Group's capital investments in the period.

The table below illustrates the capital and indebtedness of the Group in the past three financial years. As at 31 January 2017, the Group reported net debt (which refers to the Group's total borrowings net of cash balances) of €35.2 million, which equates to a financial gearing level (worked out as net debt as a percentage of total funding) of 22.2%. The analysis indicates that in line with the increase in the overall level of borrowings, the Group's financial gearing has stepped up from 16.5% in FY15 to 22.2% in FY17.

Statement of Group's Indebtedness	FY15	FY16	FY17
	€'million	€'million	€'million
Bonds	14.8	14.8	15.0
Bank Loans	9.4	10.7	18.0
Bank Overdraft	0.1	1.3	2.1
Finance lease liabilities	–	–	0.9
Total Borrowings	**24.3**	**26.8**	**36.0**
Cash and Cash Equivalents	(4.5)	(2.4)	(0.8)
Net Debt	**19.8**	**24.4**	**35.2**
Total Equity	100.2	109.5	123.3
Total Funding	**120.0**	**133.9**	**158.5**
Financial Gearing (Net Debt: Total Funding)	***16.5%***	***18.2%***	***22.2%***

5.3.4 Summary Consolidated Cash Flow Statement

Consolidated Cash Flow Statement	FY15	FY16	FY17	Total FY15 – FY17
	€'million	€'million	€'million	€'million
Cash flows from operating activities				
Cash generated from operations	17.8	18.2	15.5	51.5
Net Interest payments	(1.5)	(1.3)	(1.5)	(4.3)
Income tax paid	(0.7)	(0.4)	(0.9)	(2.0)
Net cash generated from operating activities	**15.6**	**16.5**	**13.1**	**45.2**
Cash flows from investing activities				
Purchase of property, plant and equipment	(6.8)	(16.9)	(18.7)	(42.4)
Purchase of investment property and intangibles	(0.6)	(1.9)	(1.4)	(3.9)
Proceeds from disposal of assets	–	0.3	0.4	0.7
Institutional grants received	0.4	0.5	–	0.9
Net cash flows used in investing activities	**(7)**	**(18)**	**(19.7)**	**(44.7)**
Proceeds from non-current borrowings	–	3.1	9.1	12.1
Payments of current and non-current borrowings	(1.7)	(1.8)	(1.8)	(5.3)
Dividends paid	(2.5)	(3.0)	(3.2)	(8.7)
Net cash flows (used in)/from financing activities	**(4.2)**	**(1.7)**	**4.1**	**(1.8)**
Cash movement in the period	**4.4**	**(3.2)**	**(2.5)**	**(1.3)**
Beginning of Year Cash and Cash equivalents	–	4.4	1.2	
End of Year Cash and Cash equivalents	**4.4**	**1.2**	**(1.3)**	

The Group's Consolidated Cash Flow Statements indicate that the Group's operations have generated aggregate cash of €45.2 million in the 3-year period between FY15 and FY17. This cash generation has been applied towards the repayment of debt (€5.3 million) and payment of dividends (€8.7 million) with the balance (€31.3 million) re-invested into the business and applied towards the financing of the Group's capital investments during the said period. The cash flows analysis also indicates that the Group's total cash investment in the period amounted to €46.3 million, including €42.4 million relating to the acquisition of property, plant & equipment and €3.9 million relating to the acquisition of investment property and intangible assets.

5.4 The Spin-Off

At the annual general meeting held on the 27 June 2017, the Company's shareholders approved a resolution for the Group to proceed with the Spin-Off.

The Group has, over the years, acquired a significant base of real estate. The statement of financial position as at 31 January 2017 reports a total property holding of €104.8 million, which consists of €73.6 million classified as property, plant & equipment and €31.2 million as investment property held for sale. Although most of this real estate portfolio is utilised within the Group's core beverage and food operations, the portfolio also includes properties that offer scope for re-development given that they are currently under-utilised.

Over the past two decades, members of the Board and executive management of the Group have been heavily involved in developing and implementing a long-term capital expenditure programme that has been directed at transforming SFC in line with market and strategic exigencies. The continued investment in new production facilities and the resultant relocation of the operational facilities to the south of the Farsons' brewery, have gradually freed up a substantial area at the front of the brewery site in Mrieħel (referred to hereinafter as the "**Brewery Façade**"). Over the past few years, the Directors have been actively evaluating the viability of redeveloping the area occupied by the Brewery Façade into an office business complex with an accompanying car park and other amenities (hereinafter referred to as the "**Trident Park Project**").

Trident House, situated at 303, Qormi Road, Marsa, is another property that the Board believes offers significant development potential. The Group's food importation arm and the head office of the franchised foods business currently occupies approximately half of the footprint of this site, with the remaining part of the footprint currently vacant. Although a detailed study on the potential development of this site has yet to be undertaken, it is evident that redeveloping this site would significantly enhance the value that could be extracted from this asset.

The development of under-utilised real estate, particularly the Brewery Façade and Trident House, is essential to unlock the full value of these sites and continue to extract maximum value for the shareholders from the extensive property portfolio owned by the Group.

The development of properties such as the Brewery Façade and Trident House constitute major real estate projects, and the implementation of such projects requires appropriate expertise and undivided and effective management focus. Furthermore, the potential scale of these projects means that they will require significant capital investment. The financing of such projects could therefore impinge on the Group's debt service capacity and hence potentially affect its ability to finance continuing investment in its core beverage and food operations.

For these reasons, it has been resolved to separate a portion of the Group's property portfolio into a new structure, which will be totally separate from the shareholding in its core beverage and food operations.

Trident, which, together with its subsidiaries, already owns a substantial portion of the properties that have been identified for inclusion in the scope of the Spin-Off, is used as the vehicle for implementing the proposed separation. To this effect, in the past few months, the Group commenced the restructuring process through which individual properties and shareholdings in subsidiaries will be transferred to/from Trident in order to reflect the proposed allocation of properties as outlined in section 5.4.1. The process of transferring titles to individual properties to/from Trident will be completed by the date of the Spin-Off, which is planned to be implemented in the last quarter of 2017.

5.4.1 Properties to be included as part of the scope of the Spin-Off

The Group has carried out a detailed analysis of its real estate portfolio to identify the specific properties that will be included within the scope of the proposed restructuring.

The properties that will be included within the scope of the Spin-Off are set out below:

Properties for redevelopment	Properties used by the Group's franchised food operations	Properties rented to third parties
Brewery Façade, Mdina Road, Mrieħel	Pizza Hut, Bisazza Street, Sliema	Scotsman Pub, St George's Road, St Julian's
Trident House, Qormi Road, Marsa	Pizza Hut, South Street, Valletta	Fresco's, Tower Road, Sliema
	Burger King, Wilga Street, Paceville	Sardinella, St George's Road, St Julian's
	KFC, Msida Road, Gzira	Sliema Point Battery (Il-Fortizza), Tower Road, Sliema
	Pizza Hut, St George's Road, St Julian's	

The properties above include those identified for re-development, such as the Brewery Façade, as well as other properties that are either used by the Group's franchised food operation or that are being rented out to third parties. The aggregate valuation of the properties as at 25 May 2017 is of €31.2 million.

The ownership of other properties that currently support (or which may in the future be required to support) the Group's manufacturing and importation operations, is retained by SFC. This will ensure that the SFC preserves a substantial asset base that will support the operations and provide adequate cover on existing liabilities, as well as a platform for raising finance as and when required.

SFC will also retain ownership of the listed Grade 2 Farsons' old brewhouse situated in Mdina Road, Mrieħel and will therefore undertake the conversion, rehabilitation and re-utilisation of this property, which development is expected to commence later this year. The project will include the conversion of approximately 7,000 square metres of industrial space, including a visitor centre experience with supporting food and other retail outlets, flexible workspace and additional amenities with all components remaining mostly unaltered and the special interest interiors professionally restored. This development will be an important milestone in the continued development of SFC's brand identity and the protection of the Group's industrial heritage. For these reasons, the Directors believe that ownership and control of the project should be retained by SFC.

5.5 Pro forma financial information

This section of the Registration Document sets out an illustration of the financial implications of the restructuring and eventual Spin-Off on the consolidated results and financial position of the SFC Group. The illustration is based on extracts from the pro forma consolidated income statement and consolidated statement of financial position of the Group for the financial year ended 31 January 2017, which are set out in Annex I to the Registration Document. The pro forma statements assume that the Spin-Off was hypothetically implemented on 1 February 2016. The pro forma financial information has been prepared for illustrative purposes only. It addresses a hypothetical situation and, therefore, does not represent the Group's actual financial position or results.

5.5.1 Illustrating the effect of the Spin-Off on the Group's operating results

The table below sets out a comparison between the Group's consolidated results for the year ended 31 January 2017 and the pro forma results that would have resulted assuming the Spin-Off had been implemented on 1 February 2016.

Statement illustrating the effect of the Spin-Off on the Consolidated Statement of Comprehensive Income of the SFC Group	31 January 2017 Actual	31 January 2017 Pro forma	Change (+/-)
	€'million	€'million	€'million
Revenue	**88.4**	**88.1**	**(0.3)**
Cost of sales	(53.9)	(54.3)	(0.4)
Gross Profit	**34.5**	**33.8**	**(0.7)**
Selling & distribution costs	(10.7)	(10.7)	-
Administrative expenses	(10.9)	(10.9)	-
Operating Profit	**12.9**	**12.2**	**(0.7)**
Gain on re-measurement of investment property	0.9	0.2	(0.7)
Finance costs	(1.5)	(1.5)	-
Profit before tax	**12.3**	**10.9**	**(1.4)**
Tax	(0.2)	0.2	0.4
Profit for the year	**12.1**	**11.1**	**(1.0)**
Other comprehensive income	4.9	1.3	(3.6)
Total comprehensive income for the year	**17.0**	**12.4**	**(4.6)**

Note: The 31 January 2017 actuals in the table above include the results of both continued and discontinued operations as extracted from the audited financial statements of SFC. This is illustrated further in Annex I to the Registration Document.

The pro forma comparison indicates that the Spin-Off would have resulted in a reduction of €4.6 million in the Group's consolidated comprehensive income for the year from the reported result of €17.0 million. The pro forma reduction in comprehensive income of €3.6 million reflects the gain of €4.1 million arising from changes in the fair value of those properties that are being transferred to Trident as part of the scope of the Spin-Off, net of the related deferred tax. Excluding this adjustment, the pro forma effect of the Spin-Off on the Group's reported results in FY17 is of €0.5 million as follows:

Analysis of pro forma reduction in comprehensive income		
	€'million	€'million
Pro forma reduction in comprehensive income		4.6
Increase in fair value of properties included as part of the scope of the Spin Off	4.8	
Deferred tax effect of movements in fair value	(0.7)	
Net effect of movement in fair value of properties		(4.1)
Pro forma reduction in the Group's profits arising from other adjustments		**0.5**

The pro forma reduction in the profits of €0.5 million is a more appropriate illustration of the impact of the Spin-Off on the SFC Group's profitability. The pro forma reduction in profits can be explained by the following broad movements:

i. The rental charge paid by the SFC Group on the properties owned by the Trident Group. This charge, which will amount to €0.7 million as per revised lease agreements effective 1 February 2017, will no longer be eliminated upon the consolidation of the results of the SFC Group;

ii. The loss of rental income received from third parties on the properties owned by the Trident Group, which amounted to €0.3 million in FY17;

iii. The reduction in Group's operating costs on account of ground rent currently incurred on properties owned by the Trident Group (€0.2 million in FY17) and operating expenses relating to the Trident Group (€0.1 million in FY16); and

iv. The related tax effect of items i, ii and iii above, calculated at the standard corporate tax rate of 35% and resulting in a pro forma reduction of €0.2 million in the Group's corporate tax expense.

5.5.2 Illustrating the effect of the Spin-Off on the Group's financial position

The table below sets out a comparison between the Group's consolidated statement of financial position as at 31 January 2017 and the pro forma position that would have resulted assuming the Spin-Off had been implemented on 1 February 2016.

Statement illustrating the effect of the Spin Off on the Consolidated Statement of Financial Position of the Group	31 January 2017 Actual	31 January 2017 Pro forma	Change (+/-)
	€'million	€'million	€'million
ASSETS			
Property, plant & equipment	110.9	110.9	–
Investment property	31.2	–	(31.2)
Deferred tax asset	3.5	3.5	–
Other non-current assets	3.6	3.6	–
Total non-current assets	**149.2**	**118.0**	**(31.2)**
Cash & cash equivalents	0.8	0.8	–
Other current assets	32.9	32.9	–
Total current assets	**33.7**	**33.7**	–
Total Assets	**182.9**	**151.7**	**(31.2)**
EQUITY & LIABILITIES			
Share capital	9.0	9.0	–
Reserves	114.3	78.2	(36.1)
Total equity	**123.3**	**87.2**	**(36.1)**
Deferred tax liabilities	1.8	–	(1.8)
Borrowings	31.6	31.6	–
Other non-current liabilities	1.9	1.6	(0.3)
Total non-current liabilities	**35.3**	**33.2**	**(2.1)**
Current tax liabilities	0.6	0.6	–
Borrowings	4.4	11.3	6.9
Other current liabilities	19.4	19.4	–
Total current liabilities	**24.4**	**31.3**	**6.9**
Total liabilities	**59.7**	**64.5**	**4.8**
Total equity & liabilities	**182.9**	**151.7**	**(31.3)**

Note: The 31 January 2017 actuals in the table above include the reclassification of balance, which in the audited financial statements and in the financial information set out in section 5.3 are disclosed as non-current assets held for resale and liabilities relating to non-current assets held for resale. The reclassification of amounts is illustrated further in Annex I to the Registration Document.

The comparison indicates that the Spin-Off would have reduced the SFC Group's total assets by €31.3 million, from €182.9 million to €151.7 million. The principal movement underlying this reduction relates to the decrease in the carrying amount of the Group's investment property (€31.2 million) on account of the properties owned by the Trident Group that will no longer be reflected in the SFC Group's consolidated statement of financial position, once the Spin-Off is implemented.

The comparison also indicates a net increase of €4.8 million in SFC Group's total liabilities, from €59.7 million to €64.5 million. This net movement reflects an increase of €6.9 million in the Group's total borrowings required for the €6.5 million cash contribution which the SFC Group will be injecting into the Trident Group prior to the Spin-Off. The other principal movement relates to a reduction of €1.8 million in the deferred taxation asset on account of the liability that is recognised in relation to the properties owned by the Trident Group. This provision will no longer be reflected in the SFC Group's consolidated statement of financial position.

In terms of the SFC Group's total shareholders' equity, the comparison indicates a reduction of €36.1 million from €123.3 million to €87.2 million.

5.5.3 Illustrating the effect of the Spin-Off on the Company's Key Financial Indicators

The table below sets out the effect of the Spin-Off on some of the Group's key financial indicators in terms of profitability, return on investment, debt service and capital structure:

Statement illustrating the effect of the Spin Off on Key Financial Indicators for the Group as at 31 January 2017

	31 January 2017 Actual	31 January 2017 Pro forma
Profit Margins		
Gross Profit Margin (gross profit as a % of revenue)	39.0%	38.3%
Operating Profit Margin (operating profit as a % of revenue)	14.6%	13.8%
Net Profit Margin (profit for the year as a % of revenue)	13.7%	12.6%
Return on Investment		
Return on Assets (operating profit as a % of total assets)	7.0%	8.0%
Return on Equity (profit for the year as a % of total equity)	9.8%	12.7%
Debt Service and Capital Structure		
Total Liabilities as a % of Total Assets	32.6%	42.5%
Borrowings as a % of Total Equity and Borrowings	22.6%	33.0%
Borrowings (net of cash) as a % of Total Equity and Borrowings (net of cash)	22.2%	32.6%
Interest cover (operating profit: finance costs)	8.8x	8.3x
Borrowings: operating profit	2.8x	3.5x
Borrowings (net of cash): operating profit	2.7x	3.5x

The comparison illustrates that the Spin-Off would result in a reduction in the SFC Group's operating profits (with operating profit margin contracting from 14.6% to 13.8%) but an improvement in the overall return on investment.

The pro forma workings highlight that the Group's return on assets would increase from 7.0% to 8.0% whilst return on equity would step up from 9.8% to 12.7%. These improvements are a reflection of the fact that the pro forma reduction in total assets is arising on assets (the Trident Group's property portfolio) that are generating a lower rate of return than the other operating assets employed in the Group's core operations.

The comparison also illustrates that the reduction in equity resulting from the Spin-Off would result in an increase in the Company's financial gearing, with borrowings (net of cash) expressed as a percentage of total equity and borrowings (net of cash), increasing from 22.2% to 32.6%. Furthermore, the Spin-Off would result in a reduction in the level of debt service cover, with the Group's interest cover decreasing from 8.8 times to 8.3 times. The above analysis, however, also highlights that had the Spin-Off been implemented during the past financial year, the Group would have still reported healthy levels of profitability margins, return on investment and financial gearing and a comfortable level of interest cover.

5.6 Investments

The following are the investments which have either commenced or which the Company is committed to undertake in the near future. The Company intends to fund these investments through committed bank facilities in place and any balance available from the Bond proceeds.

• Beer and soft drinks kegging plant, including a water bottling line

The investment in a new plant and production lines will improve the processes for packaging beer and soft drink kegs as well as the bottling of the 19 litre water package by end of year 2017. This project is envisaged to open up opportunities for new products, including the facility to fill one-way kegs, and increase efficiencies in labour and utilities resulting from the automation and higher speeds that come with the newer technology.

The cost of this investment is expected to be in the region of €3.8 million.

• Logistics Warehouse extension

The extension of the logistics centre relates to the construction of an extension to the warehouse at the rear of the Logistics Centre to increase storage capacity. Excavations have started in January 2016 and construction is expected to be completed by the end of the current financial year and is anticipated to cost €4.1 million.

• Container Un/Loading Bays

The investment in the beer packaging hall called for an increase in storage capacity and loading facilities for which the Company invested in the construction of a warehouse. However, in order for the logistics operation to operate efficiently and reduce handling costs and other inefficiencies, a transit area is required for the unloading of imported materials and the loading of the finished product for export. This transit area will include three container loading bay systems, which will be built according to the latest technologies and will include an array of safety and security features that are compliant with modern required standards. This investment is expected to be completed by August 2017.

The projected investment for this extension is expected to not exceed €0.9 million.

• Truck Depot

This project, expected to require an investment by the Company of €0.7 million, complements and builds on the current investments undertaken in the Logistics Centre.

The new truck depot is being built on 3,000m^2 of land that was recently acquired by SFC. By the end of 2017, the extended yard can comfortably house 74 trucks and 3 trailers.

• Offices to house the administrative functions of Farsons

SFC shall be re-locating the offices of the executive, marketing, finance and administration staff in one building by the third quarter of 2017. This will allow for a more contemporary and effective working environment in line with established international standards for such premises. The new offices are expected to cost around €5.5 million.

• Chapel and Canteen refurbishment

The Canteen and Chapel need to be relocated to enable the requirements of Trident Park. A budget of €500,000 is approved, with the project expected to be completed by the end of 2017.

5.7 Business Overview

Over the years, the Farsons Group has established a solid reputation for quality products and nurtured a growing base of loyal customers. The operations of the Company consist of the brewing, production and sale of beer and branded beverages and, in the opinion of the Directors, the range of products and packages offered by the Company is sufficiently varied as to enable it to offer a strong beverage portfolio both to the consumer and to the trade. Each brand is promoted locally to varying degrees and great efforts are made to build and to protect product loyalty.

The Group's main activities may be split into the following categories:

- **Brewing, production and sale of branded beers and beverages segment**

The business of brewing, production and sale of beer and branded beverages is the core business of the Group, and comprises the activities of Simonds Farsons Cisk plc, Farsons Distribution Services Limited and EcoPure Limited. Apart from its own range of beers and soft drinks developed in-house, SFC represents Budweiser™, Carlsberg™, Skol™, Pepsi™, 7UP™, Mirinda™, Britvic™ and Like Cola™, as exclusive packagers for Malta.

- **Importation, wholesale and retail of food and beverages, including wines & spirits segment**

This segment has shown significant growth over the last few years, particularly following the acquisition of the business of Quintano Foods and comprises Farsons Beverage Imports Company Limited and Quintano Foods Limited. The Group represents some world-renowned beer brands including Becks™, Guinness™, John Smith™, and Corona Extra™, ciders including Strongbow™, Woodpecker™ and Bulmers™ together with branded spirits such as Campari™, Ballantine's™, Jim Beam™, Whyte & Mackay™, Cointreau™, Molinari™, Absolut Vodka™, Remy Martin™, Jagermeister™, Vladivar™, Pernod™, BOLS™, Beefeater™, Chivas Regal™, Havana Club™ and Aperol™ together with a large range of Italian, French and new-world wines such as Jacob's Creek™, Ruffino™, Robert Mondavi™ and Bolla™ amongst others. Red Bull™, Monin™, Kimbo™, Perrier™ and Vittel™ are also represented through this segment. The recent representation of Red Bull™ has further strengthened the number of brands being represented. Quintano Foods represent the renowned Danone™, Quaker™, Walkers™, Tropicana™ and Trevalli™ amongst other prestigious brands.

- **Operation of franchised food retailing establishments segment**

The catering business of the Farsons Group comprises the franchise operations conducted through KFC™, Pizza Hut™ and Burger King™. These operations consist of fourteen franchised restaurants.

- **Property management segment**

This segment was established so as to enable the Group to achieve better utilisation of its investment property holdings. Trident and its subsidiary companies own a number of properties that are primarily used within the Group, in particular, the food retailing establishments and the food importation arm. Other properties are also leased to third parties. The shareholders of the Issuer have, at the annual general meeting held on the 27 June 2017, approved the spin-off of Trident and its subsidiaries from the Company through the distribution of an interim dividend in kind of the Company's entire shareholding in Trident. Further information on the Spin-Off is included in section 5.4 entitled *"Spin-Off"*.

Throughout its extensive history SFC has successfully nurtured franchise relationships, expanded in the beverage and on-premise market sector and has invested through its subsidiary companies in areas of business that create synergies with the main elements of its core business. The business of the subsidiary companies listed below include the sale of branded beverages, including wines and spirits and the operation of franchised food retailing establishments and property management.

- **EcoPure Limited** (C 19492) manages the distribution of drinking water in 19-litre and 10-litre bottles, as well as providing coolers and dispensers for rental or purchasing.

- **Farsons Distribution Services Limited** (C 34575) is not engaged in any operation but has a number of employees registered in its name.

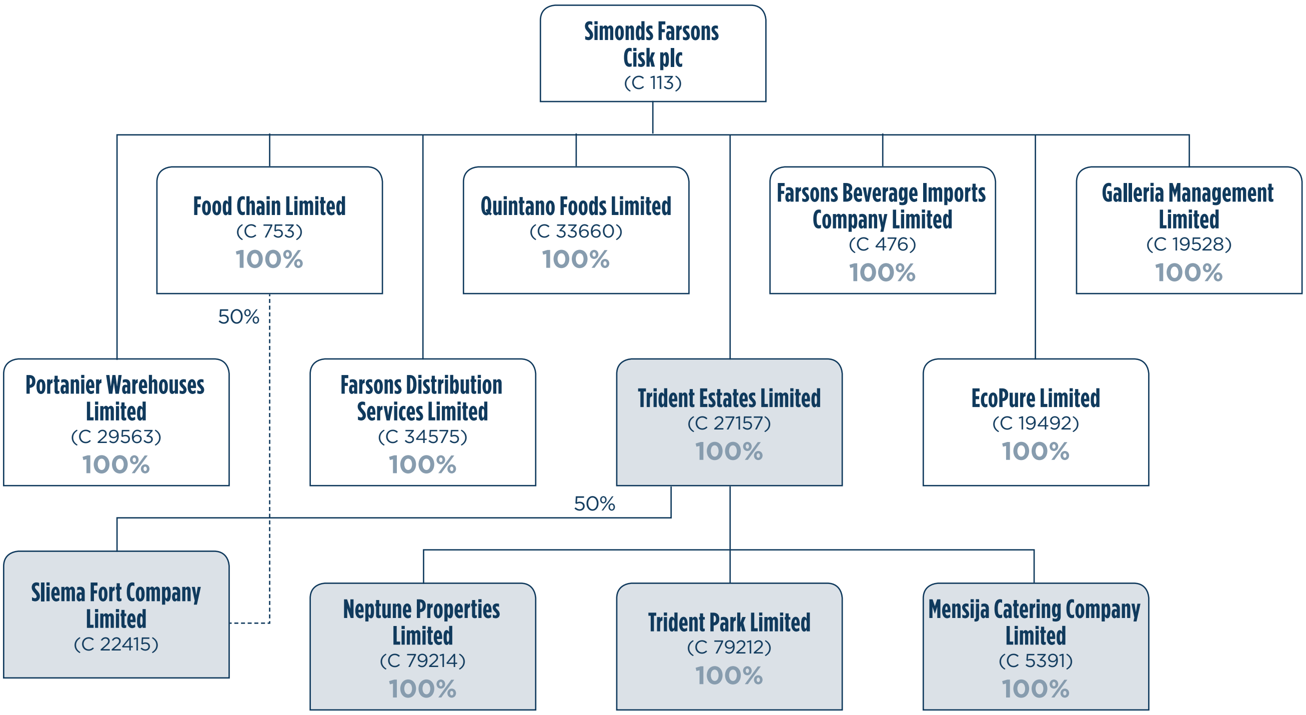
- **Farsons Beverage Imports Company Limited** (C 476) operates as an importer and distributor of wines, spirits and beers and operates a retail operation through Farsonsdirect cash and carry outlet in Mrieħel and farsonsdirect.com, a retail outlet situated adjacent to the Farsons Brewery as well as its online retail website.
- **Quintano Foods Limited** (C 33660) centres its business on the importation, marketing and distribution of branded food products.
- **Food Chain Limited** (C 753) is engaged in the fast food and casual dining business.
- **Portanier Warehouses Limited** (C 29563) holds the title to property in Qormi.
- **Galleria Management Limited** (C 19528) is currently in a non-trading position.
- **Trident Estates Limited** (C 27157) is engaged in the ownership, management and development of selected Group property.
- **Mensija Catering Company Limited** (C 5391) holds the title to property in St Julian's which are leased out to Food Chain Limited.
- **Neptune Properties Limited** (C 79214) which shall be entrusted with the ownership, development and subsequent operation of land in Qormi Road, Marsa.
- **Trident Park Limited** (C 79212) shall be engaged with the ownership, development and subsequent operation of the Brewery façade in Mdina Road, Mrieħel.
- **Sliema Fort Company Limited** (C 22415) holds the title to property in Sliema which is leased out to third parties.

The following companies are currently in liquidation:
Malta Deposit and Return System Limited (C 38304)
FSG Company Limited (C 27784)

5.7.1 Principal Markets

The Issuer mainly operates in and from Malta although it looks at maintaining a strong focus on innovating and internationalizing its business further. This twin approach continues to form the basis of the Company's growth strategy in the exports market as a potential for future growth. A number of new markets have already been penetrated with the Issuer's own range of branded beer Cisk™, its Farsons Classic Brews™ and carbonated soft drinks including Kinnie™. Apart from the Italian market, the Issuer managed to penetrate the United Kingdom, Japan, China, South Korea, Germany, Poland, Canada, United States and Australia while prospects for business opportunities through the Libyan market subsist.

5.8 Organisational Structure of the Group



In liquidation: Malta Deposit and Return System Limited (C38304)
FSG Company Limited (C27784)

The shaded companies form part of the Trident Group and will no longer form part of the SFC Group following the Spin-Off.

6. TREND INFORMATION

The Group's business is highly dependent on the performance of the local economy and, to a limited extent, also geopolitical issues within the Mediterranean region and possibly beyond. Locally, influencing factors include consumer confidence and spending, private consumption and the tourism industry. Other non-economic factors including one-off events, whether sports, entertainment or other, and weather conditions also impact, with a varying degree, the Group's overall performance.

The Group has consistently registered improved turnover and profitability, resulting in improved earnings before interest, tax, depreciation and amortisation (EBITDA):

	Jan-17	Jan-16	Jan-15	Jan-14	Jan-13
Turnover (€'000)	**88,414**	86,370	79,503	78,629	77,180
% increase	**2%**	9%	1%	2%	
Profit attributable to ordinary shareholders (€'000)	**12,132**	11,223	8,009	6,325	5,969
% increase	**8%**	40%	27%	6%	
EBITDA (€'000)	**19,262**	17,383	15,601	14,036	12,871
% increase	**11%**	11%	11%	9%	

Over the years, several factors contributed to the attainment of these results, including:
- Growth in sales of the beer portfolio particularly within the Group's own brands;
- Increase in sales of the imported beverages portfolio;
- Savings originating from costs of raw materials;
- Overhead costs containment;
- Improved productivity and efficiency parameters;
- New targeted product launches in line with consumer and market trends; and
- Review of internal processes and the increased application of information technology.

The Board of Directors remains determined to sustain the Group's competitive advantage through continued investment and innovation while ensuring that the Group is adequately resourced to take on new challenges and exploit new market opportunities.

Efficiency improvements through planned investment, innovation, further application of latest technology, cost containment, review of internal processes and exports growth remain areas of priority for the Group. This is in line with the Group's strategic vision of developing the local and international business for the Group to evolve further into a relevant regional player within the food and beverage sector.

In recent years, the Group has invested heavily in its operations and renovated its brewing, soft drinks and beer packaging facilities together with its warehousing and logistics operations. Such investments are also aimed, amongst others, at reducing the Group's energy consumption and water usage in order to enhance its competitiveness while safeguarding the environment.

The main investments of the Group over the last 10 years included:

2008 – The new soft drinks packaging hall and logistics centre

2008 was a landmark in the history of the Farsons Group. Following the liberalisation of the soft drinks market at the end of 2007, the glass bottles have been fast replaced by the more convenient PET bottles and cans. This major packaging revolution has brought about new challenges to the company and an investment of €24 million to build a new soft drinks packaging hall and the provision of modern warehousing facilities and a renewed truck fleet was completed in February 2008. This investment ensured the provision of a high standard product in a more efficient manner.

2012 – Brewhouse, laboratory and water treatment facilities

The inauguration of the new €12.5 million Brewhouse took place in September 2012. This new Brewhouse is an iconic building of a notable architectural design that builds on the legacy of the past Farsons breweries. At the same time, it is a testament of the Group's "green" credentials, being environmentally friendly, allowing for the optimal use of energy and waste. The Brewhouse investment completes the last phase of the Master Plan that was initiated in the 1980's. As a result of the implementation of this Master Plan, the Group was able to respond well to challenges of a rapidly changing and more competitive market, and added capacity for the increased export market opportunities.

2016 – Beer packaging facility

The new state of the art beer packaging facility enabled the Group to produce and pack beer and soft drinks in exportable packages, at competitive prices and embark on its vision of establishing itself as a regional player within the beverage sector. This €27 million investment was commissioned in April 2016. It consists of three floors – a packaging hall and two floors of packaging materials stores. The packaging hall has been designed to offer the best European standards in working environment and health and safety standards. With a total footprint of 4,500 square metres, the new facility has the capacity to package bottles and cans at impressive speeds.

The other investments planned for 2017, which include the beer and soft drinks kegging plant (including a water-bottling line). The container un/loading bays, the Truck Depot, the canteen and chapel refurbishment and the new offices to house the administrative functions of Farsons have been explained in greater detail in section 5.6 entitled *"Investments"*.

Segmental Trends

The Group's own brands, particularly the Cisk™ and Kinnie™ portfolios, contribute significantly to the positive performance of the Group. Nonetheless, market conditions and trends within the soft drinks sector are not expected to change in the medium term as the market continues to evolve towards increased focus on wider consumer health issues that, paired with a faster-paced lifestyle, is causing constant shifts in consumer tastes and trends. Given this scenario, while there is limited scope for growth within the soft drinks market that remains under pressure, we also believe that, in equal measure, this also presents the Group with other market opportunities that are being carefully evaluated.

In line with international trends, the craft beers segment is also growing in market share. Within this context, the Group has aligned its product portfolio through innovation and further development of its own beer portfolio, also particularly in view of the Group's export growth strategy and ambitions.

The beverage importation division has also posted encouraging performance with notable revenue growth registered across its diverse portfolio together with increased profitability.

The food importation arm has gone through a period of re-organisation and consolidation in the light of fast evolving market dynamics, where the private label concept has become a reality and is consolidating further. This prompted the need for new strategies where targeted measures have been implemented to address the performance of this segment.

The franchised foods business is dependent on ongoing plans for refurbishment projects for existing establishments while also opening new outlets. Identifying outlets in strategically located positions is key to this segments' success and work in this respect is currently well underway.

There has been no material adverse change in the prospects of the Issuer since the date of publication of its latest audited financial statements.

The future outlook at Farsons is based on further and consistent growth, which will continue to be spearheaded through ongoing innovation, along with a determined drive on the export business.

The Company is also in the process of separating the fast-moving consumer food and beverage business from the property interests of the Group by way of the Spin-Off transaction. This transaction will involve the distribution in kind to shareholders of the designated property assets on a pro-rata basis to their shareholding in SFC. Accordingly, immediately upon Spin-off, shareholders in SFC will receive the equivalent proportion of shares in the spun-off property entity. Additional detail on the Spin-Off is included in section 5.4 entitled *"Spin-Off"*.

The Board has ambitions for growth, while exploiting new market opportunities and developing all the Group's segments. With continued visionary foresight and the necessary strategic thinking, followed by effective decision-making and the successful delivery of all business plans, the Board is confident that the Group is adequately positioned to offer the required resilience while being able to respond effectively and proactively to an evolving and increasing complex market dynamics.

7. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

7.1 Directors and Company Secretary

Louis A. Farrugia (ID 199451M) – Chairman

Marcantonio Stagno d'Alcontres (Italian Passport No. P 1876615) – Vice Chairman (Independent)

Roderick Chalmers (ID 708847M) – Non-Executive Director (Independent)

Michael Farrugia (ID 298980M) – Executive Director

Dr Max Ganado (ID 468959M) – Non-Executive Director (Independent)

Marina Hogg (ID 547559M) – Non-Executive Director (Independent)

Marquis Marcus John Scicluna Marshall (ID 617564M) – Non-Executive Director (Independent)

Baroness Christiane Ramsay Pergola (British Passport No. 700332224) – Non-Executive Director (Independent)

The Company Secretary is Ms Antoinette Caruana (ID 215062M).

The business address of each of the Directors and the Company Secretary is the registered office of the Issuer.

7.1.1 Curriculum Vitae of Directors

Mr Louis A. Farrugia

Mr Louis A. Farrugia was appointed Managing Director of Simonds Farsons Cisk plc in 1980 and Group Chief Executive in 2001 and served in this role until 2011. During his tenure as CEO, the Group grew into a diverse food and beverage business well placed to take on the challenges of competing in the single European market and beyond.

In June 2011 he was appointed Chairman of the Board.

He is a Fellow Member of the Institute of Chartered Accountants in the UK and is also Chairman of the Multigas and Farrugia Investments Groups. Mr Farrugia was the founding President of the Foundation of Human Resources and past President of the Malta Chamber of Commerce. In January 2010, he was appointed Chairman of the Malta Tourism Authority and in May 2011 he resigned this post to be appointed non-executive chairman of Air Malta plc, a position he held until April 2013.

In 2004, he received an Order of Merit (MOM) in recognition of his contribution on a national level to industry and enterprise in Malta.

He was also awarded Ufficiale dell'Ordine Al Merito della Repubblica Italiana on 15 January 2013, for his voluntary involvement in initiatives outside his direct line of business.

Mr Marcantonio Stagno d'Alcontres

Mr Marcantonio Stagno d'Alcontres is a senior banker with more than 30 years of international banking experience. He joined Banco di Sicilia in 1976 and had spells in London and Singapore before moving to Arab Bank plc, Amman, later Europe Arab Bank plc, as Executive Country Manager for Italy, a position held till 2009 when he was appointed adviser to the Prime Minister's Office for the Economic Development of Italy's Southern Regions. Mr Stagno D'Alcontres holds a degree in Business Management from Messina University and a Masters in International Finance from the Manchester Business School. He was appointed to the Board of Simonds Farsons Cisk plc in 2002 and is currently its Vice Chairman.

Mr Roderick Chalmers

Mr Roderick Chalmers is a chartered accountant by profession, specialising in the financial services sector. Between 1972 and 1983 he practiced in Malta as a partner with the offices of Coopers and Lybrand, before moving to Hong Kong in 1984. He was a partner with Coopers and Lybrand, (later PricewaterhouseCoopers), Hong Kong between 1984 and 2000.

He was appointed to the International Board of Directors of Coopers & Lybrand between 1996 and 1998 and was also a member of the PwC Global Management Board. Upon retirement from the firm, Mr Chalmers pursued a full-time MA degree at Edinburgh University.

He was appointed by the Government of Hong Kong to act as a non-executive director of the Securities and Futures Commission (the regulator of the Stock and Futures exchanges) between 1992 and 1999. He was also a member of the Takeovers and Mergers Panel and was appointed by the Financial Secretary of Hong Kong to sit on the Banking Advisory Committee.

Between 2004 and 2012 he was appointed chairman of Bank of Valletta plc and a director of Middlesea Insurance plc and MSV Life plc. He is currently a non-executive director of Gasan Group Limited, Gasan Zammit Motors Limited and Alfred Gera & Sons Limited.

Mr Chalmers has been a non-executive Director of Simonds Farsons Cisk plc since 2006.

Mr Michael Farrugia

Mr Michael Farrugia joined the Group in 2006 succeeding in various roles prior to his appointment as Chief Business Development Officer. He was elected a Director of Simonds Farsons Cisk plc in 2011. Mr Farrugia is a director on Farsons Beverage Imports Company Ltd and chairs its board and serves as a trustee on the Board of the Farsons Foundation.

Completing secondary and higher education in the United Kingdom, Mr Farrugia graduated from Edinburgh University with a master's degree in History and followed up his studies with a postgraduate diploma in Journalism from the London School of Journalism and a Master of Business Administration (MBA) from Warwick University.

Dr Max Ganado

Dr Max Ganado has practised law for over 30 years. Starting as a maritime lawyer, dealing with all aspects of shipping including ship finance, he became a partner of Ganado Advocates, one of Malta's foremost law practices, in 1986. He moved on to develop the financial services practices of the firm. He has been heavily involved in the drafting of new legislation required for the development of Malta as a centre for shipping, financial services, securitisation and aviation.

He has lectured on investment funds, trusts and voluntary organisations for the last few years at the University of Malta and regularly participates in international conferences. He has written extensively on subjects of his specialisation.

He is currently the senior partner at GANADO Advocates. Dr Ganado has been a Director of the Company for the past fourteen years.

Ms Marina Hogg

Ms Marina Hogg's early career spanned postings with the Grand Hotel Verdala and subsequently with Simonds Farsons Cisk plc. In 1980, she moved to the United Kingdom where she worked for James Buchanan & Company Limited, distillers of Black & White whisky. Ms Hogg is an executive director of Hogg Capital Investments Limited and has led the company's investment administration team since 1995, as well as being responsible for the daily operations of all of its related business units. She has been a Director of Simonds Farsons Cisk plc since 2008 and is a member of the Audit Committee and of the Remuneration Committee of the Board.

Marquis Marcus John Scicluna Marshall

Marquis Marcus Scicluna Marshall is a director of Sciclunas Estates Limited and co-administrator of the Estate of Marquis J. Scicluna. He started his career with Simonds Farsons Cisk plc in January 1998, holding managerial posts in different departments within the Brewery for a period of ten years. Marquis Scicluna Marshall has been a Director on the Board of the Company for the past nineteen years.

Baroness Christiane Ramsay Pergola

Starting her career in the airline industry, Baroness Ramsay Scicluna was based in Rome and worked for Air Italia. She subsequently set up a successful dance school in Rome prior to moving to Malta. Early in 2007, the Baroness began her own company that focused on the renovation, restoration and redevelopment. Baroness Ramsay Pergola joined the Board of Simonds Farsons Cisk plc in 2015.

Ms Antoinette Caruana

Ms Antoinette Caruana is the company secretary and Group HR Manager of the Farsons Group. She has specialized in change management, HRM and has also been actively involved in local industrial relations. She has held a number of positions in the private sector including the posts of Chief HR Officer of Lufthansa Technik Malta and General Manager HR of the Brandstatter Group.

She was Chief Executive of the newly incorporated government agency, Heritage Malta between 2003 and 2006. Antoinette has consulted with various local organizations and lectured at the Faculty of Economics, Management and Accountancy, University of Malta. She served as director of the Central Bank of Malta between 2008 and 2013, and serves as employers' representative on the Industrial Tribunal, was a trustee of the Richmond Foundation and a director of the Foundation for Human Resources Development.

7.1.2 Directors' Service Contracts

The chairman has an indefinite service contract which is periodically reviewed by the rest of the Board. A fixed salary is payable. However, at the beginning of each financial year, the Board of Directors establishes a number of objectives, the achievement of which may cause a performance bonus to be considered. Except for the chairman and for Mr Michael Farrugia, no other Director is employed or has a service contract with the Issuer or any of its subsidiaries.

7.1.3 Aggregate Emoluments of Directors

The maximum annual aggregate emoluments that may be paid to the directors is approved by the shareholders in the Annual General Meeting in terms of Article 81(i) of the Issuer's Articles. This amount was fixed at an aggregate sum of €750,000 per annum at the 69th Annual General Meeting held on the 28 June 2016.

7.1.4 Loans to Directors

There are no outstanding loans provided by the Issuer or any of its subsidiaries to any of the directors.

7.1.5 Removal of Directors

In terms of the Articles, directors are appointed in one of two ways, such method of appointment being relevant for the corresponding method of removal.

Article 95 of the Articles provides that every shareholder owning twelve and half percent (12.5%) of the ordinary issued share capital of the Company or more shall be entitled to appoint one director for each and every twelve and half percent (12.5%) of the ordinary share capital owned by such shareholder and such shareholder may remove, withdraw or replace such director at any time.

Article 96 of the Articles provides that all shares not utilised for appointing directors as per Article 95 of the Articles (including remaining fractions) shall be entitled to fill the remaining unfilled posts of directors at the annual general meeting of the Company.

In terms of Article 98 of the Articles, except for the managing director, all directors appointed under the provisions of Article 95 of the Articles shall retire from office at least once every three years whereas all directors elected under the provisions of Article 96 of the Articles shall retire from office at the first annual general meeting of the Company following their election.

In terms of Article 140 of the Act, a company may remove a director before the expiration of his period of office by a resolution taken at a general meeting of the company and passed by a member or members having the right to attend and vote, holding in the aggregate shares entitling the holder or holders thereof to more than fifty per cent of the voting rights attached to shares represented and entitled to vote at the meeting.

7.1.6 Powers of Directors

The Directors are vested with the management of the Issuer, and their powers of management and administration primarily emanate directly from the Memorandum and Articles and from local legislation. The Directors are empowered to act on behalf of the Company and therefore have the authority to enter into contracts, sue and be sued in representation of the Company. In terms of Article 84 of the Articles, the business of the Company shall be managed by the directors, who may exercise all such powers of the Company as are not, by the Act or by the Articles, required to be exercised by the Company in general meeting, subject, nevertheless, to the provisions of the Act and the Articles.

The Directors have the power to exercise all the powers of the Company to give or award pensions, annuities, gratuities and superannuation or other allowances in terms of Article 85 of the Articles and may make such arrangements as they think fit for the management and transaction of the Company's affairs and may establish local boards or agencies for managing any of the affairs of the Company in terms of Article 86 of the Articles.

In terms of Article 81(1) of the Articles, the maximum annual aggregate emoluments of all Directors in any one financial year shall be such amount as may from time to time be determined by the shareholders in the Company's general meeting. However, the directors have the power to determine how the maximum annual aggregate emoluments set by the general meeting is to be divided between them.

A director may not vote at meetings of the Board on any proposal, issue, arrangement or contract in which they have a direct or indirect interest, however, they are not precluded from attending such meeting and shall be counted toward the quorum.

7.1.7 Interests of Directors

The below represents the ordinary shares held by the Directors of the Issuer whose names appear under the heading *"Directors and Company Secretary"* in section 7.1 of this Registration Document as at 30 June 2017:

Louis A. Farrugia:	30,223
Michael Farrugia:	5,552
Marina Hogg:	12,698
Baroness Christiane Ramsay Pergola:	10,941
Marquis Marcus John Scicluna Marshall:	5,857
Marcantonio Stagno d'Alcontres:	2,858

Mr Marcantonio Stagno d'Alcontres and Ms Marina Hogg have a beneficial interest in M.S.M. Investments Limited. Mr Louis A. Farrugia has a beneficial interest represented by 1 share in Farrugia Investments Limited. Mr Louis A. Farrugia and Mr Michael Farrugia respectively have a beneficial interest in 25% and in 12.5% of the shares in Farrugia Holdings Limited which holds the rest of the shares in Farrugia Investments Limited apart from directly holding 42,916 shares in the Issuer. Marquis Marcus John Scicluna Marshall and Baroness Christiane Ramsay Pergola have a beneficial in Sciclunas Estates Limited.

7.2 Management Structure

Senior managers of the Issuer

Norman Aquilina (ID 504662M) – Group Chief Executive

John Bonello Ghio (ID 377572M) – Group Head of Food Business

Chris Borg Cardona (ID 527371M) – Head of Logistics

Antoinette Caruana (ID 215062M) – Company Secretary and Group Human Resources Manager

Stefania Calleja (ID 264869M) – Head of Sales and Customer Relations

Eugenio Caruana (ID 326364M) – Chief Operations Officer Designate

Dr Christopher Ciantar (ID 236171M) – Chief Operations Officer – Trident Estates Limited

Michael Farrugia (ID 298980M) – Chief Business Development Officer

Philip Farrugia (ID 455671M) – Head of IT and Business Services

Ray Sciberras (ID 609857M) – Chief Operations Officer

Pierre Stafrace (ID 451661M) – General Manager – Farsons Beverage Imports Company Limited

Anne Marie Tabone (ID 118467M) – Chief Financial Officer Designate

Susan Weenink Camilleri (ID 505161M) – Head of Marketing and Communications

Charles Xuereb (ID 19970G) – Chief Financial Officer and Chief Executive Officer Designate – Trident Estates Limited

7.3 Potential Conflict of Interest

The directors' interests in the share capital of the Company as at 31 January 2017 and 30 June 2017 are disclosed in the shareholder information section of the Annual Report for YE 2017 and section 7.1.7 entitled "Interests of Directors" respectively.

The Directors are strongly aware of their responsibility to act at all times in the interest of the Company and its shareholders as a whole and of their obligation to avoid conflicts of interest. The latter may, and do arise on specific matters.

As at the date of this Prospectus the Company has entered into a number of transactions which were considered by the Company to be related party transactions since the parties had directors and/or shareholders in common. The extent of these related party transactions is disclosed in the section dealing with related party transactions in the Annual Report for YE 2017. In the ordinary course of business, the Company has entered into contracts with Gasan Group Limited, of which Mr Roderick Chalmers is a director, and Multigas Limited, of which Mr Louis A. Farrugia is the chairman.

Furthermore, certain directors are also directors of other companies which may give rise to a conflict with the Company:

Ms Marina Hogg is a director of Hogg Capital Investments Limited. In this respect, Ms Marina Hogg declares that she will not provide any investment advice in respect of the Bonds.

The manner in which the Directors are appointed is provided in section 13.6 entitled "Appointment, Removal, Retirement and Rotation of Directors".

Other than the above private interests and conflicts of interest, the Issuer is not aware of any other facts and circumstances which may give rise to conflicts of interest or potential conflicts of interest.

7.3.1 How the Issuer manages Conflict of Interests

7.3.1.1 Disclosure by Directors

In terms of Article 88 of the Articles, a Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract or in any transaction or arrangement (whether or not constituting a contract) with the Company shall declare the nature of his interest at a meeting of the Directors pursuant to the provisions of the Act. Furthermore, a Director who has declared his interest according to law in any matter being discussed by the Board may not vote on the matter.

A director having a continuing material interest that conflicts with the interests of the Company is obliged to take effective steps to eliminate the grounds for conflict and when unsuccessful, should consider resigning. On joining the board and regularly thereafter, the directors are informed of their obligations on dealing in securities of the Company within the parameters of law, including the Listing Rules.

7.3.1.2 The Related Party Transactions Committee

The Company has implemented safeguards with respect to transactions and arrangements with related parties to ensure that such transactions and agreements are entered into at arm's length and on a normal, commercial basis. These safeguards are intended to prevent a related party from taking advantage of its position and also to prevent any perception that it may have done so. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

The Board has set up a Related Party Transactions Committee presided over by Dr Max Ganado who is an independent non-executive Director. This committee deals with and reports to the Board on all transactions with related parties. In the case of any director who is a related party with respect to a particular transaction, such director does not participate in the committee's deliberation and decision on the transaction concerned. Control mechanisms related to the reporting of related party transactions are in place to ensure that information is vetted and collated on a timely basis, before reporting to the Related Party Transactions Committee for independent and final review of the transactions concerned.

8. BOARD PRACTICES

8.1 Audit Committee

The Audit Committee's primary objective is to protect the interests of the Company's shareholders and assist the directors in conducting their role effectively so that the Company's decision making capability and the accuracy of its reporting and financial results are maintained at a high level at all times.

The Audit Committee is composed of Mr Roderick Chalmers (Chairman), Ms Marina Hogg and Marquis Marcus John Scicluna Marshall, all being non-executive directors. The majority of the directors on the Audit Committee are independent and, in the opinion of the board, are free from any significant business, family or other relationship with the Company, its shareholders or its management that would create a conflict of interest such as to impair their judgement. Roderick Chalmers is a professional qualified accountant with competence in matters relating to accounting and auditing. The Audit Committee as a whole has extensive experience in matters relating to the Company's area of operations, and therefore has the relevant competence required under Listing Rule 5.118.

The Audit Committee also approves and reviews the internal audit plan prior to the commencement of every financial year. The Audit Committee oversees the conduct of the internal and external audits and acts to facilitate communication between the board, management, the external auditors and the Group Internal Auditor.

During the year ended 31 January 2017, the Audit Committee held four meetings. Audit Committee meetings are held mainly to discuss formal reports remitted by the Group Internal Auditor but also to consider the external auditors' audit plan, the six-monthly financial results and the annual financial statements.

The Group Internal Auditor, who also acts as secretary to the Audit Committee, is present at Audit Committee meetings. The external auditors are invited to attend specific meetings of the Audit Committee, and are also entitled to convene a meeting of the committee if they consider that it is necessary. The Chairman of the Group Executive Board and the Chief Finance Officer are also invited to attend Audit Committee meetings. Members of management may be asked to attend specific meetings at the discretion of the Audit Committee. Apart from these formal meetings, the Audit Committee Chairman and the Group Internal Auditor meet informally on a regular basis to discuss ongoing issues.

8.2 Internal Audit

A group internal audit department has an independent status within the group. In fact, the Group Internal Auditor reports directly to the Audit Committee and has right of direct access to the chairman of the committee at all times. The Group Internal Auditor works on the basis of an audit plan which focuses on areas of greatest risk as determined by a risk management approach. The audit plan is approved by the Audit Committee at the beginning of the financial year, and subsequent revisions to this plan in view of any ad hoc assignments arising throughout the year would have to be approved by the Audit Committee chairman.

8.3 Nominations Committee

The Nomination Committee, chaired by the Chairman is entrusted with leading the process for board appointments and to make recommendations to it. Any proposal for the appointment of a director whether by the three major shareholders or by the general meeting of shareholders should be accompanied by a recommendation from the Board, based on the advice of the Nomination Committee.

Every shareholder owning twelve and a half percent (12.5%) ordinary issued share capital or more, is entitled to appoint and replace a director for each and every twelve and a half percent (12.5%) of such shares, and the remaining ordinary shares not so utilised are entitled to fill the remaining unfilled posts of directors. Thus, each of the three major shareholders who are named and whose holdings are listed in section 11 of this Registration Document, normally each appoint two directors for a total of six, the remaining two directors then being elected by the general public shareholders. Accordingly, no individual or small group of individuals will be in a position to dominate the Board.

8.4 Remuneration Committee

The Remuneration Committee is presided over by the chairman of the Company and its other members include Roderick Chalmers, Marquis Marcus John Scicluna Marshall, Marcantonio Stagno d'Alcontres and Marina Hogg. Its terms of reference are to review from time to time and to report and make recommendations on the non-executive directors' remuneration generally as well as the conditions of service of the chairman, group chief executive and senior management. In the case of the chairman or of any remuneration to an individual director for extra services, the interested director concerned including the chairman, apart from not voting in terms of the SFC statute, does not attend the meeting during the discussion at committee or board level and decisions are therefore taken in his/her absence.

8.5 Compliance with Corporate Governance Requirements

The Issuer is subject to, and declares its support of the Code of Principles of Good Corporate Governance contained in Appendix 5.1 of the Listing Rules (the "**Code**") and undertakes to continue complying with the Code by taking such steps which may be considered necessary or conducive for the purposes of adopting the provisions of the Code in so far as they are considered complimentary to the size, nature and operations of the Issuer.

As at the date hereof, the Board considers the Company to be compliant with the Code save as provided below:

Principle 4 (Code provision 4.2.7): This Code provision recommends "the development of a succession policy for the future composition of the board of directors and particularly the executive component thereof, for which the chairman should hold key responsibility".

In the context of the appointment of directors being a matter reserved exclusively to SFC's shareholders (except where the need arises to fill a casual vacancy) and on the basis of the directors' non-executive role, the Company does not consider it feasible to have in place such a succession policy. However, the recommendation to have in place such a policy will be kept under review. An active succession policy is however in place for senior executive positions in the Company including that of the Group Chief Executive.

Principle 8 (Code provision 8.A.1): This Code provision recommends that "the board of directors should establish a Remuneration Committee composed of non-executive directors with no personal financial interest other than as shareholders in the Company, one of whom shall be independent and shall chair the Committee".

The Company discloses that whereas the majority of members on the Remuneration Committee is made up of non-executive directors, the Chairman does not participate in discussions over matters in which he may have a conflict of interest.

8.6 Declarations

None of the Directors, members of the board committees or members of management referred to in section 7 of this Registration Document have, in the last five years:

i. been the subject of any convictions in relation to fraudulent offences;

ii. been associated with bankruptcies, receiverships or liquidations in respect of entities in respect of which they were members of administrative, management or supervisory bodies, partners with unlimited liability (in the case of a limited partnership with a share capital), founders or members of senior management;

iii. been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or

iv. been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

9. HISTORICAL FINANCIAL INFORMATION

The financial statements of the Company and of the Group for the three financial years ended 31 January 2015, 31 January 2016 and 31 January 2017 as audited by PricewaterhouseCoopers are available for inspection as set out in section 15 of this Registration Document.

Save for the restructuring as detailed in section 5.4 of this Registration Document, there were no further significant changes to the financial or trading position of the Group since the end of the financial period to which the last audited financial statements relate.

10. LITIGATION

Save for what is stated below, neither the Issuer nor any member of the Group is engaged in, or so far as the Issuer or any member of the Group is aware, has pending or threatened, any governmental, legal or arbitration proceedings which may have, or have had during the 12 months preceding the date of this Prospectus, a significant effect on the Issuer's or the Group's financial position or profitability.

1. Ports Limited v Trident Developments Limited and Food Chain (Holdings) Limited (1008/2006AF). In these proceedings, plaintiff company is asking the court to declare that the ownership of part of the building presently housing Burger King™, Paceville is the property of plaintiff company. This case is still pending.

2. Trident Developments Limited v Cordina Joseph (16/2006LSO). In these proceedings, plaintiff company is asking the court to declare that a piece of land (situated adjacent to Wands Buildings in Qormi Road, Marsa) is owned by plaintiff company. The case was decided at first instance in favour of plaintiff company and is now pending appeal, for which no date has been set. Pending appeal, plaintiff company has reclaimed possession (not ownership) of the same land in question after different proceedings between the same parties were decided in favour of plaintiff company on appeal.

3. In 2014, the Company was informed by the Office for Competition within the Malta Competition and Consumer Affairs Authority that a complainant had alleged that some catering establishments in Malta have an exclusive arrangement with the Company with respect to beer, and this was hindering the complainant from effectively selling its own products. The Office for Competition opened an investigation in terms of the Competition Act (Cap. 379 of the laws of Malta). The Company has categorically and unreservedly rejected all allegations. The investigation is pending. Should the Office for Competition find against the Company, in terms of the Competition Act, the Company could be liable to a fine of up to 10% of its turnover in the preceding business year. However, the Office of Competition cannot currently impose fines on undertakings due to the constitutional court judgment in *Federation of Estate Agents vs Director General (Competition) et* (application number 87/2013/2), which declared competition proceedings to be in breach of the Constitution.

11. MAJOR SHAREHOLDERS

The following shareholders hold more than 10% of the Company's issued ordinary shares, thereby regarded as substantial shareholders in terms of the Listing Rules:

	No. of Shares	*%*
M.S.M. Investments Limited	7,948,862	26.50
Farrugia Investments Limited	7,948,862	26.50
Sciclunas Estates Limited	7,896,164	26.32

In terms of the Company's Articles, every shareholder owning twelve and a half per cent (12.5%) of the ordinary issued share capital of the Company or more shall be entitled to appoint one director for each and every twelve and a half per cent (12.5%) of the ordinary share capital owned by such shareholder and such shareholder may remove, withdraw or replace such director at any time. Thus, each of the three major shareholders listed above, normally each appoint two directors for a total of six, the remaining two directors then being elected by the general public shareholders. Accordingly, no individual or small group of individuals will be in a position to dominate the board.

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

12. MATERIAL CONTRACTS

There are no material contracts that are not entered into in the ordinary course of the Issuer's business, which could result in any Group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to security holders in respect of the Bonds issued pursuant to the Securities Note.

13. ADDITIONAL INFORMATION

13.1 Share Capital of the Issuer

As at the date of this Prospectus, the authorised share capital of the Issuer is thirty million Euro (€30,000,000) divided into thirty million (30,000,000) ordinary shares having a nominal value of thirty Euro cents (€0.30) each and twenty-one million (21,000,000) preference shares having a nominal value of one Euro (€1.00) each.

The issued share capital of the Issuer is nine million Euro (€9,000,000) divided into thirty million (30,000,000) ordinary shares having a nominal value of thirty Euro cents (€0.30) each fully paid up.

The shares of the Company are listed on the Malta Stock Exchange.

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

13.2 Memorandum and Articles of Association of the Issuer

The Memorandum and Articles, parts of which are described in this section 13, are registered with the Registry of Companies and are available for inspection during the lifetime of this Prospectus at the registered office of the Issuer and at the Registrar of Companies of the MFSA.

13.3 Objects

The principal objects for which the Company is established are:

i. to carry on the business of brewers, maltsters, distillers, vintners, mineral and aerated water manufacturers, wine and spirit merchants; to produce, manufacture, blend and package all kinds of beer, ale, stout and lager as well as any other alcoholic and non-alcoholic beverages, fruit squashes, fruit juices, cordials and table waters by any process of manufacture in Malta and elsewhere; and to import, export, sell, distribute and otherwise deal either wholesale or retail in such goods as well as in any syrups, juices, essences, concentrates and any other raw materials, substances, goods and things capable of being used in any of the Company's business in Malta and elsewhere;

ii. to manufacture in Malta and elsewhere, bottles, crates, crown corks, stoppers, printed matter, cartons, cans and any other packaging container and accessory required for the manufacture or to enhance the appearance of the said goods; and to import, export, sell, distribute and otherwise deal in such goods, as well as in any raw materials required for the manufacture of such goods;

iii. to purchase, take on lease, exchange or acquire by any other title any property moveable or immoveable or any interest therein, plant, machinery, furniture and fittings, whether permanent fixtures or otherwise, patents, patent rights, concessions, licences, rights and privileges which the Company may think necessary or convenient for the purpose of its business or any of them and to sell, lease, let or hire, develop and dispose of such property in whole or in part or otherwise turn the same to the advantage of the Company;

iv. to expand, develop and diversify the business of the Company in such manner as the Board of Directors may deem necessary and opportune, and for such purpose to carry out such further research and experiments both in Malta and abroad, to engage such persons or bodies of persons and to expend such monies as may be considered reasonably necessary for the purpose of the foregoing.

13.4 Shares

No increase to the authorised share capital of the Company may occur unless agreed to by a number of shareholders entitled to vote on such resolution who are present in person or by proxy and whose combined holdings represent at least seventy five percent (75%) of the issued share capital of the Company eligible to vote on the said resolution and prior approval has been obtained from the Listing Authority.

In terms of Article 6(1) of the Articles, any increase in the issued share capital of the Company (including the issue of preference shares) is to be decided upon by an ordinary resolution of the general meeting, although the Company may, by means of an ordinary resolution of the general meeting and for a maximum period of five years, renewable for further periods of five years each, authorise the directors to issue shares up to the authorised share capital of the Company.

In terms of Article 7(1) of the Articles, whenever shares in the Company are proposed to be allotted for consideration in cash, such shares shall be offered on a pre-emptive basis to shareholders in proportion to the share capital held by them, provided that for a particular allotment as aforesaid, the right of pre-emption may be restricted or withdrawn by extraordinary resolution of the general meeting, in which case the Board shall be required to present to that general meeting a written report indicating the reasons for restriction or withdrawal of the right of pre-emption and justifying the proposed issue price.

The Company shall not, without the prior approval of the Company by means of an ordinary resolution of the general meeting, issue shares for consideration other than in cash if such would dilute the holding of a Substantial Shareholder (as defined in the Listing Rules) in the Company (Article 7(2) of the Articles).

Directors are not allowed to participate in an issue of shares unless so authorised by the shareholders in a general meeting although they are not barred from participating in an issue which is open to the public (Article 7(5) of the Articles).

13.5 Voting Rights

All ordinary shares rank *pari passu* in all respects. Each share confers the right to one (1) vote at general meetings of the Company. Preference shareholders have the same rights as ordinary shareholders as regards receiving notices, reports and balance sheets, and attending general meetings of the Company, but shall not have the right to vote except in the following instances:

i. in respect of a resolution which has the effect of reducing the capital of the Company;

ii. in respect of a resolution for the winding up of the Company;

iii. in respect of a resolution which has the effect of directly affecting the rights and privileges of the holders of preference shares; and

iv. when the dividend on preference shares is in arrears for more than six (6) months.

13.6 Appointment, Removal, Retirement and Rotation of Directors

In terms of Article 93 of the Articles, the affairs of the Company shall be managed and administered by a board of directors composed of not more than eight (8) directors who shall be natural persons and who shall be appointed or elected by the holders of the ordinary shares.

In terms of Article 95 of the Articles, every shareholder owning twelve and half percent (12.5%) of the ordinary issued share capital of the Company or more shall be entitled to appoint one director for each and every twelve and half percent (12.5%) of the ordinary share capital owned by such shareholder and such shareholder may remove, withdraw or replace such director at any time. Any remaining fractions will be disregarded in the appointment of the said directors but may be used in the election of further directors as provided in the Articles.

In terms of Article 96 of the Articles, all shares not utilised for appointing directors as per Article 95 of the Articles (including remaining fractions) shall be entitled to fill the remaining unfilled posts of directors at the annual general meeting of the Company which shall be conducted as follows:

i. one vote will pertain to each share entitled to vote at this election

ii. the voting shall be conducted and supervised by a commission composed of the company secretary, the legal advisers and a representative of the auditors. The commission will establish the procedures to be applied in the election. When the number of persons standing for election equals the number of vacancies which are to be filled, they shall be declared elected; and

iii. the person obtaining the highest number of votes will be declared elected to fill the vacancies available.

In terms of Article 98 of the Articles, except for the managing director, all directors appointed under the provisions of Article 95 of the Articles shall retire from office at least once every three years whereas all directors elected under the provisions of Article 96 of the Articles shall retire from office at the first annual general meeting of the Company following their election. In terms of Article 99 of the Articles, a retiring elected director shall be eligible for re-election. A retired appointed director shall be eligible for re-appointment.

In terms of Article 140 of the Act, a company may remove a director before the expiration of his period of office by a resolution taken at a general meeting of the company and passed by a member or members having the right to attend and vote, holding in the aggregate shares entitling the holder or holders thereof to more than fifty per cent of the voting rights attached to shares represented and entitled to vote at the meeting.

13.7 Powers of Directors

The Directors are vested with the management of the Issuer, and their powers of management and administration primarily emanate directly from the Memorandum and Articles and from local legislation. The Directors are empowered to act on behalf of the Company and therefore have the authority to enter into contracts, sue and be sued in representation of the Company. In terms of Article 84 of the Articles, the business of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not, by the Act or by the Articles, required to be exercised by the Company in general meeting, subject, nevertheless, to the provisions of the Act and the Articles.

The Directors have the power to exercise all the powers of the Company to give or award pensions, annuities, gratuities and superannuation or other allowances in terms of Article 85 of the Articles and may make such arrangements as they think fit for the management and transaction of the Company's affairs and may establish local boards or agencies for managing any of the affairs of the Company in terms of Article 86 of the Articles.

In terms of Article 81(1) of the Articles, the maximum annual aggregate emoluments of all Directors in any one financial year shall be such amount as may from time to time be determined by the shareholders in the Company's general meeting. However, the Directors have the power to determine how the maximum annual aggregate emoluments set by the general meeting is to be divided between them.

A Director may not vote at meetings of the Board on any proposal, issue, arrangement or contract in which they have a direct or indirect interest, however they are not precluded from attending such meeting and shall be counted toward the quorum.

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

Save for the Financial Analysis Summary reproduced in Annex III of the Securities Note, the Prospectus does not contain any statement or report attributed to any person as an expert. The Financial Analysis Summary dated 31 July 2017 has been included in Annex III of the Securities Note in the form and context in which it appears with the authorisation of Rizzo, Farrugia & Co. (Stockbrokers) Ltd. of Airways House, Third Floor, High Street, Sliema SLM 1549, Malta, which has given, and has not withdrawn, its consent to the inclusion of said report herein. Rizzo, Farrugia & Co. (Stockbrokers) Ltd. does not have any beneficial 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.

15. DOCUMENTS AVAILABLE FOR INSPECTION

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 of the Issuer;

b. Audited financial statements of the Company and the Group for the years ended 31 January 2015, 2016 and 2017;

c. The Accountant's Report drawn up by PricewaterhouseCoopers dated 6 June 2017 on the pro forma information contained in this Prospectus; and

d. Pro forma accounting statements of the Group for the years ended 31 January 2017.

The Issuer's financial statements referred to in (b) above are also available on the Issuer's website: **www.farsons.com**.

ANNEX I: PRO FORMA FINANCIAL INFORMATION FOR THE SFC GROUP

1. Basis of preparation

The Directors are proposing the payment of a dividend in kind to its Shareholders by way of a distribution of the Company's shares in Trident Estates Limited (the "Spin-Off"). In connection with the Spin-Off, the Group has commenced a restructuring process through which individual properties and shareholdings in subsidiaries are being transferred to/from Trident (the "Restructuring") in order to reflect the proposed allocation of properties as outlined in Section 5.4 of this Registration Document.

This pro forma financial information has been prepared for illustrative purposes only, to provide information about the effect of the Spin-Off and the Restructuring transactions on the financial results and position of the SFC Group.

The pro forma financial information for the SFC Group comprises a pro forma Income Statement for the year ended 31 January 2017 and a pro forma Statement of Financial Position as at 31 January 2017. The pro forma financial information is prepared on the assumption that the Spin-Off and the Restructuring would have been completed as of 1 February 2016 (i.e. the beginning of the financial year).

The pro forma financial information has been prepared using the actual results for the SFC Group for the financial year ended 31 January 2017 and superimposing the transactions outlined in Section 2 below 'Pro forma adjustments'.

Because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the SFC Group's actual financial position or results. The pro forma financial information is not intended to, and does not, provide all the information and disclosures necessary to give a true and fair view of the results of the operations and the financial position of SFC Group in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs). The pro forma financial information has been compiled on the basis of the accounting policies adopted by the SFC Group taking into account the requirements of building block 20.2 of Annex I and Annex II of EC Regulation 809/2004.

2. Pro forma adjustments

The following is a description of the pro forma adjustments made to the actual results and financial position of the SFC Group for the financial year ended 31 January 2017:

1. Being reversal of assets and liabilities that, further to the Spin-Off, will be transferred to Trident Group and therefore no longer reflected in the consolidated financial position of the SFC Group;

2. Being cash injection of €6.5 million in Trident , which will be carried out through a share issue prior to the Spin-Off;

3. Being reversal of revenue received from third parties in relation to properties that are included within the scope of the Spin-Off;

4. Being reversal of annual ground rent paid in relation to properties that are included within the scope of the Spin-Off;

5. Being reversal of annual operating expenses relating to subsidiaries that are included within the scope of the Spin-Off;

6. Being rental expenses that will be incurred by the SFC Group in relation to properties, which are used in its operations and that are included within the scope of the Spin-Off;

7. Being reversal of movement in fair value recognised on properties that are included as part of scope of the Spin-Off; and

8. Being tax impact of adjustments (3) to (6) at the standard corporate tax rate of 35%.

ANNEX I (continued)

3. Pro forma financial information

Simonds Farsons Cisk plc
Consolidated Statement of Financial Position

	Audited Consolidated Financial Position as at 31 January 2017											
	Continuing Operations	Discontinuing Operations	Overall	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	Pro forma Consolidated Financial Position
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
ASSETS												
Non current assets												
Property, plant & equipment	110,889	13	**110,902**	(13)	–	–	–	–	–	–	–	**110,889**
Intangible assets	616	–	**616**	–	–	–	–	–	–	–	–	**616**
Investment property	–	31,169	**31,169**	(26,323)	–	–	–	–	–	(4,846)	–	**-**
Investment in jointly controlled entity	–	12	**12**	–	–	–	–	–	–	–	–	**12**
Deferred tax assets	3,486	–	**3,486**	–	–	–	–	–	–	–	–	**3,486**
Trade and other receivables	3,002	–	**3,002**	–	–	–	–	–	–	–	–	**3,002**
Total non-current assets	**117,993**	**31,194**	**149,187**	**(26,336)**	**-**	**-**	**-**	**-**	**-**	**(4,846)**	**-**	**118,005**
Current assets												
Inventories	14,569	–	**14,569**	–	–	–	–	–	–	–	–	**14,569**
Trade and other receivables	18,316	37	**18,353**	(45)	–	–	–	–	–	–	–	**18,308**
Current tax assets	29	15	**44**	(15)	–	–	–	–	–	–	–	**29**
Cash and cash equivalents	768	20	**788**	(20)	–	–	–	–	–	–	–	**768**
Total current assets	**33,682**	**72**	**33,754**	**(80)**	**-**	–	–	–	–	–	–	**33,674**
Non-current assets classified as held for sale	31,266	(31,266)	**-**	–	–	–	–	–	–	–	–	**-**
	64,948	**(31,194)**	**33,754**	**(80)**	–	–	–	–	–	–	–	**33,674**
Total Assets	**182,941**	**-**	**182,941**	**(26,416)**	**-**	**-**	**-**	**-**	**-**	**(4,846)**	**-**	**151,679**

ANNEX I (continued)

3. Pro forma financial information (continued)

Simonds Farsons Cisk plc
Consolidated Statement of Financial Position

	Audited Consolidated Financial Position as at 31 January 2017												
	Continuing Operations	Discontinuing Operations	Overall	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	Pro forma Consolidated Financial Position
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
EQUITY & LIABILITIES												
Share capital	9,000	–	**9,000**	–	–	–	–	–	–	–	–	**9,000**
Reserves	114,271	–	**114,271**	(24,990)	(6,500)	(306)	207	65	(667)	(4,135)	245	**78,190**
Total equity	**123,271**	**–**	**123,271**	**(24,990)**	**(6,500)**	**(306)**	**207**	**65**	**(667)**	**(4,135)**	**245**	**87,190**
Deferred tax liability	–	1,825	**1,825**	(1,114)	–	–	–	–	–	(711)	–	**–**
Trade & other payables	905	284	**1,189**	(284)	–	–	–	–	–	–	–	**905**
Derivative financial instruments	750	–	**750**	–	–	–	–	–	–	–	–	**750**
Borrowings	31,581	–	**31,581**	–	–	–	–	–	–	–	–	**31,581**
Total non-current liabilities	**33,236**	**2,109**	**35,345**	**(1,398)**	–	–	–	–	–	**(711)**	–	**33,236**
Provisions for other liabilities & charges	36	–	**36**	–	–	–	–	–	–	–	–	**36**
Trade & other payables	18,974	–	**18,974**	–	–	–	–	–	–	–	–	**18,974**
Current tax liabilities	570	28	**598**	(28)	–	–	–	–	–	–	–	**570**
Derivative financial instruments	335	–	**335**	–	–	–	–	–	–	–	–	**335**
Borrowings	4,382	–	**4,382**	–	6,500	306	(207)	(65)	667	–	(245)	**11,338**
Total current liabilities	**24,297**	**28**	**24,325**	**(28)**	**6,500**	**306**	**(207)**	**(65)**	**667**	**–**	**(245)**	**31,253**
Liabilities directly attributable to non-current assets held for sale	2,137	(2,137)	**–**	–	–	–	–	–	–	–	–	**–**
	26,434	**(2,109)**	**24,325**	**(28)**	**6,500**	**306**	**(207)**	**(65)**	**667**	**–**	**(245)**	**31,253**
Total liabilities	**59,670**	**–**	**59,670**	**(1,426)**	**6,500**	**306**	**(207)**	**(65)**	**667**	**(711)**	**(245)**	**64,489**
Total equity & liabilities	**182,941**	**–**	**182,941**	**(26,416)**	**–**	**–**	**–**	**–**	**–**	**(4,846)**	**–**	**151,679**

ANNEX I (continued)

3. Pro forma financial information (continued)

Simonds Farsons Cisk plc
Consolidated Income Statement

	Audited Consolidated Results for the											Pro forma Consolidated Results
	Continuing Operations	Discontinuing Operations	Overall	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Revenue	88,119	295	**88,414**	–	–	(295)	–	–	–	–	–	**88,119**
Cost of sales	(53,683)	(207)	**(53,890)**	–	–	–	207	–	(667)	–	–	**(54,350)**
Gross Profit	**34,436**	**88**	**34,524**	**–**	**–**	**(295)**	**207**	**–**	**(667)**	**–**	**–**	**33,769**
Selling & distribution costs	(10,712)	–	**(10,712)**	–	–	–	–	–	–	–	–	**(10,712)**
Administrative expenses	(10,851)	(65)	**(10,916)**	–	–	–	–	65	–	–	–	**(10,851)**
Other operating expenses	(21)	–	**(21)**	–	–	–	–	–	–	–	–	**(21)**
Operating Profit	**12,852**	**23**	**12,875**	**–**	**–**	**(295)**	**207**	**65**	**(667)**	**–**	**–**	**12,185**
Gain on re-measurement of assets held for sale	–	928	**928**	–	–	–	–	–	–	(774)	–	**154**
Finance income	5	11	**16**	–	–	(11)	–	–	–	–	–	**5**
Finance costs	(1,470)	–	**(1,470)**	–	–	–	–	–	–	–	–	**(1,470)**
Profit before tax	**11,387**	**962**	**12,349**	**–**	**–**	**(306)**	**207**	**65**	**(667)**	**(774)**	**–**	**10,874**
Tax	471	(688)	**(217)**	–	–	–	–	–	–	212	245	**240**
Profit for the year	**11,858**	**274**	**12,132**	**–**	**–**	**(306)**	**207**	**65**	**(667)**	**(562)**	**245**	**11,114**
Other comprehensive income	**–**	**–**	**4,880**	–	–	–	–	–	–	(3,572)	–	**1,308**
Total comprehensive income for the year	**–**	**–**	**17,012**	**–**	**–**	**(306)**	**207**	**65**	**(667)**	**(4,134)**	**245**	**12,422**

ANNEX II: INDEPENDENT ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION FOR THE SFC GROUP

The Directors
Simonds Farsons Cisk plc
The Brewery
Mdina Road
Mrieħel BKR 3000
Malta

6 June 2017

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

To the board of directors of Simonds Farsons Cisk plc

Report on the compilation of pro forma financial information

We have completed our assurance engagement to report on the compilation of pro forma financial information of Simonds Farsons Cisk plc (the "SFC Group"), as prepared by the directors of the SFC Group ("the Directors"). The pro forma financial information consists of the SFC Group's pro forma consolidated statement of financial position as at 31 January 2017 and the SFC Group's pro forma consolidated income statement for the period ended 31 January 2017, and the related notes, as set out in Annex I of SFC Group's Registration Document dated 31 July 2017. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are specified in Annex II to Commission Regulation (EC) 809/2004 ("the Regulation") and described in the 'Basis of preparation' included in Annex I of SFC Group's Registration Document dated 31 July 2017 ("the Applicable Criteria").

The pro forma financial information has been compiled by the Directors to illustrate the impact of the Spin-Off as set out in the notes to Annex I of SFC Group's Registration Document dated 31 July 2017, on SFC Group's financial position as at 31 January 2017 and its financial performance for the year then ended.

The pro forma financial information for the SFC Group has been prepared on the assumption that the Spin-Off had taken place on 1 February 2016. As part of this process, information about SFC Group's financial position and performance has been extracted by the Directors from SFC Group's financial statements, for the period ended 31 January 2017, on which an audit report has been published.

Directors' responsibility for the pro forma financial information

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

Our responsibilities

Our responsibility is to express an opinion, as required by item 7 of Annex II to the Regulation, about whether the pro forma financial information has been compiled, in all material respects, by the Directors on the basis of SFC Group's accounting policies as described in the latest annual report and the basis of preparation set out in Annex I of SFC Group's Registration Document dated 31 July 2017, and accordingly on the basis of the Applicable Criteria.

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

To the board of directors of Simonds Farsons Cisk plc

Basis of opinion

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

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

The purpose of pro forma financial information is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction as at and for the period ended 31 January 2017 would have been as presented.

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

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

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

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

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

Opinion

In our opinion:
a. the pro forma financial information has been properly compiled on the basis stated; and
b. such basis is consistent with the accounting policies of the SFC Group.

Simon Flynn
Partner

PricewaterhouseCoopers
78 Mill Street
Qormi
Malta

SECURITIES NOTE

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 contains information about the Bonds being issued by Simonds Farsons Cisk plc. 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.

Dated 31 July 2017

In respect of an Issue of

€20,000,000 3.50% Unsecured Bonds 2027

of a nominal value of €100 per Bond issued at par (the "**Bonds**") by

FARSONS GROUP

Farsons

Simonds Farsons Cisk plc

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA

WITH COMPANY REGISTRATION NUMBER C 113

ISIN: MT0000071234

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENT IS 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 HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN THESE SECURITIES.

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 ADVISER.

APPROVED BY THE DIRECTORS OF SIMONDS FARSONS CISK PLC

Louis Farrugia

Louis A. Farrugia | **Roderick Chalmers**

signing as Chairman and Director in their own capacity, as Directors of the Company and on behalf of each of Marcantonio Stagno d'Alcontres, Michael Farrugia, Dr Max Ganado, Marina Hogg, Marquis Marcus J Scicluna Marshall and Baroness Christiane Ramsay Pergola.

SPONSOR & MANAGER

RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS

REGISTRAR

MALTA STOCK EXCHANGE plc

LEGAL COUNSEL

MAMO TCV
ADVOCATES

IMPORTANT INFORMATION

THIS SECURITIES NOTE CONTAINS INFORMATION ON AN ISSUE BY THE ISSUER OF €20,000,000 UNSECURED BONDS 2027 OF A NOMINAL VALUE OF €100 PER BOND ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 3.50% PER ANNUM PAYABLE ANNUALLY ON 13 SEPTEMBER OF EACH YEAR (OR THE NEXT BUSINESS DAY IMMEDIATELY THEREAFTER SHOULD THE 13 SEPTEMBER FALL ON A DAY WHICH IS NOT A BUSINESS DAY). THE NOMINAL VALUE OF THE BOND WILL BE REPAYABLE IN FULL AT MATURITY ON THE REDEMPTION DATE UNLESS OTHERWISE PREVIOUSLY REPURCHASED FOR CANCELLATION; AND

THIS SECURITIES NOTE:

A. 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; AND

B. SETS OUT THE CONTRACTUAL TERMS UNDER WHICH THE BONDS ARE ISSUED BY THE COMPANY AND ACQUIRED BY A BONDHOLDER WHICH TERMS SHALL REMAIN BINDING UNTIL THE REDEMPTION DATE OF THE BONDS UNLESS THEY ARE OTHERWISE CHANGED IN ACCORDANCE WITH THE TERMS OF THIS SECURITIES NOTE.

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 ADVISERS.

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

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

IT IS THE RESPONSIBILITY OF ANY 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 AND TO THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH THE 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 ADVISERS TO THE ISSUER NAMED IN THE PROSPECTUS UNDER THE HEADING *"ADVISERS TO THE ISSUER AND STATUTORY AUDITORS"* UNDER SECTION 4 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 ADVISERS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.

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1. DEFINITIONS

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

Act	the Companies Act (Cap. 386 of the laws of Malta);
Applicant/s	a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;
Application Form	the forms of application of subscription for Bonds, specimen of which is contained in Annex II of this Securities Note;
Application/s	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form/s and delivering same to any of the Authorised Financial Intermediaries;
Authorised Financial Intermediaries	the licensed stockbrokers and financial intermediaries listed in Annex I of this Securities Note;
Bond Issue or **Offer**	the issue of the Bonds;
Bond Issue Price	the price of €100 per Bond;
Bondholder	a holder of Bonds;
Bonds	the €20,000,000 3.50% bonds 2027 to be issued by the Issuer pursuant to the Prospectus;
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
Company or **Issuer**	Simonds Farsons Cisk plc, a public limited liability company duly registered and validly existing under the laws of Malta with company registration number C 113 and with its registered office at The Brewery, Mdina Road, Mrieħel, Birkirkara BKR 3000, Malta;
CSD	the Central Securities Depository of the Malta Stock Exchange established pursuant to Chapter 4 of the Malta Stock Exchange Bye-Laws, having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
Cut-Off Date	1 August 2017;
Directors or **Board**	the directors of the Issuer whose names are set out under the heading *"Directors and Company Secretary"* in section 7.1 of the Registration Document;
Euro or **€**	the lawful currency of the Republic of Malta;
Exchange, **Malta Stock Exchange** or **MSE**	Malta Stock Exchange plc, as originally constituted in terms of the Financial Markets Act (Cap. 345 of the laws of Malta), having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta, and bearing company registration number C 42525;
Farsons Group or **Group**	the Issuer (as parent company) and its Subsidiaries;
Interest Payment Date	13 September of each year between and including each of the years 2018 and the year 2027, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;

Issue Period	9 August 2017 to 5 September 2017 at 12:00 CET, both days included;
Listing Authority	the Board of Governors, acting as the Listing Authority under the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta);
Listing Rules	the listing rules of the Listing Authority;
Maturing Bondholder/s	holder/s of Maturing Bonds;
Maturing Bonds	the 6.0% bonds 2017/2020 to be redeemed by the Company on 13 September 2017, with ISIN MT0000071226, issued by the Issuer further to a prospectus dated 10 May 2010 and amounting to €15,000,000 as at the date of the Prospectus;
MFSA	Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta);
Nominal Value or **Par Value**	€100 per Bond;
Official List	the list prepared and published by the Malta Stock Exchange, containing information of all listed securities, together with such other information as the Malta Stock Exchange may consider appropriate to include therein;
Prospectus	collectively the Summary Note, the Registration Document and this Securities Note;
Redemption Date	13 September 2027;
Redemption Value	the nominal value of each Bond;
Registrar	the Malta Stock Exchange;
Registration Document	the registration document issued by the Issuer dated 31 July 2017, forming part of the Prospectus;
Regulation	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 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 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of supplements to the prospectus; and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of the prospectus and dissemination of advertisements;
Securities Note	this document in its entirety;
Sponsor and Manager or **Sponsor** or **Manager**	Rizzo, Farrugia & Co. (Stockbrokers) Limited, an authorised financial intermediary licensed by the MFSA and a member of the MSE, bearing registration number C 13102 and having its registered office at Airways House, Third Floor, High Street, Sliema, SLM 1549, Malta;

Subsidiary/ies each of

- EcoPure Limited registered under the laws of Malta with company registration number C 19492;
- Farsons Distribution Services Limited registered under the laws of Malta with company registration number C 34575;
- Farsons Beverage Imports Company Limited registered under the laws of Malta with company registration number C 476;
- Quintano Foods Limited registered under the laws of Malta with company registration number C 33660;
- Food Chain Limited registered under the laws of Malta with company registration number C 753;
- Trident Estates Limited registered under the laws of Malta with company registration number C 27157;
- Portanier Warehouses Limited registered under the laws of Malta with company registration number C 29563;
- Sliema Fort Company Limited registered under the laws of Malta with company registration number C 22415;
- Galleria Management Limited registered under the laws of Malta with company registration number C 19528;
- Mensija Catering Company Limited registered under the laws of Malta with company registration number C 5391;
- Neptune Properties Limited registered under the laws of Malta with company registration number C 79214;
- Trident Park Limited registered under the laws of Malta with company registration number C 79212;
- Malta Deposit and Return System Limited registered under the laws of Malta with company registration number C 38304 – in liquidation; and
- FSG Company Limited registered under the laws of Malta with company registration number C 27784 – in liquidation.

Summary Note the summary note issued by the Issuer dated 31 July 2017, forming part of the Prospectus; and

Terms and Conditions the terms and conditions of issue of the Bonds set out in this Securities Note.

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

Unless it appears otherwise from the context:
a. words importing the singular shall include the plural and vice-versa;
b. words importing the masculine gender shall include the feminine gender and vice-versa;
c. the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative.

2. RISK FACTORS

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 ADVISERS, 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, (II) NOR 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

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company and/or the respective Directors concerning, amongst other things, its strategies and business plans, results of operations, financial condition, liquidity, prospects and the markets in which it operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The actual results of operations, financial condition, liquidity, dividend policy and the strategic development of the Issuer may differ materially from the forward-looking statements contained in this Prospectus. In addition, even if the results of operations, financial condition, liquidity and dividend policies of the Issuer are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include:

i. continued, sustained or worsening global economic conditions and in particular economic weakness in the areas in which the Issuer operates;

ii. increased competition; and

iii. increased regulation;

Potential investors are advised to read this document in its entirety and, in particular, "*Risk Factors*" for a further discussion of the factors that could affect the Issuer's future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur. All forward-looking statements contained in this document are made only as at the date hereof. The Company and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

2.3 General

In so far as prospective investors seek advice from Authorised Financial Intermediaries concerning an investment in the Bonds, Authorised Financial Intermediaries are to determine the suitability of prospective investors' investment in the Bonds in the light of said prospective investors' own circumstances. The Bonds may not be a suitable investment for all investors. In particular, Authorised Financial Intermediaries should determine whether each prospective investor:

i. has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in the Prospectus or any applicable supplement;

ii. has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency;

iii. understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets; and

iv. is able to evaluate possible scenarios for economic, interest rate and other factors that may affect his/her/its investment and his/her/its ability to bear the applicable risks.

2.4 Risks Relating to the Bonds

• 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. Accordingly, 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

The Bonds have a fixed interest rate, accordingly investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds and their transferability.

• Currency Risk

Any investor whose currency of reference is not the Euro shall 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.

• Changes to Terms and Conditions

In the event that the Issuer wishes to amend any of the Terms and Conditions of Issue of the Bonds it shall call a meeting of Bondholders in accordance with the provisions of section 6.13 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.

• Future Public Offerings

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.

• 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.

• Ranking of Bonds

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 section 6.3 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.

3. PERSONS RESPONSIBLE

Each and all of the Directors of the Issuer whose names appear under the heading *"Directors and Company Secretary"* in section 7.1 of the Registration Document, accept responsibility for the information contained in this Securities Note.

To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors 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 statements and representations. The Sponsor (acting also as the Manager) and the Issuer's respective advisers 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.

4. CONSENT FOR THE USE OF THE PROSPECTUS

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

For the purposes of any subscription for Bonds through any of the Authorised Financial Intermediaries during the Issue Period 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 Regulation, the Issuer consents to the use of this Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale, placement or other offering of Bonds, provided this is limited only:

i. in respect of Bonds subscribed for through Authorised Financial Intermediaries listed in Annex I of this Securities Note during the Issue Period;

ii. to any resale or placement of Bonds taking place in Malta;

iii. to any resale or placement of Bonds taking place within the period of 60 days from the date of the Prospectus.

None of the Issuer, the advisers identified in section 4 of the Registration Document or any of their respective advisers 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, she/he 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 will provide information to investors on the terms and conditions of the resale, placement or other offering at the time such is made. 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 offer to provide the investor with that information and neither the Issuer, the Sponsor or other Authorised Financial Intermediary has any responsibility or liability for such information.

Any resale, placement or other offering of the Bonds to an investor by an Authorised Financial Intermediary will be made in accordance with any terms and other arrangements in place between such Authorised Financial Intermediary and such investor including as to price, allocations and settlement arrangements. Where such information is not contained in the Prospectus, it will be the responsibility of the applicable Authorised Financial Intermediary at the time of such resale, placement or other offering to provide the investor with that information and neither the Issuer nor the Sponsor 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 the Bonds subsequent to the Bond Issue shall, limitedly for the period of 60 days from the date of the Prospectus, publish on its website a notice to the effect that it is using 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.

5. ESSENTIAL INFORMATION

5.1 Interest of Natural and Legal Persons Involved in the Issue

Save for the possible subscription for the Bonds by any Authorised Financial Intermediary and any fees payable to Rizzo, Farrugia & Co (Stockbrokers) Ltd. as Sponsor in connection with the Bond Issue, so far as the Issuer is aware, no other person involved in the Issue has a material interest in the Bond Issue.

5.2 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 €19,600,000, will be used by the Issuer for the following purposes, in the amounts and order set out below:

i. a maximum amount of €15,000,000 will be used by the Issuer for the purpose of redeeming the Maturing Bonds remaining in issue as at the Cut-off Date;

ii. the remaining amount of approximately €4,600,000 will be used by the Issuer for general corporate purposes including the funding of the capital investment programme planned for the next few years, as detailed in section 5.6 of the Registration Document.

In the event that the Bond Issue is not fully subscribed, the Issuer will proceed with the listing of the amount of Bonds subscribed for and the proceeds from the Bond Issue shall be applied for the purposes and in the order set out above.

Any residual amount required by the Issuer for the purposes of (i) and (ii) above which shall not have been raised through the Bond Issue shall be financed through alternative funding sources.

5.3 Expenses of the Issue

The Issue will involve expenses, including professional fees and costs related to printing, listing, registration, sponsor, management, selling commission and other miscellaneous costs incurred in connection with this Bond Issue. Such expenses are estimated not to exceed €400,000 and shall be borne by the Issuer. The amount of the expenses will be deducted from the proceeds of the Bond Issue, which, accordingly, will bring the estimated net proceeds from the Bond Issue to €19,600,000. There is no particular order of priority with respect to such expenses.

5.4 Issue Statistics

Amount	€20,000,000;
Form	The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD;
Denomination	Euro (€);
ISIN	MT0000071234;
Minimum amount per subscription	Two thousand Euro (€2,000) and in multiples of one hundred Euro (€100) thereafter;
Plan of Distribution	The Bonds are open for subscription by Maturing Bondholders and Authorised Financial Intermediaries pursuant to the Intermediaries' Offer in respect of any balance of the Bonds not subscribed to by Maturing Bondholders, as aforesaid;
Preferred Allocations	Holders of Maturing Bonds applying for the Bonds may elect to settle all or part of the amount due on the Bonds applied for by the transfer to the Issuer of Maturing Bonds at par value, subject to a minimum Application of €2,000 in Bonds and rounded upwards to the nearest €100. Any holders of Maturing Bonds whose holding in Maturing Bonds is less than €2,000 shall be required to pay the difference together with the submission of their Application Form ("**Cash Top-Up**"). Holders of Maturing Bonds electing to subscribe for Bonds through the transfer to the Issuer of all or part of the Maturing Bonds held by them as at the Cut-off Date (including Cash Top-Up, where applicable) ("**Maturing Bond Transfer**") shall be allocated Bonds for the corresponding nominal value of Maturing Bonds transferred to the Issuer (including Cash Top-Up, where applicable). The transfer of Maturing Bonds to the Issuer in consideration for the subscription for Bonds shall cause the obligations of the Issuer with respect to such Maturing Bonds to be extinguished, and shall give rise to obligations on the part of the Issuer under the Bonds. Bonds applied for by Maturing Bondholders by way of Maturing Bond Transfer as described above shall be allocated prior to any other allocation of Bonds.

	Holders of the Maturing Bonds wishing to apply for a number of Bonds exceeding in value the aggregate nominal value of Maturing Bonds held as at the Cut-off Date (including Cash Top-Up, where applicable) may subscribe for such additional Bonds by completing the appropriate section of the same non-transferable, pre-printed Application Form in terms of sections 8.4 and 8.5. Any balance of the Bonds not subscribed to by holders of Maturing Bonds shall be offered for subscription to Authorised Financial Intermediaries through an Intermediaries' Offer in terms of section 8.8;
Bond Issue Price	At par (€100 per Bond);
Redemption Date	13 September 2027;
Redemption Value	At par (€100 per Bond);
Status of the Bonds	The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, and shall shall at all times rank *pari passu* without any priority or preference with all other present and future unsecured obligations of the Issuer;
Listing	Application has been made to the Listing Authority for the admissibility of the Bonds to listing and to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List;
Interest	3.50% per annum;
Interest Payment Date(s)	Annually on 13 September provided that in the event that any Interest Payment Date falls on a date other than a Business Day, the Interest would be paid on the first next day which is a Business Day. The first Interest payment will be effected on 13 September 2018;
Governing Law of Bonds	The Bonds are governed by and shall be construed in accordance with Maltese law;
Jurisdiction	The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds;
Underwriting	The Bond Issue is not underwritten.

6. INFORMATION CONCERNING THE BONDS

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.

6.1 General

6.1.1 Each Bond forms part of a duly authorised issue of 3.50% Bonds 2027 of a par value of €100 per Bond issued by the Issuer at par up to the principal amount of €20,000,000 (except as otherwise provided under section 6.4 *"Further Issues and Further Indebtedness"*).

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

6.1.3 The Bonds shall bear interest at the rate of 3.50% per annum payable annually in arrears on 13 September of each year (each an "**Interest Payment Date**"). Any Interest Payment Date that falls on a day that is not a Business Day will be carried forward to the next following day that is a Business Day. The first interest payment will be effected on 13 September 2018.

6.1.4 Subject to admission to listing of the Bonds to the Official List of the MSE, the Bonds are expected to be assigned ISIN MT0000071234.

6.1.5 Unless previously purchased and cancelled, the Bonds shall be redeemable at par on the Redemption Date.

6.1.6 The issue of the Bonds is made in accordance with the requirements of the Listing Rules, the Act, and the Regulation.

6.1.7 The issue of the Bonds has been authorised by a resolution of the board of Directors of the Issuer dated 19 July 2017.

6.1.8 There are no special rights attached to the Bonds other than the rights of the Bondholder to payment of capital and interest as detailed below.

6.1.9 The minimum amount of Bonds that can be subscribed for by any Applicant is €2,000, and in multiples of €100 thereafter.

6.1.10 Holders of Maturing Bonds may apply for the Bonds by completing the pre-printed Application Form and lodging it with any of the Authorised Financial Intermediaries by not later than 12:00 hours CET on 5 September 2017. The Application Form must be accompanied by the Cash Top-Up referred to in section 8.4, where applicable, and/or an amount representing the difference between the full price of the amount of Bonds applied for and the nominal value of the Exchangeable Bonds being surrendered through the Maturing Bond Transfer. If the Application Form and proof of payment of cleared funds do not reach the Authorised Financial Intermediaries by the close of the Issue Period, the Application will be deemed to have been declined.

6.1.11 The Issue Period shall close on 5 September 2017 at 12:00 hours CET. The Issuer will determine and announce the allocation policy for the Bonds within five (5) Business Days of the closing of the Issue Period. The results of the Offer, including the allocation policy, will be announced through a company announcement. It is expected that allotment letters will be dispatched to Bondholders within five (5) Business Days of the date of the announcement of the allocation policy.

6.1.12 The Bonds are expected to be listed on the Official List on 20 September 2017 and dealing is expected to commence on 22 September 2017. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

6.1.13 In the event that Maturing Bondholders applying for additional Bonds and/or Authorised Financial Intermediaries participating in an Intermediaries' Offer, as applicable, have been allocated a number of Bonds which is less than the number applied for, then such subscriber shall receive a refund of the balance of the price of the Bonds applied for but not allocated, without interest, by direct credit transfer to such account indicated in the Application Form or subscription agreement (as the case may be), at the subscriber's sole risk, within five (5) Business Days from the date of announcement of basis of acceptance. Neither the Issuer nor the Registrar will be responsible for any charges, loss or delay in transmission of the refunds. In this regard, any monies returnable to Applicants may be retained pending clearance of the remittance or surrender of the Maturing Bonds, as the case may be, and any verification of identity as required by the Prevention of Money Laundering Act, 1994 (Chapter 373 of the laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

6.1.14 There are no special rights attached to the Bonds other than the right of the Bondholders to payment of interest and capital (as detailed in section 6.5 of this Securities Note) and in accordance with the ranking specified in section 6.2 of this Securities Note.

6.1.15 The Bond Issue is not underwritten. In the event that the Bond Issue is not fully subscribed, the Issuer will proceed with the listing of the amount of Bonds subscribed for.

6.2 Status and 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 with all other present and future unsecured obligations of the Issuer.

Subject to the negative pledge clause set out in section 6.3 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 table sets out a summary of the Farsons Group indebtedness as at 31 January 2017, and includes details of security given in respect of guarantees, overdraft facilities, and bank loans. The bank borrowings and facilities listed below are secured by privileges and hypothecs, and therefore, to the extent that such borrowings and/or facilities remain outstanding, the indebtedness being created by the Bonds would, specifically in respect of the assets constituting the said security, rank after all these borrowings and/or facilities. 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 hypothec, in so far as the asset constituting the relevant security is concerned.

BANK LOANS

Borrower	Lender	Total amount of facility	Amount outstanding as at 31 January 2017	Principal Security
Simonds Farsons Cisk plc	HSBC Bank Malta p.l.c.	Loan 1: €3,500,000	€3,500,000	*Inter alia:* • First General Hypothec over all assets present and future given by Simonds Farsons Cisk plc • First Special Hypothec on overdraft basis and on Loan basis given by Simonds Farsons Cisk plc over its Brewery and Building including surrounding land • First Special Hypothecary Guarantee by Trident Development Limited over 19 and 20 South Street, Valleta; 16, Farsons Street, Hamrun; and Burger King, Wilga Street, Paceville • First General Hypothec over all assets present and future given by Food Chain Limited • First General Hypothecary Guarantee over all assets present and future given by Trident Developments Limited • Company Guarantee to secure all liabilities of Simonds Farsons Cisk plc given by Food Chain Limited • Company Guarantee to secure all liabilities of Simonds Farsons Cisk plc given by Trident Developments Limited • First pledge given by Simonds Farsons Cisk plc over Combined Business Policy • Any other security that may be presently held by the Bank but not listed above
		Loan 2: €12,400,000	€12,078,400	
Simonds Farsons Cisk plc	Bank of Valletta plc	Loan 1: €2,434,919	€2,434,919	*Inter alia:* • General hypothec over company's assets and supported by a special hypothec on Commercial Premises in Attard • General Hypothecary Guarantee given by a third party company supported by a Special Hypothecary Guarantee on a property at Marsa • General Hypothecary Guarantee given by a third party company supported by a Special Hypothecary Guarantee on a property at St. Julian's • Pledge on Business Plan Policy
		Loan 2: €12,800,000 (unutilised)	€0	*Inter alia:* • General hypothec over company's assets and second general hypothec over Attard property • Pledge on Business Plan Policy

OVERDRAFTS, GENERAL BANKING FACILITIES, GUARANTEES, AND FORWARD EXCHANGE FACILITIES

Borrower	Lender	Total amount of facility	Amount outstanding as at 31 January 2017	Principal Security
Simonds Farsons Cisk plc	HSBC Bank Malta p.l.c.	General banking facility: €7,400,000 Forward Exchange Facility: €1,000,000	€1,556,306	*Inter alia:* • First General Hypothec over all assets present and future given by Simonds Farsons Cisk plc • First Special Hypothec on overdraft basis and on Loan basis given by Simonds Farsons Cisk plc over its Brewery and Building including surrounding land • First Special Hypothecary Guarantee by Trident Development Limited over 19 and 20 South Street, Valleta, 16, Farsons Street, Hamrun and Burger King, Wilga Street, Paceville • First General Hypothecary over all assets present and future given by Food Chain Limited • First General Hypothecary Guarantee over all assets present and future given by Trident Developments Limited • Company Guarantee to secure all liabilities of Simonds Farsons Cisk plc given by Food Chain Limited • Company Guarantee to secure all liabilities of Simonds Farsons Cisk plc given by Trident Developments Limited • First pledge given by Simonds Farsons Cisk plc over Combined Business Policy • Any other security that may be presently held by the Bank but not listed above
		Overdraft Facility as guarantor to Food Chain Limited: €1,000,000	€210,678	
Simonds Farsons Cisk plc	Lombard Bank Malta plc	Overdraft of €815,300	€8,082	*N/a*
Farsons Beverage Imports Company Limited	Bank of Valletta plc	General banking facility: €5,500,000	€334,542	*Inter alia:* • General Hypothec over company's assets • General Hypothecary Guarantee given by third party and supported by a Special Hypothecary Guarantee on Complex Trident House at Marsa
		Guarantees of €697,009	N/a	Beneficiaries of these guarantees being the Comptroller of Customs and Ministry of Health
Quintano Foods Limited	HSBC Bank Malta p.l.c.	General Banking Facility of €1,400,000	€0	*Inter alia:* • First General Hypothec on overdraft basis over all assets present and future given by Quintano Foods Limited • First General Hypothecary Guarantee on overdraft basis over all assets present and future given by Simonds Farsons Cisk plc • First General Hypothecary Guarantee on overdraft basis given by Simonds Farsons Cisk plc over the Brewery Complex • Company guarantee to secure all liabilities of Quintano Foods Limited given by Simonds Farsons Cisk plc. • Pledge given by Simonds Farsons Cisk plc over Combined Business Policy • Any other security that may be presently held by the Bank not listed above

EXISTING BOND IN ISSUE AND RELATED BANK GUARANTEE			
Borrower	**Total amount of facility**	**Amount outstanding as at 31 January 2017**	**Principal Security**
Simonds Farsons Cisk plc	6% €15,000,000 Bonds maturing in 2017 – 2020	€15,000,000	General, direct, unconditional, unsecured and unsubordinated bonds
	Guarantee of €2,250,000 from Bank of Valletta plc	N/a	Guarantee in respect of the existing bond issue, with Curmi and Partners Ltd in the role of custodians

Further details on bank borrowings and/or facilities are found in the audited consolidated financial statements of the Farsons Group for the financial year ended 31 January 2017, which have been published and are available on the Issuer's website (www.farsons.com.mt) and at its registered office.

6.3 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 their present or future assets or revenues to secure any Financial Indebtedness (as defined below) of the Issuer, unless at the same time or prior thereto the Issuer's indebtedness under the Bonds shares in and is secured equally and rateably therewith, and the instrument creating such Security Interest so provides.

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

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

"Permitted Security Interest" means: (A) any Security Interest arising by operation of law; (B) any Security Interest securing temporary bank facilities 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 103.50% of the aggregate principal amount of the Bonds still outstanding;

"unencumbered assets" means assets, or parts thereof, which are not subject to a Security Interest; provided that in calculating the value of the unencumbered assets of the Issuer for the purposes of the definition of "Permitted Security Interest" above, assets which are subject to a general hypothec shall be deemed to be subject to a Security Interest only up to the amount of any outstanding Financial Indebtedness secured by such general hypothec and shall otherwise be deemed to be unencumbered assets.

6.4 Further Issues and Further Indebtedness

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.

The Issuer may incur further indebtedness on a short to medium term basis that may rank senior to the Bonds.

6.5 Rights Attached to the Bonds

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

i. the payment of capital;

ii. the payment of interest;

iii. the right to attend, participate in and vote at meetings of Bondholders in accordance with the terms and conditions of the Bond; and

iv. enjoy all such other rights attached to the Bonds emanating from this Prospectus.

6.6 Interest and Yield

The Bonds shall bear interest from and including 13 September 2017 at the rate of 3.50% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. 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 first interest payment will be effected on 13 September 2018. 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 years.

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

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds is 3.50% per annum.

6.7 Pricing

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

6.8 Registration, Form, Denomination and Title

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

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

The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100.

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 6.9 of this Securities Note.

6.9 Transferability of the Bonds

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

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

All transfers and transmissions are subject in all cases to any pledge (duly constituted by the Bondholder) 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.

6.10 Payments

Payment of the principal amount (with interest accrued to the due date for redemption) as well as payment of any instalment of interest of the Bonds will be made in Euro to the person in whose name such Bond is registered as at the close of business fifteen (15) days prior to the due date for redemption or fifteen (15) days prior to the Interest Payment Date (as the case may be) by direct credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the Bondholder. The Issuer shall not be responsible for any loss or delay in transmission. Such payment shall be effected within seven (7) days of the due date for redemption or the Interest Payment Date (as the case may be). 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.

Save in the case of Bonds held subject to usufruct, in which case clause 6.18 shall apply, 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 to a Euro account (or any other account to which Euro may be credited or transferred) specified by the Bondholder. Such payment shall be effected within seven (7) days of the Interest Payment Date. The Issuer shall not be responsible for any charges, loss or delay in transmission.

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

No commissions or expenses shall be charged by the Issuer to Bondholders in respect of payments made in accordance with this section 6.10. The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer.

6.11 Redemption and Purchase

Unless previously re-purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 13 September 2027 by payment to the Bondholders (whose names are entered in the register of Bonds held at CSD) by means of a direct credit to such account as held by CSD. The Issuer shall not be responsible for any charges, loss or delay in transmission. In such case the Issuer shall be discharged of any and all payment obligations under the Bonds upon payment made net of any withholding or other taxes due or which may be due under Maltese law and which is payable by the Bondholder.

All Bonds repurchased by the Issuer shall be cancelled forthwith and may not be re-issued or re-sold.

6.12 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:

a. the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; or

b. 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, **provided** that an approved merger or division of the Issuer shall not constitute an Event of Default **provided further** that the resultant entity has assumed the obligations under the Bonds; or

c. the Issuer ceases or suspends payments (whether of principal or interest) with respect to all or any class of its respective debts or announces an intention to do so; or

d. the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or

e. 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 ten million Euro (€10,000,000) or its equivalent and one hundred and eighty (180) days shall have passed since the date of delivery of such judgment without its having been satisfied or stayed; or

f. any default occurs and continues for one hundred and eighty (180) days under any contract or document relating to any financial indebtedness of the Issuer in excess of ten million Euro (€10,000,000) or its equivalent at any time. For the purposes of this clause 6.12, the term financial indebtedness shall have the meaning set out in section 6.3.

6.13 Meetings of Bondholders

1. Bondholders have the following powers exercisable by a resolution voted for, at a meeting of the Bondholders convened and held in accordance with the provisions of this section 6.13, by a majority of Bondholders holding not less than seventy-five per cent (75%) of the outstanding principal amount for the time being of the Bonds:

    i. power to approve any release, modification, waiver or compromise of any of the rights of the Bondholders (however arising) against the Issuer, except that they do not have powers to affect rights in respect of payments of interest payable on the Bonds or the payment of the principal amount upon redemption;

    ii. power to authorise the Issuer to modify, alter, amend or add to the provisions contained in the Bond Conditions and power to ratify and adopt any such modification, alteration, amendment or addition;

    iii. power to approve any scheme of reconstruction of the Issuer or for the amalgamation of Issuer with any other company or corporation;

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

2. The Issuer may, at any time, convene a meeting of the Bondholders and if it receives a written request by Bondholders holding at least ten per cent (10%) of the outstanding principal amount for the time being of the Bonds and is indemnified to its satisfaction against all costs, losses and expenses, the Issuer must convene a meeting of Bondholders. Meetings shall be convened and requested only for the purpose of considering a resolution specified in the immediately preceding paragraph. The time and place of the meeting must be specified by the Issuer.

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

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

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

6. Save for the above, the rules generally applicable to the Issuer during General Meetings of shareholders shall apply.

7. In the event that the Bonds are listed, and for so long as the Bonds remain listed, any resolution which may be proposed shall be subject to any laws, regulations, rules or bye-laws which may be applicable from time to time.

6.14 Authorisations, Approvals and Admission to Trading

The board of Directors of the Issuer authorised the Bond Issue pursuant to a board of Directors resolution passed on 19 July 2017.

The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 31 July 2017.

Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on its Official List.

The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 20 September 2017 and trading is expected to commence on 22 September 2017. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

6.15 Notices

Notices will be mailed to Bondholders at the registered addresses held at CSD 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.

6.16 Representations and Warranties

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

i. it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business as it is now being conducted and to hold its property and other assets under legal title;

ii. it has the power to execute, deliver and perform its obligations under the Prospectus and that all necessary corporate and other actions have been duly taken to authorise the execution, delivery and performance of the same, and further that no limitation on its power to borrow or guarantee shall be exceeded as a result of the Terms and Conditions or the Prospectus; and

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

6.17 Bonds held jointly

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

6.18 Bonds held Subject to Usufruct

In respect of any Bonds held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed vis-a-vis the Issuer to be the holder of the Bond/s so held and shall have the right to receive interest on the Bond/s and to vote at meetings of the Bondholders but shall not, during the continuance of the Bond/s, have the right to convert upon maturity, dispose of, or to take any decision which leads to disposal 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/s (which shall be due to the bare owner).

6.19 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.

7. TAXATION

7.1 General

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

The information below is based on an interpretation of tax law and practice relative to the applicable legislation, as known to the Issuer at the date of the 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.

7.2 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 that is entitled to receive the interest gross from any withholding tax, or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act, (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% (10% in the case of certain types of collective investment schemes) of the gross amount of the interest, pursuant to article 33 of the said Income Tax Act. Bondholders who do not fall within the definition of a "recipient" do not qualify for the said rate and should seek advice on the taxation of such income as special rules may apply.

This withholding tax is considered as a final tax and a Maltese resident individual Bondholder need not declare the interest so received in his income tax return if paid net of tax. No person shall be charged to further tax in respect of such income and the tax deducted shall not be available as a credit against the recipient's tax liability or available as a refund.

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

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.

7.3 Exchange of information

In terms of applicable Maltese legislation, the Issuer and/or its agent are required to collect and forward certain information (including, but not limited to, information regarding payments made to certain Bondholders) to the Malta Commissioner for Revenue.

The Commissioner for Revenue will or may, in turn, automatically or on request, forward the information to other relevant tax authorities subject to certain conditions. Please note that this does not constitute tax advice and Applicants are to consult their own independent tax advisers in case of doubt.

7.4 Maltese taxation on capital gains on transfer of the Bonds

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

7.5 Duty on documents and transfers

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

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

Furthermore, even if the Bonds are considered to be marketable securities for the purposes of the Duty on Documents and Transfers Act, in terms of article 50 of the Financial Markets Act (Chapter 345 of the laws of Malta), in view of the fact that the Bonds constitute financial instruments of a company quoted on a regulated market exchange, as is the MSE, redemptions and transfers of the Bonds should in any case be 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.

8. TERMS AND CONDITIONS OF THE BOND ISSUE

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

8.1 Terms and Conditions of Application

8.1.1 The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Official List. In the event that the Bonds are not admitted to the Official List, no Maturing Bond Transfers (see section 5.4 above) shall take effect and any Application monies received by the Issuer will be returned without interest by direct credit into the Applicant's bank account indicated by the Applicant on the relative Application Form.

8.1.2 In view of the fact that the proceeds of the Bond Issue are intended to be applied to the redemption of the outstanding amount of the Maturing Bonds, the Issuer has not established an aggregate minimum subscription level for the Bond Issue.

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

8.1.4 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.

8.1.5 Any person [as understood in Article 4 of the Interpretation Act (Cap. 249 of the laws of Malta)] shall be eligible to submit an Application and any one (1) person, whether directly or indirectly, should not submit more than one (1) Application Form. If an Application Form is signed on behalf of another party or on behalf of a corporation or corporate entity or association of persons, the person signing will be deemed to have duly bound his principal, or the relative corporation, corporate entity, or association of persons, and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions on their behalf. Such representative may be requested to submit the relative power of attorney/resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Issuer and 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.

8.1.6 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.

8.1.7 Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.

8.1.8 The Bonds have not been and will not be registered under the Securities Act of 1933 of the United States of America and, accordingly, may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.

8.1.9 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 regulation or other legal requirements.

8.1.10 It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself/herself/itself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

8.1.11 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 or facsimile copies will not be accepted. In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each Applicant, and liability therefor is joint and several.

8.1.12 Save where the context requires otherwise or where otherwise defined therein, terms defined in the Prospectus bear the same meaning when used in these Terms and Conditions, in the Application Form, in any of the Annexes and in any other document issued pursuant to the Prospectus.

8.1.13 The Issuer has not sought assessment of the Bonds by any independent credit rating agency.

8.1.14 Subject to all other terms and conditions set out in the Prospectus, the Issuer reserves the right to revoke the Issue at any time before the closing of the Issue Period. The circumstances in which such revocation might occur are expected to be exceptional, for example, where a significant change in market conditions occurs.

8.1.15 The Bonds will be issued in multiples of €100. The minimum subscription amount of Bonds that can be subscribed for by any Applicant is €2,000.

8.1.16 For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations, 2008, as amended from time to time, all appointed Authorised Financial Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the "Members' Code of Conduct" included as Appendix 3.6 to Chapter 3 of the Malta Stock Exchange Bye-Laws, irrespective of whether the said appointed Authorised Financial Intermediaries are Malta Stock Exchange Members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the Data Protection Act (Cap. 440 of the laws of Malta) for the purposes and within the terms of the Malta Stock Exchange Data Protection Policy as published from time to time.

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

i. agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;

ii. warrants that the information submitted by the Applicant 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;

iii. authorises the Registrar and the Directors to include his/her/its name or, in the case of joint Applications the first named Applicant, in the register of debentures of the Issuer in respect of the Bonds allocated to such Applicant and further authorises the Issuer and the MSE to process the personal data that the Applicant provides in the Application Form, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act (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/it as processed by the Issuer and/or the MSE. Any such requests must be made in writing and addressed to the CSD at the Malta Stock Exchange. The requests must further be signed by the Applicant to whom the personal data relates;

iv. 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;

v. agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her/its remittance or surrender of the Maturing 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;

vi. agrees to provide the Registrar, the Authorised Financial Intermediaries and/or the Issuer, as the case may be, with any information which it/they may request in connection with the Application;

vii. warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his/her/its Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bonds or his/her/its Application;

viii. warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;

ix. represents that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) and that he/she/it is not accepting the invitation set out in the 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;

x. agrees that Rizzo, Farrugia & Co. (Stockbrokers) Ltd. 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 Rizzo, Farrugia & Co. (Stockbrokers) Ltd. will owe the Applicant no duties or responsibilities concerning the price of the Bonds or their suitability for the Applicant;

xi. agrees that all documents in connection with the issue of the Bonds and any returned monies, including refunds of all unapplied Application monies, if any, will be sent at the Applicant's own risk and may be sent, in the case of documents, by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as set out in the Application Form and in the case of monies by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form;

xii. 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;

xiii. irrevocably offers to purchase the number of Bonds specified in his/her/its Application Form (or any smaller number for which the Application is accepted) at the Bond Issue Price subject to the Prospectus, the terms and conditions thereof and the Memorandum and Articles of Association of the Issuer;

xiv. warrants that his/her/its remittance will be honoured on first presentation and agrees that if such remittance is not so honoured he/she/it will not be entitled to receive a registration advice, or to be registered in the register of debentures or to enjoy or receive any rights in respect of such Bonds unless and until payment in cleared funds for such Bonds is received and accepted by the Issuer and/or the Registrar (which acceptance shall be made in the absolute discretion of the Issuer and/or the Registrar and may be on the basis that the Issuer and/or the Registrar is indemnified against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of such remittance to be honoured on first presentation) and that, at any time prior to unconditional acceptance by the Issuer and/or the Registrar of such late payment in respect of such Bonds, the Issuer and/or the Registrar may (without prejudice to other rights) treat the agreement to allocate such Bonds as void and may allocate such Bonds to some other person, in which case the Applicant will not be entitled to any refund or payment in respect of such Bonds (other than return of such late payment);

xv. agrees that all Applications, acceptances of applications and contracts resulting therefrom will be governed by, and construed in accordance with, Maltese law and that he/she/it submits to the exclusive jurisdiction of the Maltese Courts and agrees that nothing shall limit the right of the Issuer to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of applications and contracts in any other manner permitted by law in any court of competent jurisdiction;

xvi. warrants that if he/she signs the Application Form on behalf of another party or on behalf of a corporation or corporate entity or association of persons, he/she has due authority to do so and such person, corporation, corporate entity or association of persons will also be bound accordingly, and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions;

xvii. warrants that he/she is not under the age of eighteen (18) years or if he/she is lodging an Application in the name and for the benefit of a minor, warrants that he/she is the parent or legal guardian/s of the minor;

xviii. confirms that, in the case of a joint Application entered into in joint names, the first named Applicant shall be deemed the holder of the Bonds; and

xix. agrees that, in all cases, any refund of unallocated Application monies, if any, will be sent to the Applicant by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form. No interest shall be due on refunds. The Issuer shall not be responsible for any charges, loss or delay in transmission.

8.2 Expected Timetable of the Bond Issue

Application Forms mailed to Maturing Bondholders	8 August 2017
Closing date for Applications to be received from Maturing Bondholders	5 September 2017 (by 12:00 hours CET)
Intermediaries Offer*	7 September 2017
Announcement of basis of acceptance	13 September 2017
Commencement of interest	13 September 2017
Dispatch of allotment advices and refunds (if any)	14 September 2017
Expected date of admission of the Bonds to listing	20 September 2017
Expected date of commencement of trading in the Bonds	22 September 2017

* In the event that the total value of Applications received from Maturing Bondholders exceeds €20,000,000, the Intermediaries' Offer will not take place.

8.3 Plan of Distribution and Allotment

Applications for subscription to the Bonds may be made through any of the Authorised Financial Intermediaries. The Bonds are open for subscription by:

i. holders of Maturing Bonds up to the amount of Maturing Bonds held as at the Cut-off Date and subject to any Cash Top-Up, as and if applicable;

ii. holders of Maturing Bonds in respect of any number of additional Bonds applied for other than by Maturing Bond Transfer exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-Off Date (including Cash Top-Up, as and if applicable), without priority or preference between them; and

iii. Authorised Financial Intermediaries through an Intermediaries' Offer in respect of any balance of the Bonds not subscribed to by holders of Maturing Bonds, in terms of section 8.8.

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 Maturing Bonds, as the case may be, and any verification of identity as required by the Prevention of Money Laundering Act, 1994 (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.

8.4 Applications by holders of Maturing Bonds – Maturing Bond Transfer & Cash Top-Up

The consideration payable by holders of the Maturing Bonds applying for Bonds may be settled, after submitting the appropriate non-transferable, pre-printed Application Form, by the transfer to the Issuer of all or part of the Maturing Bonds held by such Applicant as at the Cut-off Date, subject to a minimum application of €2,000 and rounded upwards to the nearest €100, which transfer shall be effected at the par value of the Maturing Bonds. Any holders of Maturing Bonds whose holding in Maturing Bonds is less than €2,000 shall be required to pay the difference together with the submission of Application Form (the "**Cash Top-Up**").

Holders of Maturing Bonds electing to subscribe for Bonds through a Maturing Bond Transfer shall be allocated Bonds for the corresponding nominal value of Maturing Bonds transferred to the Issuer (including Cash Top-Up, where applicable). The transfer of Maturing Bonds to the Issuer in consideration for the subscription for Bonds shall cause the obligations of the Issuer with respect to such Maturing Bonds to be extinguished, and shall give rise to obligations on the part of the Issuer under the Bonds. Bonds applied for by holders of Maturing Bonds by way of a Maturing Bond Transfer shall be allocated prior to any other allocation of Bonds. A Maturing Bond Transfer shall be without prejudice to the rights of holders of Maturing Bonds to receive interest on the Maturing Bonds up to and including 12 September 2017. The Maturing Bonds shall be redeemed on 13 September 2017 as determined by the Issuer and duly notified to holders of Maturing Bonds.

All Applications for the subscription of Bonds by holders of Maturing Bonds by means of a Maturing Bond Transfer must be submitted on the Application Forms to any Authorised Intermediary (including the Sponsor) by 12:00 hours CET of 5 September 2017.

Where the Applicant is the holder of Maturing 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.

8.5 Applications by holders of Maturing Bonds – Additional Bonds

The balance of the Bonds not subscribed for by holders of Maturing Bonds limitedly by means of a Maturing Bond Transfer, if any, shall be made available for subscription to holders of Maturing Bonds, in respect of any number of additional Bonds applied for other than by Maturing Bond Transfer exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-Off Date, including Cash Top-Up (where applicable).

In respect to any such balance, holder of Maturing Bonds transferring all of the Maturing Bonds held by them as at the Cut-off Date, may apply for an amount of Bonds in excess of the amount of Maturing Bonds being transferred by Maturing Bond Transfer. In such case, holders of Maturing Bonds may subscribe for additional Bonds, in multiples of €100, by completing the appropriate section of the same Application Form.

Holders of Maturing Bonds shall have priority in the allocation of Bonds solely with respect to that number of Bonds for which payment is being made by means of a Maturing Bond Transfer, subject to a Cash Top-Up, as and if applicable. In the event that the aggregate value of the Applications received from Maturing Bondholders transferring all of the Maturing Bonds held by them as at the Cut-off Date through Maturing Bond Transfer (including Cash Top-Up, where applicable) is in excess of the amount of Bonds available for subscription, the Issuer (acting through the Registrar) shall scale down each Application received by holders of Maturing Bonds, *pari passu*, without priority or preference between them and in accordance with the allocation policy to be issued in terms of section 8.10 of this Securities Note.

8.6 Payment by Holders of Maturing Bonds

Payment by Applicants of the Cash Top-Up, and the full price of the additional Bonds applied for, shall be made in Euro and in cleared funds at the Bond Issue Price, through the Authorised Financial Intermediaries as so instructed or by cheque payable to "**MSE The Registrar – Simonds Farsons Cisk plc**".

By submitting a signed Application Form indicating that the Maturing Bond Transfer is being selected as consideration for the Bonds being applied for, the Applicant is thereby confirming:

i. that all or part (as the case may be) of the Maturing Bonds held by the Applicant on the Cut-off Date are being transferred to the Issuer, together with the payment due in respect of any Cash Top-Up, as and if applicable;

ii. that the Application Form constitutes the Applicant's irrevocable mandate to the Issuer to:

   a. cause the transfer of the said Maturing Bonds in the Issuer's name in consideration of the 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 Maturing Bonds in the Issuer and fully and effectively vest title in the appropriate number of Bonds in the Applicant;

iii. that in respect of the payment of the Cash Top-Up and/or the exercise of the option to subscribe to additional Bonds, the Applicant's remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer, acting through the Registrar, reserves the right to invalidate the relative Application, and furthermore the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders, unless the Applicant makes payment in cleared funds and such consideration is accepted by the Issuer, acting through the 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).

8.7 Payment to Holders of Maturing Bonds who do not elect for full Maturing Bond Transfer

Holders of Maturing Bonds who do not elect to avail themselves of the possibility to exchange either all or part of their holding in the Maturing Bonds in terms of the procedure outlined above, shall receive all or part of the principal, as the case may be, together with accrued interest for the period between 16 June 2017 and 12 September 2017 in relation to the Maturing Bonds. The Maturing Bonds shall be redeemed on 13 September 2017 as determined by the Issuer and duly notified to the holders of Maturing Bonds.

8.8 Intermediaries Offer

Any balance of the Bonds not subscribed to by holders of Maturing Bonds as at the closing of the Issue Period, shall be offered for subscription to Authorised Financial Intermediaries through an Intermediaries' Offer. Any subscription received during the Intermediaries' Offer shall be subject to the same Terms and Conditions as those applicable to Applications by holders of Maturing Bonds, but limited to any remaining balance of Bonds after fully allocating the Bonds applied for by holders of Maturing Bonds.

In this regard, the Issuer shall enter into conditional subscription agreements with a number of Authorised Financial Intermediaries for the subscription of the resultant balance of Bonds, whereby it will bind itself to allocate Bonds to such investors during the Intermediaries' Offer.

In terms of each subscription agreement entered into with an Authorised Financial Intermediary, the Issuer will be conditionally bound to issue, and each Authorised Financial Intermediary will bind itself to subscribe for, a number of Bonds subject to being admitted to trading on the Official List. The subscription agreements will become binding on each of the Issuer and the respective Authorised Financial Intermediaries upon delivery, provided that these intermediaries would have paid to the Registrar all subscription proceeds in cleared funds on delivery of the subscription agreement.

Authorised Financial Intermediaries subscribing for Bonds may do so for their own account or for the account of underlying customers, including retail customers, and shall, in addition, be entitled to distribute any portion of the Bonds subscribed for upon commencement of trading. The minimum subscription by each Authorised Intermediary shall be €2,000 and in multiples of €100 thereafter per underlying customer, as applicable.

8.9 Pricing

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

8.10 Allocation Policy

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

i. first to Maturing Bondholders up to the extent of their holdings of Maturing Bonds on the Cut-off Date to be utilised for the purposes of the payment of consideration of Bonds, rounded upwards to the nearest €100 and subject to the minimum Application of €2,000;

ii. the balance of the Bonds not subscribed for by Maturing Bondholders limitedly by means of a Maturing Bond Transfer, if any, shall be made available for subscription to Maturing Bondholders in respect of any additional Bonds applied for other than by Maturing Bond Transfer exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-Off Date, *pari passu*, without priority or preference between them and in accordance with the allocation policy as determined by the Issuer. Accordingly, in the event that a Maturing Bondholder applies for additional Bonds other than by Maturing Bond Transfer as specified in (i) above, no guarantee shall be given with respect to the excess Bonds applied for; and

iii. in the event that following the allocations made pursuant to paragraphs (i) and (ii) above there shall still remain unallocated Bonds, the Issuer shall offer such remaining Bonds to Authorised Financial Intermediaries for subscription through an Intermediaries' Offer as detailed in section 8.8. Subscriptions received from Authorised Financial Intermediaries through an Intermediaries' Offer, if any, shall be allocated without priority or preference and in accordance with the allocation policy as determined by the Issuer.

Within five (5) Business Days from closing of the Issue Period, the Issuer shall announce the result of the Issue and shall determine and announce the basis of acceptance of Applications and the allocation policy to be adopted through a company announcement.

8.11 Admission to Trading

The Listing Authority has authorised the Bonds as admissible to listing pursuant to the Listing Rules by virtue of a letter dated 31 July 2017.

Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List of the Malta Stock Exchange.

The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 20 September 2017 and trading is expected to commence on 22 September 2017.

9. ADDITIONAL INFORMATION

The Financial Analysis Summary dated 31 July 2017 has been included in Annex III of this Securities Note in the form and context in which it appears with the authorisation of Rizzo, Farrugia & Co. (Stockbrokers) Ltd. of Airways House, Third Floor, High Street, Sliema SLM 1549, Malta, which has given, and has not withdrawn, its consent to the inclusion of said report herein. Rizzo, Farrugia & Co. (Stockbrokers) Ltd. does not have any beneficial 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.

ANNEX I – AUTHORISED FINANCIAL INTERMEDIARIES

Name	Address	Telephone
APS Bank Ltd	APS Centre, Tower Road, Birkirkara BKR 4012	2560 3000
Bank of Valletta p.l.c.	BOV Centre, Cannon Road, St Venera SVR 9030	2275 1732
Calamatta Cuschieri Investment Services Ltd	Ewropa Business Centre,Triq Dun Karm, Birkirkara BKR 9034	2568 8130
Charts Investment Management Service Ltd	Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913	2122 4106
Curmi & Partners Ltd	Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	2134 7331
Financial Planning Services Ltd	4, Marina Court, No. 1, G. Calì Street, Ta' Xbiex XBX 1421	2134 4244
FINCO Treasury Management Ltd	Level 5, The Mall Complex, The Mall, Floriana FRN 1470	2122 0002
GlobalCapital Financial Management Ltd	Testaferrata Street, Ta'Xbiex XBX 1403	2134 2342
Hogg Capital Investments Ltd	Ferris Building, Level 4, 1, St Luke's Road, Gwardamangia, Pieta PTA 1020	2132 2872
Jesmond Mizzi Financial Advisors Ltd	67/3, South Street, Valletta VLT 1105	2326 5696
Lombard Bank Malta p.l.c.	67, Republic Street, Valletta VLT 1117	2558 1806
Mediterranean Bank plc	10, St Barbara Bastion, Valletta VLT 1961	2557 4860
Mercieca Financial Investment Services Ltd.	'Mercieca' John F. Kennedy Square, Victoria, Gozo	2155 3892
MFSP Financial Management Ltd	220, Immaculate Conception Street, Msida MSD 1838	2133 2200
Michael Grech Financial Investment Services Ltd	The Brokerage, Level 0 A, St Marta Street, Victoria, Gozo VCT 2550	2155 4492
MZ Investment Services Ltd	55, MZ House, St Rita Street, Rabat RBT 1523	2145 3739
Rizzo, Farrugia & Co (Stockbrokers) Ltd	Airways House, Third Floor, High Street, Sliema SLM 1549	2258 3000

ANNEX II – SPECIMEN APPLICATION FORM

FARSONS GROUP
Farsons

SIMONDS FARSONS CISK PLC
€ 20,000,000 3.50% UNSECURED BONDS 2027
APPLICATION FORM
EXISTING SFC BONDHOLDERS

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

A APPLICANT *(See note 4)*

	MSE NO.	I.D. CARD NO./CO REG NO.
☐ Please register me for e-Portfolio	TEL. NO.	MOBILE NO. (Mandatory for e-Portfolio registration)

This Application Form is not transferable and entitles you to a preferential treatment as holder of Simonds Farsons Cisk plc 6.00% Bonds 2017/2020 (the "**Maturing Bonds**") and is to be submitted as a method of payment where the Applicant selects to apply for the Simonds Farsons Cisk plc 3.50% Unsecured Bonds 2027 (the "**Bonds**") so as to transfer to the Issuer all or part of the holding in the Maturing Bonds held by the Applicant as at the 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 SFC Bondholders shall be deemed to:

i. cause the transfer of the said Maturing 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 Maturing 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 EUR Maturing 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 31 July 2017 (minimum €2,000 and in multiples of €100 thereafter).

AMOUNT IN FIGURES **Box 1**
€

AMOUNT IN WORDS

AMOUNT IN FIGURES **Box 2**
€

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

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

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	
T.I.N. (Tax Identification Number)	COUNTRY OF BIRTH	
PASSPORT/NATIONAL I.D. CARD NUMBER	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 & REDEMPTION MANDATE *(See note 9)* Completion of this Panel is MANDATORY

BANK	IBAN

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

Signature/s of Applicant/s Date

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

AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	*AUTHORISED FINANCIAL INTERMEDIARY'S CODE*	*APPLICATION NUMBER*

ANNEX II – SPECIMEN APPLICATION FORM

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 31 July 2017 regulating the Bond Issue

1. This Application is governed by the Terms and Conditions of the Bond Issue contained in Section 8 of the Securities Note dated 31 July 2017 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 01 August 2017 (trading session of the 28 July 2017). **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 opt to have an online e-Portfolio account (by marking the relative box in Panel A) 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 the Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-Portfolio facility on https://eportfolio.borzamalta.com.mt/.

5. In the case where an Existing SFC 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 SFC 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 Maturing 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 Maturing 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 "MSE The Registrar – Simonds Farsons Cisk plc". 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 7.2 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 and third country reporting jurisdictions 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 and other participating jurisdictions where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation. The automatic exchange of information, namely details of certain financial account information in respect of account holders, and in some cases, beneficial holders thereof, extends also to jurisdictions that are not EU Member States (participating jurisdictions) with which there is a relevant arrangement in place.

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 05 September 2017. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not being received by the closing date indicated above. The Issuer reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions of Application as contained in the Prospectus. Any Applications received by the Registrar after 12:00 hours on 05 September 2017 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.

ANNEX III – FINANCIAL ANALYSIS SUMMARY

FARSONS GROUP

Farsons

SIMONDS FARSONS CISK PLC

FINANCIAL ANALYSIS SUMMARY

31 JULY 2017

Prepared by Rizzo, Farrugia & Co (Stockbrokers) Ltd, in compliance with the Listing Policies issued by the Malta Financial Services Authority, dated 5 March 2013.

RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS

RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS

Rizzo, Farrugia & Co. (Stockbrokers) Ltd.
Airways House, Third Floor, High Street, Sliema SLM1549, Malta
T. +356 2258 3000 F. +356 2258 3001
E. info@rizzofarrugia.com W. www.rizzofarrugia.com

The Board of Directors
Simonds Farsons Cisk plc
The Brewery,
Mdina Road, Mrieħel,
Birkirkara BKR 3000,
Malta

31 July 2017

Dear Sirs,

Simonds Farsons Cisk plc – Financial Analysis Summary (the "Analysis")

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

The purpose of the Analysis is that of summarising key financial data appertaining to Simonds Farsons Cisk plc (C 113) (the "**Company**" or "**Issuer**"). The data is derived from various sources or is based on our own computations and analysis of the following:

a. Historical financial data for the three years ended 31 January 2015 to 2017 has been extracted from the Issuer's audited statutory financial statements for the three years in question, as and when appropriate.

b. The forecast data for the financial year ending 31 January 2018 has been provided by management of the Issuer.

c. Our commentary on the results of the Issuer and on the respective financial position is based on the explanations provided by the Issuer.

d. The ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions as set out and defined within the Analysis.

e. Relevant financial data in respect of competitors as analysed in part 7 has been extracted from public sources such as the web sites of the companies concerned or financial statements filed with the Registrar of Companies.

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

Yours sincerely,

Vincent E. Rizzo
Director

RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS

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IMPORTANT INFORMATION

PURPOSE OF THE DOCUMENT

The purpose of this document is to present a financial analysis summary of Simonds Farsons Cisk plc (hereinafter, the "**Issuer**" of the "**Company**") in line with the requirements of the Listing Policies of the MFSA dated 5th March 2013.

SOURCES OF INFORMATION

The information that is presented has been collated from a number of sources, including the Company's website (www.farsons.com), the due diligence report prepared by PWC pursuant to the Listing Policies of the MFSA and financial and management reports of the Issuer, including annual reports and financial statements.

Historical financial information is being presented in thousands of Euro, unless otherwise stated, and has been rounded to the nearest thousand. The rounding could potentially alter the figures quoted to those presented in full in the annual reports and financial statements of the Issuer.

FORECASTS

Forecasts that are included in this document have been prepared by the directors of the Issuer, who undertake full responsibility for the assumptions on which they are based.

PART 1 – BUSINESS OVERVIEW

1.1 BRIEF INTRODUCTION

From its origins in 1928, Simonds Farsons Cisk plc (the "Company", "Group" or "Issuer") is the result of the amalgamation of L. Farrugia & Sons Limited, H & G Simonds and The Malta Export Brewery. The construction of the brewery in Mrieħel was completed in 1950 under the direction of managing director Mr Lewis V. Farrugia. Further enhancements and additions to the brewery were undertaken over the years, extending the facilities to bottling plants for soft drinks, as the Group embarked on an expansionary strategy across various segments of the food and beverage industry. Additional properties were acquired over the years in line with the expansionary requirements of the Company.

Today, the Group is made up of four distinct segments:

i. Brewing, production & sale of branded beers & beverages

ii. Importation, wholesale & retail of food & beverages, including wines & spirits

iii. Operation of franchised food retailing establishments

iv. Property management

Further information on these segments is included in section 1.5 of this report.

1.2 DIRECTORS AND SENIOR MANAGEMENT

Directors

The strategic direction of the Company is entrusted to a board of eight directors, the majority of whom act in a non-executive capacity:

Mr Louis A. Farrugia	Executive Chairman
Mr Marcantonio Stagno d'Alcontres	Non-Executive Vice Chairman
Mr Roderick Chalmers	Non-Executive Director
Dr Max Ganado	Non-Executive Director
Mr Michael Farrugia	Executive Director
Ms Marina Hogg	Non-Executive Director
Marquis Marcus John Scicluna Marshall	Non-Executive Director
Baroness Christiane Ramsay Pergola	Non-Executive Director

The Group's company secretary is Ms Antoinette Caruana.

Senior Management

The Company's board is assisted by a complement of senior executive management in the execution of the board's strategic direction, made up of the following:

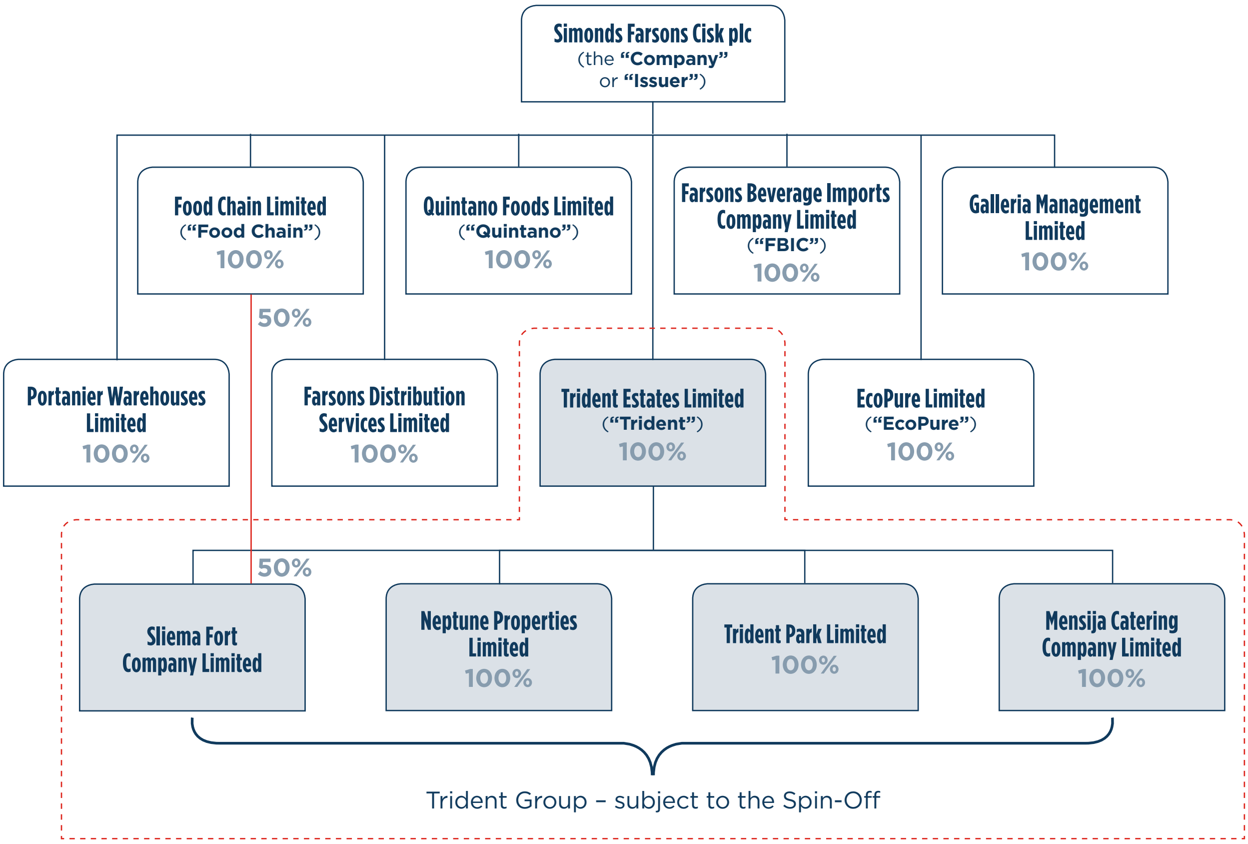
Mr Norman Aquilina	Group Chief Executive Officer
Mr John Bonello Ghio	Group Head of Food Business
Mr Chris Borg Cardona	Head of Logistics
Ms Antoinette Caruana	Group Human Resources Manager
Ms Stefania Calleja	Head of Sales & Customer Relations
Mr Eugenio Caruana	Chief Operations Officer Designate
Dr Christopher Ciantar	Chief Operations Officer – Trident Estates Limited
Mr Michael Farrugia	Chief Business Development Officer

Mr Philip Farrugia	Head of IT & Business Services
Mr Ray Sciberras	Chief Operations Officer
Mr Pierre Stafrace	General Manager – FBIC Limited
Ms Anne Marie Tabone	Chief Financial Officer Designate
Ms Susan Weenink Camilleri	Head of Marketing & Communications
Mr Charles Xuereb	Chief Financial Officer & Chief Executive Officer Designate – Trident Estates Limited

In addition to senior management, the Group includes a staff complement of 833 (full time equivalent) employees as at the end of the last financial reporting period (31 January 2017) across the various subsidiaries, including the operation of the franchised food retailing establishments.

1.3 THE GROUP

The Company is the parent of a group of companies – the Group. Below is the organisation chart showing the various subsidiaries within the Group:



In liquidation: Malta Deposit and Return System Limited (C 38304)
FSG Company Limited (C 27784)

The shaded companies form part of the Trident Group and will no longer form part of the SFC Group following the Spin-Off.

1.4 MAJOR ASSETS OWNED BY THE ISSUER

Property, plant and equipment (PPE) represent the major component of the Group's assets. This component represents the assets required for the operation of the Group's business, together with other property assets comprise of:

	Net Book Value €'million
USED IN OPERATIONS	
Brewhouse & packaging facility, Mrieħel	45.2
Plant, machinery & equipment used in the production & brewing of beer, soft drinks & water	30.2
Plant, machinery & equipment installed at the franchised food outlets	1.9
Outlet in Valletta currently hosting Burger King®	1.6
UNDER CONSTRUCTION	
Extension for offices & logistics centre	4.3
Development of multi-use project including a visitors' centre, food & beverage outlets and office space at the old brewhouse	2.7
Other Non-Operating Properties	24.1
Other equipment	0.9
Total	**110.9**

As at 31 January 2017, PPE made up over 60% of the Group's total asset base. Inventories and trade and other receivables were the next most significant catergories of assets of the Group, at €14.6 million and €18.3 million, representing 8% and 10% of total assets, respectively.

Inventories, which by the end of FY2017 were €14.6 million (and include €4.5 million of raw materials and consumables used for the production and bottling of beverages and food items relating to Food Chain Limited's food products; €7.5 million in finished goods and goods for resale (mainly in relation to FBIC's operations); and €2.6 million relating to containers, other packaging / bottling materials and spare parts.

Furthermore, the Group had trade receivables amounting to €12.8 million, net of impairments, representing 7% of total assets as at 31 January 2017.

1.5 GROUP'S SEGMENTS

Until recently, the Group reported four main segments of operations. When the board started exploring the idea of the spin-off and took a firm decision thereon, the segment related to the spin-off was classified as being held for sale and its performance reported as discontinued operations. Today (and going forward), the Group's main operational segments are three:

i. Brewing, production and sale of branded beers and beverages segment

ii. Importation, wholesale and retail of food and beverages, including wines & spirits segment

iii. Operation of franchised food retailing establishments segment

Brewing, Production and Sale of Branded Beers & Beverages

The 'brewing, production and sale of branded beers and beverages' segment includes Eco Pure and the Company, i.e. Simonds Farsons Cisk plc. This segment represents the core business of the Group and is thus the segment that, from a financial performance point of view, is the most material and the largest contributor to the Group's profitability. The Company produces and distributes its own brands – Kinnie™, Cisk™, Blue Label Ale™, Hopleaf Pale Ale™, Classic include Brews™, Farsons Shandy™, Lacto™ and San Michel™. The Company is also the exclusive franchisee in Malta to PepsiCo, Budweiser and Carlsberg, having the rights to produce, bottle, sell and distribute the said products, amongst other related products, including Skol™, LikeCola™ and 7Up™. Meanwhile, Eco Pure is the company responsible for the marketing, sales and distribution of 18.9 and 10 litre bottles of San Michel water, providing also water dispensers and coolers for rental or purchase.

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Importation, Wholesale and Retail of Food & Beverages, Including Wines & Spirits

The 'importation, wholesale and retail of food and beverages, including wines & spirits' consists of FBIC and Quintano. While the former focuses mostly on beverage brands, the latter imports and distributes food-related items. Between these two companies, the Group represents a portfolio of global brands in chilled, beverage, grocery, confectionery and food service sectors. The Group also operates Farsonsdirect through which it retails a selection of these brands.

Operation of Franchised Food Retailing Establishments

In Malta, the internationally-renowned franchises KFC™, Burger King™ and Pizza Hut™ are exclusively operated by Food Chain. This segment 'Operation of franchised food retailing establishments' operates a total of fourteen outlets under these franchises.

1.6 MATERIAL OPERATIONAL DEVELOPMENTS

The Group has consistently invested in innovation across its product range and has recently also invested in operational structures to ensure that the Group increases its production capacity, has room for further growth and is in a position to obtain the benefits of economies of scale.

Following a multi-million investment programme the Group now has a state-of-the-art brewing and beverage production facility, comprising the following:

- A brewhouse with 10 malt silos, 4 unmalted cereal silos, equipment for malt milling and 5 main brewing and wort cooling vessels.
- A beer process block equipped with a tank farm with a capacity of 2.88 million litres providing flexible brewing capability to the highest standards.
- A soft drinks packaging hall which maximises high standard production efficiency and is capable of handling a variety of PET packages.
- A beer packaging hall, including a centralised warehouse storage facility for raw and packaging materials.
- A logistics centre that complements line output, ensures optimal storage and provides a seamless service to trade and to the Company's export customers.

Other significant investments are currently underway and include:

- a beer kegging facility;
- extension of the Logistics Centre, un/loading bays and truck depot, which will facilitate the storage and distribution functions; and
- an extension of the administration block, through the construction of two additional office floors. The office extension will enable the Group to co-locate staff so as to vacate the main brewery building in view of the Farsons Business Park project.

It is envisaged that these projects will be completed by the end of FY2017.

Furthermore, the Group also embarked on a process to spin-off a substantial part of its property portfolio through the listing of the Company's shareholding in Trident Estates Limited (previously known as Trident Developments Limited) on the Malta Stock Exchange. Further information on this development is included in section 4.1 of this FAS.

PART 2 – MARKET TRENDS

What follows is an analysis of the key traits of the food and beverage industry in Malta and what the trends are also in Europe. The sources used for this analysis include:

- Statistics from Eurostat (http://ec.europa.eu/eurostat/)
- Statistics from the National Statics Office of Malta – NSO (https://nso.gov.mt/en/Pages/NSO-Home.aspx)
- Publications from 'FoodDrinkEurope' (http://www.fooddrinkeurope.eu)
- http://www.businessinsider.com/4-big-beverage-industry-trends-in-2016-2015-12
- Publications from 'The Brewers of Europe' (http://www.brewersofeurope.org)
- UNESDA publications (http://www.unesda.eu) which is the European association representing the soft drinks industry
- Publications by the European Commission on the Food and Beverages Industry

2.1 THE FOOD & BEVERAGE INDUSTRY IN EUROPE

The European food and beverage industry is the largest manufacturing sector, generating a turnover of €1.1 trillion (in 2014) and contributing 1.8% in added value. It is estimated that the average household spends approximately 14% of its income on food and beverage in Europe.

Food and beverage production across European Member States averaged an increase of 1.6% in the last quarter of 2016, when compared to the same period in 2015, while turnover growth during the same period was at an average of 3.2%.

	Q42016 vs Q42015	
	Food and drink production	Food and drink turnover
Member State	% change	% change
EU	1.6	3.2
Austria	(1.4)	0.2
Belgium	3.2	6.1
Bulgaria	3.1	4.9
Czech Republic	(3.7)	(3.0)
Denmark	4.3	6.9
Estonia	(0.3)	(0.2)
Finland	1.3	(1.1)
France	(1.2)	1.8
Germany	0.8	3.0
Greece	0.5	(4.1)
Hungary	4.1	4.5
Ireland	(1.0)	1.0
Italy	3.4	2.7
Latvia	4.6	2.8
Lithuania	(1.4)	2.7
Netherlands	2.1	1.1
Poland	5.9	8.1
Portugal	2.3	6.8
Romania	0.1	4.4
Spain	2.3	5.0
Sweden	(0.9)	3.7

Source: Eurostat. No data available for Croatia, Cyprus, Luxembourg, Malta, Slovakia, Slovenia, United Kingdom

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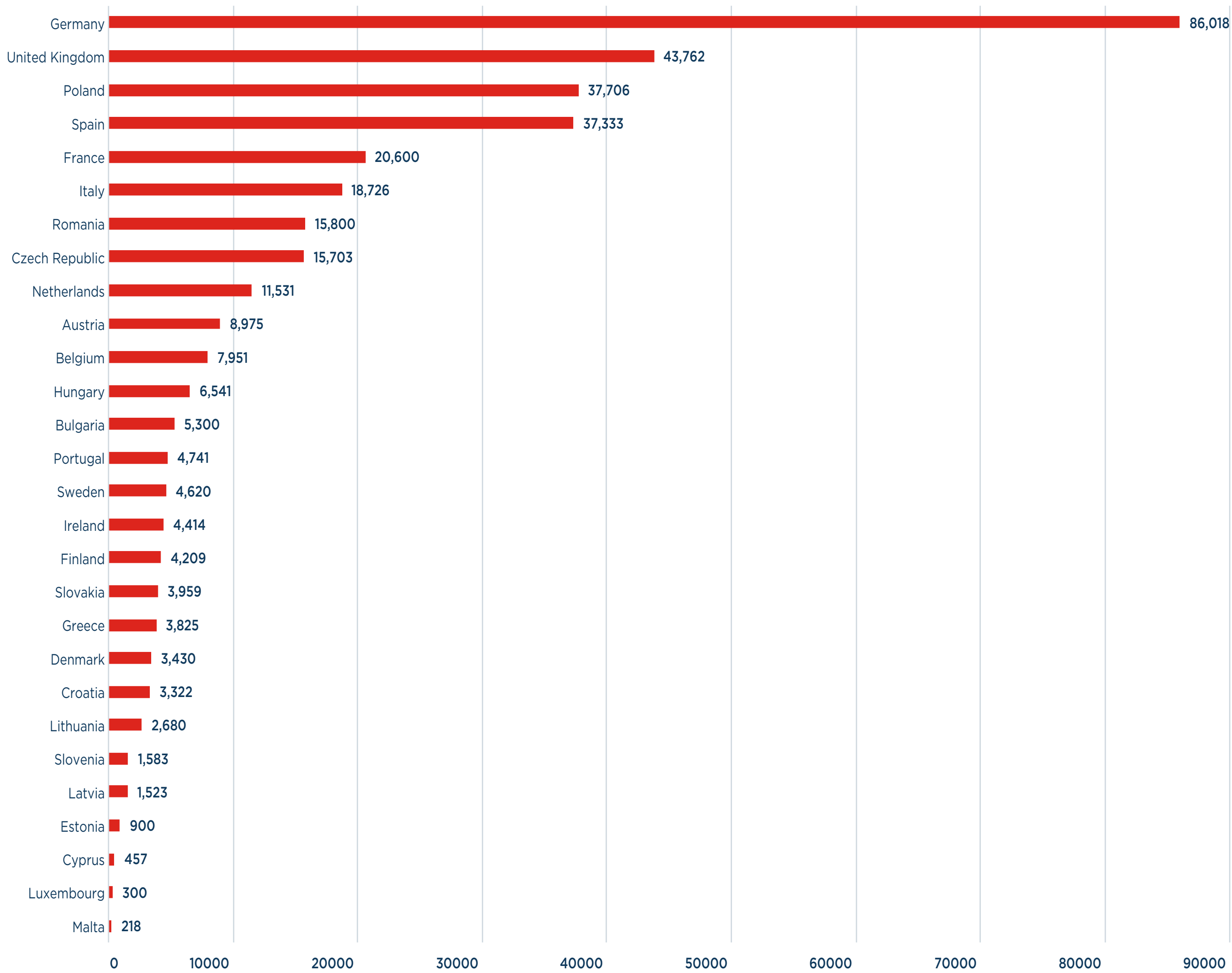
The European Market for Beverages

The European beverage market grew by a stable rate averaging at 1.1% p.a. over the period 2010 to 2013. Growth stepped up to 1.8% in 2014 and analysts expect that this growth can be sustained up to 2021, with the market projected to reach a total volume of 245 billion litres. With water leading the list of the most widely consumed beverage in the world, beer comes third after tea and is the most widely consumed from alcoholic drinks.

The key factors contributing to the future growth in the beer market are mainly attributable to: the availability of low/non-alcoholic beer; a wider variety of beers with rich flavour and aromas as well as low calorie beers; increase in disposable income; and the effect of creative marketing by brewers.

Beer Consumption, 2015 (in 1,000hl)

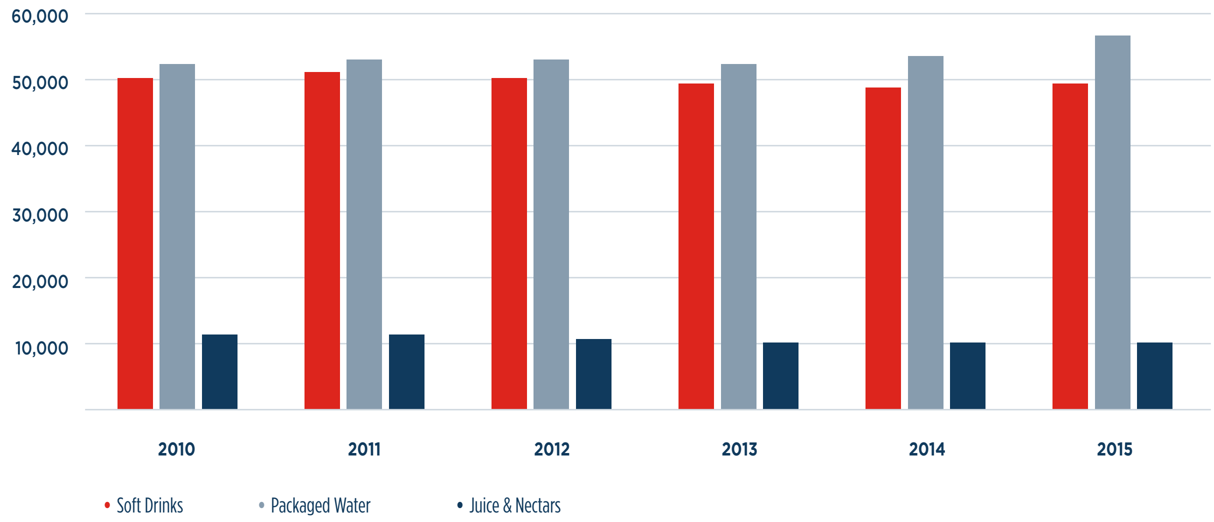


Source: www.brewersofeurope.org No update is available as at the date of this report on 2016 figures.

The soft drinks and juices / nectar markets have seen a decline in consumption and in recent years, a number of governments in Europe started introducing more public policy and legislative measures in a bid to promote healthier lifestyles. The UK, for instance, has recently introduced a 'sugar tax'[1]. The looming possibility of legislative measures aimed at curbing the consumption of sugar based drinks has caused companies to shift their focus to the production of healthier products. Accordingly, European consumers, as part of their broader healthier lifestyles, continue to purchase bottled water, resulting in a steady growth rate since 2010.

[1] http://www.bbc.co.uk/news/health-35824071

EU Consumption of Soft Drinks, Packaged Water and Juices (2010 – 2015) (million litres)



Source: www.unesda.eu

The European Market for Food

The European food service industry experienced fairly stable growth of 1.7% p.a. over the period 2014 to 2016 to reach total revenue of €591 billion in 2016. The industry's growth has been maintained by the changing lifestyles over the years. Consumers are nowadays living business lifestyles and as a result have increasingly moved towards foodservice[2] for meals since they have limited time to prepare food. As a result, the demand for on-the-go food has increased significantly. It is also interesting to note that franchising for quick service restaurants is another critical success factor for market growth in Europe.

2.3 THE FOOD AND BEVERAGE MARKET IN MALTA

Overall, the growth experienced in the food and beverage market in Malta was driven by the growth in Maltese GDP as the population become more affluent and the substantial growth in inbound tourism. The increasing population of foreign nationals and the changing lifestyles with people resorting to fast food services have also contributed to the growth.

Specific statistics on the food and beverage market in Malta is very limited and information on the brewing of beer in Malta is not made available by the NSO and is therefore excluded from this analysis. The latest available statistical data on the food and beverage market in Malta from the NSO is for year 2015 and relates to the number of enterprises, employment and turnover figures reported by all business units in the market. In gathering the relevant statistics, the NSO uses the EU's industry standard classification system which is referred to as NACE (the food & beverage market in Malta is made up of the following classifications: (i) the manufacture of soft drinks and mineral waters (excluding beer) (NACE 11.07); (ii) the wholesale of beverages (NACE 46.34); (iii) the wholesale of food (NACE 46.30); and (iv) restaurants & mobile food service activities (NACE 56.10)).

In 2015, the total turnover from this sector in Malta amounted to €1.4 billion, an increase of 16.8% over the previous year. The chart below illustrates the turnover from the food & beverage market in Malta for the past 6 years (2010 to 2015). Since 2010, the food & beverage market grew at an annual compound rate of 9.2%.

[2] The food service industry includes total sales of all food and drinks in or through accomodation outlets, pubs, clubs and bars, full service resaurants, quick service restaurants and fast food and others.

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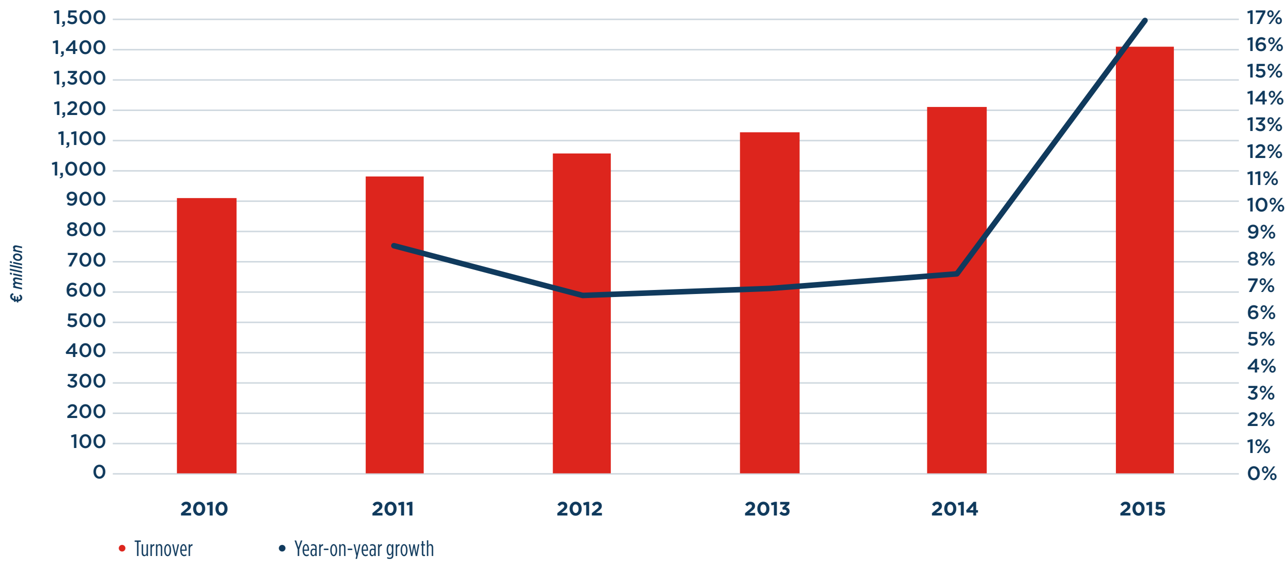
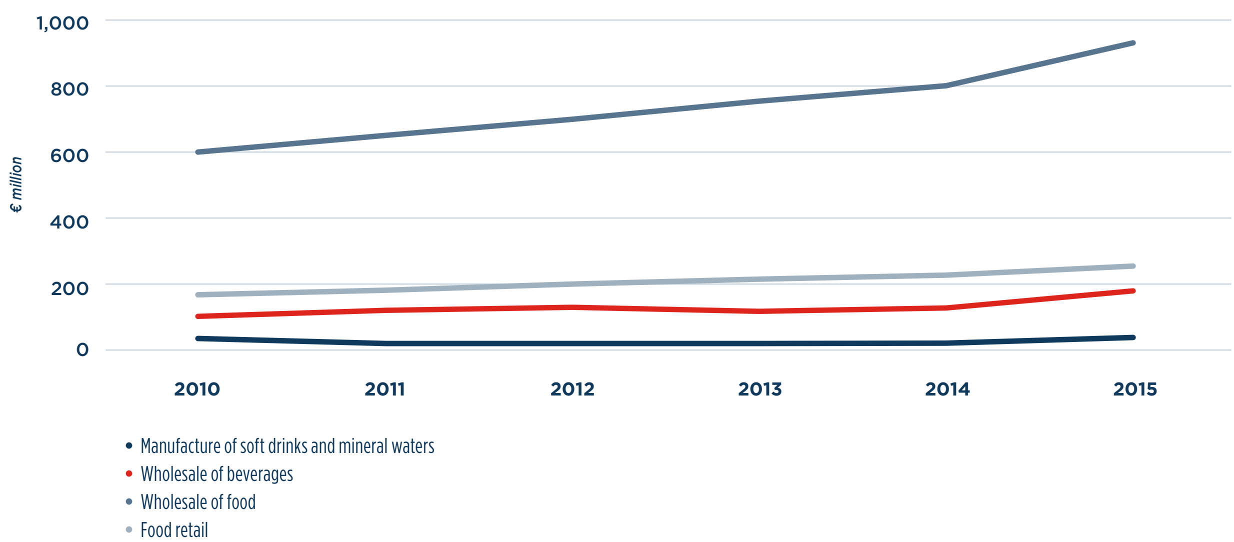
Food & Beverage Market in Malta



Source: NSO (NACE 11.07, NACE 46.34, NACE 46.30 & NACE 56.10)

The following chart shows the turnover generated from 2010 to 2015 in relation to the following classifications: the local market for manufacture of soft drinks and mineral waters (excluding beer); the local market for wholesale of beverages; the local market for wholesale of food; and the local market for food retail.

Turnover per NACE Classification



Source: NSO (NACE 11.07, NACE 46.34, NACE 46.30 & NACE 56.10), Management Information

Manufacturing of soft drinks and mineral waters (excluding beer)

The local market for the manufacture of soft drinks and mineral waters increased from €25 million in 2010 to €39 million in 2015, which is equivalent to a compound annual growth rate ("**CAGR**") of c. 9%. In 2015, the total market value of the industry increased by around €9 million, that equates to a growth of 30% over the previous year.

Wholesale of beverages

Similar to the soft drinks and mineral waters market, the market for the wholesale of beverages has registered significant growth in recent years with a CAGR of 10.6% between 2010 and 2015. In 2015, this market also registered significant growth when compared to 2014 with total revenue increasing by €47 million to €181 million.

Wholesale of food

Total turnover of wholesale of food in Malta increased from €596 million in 2010 to €928 million in 2015, equivalent to a CAGR of 9.3% p.a. over the period.

Food retail

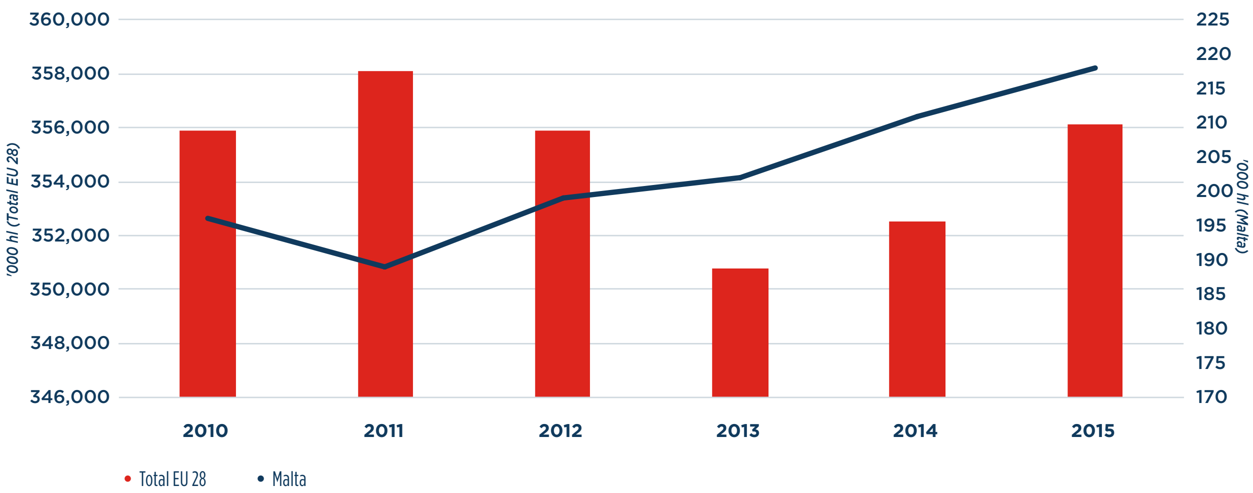
The total market value of the restaurants and mobile food service industry in Malta grew at an average of 7.8% p.a. over the period 2010 to 2015, to reach a value of €257 million in 2015.

Beer Consumption

The trend to beer consumption in Malta has been largely in line with trends experienced in other European countries.

Beer Consumption in Malta (compared to EU 28)

(in 1,000hl)



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PART 3 – HISTORIC PERFORMANCE AND FINANCIAL POSITION

The financial year of Simonds Farsons Cisk plc runs from 1 February to 31 January. In this regard, FY2015 refers to financial year ended 31 January 2015, FY2016 refers to financial year ended 31 January 2016 and FY2017 refers to financial year ended 31 January 2017.

The information included in the sections that follow has been sourced from the published financial statements of the Company, supported by management information and Rizzo Farrugia's own analysis. The figures quoted could be subject to rounding differences when compared to published financial information.

3.1 ANALYSIS OF THE INCOME STATEMENTS [FY2015 – FY2017]

Income Statement as at 31 January	Actual 2015	Actual 2016	Actual 2017
	€'000	€'000	€'000
Revenue	79,501	86,371	88,414
Cost of sales	(49,965)	(53,422)	(53,890)
Gross Profit	**29,536**	**32,949**	**34,524**
Selling & distribution costs	(9,821)	(10,170)	(10,712)
Administrative expenses	(9,729)	(11,181)	(10,916)
Other operating expenses	(376)	(271)	(21)
Operating Profit	**9,610**	**11,327**	**12,875**
Depreciation & Amortisation & One-off Adjustments	*5,990*	*6,056*	*6,387*
EBITDA	***15,601***	***17,383***	***19,262***
Share of Results of Associate	–	763	–
Investment Gains	12	14	16
Finance Costs	(1,472)	(1,377)	(1,470)
Profit before Tax	**8,150**	**10,727**	**11,421**
Tax Income	7,857	2,679	(217)
FV movements of AFS	(8,000)	(2,182)	928
Profit for the Year	**8,007**	**11,224**	**12,132**

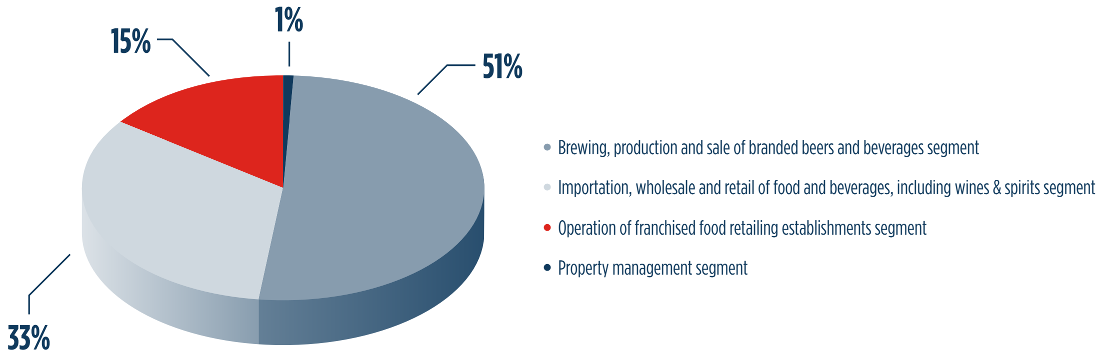
The above presentation of the Group's financial results for the periods ending 31 January 2015, 2016 and 2017 incorporates the combination of the continuing and discontinued operations. Discontinued operations refer to the property management segment which in the published annual report of the Group is shown as discontinued operations in consideration of the Group's decision to spin-off the segment into a new public limited liability company (plc) over the coming months. In fact, during the Company's annual general meeting held on 27 June 2017, the shareholders of the Company approved a resolution that should lead for the eventual spin-off of Trident Estates Limited into a newly-formed plc by the end of 2017.

The Group's revenue-generating segments are four:

- Brewing, production & sale of branded beers & beverages
- Importation, wholesale & retail of food & beverages, including wines & sprits
- Operation of franchised food retailing establishments
- Property Management

The Group's total revenue reached €88.4 million in FY17, up from €79.5 million in FY15, equivalent to a CAGR of 5.5% over the period. The 'brewing, production & sale of branded beers & beverages' segment remained the largest contributor to the Group's revenue, comprising the activities of Simonds Farsons Cisk plc and EcoPure Limited.

Revenue Generation by Segment – FY2017



The Group experienced growth across all its principal business segments and consistently over the years:

as at 31 January	2015	2016	2017
	€'000	€'000	€'000
Revenue (excluding intra-group net-offs)	**85,817**	**93,240**	**95,122**
Brewing, production and sale of branded beers and beverages segment	*45,500*	*48,070*	*48,200*
Importation, wholesale and retail of food and beverages, including wines & spirits segment	*28,655*	*32,053*	*31,738*
Operation of franchised food retailing establishments segment	*10,984*	*12,397*	*14,457*
Property management segment	*678*	*720*	*727*

Brewing, production and sale of branded beers and beverages segment

This segment is represented by Simonds Farsons Cisk plc and EcoPure. Over the years under review, Farsons maintained its strong market share with its own brands, principally Cisk™ and Kinnie™, with both brands being main contributors to the financial results of this segment. Overall, sales in other beverages remained healthy, with the Company registering an increase in the sales of beer and water, while experiencing a slight reduction in the sale of soft drinks as consumers became more health conscious. Production efficiencies achieved through the new bottling and packaging facilities and the Group's strategy to tap into the foreign markets contributed to improve the performance of the Company. Meanwhile, EcoPure also reported an improved performance over the years, as the Group maintained its marketing efforts to increase its client base and sales during the periods under review.

Importation, wholesale and retail of food and beverages, including wines & spirits segment

This segment is represented by FBIC and Quintano. FBIC imports branded beverages, and during each of the years between FY2015 to FY2017 it managed to register increased revenue levels across its portfolio of brands. Meanwhile, while FY2015 was considered as tough for the food importation business, Quintano registered growth in revenue in both FY2016 and FY2017, improving the contribution from this company in FY2017.

Operation of franchised food retailing establishments segment

In this segment, the Group operates the franchises of KFC™, Pizza Hut™ and Burger King™ in Malta. Such operations consist of fourteen outlets and since FY2015, it registered a CAGR in revenue of over 30%, including revenues derived from newly – opened outlets.

Property management segment

Over the years, the Group acquired a significant portfolio of properties which are either rented out to the Group entities or to third parties or else are vacant. A substantial part of this portfolio will be the subject of the spin-off (as detailed in section 4.1). During each of the periods under review, the revenue generated from this segment was short of the €1 million mark.

EBITDA, being the operating profit adjusted for depreciation, amortisation and before charging tax and interest expense, improved from €15.6 million in FY2015 to €19.3 million in FY2017, reflecting a compounded increase of 23% over the three-year period. Furthermore, the Group registered improved EBITDA margins from 19.6% in FY2015 to 21.8% in FY2017, as it capitalised on the efficiencies generated by the various projects the Group had embarked upon in recent years aimed at achieving cost and production efficiencies. The Group incurred between €1.4 million and €1.5 million in finance costs on its borrowing levels in each of the years under review.

In FY2016, the Group made a one-off profit from its holding in an associate company – FSG Company Limited – which is currently in liquidation. Further to the investment tax credits that are applicable for tax relief to the Group with respect to the investments made by the Company, the tax payable on the results of the other subsidiaries of the Group were all offset during each of FY2015 and FY2016.

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Negative fair value movements in the assets that are classified by the Group as held for sale (being those subject to the spin-off) have practically netted off the tax credits in FY2015 and FY2016.

3.2 ANALYSIS OF THE GROUP'S STATEMENTS OF FINANCIAL POSITION

Statement of Financial Position as at 31 January	Actual 2015	Actual 2016	Actual 2017
	€'000	€'000	€'000
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	80,170	89,983	110,889
Intangible Assets	718	658	616
Deferred Tax Assets	1,693	4,210	3,486
Trade & Other Receivables	1,392	2,757	3,002
Total Non-Current Assets	**83,973**	**97,608**	**117,993**
Current Assets			
Inventories	11,117	12,334	14,569
Trade & Other Receivables	16,631	18,495	18,316
Current Tax Assets	344	133	29
Cash & Cash Equivalents	4,505	2,445	768
Total Current Assets	**32,597**	**33,407**	**33,682**
Non-Current Assets classified as Held for Sale	33,041	31,558	31,266
Total Assets	**149,611**	**162,573**	**182,941**
EQUITY AND LIABILITIES			
Capital & Reserves			
Share Capital	9,000	9,000	9,000
Revaluation & Other Reserves	53,221	54,105	59,146
Hedging Reserves	(850)	(919)	(705)
Retained Earnings	38,864	47,273	55,830
Total Equity	**100,235**	**109,459**	**123,271**
Non-Current Liabilities			
Trade & Other Payables	1,593	1,184	905
Derivative Financial Instruments	1,007	1,083	750
Borrowings	22,483	23,807	31,581
Total Non-Current Liabilities	**25,083**	**26,074**	**33,236**
Current Liabilities			
Provision for Other Liabilities & Charges	101	54	36
Trade & Other Payables	16,690	20,056	18,974
Current Tax Liabilities	502	690	570
Derivative Financial Instruments	300	330	335
Borrowings	1,807	3,026	4,382
Total Current Liabilities	**19,400**	**24,156**	**24,297**
Liabilities directly attributable to non-current assets held for sale	4,893	2,884	2,137
Total Liabilities	**49,376**	**53,114**	**59,670**
Total Equity & Liabilities	**149,611**	**162,573**	**182,941**

The Group's total asset base has inherently been made up to the extent of more than 50% from 'property, plant & equipment' (PPE). A significant portion of the increase in PPE over the years is the result of the investment that the Group undertook in the new beer packaging hall, at a total cost to €26 million.

Since FY2016 (and re-classified for FY2015 for comparative purposes), assets classified as held for sale, representing investment property that the Group identified for spin-off purposes, made up an additional 17 – 22% of total assets.

Intangible assets on the Group's balance sheet reflect goodwill on the Group's brewing and bottling of beers and beverages and the food importation business, and franchise and agency rights. In terms of accounting standards, while goodwill is tested annually for any impairments, franchise and agency rights are amortised on a straight-line basis over the definite useful life of the franchise agreements they relate to. During the period between FY2015 and FY2017, goodwill impairment amounted to €0.6 million (no impairment was recognised in FY2017) while amortisation costs totalled €0.1 million.

During the three-years ended 31 January 2017, the Group experienced an increase in inventories, trade receivables and payables (trade working capital components) that are indicative of the increased level of business of the Group.

As at 31 January	2015	2016	2017
	€'000	€'000	€'000
Inventories	11,117	12,334	14,569
Trade Receivables	11,515	11,858	12,818
Trade Payables	(5,304)	(8,417)	(5,128)
Trade Working Capital	**17,328**	**15,775**	**22,259**

The base for the Group's operations is supported through a mix of borrowings and equity:

Group's Funding Base as at 31 January	Actual 2015	Actual 2016	Actual 2017
	€'000	€'000	€'000
BORROWINGS			
Bank overdrafts & short-term borrowings	1,807	3,026	4,382
Bank Borrowings (long-term)	7,687	8,976	15,876
Finance Lease Liability	-	-	720
6% Bonds 2017-2010	14,796	14,831	14,985
Total Borrowings	**24,290**	**26,833**	**35,963**
Cash & equivalents	**(4,505)**	**(2,445)**	**(768)**
Net Debt	**19,785**	**24,388**	**35,195**
EQUITY			
Share Capital	9,000	9,000	9,000
Revaluation & Other Reserves	53,221	54,105	59,146
Hedging Reserves	(850)	(919)	(705)
Retained Earnings	38,864	47,273	55,830
Total Equity	**100,235**	**109,459**	**123,271**
Total Funding	**120,020**	**133,847**	**158,466**
Gearing (Net Debt / Total Funding)	16.5%	18.2%	22.2%

As can be seen from the table above, the Group has a significant revaluation reserve which was established when the Group's properties were revalued, and which is adjusted on an annual basis depending on the extent of fair value adjustments (net of deferred tax) that are necessary during any given financial year.

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3.3 CASH FLOW STATEMENTS

Statement of Cash Flows as at 31 January	Actual 2015	Actual 2016	Actual 2017	**Total 2015 – 2017**
	€'000	€'000	€'000	**€'000**
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash generated from operations	17,761	18,228	15,513	**51,502**
Interest received	12	14	5	**31**
Interest paid	(1,472)	(1,377)	(1,470)	**(4,319)**
Income tax paid	(657)	(412)	(913)	**(1,982)**
Net cash generated from operating activities	**15,644**	**16,453**	**13,135**	**45,232**
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant & equipment	(6,847)	(15,267)	(18,710)	**(40,824)**
Advance payments for property, plant & equipment	–	(1,623)	–	**(1,623)**
Additions to investment property	(556)	(1,626)	(1,360)	**(3,542)**
Additions to intangible assets	(44)	(243)	–	**(287)**
Proceeds from disposal of property, plant & equipment	33	30	356	**419**
Proceeds from disposal of investment property	–	250	–	**250**
Institutional grants received	435	457	–	**892**
Net cash used in investing activities	**(6,979)**	**(18,022)**	**(19,714)**	**(44,715)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from non-current borrowings	–	3,038	9,041	**12,079**
Payments of current & non-current borrowings	(1,751)	(1,751)	(1,750)	**(5,252)**
Dividends paid	(2,500)	(3,000)	(3,200)	**(8,700)**
Net cash (used in)/generated from financing activities	**(4,251)**	**(1,713)**	**4,091**	**(1,873)**
Net movement in cash & cash equivalents	**4,414**	**(3,282)**	**(2,488)**	**(1,356)**
Cash & cash equivalents at beginning of year	**34**	**4,448**	**1,166**	
Cash & cash equivalents at end year	**4,448**	**1,166**	**(1,322)**	

The net cash position of the Group (excluding long-term borrowings) at the end of FY2017 stood at a negative €1.3 million, as a result of the substantial capital investments made by the Group over the years. The Group generated €45.2 million from its operations between FY2015 and FY2017. Most of this cash was invested in the additional PPE as part of the Group's continued investment to achieve better efficiencies in its production and costs. Additional borrowings of €12.1 million were taken up during the three years ending 31 January 2017, during which period the Group also repaid a total of €5.3 million of existing borrowings and paid dividends amounting to an aggregate of €8.7 million.

3.4 RATIO ANALYSIS

Profitability Ratios for the year ended 31 January	Actual 2015	Actual 2016	Actual 2017
	%	%	%
Gross Profit margin *(Gross Profit / Revenue)*	37.15	38.15	39.05
EBITDA margin *(EBITDA / Revenue)*	19.62	20.13	21.79
Operating Profit margin *(Operating Profit / Revenue)*	12.09	13.11	14.56
Net Profit margin *(Profit for the period / Revenue)*	10.07	13.00	13.72
Return on Equity *(Profit for the period / Average Equity)*	7.99	10.71	10.43
Return on Capital Employed *(Profit for the period / Average Capital Employed)*	6.43	8.61	8.21
Return on Assets *(Profit for the period / Average Assets)*	5.35	7.19	7.02

The Group has over the years been able to generate healthy double-digit margins, with FY2017 being a particularly satisfactory year with higher percentages registered across all such metrics.

Meanwhile, as the Group continued on its investment strategy, investing more on capital projects, its asset base grew, resulting in lower return metrics when compared to the previous year, albeit marginally so.

Liquidity Ratios for the year ended 31 January	Actual 2015	Actual 2016	Actual 2017
Current Ratio *(Current Assets / Current Liabilities)*	1.68x	1.38x	1.39x
Cash Ratio *(Cash & cash equivalents / Current Liabilities)*	0.23x	0.10x	0.03x

The Group's current ratio was sufficiently over one, however, its cash ratio was very low, as the Group remained reliant on available bank facilities for its day-to-day funding requirements.

Solvency Ratios for the year ended 31 January	Actual 2015	Actual 2016	Actual 2017
Interest Coverage ratio *(EBITDA / Net finance costs)*	10.68x	12.75x	13.25x
Gearing Ratio (1) *(Net debt / Total Equity)*	0.20x	0.22x	0.29x
Gearing Ratio (2) *[Total debt / (Total Debt plus Total Equity)]*	19.51%	19.69%	22.59%
Net Debt to EBIDTA *(Net Debt / EBIDTA)*	1.27x	1.40x	1.83x

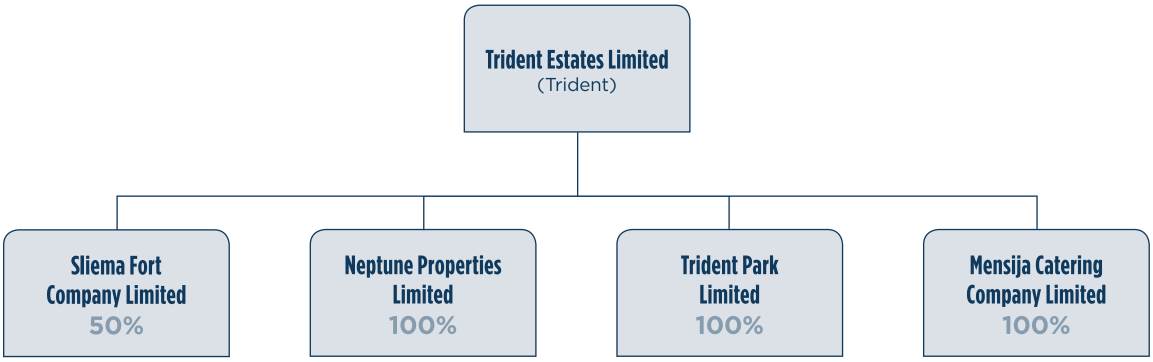
Although the Group's borrowings increased in FY2017, the interest cover coverage ratio remained healthy, as the Group generated additional EBITDA to make up for the additional finance costs. Gearing in FY2017 was also higher than the previous two periods, however, it was still at a very sustainable level at just over 22%. In fact, the Group's net debt to EBITDA metric is just 1.83, meaning that with the current levels of EBITDA, it would take the Group less than 2 years' worth of EBITDA to repay debt in full.

PART 4 – THE SPIN-OFF AND PRO FORMA FINANCIAL STATEMENTS

4.1 THE SPIN-OFF

In 2014, the board of directors of the Company first announced the intention to spin-off the segment related to Property Management of the Group. Earlier this year, during the annual general meeting held on 27 June 2017, the Company's shareholders approved the spin-off of an identified property portfolio to be held by Trident Estates Limited (which will be converted into a plc and whose shares are expected to be listed on the Malta Stock Exchange by no later than the end of 2017). In order to better explain the effect of the spin-off, management and its financial advisers prepared a set of pro forma statements which are aimed to illustrate the effect of the spin-off on the Company. The basis for these statements were the financial statement of FY2017, and as such, the multiple effects of the spin-off were applied to the year-end figures as though the transaction had taken place on 1 February 2016 and the full-year effect of the spin-off was thus applied to the said financial statements.

The spin-off will create a new plc which will be the parent of the following group of companies (Trident Group):



4.2 PRO FORMA FINANCIAL STATEMENTS

The following are the FY2017 actual figures as presented in earlier parts of this FAS and the pro forma balances following the adjustments, explained below:

- Transfer of assets and liabilities to Trident Group which will therefore no longer be reflected in the consolidated financial position of the Group;
- A cash injection of €6.5 million by the Company in Trident Estates Limited, which will be carried out through a share issue prior to the spin-off;
- Adjustments necessary to the revenue received from third parties in relation to properties that are included within the scope of the spin-off which will no longer be receivable by the Group
- Deduction of the annual ground rent paid by the Group in relation to properties that are included within the scope of the spin-off which will become payable by Trident Group after the spin-off;
- Adjustment necessary to reverse the annual operating expenses relating to subsidiaries which will form part of the Trident Group following the spin-off;
- Recognition of rental expenses that will become payable the Group to the Trident Group in relation to properties which will be within the scope of the spin-off and which will still be rented out by the Group from Trident Group;
- Reversal of movement in fair value recognised on properties that will be part of scope of the spin-off; and
- Adjustments related to tax implications on the income that will no longer be generated by the Group on properties that will fall within the scope of the spin-off.

Further information on the pro forma financial statements is included in Annex I to the Registration Document.

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Income Statement as at 31 January	Actual 2017	Pro Forma 2017
	€'000	€'000
Revenue	**88,414**	**88,119**
Cost of Sales	(53,890)	(54,350)
Gross Profit	**34,524**	**33,769**
Selling & Distribution Costs	(10,712)	(10,712)
Administrative Expenses	(10,916)	(10,851)
Other Operating Expenses	(21)	(21)
Operating Profit	**12,875**	**12,185**
Depreciation & Amortisation & One-off Adjustments	*6,387*	*6,387*
EBITDA	***19,262***	***18,572***
Investment Gains	16	5
Finance Costs	(1,470)	(1,470)
Profit before Tax	**11,421**	**10,720**
Tax Income	(217)	240
FV movements of AFS	928	154
Profit for the Year	**12,132**	**11,114**

Statement of Financial Position as at 31 January	Actual 2017	Pro Forma 2017
	€'000	€'000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	110,889	110,889
Intangible Assets	616	616
Deferred Tax Assets	3,486	3,486
Investment in Jointly-Controlled Entity	–	12
Trade & Other Receivables	3,002	3,002
Total Non-Current Assets	**117,993**	**118,005**
Current Assets		
Inventories	14,569	14,569
Trade & Other Receivables	18,316	18,308
Current Tax Assets	29	29
Cash & Cash Equivalents	768	768
Total Current Assets	**33,682**	**33,674**
Non-Current Assets classified as Held for Sale	31,266	–
Total Assets	**182,941**	**151,679**
EQUITY AND LIABILITIES		
Capital & Reserves		
Share Capital	9,000	9,000
Reserves	114,271	78,190
Total Equity	**123,271**	**87,190**
Non-Current Liabilities		
Trade & Other Payables	905	905
Derivative Financial Instruments	750	750
Borrowings	31,581	31,581
Total Non-Current Liabilities	**33,236**	**33,236**
Current Liabilities		
Provision for Other Liabilities & Charges	36	36
Trade & Other Payables	18,974	18,974
Current Tax Liabilities	570	570
Derivative Financial Instruments	335	335
Borrowings	4,382	11,338
Total Current Liabilities	**24,297**	**31,253**
Liabilities directly attributable to non-current assets held for sale	2,137	–
Total Liabilities	**59,670**	**64,489**
Total Equity & Liabilities	**182,941**	**151,679**

PART 5 – PROJECTIONS

The following projections are based on management's estimates and have been based on the following set of assumptions:

- Production and distribution of beverages is expected to be stable in the local market, while the Group continues its efforts to target growth in the export market.
- The importation and wholesale of foods and beverages segment is expected to remain stable in line with the results achieved during FY2017 and the existing management budgets for the said segment for FY2018.
- Franchised food retailing is expected to remain stable and assumes no further expansion in terms of new outlets.
- The spin-off is assumed to happen by no later than the end of 2017, thereby generating rent payable by the Franchised food retailing business segment to Trident Group as a third party and therefore not netted off upon consolidation as it had been to date.
- Budgeted capital expenditure on the Group's committed investment plans are expected to be executed as planned.

5.1 THE INCOME STATEMENT

Income Statement as at 31 January	Actual 2017	Forecast 2018
	€'000	€'000
Continuing Operations		
Revenue	88,119	91,097
Cost of Sales	(53,683)	(56,936)
Gross Profit	**34,436**	**34,161**
Selling & Distribution Costs	(10,712)	(10,726)
Administrative Expenses	(10,851)	(11,688)
Other Operating Expenses	(21)	10
Operating Profit	**12,852**	**11,757**
Depreciation & Amortisation & One-off Adjustments	*6,388*	*7,427*
EBITDA	***19,240***	***19,184***
Finance Costs	(1,465)	(1,260)
Profit before Tax	**11,387**	**10,497**
Tax Income	471	(399)
Profit for the Year	**11,858**	**10,098**
Discontinued Operations		
Profit for the Year	**274**	**(152)**

The Group will continue its efforts in innovation within the beer production segment which is expected to contribute to additional revenue growth in FY2018, along with the recognition of efforts to expand the export market. The soft drinks segment will remain challenging and as such, will not be a contributor to revenue growth in FY2018. However, management believe that this could lead to a modest increase in the sale of water in the forthcoming years, noting however that the market remains very competitive and price sensitive.

Direct costs of sales are also expected to increase, and will incorporate additional factory overheads. Meanwhile, the Group is expecting to be able to contain its administrative and selling and distribution costs. Despite the increase in cost of sales, EBITDA for FY2018 is expected to be at the same level as that of FY2017.

Meanwhile, in view of the additional capital expenditure planned for FY2018, the depreciation charge is expected to increase substantially, resulting in a charge to the income statement of €7.4 million (FY2017: €6.4 million).

Overall, the Group's net profit for FY2018 is expected to be somewhat lower, although if the effect of the increase in the non-cash depreciation charge is taken into account, the decline in the Group's net profit for the year would stand at 6.5%.

5.2 STATEMENT OF FINANCIAL POSITION

Statement of Financial Position as at 31 January	Pro Forma 2017	Forecast 2018
	€'000	€'000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	110,889	123,275
Intangible Assets	616	574
Deferred Tax Assets	3,486	3,936
Investment in Jointly-Controlled Entity	12	12
Trade & Other Receivables	3,002	-
Total Non-Current Assets	**118,005**	**127,797**
Current Assets		
Inventories	14,569	12,605
Trade & Other Receivables	18,308	20,866
Current Tax Assets	29	-
Cash & Cash Equivalents	768	1,256
Total Current Assets	**33,674**	**34,727**
Total Assets	**151,679**	**162,524**
EQUITY AND LIABILITIES		
Capital & Reserves		
Share Capital	9,000	9,000
Reserves	78,190	85,193
Total Equity	**87,190**	**94,193**
Non-Current Liabilities		
Trade & Other Payables	905	-
Derivative Financial Instruments	750	750
Borrowings	31,581	45,890
Total Non-Current Liabilities	**33,236**	**46,640**
Current Liabilities		
Provision for Other Liabilities & Charges	36	36
Trade & Other Payables	18,974	17,032
Current Tax Liabilities	570	849
Derivative Financial Instruments	335	335
Borrowings	11,338	3,437
Total Current Liabilities	**31,253**	**21,689**
Total Liabilities	**64,489**	**68,329**
Total Equity & Liabilities	**151,679**	**162,522**

In view of the fact that the Group is expected to execute the spin-off by no later than the end of 2017, the FY2018 projections are being compared to the FY2017 pro forma statement of financial position.

As the Group continues with its capital expenditure programme in relation to its investment projects earmarked for completion by the end of (or mainly to be completed within) 2017, including the beer and soft drinks kegging plant, the logistics warehouse extension, the truck depot and the container un/loading bays, the value of the Group's PPE will increase as a result of the capitalisation of the costs associated therewith.

Funding of the Group's capital expenditure is expected to be a mix of bank financing and additional funds being raised through the bond issue. This is expected to increase gearing [Total Debt/(Total Debt plus Total Equity)] to 34.4% as at the end of FY2018.

Other components of the Group's statement of financial position of FY2018 are not expected to be materially different from the pro forma statement for FY2017.

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5.3 STATEMENT OF CASH FLOWS

Statement of Cash Flows as at 31 January	Actual 2017	Forecast 2018
	€'000	€'000
Net cash generated from operating activities	13,135	21,605
Net cash used in investing activities	(19,714)	(23,247)
Net cash used in financing activities	4,091	10,740
Net movement in cash & cash equivalents	**(2,488)**	**9,098**
Cash & cash equivalents at beginning of year	1,166	(1,342)
Cash injected in Trident Estates Ltd.	–	(6,500)
Cash & cash equivalents at end year	**(1,322)**	**1,256**
• *Continued operations*	*(1,342)*	*1,256*
• *Discontinued operations*	*20*	–

The investments that the Group will carry out during FY2018 are expected to result in a net outflow of cash of approximately €23 million and in the main are related to the capital investments set out in section 1.6 of this FAS. Most of the funding required is expected to be generated through operations, aided by the additional €5 million bond proceeds expected to be raised over and above the €15 million being refinanced, and other bank borrowings. In FY2018 the Company will also inject €6.5 million into Trident Estates Limited in return for a share issue of the latter prior to its spin-off.

The Group's net cash position (excluding long-term debt) is expected to be positive by the end of FY2018, at €1.3 million.

PART 6 – LISTED SECURITIES OF THE GROUP

As at the date of this FAS, the Company has the following securities listed on the Malta Stock Exchange:

1. 30,000,000 ordinary shares of a nominal value of €0.30 each with ISIN MT0000070103

2. €15,000,000 6% unsecured bonds redeemable between 2017 and 2020 with ISIN MT0000071226. Pursuant to a board resolution dated 19 July 2017, the directors of the Issuer resolved to opt for the early redemption option contemplated in the prospectus pursuant to which these bonds were issued, dated 10 May 2010.

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PART 7 – COMPARISONS

The table below compares the Issuer and its proposed bond issue to other listed debt on the local market having broadly similar maturities. The list excludes issues by financial institutions. The comparative set includes local groups whose assets, strategy and level of operations may vary significantly from those of the Issuer and are therefore not directly comparable. Nevertheless, the table below provides a sample of some comparatives:

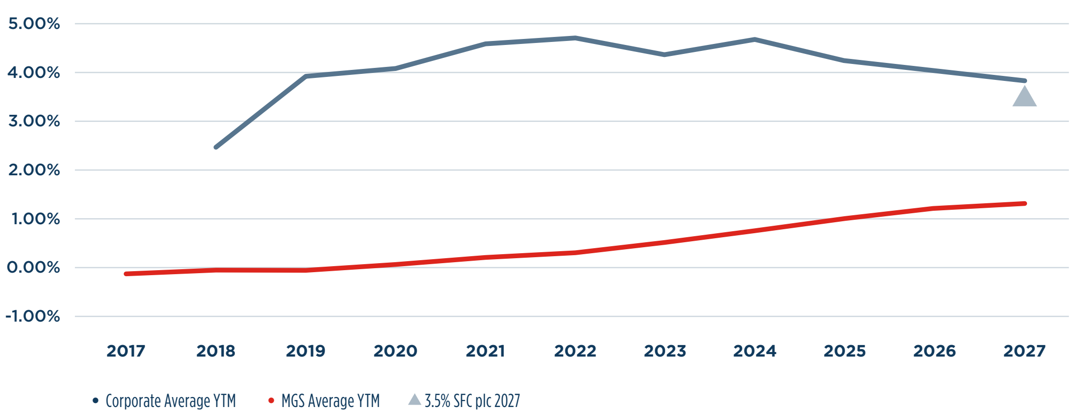
Bond Details	Outstanding Amount	Total Assets	Total Equity	Gearing Ratio*	Net Debt to EBITDA**	Interest Cover***	YTM (as at 21.07.2017)^
	(€)	(€'000)	(€'000)		(times)	(times)	
5.00% Dizz Finance plc 2026	8,000,000	17,039	4,662	65.46%	6.77	3.15	4.33%
4.80% Med. Maritime Hub Finance plc 2026	15,000,000	22,931	4,463	76.97%	–	–	4.46%
4.50% Medserv plc 2026 (EUR)	21,982,400	121,453	26,408	66.81%	8.49	2.24	4.24%
4.25% Corinthia Finance plc 2026	40,000,000	1,389,627	665,357	44.12%	17.62	2.39	3.70%
4.00% MIDI plc 2026	50,000,000	203,780	67,359	47.30%	20.66	0.59	3.60%
4.00% IHI plc 2026 (Secured)	55,000,000	1,220,254	646,822	38.53%	9.79	6.18	3.87%
4.00% IHI plc 2026 (Unsecured)	40,000,000	1,220,254	646,822	38.53%	9.79	6.18	3.77%
3.90% Plaza Centres plc 2026	8,500,000	43,424	26,180	32.71%	5.52	9.38	3.75%
3.75% Premier Capital plc 2026	65,000,000	193,351	41,630	74.47%	1.81	7.44	3.49%
4.50% GHM plc 2027 *(not listed as at the date of this report)*	15,000,000	16,782	2,830	79.25%	6.29	2.00	4.50%
4.35% SD Finance plc 2027	65,000,000	156,433	56,697	53.39%	3.62	4.82	3.97%
4.00% Eden Finance plc 2027	40,000,000	165,496	92,620	34.78%	5.86	3.98	3.75%
3.75% Tumas Investments plc 2027	25,000,000	180,992	81,387	41.73%	3.05	4.60	3.39%
3.50% Simonds Farsons Cisk plc 2027	20,000,000	182,941	123,271	22.59%	1.83	13.25	3.50%

Source: Malta Stock Exchange, Audited Accounts of Listed Companies, Rizzo, Farrugia & Co (Stockbrokers) Ltd
*Gearing: This refers to the fundamental analysis ratio of a company's level of long-term debt compared to its equity capital. In the above table this is computed as follows: Total Debt / [Total Debt + Equity].
**Net Debt to EBITDA: This is the measurement of leverage calculated by dividing a company's interest-bearing borrowings net of any cash or cash equivalents by its EBITDA.
***Interest Cover: The interest coverage ratio is calculated by dividing a company's EBITDA of one period by the company's net finance costs of the same period.
^Yield to Maturity (YTM) from rizzofarrugia.com, based on bond prices of 16 June 2017. YTM is the rate of return expected on a bond which is held till maturity. It is essentially the internal rate of return on a bond and it equates the present value of bond future cash flows to its current market price.

Ratio workings and financial information quoted have been based on the Issuers' published financial data, including:
Dizz Finance plc - figures based on the Guarantor (Dizz Group of Companies Limited) FY2016 annual report;
Med. Maritime Hub plc - figures based on the Guarantor (MMH Holdings Limited) FY2016 annual report;
Medserv plc FY2016 annual report;
Corinthia Finance plc - figures based on the Guarantor (Corinthia Palace Hotel Company Limited) FY2016 annual report;
MIDI plc FY2016 annual report;
IHI plc FY2016 annual report;
Plaza Centres plc FY2016 annual report;
Premier Capital plc FY2016 annual report;
SD Finance plc - figures based on the Guarantor (SD Holdings Limited) FY2016 annual report;
Eden Finance plc – figures based on the Guarantor (Eden Leisure Group Limited) FY2016 annual report;
Tumas Investments plc – figures based on the Guarantor (Spinola Development Company Limited) FY2016 annual report; and
Grand Harbour Marina plc Fy2016 annual report.

The chart below compares the new Simonds Farsons Cisk plc bond to other corporate bonds listed on the Malta Stock Exchange and benchmarked against the Malta Government Stock yield curve as at 21 July 2017.

New SFC Bond vs Corporate & MGS YTM – as at 21.07.2017



At a coupon of 3.50% per annum, the 3.50% Simonds Farsons Cisk plc 2027 bond, has been priced at a premium of approximately 220 basis points over the average yield to maturity of Malta Government Stock (MGS) maturing in 2027 and at a discount of approximately 30 basis points over the average yield to maturity of corporate bonds maturing in 2027 (data correct as at 21 July 2017).

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DEFINITIONS

Statement of Comprehensive Income Explanatory Definitions

Revenue	Total revenue generated by the company from its business activity during the financial year.
Cost of Sales	The costs incurred in direct relation to the operations of the Issuer.
Gross Profit	The difference between Revenue and Cost of Sales.
EBITDA	Earnings before interest, tax, depreciation and amortization, reflecting the company's earnings purely from operations.
Depreciation and Amortization	An accounting charge to compensate for the reduction in the value of assets and the eventual cost to replace the asset when fully depreciated.
Finance Income	Interest earned on cash bank balances and from the intra-group companies on loans advanced.
Finance Costs	Interest accrued on debt obligations.
Net Profit	The profit generated in one financial year.

Cash Flow Statement Explanatory Definitions

Cash Flow from Operating Activities	The cash used or generated from the company's business activities.
Cash Flow from Investing Activities	The cash used or generated from the company's investments in new entities and acquisitions, or from the disposal of fixed assets.
Cash Flow from Financing Activities	The cash used or generated from financing activities including new borrowings, interest payments, repayment of borrowings and dividend payments.

Statement of Financial Position Explanatory Definitions

Assets	What the company owns which can be further classified in Current and Non-Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year.
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Liabilities	What the company owes, which can be further classified in Current and Non-Current Liabilities.
Current Liabilities	Obligations which are due within one financial year.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Equity	Equity is calculated as assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.

Other Definitions

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