

## SECURITIES NOTE

Dated 8 July 2015

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 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 and Commission Delegated Regulation [EU] No. 382/2014 of 7 March 2014. This Securities Note is issued pursuant to the requirements of Listing Rule 4.14 of the Listing Rules and contains information about the Bonds being issued by 6PM Holdings p.l.c. Application has been made for the admission to listing and trading of the Bonds on the Official List of the Malta Stock Exchange. This Securities Note should be read in conjunction with the most updated Registration Document issued from time to time containing information about the Issuer.

in respect of an issue of:

**€13,000,000 5.1% Unsecured Bonds 2025**

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

by



**6PM HOLDINGS P.L.C.**

[A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA  
WITH COMPANY REGISTRATION NUMBER C 41492]

ISIN: MT0000351206

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

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

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

A handwritten signature in black ink, appearing to read 'Ivan Bartolo', written over a horizontal line.

Ivan Bartolo

APPROVED BY THE DIRECTORS

A handwritten signature in black ink, appearing to read 'Ivan Bartolo', written over a horizontal line.

Ivan Bartolo on behalf of:

Nazzareno Vassallo, Hector Spiteri, Stephen Wightman, Robert Borg and Tonio Depasquale

Legal Counsel



Sponsor



Manager & Registrar



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## IMPORTANT INFORMATION

THIS SECURITIES NOTE CONTAINS INFORMATION ON AN ISSUE BY 6PM HOLDINGS PLC (THE “ISSUER”) OF €13 MILLION UNSECURED BONDS 2025 OF A NOMINAL VALUE OF €100, ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 5.1% PER ANNUM, PAYABLE ANNUALLY ON 31 JULY OF EACH YEAR. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON THE REDEMPTION DATE UNLESS OTHERWISE PREVIOUSLY REPURCHASED FOR CANCELLATION.

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

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

THE 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 ADVISORS TO THE ISSUER NAMED IN THE PROSPECTUS UNDER THE HEADING “IDENTITY OF DIRECTORS, ADVISORS AND AUDITORS OF THE ISSUER” UNDER SECTION 2 OF THE REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS ISSUE AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

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

## 1 DEFINITIONS

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

|                                                     |                                                                                                                                                                                                                                                                           |
|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Act</b>                                          | the Companies Act [Cap. 386 of the Laws of Malta];                                                                                                                                                                                                                        |
| <b>Applicant/s</b>                                  | a person or persons whose name or names [in the case of joint applicants] appear in the registration details of an Application Form;                                                                                                                                      |
| <b>Application/s</b>                                | the application to subscribe for Bonds made by an Applicant/s by completing an Application Form/s and delivering same to the Registrar or to any of the Authorised Financial Intermediaries;                                                                              |
| <b>Application Form</b>                             | the form of application of subscription for Bonds, a specimen of which is contained in Annex II of this Securities Note;                                                                                                                                                  |
| <b>Authorised Financial Intermediaries</b>          | the licensed stockbrokers and financial intermediaries listed in Annex I of this Securities Note;                                                                                                                                                                         |
| <b>Blithe</b>                                       | Blithe Computer Systems Limited, a company registered under the laws of England with company registration number 2585086 and having its registered office at Balkenhall Park, Bar Lane, Barton-under-Needwood, Burton-on-Trent, DE13 8AJ, England;                        |
| <b>Bond(s)</b>                                      | the €13 million unsecured bonds due 2025 of a face value of €100 per bond redeemable at their nominal value on the Redemption Date, bearing interest at the rate of 5.1% per annum, as detailed in this Securities Note;                                                  |
| <b>Bondholder</b>                                   | a holder of Bonds;                                                                                                                                                                                                                                                        |
| <b>Bond Issue</b> or <b>Issue</b>                   | the issue of the Bonds;                                                                                                                                                                                                                                                   |
| <b>Bond Issue Price</b>                             | the price of €100 per Bond;                                                                                                                                                                                                                                               |
| <b>Business Day</b>                                 | any day between Monday and Friday [both days included] on which commercial banks in Malta settle payments and are open for normal banking business;                                                                                                                       |
| <b>Company</b> or <b>Issuer</b>                     | 6PM Holdings p.l.c., a company registered under the laws of Malta with company registration number C 41492 and having its registered office at 6PM Business Centre, Triq it-Torri, Swatar, Birkirkara BKR 4012, Malta;                                                    |
| <b>CSD</b>                                          | the Central Securities Depository of the Malta Stock Exchange authorised in terms of Part IV of the Financial Markets Act [Cap. 345, Laws of Malta], having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063;                                           |
| <b>Cut-Off Date</b>                                 | close of business on 8 June 2015;                                                                                                                                                                                                                                         |
| <b>Directors</b> or <b>Board</b>                    | the directors of the Company whose names and addresses are set out in section 2 [“Directors”] of the Registration Document;                                                                                                                                               |
| <b>Euro</b> or <b>€</b>                             | the lawful currency of the Republic of Malta;                                                                                                                                                                                                                             |
| <b>Exchange, Malta Stock Exchange</b> or <b>MSE</b> | Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act [Cap. 345 of the Laws of Malta], having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta, and bearing company registration number C 42525; |
| <b>Group</b> or <b>6PM Group</b>                    | the Issuer, its subsidiaries and any affiliates, as further described in section 4.1 of the Registration Document;                                                                                                                                                        |
| <b>Interest Payment Date</b>                        | 31 July of each year between and including each of the years 2016 and the year 2025, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;                                |

|                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Issue Date</b>                                         | expected on 7 August 2015;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Issue Period</b>                                       | the period between 14 July 2015 to 31 July 2015 during which the Bonds are on offer;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Listing Authority</b>                                  | the MFSA, appointed as Listing Authority for the purposes of the Financial Markets Act [Cap. 345 of the Laws of Malta] by virtue of Legal Notice 1 of 2003;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Listing Rules</b>                                      | the listing rules of the Listing Authority;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Memorandum and Articles of Association or M&amp;As</b> | the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>MFSA</b>                                               | the Malta Financial Services Authority, incorporated in terms of the Malta Financial Services Authority Act [Cap. 330 of the Laws of Malta];                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Official List</b>                                      | the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Prospectus</b>                                         | collectively the Registration Document, Summary Note and this Securities Note (each as defined in this Securities Note);                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Prospectus Directive</b>                               | Directive 2003/71/EC of the European Parliament and of the Council of 4 November, 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as may be amended from time to time;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Redemption Date</b>                                    | 31 July 2025;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Redemption Value</b>                                   | the nominal value of each Bond [€100 per Bond];                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Registration Document</b>                              | the registration document issued by the Issuer dated 8 July 2015, forming part of the Prospectus;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Regulation</b>                                         | Commission Regulation [EC] No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as amended by: Commission Delegated Regulation [EU] No. 486/2012 of 30 March 2012 amending Regulation [EC] No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation [EU] No. 862/2012 of 4 June 2012 amending Regulation [EC] No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation [EU] No. 759/2013 of 30 April 2013 amending Regulation [EC] No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities; and Commission Delegated Regulation [EU] No. 382/2014 of 7 March 2014 as regards to regulatory technical standards for publication of supplements to the prospectus; |
| <b>Securities Note</b>                                    | this document in its entirety;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Shareholders</b>                                       | shareholders of the Issuer as at the Cut-Off Date;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Sponsor</b>                                            | Charts Investment Management Service Limited [C 7944] of Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913, an authorised financial intermediary licensed by the MFSA and a Member of the MSE;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Summary Note</b>                                       | the summary note issued by the Issuer dated 8 July 2015, forming part of the Prospectus;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Terms and Conditions</b>                               | the terms and conditions of the Bond Issue as contained in section 7 of this Securities Note.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

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## 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 ADVISORS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.**

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

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

### 2.2 FORWARD LOOKING STATEMENTS

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

### 2.3 RISKS RELATING TO THE BONDS

- **The existence of an orderly and liquid market for the Bonds depends on a number of factors, including but not limited to the presence of willing buyers and sellers of the Issuer’s Bonds at any given time and the general economic conditions in the market in which the Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price or at all.**
- **Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.**
- **A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder’s currency of reference, if different.**
- **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.**

- **The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt, if any. Furthermore, subject to the negative pledge clause (section 5.7 of this Securities Note), third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.**
- **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.**
- **A meeting of the Bondholders may be held to bring changes to the terms and conditions of the Bonds, or any part of the Prospectus. Changes may be brought into effect notwithstanding that a Bondholder did not attend the meeting or voted against such provision. Further information about this right are found in Section 5.13 of this Securities Note.**

### 3 PERSONS RESPONSIBLE

This document includes information given in compliance with the Listing Rules for the purpose of providing prospective investors with information with regard to the Issuer. All of the Directors whose names appear under the sub-heading “Directors” under the heading “Identity of Directors, Advisors and Auditors of the Issuer” in section 2 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.

#### 3.1 CONSENT FOR USE OF PROSPECTUS

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

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

- (i) in respect of Bonds subscribed for through Authorised Financial Intermediaries listed in Annex I of this Securities Note in terms of section 7.5 [Intermediaries’ Offer];
- (ii) to any resale or placement of Bonds subscribed for as aforesaid, taking place in Malta;
- (iii) to any resale or placement of Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Prospectus.

Neither the Issuer nor the Sponsor has any responsibility for any of the actions of any Authorised Financial Intermediary, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to a resale or placement of Bonds.

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

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



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

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

Any resale, placement or other offering of Bonds to an investor by an Authorised Financial Intermediary will be made in accordance with any terms and other arrangements in place between such Authorised Financial Intermediary and such investor including as to price, allocations and settlement arrangements. Where such information is not contained in the Prospectus, it will be the responsibility of the applicable Authorised Financial Intermediary at the time of such resale, placement or other offering to provide the investor with that information and neither the Issuer 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 Bonds subsequent to the Bond Issue shall, limitedly for the period of 60 days from the date of the Prospectus, publish on its website a notice to the effect that it is using this Prospectus for such resale, placement or other offering in accordance with the consent of the Issuer and the conditions attached thereto. The consent provided herein shall no longer apply following the lapse of such period.**

Any new information with respect to Authorised Financial Intermediaries unknown at the time of the approval of this Securities Note will be made available through a company announcement which will also be made available on the Issuer's website: <http://www.6pmsolutions.com>.

## 4 ESSENTIAL INFORMATION

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

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €12.5 million, will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

- (i) an amount of *circa* €5.8 million of proceeds shall be applied for the purpose of financing the acquisition of Blithe, as further described in section 6.1 of the Registration Document;
- (ii) an amount of *circa* €3.2 million shall be used to repay bank facilities of the 6pm Group which amount shall be applied as to €2.3 million towards HSBC Bank Malta p.l.c. and as to €0.9 million towards Bank of Valletta p.l.c.;
- (iii) an amount of *circa* €2.7 million shall be used to further develop a number of products of the 6PM Group (referred to in section 6.3 of the Registration Document); and
- (iv) the remaining amount shall be used for working capital purposes.

A more detailed description of the borrowings highlighted in clause (ii) above is provided in section 5.2 of this Securities Note.

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 in the manner and order of priority set out above. Any residual amounts required by the Issuer for the purposes of the uses specified in this section 4.1 which shall not have been raised through the Bond Issue shall be financed from the Group's general cash flow.

### 4.2 EXPENSES

Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated to be in the region of €500,000. There is no particular order of priority with respect to such expenses.

### 4.3 ISSUE STATISTICS

|                                 |                                                                                                                                                                                                                                                          |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Amount:                         | €13 million;                                                                                                                                                                                                                                             |
| 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:                           | MT0000351206;                                                                                                                                                                                                                                            |
| Minimum amount per subscription | Minimum of €2,000 and multiples of €100 thereafter;                                                                                                                                                                                                      |
| Redemption Date:                | 31 July 2025;                                                                                                                                                                                                                                            |
| Plan of Distribution:           | The Bonds are open for subscription by Shareholders and Authorised Financial Intermediaries, either for their own account or on behalf of clients;                                                                                                       |
| Preferred Allocation:           | Shareholders will be granted preference in their applications for Bonds up to an aggregate amount of €13,000,000;                                                                                                                                        |
| Bond Issue Price:               | At par [€100 per Bond];                                                                                                                                                                                                                                  |
| Status of the Bonds:            | The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> , without any priority or preference among themselves and with other unsecured debt of the Issuer, if any; |
| 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;                                                             |
| Application Forms available:    | 14 July 2015;                                                                                                                                                                                                                                            |
| Closing date for Applications:  | 28 July 2015;                                                                                                                                                                                                                                            |
| Issue Period:                   | 14 July 2015 to 31 July 2015, both days included;                                                                                                                                                                                                        |
| Interest:                       | 5.1% per annum;                                                                                                                                                                                                                                          |
| Interest Payment Date[s]:       | Annually on 31 July as from 31 July 2016 [the first interest payment date];                                                                                                                                                                              |
| 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.                                                                                                                       |

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

Save for the possible subscription for Bonds by Charts Investment Management Service Limited and any fees payable in connection with the Issue to Charts Investment Management Service Limited as Sponsor, so far as the Issuer is aware no person involved in the Issue has an interest material to the Issue.

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

### 5.1 GENERAL

- 5.1.1** Each Bond forms part of a duly authorised issue of 5.1% Unsecured Bonds 2025 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €13 million (except as otherwise provided under section 5.12 “Further Issues”).
- 5.1.2** The currency of the Bonds is Euro [€].
- 5.1.3** Subject to admission to listing of the Bonds to the Official List of the MSE, the Bonds are expected to be assigned ISIN MT0000351206.
- 5.1.4** Unless previously purchased and cancelled, the Bonds shall be redeemable at par on the Redemption Date.
- 5.1.5** The issue of the Bonds is made in accordance with the requirements of the Listing Rules, the Act, and the Regulation.
- 5.1.6** The Issue Period of the Bonds is between 14 July 2015 and 31 July 2015, both days included.
- 5.1.7** The expected Issue Date of the Bonds is 7 August 2015.
- 5.1.8** The Bond Issue is not underwritten.
- 5.1.9** In the event that the Bond Issue is not fully subscribed, the Issuer will proceed to list the Bonds subscribed for.

### 5.2 RANKING OF THE BONDS

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

As at 30 June 2015, the Issuer’s indebtedness amounted to €3,473,532 (€4,775,927). Further information about such loans is included in the table set forth hereunder.

In accordance with the provisions of Maltese law, unsecured obligations such as the one created by the Bond issue will rank after obligations that are duly secured by law such as through guarantees, privileges, hypothecs and pledges. The banking facilities summarised in the table set forth hereunder have been duly secured and thus will rank prior to the obligations arising pursuant to the Bond issue. The security granted to HSBC Bank Malta p.l.c. and Bank of Valletta p.l.c. is respectively listed in the third column of the table set forth overleaf.

Any future indebtedness of the Issuer which is secured by a cause of preference such as a pledge, mortgage, privilege and/or a hypothec will similarly rank before the obligations arising pursuant to the Bond issue.

| <b>Parties and description of facility</b>                     | <b>Amount Outstanding</b>  | <b>Security</b>                                                                                                                                                                                                                |
|----------------------------------------------------------------|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Loans with HSBC Bank Malta p.l.c. <sup>1</sup>                 | £1,668,749<br>(£2,294,444) | General Hypothec over all the property, both present and future of the Issuer                                                                                                                                                  |
| Loans and overdrafts with Bank of Valletta p.l.c. <sup>2</sup> | £1,616,352<br>(£2,222,401) | i) General Hypothec over all the property, both Bank of present and future of the Issuer<br>ii) Special Hypothec on properties respectively numbered 186, 188 and 190 and all situated in 21st September Avenue, Naxxar, Malta |
| Related party borrowings:                                      |                            | The related party loans are unsecured.                                                                                                                                                                                         |
| (i) Compunet Holdings Limited                                  | £1,695<br>(£2,330)         |                                                                                                                                                                                                                                |
| (ii) Medrex Systems Ireland Limited                            | £186,736<br>(£256,752)     |                                                                                                                                                                                                                                |

<sup>1</sup> The outstanding balance of £1.7 million (€2.3 million) will be repaid from net proceeds of the Bond Issue (vide section 4.1(ii));

<sup>2</sup> An amount of £0.7 million (€0.9 million) from the net Bond Issue proceeds will be used to reduce the Bank of Valletta p.l.c. loans and overdrafts to circa £1.0 million (€1.3 million) (vide section 4.1(ii)).

### 5.3 RIGHTS ATTACHED TO THE BONDS

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

- (i) the payment of capital;
- (ii) the payment of interest;
- (iii) ranking with respect to other indebtedness of the Issuer in accordance with the provisions of section 5.2 hereof;
- (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 this Prospectus.

### 5.4 INTEREST

**5.4.1** The Bonds shall bear interest from and including 31 July 2015 at the rate of 5.1% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 31 July 2016 (covering the period 31 July 2015 to 30 July 2016). Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. In terms of article 2156 of the Civil Code (Cap. 16 of the Laws of Malta), the right of Bondholders to bring claims for payment of interest and repayment of the principal on the Bonds is barred by the lapse of five years.

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

### 5.5 YIELD

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date is 5.1%.

## 5.6 REGISTRATION, FORM, DENOMINATION AND TITLE

- 5.6.1** Certificates will not be delivered to Bondholders in respect of the Bonds in virtue of the fact that the entitlement to Bonds will be represented in an uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer by the CSD. There will be entered in such electronic register the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies) and MSE account numbers of the Bondholders and particulars of the Bonds held by them respectively, and the Bondholders shall have, at all reasonable times during business hours, access to the register of bondholders held at the CSD for the purpose of inspecting information held on their respective account.
- 5.6.2** The CSD will issue, upon a request by a Bondholder, a statement of holdings to such Bondholder evidencing his/her/its entitlement to Bonds held in the register kept by the CSD.
- 5.6.3** The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100, provided that on subscription the Bonds will be issued for a minimum of €2,000 per individual Bondholder.
- 5.6.4** Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading "Transferability of the Bonds" in section 5.11 of this Securities Note.

## 5.7 NEGATIVE PLEDGE

The Company 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 loans or overdrafts in the ordinary course of business; (C) any other Security Interest (in addition to (A) and (B) above) securing Financial Indebtedness of the Issuer, in an aggregate outstanding amount not exceeding 80% of the difference between the value of the unencumbered assets of the Issuer and the aggregate principal amount of Bonds outstanding at the time.

Provided that the aggregate Security Interests referred to in (B) and (C) above do not result in the unencumbered assets of the Issuer being less than 105.10% of the aggregate principal amount of the Bonds still outstanding;

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

## 5.8 PAYMENTS

- 5.8.1** Payment of the principal amount of Bonds will be made in Euro by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account is denominated in Euro and held with any licensed bank in Malta. Such payment shall be effected within seven (7) days of the Redemption Date. The Issuer shall not be responsible for any charges, and any loss or delay in transmission. Upon payment of the Redemption Value the Bonds shall be redeemed and the appropriate entry made in the electronic register of the Bonds at the CSD.
- 5.8.2** In the case of Bonds held subject to usufruct, payment will be made against the joint instructions of all bare owners and usufructuaries. Before effecting payment the Issuer and/or the CSD shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bare owner/s and the usufructuary/ies to payment of the Bonds.
- 5.8.3** Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business fifteen (15) days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in Euro and held with any licensed bank in Malta. Such payment shall be effected within seven (7) days of the Interest Payment Date. The Issuer shall not be responsible for any charges, and any loss or delay in transmission.
- 5.8.4** All payments with respect to the Bonds are subject in all cases to any applicable fiscal or other laws and regulations prevailing in Malta. In particular, but without limitation, all payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Malta or any authority thereof or therein having power to tax.
- 5.8.5** No commissions or expenses shall be charged by the Issuer to Bondholders in respect of such payments.

## 5.9 REDEMPTION AND PURCHASE

- 5.9.1** Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 31 July 2025.
- 5.9.2** Subject to the provisions of this section 5.9, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike.
- 5.9.3** All Bonds so purchased will be cancelled forthwith and may not be re-issued or re-sold.

## 5.10 EVENTS OF DEFAULT

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

- 5.10.1** 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
- 5.10.2** the Issuer shall fail duly to perform or shall otherwise be in breach of any other material obligation contained in the terms and conditions of the Bonds and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- 5.10.3** an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer; or

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- 5.10.4** the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its respective debts or announces an intention to do so or ceases or threatens to cease to carry on its respective business or a substantial part of its respective business; or
- 5.10.5** the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or
- 5.10.6** there shall have been entered against the Issuer a final judgment by a court of competent jurisdiction from which no appeal may be or is made for the payment of money in excess of €1,250,000 or its equivalent and ninety [90] days shall have passed since the date of entry of such judgment without its having been satisfied or stayed; or
- 5.10.7** any default occurs and continues for ninety [90] days under any contract or document relating to any Financial Indebtedness [as defined above] of the Issuer in excess of €1,250,000 or its equivalent at any time.

### **5.11 TRANSFERABILITY OF THE BONDS**

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

### **5.12 FURTHER ISSUES**

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

### **5.13 MEETINGS OF BONDHOLDERS**

- 5.13.1** The Issuer shall have the right to convene and call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which in terms of the Prospectus require the approval of a Bondholders' meeting.
- 5.13.2** Notice of the meeting of Bondholders shall be given by the Directors to all those Bondholders listed on the register of Bondholders as at a date being not more than thirty [30] days preceding the date scheduled for the meeting. The notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, and shall be delivered not less than fourteen [14] days prior to the date set for the aforementioned meeting. The notice must duly inform the Bondholder that the meeting shall consider the amendment of the Prospectus and shall contain sufficient information to this regard.

- 5.13.3** The amendment or waiver of any of the provisions of and/or conditions contained in this Securities Note, or in any other part of the Prospectus, may only be made with the approval of Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.
- 5.13.4** No business shall be transacted at a meeting of Bondholders unless at least two (2) Bondholders are present, in person or by proxy, representing not less than 50% in nominal value of the Bonds then outstanding (“quorum”). If a quorum is not present within thirty (30) minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Bondholders present at that meeting. The second meeting shall not be held before the lapse of seven (7) days from and not later than fifteen (15) days after the first meeting. The Issuer shall communicate to the Bondholders the date, time and place of the adjourned meeting through a company announcement duly published. The adjourned meeting shall only consider those items placed on the agenda of the original meeting and at the said adjourned meeting the number of Bondholders present, in person or by proxy, shall constitute a quorum.
- 5.13.5** Any person who in accordance with the Memorandum and Articles of Association of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of Bondholders.
- 5.13.6** The meeting may only proceed to business if the chairman of the meeting determines that a quorum is present. Once this is determined, the chairman of the meeting shall read the agenda of the meeting and shall invite the directors or their representative to explain the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. Bondholders shall be invited to express their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.
- 5.13.7** The voting process shall be managed by the Company Secretary under the supervision and scrutiny of the auditors of the Issuer.
- 5.13.8** The proposal placed before a meeting of Bondholders shall only be considered approved if at least 65% in nominal value of the Bondholders present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.
- 5.13.9** The Issuer shall be required to inform the Bondholders as soon as reasonably practicable on the outcome of the meeting held and whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Bondholders in accordance with the provisions of this section 5.13 at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect by the Issuer.
- 5.13.10** Save for the above, the rules generally applicable to proceedings at general meetings of shareholders of the Issuer shall *mutatis mutandis* apply to meetings of Bondholders.

#### **5.14 AUTHORISATIONS AND APPROVALS**

The Board of Directors of the Issuer authorised the Bond Issue pursuant to a board of directors’ resolution passed on 28 May 2015.

#### **5.15 NOTICES**

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



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## 6 TAXATION

### 6.1 GENERAL

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

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

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

### 6.2 MALTA TAX ON INTEREST

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is otherwise instructed by a Bondholder or if the Bondholder does not fall within the definition of "recipient" in terms of article 41[c] of the Income Tax Act [Cap. 123 of the Laws of Malta], interest shall be paid to such person net of a final withholding tax, currently at the rate of 15% of the gross amount of the interest, pursuant to article 33 of the Income Tax Act [Cap. 123 of the Laws of Malta]. 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. No person shall be charged to further tax in respect of such income.

In the case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his income tax return and be subject to tax on it at the standard rates applicable to that person at that time. Additionally in this latter case the Issuer will advise the Inland Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients unless the beneficiary is a non-resident of Malta. 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.

### 6.3 EUROPEAN UNION SAVINGS DIRECTIVE

Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Commissioner who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the EU Savings Directive 2003/48/EC.

### 6.4 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", no tax on capital gains is chargeable in respect of transfer of the Bonds.

## 6.5 DUTY ON DOCUMENTS AND TRANSFERS

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

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

## 7 TERMS AND CONDITIONS OF THE BOND ISSUE

### 7.1 EXPECTED TIMETABLE OF THE BOND ISSUE

|                                                                                          |                |
|------------------------------------------------------------------------------------------|----------------|
| 1. Application Forms mailed to Shareholders as at the Cut-Off Date                       | 14 July 2015   |
| 2. Closing date for Applications to be received from Shareholders as at the Cut-Off Date | 28 July 2015   |
| 3. Intermediaries' Offer*                                                                | 31 July 2015   |
| 4. Commencement of interest on the Bonds                                                 | 31 July 2015   |
| 5. Announcement of basis of acceptance                                                   | 31 July 2015   |
| 6. Refunds of unallocated monies                                                         | 7 August 2015  |
| 7. Expected dispatch of allotment advices                                                | 7 August 2015  |
| 8. Expected date of admission of the securities to listing                               | 7 August 2015  |
| 9. Expected date of commencement of trading in the securities                            | 10 August 2015 |

\*The Intermediaries' Offer shall not be undertaken in the event of full subscription by Shareholders.

### 7.2 TERMS AND CONDITIONS OF APPLICATION

**7.2.1** The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Official List of the MSE. In the event that the Bonds are not admitted to the Official List of the MSE 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.

**7.2.2** Application forms will be mailed to Shareholders on 14 July 2015 and subscription lists will close at 14:00 hours on 28 July 2015.

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

**7.2.4** 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.

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- 7.2.5** In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each of the joint Applicants, and liability therefor is joint and several. The person whose name shall be inserted in the field entitled "Applicant" on the Application Form, or first-named in the register of Bondholders shall, for all intents and purposes, be deemed to be such nominated person by all those joint holders whose names appear in the field entitled "Additional Applicants" in the Application Form or joint holders in the register, as the case may be. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held.
- 7.2.6** In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed vis-à-vis the Issuer to be the holder of the Bond/s so held and shall have the right to receive interest on the Bond/s and to vote at meetings of the Bondholders but shall not, during the continuance of the Bond/s, have the right to dispose of the Bond/s so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Bond [which shall be due to the bare owner].
- 7.2.7** 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.
- 7.2.8** 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.
- 7.2.9** 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 registration or other legal requirements.
- 7.2.10** It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself/herself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- 7.2.11** 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/facsimile copies will not be accepted.
- 7.2.12** The Bonds will be issued in multiples of €100. The minimum subscription amount of Bonds that can be subscribed for by Applicants is €2,000.
- 7.2.13** The offer to Shareholders shall close on 28 July 2015 and in the event that there remain Bonds which are not subscribed following the offer to the Shareholders, such unsubscribed Bonds shall be offered to Authorised Financial Intermediaries, which offer shall close on the 31 July 2015. By no later than the 31 July 2015, the Issuer shall determine the basis of acceptance of applications and allocation policy to be adopted and shall disclose the same by virtue of a company announcement along with the result of the Issue.
- 7.2.14** In the event that an Applicant has not been allocated any Bonds or has been allocated a number of Bonds which is less than the number applied for, the Applicant shall receive a full refund or, as the case may be, the balance of the price of the Bonds applied for but not allocated, without interest, by credit transfer to such account indicated in the Application Form, at the Applicant's sole risk within five Business Days from the date of final allocation. The Issuer shall not be responsible for any charges, and any loss or delay in transmission.
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- 7.2.15** The completed Application Form is to be lodged with any of the Authorised Financial Intermediaries.
- 7.2.16** All Application Forms must be accompanied by the full price of the Bonds applied for in Euro. Payment may be made either in cash or by cheque payable to **"The Registrar – 6PM Bond Issue"**. In the event that cheques accompanying Application Forms are not honoured on their first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application.
- 7.2.17** For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations 2008 as amended from time to time, all appointed Authorised Financial Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the "Code of Conduct for Members of the Malta Stock Exchange" appended as Appendix IV to Chapter 3 of the Malta Stock Exchange Bye-Laws, irrespective of whether the said appointed Authorised Financial Intermediaries are Malta Stock Exchange Members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the Data Protection Act [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.
- 7.2.18** By completing and delivering an Application Form the Applicant:
- a. represents and warrants to the Company and the Registrar that he has the right, power and authority, and has taken all action necessary, to submit the Application and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Bonds;
  - b. 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;
  - c. 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;
  - d. authorises the Issuer and the MSE to process the personal data that the Applicant provides in the Application Form, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act [Cap. 440 of the Laws of Malta]. The Applicant has the right to request access to and rectification of the personal data relating to him/her as processed by the Issuer and/or the MSE. Any such requests must be made in writing and sent to the Issuer at the address indicated in the Prospectus. The requests must further be signed by the Applicant to whom the personal data relates;
  - e. 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;
  - f. agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her remittance and any verification of identity as required by the Prevention of Money Laundering Act [Cap. 373 of the Laws of Malta] and regulations made thereunder, and that such monies will not bear interest;
  - g. agrees to provide the Registrar and/or the Issuer, as the case may be, with any information which it/they may request in connection with the Application;

- 
- h. warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his/her Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bond or his/her Application;
  - i. warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
  - j. represents that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
  - k. agrees that Charts Investment Management Service Limited will not, in their capacity of Sponsor, treat the Applicant as their customer by virtue of such Applicant making an Application for the Bonds, and that Charts Investment Management Service Limited will owe the Applicant no duties or responsibilities concerning the price of the Bonds or their suitability for the Applicant;
  - l. agrees that all documents in connection with the issue of the Bonds will be sent at the Applicant's own risk and may be sent by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as set out in the Application Form;
  - m. renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of these Bonds;
  - n. agrees that all Applications and any contractual or non-contractual obligations resulting therefrom shall be governed by and construed in accordance with the Laws of Malta.

### **7.3 PLAN OF DISTRIBUTION AND ALLOTMENT**

The Bonds are open for subscription by Shareholders and Authorised Financial Intermediaries, either for their own account or on behalf of clients as detailed in section 7.5 below. The minimum subscription amount of Bonds that can be subscribed for by Applicants is €2,000.

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 and any verification of identity as required by the Prevention of Money Laundering Act [Cap. 373 of the Laws of Malta], and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

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

### **7.4 PRICING**

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

### **7.5 INTERMEDIARIES' OFFER**

The Issuer may enter into conditional subscription agreements with a number of Authorised Financial Intermediaries for the subscription of Bonds whereby it will bind itself to allocate Bonds to such investors during the Intermediaries' Offer, if any.

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 of the Malta Stock Exchange. The Subscription Agreements will become binding on the Issuer and each of the Authorised Financial Intermediaries upon delivery, provided that these intermediaries would have paid to the Issuer 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.

## **7.6 ALLOCATION POLICY**

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

- i. Up to an aggregate amount of €13,000,000 shall be allocated to Shareholders applying for Bonds, subject to a minimum application of €2,000. In determining the allocation policy to be adopted in relation to the preferential offer to Shareholders, the Issuer shall take into consideration the number of shares held by such Shareholders as at the Cut-Off Date;
- ii. In the event that following the allocation made pursuant to paragraph (i) above there shall remain unallocated Bonds, the Issuer shall offer such remaining Bonds to Authorised Financial Intermediaries through an Intermediaries' Offer as detailed in section 7.5 above.

The offer to Shareholders shall close on 28 July 2015 and in the event that there remain Bonds which are not subscribed following the offer to the Shareholders, such unsubscribed Bonds shall be offered to Authorised Intermediaries, which offer shall close on 31 July 2015. By no later than 31 July 2015, the Issuer shall determine the basis of acceptance of applications and allocation policy to be adopted and shall disclose the same by virtue of a company announcement along with the result of the Issue.

## **7.7 ADMISSION TO TRADING**

- 7.7.1** The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 8 July 2015.
- 7.7.2** 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.
- 7.7.3** The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 7 August 2015 and trading is expected to commence on 10 August 2015.

## ANNEX I

## AUTHORISED FINANCIAL INTERMEDIARIES

| Name                                     | Address                                                                         | Telephone |
|------------------------------------------|---------------------------------------------------------------------------------|-----------|
| Bank of Valletta p.l.c.                  | BOV Centre, Cannon Road,<br>St Venera SVR 9030                                  | 2275 1732 |
| Calamitta Cuschieri & Co Ltd             | Fifth Floor, Valletta Buildings,<br>South Street, Valletta VLT 1103             | 2568 8688 |
| Charts Investment Management Service Ltd | Valletta Waterfront, Vault 17,<br>Pinto Wharf, Floriana, FRN 1913               | 2122 4106 |
| Curmi & Partners Ltd                     | Finance House,<br>Princess Elizabeth Street,<br>Ta' Xbiex XBX 1102              | 2342 6000 |
| Financial Planning Services Ltd          | 4, Marina Court No. 1<br>G. Cali Street, Ta' Xbiex XBX 1421                     | 2134 4244 |
| FINCO Treasury Management Ltd            | Level 5, The Mall Complex,<br>The Mall, Floriana FRN 1470                       | 2122 0022 |
| GlobalCapital Financial Management Ltd   | Testaferrata Street,<br>Ta' Xbiex, 1403                                         | 2134 2342 |
| Hogg Capital Investments Ltd             | Ferris Building, Level 4,<br>1, St Luke's Road,<br>Gwardamangia, Pietà PTA 1020 | 2132 2872 |
| HSBC Bank Malta p.l.c.                   | 116, Archishop Street,<br>Valletta VLT 1444                                     | 2380 2381 |
| Jesmond Mizzi Financial Advisors Ltd     | 67/3 South Street,<br>Valletta VLT 1105                                         | 2326 5690 |
| Lombard Bank Malta p.l.c.                | 67, Republic Street,<br>Valletta VLT 1117                                       | 2558 1114 |
| Rizzo, Farrugia & Co. [Stockbrokers] Ltd | Airways House, Third Floor,<br>High Street, Sliema SLM 1549                     | 2258 3000 |

**ANNEX II**

**SPECIMEN APPLICATION FORM**



**6PM HOLDINGS P.L.C.**  
**€13,000,000 5.1% Unsecured Bonds 2025**  
**APPLICATION FORM**

Application Number

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

**A APPLICANT** (See notes 2 to 4)

|                 |                                                 |               |            |
|-----------------|-------------------------------------------------|---------------|------------|
|                 |                                                 |               |            |
| MSE ACCOUNT No. | I.D. CARD No. / PASSPORT No. / COMPANY REG. No. | TELEPHONE No. | MOBILE No. |

**B This Application Form is not transferable and entitles you to a preferential treatment as Shareholder of 6PM Holdings p.l.c.**

I/We wish to purchase and acquire 6PM Holdings p.l.c., 5.1% Unsecured Bonds 2025 (minimum of €2,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 8 July 2015, payable in full upon application under the Terms and Conditions specified in the Prospectus.

|                                          |                                            |
|------------------------------------------|--------------------------------------------|
| AMOUNT IN WORDS                          | AMOUNT IN FIGURES                          |
| <input style="width: 95%;" type="text"/> | € <input style="width: 95%;" type="text"/> |

**C RESIDENT – WITHHOLDING TAX DECLARATION** (See note 7) (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 note 8) (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 NO.    | COUNTRY OF ISSUE | ISSUE DATE |

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

**E INTEREST & 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 (as contained therein) which I/we fully accept.

\_\_\_\_\_  
Signature/s of Applicant/s  
(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 Maturing Notes that are subject to usufruct)

\_\_\_\_\_  
Date

AUTHORISED FINANCIAL INTERMEDIARY'S STAMP

AUTHORISED FINANCIAL INTERMEDIARY'S CODE

|  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|



## NOTES ON HOW TO COMPLETE THIS APPLICATION FORM AND OTHER INFORMATION

*The following notes are to be read in conjunction with the Prospectus dated 8 July 2015 regulating the Bond Issue*

1. This Application is governed by the Terms and Conditions of Application contained in Section 7.2 of the Securities Note dated 8 July 2015 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 8 June 2015. **APPLICANTS ARE TO NOTE THAT ANY BONDS ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THE 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.**
5. In the case where the Applicant 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 Panel B overleaf must be in multiples of €100. The Issuer will be giving preference to Applications made by Shareholders of 6PM Holdings p.l.c. as at the Cut-Off Date, subject to a minimum application of €2,000.

Payment must be made in Euro, in cleared funds, to the 'The Registrar - 6PM Bond Issue'. In the event that the cheque accompanying an Application is not honoured on the first presentation, the Registrar, reserves 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.
8. European Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "Directive") requires all payors established in the EU which pay interest to an individual resident in another EU Member State, to report the interest payment to the tax authorities of the Member State in which the payor is established. If the Applicant's permanent address is in an EU Member State or in another country to which the Directive applies (a "specified territory") then the interest paid will be reported.

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. 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.

If any Application is not accepted, or is accepted for fewer Bonds than those applied for, after the closure of the subscription lists, the monies or the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the Applicant's bank account as indicated in Panel E.

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 14:00 on 28 July 2015. Remittance 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 the Bonds as contained in the Prospectus. Any Applications received by the Registrar after 14:00 on 28 July 2015 will be rejected.
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**



6PM HOLDINGS P.L.C.

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**FINANCIAL ANALYSIS SUMMARY**

8 JULY 2015

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CHARTS INVESTMENT MANAGEMENT SERVICE LTD  
VALLETTA WATERFRONT • VAULT 17  
PINTO WHARF • FLORIANA FRN 1913 • MALTA  
tel +356 2122 4106 • 2124 1121 • fax +3 56 2124 1101  
www.charts.com.mt • info@charts.com.mt

The Directors  
6PM Holdings p.l.c.  
6PM Business Centre  
Triq it-Torri  
Swatar, B'Kara BKR 4012

8 July 2015

Dear Sirs

#### **6PM Holdings p.l.c. Financial Analysis Summary**

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

The purpose of the financial analysis is that of summarising key financial data appertaining to 6PM Holdings p.l.c. (the “Group” or the “Company”). The data is derived from various sources or is based on our own computations as follows:

- (a) Historical financial data for the latest three years (31 December 2012 to 2014) has been extracted from the audited consolidated financial statements of the Company.
- (b) The forecast data of the Group for the years ending 31 December 2015 and 31 December 2016 has been provided by management of the Company.
- (c) Our commentary on the results of the Group and on its financial position is based on the explanations provided by the Company.
- (d) The ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions set out in Part 4 of the Analysis.
- (e) Relevant financial data in respect of the companies included in Part 3 has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Registrar of Companies or websites providing financial data.

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

Yours faithfully,

Wilfred Mallia  
Director

LICENSED TO PROVIDE INVESTMENT SERVICES BY THE  
MALTA FINANCIAL SERVICES AUTHORITY

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## PART 1

### 1. COMPANY'S KEY ACTIVITIES

The principal activity of 6PM Holdings p.l.c. (the “Company”, “Issuer” or the “Group”) is to carry on the business of a holding and finance company.

The Issuer was first established on 28 May 2007 as a private company under the Act. It is a holding company and accordingly the Issuer's main trading activity is to carry out and to hold investment of any type, particularly shares and investments in other companies. The Issuer derives the majority of the income from the revenue generated by the Issuer's subsidiaries and operating companies (collectively the “Operating Companies”). Prior to the listing of the Issuer's shares in September 2007 on the Malta Stock Exchange, the Issuer changed its status to a public limited company. The issued share capital as at the date of listing amounted to £1,500,000 divided into 7,500,000 ordinary shares of £0.20 each share.

In 2011, the Company raised additional funds through a rights issue of 10,788,000 new ordinary shares, of a nominal value of £0.20 each share, at the price of £0.25 per share.

On four occasions between 2012 and the date of this Prospectus, the Company increased its ordinary issued share capital by an aggregate amount of 2,694,938 ordinary shares of a nominal value of £0.20 each through the issuance of bonus shares to its shareholders.

### 2. DIRECTORS AND SENIOR MANAGEMENT

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

#### *Board of Directors*

|                    |                                |               |
|--------------------|--------------------------------|---------------|
| Nazzareno Vassallo | Chairman                       | Non-Executive |
| Ivan Bartolo       | Chief Executive Officer        | Executive     |
| Hector Spiteri     | Deputy Chairman                | Non-Executive |
| Stephen Wightman   | Deputy Chief Executive Officer | Executive     |
| Robert Borg        |                                | Non-Executive |
| Tonio Depasquale   |                                | Non-Executive |

#### *Senior Management*

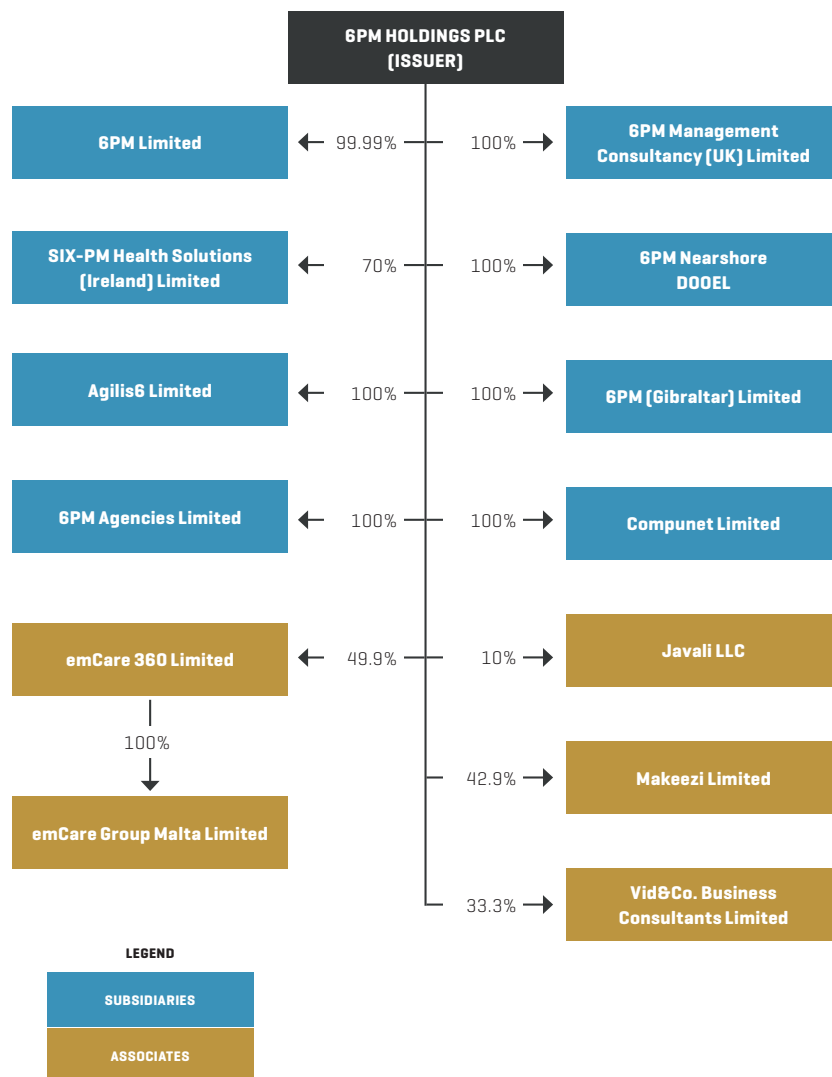
The members of senior management of the 6PM Group are:

|                  |                         |
|------------------|-------------------------|
| Michel Macelli   | Chief Operating Officer |
| Brian Zarb Adami | Chief Technical Officer |
| Adrian Scicluna  | Chief Financial Officer |

3. THE 6PM GROUP

3.1 ORGANISATIONAL STRUCTURE

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





The following is a brief overview of the principal Operating Companies of the 6PM Group:

**6PMLimited** - The company is engaged in the provision of information technology services, including software development and maintenance, and offers these services both locally and overseas. As of the date of this report, 6PM Limited generates the most revenue for the 6PM Group and employs a substantial portion of the Group's workforce.

**6PM Management Consultancy (UK) Limited** – The company is engaged in the provision of IT consultancy services, and acts as the primary sales office for the solutions of the 6PM Group for the United Kingdom, the Group's main market.

**6PM Nearshore DOOEL** – The company is principally involved in the development and implementation of 6PM Group products and solutions. The company employs 30 IT professionals and complements the research & development and delivery teams in Malta.

**SIX-PM Health Solutions (Ireland) Limited** – The key business activities of the company include document management services, microfilming, scanning, off-site storage and consultancy. The sales team of the company also actively market and sell 6PM Group products and solutions.

**Compunet Limited** - The company is principally engaged in the importation and sale of IT related hardware, products, consumables, networking supplies and other accessories. During the second quarter of 2015, the company ceased operations of its retail outlet which was located in Birkirkara, Malta.

**emCare360 Limited** - The principal activities of the company are described in section 4.3 below.

**Javali LLC** - The principal activities of the company are described in section 4.3 below.

#### 4. GROUP BUSINESS OVERVIEW

##### 4.1 PRINCIPAL ACTIVITIES

The Group provides a range of solutions to enable organisations enhance and optimise business efficiency. The Group's services mainly consist of managed services and product solutions, utilising business intelligence, data warehousing and electronic document management packages. The principal vertical in which the 6PM Group operates is the health market and is primarily active within the UK's NHS.

The following is an analysis of the Group's revenue from continuing operations by reportable segments:

| 6PM Group<br>Revenue    | 2012<br>(£'000) | 2013<br>(£'000) | 2014<br>(£'000) |
|-------------------------|-----------------|-----------------|-----------------|
| <b>By Category</b>      |                 |                 |                 |
| Licences and products   | 3,097           | 4,299           | 4,241           |
| Services                | 3,374           | 3,991           | 3,903           |
| Support and maintenance | 689             | 964             | 1,536           |
| <b>Total revenue</b>    | <b>7,160</b>    | <b>9,254</b>    | <b>9,680</b>    |

The 6PM Group's revenue can be segregated between the following components:

- **Licences and products** – 6PM solutions are offered to customers through the granting of restrictive non-exclusive licence agreements for the utilisation of such solutions in accordance with the terms and conditions thereof. Sale of products (technological infrastructure and devices) to consumers and businesses is mainly generated through Compunet Ltd.
- **Services** – This income stream principally relates to professional services provided to clients with respect to the implementation of the Group's solutions and required customisations.
- **Support and maintenance** – The 6PM Group offers support and maintenance services for all products and licences sold to customers.

#### 4.2 PRINCIPAL PRODUCTS

The Group provides information technologies solutions and services primarily to Trusts within the NHS. Since 2011, the 6PM Group has developed a number of products and to date supports eighteen hospitals in the UK.

The Group's principal products can be split into three categories as follows:

- (i) **Health Logistics Management** (operational support to optimise service standards and improve efficiencies):
  - **iFIT** – Intelligent File and Inventory Tracking provides the tools to manage physical paper health records, supplies, medical devices, vulnerable patients, staff, etc. Effectively a hospital can tag anything which requires tracking. iFIT provides hospital staff with modern logistics management technology which enables them to track and manage records "iRecords" and physical assets "iAssets" using RFID (radio frequency identification) tagging. RFID readers on door frames, wards and treatment areas detect and record interactions.
- (ii) **Health Information Management** (the use of data analysis tools to assist business decision processes):
  - **CareSolutions Data Warehouse** – The Data Warehouse takes data feeds from NHS systems and provides improved reporting and analysis to management and clinical teams.
- (iii) **Health Clinical Management** (provides health applications to support specific care pathways such as HIV, Stroke and Dementia):
  - **Climate-HIV** – A patient's data is recorded in one database through this specialised electronic patient record (EPR) system and provides the relative clinical team with a fast access to such data, helps educate the patient, and reduces administration requirements to complete clinical letters and referrals. All audit and conformance measures are incorporated within the solution to ensure optimal service throughout the care pathway. Climate-HIV is accessed via a web browser which enables nominated users to utilise the solution from any computer located within the respective Trust.





- **StrokePad** – This is a comprehensive, real-time, point-of-care digital clinical record specifically designed for stroke patients, encompassing the entire management pathway from admission to discharge. StrokePad is a highly optimised, digital tablet interface, eliminating the need for dual entry or the use of parallel paper records throughout the care pathway. It also contains a built-in data field management which enables the collection of complete clinical and managerial data.
- **ConCERT-D** – This solution displays captured mental assessment scores for tests, such as the mini mental state examination, in a graphical format enabling clinicians to relate fluctuations in scores with certain events. The medication module allows clinicians to maintain track of the patient diagnosis, prescribed drugs, related side effects, allergies and other conditions.

The intellectual property relating to Health Logistics Management and Health Information Management solutions is fully owned by the 6PM Group. As to the Health Clinical Management solutions, the intellectual property of Climate-HIV is fully owned by North Middlesex University Hospital NHS Trust, and the intellectual property of StrokePad and ConCERT-D is co-owned by the 6PM Group and University College London Hospitals NHS Foundation Trust and West London Mental Health NHS Trust respectively. Such clinical products are developed in close collaboration with clinicians for use by clinicians and are implemented upon completion within at least one NHS hospital that becomes the reference site for other hospitals. The 6PM Group has exclusivity in relation to the commercialisation of the above-mentioned clinical products and each of the respective NHS Trust is entitled to a royalty fee from sales thereof.

#### 4.3 PRINCIPAL INVESTMENTS

The 6PM Group owns 50% of emCare360 Ltd and 10% of Javali LLC. The activities of each of the said holdings are described in more detail hereunder.

- (i) **emCare360 Ltd** is a joint venture between the 6PM Group and CareMalta Group Limited (this company operates a number of homes for the elderly in Malta). emCare is an electronic and mobile platform geared up to provide services to both individuals (business to consumer) and to organisations (business to business). All services are integrated with a central repository that enables emCare to manage an Electronic Medical Record (EMR) for and on behalf of its customers.

The emCare electronic service platform was built by the 6PM Group between 2011 and 2013. Since its launch in November 2013, the company has taken over the Telecare Service in Malta in collaboration with GO p.l.c. servicing just under 10,000 households. Complementing the Telecare Service, emCare has also introduced a Vital Signs Monitoring service and this is being implemented and adopted by care providers in Malta, Italy and the UK.

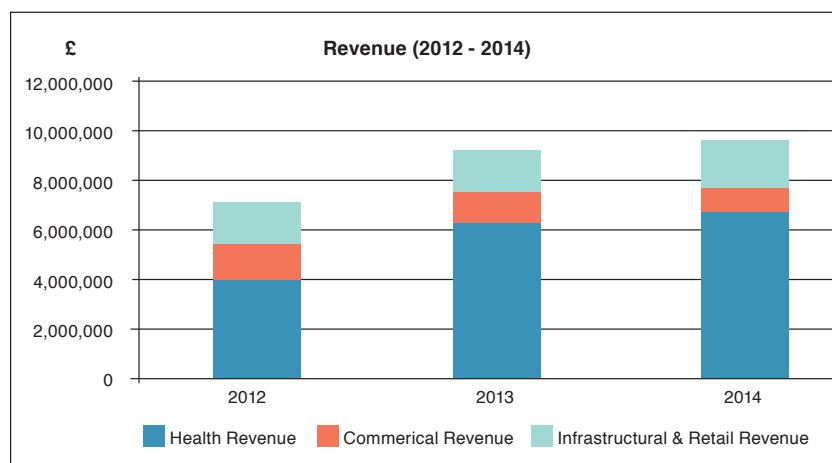
The three service pillars that emCare360 Ltd offers are:

- **eCare** – this is an environmental monitoring service available predominantly to elderly people living alone in their own residence. This service is comprehensive and monitors falls, gas leaks, extreme temperatures, floods and other services such as medicine dispensing. This service is fully supported by a 24x7 call centre.

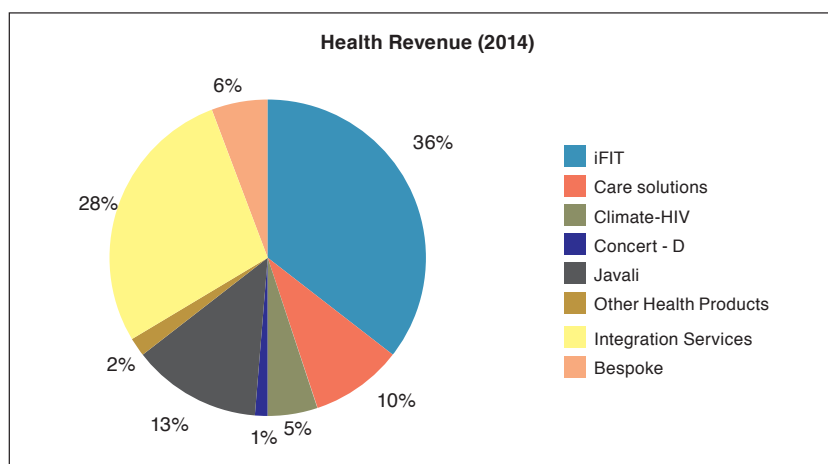
- **health** – this service includes monitoring of a person’s vital signs (that is, blood pressure). The principal customers for this service are homes for the elderly.
  - **mCare** – this is a mobile service operated through the mobile phones of users. mCare provides continuous GPS tracking, alert button, medication reminder and other features.
- (ii) **Javali LLC** is a joint venture between the University of Utah, United States of America, the 6PM Group and other American entrepreneurs. Javali is a product with revenue leakage auditing capability and was developed using the CareSolutions platform of the 6PM Group. Hospitals occasionally overcharge or undercharge clients for medical episodes, and such leakage typically occurs as a result of improper medical coding. The term “coding” refers to the activity performed by qualified personnel (a “coder”) to analyse clinical statements and assigning clinical codes using a classification system. These clinical codes are used for a number of purposes including billing. Trading commenced in the current financial year (2015).

**4.4 REVENUE ANALYSIS**

The graph below highlights the Group’s revenue for the three historical years ended 31 December 2012 to 2014. As evidenced, the 6PM Group is principally involved in the provision of IT products and services to the health sector (predominantly Trusts within the NHS). In the three years under review, revenue increased by 35% from £7.2 million in FY2012 to £9.7 million in FY2014. The key driver for such growth was health revenue, which increased by 72% from £4.1 million in FY2012 to £7.0 million in the last financial year. On the other hand, commercial revenue declined by £0.5 million to £0.9 million in FY2014. As for infrastructure & retail revenue, this segment remained broadly stable in the reviewed period.



The pie chart hereunder provides a more detailed analysis of the Group's Health Revenue for the year ended 31 December 2014. The main two products within the health segment of the Group are the iFIT products and Care Solutions, which in aggregate generated 46% of health revenue. In FY2014, the Group derived £2.0 million (28%) from services rendered to customers to integrate third party products with solutions of the 6PM Group. As for Javali, the Group recorded income in FY2014 of £0.9 million. This income mainly related to the provision of Care Solutions to this newly formed joint venture. A more detailed description of the Group's solutions is included in sections 4.2 and 4.3 of this document.



## 5. INVESTMENTS

### 5.1 BLITHE COMPUTER SYSTEMS LIMITED

By virtue of an agreement dated 10 June 2015, the Issuer agreed to acquire all the issued share capital of Blithe Computer Systems Limited (“**Blithe**”), a company incorporated and operating in the UK, in exchange for the payment of £4.2 million as purchase price to the current shareholder. The transaction is conditional upon the Issuer raising the said funds through the Bond Issue described in the Securities Note.

Blithe specialises in the provision of systems and solutions for the management of Electronic Patient Records (EPR) within the healthcare sector, particularly in relation to sexual health and substance misuse. The company is compliant with the national and international ISO 9001:2008 and ISO/IEC 17799:2009. The Blithe solutions are currently being used by more than 10,000 healthcare professionals in more than 700 locations throughout the United Kingdom.

In terms of UK accounting rules for SMEs (small and medium sized companies), Blithe is not required to publish audited financial statements. As such, the unaudited historical financial statements of Blithe have been prepared in accordance with UK tax regulations. Set out below are highlights taken from the accounting records of Blithe, as amended for normalisation and differences in accounting policies and estimates, for the financial periods indicated hereunder:

| <b>Blithe Computer Systems Limited<br/>for the years ended 30 June</b> | <b>2012<br/>(£'000)</b> | <b>2013<br/>(£'000)</b> | <b>2014<br/>(£'000)</b> |
|------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
| <b>Revenue</b>                                                         |                         |                         |                         |
| Sales                                                                  | 251                     | 261                     | 156                     |
| Services                                                               | 354                     | 604                     | 491                     |
| Support and maintenance                                                | 1,636                   | 1,299                   | 1,353                   |
| Consumables                                                            | 70                      | 70                      | 87                      |
| <b>Total revenue</b>                                                   | <b>2,311</b>            | <b>2,234</b>            | <b>2,087</b>            |
| Operating costs excluding<br>directors' remuneration                   | (1,504)                 | (1,679)                 | (1,815)                 |
| <b>EBITDA</b>                                                          | <b>807</b>              | <b>555</b>              | <b>272</b>              |

All Blithe's solutions are sold on a modular basis enabling clients to purchase the core system. Thereafter, additional modules may be incorporated with the core system as required by the respective clients. Furthermore, Blithe's solutions may be hosted at the client's location or otherwise offered through the cloud.

*(a) Sexual Health*

Lilie is Blithe's solution in the area of sexual health and is the company's main revenue generator. It is a clinical management system for use by clinicians and health professionals. Lilie is optimised for use in specially designed clinics that recognise that discretion in this field is paramount and thus enables testing to be done almost entirely by the user with minimal human interaction. The innovative system allows instant electronic communication between the user-interface, the laboratory and the patient as information can be recorded, retrieved and reported with ease.

*(b) Substance Misuse*

Complementing the sexual health solution, Blithe also offers two solutions (namely, Poppie and Web Bomic) which focus on substance misuse. Specifically, the solutions are used within services relating to the treatment and care of people with addictive disorders, including drugs and alcohol.

**5.2 OPPORTUNITIES FOR THE 6PM GROUP**

The Directors are of the view that the acquisition of Blithe will benefit both parties as follows:

- (i) Additional business is expected to be generated through cross-selling;
- (ii) Potential synergies have been identified between the solutions, underlying technologies, cost structures and marketing strategies of each party;



- (iii) The acquisition will enable the enlarged Group to extend its portfolio of products;
- (iv) The modular nature of the solutions provided by Blithe and the 6PM Group respectively can be seen to be complimentary in nature and may eventually form part of a more holistic solution provided by the enlarged Group;
- (v) The enlarged Group will have an increased presence in the NHS;
- (vi) Blithe is one of the accredited N3<sup>1</sup> commercial third party connections. N3 is the UK national broadband network for the NHS connecting all NHS locations. This enables Blithe to perform any support and maintenance required remotely without being required to travel to each location, thereby reducing costs effectively. This connectivity can now be extended to the 6PM Group.

## 6. RESEARCH AND DEVELOPMENT

The 6PM Group has sought to remain at the forefront of information systems development and continues to invest in the research and development of its products. The Group maintains a strategic product roadmap for new functionality and modules which helps to ensure that current and future customers have software that supports their needs in delivering high quality clinical care across a range of care settings. Mobility of the clinician is a key factor in the modern NHS and the 6PM Group's focus is to support this with mobile applications that can be operated across multiple hardware platforms.

The Group will continue to enhance the tracking capabilities and versatility of the iFIT in order to provide a more efficient and effective tracking solution which can be applied to a wider range of verticals.

New modules within the iFIT solution currently being developed by the 6PM Group include iAssets and iWorkforce. The former module has been developed to track the various assets of health institutions which typically comprise: wheel chairs, mobile beds, monitoring devices, laboratory test equipment and other high-value items. iAssets is designed to assist managers monitor the movement of hospital assets to maintain up-to-date inventory lists and control usage of such assets. The second module, known as iWorkforce, relates to the monitoring and allocation of health professionals and other personnel within hospital premises.

The 6PM Group intends to introduce 'Software as a Service' (SaaS) as a business model. SaaS is a software delivery method that provides access to software and its functions remotely as a web-service without the software solution being installed at the client's premises. Effectively, the 6PM Group will start offering its products using the G-Cloud<sup>2</sup> within the UK. Through this model the 6PM Group may market its products to hospitals that are unable to justify the investment (that is, to acquire a licence and enter into a maintenance and support agreement), but can alternatively pay on a consumption basis.

<sup>1</sup>N3 is a Wide Area IP Network (WAN), connecting many different sites across the NHS within England & Scotland. It also connects to other networks via Gateways, notably to the Internet via the Internet Gateway.

<sup>2</sup> The UK Government G-Cloud is an initiative targeted at easing procurement by public-sector bodies in departments of the United Kingdom Government of commodity information technology services that use cloud computing. The G-Cloud consists of:

- A series of framework agreements with suppliers, from which public sector organisations can call off services without needing to run a full tender or competition procurement process;
- An online store – the "Digital Marketplace" (previously "CloudStore") that allows public sector bodies to search for services that are covered by the G-Cloud frameworks.

## 7. TREND INFORMATION AND COMPETITION

In 2002, the UK Department of Health launched a £12.7 billion National Programme for IT in the NHS (“NPIT”), to address the need for a major IT programme to be established to ensure common compatibility standards were set in IT systems across the NHS (UK’s National Health Service). The primary aims of the NPIT were to make the NHS more efficient and improve the quality of information and patient care, ostensibly through the creation of an electronic Summary Care Record for each and every NHS patient in England which could be accessed by all relevant care providers. This would replace manually written records kept at the patient’s registered general practice.

To implement the requirement for these detailed care records, the NHS was split into five geographic regions (known as clusters) and in 2003 the Department of Health, by way of the NPIT placed £6.2 billion of contracts with four Local Service Providers to deliver Care Records Systems to the NHS Trusts. In 2010, the Department of Health announced that the NPIT would be wound down, as the initial intention proved beyond its capacity to deliver a universal system.

NHS Trusts have taken over responsibility for Care Records Systems from 2015-16, and this should present various opportunities for the 6PM Group to offer its products (in particular, iFIT solutions) to Acute and Mental Health Trusts that currently amount to 116 Trusts (Acute Trusts manage hospitals in England and some have gained Foundation Trust status, meaning they have greater financial control and autonomy).

The UK Government has demonstrated a commitment to converged care, putting the patient at the centre of care delivery irrespective of the care setting, whether Acute Health, Mental Health or Community Health. The allocation of certain funding streams is also moving in line with a more holistic approach to care and now incorporates social care. This is a reflection of a population that is living longer and with longer-term care needs that cross the traditional boundaries of health and social care. This drive towards converged care further reinforces the need for centralised or individual care records and the Directors believe that a key part of providing this will be the further implementation of EPR and Patient Administration Systems (PAS) by Trusts and other care organisations.

The Directors believe that the 6PM Group is well placed to take advantage of the opportunity in this area as:

- it has developed iFIT, a next generation EPR solution to address the business needs of an Acute or Mental Trust;
- its product suite delivers against the paperless agenda set by the UK Government; and
- its modular approach enables Trusts to transition from their legacy systems at a pace in line with the Trust’s internal requirements.

In the near term, it is expected that the iFIT platform will remain the flagship product of the 6PM Group. However, opportunities will arise to sell the Group’s other products to Trusts that adopt the iFIT solution and thus further enhance Group revenues.

The IT solutions industry is very fragmented and highly competitive, and the 6PM Group competes with a large number and wide variety of IT service companies. The competitive landscape in the industry is continually changing as various competitors expand their product and service offerings. In addition, emerging models such as cloud computing are creating new competitors and opportunities in infrastructure and other services offerings, and, as with other areas, the 6PM Group competes directly with many of these offerings.

## 8. GROUP STRATEGY

The strategy of the Group is to achieve sustained revenue, profit and cash flow growth from its chosen market of healthcare. The Directors believe that by using the leverage of the Group's position, expertise and technology in healthcare, the 6PM Group will be able to grow organically and the acquisition of Blithe will assist the Group in achieving higher growth rates. Factors which the Directors believe will enable this growth include:

- **Area of expertise** – The 6PM Group will maintain focus on advancing its area of expertise. The Group has substantial experience in its current markets, but will continue to invest in the Group's staff to ensure that it can carry on to deliver client satisfaction and staff retention, whilst developing its technological expertise to provide additional products and services to Group's clients.
- **Developing intellectual property** – The Group owns the intellectual property rights of CareSolutions and iFIT, and co-owns with third-party Trusts the intellectual property of StrokePad and ConCERT-D. The intellectual property rights of Climate-HIV are fully owned by a third-party Trust. The 6PM Group will continue to enhance and develop the aforesaid five core products, either for its own account or in conjunction with the respective owning Trusts, but its main focus in the near term will be on its flagship product - the iFIT solution.
- **Principal investments** – The 6PM Group will continue to support its ownership in emCare360 Limited and Javali LLC through further investment in products development and marketing so as to generate sales and achieve growth targets.
- **Acquisition of Blithe** – Through this acquisition, the 6PM Group immediately gains access to Blithe's client database of over 700 installations primarily in Trusts operating within the NHS. As such, the 6PM Group will benefit from cross-selling and up-selling of their respective products and services, and will also take advantage of various synergies in relation to different technologies, skills, and product and service offerings. Furthermore, the Directors expect the enlarged 6PM Group to effectively reduce overall costs through the achievement of economies of scale.
- **Geographic growth** – It is the Group's intention to expand its client base to further enhance revenue generation by penetrating markets outside the UK. The strategy for the coming three years is for the 6PM Group to market its products and related services in a number of countries in Europe and beyond.

## PART 2

### 9. COMPANY PERFORMANCE REVIEW

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

The financial information relating to latest three historical financial years is extracted from the audited annual consolidated financial statements of 6PM Holdings p.l.c. for the years ended 31 December 2012 to 2014. The projected financial information for the years ending 31 December 2015 and 2016 has been provided by the Company.

9.1 GROUP INCOME STATEMENT

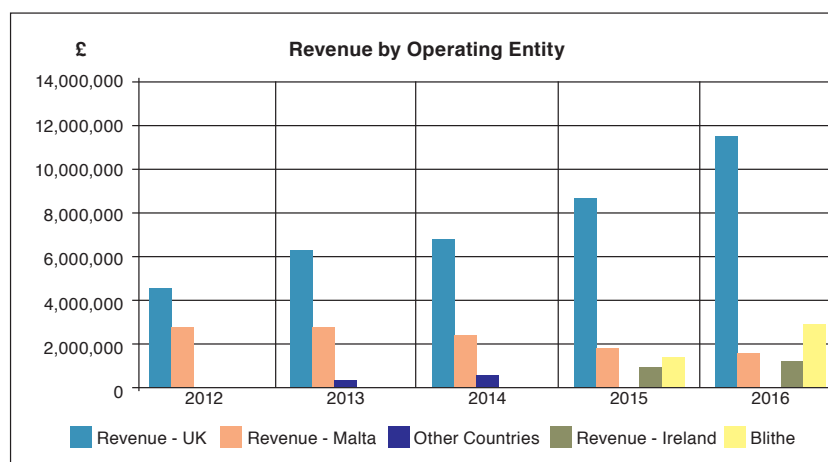
| Income Statement<br>(£'000)        | FY2012<br>Actual | FY2013<br>Actual | FY2014<br>Actual | FY2015<br>Forecast | FY2016<br>Projection |
|------------------------------------|------------------|------------------|------------------|--------------------|----------------------|
| <b>Revenue</b>                     | <b>7,160</b>     | <b>9,254</b>     | <b>9,680</b>     | <b>12,755</b>      | <b>17,549</b>        |
| Net operating costs                | (6,336)          | (8,102)          | (8,208)          | (11,010)           | (14,607)             |
| <b>EBITDA</b>                      | <b>824</b>       | <b>1,152</b>     | <b>1,472</b>     | <b>1,745</b>       | <b>2,942</b>         |
| Depreciation and amortisation      | (283)            | (372)            | (381)            | (681)              | (1,091)              |
| Share of losses of associates      | (46)             | (54)             | (9)              | -                  | -                    |
| Net finance costs                  | (61)             | (88)             | (143)            | (280)              | (554)                |
| <b>Profit before tax</b>           | <b>434</b>       | <b>638</b>       | <b>939</b>       | <b>784</b>         | <b>1,297</b>         |
| Taxation                           | 93               | 105              | (117)            | 111                | 83                   |
| <b>Profit after tax</b>            | <b>527</b>       | <b>743</b>       | <b>822</b>       | <b>895</b>         | <b>1,380</b>         |
| <b>Other comprehensive income:</b> |                  |                  |                  |                    |                      |
| Exchange differences               | (175)            | 64               | (284)            | -                  | -                    |
| <b>Total comprehensive income</b>  | <b>352</b>       | <b>807</b>       | <b>538</b>       | <b>895</b>         | <b>1,380</b>         |

The key accounting ratios are set out below:

|                                                                                                 | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 |
|-------------------------------------------------------------------------------------------------|--------|--------|--------|--------|--------|
| Operating profit margin<br>( <i>EBITDA/revenue</i> )                                            | 12%    | 12%    | 15%    | 14%    | 17%    |
| Interest cover (times)<br>( <i>EBITDA/net finance cost</i> )                                    | 13.5   | 13.1   | 10.3   | 6.2    | 5.3    |
| Net profit margin<br>( <i>Profit after tax/revenue</i> )                                        | 7%     | 8%     | 8%     | 7%     | 8%     |
| Return on equity<br>( <i>Profit after tax/shareholders' equity</i> )                            | 7%     | 15%    | 10%    | 15%    | 19%    |
| Return on capital employed<br>( <i>Operating profit/total assets less current liabilities</i> ) | 15%    | 19%    | 24%    | 11%    | 18%    |
| Return on assets<br>( <i>Profit after tax/total assets</i> )                                    | 4%     | 9%     | 4%     | 4%     | 6%     |

Source: Charts Investment Management Service Limited



**CHARTS**  
WEALTH MANAGEMENT • CORPORATE BROKING


| Segmental Analysis (£'000) | FY2012 Actual | FY2013 Actual | FY2014 Actual | FY2015 Forecast | FY2016 Projection |
|----------------------------|---------------|---------------|---------------|-----------------|-------------------|
| <b>Revenue</b>             |               |               |               |                 |                   |
| UK                         | 4,478         | 6,204         | 6,752         | 8,631           | 11,587            |
| Malta                      | 2,682         | 2,704         | 2,518         | 1,667           | 1,583             |
| Other Countries            | -             | 346           | 410           | -               | -                 |
| Ireland                    | -             | -             | -             | 1,060           | 1,321             |
| Blithe                     | -             | -             | -             | 1,397           | 3,058             |
| <b>Total revenue</b>       | <b>7,160</b>  | <b>9,254</b>  | <b>9,680</b>  | <b>12,755</b>   | <b>17,549</b>     |

**Year-on-year Movement**

|                 |     |     |      |       |
|-----------------|-----|-----|------|-------|
| UK              | 39% | 9%  | 28%  | 34%   |
| Malta           | 1%  | -7% | -34% | -5%   |
| Other Countries |     |     | 18%  | -100% |
| Ireland         |     |     |      | 25%   |
| Blithe          |     |     |      | 119%  |

Similar to prior years, revenue in FY2014 was generated predominantly from the UK operation. Overall, income increased by 5% from £9.3 million in FY2013 to £9.7 million. Although the change in y-o-y revenue was minimal, sales in FY2014 came from a larger customer base when compared to FY2013. In fact, the revenue figure for FY2013 includes one major contract amounting to £1.5 million.

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With respect to the projected period, the Group expects revenue from the UK business to increase by £1.9 million (+28%) and £3.0 million (+34%) in FY2015 and FY2016 respectively. On the other hand, the Malta revenue should decrease by £0.9 million due to less focus on the Maltese market and closure of the Compunet retail operation. Compunet will continue to support the 6PM Group in infrastructure projects, and procurement of hardware and accessories in B2B Group operations.

As of FY2015, the Group expects to penetrate the Irish health sector through the newly formed joint venture (SIX-PM Health Solutions (Ireland) Limited). In both the UK and Ireland, the primary driver of revenue will be iFIT Products & Solutions. As a consequence of the acquisition of Blithe in June 2015, the consolidated accounts of the 6PM Group will include the results of Blithe with effect from July 2015.

EBITDA for the Group is projected at £1.7 million (+19%) in FY2015 and should increase by a further £1.2 million (+69%) by FY2016. Profit after tax is expected to reach £1.4 million in FY2016 (from £0.8 million in each of the prior two years), although the margin will remain stable at circa 8%.

## 9.2 GROUP BALANCE SHEET

| Statement of Financial Position<br>as at 31 December (£'000) | 2012<br>Actual | 2013<br>Actual | 2014<br>Actual | 2015<br>Forecast | 2016<br>Projection |
|--------------------------------------------------------------|----------------|----------------|----------------|------------------|--------------------|
| <b>ASSETS</b>                                                |                |                |                |                  |                    |
| <b>Non-current assets</b>                                    |                |                |                |                  |                    |
| Intangible assets                                            | 2,668          | 3,107          | 3,805          | 8,496            | 9,293              |
| Property, plant and equipment                                | 1,109          | 928            | 954            | 869              | 827                |
| Investment property                                          | 62             | 621            | 639            | 573              | 573                |
| Financial assets                                             | -              | -              | 1,103          | 1,103            | 1,103              |
| Deferred tax assets                                          | 1,567          | 1,764          | 1,544          | 1,878            | 2,192              |
| <b>Total non-current assets</b>                              | <b>5,406</b>   | <b>6,420</b>   | <b>8,045</b>   | <b>12,919</b>    | <b>13,988</b>      |
| <b>Current assets</b>                                        |                |                |                |                  |                    |
| Inventories                                                  | 386            | 444            | 590            | 531              | 478                |
| Trade and other receivables                                  | 2,886          | 1,990          | 3,567          | 4,637            | 6,242              |
| Cash and cash equivalents                                    | 478            | 449            | 344            | 2,993            | 3,085              |
| <b>Total current assets</b>                                  | <b>3,750</b>   | <b>2,883</b>   | <b>4,501</b>   | <b>8,161</b>     | <b>9,805</b>       |
| <b>Total assets</b>                                          | <b>9,156</b>   | <b>9,303</b>   | <b>12,546</b>  | <b>21,080</b>    | <b>23,793</b>      |
| <b>EQUITY</b>                                                |                |                |                |                  |                    |
| Share capital and reserves                                   | 4,110          | 4,175          | 3,949          | 3,891            | 3,891              |
| Retained earnings                                            | 903            | 1,343          | 1,699          | 2,181            | 3,204              |
| Non-controlling interest                                     | 2              | -              | 12             | 42               | 45                 |
| <b>Total equity</b>                                          | <b>5,015</b>   | <b>5,518</b>   | <b>5,660</b>   | <b>6,114</b>     | <b>7,140</b>       |
| <b>LIABILITIES</b>                                           |                |                |                |                  |                    |
| <b>Non-current liabilities</b>                               |                |                |                |                  |                    |
| Bank loans                                                   | 461            | 432            | 352            | 347              | 201                |
| Bonds                                                        | -              | -              | -              | 9,455            | 9,455              |
| <b>Total non-current liabilities</b>                         | <b>461</b>     | <b>432</b>     | <b>352</b>     | <b>9,802</b>     | <b>9,656</b>       |
| <b>Current liabilities</b>                                   |                |                |                |                  |                    |
| Trade and other payables                                     | 2,513          | 1,782          | 3,269          | 4,364            | 5,997              |
| Other financial liabilities                                  | 168            | 84             | 202            | -                | -                  |
| Bank overdrafts and loans                                    | 947            | 1,257          | 3,062          | 800              | 1,000              |
| Current tax liabilities                                      | 52             | 230            | 1              | -                | -                  |
| <b>Total current liabilities</b>                             | <b>3,680</b>   | <b>3,353</b>   | <b>6,534</b>   | <b>5,164</b>     | <b>6,997</b>       |
| <b>Total liabilities</b>                                     | <b>4,141</b>   | <b>3,785</b>   | <b>6,886</b>   | <b>14,966</b>    | <b>16,653</b>      |
| <b>Total equity and liabilities</b>                          | <b>9,156</b>   | <b>9,303</b>   | <b>12,546</b>  | <b>21,080</b>    | <b>23,793</b>      |

Total assets of the Group primarily include intangible assets (including developed software and goodwill), tangible assets, investment in joint ventures and deferred taxation. Current assets mainly comprise inventory, trade and other receivables, and cash balances. As to total liabilities, these mainly include trade and other payables and borrowings (detailed below).

The key accounting ratios are set out below:

|                                                                            | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 |
|----------------------------------------------------------------------------|--------|--------|--------|--------|--------|
| Gearing ratio (%)<br><i>(Net debt/net debt<br/>+ shareholders' equity)</i> | 18%    | 19%    | 37%    | 55%    | 51%    |
| Liquidity ratio (times)<br><i>(Current assets/current liabilities)</i>     | 1.02   | 0.86   | 0.69   | 1.58   | 1.40   |

Source: Charts Investment Management Service Limited

The gearing ratio (net debt/net debt + equity) demonstrates the degree to which capital employed in a business is funded by external borrowings as compared to shareholders' funds. A company with high leverage tends to be more vulnerable when its business goes through a slowdown. At a leverage of 37% in FY2014, increasing to *circa* 50% thereafter, the Company's capital is funded equally between external debt and shareholders' funds. The higher leverage in FY2015 is due to the acquisition of Blithe through Bond Issue proceeds. The Directors believe that the higher gearing is appropriate for the Group in view of the increase in cash flows that are expected to be generated in the foreseeable future.

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

| Borrowings and Bonds<br>as at 31 December (£'000) | 2012<br>Actual | 2013<br>Actual | 2014<br>Actual | 2015<br>Forecast | 2016<br>Projection |
|---------------------------------------------------|----------------|----------------|----------------|------------------|--------------------|
| <b>Borrowings</b>                                 |                |                |                |                  |                    |
| Bank overdrafts                                   | 795            | 987            | 982            | 800              | 1,000              |
| Bank loans                                        | 614            | 702            | 2,432          | 347              | 201                |
| Related party loan                                | 167            | 84             | 202            | -                | -                  |
| <b>Total borrowings</b>                           | <b>1,576</b>   | <b>1,773</b>   | <b>3,616</b>   | <b>1,147</b>     | <b>1,201</b>       |
| <b>Debt securities</b>                            |                |                |                |                  |                    |
| Bonds                                             | -              | -              | -              | 9,455            | 9,455              |
| <b>Total debt</b>                                 | <b>1,576</b>   | <b>1,773</b>   | <b>3,616</b>   | <b>10,602</b>    | <b>10,656</b>      |

As at 30 June 2015 the Group's indebtedness amounted to £3.5 million (€4.8 million), comprising of bank loans & overdrafts and related party loans. The Group's bank borrowings are secured by a special hypothec on immovable property, and general hypothecs over all property, present and future, of the Issuer. The related party loans of the Group are unsecured and interest free. An amount of £2.6 million (€3.2 million) of bank borrowings will be repaid through net proceeds of the Bond Issue, and therefore bank borrowings senior to the Bonds will be reduced to *circa* £1.0 million (€1.3 million).

The Bonds constitute unsecured obligations of the Issuer, and rank equally without priority or preference with all other present and future unsecured and unsubordinated obligations of the Issuer.

### 9.3 GROUP CASH FLOW STATEMENT

| Cash Flow Statement<br>(£'000)                   | FY2012<br>Actual | FY2013<br>Actual | FY2014<br>Actual | FY2015<br>Forecast | FY2016<br>Projection |
|--------------------------------------------------|------------------|------------------|------------------|--------------------|----------------------|
| Cash flows from operating activities             | 531              | 1,370            | 1,270            | 1,688              | 2,794                |
| Cash flows from investing activities             | 864              | (1,007)          | (2,668)          | (5,281)            | (1,839)              |
| Cash flows from financing activities             | (73)             | (403)            | 1,305            | 6,696              | (1,062)              |
| <b>Net movement in cash and cash equivalents</b> | <b>(406)</b>     | <b>(40)</b>      | <b>(93)</b>      | <b>3,103</b>       | <b>(107)</b>         |
| Opening cash balance                             | (231)            | (725)            | (746)            | (836)              | 2,193                |
| Effect of foreign exchange rates                 | (88)             | 19               | 3                | (74)               | -                    |
| <b>Closing cash balance</b>                      | <b>(725)</b>     | <b>(746)</b>     | <b>(836)</b>     | <b>2,193</b>       | <b>2,086</b>         |

Net cash flows from operating activities in FY2012 to FY2014 and the initial six months of FY2015 relate to the operations of 6PM Group. As a result of the acquisition of Blithe in June 2015, the Group's cash flows for the latter six months of FY2015 and for FY2016 comprise the results of operations of the 6PM Group with the inclusion of Blithe. The operational activities of the Group are analysed in further detail in sections 4 and 5 of this report.

The significant movements in investing activities principally relate to movement in tangible fixed assets and acquisition of intangible assets (mainly capitalisation of labour costs and expenses incurred in the development of products and software). In FY2014, the Group acquired 25% of the shares in emCare360 Limited and 10% of Javali LLC for an aggregate consideration of £1.1 million.

During the historical financial years FY2012 to FY2014, a net amount of £1.9 million was injected in the business through bank and related party borrowings. In the same period, interest paid amounted to £0.3 million and dividends paid to shareholders totalled £0.7 million. In FY2015, the Group will receive the Bond proceeds of £9.5 million and will repay £2.0 million of bank and related party loans. It is projected that in FY2015 and FY2016 interest costs will amount to £0.8 million and dividends payable should total £0.8 million.

**PART 3**

**10. COMPARABLES**

The table below compares the Company and its proposed bond issue to other debt issuers listed on the Malta Stock Exchange and their respective debt securities. The list includes all issuers (excluding financial institutions) that have listed bonds maturing in the medium term (within nine to ten years), similar to the duration of the Company's bonds. Although there are significant variances between the activities of the Company and other issuers (including different industries, principal markets, competition, capital requirements etc), and material differences between the risks associated with the Company's business and that of other issuers, the comparative analysis provides an indication of the financial performance and strength of the Company.

| Comparative Analysis              | Nominal Value (€'000) | Yield to Maturity (%) | Interest Cover (times) | Total Assets (€'million) | Net Asset Value (€'million) | Gearing Ratio (%) |
|-----------------------------------|-----------------------|-----------------------|------------------------|--------------------------|-----------------------------|-------------------|
| 6.0% AXI plc 2024                 | 40,000                | 4.38                  | 2.80                   | 188.38                   | 102.17                      | 65.05             |
| 6.0% IHG Holdings plc 2024        | 35,000                | 4.54                  | 2.65                   | 149.76                   | 40.37                       | 201.23            |
| 5.3% Mariner Finance plc 2024     | 35,000                | 3.90                  | 3.84                   | 60.03                    | 20.91                       | 62.25             |
| 5.0% Tumas Investments plc 2024   | 25,000                | 3.64                  | 3.34                   | 281.07                   | 95.10                       | 137.46            |
| 5.0% Hal Mann Vella plc 2024      | 30,000                | 3.78                  | 0.51                   | 77.29                    | 30.14                       | 55.04             |
| 5.1% PTL Holdings plc 2024        | 36,000                | 3.70                  | 1.04                   | 72.48                    | 6.13                        | 87.51             |
| 5.75% IHI plc 2025                | 45,000                | 4.24                  | 2.21                   | 1,012.04                 | 594.81                      | 50.31             |
| <b>5.1% 6PM Holdings plc 2025</b> | <b>13,000</b>         | <b>5.10</b>           | <b>10.3</b>            | <b>9.12</b>              | <b>4.12</b>                 | <b>36.63</b>      |

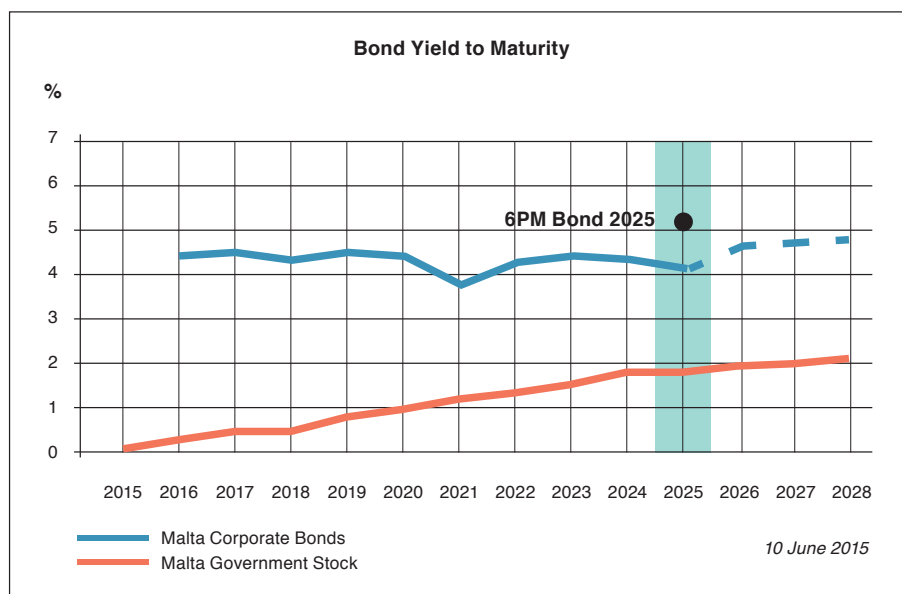
10 June 2015

Source: *Charts Investment Management Service Limited Annual Accounts: Tumas Group Company Ltd (YE 31/12/2013), International Hotel Investments plc (YE 31/12/2014), Island Hotels Group Holdings plc (YE 31/10/2014), AX Holdings Ltd (YE 31/10/2014), Mariner Finance plc (YE 31/12/2014), PTL Holdings plc (YE 31/12/14), Hal Mann Vella Group plc (YE 31/12/14)*

The interest cover ratio determines the ability of a company to pay interest on its outstanding borrowings. For the financial year ended 31 December 2014, the Group's earnings before depreciation, interest and taxes was 10.3 times higher than interest expenses for the year. This indicates that the Group is generating sufficient higher earnings to service its outstanding debt.

The debt to equity ratio or gearing ratio demonstrates the degree to which the capital employed in a business is funded by external borrowings as compared to shareholders' funds. A company with high leverage tends to be more vulnerable when its business goes through a slowdown. The gearing ratio of the Group is at 37%, which is at a reasonable level for its business. The Group's leverage is expected to surpass 50% in FY2015 as a result of the acquisition of Blithe through further borrowing. Management is comfortable with this higher leverage, since the Group's operating cash flows will be supplemented by earnings receivable from Blithe.

The chart below shows the yield to maturity of the proposed bond as compared to other corporate bonds listed on the Malta Stock Exchange. The Malta Government Stock yield curve has also been included as the benchmark risk-free rate for Malta.



To date, there are no corporate bonds which have a redemption date beyond 2025 and therefore a trend line has been plotted (denoted in the above chart by the dashed line). The Malta Government Stock yield curve has also been included since it is the benchmark risk-free rate for Malta. The premium over Malta Government Stock has been assumed at 271 basis points, which is the average premium for medium term corporate bonds listed on the Malta Stock Exchange. The 6PM Holdings plc 5.1% Unsecured Bonds 2025 has been priced at 327 basis points above Malta Government Stock, a premium of 56 basis points over and above the average premium (271 basis points) on Malta Government Stock for Maltese corporate bonds.

**PART 4**

**11. EXPLANATORY DEFINITIONS**

**INCOME STATEMENT**

|                                |                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Revenue                        | Total revenue generated by the Group from its business activities during the financial year, including licences, products, services and support & maintenance.                                                                                                                                                                              |
| Net operating expenses         | Net operating expenses include the cost of products, labour expenses, and all other direct expenses.                                                                                                                                                                                                                                        |
| EBITDA                         | EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. EBITDA can be used to analyse and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions.                                                                               |
| Share of results of associates | The 6PM Group owns minority stakes in a number of companies (less than 50% plus one share of a company's share capital). The results of such companies are not consolidated with the subsidiaries of the Group, but the Group's share of profit is shown in the profit and loss account under the heading 'share of results of associates'. |
| Profit after tax               | Profit after tax is the profit made by the Group during the financial year both from its operating as well as non-operating activities.                                                                                                                                                                                                     |

**PROFITABILITY RATIOS**

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

**EFFICIENCY RATIOS**

|                            |                                                                                                                                                                                      |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Return on equity           | Return on equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing profit after tax by shareholders' equity. |
| Return on capital employed | Return on capital employed (ROCE) indicates the efficiency and profitability of a company's capital investments, estimated by dividing operating profit by capital employed.         |
| Return on Assets           | Return on assets (ROA) is computed by dividing profit after tax by total assets.                                                                                                     |






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## EQUITY RATIOS

|                    |                                                                                                                                                                                                                                     |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Earnings per share | Earnings per share (EPS) is the amount of earnings per outstanding share of a company's share capital. It is computed by dividing net income available to equity shareholders by total shares outstanding as at balance sheet date. |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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## CASH FLOW STATEMENT

|                                     |                                                                                                                                        |
|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Cash flow from operating activities | Cash generated from the principal revenue-producing activities of the Company.                                                         |
| Cash flow from investing activities | Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Company. |
| Cash flow from financing activities | Cash generated from the activities that result in change in share capital and borrowings of the Company.                               |

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## BALANCE SHEET

|                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Non-current assets      | Non-current asset are the Group's long-term investments, which full value will not be realised within the accounting year. Non-current assets are capitalised rather than expensed, meaning that the Group allocates the cost of the asset over the number of years for which the asset will be in use, instead of allocating the entire cost to the accounting year in which the asset was purchased. Such assets include goodwill and other intangible assets, property, plant & equipment and investments accounted for using the equity method. |
| Current assets          | Current assets are all assets of the Group, which are realisable within one year from the balance sheet date. Such amounts include inventory, accounts receivable, cash and bank balances.                                                                                                                                                                                                                                                                                                                                                          |
| Current liabilities     | All liabilities payable by the Group within a period of one year from the balance sheet date, and include accounts payable and short-term debt.                                                                                                                                                                                                                                                                                                                                                                                                     |
| Net debt                | Borrowings before unamortised issue costs less cash and cash equivalents.                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Non-current liabilities | The Group's long-term financial obligations that are not due within the present accounting year. The Group's non-current liabilities include bank borrowings and bonds.                                                                                                                                                                                                                                                                                                                                                                             |
| Total equity            | Total equity includes share capital, reserves & other equity components, and retained earnings.                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

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## FINANCIAL STRENGTH RATIOS

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|                 |                                                                                                                                                                                                                                                 |
|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Liquidity ratio | The liquidity ratio (also known as current ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares a company's current assets to its current liabilities. |
| Interest cover  | The interest coverage ratio is calculated by dividing a company's EBITDA of one period by the company's interest expense of the same period.                                                                                                    |
| Gearing ratio   | The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance a company's assets, and is calculated by dividing a company's net debt by net debt plus shareholders' equity.                              |

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