

# SUMMARY NOTE

DATED 23 APRIL 2018



This Summary Note is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and in accordance with the provisions of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended (the “**Prospectus Regulation**”).

This document is issued by Main Street Complex p.l.c. (a public limited liability company registered under the laws of Malta with company registration number C 34767) in respect of

i. the offer for sale of

**7,538,460 shares of a nominal value of €0.10 each in Main Street Complex p.l.c.  
by Embassy Limited (C 20568) at an Offer Price of €0.65 per Share**

and

ii. the offer for subscription of

**5,230,769 newly issued shares of a nominal value of €0.10 each in Main Street Complex p.l.c. at an  
Offer Price of €0.65 per Share**

ISIN: MT0001850107

Legal Counsel

Sponsor, Manager & Registrar

**CAMILLERI PREZIOSI**  
ADVOCATES

 **RIZZO FARRUGIA**  
YOUR INVESTMENT CONSULTANTS

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

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

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

Approved by the Directors of Main Street Complex p.l.c.

**Joseph A. Gasan**

**Mario Camilleri**

*signing in their own capacity as directors of the company and on behalf of each of  
Etienne Borg Cardona, Christopher Mifsud and Marlene Seychell as their duly appointed agents*

## IMPORTANT INFORMATION

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THIS SUMMARY NOTE CONTRAINS INFORMATION IN CONNECTION WITH (I) AN OFFER TO THE PUBLIC OF 7,538,460 ORDINARY SHARES IN THE COMPANY HAVING A NOMINAL VALUE OF €0.10 EACH (THE "**SALE SHARES**") BY EMBASSY LIMITED (C 20568) (THE "**SELLING SHAREHOLDER**") AT AN OFFER PRICE OF €0.65 PER SHARE (THE "**SALE SHARES OFFER**") AND (II) AN OFFER TO THE PUBLIC FOR THE SUBSCRIPTION OF 5,230,769 NEWLY ISSUED ORDINARY SHARES IN THE COMPANY HAVING A NOMINAL VALUE OF €0.10 EACH (THE "**NEW SHARES**") AT AN OFFER PRICE OF €0.65 PER SHARE (THE "**NEW SHARES OFFER**") (THE SALE SHARES OFFER AND THE NEW SHARES OFFER ARE HEREINAFTER COLLECTIVELY REFERRED TO AS THE "**OFFERS**" AND THE SALE SHARES AND NEW SHARES ARE HEREINAFTER COLLECTIVELY REFERRED TO AS THE "**SHARES**"). THIS SUMMARY NOTE IS DRAWN UP IN COMPLIANCE WITH THE REQUIREMENTS OF THE LISTING RULES OF THE LISTING AUTHORITY, THE COMPANIES ACT AND THE PROSPECTUS REGULATION.

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

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT AND ANY PERSON WISHING TO PURCHASE ANY SHARES TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE APPLICANTS FOR SHARES SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH SHARES AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND FISCAL OBLIGATIONS IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE OFFERS AS DEFINED HEREIN, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE COMPANY THAT WOULD PERMIT A PUBLIC OFFERING OF THE SHARES 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.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, THE MALTA STOCK EXCHANGE (THE "**MSE**") IN SATISFACTION OF THE MSE BYE-LAWS, AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH THE ACT. APPLICATION HAS ALSO BEEN MADE TO THE LISTING AUTHORITY AND THE MSE FOR THE SHARES TO BE ADMITTED TO THE OFFICIAL LIST OF THE MSE.

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

STATEMENTS MADE IN THIS DOCUMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THERETO. THE CONTENTS OF THE COMPANY'S WEBSITES OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE COMPANY'S WEBSITE DO NOT FORM PART OF THIS DOCUMENT. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE SHARES.

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

**THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. INVESTORS MAY LOSE ALL OR PART OF THEIR CAPITAL INVESTED BY INVESTING IN THE SHARES. PROSPECTIVE INVESTORS IN THE SHARES ARE URGED TO CONSULT A LICENSED STOCKBROKER OR AN INVESTMENT ADVISER LICENCED UNDER THE INVESTMENT SERVICES ACT (CAP. 370 OF THE LAWS OF MALTA) PRIOR TO INVESTING IN THE SHARES.**

**A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF A COMPANY AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISER.**

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

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

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

## **SECTION A**

### **INTRODUCTION AND WARNINGS**

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

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

**A.2** Consent required in connection with the use of the Prospectus by the Financial Intermediary; prospective investors are hereby informed that:

- i. for the purposes of any subscription for Shares through the Financial Intermediary during the Offer Period and any subsequent resale, placement or other offering of Shares by such Financial Intermediary in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Directive, the Company consents to the use of the Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale or placement or other offering of Shares, provided this is limited only:
  - i. in respect of Shares subscribed for through the Financial Intermediary during the Offer Period;
  - ii. to any resale or placement of Shares subscribed for as aforesaid, taking place in Malta; and
  - iii. to any resale or placement of Shares subscribed for as aforesaid, taking place within the period of 60 days from the date of the Prospectus.
- ii. in the event of a resale, placement or other offering of Shares by the Financial Intermediary, the 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 of the offer of the Financial Intermediary is made.

## SECTION B

### COMPANY

- B.1** The legal and commercial name of the Company is Main Street Complex p.l.c..
- B.2** The Company was registered in Malta in terms of the Act on 2 November 2004 as a private limited liability company and converted to a public limited liability company on 16 April 2018 in accordance with the provisions of the Act.
- B.3** The following is an overview of the key factors relating to the nature of the Company's current operations and its principal activities, as well as the principal markets in which it operates:

The Company is a property company, the objects of which, as set out in its memorandum of association, include (i) granting by way of concession, emphyteusis, lease, right of use or in any other manner, space within its assets, and employing, improving, managing or developing any of such assets, as may from time to time be determined; and (ii) acquiring and disposing of, by any title valid at law, movable or immovable property, whether for commercial or other purposes and holding the property so acquired.

Main Street Complex opened in 2004 as a retail and entertainment complex in the heart of Paola, Malta. The Company has operated the Complex since its opening. The Company acquired the immovable property constituting the Complex, (138-142, Antoine de Paule Square, Paola, Malta), over the course of 2009 and 2011. As at the date of the Prospectus, the immovable property so acquired, still operating as the "Main Street Complex", is a retail and entertainment complex featuring four floors of retail outlets, a bar/restaurant and entertainment area, and over 20 parking bays.

The principal activity of the Company is to grant concessions of outlets or spaces in the Complex against an agreed annual rate, and in some cases, a fee payable based on a percentage of the Concessionaire's turnover.

- B.4a** Approximately 45% of all current Concessionaires, constituting 55% of the total original retail area, have been concessionaires from the commencement of the Complex's operations in 2004. 35% of present Concessionaires joined the Complex over the last 10 years. The wing of the Complex which was acquired in 2011 and renovated by 2012 has been continuously fully occupied since its launch in 2012.

Annual footfall in recent years up to 2016 fluctuated between 800,000 and 815,000. A drop of 8%, which the Board attributes to regeneration works of the square in the immediate area outside the Complex, was recorded during 2017. In the first quarter of 2018, footfall increased by 8.5%.

The total income for the Company increased by 8.4% from 2014 to 2017, whereas operating costs remained stable, reducing slightly over this period.

- B.5** The organisational structure of the Company is illustrated in the diagram below:



\* The Selling Shareholder owns the entire issued share capital of the Company save for two ordinary shares in the Company which are held, as to one ordinary share each, by Gasan Enterprises Limited (C 467) and Marea Investments Limited (C 44997).

As at the date of this Prospectus, the Company forms part of a group of companies: the Company's parent company (the Selling Shareholder) owns the entire issued share capital in Embassy Management Limited (C 26851) and Embassy Hotel Limited (C 70826), a company which was incorporated to manage and operate one or more hotels and/or restaurants, guest houses, recreational tourist and pleasure resorts and other accommodation, but which since its registration in May 2015 has not undertaken any significant trading.

Following the Admission of the Company's Shares and the completion of the Offers, the Company will no longer be a subsidiary of the Selling Shareholder, and will cease to form part of a group of companies. The Company is not dependent in any manner on any of the entities within the group of companies of which it currently forms part, save that in respect of the management of the Complex, it is pertinent to note that the Company is party to a management support services agreement with Embassy Management Limited, and accordingly until such time as such agreement remains in force, the Company is, limitedly in so far as the management of the Complex is concerned, dependent on Embassy Management Limited.

**B.6** As at the date of this Summary Note, the Selling Shareholder holds 99.99% of the issued share capital of the Company. The shares held by the Selling Shareholder are of the same class and carry the same voting rights as the New Shares being offered by the Company pursuant to the New Shares Offer. Following completion of the New Shares Offer and the sale of the Sale Shares, the Selling Shareholder will hold 34.1% of the issued share capital of, and will cease to continue to exercise control over, the Company. By virtue of its retention of a 34.1% shareholding in the Company, the Selling Shareholder will have the right to appoint two (2) Directors to the Board of the Company.

**B.7** The Company's financial statements for the three financial years ended 31 December 2015, 2016 and 2017 are available for inspection at the Company's registered office. These financial statements have been drawn up in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

There has been no significant change in the financial or trading position of Main Street Complex p.l.c. since 31 December 2017, the date at which financial statements were last drawn up.

The following are extracts from the audited historical financial statements of the Company referred to above:

| <b>Condensed Income Statements</b>    |              |              |              |
|---------------------------------------|--------------|--------------|--------------|
| <b>For the year ended 31 December</b> |              |              |              |
|                                       | <b>2015</b>  | <b>2016</b>  | <b>2017</b>  |
|                                       | <b>€'000</b> | <b>€'000</b> | <b>€'000</b> |
| Revenue                               | 689          | 717          | 734          |
| Operating profit                      | 355          | 479          | 526          |
| <b>Profit for the year</b>            | <b>115</b>   | <b>205</b>   | <b>330</b>   |
| Earnings per share (euro)*            | 0.008        | 0.015        | 0.023        |

*\*Profit for the year/weighted average number of shares outstanding*

Concession income generated by the Company increased from €689k in 2015 to €734k in 2017 (equivalent to an increase of 7% over the period), with the average annual occupancy of the Complex increasing from 89% in 2015 to 98.5% in 2017.

Overall, the Company's profit after tax increased from €0.1 million in 2015 to €0.3 million in 2017 in view of: (i) the increase in the Company's operating profit from €0.4 million in 2015 to €0.5 million in 2017; and (ii) the decrease in net interest costs incurred to service the Company's bank borrowings in line with the capital repayments effected by the Company over the period. In line with the increase in profit after tax, the Company's Earnings per Share ('EPS') increased from €0.008 per share in 2015 to €0.023 per share in 2017.

The presentation of the earnings per share and the weighted average number of ordinary shares in issue during each financial year on which the earnings per share is based, have been adjusted retrospectively to reflect: (i) the redenomination of the Company's share capital from a nominal value of €1 per share to a nominal value of €0.10 per share; and (ii) the bonus share issue of 198,980 shares that occurred subsequent to 31 December 2017.

### Condensed Statements of Financial Position

As at 31 December

|                                     | 2015         | 2016          | 2017          |
|-------------------------------------|--------------|---------------|---------------|
|                                     | €'000        | €'000         | €'000         |
| <b>Total assets</b>                 | <b>8,825</b> | <b>12,404</b> | <b>13,439</b> |
| Total equity                        | 3,146        | 6,722         | 8,040         |
| Total liabilities                   | 5,679        | 5,682         | 5,399         |
| <b>Total equity and liabilities</b> | <b>8,825</b> | <b>12,404</b> | <b>13,439</b> |

The Company's total assets as at 31 December 2017 amount to €13.4 million and mainly comprise the carrying amount of the Complex of €13.0 million, based on the independent valuer's assessment carried out as at 31 December 2017.

The assets of the Company are funded through a combination of shareholder's equity and debt. As at 31 December 2017, shareholder's equity amounts to €8.0 million, which comprises: (i) share capital of €1.4 million; (ii) accumulated undistributed profits of €0.8 million; and (iii) the increase in the fair value of the Complex of €5.8 million since acquisition recognised in the Company's Revaluation Reserve.

Bank borrowings as at 31 December 2017 amount to €3.0 million. Other liabilities as at 31 December 2017 mainly include: (i) a deferred tax liability of €1.3 million in connection with the revaluation in fair value of the Complex since acquisition; and (ii) a non-current balance of €0.8 million due to related parties relating to amounts due to Embassy Management Limited in respect of the management services provided by this related party over the years.

### Condensed Statements of Cash Flows

For the year ended 31 December

|   | 2015      | 2016      | 2017        |
|---|-----------|-----------|-------------|
|   | €'000     | €'000     | €'000       |
| Net cash generated from operating activities          | 251       | 379       | 285         |
| Net cash generated from investing activities          | 14        | -         | -           |
| Net cash used in financing activities                 | (260)     | (371)     | (325)       |
| <b>Net movement in cash and cash equivalents</b>      | <b>5</b>  | <b>8</b>  | <b>(40)</b> |
| <b>Cash and cash equivalents at beginning of year</b> | <b>45</b> | <b>50</b> | <b>58</b>   |
| <b>Cash and cash equivalents at end of year</b>       | <b>50</b> | <b>58</b> | <b>18</b>   |

During the three-year period ending 31 December 2017, the Company generated net cash from operations totalling €0.9 million (after tax and interest payments), which have been applied primarily towards capital repayments in connection with the Company's debt facilities, with total repayments of €1.1 million between 2015 and 2017 being made towards the said bank facilities.

**B.8** Not Applicable. The Company has not included pro forma financial information in the Prospectus.

**B.9** The following is an extract from the profit forecasts of the Company for the forthcoming two years, ending 31 December 2019.

### Condensed Projected Income Statements

For the year ended 31 December

|                            | 2017       | 2018       | 2019       |
|----------------------------|------------|------------|------------|
|                            | Audited    | Projected  | Projected  |
|                            | €'000      | €'000      | €'000      |
| Revenue                    | 734        | 752        | 831        |
| Operating profit           | 526        | 493        | 557        |
| <b>Profit of the year</b>  | <b>330</b> | <b>321</b> | <b>422</b> |
| Earnings per share (euro)* | 0.023      | 0.018      | 0.022      |

\*Profit for the year/weighted average number of shares outstanding

The Company's concession income has been projected by taking into consideration:

- i. The concession agreements currently in place with existing Concessionaires, including: annual increments (which stipulate increase in rates ranging between 2% per annum to 4% per annum, with the average annual increment working out at circa 2.5% per annum) and the term to expiry of existing concession agreements; and
- ii. Expectations relating to leasing of existing unoccupied space (which as at 31 December 2017 amounts to 173 square metres, equivalent to 4% of the Complex's area) and concession renewals within the projected period (relating to 73 square metres, equivalent to 2% of the Complex's area).

The operating costs of Main Street Complex p.l.c., representing CAM costs recovered through concession income rather than through separate CAM recharges to Concessionaires, are at a stable level and, save for the impact of unforeseen or exceptional events that are outside the influence of the Directors, are not expected to change materially in the future except for the impact of inflation.

The Projected Financial Information also provides for an increase in the Company's administrative costs (increasing from €37k in 2017 to €118k in 2019) on account of the costs that the Company is likely to incur in fulfilling its obligations as a listed company. Administrative costs also include management fees recharged from Embassy Management Limited, a related party, in respect of management services required to sustain the operations of the Complex. The services provided by Embassy Management Limited and the respective management fees are regulated through a management support services agreement signed on 1 April 2018.

In line with the projected reduction in the Company's indebtedness through part of the proceeds raised through the New Shares Offer, the Company's net interest costs are projected to decrease substantially in 2018 and 2019, leading to an increase in the profit after tax available for distribution to shareholders. Whereas concession income is projected to increase by 13% over the period 2017 to 2019, the Company's profit after tax available for distribution is projected to increase by 28% over the same period. The reduction in indebtedness will be important to allow the Company to sustain the projected future dividend growth.

The Company's projected statements of financial position are summarised below:

| <b>Condensed Projected Statements<br/>of Financial Position<br/>As at 31 December</b> | <b>2017<br/>Audited<br/>€'000</b> | <b>2018<br/>Projected<br/>€'000</b> | <b>2019<br/>Projected<br/>€'000</b> |
|---|-----------------------------------|-------------------------------------|-------------------------------------|
| <b>Total assets</b>   | <b>13,439</b>                     | <b>13,500</b>                       | <b>13,568</b>                       |
| Total equity  | 8,040                             | 11,633                              | 11,693                              |
| Total liabilities   | 5,399                             | 1,867                               | 1,875                               |
| <b>Total equity and liabilities</b>   | <b>13,439</b>                     | <b>13,500</b>                       | <b>13,568</b>                       |

Borrowings amounting to €2.9 million and amounts due to related parties of €0.7 million outstanding as at the date of the Offers are projected to be fully repaid from the proceeds of the New Shares Offer, expected to amount to €3.4 million, cash balances, and the bank overdraft facility (sanctioned facility of €0.3 million), thus reducing total liabilities in the projected period.

In line with the Company's accounting policy, the carrying amount of the Complex in the Company's projected financial information is stated at its market value, less depreciation. The Complex's valuation takes into account the projected future earnings of the Complex based on current concession agreements, operating costs, and other relevant market factors. The projected financial information assumes that there will be no significant changes in the future operating conditions of the Complex and market conditions in general that have a material impact on the fair value of the Complex during the projected period.

The Company's projected statements of cash flows are summarised below:

| <b>Condensed Projected Statements of Cash Flows<br/>For the year ended 31 December</b> | <b>2017<br/>Audited<br/>€'000</b> | <b>2018<br/>Projected<br/>€'000</b> | <b>2019<br/>Projected<br/>€'000</b> |
|--|-----------------------------------|-------------------------------------|-------------------------------------|
| Net cash generated from operating activities   | 285                               | 414                                 | 494                                 |
| Net cash used in investing activities  | -                                 | (93)                                | (5)                                 |
| Net cash used in financing activities  | (325)                             | (157)                               | (362)                               |
| <b>Net movement in cash and cash equivalents</b>                                       | <b>(40)</b>                       | <b>164</b>                          | <b>127</b>                          |
| <b>Cash and cash equivalents at beginning of year</b>                                  | <b>58</b>                         | <b>18</b>                           | <b>182</b>                          |
| <b>Cash and cash equivalents at end of year</b>  | <b>18</b>                         | <b>182</b>                          | <b>309</b>                          |

The Projected Statements of Cash Flows also provide for the payment of dividends to the Company's shareholders. The projected cash flow statements assume that 40% of the expected annual dividend will be distributed as an interim dividend in or around the end of October upon the publication of the Company's six-month results drawn up to 30 June, while the remaining 60% will be distributed as a final dividend after its approval at the Company's Annual General Meeting in or around May. In the calendar year ending 31 December 2018, a single distribution is expected to be effected, in or around October 2018.

- B.10** Not Applicable. The financial statements have been audited by PwC and the auditor's report thereon comprises an unqualified audit opinion.
- B.11** Not Applicable. The Company's working capital is considered sufficient for the Company's present requirements.

## SECTION C

### SECURITIES

- C.1** The Selling Shareholder is offering for sale 7,538,460 shares of a nominal value of €0.10 each in the Company, and the Company is offering for subscription 5,230,769 newly issued shares of a nominal value of €0.10 each in the Company. The Shares are in registered form and, until they are admitted to the Official List of the MSE, they will be in fully certificated form. Following their admission to the Official List of the MSE, the Shares will, whilst retaining their registered form, no longer be in certificated form and will thereafter be held in book-entry form at the CSD in accordance with the requirements of the MSE, or in such other form as may be determined from time to time by applicable law, the requirements of the MSE or the Company. On admission to trading the Shares will have the following ISIN: MT0001850107.
- C.2** The Shares are denominated in Euro (€).
- C.3** The Company has an issued share capital of €1,415,385 divided into 14,153,850 ordinary shares of a nominal value of €0.10 per share, fully paid-up. As a result of the New Shares Offer, the issued share capital of the Company would increase to €1,938,462 divided into 19,384,619 ordinary shares of a nominal value of €0.10 per share, fully paid-up.
- C.4** The Shares form part of the only class of ordinary shares in the Company and shall accordingly have the same rights and entitlements as all other ordinary shares currently in issue in the Company. The following are highlights of the rights attaching to the Shares:
- i. The Shares shall carry the right to participate in any distribution of dividends declared by the Company *pari passu* with any other ordinary shares in the Company;
  - ii. Each Share shall be entitled to one vote at meetings of Shareholders; and
  - iii. The Shares shall carry the right for the holders thereof to participate in any distribution of capital made whether in the context of a winding up or otherwise, *pari passu* with all other ordinary shares of the Company.



- C.5** The Shares are freely transferable and, once admitted to the Official List, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.
- C.6** Application has been made to the Listing Authority for the admissibility of the Shares to listing and to the MSE for the Shares to be listed and traded on its Official List.
- C.7** The extent of any dividend distribution will depend upon, amongst other factors, the profit for the year, the Directors' view on the prevailing market outlook, any debt servicing and repayment requirements, the cash flows for the Company, working capital requirements, investment opportunities, capital expenditure and the requirements of the Act. Subject to the foregoing and to unforeseen circumstances that may have a material impact on the performance and results of the Company, as from the financial year commencing 1 January 2018, it is the Directors' objective to distribute a total dividend to the holders of Shares in the Company equivalent to the distributable profits earned during the year. Such dividend distributions shall be effected on a semi-annual basis, with an interim dividend in or around the end of October and a final dividend in or around the end of May. In the calendar year ending 31 December 2018, a single distribution is expected to be effected in or around October 2018.

## SECTION D

### RISKS

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**D.1 Key information on the key risks specific to the Company:**

The acquisition of, or subscription to, Shares involves certain risks. Prospective investors should carefully consider, with their own independent financial and other professional advisers, the following risk factors and other investment considerations as well as all the other information contained in the Prospectus before deciding to acquire Shares. Prospective Investors are warned that by investing in the Shares they may be exposing themselves to significant risks that may have the consequence of losing a substantial part or all of their investment.

This document contains statements that are, or may be deemed to be, "forward-looking statements", which relate to matters that are not historical facts and which may involve projections of future circumstances. They appear in a number of places throughout the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company and/or its' Directors. These forward looking statements are subject to a number of risks, uncertainties and assumptions and important factors that could cause actual risks to differ materially from the expectations of the Company's Directors. No assurance is given that the future results or expectations will be achieved.

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

The value of investments can go up or down and past performance is not necessarily indicative of future performance. An investment in the Shares involves certain risks, including those described below.

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

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

**Risks relating to reliance on Concession Agreements**

In its business operations, the Company enters into Concession Agreements with third parties pursuant to which it grants such third parties the right to use the outlets forming part of Main Street Complex for an agreed annual rate and, in some cases, a fee payable on the percentage of Concession turnover

usually subject to a minimum annual rent. The Company, therefore, relies on the revenues it expects to generate from the Concessions.

There can be no guarantee that the Company will continue to find suitable Concessionaires on the terms it seeks from time to time. In addition, the financial stability of the Concessionaires under the relative Concession Agreements may change over time. Defaults by Concessionaires could result in a reduction in concession fee revenues, which may require the Company to contribute additional capital or obtain alternative financing. In addition, the Company may incur costs in enforcing rights under the Concession Agreements of a defaulting Concessionaire, including legal fees, re-possession of the space/s granted on concession and costs to grant a concession of the re-possessioned space to a new third-party/ies.

Any of the foregoing factors may adversely affect the business, financial condition and results of operations of the Company.

#### **Risks relating to changes in the market and economic conditions**

The Company's business activities are subject to general market and economic conditions. These conditions include, inter alia, consumer demand, financial market volatility, inflation, fluctuation in interest rates, exchange rates, direct and indirect taxation, the health of the local retail markets, property prices, energy and fuel costs, unemployment, wage rates, tightening of credit markets, government spending and budget priorities and other general market and economic conditions.

In the event that general market and economic conditions were to experience a downturn, these weakened conditions may have an adverse impact on the financial position and operational performance of the Company's business activity, potentially having a serious effect on the Company's financial position, cash flows, operational performance and its ability to distribute dividends to its shareholders.

#### **Risks relating to the retail sector**

The Company grants Concessions to third parties principally engaged in the retail sector. The health of the retail market (which may be affected by a number of factors including shopping preferences and consumer demand) may have a direct or indirect effect on the ability of the Company to grant Concessions. A significant downturn in the performance of the retail sector could have a material adverse effect on the Company's business, financial position and results of operation.

#### **Fixed operating expenses**

A significant portion of the Company's costs are fixed and the Company's operating results are vulnerable to short-term changes in its revenues. The Company's inability to react swiftly to changes in its revenue by reducing its operating expenses could have a material adverse effect on its business, financial position and results of operation.

#### **Increases in operating and other expenses**

The Company's operating and other expenses could increase without a corresponding increase in turnover or revenue. Such increases could have a material adverse effect on the Company's financial position and operational performance.

#### **Risks emanating from the Company's financing strategy**

The Company may not be able to obtain the capital it requires for development or improvement of existing or new properties on commercially reasonable terms, or at all. Failure to obtain, or delays in obtaining, the capital required to complete future developments and acquisitions on commercially reasonable terms, including increases in borrowing costs or decreases in loan availability, may limit the Company's growth and materially and adversely affect its business, financial condition, results of operations and prospects.

#### **Future indebtedness**

The Company may, from time to time, require bank credit facilities to maintain the Complex, to refinance indebtedness as well as to fund future growth in terms of acquisition and developments.

The agreements regulating the Company's bank debt may impose, and are likely to impose, significant operating restrictions and financial covenants on the Company. These restrictions and covenants could limit

the Company's ability to obtain future financing, make capital expenditure, withstand a future downturn in business or economic conditions generally or otherwise inhibit the ability to conduct necessary corporate activities.

#### **Key senior personnel and management**

The operations and profitability of the Company are dependent on the management support services provided by Embassy Management Limited to the Company in terms of a management support services agreement. Should either party terminate the management support services agreement prior to the expiry of its term, or, should Embassy Management Limited decide not to renew the agreement following the lapse of the term thereof, the Company would need to seek a new management support services provider or individuals to occupy the executive management roles of the Company. The Company may be unable to replace the services provided by Embassy Management Limited within the short term. This could have a material adverse effect on the Company's business and results of its operations.

#### **The Company's insurance policies**

The Company maintains insurance at levels determined by the Company to be appropriate. With respect to losses for which the Company is covered by its policies, it may be difficult and may take time to recover such losses from insurers. In addition, the Company may not be able to recover the full loss incurred from the insurer.

#### **Risks relative to changes in laws**

Various aspects of the Company's business are subject to specific laws and regulation including consumer laws and licensing requirements. The timing and effects of changes in the laws and regulations to which the Company is subject, including changes in the interpretation thereof, cannot be predicted and could have an adverse effect on the business, financial condition and profitability of the Company.

#### **Company's solvency**

The ownership of equity entails that in the case of insolvency of the Company, the shareholders may suffer direct and materially adverse consequences, including loss of part or all of their entire investment.

#### **Reputational risk**

Reputational risk is the risk that negative publicity regarding the Company's business practices, whether true or not, may cause a decline in the customer base, costly litigation, or revenue reductions. Reputational risk could be particularly damaging for the Company since the nature of its business requires maintaining the confidence of clients and of the general marketplace.

#### **Health and Safety**

The nature of the Company's business necessitates that adequate importance is given to maintaining compliance with international health and safety standards. The failure to comply with such standards could expose the Company to third party claims which could in turn have a material adverse effect on its business and profitability.

#### **Litigation risk**

The Company is susceptible to legal claims, with or without merit, by Concessionaires and/or patrons of the Complex. Defence and settlement costs can be substantial, even with respect to claims that have no merit.

#### **Competitiveness in the commercial property market**

The real estate market in Malta is very competitive in nature. An increase in supply and/or a reduction in demand in the commercial property segments in which the Company targets to grant Concessions, may cause the Concessions to be granted at lower rates than is being anticipated by the Company or may cause the concession of the Main Street Complex spaces to take place at a slower pace than that anticipated by the Company. If these risks were to materialise, they could have an adverse impact on the Company and its ability to distribute dividends.

#### **Material risks relating to the potential future development of real estate**

The Company may from time to time develop Main Street Complex further or develop other properties it may acquire. There are a number of factors that commonly affect the real estate development industry,

many of which are beyond the Company's control, and which could adversely affect the economic performance and value of the Company's real estate property and any developments that the Company may seek to implement. In the event of real estate developments being carried out by the Company, any of such factors described above could have an adverse effect on the Company's business, its respective financial condition and prospects and accordingly on the ability of the Company to distribute dividends.

#### **Exposure to environmental liabilities**

The Company may become liable for the costs of removal, investigation or remediation of any hazardous or toxic substances that may be located on or in, or which may have migrated from, a property owned or occupied by it, which costs may be substantial. Environmental liabilities, if realised, could have a material adverse effect on its business, financial condition and results of operations.

#### **Risks inherent in property valuations**

In providing a market value of the Complex, the independent architects engaged by the Company for this purpose have made certain assumptions which ultimately may cause the actual values to be materially different from any future values that may be expressed or implied by such forward-looking statements or anticipated on the basis of historical trends, as reality may not match the assumptions. There can be no assurance that such valuation of the Complex will reflect actual market values.

### **D.2 Risks relating to the Shares**

- Prior to the Offers, there has been no public market within or outside Malta for the Shares being offered pursuant to the Prospectus. Due to the absence of any prior market for the Shares, there can be no assurance that the price at which the Shares will trade in the market subsequent to the Offer will correspond to the Offer Price.
- The existence of an orderly and liquid market for the Shares depends on a number of factors, many of which are beyond the Company's control, including but not limited to the presence of willing buyers and sellers of the Shares at any given time and the general economic conditions in the market in which the Shares are traded, namely the primary market of the MSE. Accordingly, there can be no assurance that an active secondary market for the Shares 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 Shares at all.
- Following the completion of the Offer, the value of an investment in the Shares may decrease or increase abruptly which may prevent Shareholders from being able to sell their Shares at or above the price they paid for them and the Offer Price may not be indicative of prices that will prevail in the trading market.
- Even after the Shares are admitted to trading on the Official List of the MSE, the Company must remain in compliance with certain requirements. The Listing Authority has the authority to suspend trading of the Shares if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or of the integrity or reputation of the markets. Furthermore, the Listing Authority may discontinue the listing of the Shares if, *inter alia*, it is satisfied that, owing to special circumstances, normal regular dealings in the Shares are no longer possible, or upon the request of the Company or the MSE. Any such trading suspensions or listing revocations / discontinuations described above, could have a material adverse effect on the liquidity and value of the Shares.
- An investment in the Shares may not be suitable for all recipients of the Prospectus and investors are urged to consult a licensed stockbroker or an investment adviser licensed under the Investment Services Act (Cap. 370 of the laws of Malta) as to the suitability or otherwise of an investment in the Shares before making an investment decision. In the event that an investor in the Shares does not seek professional advice and/or does not read and fully understand the provisions of this Prospectus, there is a risk that such investor may acquire an investment which is not suitable for his or her risk profile.
- Any dividend on the Shares will be limited by the performance of the Company. The extent of any dividend distribution by the Company will depend upon, amongst other factors, the profit for the year, the Directors' view on the prevailing market outlook, any debt servicing requirements, the

cash flows of the Company, working capital requirements, the Board's view on future investments, and the requirements of the Act.

- It is possible that the Company may decide to offer additional shares in the future. Future offerings of new shares, or the availability for sale of substantial amounts of shares in the public market, could dilute the holdings of Shareholders not partaking in such offer or sale of shares, adversely affect the prevailing market price of the Shares and could impair the Company's ability to raise capital through future offers of equity securities.
- The Company is unable to predict whether, following the termination of the lock-in restrictions put in place in connection with the Offers, a substantial amount of Shares will be sold in the open market by the Selling Shareholder, as subject to such restrictions. Any sales of substantial amounts of Shares in the public market by the Selling Shareholder, or the perception that such sales might occur, could result in a material adverse effect on the market price of the Shares.
- A Shareholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Shares (i.e. the Euro) and the Shareholder's currency of reference, if different.

## SECTION E

### OFFER

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**E.1** The proceeds from the New Shares Offer are expected to amount to €3.4 million. The net proceeds from the Sale Shares Offer are expected to amount to €4.55 million and shall be for the benefit of the Selling Shareholder. The expenses incurred in respect of both Offers, including selling commissions and professional, publicity, printing, registration, Registrar, sponsorship, management, listing and other miscellaneous fees, are estimated to amount to circa €350K. These expenses shall be deducted entirely from the proceeds of the Sale Shares Offer and accordingly shall be borne exclusively by the Selling Shareholder.

**E.2a** The Directors believe that the Offers and Admission will:

- a. enhance the Company's public profile and status with existing and potential clients;
- b. provide access to capital markets to aid future growth if required;
- c. create a liquid market in the Shares;
- d. provide the Selling Shareholder with a partial realisation of their investment in the Company.

The net proceeds from the New Shares Offer shall be used by the Company as follows:

- i. proceeds amounting to €2.65 million will, together with cash balances and utilisation of a bank overdraft facility (sanctioned facility of €0.3 million), be applied to repay in full the principal amounts borrowed under, and all accrued and unpaid interest on, the Existing Debt Facilities;
- ii. €0.7 million of the net proceeds shall be used to pay management fees due by the Company to Embassy Management Limited as at 31 March 2018 in respect of management services rendered from 2009 until such date; and
- iii. the remaining balance of circa €50k shall be used for general corporate funding purposes of the Company.

The net proceeds from the Sale Shares Offer shall be for the benefit of the Selling Shareholder.

**E.3** The following are the terms and conditions of the Offers:

#### 1. Subscription Agreement/s

The Selling Shareholder may enter into Subscription Agreements with Designated Investor/s, whereby the Selling Shareholder will bind itself to allocate Sale Shares to such prospective investors, which in turn will bind themselves: to subscribe to said Shares for their own account, subject to the Shares being admitted to the Official List of the MSE; and not to exercise any rights to rescind or terminate, or otherwise withdraw from such commitment.

Each Subscription Agreement is binding on all parties thereto with effect from the date thereof, subject to the Selling Shareholder, through the Registrar, receiving or having received all subscription proceeds in cleared funds on or by 12:00 on 30 April 2018.

The aggregate maximum amount of Shares which may be subscribed to by Designated Investors by virtue of Subscription Agreements entered into with the Selling Shareholder is 5,815,000 Shares (equivalent to approximately 30% of the issued share capital of the Company following the Offers).

## **2. Minimum amount per subscription**

The minimum subscription amount for Applications received during the Offer Period (the period between 2 May 2018 and 16 May 2018) shall be of 5,000 Shares and in multiples of 100 Shares thereafter.

## **3. Plan of Distribution**

The Shares forming the subject of the New Shares Offer and Sale Shares Offer are open for subscription to all categories of investors. The allocation of the said Shares among prospective investors will be determined in accordance with the following allocation policy:

- a. a maximum aggregate amount of 5,815,000 Shares (equivalent to not more than 30% of the issued share capital of the Company) forming the subject of the Offers has been reserved by the Selling Shareholder for Designated Investors subject to any Subscription Agreements being entered into in this respect; and
- b. the remaining balance of 6,954,229 Shares forming the subject of the Offers and any balance remaining unallocated from (a) above, shall be made available for subscription by the general public through the Financial Intermediary.

## **4. Allocation Policy**

The Company shall allocate the Shares on the basis of the following policy:

- a. up to an aggregate amount of 5,815,000 Shares shall be allocated to Designated Investors pursuant to the Subscription Agreements entered into with the Selling Shareholder. Where subscriptions received from Designated Investors exceed an aggregate of 5,815,000 Shares, allotment of shares to such investors shall be carried out on a pro-rata basis;
- b. the remaining balance of 6,954,229 Shares and any balance remaining unallocated from (a) above shall be allocated to the general public by subscription through the Financial Intermediary, on a pro-rata basis as announced by the Company and Registrar.

The Company will endeavour, through the allocation policy to be adopted, to allow for a sufficiently dispersed shareholder base in order to facilitate, as far as practicable, an active secondary market in the Shares.

## **5. Pricing**

The Offer Price for Shares has been fixed by the Selling Shareholder and the Company, as the case may be, at €0.65 per Share.

## **6. Overseas investors**

The Offers are being made in Malta. The Offers are not being made to persons resident in, or who are citizens of, or who have a registered address in, countries other than Malta.

## **7. Refunds and Undersubscription**

If any Application is not accepted, or is accepted for fewer Shares than those applied for, the Application monies or the balance of the amount paid on Application will be returned, by the Registrar on behalf of the Company or the Selling Shareholder (as the case may be), without interest, by direct credit into the Applicant's bank account as indicated by the Applicant on the relevant Application Form within five (5) Business Days from the date of announcement of basis of acceptance of Shares.

In the event that, following the Offer Period, the Offers are not fully subscribed then no allotment of Shares will be made. For the purposes of the Sale Shares Offer, the subscription for Shares shall be deemed not to have been accepted by the Selling Shareholder and for the purposes of the New Shares Offer, the subscription for Shares shall be deemed not to have been accepted by the Company. All proceeds received from Applicants shall be refunded accordingly by the Selling Shareholder or by the Company, as the case may be, without interest, by direct credit into the Applicant's bank account as indicated by the Applicant on the relevant Application Form. All refunds in this respect shall be made within five (5) Business Days from the expiration of the Offer Period.

## 8. Results of the Offer

Within five (5) Business Days from closing of the Offer Period, the Company, through the Registrar, shall inform the Financial Intermediary of the basis of acceptance of Applications and allocation policy to be adopted.

### E.4 As at the date of this Prospectus:

- the two executive Directors of the Company are directors and officers of two of the Concessionaires, and as such are susceptible to conflicts between the potentially diverging interests of Company and the Concessionaires;
- both the executive Directors of the Company are also directors on the board of Embassy Management Limited (which in turn, in terms of a management support services agreement, performs the management function of the Company);
- one of the two executive directors, Joseph A. Gasan, as well as Bettina Azzopardi, the managing director of Embassy Management Limited, are two of the ultimate beneficial owners of the Selling Shareholder, and in this respect, conflicts may arise between the potentially diverging interests of the Company and the Selling Shareholder.

Save for the above, the Directors are not aware of any interest, conflicting or otherwise, considered material to the Offers.

### E.5 Embassy Limited (C 20568) is the offeror of the Sale Shares. The Company is the offeror of the New Shares.

Lock-in: pursuant to an agreement entered into with the Company, the Selling Shareholder has undertaken not to offer, sell, grant any option, right or warrant to purchase, pledge or otherwise transfer, assign or dispose of, any of the Shares retained by it in the Company as at the date of closing of the Offers for a period of 36 months from the date when the Shares are admitted to listing on the MSE, and this undertaking shall subsist notwithstanding any provisions of the Act, the Listing Rules and the Memorandum and Articles of Association that would otherwise have permitted such transfer, assignment or disposal. Such undertaking is subject to certain specific events which, if they were to materialise, would entitle the Selling Shareholder to freely offer, sell, grant any option, right or warrant to purchase, pledge or otherwise transfer, assign or dispose of the Shares it holds in the Company.

### E.6 As a result of the Offer, if fully subscribed, the Selling Shareholder's shareholding in the Company will be diluted from 99.99% to 34.1% of the entire issued share capital of the Company.

### E.7 Not applicable. No expenses will be charged to the investors by the Selling Shareholder or the Company.

## TIMETABLE

|   |                       |
|---|-----------------------|
| 1. Deadline for submission of Subscription Agreements by Designated Investors | 30 April 2018 (12:00) |
| 2. Availability of Application Forms  | 2 May 2018            |
| 3. Opening of Subscription Lists  | 2 May 2018            |
| 4. Closing of Subscription Lists  | 16 May 2018           |
| 5. Expected announcement of basis of acceptance                               | 23 May 2018           |
| 6. Expected dispatch of allocation advices and refunds of unallocated monies  | 28 May 2018           |
| 7. Expected admission of the Shares on the MSE                                | 30 May 2018           |
| 8. Expected commencement of trading on the MSE                                | 31 May 2018           |

If upon closure of subscription lists the Offers are not fully subscribed, the Selling Shareholder and the Company, acting through the Registrar, reserve the right to extend the Offer Period by an additional five (5) Business Days, in which case the events set out in steps 5 to 8 above shall also be deferred accordingly, although the number of Business Days between the respective events shall not be altered.

