

The background of the entire page is a dark grey to black gradient, overlaid with a complex, light grey circuit board pattern. The pattern consists of numerous thin, parallel lines that branch and connect at various points, resembling a printed circuit board (PCB) layout. Some lines terminate in small circles, representing vias or solder points. The overall effect is a high-tech, digital aesthetic.

KLINK

FINANCE

COMPANY ADMISSION DOCUMENT

This document, which comprises an admission document, required by the rules of Prospects, a market operated by the Malta Stock Exchange (the "MSE" or "Exchange"), has been drawn up in compliance with the Prospects Rules issued by the Exchange. This document does not comprise a document drawn up in terms of the EU Prospectus Directive (2003/71/EC) or for the purposes of the Listing Rules of the Listing Authority. In terms of article 2(3)(b) (v) of the Companies Act, Chapter 386 of the Laws of Malta, this Bond Issue does not constitute an offer of securities to the public and this document does not constitute a prospectus as defined in article 2(i) of the said Act.



a public limited liability company incorporated under the Laws of Malta
company registration number C 52833

In respect of an issue of
€2,000,000 5.25% Unsecured Bonds 2027
 ISIN: MT0001541201

COMPANY ADMISSION DOCUMENT

Dated 3 July 2017

THE MSE HAS AUTHORISED THE ISSUE OF THIS DOCUMENT. THE MSE DOES NOT GIVE ANY CERTIFICATION, REPRESENTATION, WARRANTY OR GUARANTEE REGARDING THE POTENTIAL RISKS INVOLVED IN INVESTING IN THE SAID SECURITIES OR THE SAFETY OF INVESTING IN SUCH SECURITIES. THE MSE ACCEPTS NO RESPONSIBILITY FOR ACCURACY OR COMPLETENESS OF THIS ADMISSION DOCUMENT AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ADMISSION DOCUMENT. THE DIRECTORS OF THE ISSUER, ARE THE PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS DOCUMENT. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS (WHO HAVE ALL TAKEN REASONABLE CARE TO ENSURE SUCH IS THE CASE), THE INFORMATION CONTAINED IN THIS DOCUMENT IS IN ACCORDANCE WITH FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORTANCE OF SUCH INFORMATION. THE DIRECTORS ASSUME FULL RESPONSIBILITY FOR ITS CONTENTS ACCORDINGLY.

THE MSE HAS AUTHORISED THE ADMISSION OF THESE SECURITIES ON PROSPECTS, A MULTILATERAL TRADING FACILITY OPERATED BY THE EXCHANGE. THIS MEANS THAT THE SAID INSTRUMENTS ARE IN COMPLIANCE WITH THE ADMISSION REQUIREMENTS SET OUT IN THE EXCHANGE BYE-LAWS. IN PROVIDING THIS AUTHORISATION, THE MSE DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENTS AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENTS.

INVESTING IN COMPANIES ADMITTED TO PROSPECTS MAY PUT AN INVESTOR'S CASH PARTLY OR WHOLLY AT RISK. SECURITIES ISSUED BY SMALL AND MEDIUM SIZED ENTERPRISES TEND TO BE ILLIQUID AND CARRY HIGHER RISKS. INVESTORS SHOULD THUS SEEK APPROPRIATE ADVICE AND READ THE WHOLE DOCUMENT BEFORE MAKING ANY INVESTMENT DECISIONS. THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. IF YOU NEED ADVICE OR ARE REQUIRED UNDER APPLICABLE LEGISLATION TO SEEK ADVICE WITH RESPECT TO THIS SECURITIES ISSUE, YOU SHOULD CONSULT A DULY LICENSED INVESTMENT ADVISOR.

APPROVED BY THE DIRECTORS

Mr Gordon Zammit

Mr Joseph Tabone

Mr William Van Buren

Dr Michael Borg Costanzi

IMPORTANT INFORMATION

THIS COMPANY ADMISSION DOCUMENT CONTAINS INFORMATION ON KLIKK FINANCE P.L.C. IN ITS CAPACITY AS ISSUER, IN ACCORDANCE WITH THE PROSPECTS RULES ISSUED BY THE MALTA STOCK EXCHANGE.

APPLICATION HAS BEEN MADE TO THE EXCHANGE FOR THE BONDS TO BE ADMITTED TO TRADING ON PROSPECTS. PROSPECTS IS A MARKET OF THE MALTA STOCK EXCHANGE DESIGNED PRIMARILY FOR EMERGING AND SMALLER COMPANIES TO WHICH A HIGHER INVESTMENT RISK TENDS TO BE ATTACHED. PROSPECTS SECURITIES ARE NOT ADMITTED TO THE OFFICIAL LIST OF THE MALTA STOCK EXCHANGE.

THE INFORMATION CONTAINED HEREIN IS BEING MADE AVAILABLE IN CONNECTION WITH AN ISSUE BY THE ISSUER OF €2,000,000 UNSECURED BONDS 2027 OF A NOMINAL VALUE OF €100 PER BOND, EACH TO PROSPECTS. THE BONDS SHALL BE ISSUED AT PAR AND BEAR INTEREST AT THE RATE OF 5.25% PER ANNUM PAYABLE ANNUALLY IN ARREARS ON 31 JULY OF EACH YEAR UNTIL THE REDEMPTION DATE, WITH THE FIRST INTEREST PAYMENT FALLING DUE ON 31 JULY 2018. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON 31 JULY 2027.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER OR ITS RESPECTIVE DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS COMPANY ADMISSION DOCUMENT AND OTHER 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 RESPECTIVE DIRECTORS, OR ADVISORS.

THE MSE ACCEPTS NO RESPONSIBILITY FOR THE COMPLETENESS OR ACCURACY OF THE COMPANY ADMISSION DOCUMENT AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ADMISSION DOCUMENT.

THE COMPANY ADMISSION DOCUMENT DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER BY ANY PERSON IN ANY JURISDICTION: (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED; OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE COMPANY ADMISSION DOCUMENT IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

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

INVESTING IN COMPANIES ADMITTED TO PROSPECTS MAY PUT AN INVESTOR'S CASH PARTLY OR WHOLLY AT RISK. SECURITIES ISSUED BY SMALL AND MEDIUM SIZED ENTERPRISES TEND TO BE ILLIQUID AND CARRY HIGHER RISKS. INVESTORS SHOULD THUS SEEK APPROPRIATE ADVICE AND READ THE WHOLE DOCUMENT BEFORE MAKING ANY INVESTMENT DECISION. A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY 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 LEGAL ADVISORS, ACCOUNTANTS AND/OR OTHER FINANCIAL ADVISORS AS TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE BONDS AND THE COMPANY ADMISSION DOCUMENT.

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

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 COMPANY ADMISSION DOCUMENT (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

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 THE ADMISSION DOCUMENT HAS BEEN SUBMITTED TO THE MSE IN THE CONTEXT OF AN APPLICATION FOR ADMISSION OF THE COMPANY'S SECURITIES TO PROSPECTS. THE MSE HAS AUTHORISED THE ISSUE OF THIS DOCUMENT. BY SO DOING, THE MSE DOES NOT GIVE ANY CERTIFICATION, REPRESENTATION, WARRANTY OR GUARANTEE REGARDING THE POTENTIAL RISKS INVOLVED IN INVESTING IN THE SAID SECURITIES OR THE SAFETY OF INVESTING IN SUCH SECURITIES.

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

ALL ADVISORS TO THE ISSUER NAMED IN THIS COMPANY ADMISSION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS INTERMEDIARIES' OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY 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 COMPANY ADMISSION DOCUMENT, NEITHER SHALL SUCH ADVISORS BE RESPONSIBLE FOR THE CONTENTS OF, AND ANY INFORMATION CONTAINED IN THE ADMISSION DOCUMENT, ITS COMPLETENESS OR ACCURACY OR ANY OTHER STATEMENT MADE IN CONNECTION THEREWITH.

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

UNLESS OTHERWISE STATED, 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 COMPANY ADMISSION 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 BONDS.

THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THIS COMPANY ADMISSION DOCUMENT AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS.



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DEFINITIONS

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

Act or Companies Act	the Companies Act (Cap. 386 of the Laws of Malta);
Admission Document or Company Admission Document or Document	this document in its entirety, including all its annexes;
Applicant/s	a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;
Application/s	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form/s and delivering same to the Placement Agent, Manager and Registrar (defined below) in accordance with the terms of this Company Admission Document;
Application Form	the form of application for subscription, a specimen of which is contained in Annex B of this Company Admission Document;
Authorised Financial Intermediaries	the licensed stockbrokers and financial intermediaries listed in Annex C of this Company Admission Document;
Bond/s or Securities	a maximum of €2,000,000 unsecured bonds 2027 of a nominal value of €100 per bond issued at par and redeemable on the Redemption Date at their nominal value, bearing interest at the rate of 5.25% per annum;
Bondholder	a holder of Bond/s;
Bond Issue	the issue of the Bond/s;
Bond Issue Price	the price of €100 per Bond;
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
CET	Central European Time;
Company or Issuer	Klikk Finance p.l.c., a company registered under the Laws of Malta with company registration number C 52833 having its registered office at Hal Mann, The Factory, Mosta Road, Lija LJA 9016, Malta;
Corporate Advisor and/or Reporting Accountant	Grant Thornton of Suite 3, Tower Business Centre, Tower Street, Swatar, BKR 4013, Malta, and/or any related entity, and/or affiliate, as duly authorised to act as Corporate Advisor by the MSE, in terms of the Prospects Rules;
CSD	the Central Securities Depository of the MSE authorised in terms of Part IV of the Financial Markets Act (Cap. 345 of the Laws of Malta), having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;

Directors or Board	the directors of the Issuer whose names are set out in section 5.1, and 'Director' shall be construed accordingly;
EBIT	Earnings Before Interest and Taxation;
EBITDA	Earnings Before Interest, Taxation, Depreciation and Amortisation;
euro or €	the lawful currency of the Republic of Malta;
Exchange, Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., a public limited liability company registered under the Laws of Malta, having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta and bearing company registration number C 42525;
Financial Markets Act	the Financial Markets Act (Cap. 345 of the Laws of Malta), formerly the Malta Stock Exchange Act;
FY	Financial Year;
Interest	the Bonds shall bear interest from and including 1 August 2017 at the rate of 5.25% per annum payable annually in arrears on the Interest Payment Date;
Interest Payment Date/s	annually, on 31 July of each year commencing on 31 July 2018 and ending and including the Redemption Date, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
Intermediaries' Offer	shall have the meaning set out in section 22.2 of the Company Admission Document;
Issue Period	the period between 08:30 hours (CET) on 4 July 2017 and 12:00 hours (CET) on 21 July 2017 (or such earlier date as may be determined by the Issuer) during which the Bonds are available for subscription;
Klikk Limited	Klikk Limited, a company registered under the Laws of Malta with company registration number C 30425 having its registered office at 'Design House', Dun Karm street, Birkirkara by-pass, Birkirkara, BKR 4019, Malta;
Klikk Group	the Company and Klikk Limited and any company or entity in which the Company has a controlling interest;
Listing Authority	the Malta Financial Services Authority, 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;
Listing Rules	the listing rules issued by the Listing Authority, as may be amended from time to time;
Memorandum and Articles of Association or M&A	the memorandum and articles of association of the Issuer, in force at the time of publication of the Company Admission Document;
MFSA	Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap. 330 of the Laws of Malta);
Placement Agent, Manager and Registrar	Financial Planning Services Limited, a limited liability company registered under the Laws of Malta and duly authorised in terms of the Investment Services Act (Cap. 370 of the Laws of Malta), having its registered address situated at 4, Marina Court, Giuseppe Cali Street, Ta' Xbiex, XBX 1421, Malta, and company registration number C 3608;

Prospects	the market regulated as a multilateral trading facility operated by the MSE providing a venue for start-up and growth small to medium sized enterprises to float their capital (including equity or debt) on the market;
Prospects List	the list prepared and published by the MSE as its recognised list in accordance with the Prospects Rules;
Prospects Rules	the rules issued by the Board of Directors of the MSE, in exercise of the powers conferred on it by the Financial Markets Act (Cap. 345 of the Laws of Malta) regulating the Prospects market;
Prospectus Directive	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;
Redemption Date	31 July 2027;
Redemption Value	at par (€100 per Bond);
Small and medium sized enterprises or SMEs	an enterprise as defined in Article 2(1) of the Companies Act (Cap. 386 of the Laws of Malta) and in line with the Prospects Rules, and 'SMEs' shall be construed accordingly;
Summary	a summary of the salient features of the Document, as contained in the section entitled "Summary";
Terms and Conditions	the terms and conditions of the Bond Issue, which are included in section 24 of this Company Admission Document.

All references in this Company Admission Document to "Malta" are to the "Republic of Malta".

Unless it appears otherwise from the context:

- a. words importing the singular shall include the plural and vice-versa;
- b. words importing the masculine gender shall include the feminine gender and vice-versa;
- c. the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;
- d. any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations or trusts;
- e. any reference to a person includes that person's legal personal representatives, successors and assigns;
- f. any phrase introduced by the terms "including", "include", "in particular" or any similar expression is illustrative only and does not limit the sense of the words preceding those terms;
- g. any reference to a law, legislative act, and/or other legislation shall mean that particular law, legislative act and/or legislation as in force at the time of issue of this Company Admission Document.

The background of the page is a vibrant blue color with a complex, white circuit board pattern. The pattern consists of numerous interconnected lines, nodes, and clusters of dots, resembling a printed circuit board (PCB) layout. The lines vary in thickness and form, creating a dense and intricate network.

COMPANY ADMISSION DOCUMENT SUMMARY

SUMMARY

SECTION A – INTRODUCTION AND WARNINGS

A.1 This Summary should be read as an introduction to the Company Admission Document. Prospective investors are hereby warned that:

- i. this Summary is being provided to convey the essential characteristics of, and risks associated with the Issuer and the securities being offered pursuant to this Document. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this Summary in making a decision as to whether to invest in the securities described in this Document. Any decision to invest in the securities should be based on consideration of the Company Admission Document as a whole by the investor;
- ii. where a claim relating to the information contained in this Company Admission Document is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Company Admission Document before the legal proceedings are initiated; and
- iii. civil liability attaches only to those persons who have tabled the Summary including any translation thereof and who applied for its notification, but only if the Summary, when read together with the other parts of the Company Admission Document, 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 for use of the Company Admission Document in connection with the Intermediaries' Offer, prospective investors are hereby informed that:

- i. for the purposes of any subscription for Bonds by Authorised Financial Intermediaries pursuant to the Intermediaries' Offer and any subsequent resale, placement or other offering of Bonds by Authorised Financial Intermediaries participating in the Intermediaries' Offer in circumstances where there is no exemption from the requirement to publish a Company Admission Document under the Prospectus Rules, the Issuer consents to the use of the Company Admission Document (and accepts responsibility for the information contained herein in accordance with the terms hereof) with respect to any such subsequent resale, placement or other offering of Bonds, provided this is limited only: (a) in respect of Bonds subscribed for in terms of the Intermediaries' Offer by Authorised Financial Intermediaries participating in the Intermediaries' Offer; (b) to any resale, placement or other offering of Bonds subscribed for as aforesaid, taking place in Malta; and (c) to any resale, placement or other offering of Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Company Admission Document;
- ii. **in the event of a resale, placement or other offering of Bonds by an Authorised Financial Intermediary subsequent to the Intermediaries' Offer, said Authorised Financial Intermediary shall be responsible to provide information to prospective investors on the terms and conditions of the resale, placement or other offering at the time such resale, placement or other offering is made; and**
- iii. any new information with respect to Authorised Financial Intermediaries unknown at the time of the approval of the Company Admission Document will be made available through a company announcement made out by the Issuer and published on the Prospectus website and which will also be made available on the Issuer's website www.klikk.com.mt.

SECTION B – THE ISSUER

- B.1 Legal and commercial name of the Issuer** – The legal and commercial name of the Issuer is Klikk Finance p.l.c. (company registration number C 52833).
- B.2 Domicile and legal form of the Issuer** – The Issuer is incorporated and domiciled in Malta and is a public limited liability company duly registered in terms of the Companies Act. The Issuer operates under the Companies Act, any regulations enacted thereunder and any other applicable legislation enacted in Malta.
- B.3 Nature of the Issuer’s operations and its principal activities** – The principal object of the Issuer is to carry on the business of a finance and holding company. The Issuer itself does not have any substantial assets, apart from its shareholding in Klikk Limited, and is a special purpose vehicle with the function of raising finance for the business of Klikk Limited, initially by providing credit to Klikk Limited’s customers and thereafter through the Bond proceeds and loan facilities raised on behalf of Klikk Limited. As the Issuer itself does not carry on any trading activities, the Issuer is economically dependent on the business prospects of Klikk Limited.

The principal object of Klikk Limited is to operate two computer retail outlets in Malta, one situated in Birkirkara and another situated in Zejtun. Klikk Limited offers its customers a variety of computer products and electronic goods, including but not limited to laptops and desktops, smartphones, tablets, televisions and computer peripheral devices. Klikk Limited’s offerings include products with leading brands across multiple categories, and in fact, the company is an authorised reseller of leading brands such as Apple, Acer and Samsung products. Furthermore, Klikk also offers bespoke software solutions. Klikk Limited supplies its products and services mainly to individuals, corporate customers and Government institutions. Customers may acquire the products and/or services either through an outright cash sale or on credit as secured by bills of exchange.

- B.4 Significant recent trends of the Issuer** – As the Issuer has the function of acting as a finance and holding company, the Issuer’s business is limited to raising capital and advancing such funds to its subsidiary Klikk Limited. Consequently, as the Issuer is dependent on the business prospects of Klikk Limited, the trend information of Klikk Limited has a material effect on its financial position and prospects.

According to Gartner (2017)¹, worldwide IT spending (excluding telecommunications) is projected to total \$2.1 trillion in 2017, a 2.5% increase from 2016 spending of \$2.0 trillion. Even at an EU level, the index of retail sale of computers, peripheral units and software and telecommunications equipment amongst others in specialised stores grew steadily, with the index reaching 115.4 as at December 2016, representing a 15% increase between 2010 and 2016.

Based on data specifically requested from Malta’s National Statistics Office, retail sales of information and communication equipment in specialised stores in Malta have performed strongly over the past few years, reflecting the performance of the retail sector in general over the period. In fact, turnover within the sector has increased from €104.2 million in 2011 to €125.5 million in 2015, representing an increase of 20%.

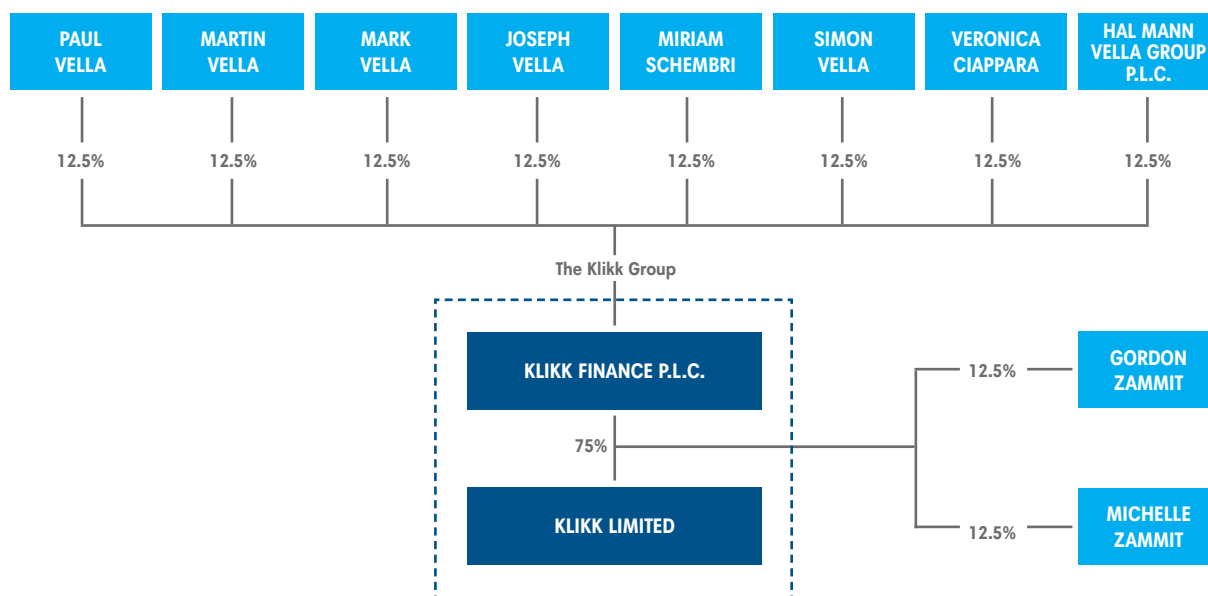
The IT hardware, software and services industry is very fragmented and highly competitive. Klikk Limited competes with a large number and wide variety of marketers and resellers of IT hardware, software and services, with the competitive landscape in the industry continually changing as various competitors expand their product and service offerings.

Klikk Limited’s competitors include Scan, Sound Machine, Forestals and iCentre. Klikk Limited registered a decline in both revenue and market share over the period 2013 to 2015, when compared to the performance of these four competitors. This decline was principally due to issues in relation to cash flow, which in turn impacted inventory and revenue. During 2016,

¹ www.gartner.com/newsroom (accessed on 17 May 2017)

the shareholders of Klikk Finance p.l.c. advanced funds of €1.2 million into Klikk Limited of which €0.5 million were used to acquire a 75% shareholding in Klikk Limited on 24 August 2016, whereby new shares were issued by Klikk Limited to Klikk Finance p.l.c., whilst the remaining €0.7 million were used to provide credit to Klikk Limited's customers. Following this injection of €1.2 million into Klikk Limited, a 6% growth in revenue was achieved in 2016, when compared to 2015. Through the Bond Issue, the Klikk Group is projecting a turnaround in its business, given that with sufficient stock, the Klikk Group can achieve further growth as well as margins in line with its competitors. Klikk Group's principal strategic ambition is to provide a successful and sustainable business model as well as strengthening the core business by enhancing its e-commerce capabilities.

B.5 Shareholding structure – The Issuer's current authorised and issued share capital of €100,000 is divided into 100,000 ordinary shares of €1 each, all fully paid up. The below chart sets out the shareholding structure of the Klikk Group.



Consequently, an income statement extract from the audited financial statements of Klikk Limited for the financial years ended 31 December 2014, 2015 and 2016 is presented below.

There has not been any significant change in the financial or trading position of the Issuer since the date of the latest audited financial statements.

EXTRACTS FROM THE HISTORICAL FINANCIAL INFORMATION OF KLIKK LIMITED

EXTRACT FROM THE INCOME STATEMENT FOR THE YEARS ENDED 31 DECEMBER			
€000	2014 Actual	2015 Actual	2016 Actual
Revenue	4,202	3,123	3,317
Gross profit	762	224	761
EBITDA	53	(536)	13
Profit before tax	(49)	(642)	(95)
Profit after tax	(41)	(642)	(102)

Source: Audited financial statements of Klikk Limited for the years ended 31 December 2014, 2015 and 2016

EXTRACTS FROM THE HISTORICAL AND PROJECTED FINANCIAL INFORMATION OF THE ISSUER

EXTRACT FROM THE CONSOLIDATED INCOME STATEMENT FOR THE YEARS ENDING 31 DECEMBER								
€000	2014 Actual	2015 Actual	2016 Actual	2017 Forecast	2018 Projected	2019 Projected	2020 Projected	2021 Projected
Revenue	24	-	3,364	3,662	4,636	5,580	6,595	7,716
Gross profit	24	-	807	920	1,193	1,436	1,676	1,942
EBITDA	19	(2)	38	14	122	225	356	554
Profit before tax	19	(2)	(88)	(167)	(112)	1	139	343
Profit after tax	13	(2)	(104)	(114)	(77)	(4)	86	218

Source: Audited financial statements of Klikk Finance p.l.c. for the years ended 31 December 2014, 2015 and 2016 and projections for the years ending 31 December 2017, 2018, 2019, 2020 and 2021

EXTRACT FROM THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

€000	2014 Actual	2015 Actual	2016 Actual	2017 Forecast	2018 Projected	2019 Projected	2020 Projected	2021 Projected
ASSETS								
Non-current assets	-	-	1,217	1,905	2,113	1,979	1,910	1,903
Current assets	11	3	1,238	2,518	2,186	2,286	2,415	2,619
Total assets	11	3	2,455	4,423	4,299	4,265	4,325	4,522
EQUITY AND LIABILITIES								
Equity	(40)	(42)	1,115	1,002	925	921	1,007	1,226
Total liabilities	51	45	1,340	3,421	3,374	3,344	3,318	3,296
Total equity and liabilities	11	3	2,455	4,423	4,299	4,265	4,325	4,522

Source: Audited financial statements of Kliikk Finance p.l.c. for the years ended 31 December 2014, 2015 and 2016 and projections for the years ending 31 December 2017, 2018, 2019, 2020 and 2021

EXTRACT FROM THE CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDING 31 DECEMBER

€000	2014 Actual	2015 Actual	2016 Actual	2017 Forecast	2018 Projected	2019 Projected	2020 Projected	2021 Projected
Net cash generated from / (used in) operating activities	5	(10)	(1,043)	(924)	(757)	(87)	142	188
Net cash used in investing activities	-	-	-	(142)	(18)	(26)	(28)	(33)
Net cash generated from / (used in) financing activities	5	1	1,242	2,606	(145)	(153)	(161)	(170)
Net movement in cash and cash equivalents	10	(9)	199	1,540	(920)	(266)	(47)	(15)
Cash and cash equivalents at beginning of year	1	11	(281)	(82)	1,458	538	272	225
Cash and cash equivalents at end of year	11	2	(82)	1,458	538	272	225	210

Source: Audited financial statements of Kliikk Finance p.l.c. for the years ended 31 December 2014, 2015 and 2016 and projections for the years ending 31 December 2017, 2018, 2019, 2020 and 2021

SECTION C – THE SECURITIES

C.1 Type and class of securities – The Issuer shall issue an aggregate of €2,000,000 in Bonds having a face value of €100 per bond, subject to a minimum subscription of €2,000 in Bonds and multiples of €100 thereafter. 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. On admission to trading on Prospects, the Bonds will have the following ISIN: MT0001541201. The Bonds shall bear interest at the rate of 5.25% per annum. The Bonds shall be repayable in full upon maturity on the 31 July 2027 (together with the interest accrued to the date fixed for redemption) unless previously re-purchased and cancelled, provided that the Issuer reserves the right to purchase any Bonds on the secondary market, at the price they would be trading at the time, prior to the Bonds' Redemption Date.

C.2 Currency – The Bonds are denominated in euro (€).

C.3 Transferability – The Bonds are freely transferable and, once admitted to the Prospects List, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.

C.4 Rights attached to the Bonds – Investors wishing to participate in the Bonds will be able to do so by duly executing the appropriate Application Form in relation to the Bonds. Execution of the Application Form will entitle such investor to:

- i. the receipt of interest;
- ii. the repayment of capital;
- iii. ranking with respect to other indebtedness of the Issuer in accordance with the status of the Bonds, as follows: “the Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other outstanding and unsecured debt each of the Issuer, present and future”;
- iv. attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and
- v. enjoy all such other rights attached to the Bonds emanating from the Company Admission Document.

The Bonds would rank after any future debts which may be secured by a cause of preference such as a pledge, privilege and/or hypothec.

C.5 Interest – The Bonds shall bear interest at the rate of 5.25% per annum payable annually in arrears on 31 July of each year, the first interest falling on 31 July 2018. Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date is 5.25%.

Redemption shall take place on 31 July 2027, unless previously repurchased and cancelled. The Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike. All Bonds so purchased will be cancelled forthwith and may not be re-issued or re-sold.

C.6 Admission on Prospects – The Malta Stock Exchange has authorised the Bonds as admissible pursuant to the Prospects Rules by virtue of a letter dated 3 July 2017. Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Company Admission Document to be admitted and traded on its Prospects List. The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 1 August 2017 and trading is expected to commence on 2 August 2017. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

SECTION D – RISKS

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 Company Admission Document before deciding to acquire the Bonds. Prospective investors are warned that by investing in the Bonds they may be exposing themselves to significant risks that may have the consequence of losing a substantial part or all of their investment. 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.

The Company Admission 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 Company Admission Document and include statements regarding the intentions, beliefs or current expectations of the Issuer and its Directors. These forward-looking statements are subject to a number of risks, uncertainties and assumptions and important factors that could cause actual risks to differ materially from the expectations of the Issuer and the Klikk Group’s respective Directors. No assurance is given that the future results or expectations will be achieved.

Authorised Financial Intermediaries are to determine the suitability of prospective investors’ investment in the Bonds in the light of said prospective investors’ own circumstances. The Bonds may not be a suitable investment for all investors. In particular, Authorised Financial Intermediaries should determine whether each prospective investor:

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

Below is a summary of the principal risks associated with the Bonds of the Company – there may be other risks which are not mentioned in this Summary. Investors are therefore urged to consult their own financial or other professional advisor with respect to the suitability of acquiring any of the Bonds. The following is a summary of the principal risk factors:

D.1 Essential information on the key risks relating specific to the Issuer and the Klikk Group

- i. The Issuer has the function of acting as a finance and holding company, with its main purpose being that of financing the funding requirements of Klikk Limited, and as such, its assets consist of its shareholding in Klikk Limited as well as loans to be issued to its subsidiary Klikk Limited, as mentioned hereinafter in Section E.1. “Use of Proceeds”.

Consequently, the Issuer is largely dependent, including for the purpose of servicing interest payments on the securities described in the Company Admission Document: Part Two and the repayment of the principal on Maturity Date, on receipt of interest and loan repayments from Klikk Limited.

- ii. The Klikk Group operates in a highly competitive environment, facing competition from both local and online retailers. The Klikk Group competes with these retailers for customers, employees, locations, products and other important aspects of its business. Furthermore, the Klikk Group operates in a market which has historically been predominantly price deflationary, which can put pressure on its profit margins.
- iii. The Klikk Group's customers make purchases either directly from the retail outlets or through Klikk's online store. The Klikk Group's customers increasingly expect a seamless experience when accessing these channels, particularly with respect to the online store given that the Klikk Group delivers products within two hours from receipt of order. In order to deliver such a service, the Klikk Group relies on a number of different internal systems and operating models across distribution channels. If a significant element fails this may have a material adverse effect on the Klikk Group's business, results of operations and financial condition.
- iv. The Klikk Group purchases products from a wide variety of domestic and international third party product suppliers, including a limited number of large global suppliers whose products account for a substantial proportion of the Klikk Group's sales. Many of the relationships between the Klikk Group and its suppliers are not based on long-term supply contracts and, in some instances, are not even governed by a written contract.
- v. Changes to, or withdrawals of, credit insurance provided to the Klikk Group's suppliers could have a material adverse effect on the Klikk Group's business, results of operations and financial condition.
- vi. If the Klikk Group does not anticipate and respond quickly enough to capitalise on changing technology, content, service delivery, or consumer preferences, or does not manage its inventory levels effectively, its operating results could be adversely affected.
- vii. The Klikk Group's business is seasonal, with a substantial proportion of its revenue and operating profit generated during its fourth financial quarter, which includes back to school, Christmas and New Year season.
- viii. Changes in general economic conditions, the tightening of credit and other factors over which the Klikk Group has little control may adversely impact retail sales, as well as arise in a failure of customers in meeting the terms of contract they have with Klikk Group's credit services operations. Should general economic conditions or the computer and electronic industry demand decline, the Klikk Group's results of operations and financial condition may be substantially adversely affected.
- ix. It is the Klikk Group's general practice to lease rather than own its stores. In the event of a significant reduction in the profitability of its stores, a significant shift in sales to other distribution channels or as part of a restructuring of its business, the Klikk Group's ability to reduce its costs through the negotiation of lease terminations or modifications on acceptable terms or at all may be limited.
- x. The Klikk Group may also be subject to increases in operating and other expenses which could impact its financial performance and position.

- xi. The Klikk Group's key senior personnel and management remain material to its growth. If one or more of the members of the team were unable or unwilling to continue in their present position, the Klikk Group might not be able to replace them within the short term.**
- xii. Information technology systems failure or disruption could impact the Klikk Group's day-to-day operations.**
- xiii. The Klikk Group may be subject to changing retail market conditions. Furthermore, the Klikk Group is also dependent on the Maltese market and is exposed to economic conditions in Malta.**
- xiv. The Klikk Group has a material amount of debt and may incur additional debt in connection with its future growth. The Klikk Group's indebtedness could adversely affect its financial position.**

D.2 Essential information on the key risks specific to the Bonds

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

- i. Prior to the Bond Issue, there has been no public market nor trading record of the Bonds within or outside Malta. Due to the absence of any prior market for the Bonds, there can be no assurance that the Bond Issue Price will correspond to the price at which the Bonds will trade in the market subsequent to the Bond Issue.**
- ii. Only upon successful admission, may the Bonds be traded on a multilateral trading facility but will NOT be traded on any regulated market. Hence, the market for the Bonds may be less liquid than a regulated market and a Bondholder may find it more difficult to identify willing buyers for their Bonds. The existence of an orderly and liquid market depends on a number of factors. 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 all.**
- iii. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.**
- iv. An investor in the Bonds will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the investor's currency of reference, if different.**
- v. 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.**
- vi. The Issuer is entitled to issue Bonds bearing a fixed rate of interest. Investment in such fixed rate Bonds involves the risk that subsequent changes in market interest rates may adversely affect the market value of the said Bonds. Investors should also be aware that the price of the fixed rate Bonds moves adversely to changes in interest rates.**

- vii. **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 repurchased and/or cancelled.**
- viii. **Application has been made to the MSE for the Bonds to be admitted and traded on Prospects once the Bonds are authorised as admissible by the MSE. Prospects is a multilateral trading facility which is operated by the MSE and provides a venue for SMEs to float their securities. Consequently, this market is designed primarily for companies to which a higher risk than that associated with established companies tends to be attached. A prospective investor should be aware of the potential risks in investing in such companies and should make the decision to invest only after careful consideration and consultation with his or her own independent financial advisor.**
- ix. **Even after the Bonds are admitted to trading on Prospects, the Issuer is required to remain in compliance with certain requirements relating, *inter alia*, to the free transferability, clearance and settlement of the Bonds in order to remain eligible to trade on Prospects in terms of the Prospects Rules issued by the Exchange as amended from time to time. Moreover, the MSE has the authority to suspend trading of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The MSE may discontinue the trading of the Bonds on Prospects. Any such trading suspension or discontinuance described above could have a material adverse effect on the liquidity and value of the Bonds.**
- x. **The Issuer has not sought, nor does it intend to seek, the credit rating of an independent rating agency and there has been no assessment by any independent rating agency of the Bonds.**
- xi. **In the event that the Issuer wishes to amend any of the Terms and Conditions of issue of the Bonds it shall call a meeting of Bondholders (refer to section 22.16 of this Company Admission Document). These provisions permit defined majorities to bind all Bondholders, including Bondholders who do not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority.**
- xii. **The Bonds and the Terms and Conditions of the Bond Issue are based on the requirements of the Prospects Rules and Maltese Law, including the Companies Act, in effect as at the date of the Company Admission Document. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of the Company Admission Document.**
- xiii. **The funds or assets constituting the sinking fund (as described in section 22.24 of this Company Admission Document) shall be managed by the Issuer and administered by the Board of Directors in line with the treasury management policy. In accordance with section 302 of the Act, in the event of winding up of the Issuer with insufficient assets to meet its liabilities, the right of secured and unsecured creditors (which include the Bondholders) and the priority and ranking of their debts shall be regulated by the law for the time being in force. Accordingly, in view of the unsecured rights of Bondholders under the Bonds, any secured creditors of the Issuer shall have recourse to the funds or assets constituting the sinking fund to satisfy their secured claims with priority over Bondholders.**
- xiv. **The Bonds shall constitute the general, direct, unconditional and unsecured obligations of the Issuer. The Bonds shall at all times rank *pari passu*, without any priority or preference among themselves and, save for such exceptions as may be provided by**

applicable law, shall rank without priority and preference to all other present and future unsecured obligations of the Issuer. The Bonds will, however, rank subordinate to the present and future secured creditors of the Issuer, if any.

Furthermore, subject to the negative pledge included in the Company Admission Document, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.

SECTION E – INTERMEDIARIES' OFFER

- E.1 Use of Proceeds** – The proceeds from the Bond Issue, which net of Issue expenses are expected to amount to approximately €1,925,000, will be advanced by the Issuer under title of loan to Klikk Limited, whereby Klikk Limited shall utilise such funds to develop its e-commerce capability (€150,000), reduce bank indebtedness of the Klikk Group (€250,000) and the remaining balance of approximately €1,525,000 for general corporate funding purposes.
- E.2 Subscription** – The Bonds are open for subscription by Authorised Financial Intermediaries through an Intermediaries' Offer. The total amount of €2,000,000 of Bonds is being reserved for subscription by Authorised Financial Intermediaries participating in the Intermediaries' Offer. In this regard, 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 thereto up to the total amount of €2,000,000 as aforesaid during the Intermediaries' Offer. In terms of each subscription agreement entered into with an Authorised Financial Intermediary, the Issuer will be conditionally bound to issue, and each Authorised Financial Intermediary will conditionally bind itself to subscribe for, a number of Bonds as indicated therein subject to the Bonds being admitted to trading on the Prospects List. 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.

Applications for subscriptions to the Bonds may be made through the Placement Agent, Manager and Registrar during the Issue Period on a first-come-first-served basis. The Issue Period shall close immediately upon attaining full subscription or on the last day of the Issue Period, whichever is the earliest. It is expected that notification of allotment will be announced to Bondholders within five (5) Business Days of the closing of the Issue Period.

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

1. GENERAL

Each Bond forms part of a duly authorised issue of 5.25% Unsecured Bonds 2027 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €2 million.

2. FORM, DENOMINATION AND TITLE

The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100 provided that on subscription the Bonds will be issued for a minimum of €2,000 per individual Bondholder. Authorised Financial Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client.

3. REDEMPTION AND PURCHASE

Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 31 July 2027. Subject to the provisions of this paragraph, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike. All Bonds so purchased will be cancelled forthwith and may not be re-issued or re-sold.

4. INTEREST AND YIELD

The Bonds shall bear interest at the rate of 5.25% per annum payable annually on 31 July of each year. Interest shall accrue as from 1 August 2017. The first Interest Payment Date following the

issuance of this Company Admission Document shall be 31 July 2018. Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day.

The gross yield calculated on the basis of the interest, the Bond Issue Price and the redemption value of the Bonds at Redemption Date, is five point two five per cent (5.25%).

5. STATUS 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 of the Issuer.

6. PAYMENTS

Payment of the principal amount of the Bonds 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. Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business 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. Any relevant charges related to the Interest Payment transactions are borne by the Bondholders.

7. EVENTS OF DEFAULT

Section 22.13 sets out a list of events of default the occurrence of which would result in the Bonds becoming immediately due and repayable at their principal amount, together with accrued interest.

8. TRANSFERABILITY OF THE BONDS

The Bonds are freely transferable and once admitted to the Prospects List, shall be transferable only in whole (in multiples of €100) in accordance with the rules and regulations of Prospects and the MSE applicable from time to time. If Bonds are transferred in part, such an attempted partial transfer will not be cleared and the transferee thereof will not be registered as a Bondholder or claim from the Issuer any purported benefit therefrom.

9. FURTHER ISSUES

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

10. MEETINGS OF BONDHOLDERS

The Issuer may, from time to time, call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which in terms of the Company Admission Document require the approval of a Bondholders' meeting.

11. SINKING FUND

The Issuer undertakes that as from the financial year ending 31 December 2022 it shall, over a period of six years, build a sinking fund the value of which will by the Redemption Date be equivalent to 100% of the value of the issued Bonds.

The Issuer shall make periodic payments for the purpose of building up this sinking fund. The following table sets out the minimum amounts to be paid by the Issuer for this purpose.

SINKING FUND CONTRIBUTION FOR THE YEARS ENDING 31 DECEMBER

€000	2022 Projected	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected
Annual contribution	200	200	200	300	500	600
Cumulative balance	200	400	600	900	1,400	2,000

E.3 Governing law and jurisdiction – The Bonds have been created, and the Bond Issue relating thereto is being made, in terms of the Act. From their inception, the Bonds, and all contractual arrangements arising therefrom, shall be governed by and shall be construed in accordance with Maltese law. Any legal action, suit, action or proceedings against the Issuer arising out of or in connection with the Bonds shall be brought exclusively before the Maltese courts and the Bondholder shall be deemed to acknowledge that it is submitting to the exclusive jurisdiction of the Maltese courts.

E.4 Interest of natural and legal persons involved in the Issue – Save for the subscription for Bonds by the Authorised Financial Intermediaries (which include the Placement Agent, Manager and Registrar) and any fees payable to Financial Planning Services Limited as Placement Agent, Manager and Registrar in connection with the Bond Issue, to the best of the Issuer’s knowledge no person involved in the Issue has an interest material to the Bond Issue.

E.5 Expected Timetable of Principal Events

- | | | |
|----|---|------------------------|
| 1. | Application Forms Available | 4 July 2017 |
| 2. | Issue Period | 4 July to 21 July 2017 |
| 3. | Commencement of interest on Bonds | 1 August 2017 |
| 4. | Issuance of Bonds | 4 July 2017 |
| 5. | Expected date of Admission of the Bonds to Prospects | 1 August 2017 |
| 6. | Expected date of commencement of trading in the Bonds | 2 August 2017 |

The Issuer reserves the right to close the offer of the Bonds before the 21 July 2017 at 12:00 CET in the event that the Bonds are fully subscribed prior to the said date and time. In such an eventuality, the events set out in steps three (3) to six (6) above shall be brought forward although the number of working days between the respective events shall not be also altered.



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COMPANY ADMISSION DOCUMENT PART ONE

RISK FACTORS

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 THIS COMPANY ADMISSION DOCUMENT, BEFORE DECIDING TO MAKE ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

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

NEITHER THIS COMPANY ADMISSION DOCUMENT NOR ANY OTHER INFORMATION SUPPLIED HEREIN IN CONNECTION WITH THE BONDS ISSUED BY THE ISSUER (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, NOR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE CORPORATE ADVISOR OR THE PLACEMENT AGENT, MANAGER AND REGISTRAR OR AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THE COMPANY ADMISSION DOCUMENT, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY BONDS ISSUED BY THE ISSUER.

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

3.1 Forward-looking statements

The Company Admission Document and the documents incorporated therein by reference or annexed thereto contain statements that are, or may be deemed to be “forward-looking statements”, that include, among others, statements concerning the Issuer’s strategies and plans relating to the attainment of its or their objectives, capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts and which may involve predictions of future circumstances. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements are inherently subject to a number of risks, uncertainties and assumptions, some of which are beyond the Issuer’s control.

Important factors that could cause actual results to differ materially from the expectations of the Issuer’s Directors include those risks identified under the heading “Risk Factors” and elsewhere in the Company Admission Document. If any of the risks described were to materialise, they could have a serious effect on the Issuer’s financial results, trading prospects and the ability of the Issuer to fulfil its obligations under the securities to be issued in terms of the Company Admission Document.

Accordingly, the Issuer cautions prospective investors that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied by such statements, that such statements do not bind the Issuer with respect to future results and no assurance is given that the projected future results or expectations covered by such forward-looking statements will be achieved.

Prospective investors are advised to read the Company Admission Document in its entirety and, in particular, the sections entitled “Risk Factors” for a further discussion of the factors that could affect the Issuer’s future performance. In the light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in the Company Admission Document may not occur. All forward-looking statements contained in the Company Admission Document are made only as at the date hereof. Subject to the Prospects Rules, the Issuer and its respective Directors expressly disclaim any obligations to update or revise any forward-looking statements contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

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

3.2 Risks relating to the Issuer: General

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

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

3.3 Risks relating specifically to the Issuer’s reliance on Klikk Limited

3.3.1 The Issuer’s dependence on payments due from the Klikk Limited may be affected by factors beyond the Issuer’s control: The Issuer has the function of acting as a finance and holding company, with its main purpose being that of financing the funding requirements of Klikk Limited, and as such, its assets consist of its shareholding in Klikk Limited as well as loans to be issued to its subsidiary Klikk Limited as mentioned in

section 21.1. Consequently, the Issuer is largely dependent, including for the purpose of servicing interest payments on the securities described in the Company Admission Document: Part Two and the repayment of the principal on maturity date, on receipt of interest and loan repayments from Klikk Limited. In this respect, the operating results of Klikk Limited have a direct effect on the Issuer's financial position and performance. Therefore, the intrinsic risks of the business and operations of Klikk Limited have a direct effect on the ability of the Issuer to meet its respective obligations in connection with the payment of interest on the Bonds and repayment of principal when due. Accordingly, the risks of the Issuer are indirectly those of Klikk Limited, and, in turn, all risks relating to Klikk Limited are the risks relevant to the Issuer.

The interest payments and principal repayments to be affected by Klikk Limited are subject to certain risks. More specifically, the ability of Klikk Limited to affect payments to the Issuer will depend on the generation of its cash flows and earnings, which may be restricted: by changes in applicable laws and regulations; by the terms of agreements to which it is or may become party; or by other factors beyond the control of the Issuer. The occurrence of any such factors could, in turn, negatively affect the ability of the Issuer to meet its respective obligations in connection with the payment of interest on the Bonds and repayment of principal when due.

This Company Admission Document includes information about the Issuer and its subsidiary, Klikk Limited, to enable a prospective investor to make an informed judgement as to the Issuer's reliance on Klikk Limited.

3.4 Risks relating to the Business of the Issuer, Klikk Limited and the Klikk Group

3.4.1 The Klikk Group operates in a highly competitive environment: The Klikk Group operates in a highly competitive environment, facing competition from both local and online retailers. The Klikk Group competes with these retailers for customers, employees, locations, products and other important aspects of its business. Businesses enter and exit the market, and/or expand or reduce their product ranges in response to competitive forces. Some of Klikk Group's competitors may have access to greater resources or use strategies such as lower pricing, wider selection of products, exclusive products, larger store size, better located stores, higher promotional and advertising intensity, better store design and more efficient sales methods that can give them advantages over the Klikk Group in retaining existing customers, attracting new customers, generating revenue and profits and maintaining profit margins. In response to increasing competition from existing competitors, new entrants into the market in which the Klikk Group operates, consolidation of fragmented markets or an otherwise changing competitive environment, the Klikk Group's business may from time to time make certain pricing, services or marketing decisions that could have a material adverse effect on the Klikk Group's revenues, costs, financial condition and results of operations. In addition, if the Klikk Group cannot respond adequately to these multiple sources and types of competition, it could have a material adverse effect on the Klikk Group's business, financial performance and results of operations.

3.4.2 Failure of a significant element within the multi-channel service-led business model critical for delivery of a seamless experience for customers: The Klikk Group operates in a competitive market with customers making purchases either directly from the retail outlets or through the online store. The Klikk Group's customers increasingly expect a seamless experience when accessing these channels, particularly with respect to the online store given that the Klikk Group promises to deliver within a two hour time window from receipt of order. In order to deliver such a service, the Klikk

Group relies on a number of different internal systems and operating models across distribution channels. If a significant element fails this may have a material adverse effect on the Klikk Group's business, results of operations and financial condition.

3.4.3 Interruptions in the availability or flow of stock from third party product suppliers could have a material adverse effect on the Klikk Group's business, results of operations and financial condition: The Klikk Group purchases products from a wide variety of domestic and international third party product suppliers, including a limited number of large global suppliers whose products account for a substantial proportion of the Klikk Group's sales. Many of the relationships between the Klikk Group and its suppliers are not based on long-term supply contracts and, in some instances, are not even governed by a written contract. As a consequence, relationships may be varied or terminated with little or no notice. The Klikk Group's operations may be adversely affected by the interruption or restriction of the supply of stock whether through supplier choice, or external factors, significant changes in terms imposed by these suppliers (e.g. credit terms) or the termination of any key product supplier arrangement. Any breakdown or change in the Klikk Group's relationships with product suppliers could have a material adverse effect on the Klikk Group's business, results of operations and financial condition.

3.4.4 Changes to, or withdrawals of, credit insurance provided to the Klikk Group's suppliers could have a material adverse effect on the Klikk Group's business, results of operations and financial condition: The Klikk Group's business is dependent on the sale of computing and electrical goods supplied to it by third parties. The Klikk Group's working capital funding is typically a mixture of funding between its credit facilities and credit from its suppliers. The Klikk Group believes that third party suppliers in the computing products and electrical goods market have traditionally taken out credit insurance to protect these receivables against the risk of bad debt, insolvency or protracted default of their buyers, including the Klikk Group. Credit levels remain dependent on the general economic environment and the Klikk Group's financial position.

If there is a significant decrease in the availability, or the withdrawal in its entirety, of credit insurance to the Klikk Group's suppliers, and the suppliers are unwilling or unable to take credit risk themselves or find alternative credit sources, they may choose to take actions to reduce their credit exposure to the Klikk Group, including seeking to change their credit terms. Any of these actions could have a material adverse impact on the Klikk Group's cash position and lead to an increase in the Klikk Group's indebtedness, which could have a material adverse effect on its business, trading, reputation, financial condition and results of operations.

3.4.5 If the Klikk Group does not anticipate and respond quickly enough to changing technologies, content, service delivery, or consumer preferences, or does not manage its inventory levels effectively, its operating results could materially worsen: The Klikk Group's success largely depends on its ability to anticipate and introduce new products, content, services and technologies to consumers, as well as on the frequency of such introductions, the level of consumer acceptance in relation to them, and the related impact on the demand for existing products, content, services and technologies. Some electrical and computing products sold by the Klikk Group are subject to rapid technological change, which shortens their life cycle and may negatively impact sales of existing stock by the Klikk Group as consumers may elect to purchase newer products or defer their decision to purchase once technological changes have been announced. In addition, reduced consumer spending and changes in consumer purchasing trends may lead to excess inventory levels. Careful management is required to avoid the risk of holding stock that has become obsolete or that is in excess of customer demand,

which may result in consequent stock write-offs and write downs. There can be no assurance that the Klikk Group will successfully anticipate technological changes and consumer demands in the future or that it will be able to obtain adequate supplies of popular new products. Failure to adequately manage its inventory or predict accurately the constant changes in technology, consumer tastes, preferences, spending patterns and other lifestyle decisions could have a material adverse effect on Klikk Group's business, results of operations and financial condition.

- 3.4.6 The Klikk Group's business is seasonal, with a significant dependence on the revenue and operating profit generated during its fourth financial quarter:** In connection with this peak trading season, the Klikk Group increases its advertising spend, hires additional staff and sources additional products. The Klikk Group procures stock for this period well in advance and must anticipate trends in consumer preferences and the level of likely demand for its products in this period or it will suffer an excess or a shortage of stock. As a result of this seasonality, results during any interim financial period cannot be used as an accurate indicator of Klikk Group's annual results. Any factors negatively affecting the Klikk Group during the fourth financial quarter of any year, including product sourcing issues or unfavourable economic conditions, could have a disproportionately adverse effect on the Group's financial performance or results of operations for the entire year.
- 3.4.7 The Klikk Group's operations are exposed to credit risk on its receivables:** Credit risk is the risk of loss arising from a failure by a customer to meet the terms of any contract with Klikk Group's credit services operations. Credit losses are influenced by general business and economic conditions, including unemployment rates, bankruptcy filings and other factors that negatively affect household incomes, as well as contract terms, customer credit profiles and the computing and electronic market. Negative changes in general business, economic or market factors may have an additional adverse impact on the Klikk Group's business credit losses and future earnings.
- 3.4.8 The Klikk Group operates in a market which has historically been predominantly price deflationary, which can put pressure on its profit margins:** Price deflation has been a common feature across most computing and electronic good categories for a number of years, primarily driven by improving efficiencies in production throughout the life cycle of a product as well as product development and new ranges. While price deflation may drive increased sales volume, there can be no guarantee that this will occur, which may make it harder for the Klikk Group to maintain or grow its profit margins over a product's life cycle. Where the effect of price deflation is not countered by an increase in sales volumes, the importance of strong cost and expense management, as well as stock management, in maintaining or growing profit margins, is increased. If the Klikk Group is unable to maintain or grow its profit margins, manage its stock levels, and increase its sales volumes, this could have a material adverse impact on its operational results. In addition, where the effect of price deflation is not countered by volume increase, strong cost management is required to maintain profit margins. An inability to manage costs may have a material adverse impact on the Klikk Group's profit margins.
- 3.4.9 Loss of, or disruption to, the Klikk Group's retail outlets may have a material adverse effect on the Klikk Group's business and operations:** The Klikk Group operates from two retail outlets, which are subject to the risks of fire, weather and water damage. The Klikk Group's ability to distribute merchandise to its stores and to sell and distribute merchandise to its customers is reliant on its operational infrastructure. Failures or unavailability of such infrastructure (caused, for example, by fire, structural damage, natural disaster, industrial action, road blocks or traffic) could result in disruptions to the Klikk Group's ability to deliver products to its stores or its customers.

Although the Klikk Group maintains insurance at levels determined by the Klikk Group to be appropriate in light of the cost of cover and the risk profiles of the business in which the Klikk Group operates, there can be no assurance that its insurance coverage will be sufficient, or that insurance proceeds will be paid on a timely basis to the Klikk Group. In addition the Klikk Group may not be able to recover the full amount from the insurer. No assurance can be given that the Klikk Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates. As a result, any loss or disruption to any of the Klikk Group's retail outlets may have a material adverse effect on the Klikk Group's business, results of operations and financial condition.

3.4.10 The Klikk Group's lease obligations could limit its operating flexibility: It is the Klikk Group's general practice to lease rather than own its stores. In the event of a significant reduction in the profitability of its stores, a significant shift in sales to other distribution channels or as part of a restructuring of its business, the Klikk Group's ability to reduce its costs through the negotiation of lease terminations or modifications on acceptable terms, or at all, may be limited. To the extent the Klikk Group remains obliged under leases for unprofitable or vacant stores, or to the extent that the termination or modification of leases results in significant costs, the Klikk Group's ability to manage its costs and margins will be impacted and its business and operating results may be adversely affected.

3.4.11 The Klikk Group is dependent on its senior management and skilled employees: The Klikk Group's key senior personnel and management remain material to its growth. If one or more of the members of the team were unable or unwilling to continue in their present position, the Klikk Group might not be able to replace them within the short term. This could have a material adverse effect on the Group's business, results of operations and financial condition. Although no single person is instrumental in fulfilling the Klikk Group's business objectives, there is no guarantee that these objectives will be achieved to the degree expected following the loss of key personnel.

The Klikk Group also faces the challenge of attracting, developing and retaining the right calibre of staff. The failure of the Klikk Group to recruit and retain senior management and skilled employees could adversely impact its sales performance, increase its wage costs, and adversely affect the Klikk Group's business, results of operations and financial condition.

3.4.12 Information technology systems failure or disruption could impact the Klikk Group's day-to-day operations: The Klikk Group relies heavily on its information technology systems to enable its customers to purchase products in store and online as well as record and process transactions and manage its operations. These systems provide information regarding most aspects of financial and operational performance, including sales and stock information and, given the number of transactions that are completed and the importance of the efficient management of stock, it is vital to maintain continuous operation of the computer hardware and software systems. Notwithstanding efforts to prevent an information technology failure or disruption, the Klikk Group's systems may be vulnerable to damage or interruption from fire, telecommunications failures, floods, physical or electronic break-ins, computer viruses, power outages and other malfunctions or disruptions. Any of these events could cause system interruption, delays or loss of critical data and could prevent the Klikk Group from accepting and fulfilling customer orders as well as disrupt its operations and management. There can be no certainty that the Klikk Group's recovery and contingency plans will be effective or sufficient in the event that they need to be activated. Significant disruption to systems could have a material adverse effect on the Klikk Group's reputation, business, results of operations and overall financial condition.

- 3.4.13 The Klikk Group may be impacted by changes in laws and regulations:** Changes in laws and regulations relevant to the Klikk Group's business and operations could be enacted that may have an adverse impact on the Klikk Group's business, results of operations, financial condition or prospects.
- 3.4.14 Litigation risk:** Since the Klikk Group operates in an industry which involves the continuous provision of goods and services to customers and consumers, and such operations necessarily require continuous interaction with suppliers, employees, franchisors and regulatory authorities, the Klikk Group is exposed to the risk of litigation from its customers, actual and potential partners, suppliers, employees, regulatory authorities and/or franchisors. Although as stated in section 13, so far as the Directors are aware, the Klikk Group is not involved in any legal or arbitration proceedings which may have, or have had during 12 months preceding the date of this Company Admission Document, a significant effect on the Klikk Group's financial position or operational performance, no assurance can be given that disputes which could have such an effect will not arise in the future.
- 3.4.15 Risks relating to taxation:** The amount of taxation charged on the Klikk Group's activities is subject to changes in tax laws and their practical application.
- 3.4.16 Failure to protect customers' confidential information could significantly impact the Klikk Group's reputation and expose the Klikk Group to litigation:** The Klikk Group must comply with restrictions on the use of customer data and ensure that confidential information (including financial and personal data) is transmitted in a secure manner over public networks. Despite controls to ensure the confidentiality, availability and integrity of customer data, the Klikk Group may inadvertently breach restrictions or may be subject to attack from computer programs that attempt to penetrate the network security and misappropriate confidential information. Due to advances in these programs, computing capabilities and other developments, there is no guarantee that the Klikk Group's security measures will be sufficient to prevent breaches. Any such breach or compromise of security could adversely impact the Klikk Group's reputation with current and potential customers, lead to litigation or fines, and as a result, have a material adverse effect on its business, results of operations and overall financial condition.
- 3.4.17 Dependence on the Maltese market and exposure to economic conditions in Malta:** The Klikk Group's business activities are concentrated in and aimed at the Maltese market, and is highly susceptible to Maltese economic trends. Negative economic factors and trends in Malta, particularly those having an effect on consumer demand, may have a negative impact on the business of the Klikk Group.
- 3.4.18 Exposure to market and economic conditions generally:** The Klikk Group's business activities are subject to general market and economic conditions, both locally and overseas. Where general market and economic conditions experience a downturn, these weakened economic conditions, sustained uncertainty about global economic conditions or a prolonged or further tightening of credit market could cause the customers and potential customers of the Klikk Group to postpone or reduce spending on technology products or services or put downward pressure on prices, which could have an adverse effect on the Klikk Group's financial position, cash flows, operational performance and its ability to fulfil its obligations under the Bonds.
- 3.4.19 Highly leveraged capital structure:** As set out in further detail in section 8 of this Company Admission Document, the Klikk Group gearing as at 31 December 2016 was 25% but is projected to increase to 72% by 31 December 2019, following the Bond Issue and the drawdown of a €1.0 million facility from Bank of Valletta p.l.c. which is already sanctioned. Gearing is then projected to decrease as the retained earnings

levels improve the shareholder equity base and as borrowings decrease over time.

This represents a high level of gearing in the initial years, which gives rise to all the risks typically associated with such highly leveraged capital structures. The principal risk in this respect is the fact that the debt service obligations resulting from such a capital structure will absorb a significant portion of cash generation. Should the Klikk Group not manage to achieve its projected operating results, this will adversely impact gearing levels. Adverse changes to the Klikk Group's projected cash flows will reduce the projected level of debt service cover and may, therefore, adversely affect its ability to meet its debt service obligations.

3.4.20 The Klikk Group's indebtedness could adversely affect its financial position: Following the Bond Issue and the drawdown of the Bank of Valletta p.l.c. facility, the Klikk Group shall have a material amount of debt and may incur additional debt in connection with its future growth.

A portion of the cash flow generated from the Klikk Group's operations is utilised to repay debt obligations. This gives rise to a reduction in the amount of cash available for funding the Klikk Group's working capital, capital expenditure, development costs or other general corporate costs. A decrease in operating cash flow may limit further available cash for working capital purposes and other purposes, which may have an adverse material effect on the financial condition and results of the Klikk Group.

In addition, the agreements regulating the Klikk Group's bank debt impose guarantees and hypothecs on related companies. In relation to new indebtedness banks may impose operating restrictions and financial covenants on the Klikk Group which could limit the Klikk Group's ability to obtain future financing, to make capital expenditure, to withstand a future downturn in business or economic conditions generally or could otherwise inhibit the ability of the Klikk Group to conduct necessary corporate activities.

3.4.21 Certain financial markets risk: The Klikk Group may be exposed to a variety of financial risks associated with the unpredictability inherent in financial markets, including market risk (such as the risk associated with fluctuations in interest rates), credit risk (the risk of loss by the Issuer due to its debtors not respecting their commitments), currency risk and interest rate risk (such as the risk of potential changes in the value of financial assets and liabilities in response to changes in the level of market interest rates and their impact on cash flows).

3.4.22 The Klikk Group may be subject to increases in operating and other expenses: A significant portion of the Klikk Group's costs are semi-fixed and the Klikk Group's operating results are vulnerable to short-term changes in its revenues. The Klikk Group's inability to react swiftly to changes in its revenues by reducing its operating expenses could have a material adverse effect on its business, financial position and results of operations.

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

PERSONS RESPONSIBLE

This Company Admission Document includes information prepared in compliance with the Prospects Rules for the purpose of providing Bondholders with information about the Issuer. The Directors, whose names appear in section 5.1 hereunder, accept responsibility for the information contained in the Company Admission Document and the accuracy thereof. 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 Company Admission Document is true and fair, and is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

As at the date of this Company Admission Document there are no other facts or matters omitted from the Company Admission Document which were or are necessary to enable investors and their investment advisors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Bonds.

IDENTITY OF DIRECTORS, SENIOR MANAGEMENT ADVISORS AND AUDITORS OF THE ISSUER

This Document includes information given in compliance with the Prospects Rules for the purpose of giving information with regards to the Issuer.

5.1 Board of Directors

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

Mr Gordon Zammit	Executive Director and Chairman
Mr Joseph Tabone	Executive Director
Mr William Van Buren	Independent, Non-Executive Director
Dr Michael Borg Costanzi	Independent, Non-Executive Director

Mr Gordon Zammit and Mr Joseph Tabone occupy a senior executive position within the Klikk Group. The other two Directors, Mr William Van Buren and Dr Michael Borg Costanzi, serve on the Board of the Issuer in an independent, non-executive capacity. Mr William Van Buren and Dr Michael Borg Costanzi are considered as independent Directors since they are free of any business, family, or other relationship with the Issuer that could create a conflict of interest such as to impair their judgement.

The business address of the Issuer is Hal Mann, The Factory, Mosta Road, Lija LJA 9016.

The company secretary and compliance officer in terms of the Prospects Rules of the Issuer is Joseph Tabone.

The following are the respective curriculum vitae of the Directors and company secretary of the Issuer:

Mr Gordon Zammit Executive Director and Chairman

Gordon Zammit founded Klikk Limited in 2002 and occupies the role of executive director and Chief Technology Officer within Klikk Limited. From its inception, Gordon has directed and managed the business through continuous growth in IT retail, corporate and Government sectors. In his role as Chief Technology Officer, he oversees the development of various websites and web applications in the local and international market.

Mr Joseph Tabone Executive Director and Company Secretary

Joseph Tabone is a banker by profession and commenced his career at Mid Med Bank p.l.c. focusing on finance and administration of the bank. He furthered his studies in 2001, where he

successfully completed a Masters in Financial Services from the University of Malta. Throughout his career he held various other posts including Director of Finance with Mizzi Group Limited and handling international trade with Premier Capital p.l.c. Mr Tabone is presently Chief Executive Officer at Hal Mann Vella Group p.l.c.

Mr William Van Buren

Independent, Non-Executive Director

William Van Buren has over 20 years experience in various management and executive positions, mainly in financial services, across Europe, the South African Region and the Middle East. He started his career with Coopers & Lybrand (now PricewaterhouseCoopers) leading both audit and non-audit engagements, subsequently taking up Financial Controller positions with the Archdiocese of Malta and then Globe Financial Management p.l.c. (now GlobalCapital p.l.c.). In 2002, he was appointed Chief Executive Officer of the aforesaid company, where he led the restructuring and eventually the turnaround of the company.

In 2004, William was appointed President of Financial Services for the British American Group in Mauritius, with responsibility to monitor and maintain the existing financial services businesses, whilst overseeing the group's strategy of controlled growth, both organic and through acquisition and new lines of business. In the period with British American he led various successful initiatives, restructuring a number of group companies and setting-up investment services operations in Mauritius, Dubai and Kenya.

In 2007, he joined Al Rajhi Capital, one of the largest investment banks in the Kingdom of Saudi Arabia with over USD2 billion in assets under management, as Chief Operating Officer. In this role William had direct responsibility for strategy and led the intricate project of separating the investment banking operations from the parent company, Al Rajhi Bank. In 2010 he moved to a similar role in Doha, Qatar, as Chief Operating Officer of The First Investor Ltd, the investment banking arm of the Barwa Bank Group.

William graduated with Honours in Accountancy from the University of Malta in 1991 and is a Fellow of the Chartered Association of Certified Accountants and the Malta Institute of Accountants. William presently sits on the Board of Halmann Vella Group p.l.c.

Dr Michael Borg Costanzi

Independent, Non-Executive Director

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

5.2 Senior management of the Klikk Group

Mr Joseph Tabone

Chief Executive Officer

Joseph Tabone's curriculum vitae is included in section 5.1 above.

Mr Gordon Zammit

Chief Operating Officer

Gordon Zammit's curriculum vitae is included in section 5.1 above.

Mr Christian Tonna

Chief Financial Officer

Christian Tonna joined Hal Mann Holdings Limited in 2002. Following the company's demerger in 2005, Christian joined Hal Mann Vella Group p.l.c. as Finance Executive. Mr Tonna is presently Group Financial Controller of Hal Mann Vella Group p.l.c. working in close cooperation with the Chief Executive Officer.

Throughout the years he attended various seminars and courses and keeps himself abreast with current trends.

5.3 Advisors to the Issuer

Corporate Advisor and Reporting Accountant



Grant Thornton

Tower Business Centre,
Suite 3, Tower Street, Swatar BKR 4013, Malta

Placement Agent, Manager and Registrar



Financial Planning Services Limited

4, Marina Court,
Giuseppe Cali Street, Ta' Xbiex, XBX 1421, Malta

The organisations listed above have advised and assisted the Directors of the Issuer in the drafting and compilation of the Company Admission Document.

Save for the subscription for Bonds by the Placement Agent, Manager and Registrar and any fees payable to the Placement Agent, Manager and Registrar in connection with the Bond Issue, to the best of the Issuer's knowledge no person involved in the Issue has an interest material to the Bond Issue.

5.4 Auditor of the Issuer



HLB Falzon & Falzon

12, Casa Floriani,
Pietro Floriani Street,
Floriana FRN 1060, Malta

The financial statements of the Issuer for the financial years ended 31 December 2014, 2015 and 2016 have been audited by HLB Falzon & Falzon.

HLB Falzon & Falzon is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the Laws of Malta).

INFORMATION ABOUT THE ISSUER AND THE KLIKK GROUP

6.1 Introduction

Full legal and commercial name of the Issuer:	Klikk Finance p.l.c.
Registered address:	Hal Mann, The Factory, Mosta Road, Lija LJA 9016
Place of registration and domicile:	Malta
Company registration number:	C 52833
Date of registration:	12 May 2011
Legal form:	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act
Telephone number:	+356 2750 2750
Email:	klikkfinance@klikk.com.mt
Website:	www.klikk.com.mt

6.2 Principal activities of the Issuer

The Issuer was registered as HMRD Limited on 12 May 2011 in terms of the Companies Act, with company registration number C 52833. On 13 January 2016, the Issuer was renamed BOE Finance Limited and subsequently on 30 June 2017, the Issuer was converted into a public limited liability company and renamed Klikk Finance p.l.c. The Issuer is domiciled in Malta, having its registered office at Hal Mann, The Factory, Mosta Road, Lija LJA 9016. The Issuer has as at the date of the Company Admission Document an authorised and issued share capital of €100,000 divided into 100,000 ordinary shares of €1 each, all fully paid up.

The principal objects of the Issuer relate to carrying on the business of a finance and holding company. During 2016, the shareholders of Klikk Finance p.l.c. advanced funds of €1.2 million into Klikk Limited of which €0.5 million were used to acquire a 75% shareholding in Klikk Limited on 24 August 2016, whereby new shares were issued by Klikk Limited to Klikk Finance p.l.c., whilst the remaining €0.7 million were used to provide credit to Klikk Limited's customers. Consequently, the present business of the Issuer is to hold its investment in Klikk Limited as well as raise finance for its subsidiary, whereby going forward Klikk Finance p.l.c. shall raise the Bond proceeds and loan facilities on behalf of Klikk Limited. As a result, the issue of bonds falls within the objects of the Issuer, however, to date the Issuer has no track record in raising finance from capital markets.

The Issuer does not intend to undertake any trading activities itself apart from the raising of capital and advancing thereof to its subsidiary, Klikk Limited, as and when required.

Accordingly, the Issuer is economically dependent principally on the financial and operating performance of the business of Klikk Limited. The principal activities and markets of Klikk Limited are detailed in section 6.5.

The Issuer is managed by a Board of Directors (refer to section 5.1), which is entrusted with the overall direction, administration and management of the Issuer.

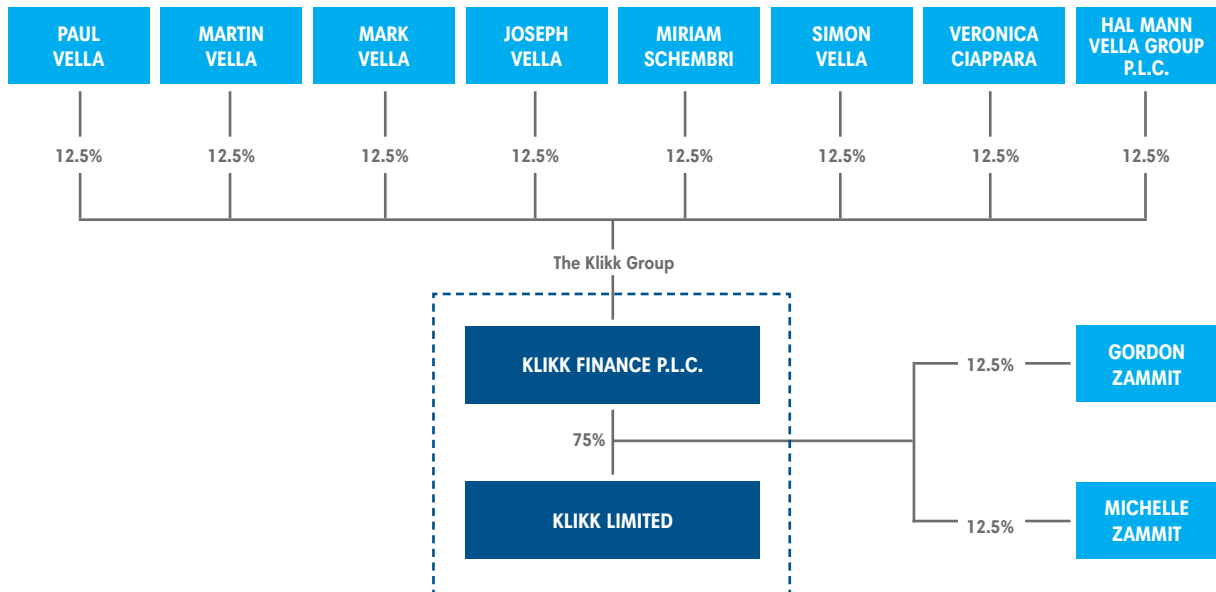
The Issuer has set up a website (www.klikk.com.mt) which includes an “Investor Information” section from which investors can obtain current information on the Company. This section shall include all electronic communications for all information required to be disclosed under the Rules and/or applicable law to all holders of admitted securities.

6.3 Principal markets of the Issuer

The Issuer operates exclusively in and from Malta.

6.4 Organisational structure

The diagram below indicates the structure of the Klikk Group as at the date of the Company Admission Document.



6.5 Business overview of Klikk Limited

Klikk Limited commenced its operations in 2002, and its main activity is that of operating two computer retail outlets, one situated on the Birkirkara By-pass, and the other one located at Tal-Barrani Road, Zejtun. As from 2003, Klikk Limited also introduced online sales. At present Klikk Limited promises to deliver goods within a two hour window from receipt of order, however it is the intention of the company to further improve on that.

Klikk Limited offers its customers a variety of computer products and electronic goods, including

but not limited to laptops and desktops, smartphones, tablets, televisions and computer peripheral devices. Klikk Limited's offerings include products with leading brands across multiple categories, and in fact, the company is an authorised reseller of leading brands such as Apple, Acer and Samsung. Furthermore, Klikk also offers be-spoke software solutions. Klikk Limited supplies its computer products and services mainly to individuals, corporate customers and Government institutions and departments. Customers may acquire the products and/or software either through an outright cash sale or on credit secured by bills of exchange.

6.6 Klikk Group dependencies

As the Issuer itself does not carry on any trading activities, the Issuer is economically dependent on the business prospects of Klikk Limited. More specifically, the Issuer is dependent on the receipt of interest income and capital repayment from Klikk Limited in relation to the Bond proceeds advanced by the Issuer to Klikk Limited. It is the intention of the Issuer to advance the funds at agreed rates of interest, on an arms' length basis and such advances will be documented through a loan agreement entered into between both parties.

The loan and overdraft facilities of the Issuer are dependent on guarantees provided by Hal Mann Vella Group p.l.c. and related party companies.

6.7 Business development strategy

In an environment where technology is becoming an increasingly large part of people's lives, the Klikk Group believes that a business model focused on providing good service for customers through a multi-channel offering is fundamental to ensuring its future sustainability.

The Klikk Group intends to build on its extensive experience, track record, brand strength and reputation to achieve its goals. To this end, the principal strategic ambitions of the Klikk Group are to:

- i. strengthen the core business through improvements to its current website;
- ii. expand its market share and aim to achieve market leadership;
- iii. offer customers a variety of the latest products; and
- iv. provide outstanding value to its customers.

TREND INFORMATION

7.1 Trend information of the Issuer

The Issuer is dependent on the business prospects of Klikk Limited and, therefore, the trend information of Klikk Limited (detailed below) has a material effect on its financial position and prospects.

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

7.2 Trend information of Klikk Limited

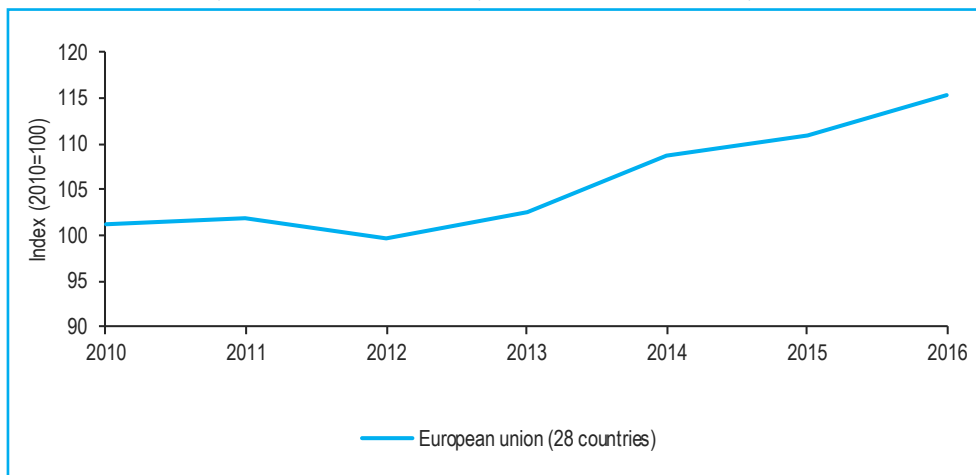
7.2.1 IT sector worldwide

According to Gartner² (2017), worldwide IT spending (excluding telecommunications) is projected to total \$2.1 trillion in 2017, a 2.5% increase from 2016 spending of \$2.0 trillion. Buyer investments in digital business, intelligent automation, and services optimization and innovation continue to drive growth in the market, but buyer caution, fuelled by broad economic challenges, remains a counter-balance to faster growth.

Spending on devices (including personal computers, ultramobiles, mobile phones and tablets) has contracted by 2.6% in 2016, but is expected to grow by 1.7% in 2017. It is expected to remain at \$656 billion in 2018. A replacement cycle in the personal computer market and strong pricing and functionality of premium ultramobiles will help drive this growth. Emerging markets will drive the replacement cycle for mobile phones as smartphones in these markets are used as a main computing device and replaced more regularly than in mature markets.

7.2.2 IT sector at European Union level

RETAIL SALE OF COMPUTERS, PERIPHERAL UNITS AND SOFTWARE; TELECOMMUNICATIONS EQUIPMENT, ETC. IN SPECIALISED STORES



Source: Eurostat, Retail sale of computers, peripheral units and software; telecommunications equipment, etc. in specialised stores

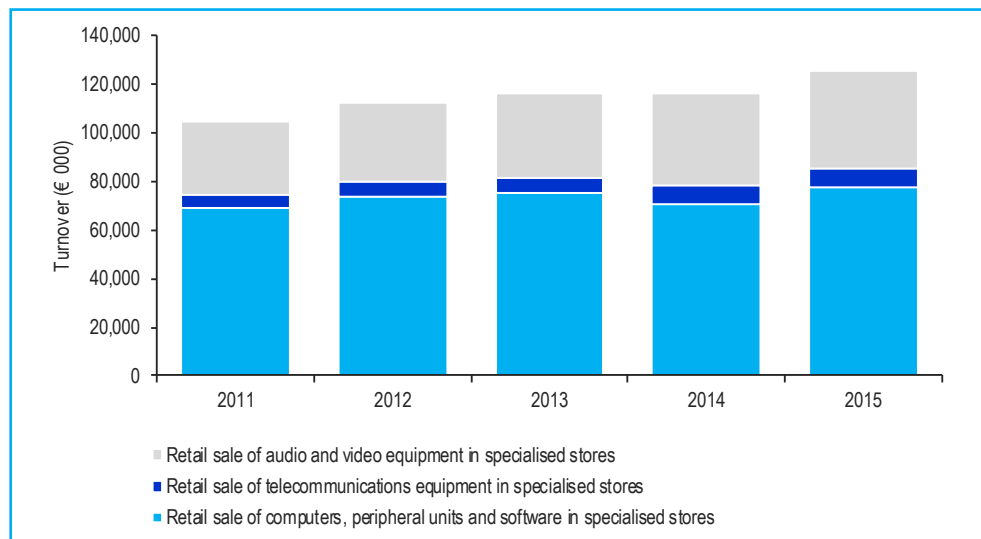
² www.gartner.com/newsroom (accessed on 17 May 2017)

The chart on the previous page represents the index of retail sale of computers, peripheral units and software and telecommunications equipment amongst others in specialised stores at a European Union level. As illustrated in the chart in the previous page, retail sales of computers, peripheral units and software decreased in 2012 but grew steadily between 2013 and 2016, with the index reaching 115.4 as at December 2016, representing a 15% growth between 2010 and 2016.

7.2.3 IT sector in Malta

Retail sales of information and communication equipment in specialised stores in Malta have performed strongly over the past few years, reflecting the performance of the retail sector in general over the period. Performance of specialised information and communication equipment retail stores in Malta is divided into three closely connected segments: audio and video equipment; telecommunications equipment; and sale of computers, peripheral units and software as set out in the below chart. The sale of computers, peripheral units and software in specialised stores makes up the majority of the information and communications market.

PERFORMANCE OF SPECIALISED INFORMATION AND COMMUNICATION EQUIPMENT RETAIL STORES IN MALTA



Note: Data presented in the table above is still subject to changes by NSO
 Source: National Statistics Office Malta (NACE 47.41, 47.42, 47.43)

As illustrated in the table below, turnover within the sector registered consistent growth between 2011 and 2015, increasing from €104.2m in 2011 to €125.5m in 2015, representing a Compound Annual Growth Rate (CAGR) of 5%. All three sectors in the information and communication retail market have registered a positive CAGR from 2011 till 2015. However, although it is the retail sales of computers, peripheral units and software in specialised stores which makes up the majority of the information and communication market, the CAGR between 2011 and 2015 of both retail sales of telecommunications equipment (10%) and audio and video equipment (8%) outweighed the CAGR of the sale of computers, peripheral units and software (3%) during the same period.

PERFORMANCE OF SPECIALISED INFORMATION AND COMMUNICATION EQUIPMENT RETAIL STORES IN MALTA

	2011	2012	2013	2014	2015	2011-15 CAGR
Retail sale of computers, peripheral units and software in specialised stores						
Total turnover (€000)	69,206	73,856	74,850	70,577	77,287	3%
No of outlets (units)	157	137	135	136	132	
Average turnover per outlet (€000)	441	539	554	519	586	
Year-on-year growth		22%	3%	(6%)	13%	

Retail sale of telecommunications equipment in specialised stores						
Total turnover (€000)	5,284	5,888	6,791	7,634	7,635	10%
No of outlets (units)	32	32	32	36	36	
Average turnover per outlet (€000)	165	184	212	212	212	
Year-on-year growth		11%	15%	0%	0%	

Retail sale of audio and video equipment in specialised stores						
Total turnover (€000)	29,661	32,122	34,056	37,979	40,577	8%
No of outlets (units)	93	93	89	87	73	
Average turnover per outlet (€000)	319	345	383	437	556	
Year-on-year growth		8%	11%	14%	27%	

Total						
Total turnover (€000)	104,150	111,866	115,697	116,190	125,499	5%
Total no. of outlets (units)	282	262	256	259	241	
Average turnover per outlet (€000)	369	427	452	449	521	
Year-on-year growth		16%	6%	(1%)	16%	

Note: Data presented in the table above is still subject to changes by NSO
 Source: National Statistics Office Malta (NACE 47.41, 47.42, 47.43)

While the total number of outlets selling information and communication equipment has decreased significantly from 282 to 241 outlets between 2011 and 2015 respectively, as set out in the table below, the decrease in outlets is principally related to micro firms employing up to 9 employees. Outlets employing between 10 and 249 employees have increased by 25% between 2011 and 2015, from 16 outlets in 2011 to 20 outlets in 2015. Moreover, outlets in this bracket registered a CAGR in turnover of 8% between 2011 and 2015.

Small outlets, employing 9 employees or less, registered marginal shrinkage in total turnover between 2011 and 2015, however, the drop in the number of outlets seen in 2015 has resulted in an increase in average turnover per outlet, from €156k turnover per outlet in 2011 to €186k turnover per outlet in 2015.

PERFORMANCE OF SPECIALISED INFORMATION AND COMMUNICATION EQUIPMENT RETAIL STORES IN MALTA

	2011	2012	2013	2014	2015	2011-15 CAGR
0-9 employees						
Total turnover (€000)	41,371	40,846	45,182	43,457	41,192	0%
No of outlets (units)	266	246	239	241	221	
Average turnover per outlet (€000)	156	166	189	180	186	
Year-on-year growth (%)		7%	14%	(5%)	3%	
10-249 employees						
Total turnover (€000)	62,779	71,020	70,515	72,733	84,307	8%
No of outlets (units)	16	16	17	18	20	
Average turnover per outlet (€000)	3,924	4,439	4,148	4,041	4,215	
Year-on-year growth (%)		13%	(7%)	(3%)	4%	
Total						
Total turnover (€000)	104,150	111,866	115,697	116,190	125,499	5%
No of outlets (units)	282	262	256	259	241	
Average turnover per outlet (€000)	369	427	452	449	521	
Year-on-year growth (%)		16%	6%	(1%)	16%	

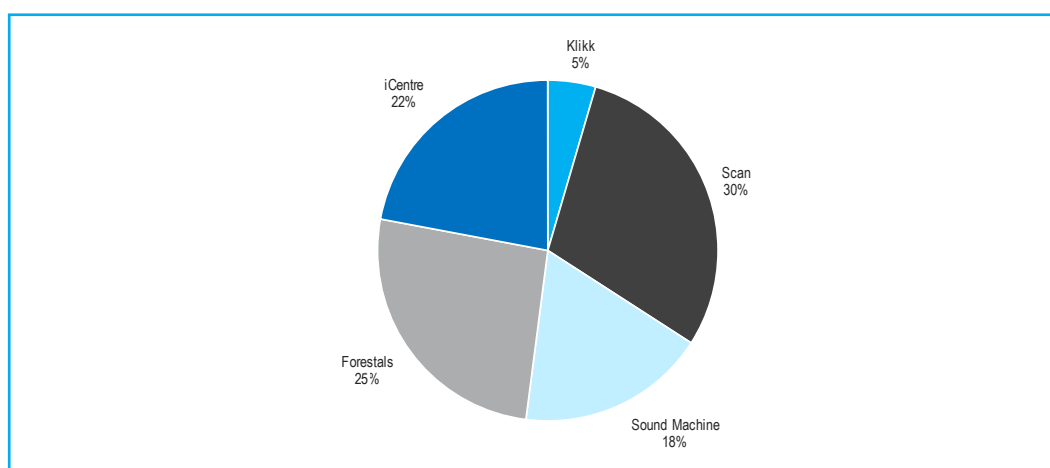
Note: Data presented in the table above is still subject to changes by NSO
Source: National Statistics Office Malta (NACE 47.41, 47.42, 47.43)

7.2.4 Market positioning

The IT hardware, software and services industry is very fragmented and highly competitive. The Klikk Group competes with a large number and wide variety of marketers and resellers of IT hardware, software and services. Moreover, the competitive landscape in the industry is continually changing as various competitors expand their product and service offerings.

The following analysis sets out the performance of Klikk Limited when compared to the performance of four key major players operating in the same sector in Malta. As the Klikk Group was formed during 2016, given that on 24 August 2016 Klikk Finance p.l.c. acquired a 75% shareholding in Klikk Limited, for comparative reasons, the performance of Klikk Limited is used in the analysis below. The four key major players chosen are Scan, Sound Machine, Forestals and iCentre. Although all four competitors sell computers, peripheral devices and software in specialised stores, as part of their product offering, Scan, Sound Machine and Forestals also sell household appliances. A segregation by business line is not provided in their audited financial statements and therefore, the below analysis, includes the sale of such goods.

2015 REVENUE BY COMPETITOR



Source: 2015 audited financial statements of Klikk Limited, PC Options Limited, FGL Entertainment Limited, FGL Information Technology Limited, SG Solutions Limited and Sound Machine Company Limited

As set out in the above chart, based on the 2015 audited financial statements, Scan dominates these five firms with a market share of 30%, followed by Forestals which holds a 25% market share. Klikk Limited share of the market stood at 5% in 2015.

As illustrated in the following table, all four competitors have enjoyed growth in both revenue and net profit between 2013 and 2015. Conversely, and as explained further in section 8, Klikk Limited experienced a decline in both revenue and market share in 2015, principally due to working capital limitations, which in turn impacted inventory and revenue. During 2016, the shareholders of Klikk Finance p.l.c. advanced funds of €1.2 million into Klikk Limited of which €0.5 million were used to acquire a 75% shareholding in Klikk Limited, whereby new shares were issued by Klikk Limited to Klikk Finance p.l.c., whilst the remaining €0.7 million were used to provide credit to Klikk Limited's customers. Following this injection of €1.2 million into Klikk Limited, revenues increased by 6%. The Bond Issue is a fundamental step in the Klikk Group's turnaround strategy, given that with sufficient stock, the Klikk Group can achieve further growth as well as margins in line with its competitors. It is for this reason that the Klikk Group's principal strategic ambition is to provide a successful and sustainable business model as well as strengthening the core business by enhancing its e-commerce capabilities.

PERFORMANCE OF KEY COMPETITORS

	2013	2014	2015
Klikk			
Revenue (€000)	4,110	4,202	3,123
Revenue growth (%)	(7%)	2%	(26%)
EBITDA (€000)	64	53	(536)
EBITDA margin (%)	2%	1%	(17%)
Net profit margin (%)	-	(1%)	(21%)
Scan			
Revenue (€000)	16,228	16,883	20,289
Revenue growth (%)	(1%)	4%	20%
EBITDA (€000)	868	1250	1239
EBITDA margin (%)	5%	7%	6%
Net profit margin (%)	3%	5%	4%
Sound Machine			
Revenue (€000)	8,571	10,082	12,318
Revenue growth (%)	27%	18%	22%
EBITDA (€000)	482	554	642
EBITDA margin (%)	6%	5%	5%
Net profit margin (%)	3%	3%	3%
Forestals			
Revenue (€000)	9,521	9,187	17,765
Revenue growth (%)	(3%)	(4%)	93%
EBITDA (€000)	392	342	363
EBITDA margin (%)	4%	4%	2%
Net profit margin (%)	4%	2%	1%
iCentre (SG Solutions)			
Revenue (€000)	10,305	11,441	15,127
Revenue growth (%)	12%	11%	32%
EBITDA (€000)	1,074	662	907
EBITDA margin (%)	10%	6%	6%
Net profit margin (%)	2%	3%	3%

Source: 2013, 2014 and 2015 audited financial statements of Klikk Limited, PC Options Limited, FGL Entertainment Limited, FGL Information Technology Limited, SG Solutions Limited and Sound Machine Company Limited

HISTORICAL FINANCIAL INFORMATION

8.1 Financial information on the Issuer

The historical financial information of the Issuer is set out in the audited financial statements for each of the financial years ended 31 December 2014 to 2016 as audited by HLB Falzon & Falzon of 12, Casa Floriani, Pietro Floriani Street, Floriana, FRN 1060, Malta. Given that on 24 August 2016, the Issuer acquired a 75% holding in Klikk Limited, the audited financial statements for the financial years ended 31 December 2014 and 2015 relate to the Issuer alone, whilst the audited financial statements for the financial year ended 31 December 2016 and the projections for the financial years ending 31 December 2017, 2018 and 2019 represent the consolidated financial statements of the Issuer and its subsidiary Klikk Limited. Consequently, section 8.1.1 sets out an extract from the audited financial statements for the financial years ended 31 December 2014, 2015 and 2016 of Klikk Limited.

There has not been any significant change in the financial or trading position of the Issuer, which has occurred from the date of its latest audited financial statements.

Sections 8.1.2 onwards set out the consolidated audited financial statements for the financial years ended 31 December 2014 to 2016 and the projections for the financial years ending 31 December 2017 to 2019 of the Klikk Group.

The projections assume that the bond interest shall commence on 1 July 2017.

8.1.1 Overview of historical results of Klikk Limited

INCOME STATEMENT FOR THE YEARS ENDED 31 DECEMBER			
€000	2014 Actual	2015 Actual	2016 Actual
Revenue	4,202	3,123	3,317
Cost of sales	(3,440)	(2,899)	(2,556)
Gross profit	762	224	761
Other income	1	2	26
Administrative expenses	(635)	(678)	(681)
Marketing and distribution costs	(75)	(84)	(93)
EBITDA	53	(536)	13
Amortisation	(19)	(19)	(19)
Depreciation	(43)	(44)	(40)
EBIT	(9)	(599)	(46)
Finance costs	(40)	(43)	(49)
Profit before tax	(49)	(642)	(95)
Taxation	8	-	(7)
Profit after tax	(41)	(642)	(102)

Key performance indicators			
Gross profit margin (%)	18%	7%	23%
EBITDA margin (%)	1%	(17)%	0%
Net profit margin (%)	(1)%	(21)%	(3)%

Source: Audited financial statements of Klikk Limited for the years ended 31 December 2014, 2015 and 2016

During the period FY2014 and FY2015, Klikk Limited's short-term financing was insufficient to meet its working capital requirements. As a result, Klikk Limited had to resort to either long-term capital or its reserves to finance its working capital shortfall. Consequently, Klikk Limited's revenue was impacted due to a lack of inventory in the retail outlets. During FY2016, the shareholders of Klikk Finance p.l.c. advanced funds of €1.2 million into Klikk Limited of which €0.5 million were used to acquire a 75% shareholding in Klikk Limited, whereby new shares were issued by Klikk Limited to Klikk Finance p.l.c., whilst the remaining €0.7 million were used to provide credit to Klikk Limited's customers. Following this injection of €1.2 million into Klikk Limited, revenues increased by 6%, from €3.1 million in FY2015 to €3.3 million in FY2016.

Although historically Klikk Limited's gross profit margin averaged at 18%, in FY2015, the company's gross profit margin dipped to 7% following a stock write-off of €300k. As from FY2016 Klikk Limited achieved a gross profit margin of 23% and the company has sustained this gross profit margin in the first four months of FY2017.

Despite the decrease in revenue between FY2014 and FY2016, administration and marketing costs increased from €710k in FY2014 to €774k in FY2016, principally due to an increase in employee costs.

8.1.2 Klikk Group's income statement

CONSOLIDATED INCOME STATEMENT FOR THE YEARS ENDING 31 DECEMBER								
€000	2014 Actual	2015 Actual	2016 Actual	2017 Forecast	2018 Projected	2019 Projected	2020 Projected	2021 Projected
Revenue	24	-	3,364	3,662	4,636	5,580	6,595	7,716
Cost of sales	-	-	(2,557)	(2,742)	(3,443)	(4,144)	(4,919)	(5,774)
Gross profit	24	-	807	920	1,193	1,436	1,676	1,942
Administrative expenses	(5)	(2)	(676)	(804)	(965)	(1,086)	(1,175)	(1,218)
Marketing and distribution costs	-	-	(93)	(102)	(106)	(125)	(145)	(170)
EBITDA	19	(2)	38	14	122	225	356	554
Depreciation	-	-	(40)	(43)	(41)	(39)	(40)	(42)
Amortisation	-	-	(19)	(23)	(28)	(28)	(28)	(28)
EBIT	19	(2)	(21)	(52)	53	158	288	484
Finance costs	-	-	(67)	(115)	(165)	(157)	(149)	(141)
Profit before tax	19	(2)	(88)	(167)	(112)	1	139	343
Tax for the year	(6)	-	(16)	53	35	(5)	(53)	(125)
Profit after tax	13	(2)	(104)	(114)	(77)	(4)	86	218

Key performance indicators								
Gross profit margin (%)	n/m	n/m	24%	25%	26%	26%	25%	25%
EBITDA margin (%)	n/m	n/m	1%	0%	3%	4.0%	5%	7%
Net profit margin (%)	n/m	n/m	(3)%	(3)%	(2)%	0%	1%	3%

Source: Audited financial statements of Klikk Finance p.l.c. for the years ended 31 December 2014, 2015 and 2016, and projections for the years ending 31 December 2017, 2018, 2019, 2020 and 2021

Turnover

Through the Bond Issue, the Klikk Group is projecting a turnaround in its business, given that with sufficient stock, the Klikk Group can achieve further revenue growth in line with its competitors. It is for this reason that the Klikk Group's principal strategic ambition is to provide a successful and sustainable business model as well as strengthening the core business by enhancing its e-commerce capabilities, offering attractive credit terms to corporate clients as well as offering credit terms to retail customers, through bills of exchange. For this reason, as from July 2017, revenue also includes interest generated on the bills of exchange, which has been assumed at 8% throughout the projected period.

As a result of the Klikk Group's strategy, its revenue is expected to increase at a CAGR of 18% between FY2016 and FY2021, reaching €7.7 million in FY2021. It is expected that the majority of Klikk Group's revenues (c. 95%), will be derived from retail and corporate customers, whilst the remaining 5% will be derived from an improved website and delivery system. Although it is the intention of the company to offer software services to its customers, the generation of this revenue has been excluded from the projections.

The expected growth in turnover is based on the experience gained by the directors of Klikk Limited over the years and their understanding of the industry in which Klikk Limited operates. Therefore the projections assume that no significant change to the existing competitive landscape will materialise.

Margins

During FY2016 and the first four months of FY 2017, the Klikk Group's gross profit margins have been constant at 23%. The projections assume that such a gross profit margin shall continue in the foreseeable future.

Administrative, marketing and distribution costs

As the Klikk Group's operations are expected to grow substantially over the next three years, an increase in overhead expenses will be required in order to support this growth. Consequently, administrative and marketing costs are expected to increase from €769k in FY2016 to €906k in FY2017, reaching €1,388k in FY2021. The increase in administration and marketing costs is principally due to the introduction of additional staff members; software developers to enhance and maintain the website; renting of a new warehouse; ongoing bond issue costs; and more rigorous advertisement and marketing campaigns. As a result, Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) are expected to increase from €38k in FY2016 to €554k in FY2021, reflecting the expected growth in the Klikk Group's operations.

Depreciation and amortisation

Depreciation and amortisation cost is projected to total €66k in FY2017 and is expected to remain relatively stable going forward. Depreciation and amortisation cost includes the depreciation on property, plant and equipment as well as the amortisation of the improved website and the Bond Issue costs.

Finance cost

Historically finance costs included interest on bank loans and bank overdrafts. Going forward the current bank loan with Banif Bank (Malta) p.l.c. shall be repaid by Klikk Finance p.l.c. through a new drawdown with Bank of Valletta p.l.c.

The Klikk Group's finance costs are expected to increase to €115k in FY2017 following the Bond Issue, new drawdown with Bank of Valletta p.l.c. and decrease thereafter following the annual repayment of the Klikk Group's loan facilities. As from FY2022, the Klikk Group will be contributing towards a sinking fund, which is expected to generate interest income. The interest on the Bond is assumed to commence on 1 July 2017, with the final payment being made on 31 July 2027.

The Klikk Group's profit after tax is expected to improve, and reach break-even by FY2019. Thereafter, continuous profits are expected to be generated as a result of the growth expected over the next few years. The Klikk Group shall not be distributing any dividends to its shareholders in the first three years of the Bond.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

€000	2014 Actual	2015 Actual	2016 Actual	2017 Forecast	2018 Projected	2019 Projected	2020 Projected	2021 Projected
ASSETS								
Non-current assets								
Property, plant and equipment	-	-	234	231	207	194	183	174
Intangible assets	-	-	437	519	499	479	459	438
Deferred tax	-	-	-	78	135	146	105	-
Trade and other receivables	-	-	546	1,077	1,272	1,160	1,163	1,291
	-	-	1,217	1,905	2,113	1,979	1,910	1,903
Current assets								
Inventories	-	-	358	413	519	625	741	870
Trade and other receivables	-	1	462	647	1,129	1,389	1,449	1,539
Cash and cash equivalents	11	2	418	1,458	538	272	225	210
	11	3	1,238	2,518	2,186	2,286	2,415	2,619
Total assets	11	3	2,455	4,423	4,299	4,265	4,325	4,522
EQUITY								
Share capital	2	2	100	350	350	350	350	350
Retained earnings	(42)	(44)	(122)	(194)	(239)	(233)	(161)	10
Shareholders loan	-	-	1,135	885	885	885	885	885
Equity attributable to equity holders of the parent	(40)	(42)	1,113	1,041	996	1,002	1,074	1,245
Non-controlling interest	-	-	2	(39)	(71)	(81)	(67)	(19)
Total equity	(40)	(42)	1,115	1,002	925	921	1,007	1,226
LIABILITIES								
Non-current liabilities								
Borrowings	42	44	225	2,748	2,603	2,449	2,287	2,173
	42	44	225	2,748	2,603	2,449	2,287	2,173
Current liabilities								
Borrowings	-	-	559	145	153	161	170	121
Trade and other payables	2	1	548	503	618	734	861	1,002
Current taxation	7	-	8	25	-	-	-	-
	9	1	1,115	673	771	895	1,031	1,123
Total liabilities	51	45	1,340	3,421	3,374	3,344	3,318	3,296
Total equity and liabilities	11	3	2,455	4,423	4,299	4,265	4,325	4,522

Key performance indicators

<i>Gearing</i>								
<i>net debt / (net debt + equity)</i>	<i>n/m</i>	<i>n/m</i>	25%	59%	71%	72%	69%	63%

Source: Audited financial statements of Kliikk Finance p.l.c. for the years ended 31 December 2014, 2015 and 2016, and projections for the years ending 31 December 2017, 2018, 2019, 2020 and 2021

The Klikk Group's financial position is expected to strengthen as a result of the growth expected between FY2017 and FY2021.

As at 31 December 2016 non-current assets included property, plant and equipment, goodwill following its acquisition of Klikk Limited and trade receivables. Non-current assets are expected to increase to €2.1 million by 31 December 2018, as a result of the Klikk Group's strategy to offer favourable credit terms to its corporate clients as well as bills of exchange to its retail customers, in order to generate higher revenues.

Current assets, which primarily consist of trade receivables, inventory, and cash and cash equivalents are expected to increase in line with the growth in sales. Current trade and other receivables are projected to increase from €462k as at 31 December 2016 to €1.5 million by 31 December 2021. Given that the trade and other receivables relate to the extension of credit terms offered to corporate customers and bills of exchange offered to retail customers, the projections assume that trade and other receivables are received over a three year period.

Inventory is also expected to increase between FY2017 and FY2019, since the Klikk Group will utilise the Bond proceeds to fully stock its Birkirkara and Zejtun outlets in order to generate more revenues. Historically, the Klikk Group has held slightly higher inventory levels at the financial year end due to the cyclical nature of the industry, as sales peak in the last quarter of the year.

Trade and other payables are expected to increase from €548k as at 31 December 2016 to €1.0 million as at 31 December 2021, in line with the growth in sales, with payable days expected to remain at two months.

As at 31 December 2016, the Klikk Group had €250k in bank facilities, €34k in related party loans and an overdraft of €500k. By the 31 May 2017 the composition of the indebtedness changed as set out in section 22.4, however the total indebtedness remained unchanged at €0.8 million.

The Group's borrowings are expected to amount to €2.9 million by 31 December 2017 as follows:

- the €2.0 million Bond Issue;
- drawdown of the €1.0 million loan facility from Bank of Valletta p.l.c. (which is already sanctioned) and which is mostly intended to increase the Klikk Group's working capital;
- full settlement of existing bank loans and overdrafts amounting to €836k; and
- capital repayments amounting to €70k as scheduled in the bank's sanction letters.

During the second half of 2017, it is the intention of the Issuer to capitalise €250k of its shareholders' loan into share capital. As a result of past losses, the Klikk Group had a negative retained earnings of €122k as at 31 December 2016. This is however expected to gradually improve on the back of year-on-year growth in profit. Consequently, the Klikk Group's gearing is expected to peak at 72% in FY2019 and steadily decrease thereafter.

8.1.4 Klikk Group's statement of cash flows

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDING 31 DECEMBER								
€000	2014 Actual	2015 Actual	2016 Actual	2017 Forecast	2018 Projected	2019 Projected	2020 Projected	2021 Projected
CASH FLOW FROM OPERATING ACTIVITIES								
EBITDA	19	(2)	38	14	122	225	356	554
Adjustments for:								
Impairment of receivables	-	-	17	-	-	-	-	-
Working capital adjustments:								
Changes in inventories	-	-	(49)	(55)	(105)	(105)	(117)	(129)
Changes in receivables	-	-	(275)	(715)	(676)	(149)	(63)	(217)
Changes in payables	(14)	(1)	68	(98)	115	115	127	140
Operating cash flow	5	(3)	(201)	(854)	(544)	86	303	348
Repayment to related parties	-	-	(217)	-	-	-	-	-
Advances to other related parties	-	-	(563)	-	-	-	-	-
Tax paid	-	(7)	4	(8)	(48)	(16)	(12)	(19)
Interest paid	-	-	(66)	(62)	(165)	(157)	(149)	(141)
Net cash generated from / (used in) operating activities	5	(10)	(1,043)	(924)	(757)	(87)	142	188
CASH FLOW FROM INVESTING ACTIVITIES								
Payments to acquire property, plant and equipment	-	-	-	(41)	(18)	(26)	(28)	(33)
Acquisition of intangible assets	-	-	-	(101)	-	-	-	-
Net cash used in investing activities	-	-	-	(142)	(18)	(26)	(28)	(33)
CASH FLOW FROM FINANCING ACTIVITIES								
Issue of share capital	-	-	98	-	-	-	-	-
Advances from/(repayments to) related undertaking	5	(4)	-	-	-	-	-	-
Advances from shareholders	-	5	1,200	-	-	-	-	-
Bank drawdown and repayment of bank loans	-	-	(56)	681	(145)	(153)	(161)	(170)
Bond proceeds	-	-	-	2,000	-	-	-	-
Payment of issue costs	-	-	-	(75)	-	-	-	-
Net cash generated from/ (used in) financing activities	5	1	1,242	2,606	(145)	(153)	(161)	(170)
Net movement in cash and cash equivalents	10	(9)	199	1,540	(920)	(266)	(47)	(15)
Cash and cash equivalents at beginning of the year	1	11	(281)	(82)	1,458	538	272	225
Cash and cash equivalents at end of year	11	2	(82)	1,458	538	272	225	210

Source: Audited financial statements of Klikk Finance p.l.c. for the years ended 31 December 2014, 2015 and 2016 and projections for the years ending 31 December 2017, 2018, 2019, 2020 and 2021

In order to grow its operations, during FY2017, the Klikk Group will invest significantly in its working capital requirements, principally by offering longer credit terms to its corporate clients, bills of exchange to its retail customers, as well as adequately stock its retail outlets. As a result, cash used in operations is expected to decrease in FY2017 and FY2018, until the projections stabilise in FY2019. The increase in inventories are expected to be offset by an increase in trade payables, as historically the Klikk Group had an inventory turnover cycle

similar to its payable cycle.

Apart from funding the Klikk Group's working capital requirements going forward, part of the Bond proceeds will be utilised to invest in an improved website and a new mobile application which are envisaged to further increase the Klikk Group's online sales. This one-off investment is expected to amount to €150k in FY2017.

On 1 December 2016, the shareholders of the Issuer resolved to increase the authorised and issued share capital from 1,600 ordinary shares to 100,000 ordinary shares of €1 each. Moreover, during FY2016, the shareholders of Klikk Finance p.l.c. advanced funds totalling €1.2 million. These were then utilised to acquire a 75% holding in Klikk Limited on 24 August 2016, and to provide credit to Klikk Limited's customers.

During the second half of 2017, the Issuer will drawdown a €1.0 million facility from Bank of Valletta p.l.c., which will partly be utilised to settle Klikk Limited existing loan with Banif Bank (Malta) p.l.c. The projections do not assume any further loan drawdowns throughout the projected period and also assume that the Klikk Group will not utilise its existing overdraft facilities.

Resultant cash reserves are expected to increase from a €83k shortfall at the end of FY2016 to a stabilised position of €272k in FY2019.

8.1.5 Capital resources

CAPITALISATION AND INDEBTEDNESS OF THE KLIKK GROUP AS AT 31 DECEMBER 2016 AND AFTER BOND ISSUE AND NEW FACILITY DRAWDOWNS	
	€000
Bank and other borrowings	784
Less: cash and cash equivalents	(418)
	366
FUNDING	
Bond issue	2,000
New facilities with Bank of Valletta p.l.c.	1,000
New facilities with Fimbank p.l.c.	247
Refinancing of existing facilities	(452)
Net third party debt	3,161
EQUITY	
Equity as at 31 December 2016	1,115
	1,115
Gearing ratio after bond issue and new facilities net debt / (net debt + equity)	74%

Source: Klikk Finance p.l.c. audited financial statements for the year ending 31 December 2016 and management information

Gearing was calculated as net debt after Bond Issue divided by the aggregate equity and net third party debt.

MANAGEMENT AND ADMINISTRATION

9.1 The Board of Directors

The Memorandum of Association of the Issuer provides that, without prejudice to those matters which are reserved to be exercised by shareholders in a general meeting, the affairs of the Issuer shall be managed and administered by a Board of Directors to be composed of not less than three (3) and not more than seven (7) Directors, who are appointed by the shareholder, subject to the Articles of Associations of the Issuer, the Act, and to such regulations, being not inconsistent with the Articles of Association of the Issuer or the Act, as may be prescribed by the general meeting of the shareholders.

The Issuer is currently managed by a Board of four (4) Directors, who are responsible for the overall direction and management of the Company.

As at the date of the Company Admission Document, the Board of the Issuer is composed of the individuals listed in section 5.1 of this Company Admission Document. In line with generally accepted principles of sound corporate governance, at least one (1) of the Directors shall be a person independent of the Klikk Group.

None of the Directors have been:

- a) convicted in relation to fraud or fraudulent conduct in the last five (5) years;
- b) made bankrupt or associated with any liquidation or insolvency caused by action of creditors;
- c) the subject of any official public incrimination or sanction by any statutory or regulatory authority; or
- d) disqualified by a court from acting as director or manager in the last five (5) years.

The Directors believe that the Issuer's current organisational structure is adequate for its present activities. The Directors will maintain this structure under continuous review to ensure that it meets the changing demands of the business and to strengthen the checks and balances necessary for better corporate governance.

9.2 Executive Directors

The Executive Directors of the Issuer are entrusted with the Company's day-to-day management and are also directors or officers of other companies within the Klikk Group. The Executive Directors of the Issuer are Mr Gordon Zammit and Mr Joseph Tabone.

9.3 Non-Executive Directors

The Non-Executive Directors' main functions are to monitor the operations of the Executive Directors and other senior management officials of the Klikk Group, and their performance, as

well as to review any proposals tabled by the Executive Directors.

The Non-Executive Directors are Mr William Van Buren and Dr Michael Borg Costanzi.

9.4 Directors' service contracts

None of the directors have a service contract with the Issuer.

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

9.5 Conflicts of interest

Mr Gordon Zammit and Mr Joseph Tabone, in addition to sitting on the Board of Directors of the Issuer, also act as directors of Klikk Limited. In addition, Mr William Van Buren sits on the Board of Hal Mann Vella Group p.l.c. and Mr Joseph Tabone is the Chief Executive Officer of Hal Mann Vella Group p.l.c. Conflicts of interest could potentially arise in relation to transactions involving the Issuer, Klikk Limited and Hal Mann Vella Group p.l.c.

In light of the foregoing, such Directors are susceptible to conflicts between the potentially diverging interests of the Issuer and Klikk Limited, as the case may be, and any transactions entered into with Hal Mann Vella Group p.l.c., or proposed to be entered into, between them. The Audit Committee of the Issuer has the task of ensuring that any potential conflicts of interest that may arise at any moment pursuant to these different roles held by Directors are handled in the best interest of the Issuer, Klikk Limited and the Klikk Group, and according to law. The fact that the Audit Committee is constituted with a majority of independent Non-Executive Directors (vide composition of the Audit Committee further below in section 11.1), provides an effective measure to ensure that transactions vetted by the Audit Committee are determined on an arm's-length basis.

Additionally, the Audit Committee has, pursuant to the relative terms of reference, been granted express powers to be given access to the financial position of the Issuer and Klikk Limited. To this effect, the Issuer and Klikk Limited are to submit to the Audit Committee bi-annual accounts, as well as at least quarterly comparisons of actuals against projections.

To the extent known or potentially known to the Issuer, as at the date of the Company Admission Document, there are no other potential conflicts of interest between any duties of the Directors of the Issuer and their private interests and/or their other duties which require disclosure in terms of the Prospects Rules.

9.6 Loans to Directors

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

9.7 Removal of Directors

The present directors shall remain in office until they resign or are removed in accordance with Article 140 of the Act.

9.8 Powers of Directors

By virtue of the provisions of the Articles of Association of the Issuer, the Directors are empowered to transact all business which is not by the Articles expressly reserved for the shareholders in general meeting. The powers of the Directors are better described in section 14.1.6 below.

The Non-Executive Directors' main functions are to monitor the Klikk Group operations as well as ensure that the interests of the Bondholders are upheld at all times.

9.9 Aggregate emoluments of Directors

Pursuant to the Issuer's Articles of Association, the maximum annual aggregate emoluments that may be paid to the Directors are approved by the shareholders in a general meeting.

The remuneration of Directors is a fixed amount per annum and does not include any variable component relating to profit sharing, share options or pension benefits.

For the current financial year ending on the 31 December 2017 it is expected that the Issuer will pay an aggregate of €6,000 to its Directors.

9.10 Employees

The Issuer does not have any employees of its own and is, therefore, reliant on Klikk Limited and Hal Mann Vella Group p.l.c. for administrative support.

9.11 Working capital

As at the date of the Company Admission Document, the Directors of the Issuer are of the opinion that the working capital available to the Issuer is sufficient for the attainment of their objects and the carrying out of their business for the next twelve (12) months of operations.

MAJOR SHAREHOLDERS

The Issuer has an authorised and issued share capital of €100,000 divided into 100,000 ordinary shares of a nominal value of €1 each.

Name of shareholder	Number of shares held
Hal Mann Vella Group p.l.c.	12,500 ordinary shares
Veronica Ciappara	12,500 ordinary shares
Miriam Schembri	12,500 ordinary shares
Joseph Vella	12,500 ordinary shares
Mark Vella	12,500 ordinary shares
Martin Vella	12,500 ordinary shares
Paul Vella	12,500 ordinary shares
Simon Vella	12,500 ordinary shares

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

The shares held by Hal Mann Vella Group p.l.c. are ultimately owned by Veronica Ciappara, Miriam Schembri, Joseph Vella, Mark Vella, Martin Vella, Mary Vella, Paul Vella, Simon Vella and Vincent Vella.

BOARD COMMITTEES

11.1 Audit Committee

The terms of reference of the Audit Committee of the Issuer consist of *inter alia* its support to the Board of the Issuer and the board of directors of Klikk Limited in their responsibilities in dealing with issues of risk, control and governance, and associated assurance. The Board has set formal rules of engagement and the terms of reference of the Audit Committee that establish its composition, role and function, the parameters of its remit, as well as the basis for the processes that it is required to comply with. The Audit Committee, which meets at least once every three months, is a sub-committee of the Board and is directly responsible and accountable to the Board. The Board reserves the right to change the Committee's terms of reference from time to time.

The terms of reference of the Audit Committee have been formally set out in a separate charter. Briefly, the Audit Committee is expected to deal with and advise the Board on:

- a. its monitoring responsibility over the financial reporting processes, financial policies, internal control structures and audit of the annual and consolidated financial statements;
- b. monitoring the performance of the entity borrowing funds (Klikk Limited) from the Company;
- c. maintaining communications on such matters between the Board, management and the independent auditors;
- d. facilitating the independence of the external audit process and addressing issues arising from the audit process; and
- e. preserving the Company's assets by understanding the Company's risk environment and determining how to deal with those risks.

Additionally, the Audit Committee has the role and function of considering and evaluating the arm's length nature of any proposed transactions to be entered into by the Issuer and a related party, and given the role and position of the Issuer within the Klikk Group, to ensure that the execution of any such transaction is, indeed, at arm's length and on a sound commercial basis and, ultimately, in the best interests of the Issuer. In this regard, the Audit Committee of the Issuer has the task of ensuring that any potential conflict of interest which may arise in consequence of the foregoing state of affairs is immediately identified and resolved.

For this purpose, the Audit Committee has, pursuant to the relative terms of reference, been granted express powers to be given access to the financial position of the Issuer and Klikk Limited on a quarterly basis. To this effect, the Issuer and Klikk Limited are to submit to the Audit Committee bi-annual accounts, as well as at least quarterly comparisons of actuals against projections.

The Audit Committee is presently composed of Mr Joseph Tabone, Mr William Van Buren and Dr Michael Borg Costanzi, of which Mr William Van Buren and Dr Michael Borg Costanzi act as independent, non-executive members. The Audit Committee is chaired by Mr William Van Buren, whilst Mr Joseph Tabone and Dr Michael Borg Costanzi act as members. Mr Joseph Tabone will also perform the duties of secretary to the Audit Committee. As stipulated by the terms of reference of the Audit Committee, the Chairman shall have a casting vote in the case of a deadlock.

In compliance with the Prospects Rules, Mr William Van Buren is the independent, non-executive Director who is competent in accounting and/or auditing matters. The Issuer considers that the members of the Audit Committee have the necessary experience, independence and standing to hold office as members thereof. The CVs of the said Directors acting as Audit Committee members may be found in section 5.1 above.

The Audit Committee, pursuant to its terms of reference has been appointed to, and accordingly has a remit that, covers Klikk Limited, apart from the Issuer.

The Directors believe that the current set-up is sufficient to enable the Issuer to fulfil the objectives of the Prospects Rules' terms of reference in this regard.

COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

The Issuer supports the Prospectus Rules in their entirety and also the stipulations of the said rules in relation to dealing restrictions.

The Issuer also supports The Code of Principles of Good Corporate Governance annexed to the Listing Rules (the "Code") with the exceptions mentioned below, and is confident that the adoption of the Code shall result in positive effects accruing to it. The Issuer adopts measures in line with the Code with a view to ensuring that all the transactions are carried out at arm's length.

The Board of Directors sets the strategy and direction of the Issuer and retains direct responsibility for appraising and monitoring the Issuer's financial statements and annual report. The activities of the Board are exercised in a manner designed to ensure that it can effectively supervise the operations of the Issuer so as to protect the interests of Bondholders, amongst other stakeholders. The Board is also responsible for making relevant public announcements and for the Issuer's compliance with its continuing obligations in terms of the Prospectus Rules.

As required by the Act and the Prospectus Rules, the Issuer's financial statements are to be subject to annual audits carried out by the Issuer's external auditors. Moreover, the Non-Executive Directors will have direct access to the external auditors of the Issuer who attend Board meetings at which the Issuer's financial statements are approved. Moreover, in ensuring compliance with other statutory requirements and with continuing Prospectus Admission obligations, the Board is advised directly, as appropriate, by its appointed Corporate Advisor and the external auditors. Directors are entitled to seek independent professional advice at any time on any aspect of their duties and responsibilities, at the Issuer's expense.

As at the date hereof, the Board considers the Issuer to be in compliance with the Code save for the following exceptions:

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

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

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LITIGATION PROCEEDINGS

There have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period covering twelve (12) months prior to the date of the Company Admission Document which may have, or have had, in the recent past significant effects on the financial position or profitability of the Issuer or of the Klikk Group.

ADDITIONAL INFORMATION

14.1 Memorandum and Articles of Association of the Issuer

14.1.1 Incorporation

The Issuer was incorporated on 12 May 2011 as a private limited liability company in terms of the Companies Act, with company registration number C 52833. The Issuer was subsequently converted into a public limited liability company on 30 June 2017.

In terms of Clause 3 of its Memorandum of Association, the Issuer is authorised to float its capital (including equity or debt) on Prospects, issue securities, and to borrow and raise funds through the issue of bonds.

The Memorandum and Articles of Association of the Issuer otherwise regulate matters customarily dealt with therein, including matters such as voting rights and restrictions thereof, and the appointment and powers of Directors, as elaborated upon in section 14.1.6 below.

14.1.2 Share capital

The Issuer has, as at the date hereof, an authorised and issued share capital of €100,000 divided into 100,000 ordinary shares of a nominal value of €1 each.

The shares of the Company are not admitted to Prospects or on the MSE, nor has an application ever been filed for the shares of the Company to be quoted on any trading platform. There is no capital of the Company which has been issued to the public as from the date of incorporation to the date of the Company Admission Document, nor is it expected that the Company issues during the next financial year any shares to the public, whether fully or partly paid up, in consideration for cash or otherwise. There is no capital of the Company which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Company is to be put under option.

14.1.3 Objects

The Memorandum and Articles of Association of the Issuer are registered with the Registry of Companies, Malta. The principal object of the Issuer is to carry on the business of a finance company thereby to lend and advance money, give credit (on such terms as it may deem appropriate), grant or provide guarantees, hypothecs, privileges, charges, security interests or other security, exclusively to, or in favour of, companies or partnerships which form part of the same group of companies and partnerships as the Issuer (that is to the ultimate parent company, subsidiary companies, and to companies and partnerships which have more than or at least fifty per cent of their share capital owned directly or indirectly by the same parent or ultimate parent company or partnership as the Issuer). The issue of bonds falls within the objects of the Issuer.

Clause 3 of the Memorandum of Association contains the full list of objects of the Issuer. A copy of the Memorandum and Articles of Association of the Issuer may be inspected

during the lifetime of the Bond at the registered office of the Issuer as set out under the heading “Documents available for inspection” in section 17 of this Company Admission Document and at the Malta Registry of Companies during the lifetime of the Company.

14.1.4 Voting rights

In terms of the Memorandum of Association of the Issuer, ordinary shares shall grant the right of one (1) vote for every share held and are participating shares entitled to receive dividend distributions as deemed fit by the Board of Directors and shall rank *pari passu* in all respects including dividend and capital repayment rights.

14.1.5 Appointment and removal of Directors

Directors shall be appointed by means of an ordinary resolution of the shareholders of the Company in general meeting. An election of Directors shall take place every year at the Company’s annual general meeting. All Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election.

The present directors shall remain in office until they resign or are removed in accordance with Article 140 of the Act.

14.1.6 Powers of Directors

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

Directors may not vote on any contract, arrangement or investment in which they have a personal material interest, whether direct or indirect.

In terms of the Memorandum and Articles of Association, the Board of Directors may exercise all the powers of the Issuer to borrow money to an unlimited amount and to grant as security therefor a hypothecation and/or other charges upon the whole or any part of the Issuer’s property, present and future, subject to any limit which may be established in the Articles of Association and the overriding authority of the shareholders in a general meeting to change, amend, restrict and/or otherwise modify such limit and the Directors’ borrowing powers.

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

14.1.7 Directors’ interests

The Non-Executive Directors of the Company have no beneficial interests in the share capital of the Company as at the date of the Company Admission Document. There are no assets which have been leased or otherwise transferred by or to the Company in which any of the Directors have any interest, direct or indirect, nor are any such leases

or transfers being proposed. Mr Gordon Zammit and his spouse jointly control 25% of Klikk Limited, a subsidiary of the Issuer. Presently, none of the Executive Directors receive remuneration from the Issuer.

14.2 Holdings in excess of 5% of share capital

On the basis of the information available to the Company as at the date of the Company Admission Document, each shareholder included in section 10 holds 12,500 shares in the Issuer, equivalent to 12.5% of its total issued share capital. Furthermore, to the best of the Issuer's knowledge, there are no arrangements in place as at the date of the Company Admission Document the operation of which may at a subsequent date result in a change in control of the Issuer.

15

MATERIAL CONTRACTS

The Issuer or the Klikk Group have not entered into any material contracts which are not in the ordinary course of their respective business which could result in either the Issuer or any member of the Klikk Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Bondholders in respect of the Bonds being issued pursuant to, and described in, the Company Admission Document: Part Two.

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

16.1 Accountants' report

The Issuer engaged Grant Thornton, a firm of Certified Public Accountants, to issue the Accountants' Report dated 28 June 2017. The following are the details of the said expert:

Grant Thornton
Tower Business Centre,
Suite 3, Tower Street,
Swatar BKR 4013, Malta

16.2 Interest of experts and advisors

Save for the accountants' report on the consolidated profit forecast, the Company Admission Document does not contain any statement or report attributed to any person as an expert.

The accountants' report on the consolidated profit forecast dated 28 June 2017 has been included in Annex A of the Company Admission Document in the form and context in which it appears with the authorisation of Grant Thornton of Tower Business Centre, Suite 3, Tower Street, Swatar BKR 4013, Malta, which has given and has not withdrawn its consent to the inclusion of said report herein.

DOCUMENTS AVAILABLE FOR INSPECTION

For the duration of the Company Admission Document, the following documents (or copies thereof) may be inspected at the registered office of the Issuer during office hours:

- a. Memorandum and Articles of Association of the Issuer;
- b. Memorandum and Articles of Association of Klikk Limited;
- c. Audited financial statements of the Issuer for the years ended 31 December 2014, 2015 and 2016;
- d. Audited financial statements of Klikk Limited for the years ended 31 December 2014, 2015 and 2016; and
- e. The consolidated profit forecast and accountants' report for the years ending 31 December 2017, 2018, 2019, 2020 and 2021.

By not later than June 30 of each year the Issuer will upload its consolidated financial statements on its website www.klikk.com.mt.



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The background of the page is a vibrant blue color with a complex, white circuit board pattern. The pattern consists of numerous thin lines, some forming straight paths, others forming loops or branching structures, and several clusters of small circles representing components or connection points. The overall effect is that of a high-tech, digital environment.

COMPANY ADMISSION DOCUMENT PART TWO

RISK FACTORS

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

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

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THIS COMPANY ADMISSION DOCUMENT, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER'S FINANCIAL RESULTS AND TRADING PROSPECTS AND THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES ISSUED BY THE ISSUER.

THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE ISSUER, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER FACES. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER THAT COULD LEAD TO A DECLINE IN VALUE OF THE SECURITIES.

NEITHER THIS COMPANY ADMISSION DOCUMENT NOR ANY OTHER INFORMATION SUPPLIED HEREIN IN CONNECTION WITH THE BONDS ISSUED BY THE ISSUER (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, NOR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE CORPORATE ADVISOR OR THE PLACEMENT AGENT, MANAGER AND REGISTRAR OR AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THE COMPANY ADMISSION DOCUMENT, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY BONDS ISSUED BY THE ISSUER.

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

18.1 Forward-looking statements

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

18.2 General

- a. **Authorised Financial Intermediaries are to determine the suitability of prospective investors' investment in the Bonds in the light of said prospective investors' own circumstances. The Bonds may not be a suitable investment for all investors and prospective investors are urged to consult an independent investment advisor licensed under the Investment Services Act (Cap. 370 of the Laws of Malta) as to the suitability or otherwise of an investment in the Bonds before making an investment decision. In particular, such advice should be sought with a view to ascertaining that each prospective investor has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in the Company Admission Document or any applicable supplement;**
- b. **has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency;**
- c. **understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets; and**
- d. **is able to evaluate possible scenarios for economic, interest rate and other factors that may affect his/her/its investment and his/her/its ability to bear the applicable risks.**

18.3 Risks relating to the Bonds

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

- i. **Prior to the Bond Issue, there has been no public market nor trading record of the Bonds within or outside Malta. Due to the absence of any prior market for the Bonds, there can be no assurance that the Bond Issue Price will correspond to the price at which the Bonds will trade in the market subsequent to the Bond Issue.**
- ii. **Only upon successful admission, may the Bonds be traded on a multilateral trading facility but they will NOT be traded on any regulated market. Hence the market for the Bonds may be less liquid than a regulated market and a Bondholder may find it more difficult to identify willing buyers for their Bonds. The existence of an orderly and liquid market, depends on, amongst others, factors beyond the Issuer's control such as the willingness or otherwise of potential buyers and sellers of the Bonds. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market in which the Bonds are traded, over which the Issuer has no control. Many other factors over which the Issuer has no control may affect the trading market for, and trading value of, the Bonds, including the time remaining to the maturity of the Bonds, the outstanding amount of the Bonds and the level, direction and volatility of market interest rates, generally. 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.**
- iii. **Investment in the Bonds involves the risk that subsequent changes in market interest**

rates may adversely affect the value of the Bonds.

- iv. An investor in the Bonds will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the investor's currency of reference, if different.
- v. 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.
- vi. The Issuer is entitled to issue Bonds bearing a fixed rate of interest. Investment in such fixed rate Bonds involves the risk that subsequent changes in market interest rates may adversely affect the market value of the said Bonds. Investors should also be aware that the price of the fixed rate Bonds moves adversely to changes in interest rates. When prevailing market interest rates are rising, the price of fixed rate Bonds decline. Conversely, if market interest rates are declining, the price of fixed rate Bonds rises. This is called market risk since it arises only if a Bondholder decides to sell the Bonds before maturity on the secondary market.
- vii. 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/or cancelled.
- viii. Application has been made to the MSE for the Bonds to be admitted and traded on Prospects once the Bonds are authorised as admissible by the MSE. Prospects is a multilateral trading facility which is operated by the MSE and provides a venue for SMEs to float their securities. Consequently, this market is designed primarily for companies to which a higher risk than that associated with established companies tends to be attached. A prospective investor should be aware of the potential risks in investing in such companies and should make the decision to invest only after careful consideration and consultation with his or her own independent financial advisor.
- ix. Even after the Bonds are admitted to trading on Prospects, the Issuer is required to remain in compliance with certain requirements relating, *inter alia*, to the free transferability, clearance and settlement of the Bonds in order to remain eligible to trade on Prospects in terms of the Prospects Rules issued by the Exchange as amended from time to time. Moreover, the MSE has the authority to suspend trading of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The MSE may discontinue the trading of the Bonds on Prospects. Any such trading suspension or discontinuance described above could have a material adverse effect on the liquidity and value of the Bonds.
- x. The Issuer has not sought, nor does it intend to seek, the credit rating of an independent rating agency and there has been no assessment by any independent rating agency of the Bonds.
- xi. In the event that the Issuer wishes to amend any of the Terms and Conditions of issue of the Bonds it shall call a meeting of Bondholders in accordance with the provisions of section 22.16. These provisions permit defined majorities to bind all Bondholders, including Bondholders who do not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority.
- xii. The Bonds and the Terms and Conditions of the Bond Issue are based on the requirements of the Prospects Rules and Maltese Law, including the Companies Act, in effect as at the

date of the Company Admission Document. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of the Company Admission Document.

- xiii. The funds or assets constituting the sinking fund (as described in section 22.24 of this Company Admission Document) shall be held by the Issuer and administered by the Board of Directors in line with the treasury management policy. In accordance with section 302 of the Act, in the event of winding up of the Issuer with insufficient assets to meet its liabilities, the right of secured and unsecured creditors (which include the Bondholders) and the priority and ranking of their debts shall be regulated by the law for the time being in force. Accordingly, in view of the unsecured rights of Bondholders under the Bonds, any secured creditors of the Issuer shall have recourse to the funds or assets constituting the sinking fund to satisfy their secured claims with priority over Bondholders.

18.4 Risks relating to the ranking

The Bonds shall constitute the general, direct, unconditional and unsecured obligations of the Issuer. The Bonds shall at all times rank *pari passu*, without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, shall rank without priority and preference to all other present and future unsecured obligations of the Issuer. The Bonds will, however, rank subordinate to the present and future secured creditors of the Issuer, if any.

Furthermore, subject to the negative pledge (section 22.5 of this Company Admission Document), 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.

PERSONS RESPONSIBLE

This Document includes information given in compliance with the Prospects Rules for the purpose of providing prospective investors with information with regard to the Issuer and the Bonds. The Directors, whose names appear in section 5.1 of the Company Admission Document: Part One, accept responsibility for the information contained in this Company Admission Document.

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 Company Admission Document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

CONSENT FOR USE OF THE COMPANY ADMISSION DOCUMENT

Consent required in connection with the Intermediaries' Offer in terms of section 22.2 of this Company Admission Document:

As explained in section 22.2 of this Company Admission Document, the Bonds shall be made available for subscription by Authorised Financial Intermediaries through an Intermediaries' Offer.

For the purposes of any subscription for Bonds by Authorised Financial Intermediaries pursuant to such an Intermediaries' Offer and any subsequent resale, placement or other offering of Bonds by Authorised Financial Intermediaries participating in the Intermediaries' Offer, the Issuer consents to the use of this Company Admission Document: Part Two (and accepts responsibility for the information contained therein) with respect to any such subsequent resale, placement or other offering of Bonds, provided this is limited only:

- i. in respect of Bonds subscribed for in terms of the Intermediaries' Offer by Authorised Financial Intermediaries participating in the Intermediaries' Offer;
- ii. to any resale, placement or other offering of Bonds subscribed for as aforesaid, taking place in Malta; and
- iii. to any resale or placement of Bonds taking place within the period of 60 days from the date of the Company Admission Document.

There are no other conditions attached to the consent given by the Issuer hereby which are relevant for the use of the Company Admission Document.

All information on the Terms and Conditions of the Bonds which is offered to any prospective investor by Authorised Financial Intermediaries is to be provided by such Authorised Financial Intermediaries to the prospective investor prior to such investor subscribing to any Bonds. Any interested investor has the right to request that Authorised Financial Intermediaries provide the investor with all and any information on the Company Admission Document, including the Terms and Conditions of the Bonds.

Neither the Issuer nor the Placement Agent, Manager and Registrar 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, except for the Placement Agent, Manager and Registrar when acting in its capacity as an Authorised Financial Intermediary.

Other than as set out herein, neither the Issuer nor the Placement Agent, Manager and Registrar has authorised (nor do they authorise or consent to the use of this Company Admission Document 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 Placement Agent, Manager and Registrar and neither the Issuer nor the Placement Agent, Manager and Registrar has any responsibility or liability for the actions of any person making such offers.

Prospective investors should enquire whether an intermediary is considered to be an Authorised Financial Intermediary in terms of the Company Admission Document. If the investor is in doubt as to whether it

can rely on the Company Admission Document and/or who is responsible for its contents, the investor should obtain legal advice in that regard.

No person has been authorised to give any information or to make any representation not contained in or inconsistent with this Company Admission Document. If given or made, it must not be relied upon as having been authorised by the Issuer or Placement Agent, Manager and Registrar. The Issuer does not accept responsibility for any information not contained in this Company Admission Document.

In the event of a resale, placement or other offering of Bonds by an Authorised Financial Intermediary subsequent to the Intermediaries' Offer, said Authorised Financial Intermediary shall be responsible to provide information to prospective investors on the terms and conditions of the resale, placement or other offering at the time such resale, placement, or other offering 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 Company Admission Document, 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 Placement Agent, Manager and Registrar has any responsibility or liability for such information.

Any Authorised Financial Intermediary using this Company Admission Document 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 Company Admission Document, publish on its website a notice to the effect that it is using this Company Admission Document 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 Company Admission Document will be made available through a company announcement made out by the Issuer and published on the Prospects Website and also made available on the Issuer's website: www.klikk.com.mt.

KEY INFORMATION

21.1 Reasons for the Issue and Use of Proceeds

The proceeds from the Bond Issue, which net of Issue expenses are expected to amount to approximately €1.93 million, will be advanced by the Issuer under title of loan to its subsidiary Klikk Limited for use in the amounts and order of priority as follows:

- i. a maximum amount of circa €150,000 to develop its e-commerce capability;
- ii. a maximum amount of circa €250,000 to reduce the bank facility owed to FimBank p.l.c. as detailed in section 22.4; and
- iii. the remaining balance of approximately €1,525,000, for general corporate funding purposes.

In the event that the Issuer does not receive subscriptions for the full €2 million in Bonds, the Issuer will proceed with the admission of the amount of Bonds subscribed for. Any residual amounts required by the Issuer for the purposes of the uses specified in this section which shall not have been raised through the Bond Issue shall be financed from the Klikk Group's general cash flow and/or bank financing.

21.2 Estimated expenses and proceeds of the Issue

Professional fees and costs related to publicity, advertising, printing, admission, registration, management, registrar fees, selling commission and other miscellaneous costs incurred in connection with this Bond Issue, are estimated not to exceed €75,000 and shall be borne by the Issuer. No expenses will be specifically charged to any Bondholder who subscribes for the Bonds. The amount of the expenses will be deducted from the proceeds of the Issue, which, accordingly, will bring the estimated net proceeds from the Bond Issue to €1,925,000. There is no particular order of priority with respect to such expenses.

21.3 Issue Statistics

Issuer	Klikk Finance p.l.c., a public limited liability company registered in Malta with registration number C 52833;
Amount	€2,000,000;
Application Forms made available	4 July 2017;
Bond Issue Price	At par (€100 per Bond);
Closing date for Applications to be received	21 July at 1200 hours (CET);
Denomination	euro (€);

Events of Default	The events listed in section 22.13 of this Company Admission Document: Part Two;
Form	The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by an appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD;
Governing Law	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 and/or the Company Admission Document;
Interest	5.25% per annum;
Interest payment dates	Annually on 31 July as from 31 July 2018 (the first interest payment date);
ISIN	MT0001541201;
Issue	Bonds denominated in euro having a nominal value of €100 each, which will be issued at par and shall bear interest at the rate of 5.25% per annum;
Issue Period	the period between 08:30 hours (CET) on 4 July 2017 and 12:00 hours (CET) on 21 July 2017 (or such earlier date as may be determined by the Issuer) during which the Bonds are available for subscription;
Intermediaries' Offer	The Bonds shall form part of an Intermediaries' Offer as set out in Section 22.2 of this Company Admission Document: Part Two. The Issue Period shall close immediately upon attaining full subscription or on the last day of the Issue Period, whichever is the earliest;
Admission	Application has been made to the MSE for the Bond Issue to be considered admitted and traded on Prospects;
Minimum Amount per subscription	Minimum of €2,000 and multiples of €100 thereafter;
Plan of Distribution	The Bonds are open for subscription by Authorised Financial Intermediaries pursuant to the Intermediaries' Offer;
Redemption Date	31 July 2027;
Status of the Bonds	The Bonds shall constitute the general, direct, unconditional and unsecured obligation 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, present and future;
Subscription	Multiples of one hundred euro (€100);
Underwriting	The Bonds are not underwritten;
Notices	Notices will be mailed to the Bondholders at their registered address 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/her registered address and posted.

21.4 Interest of Natural and Legal Persons involved in the Issue

Save for the possible subscription for Bonds by Authorised Financial Intermediaries (which includes Financial Planning Services Limited), and any fees payable in connection with the Bond Issue to Financial Planning Services Limited as Placement Agent, Manager and Registrar, so far as the Issuer is aware no person involved in the Issue, other than the Issuer, has an interest material to the Bond Issue.

21.5 Expected timetable of principal events

1.	Application Forms made available	4 July 2017
2.	Issue Period	4 July to 21 July 2017
3.	Commencement of interest on the Bonds	1 August 2017
4.	Issuance of the Bonds	4 July 2017
5.	Expected date of Admission of the Bonds to Prospects	1 August 2017
6.	Expected date of commencement of trading in the Bonds	2 August 2017

The Issuer reserves the right to close the Intermediaries' Offer of the Bonds before 21 July 2017 at 12:00 hours CET in the event that the Bonds are fully subscribed prior to said date and time. In such eventuality the events set out in steps 3 to 6 above shall be brought forward, although the number of working days between the respective events shall not be altered.

INFORMATION CONCERNING THE BONDS

Each Bond shall be issued on the Terms and Conditions set out in this Company Admission Document: Part Two and, by subscribing to or otherwise acquiring the Bonds, the Bondholders are deemed to have knowledge of all the Terms and Conditions of the Bonds hereafter described and to accept and be bound by the said Terms and Conditions.

22.1 General

- 22.1.1 Each Bond forms part of a duly authorised issue of 5.25% unsecured bonds 2027 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €2,000,000 (except as otherwise provided under section 22.15 “Further Issues” below). The issue date of the Bonds is 4 July 2017.
- 22.1.2 The currency of the Bonds is euro (€).
- 22.1.3 The Bonds shall bear interest at the rate of 5.25% per annum payable annually in arrears on 31 July of each year, the first interest falling on 31 July 2018. 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.
- 22.1.4 Subject to admission of the Bonds to the Prospects List of the MSE, the Bonds are expected to be assigned ISIN: MT0001541201.
- 22.1.5 The issue of the Bonds is made in accordance with the requirements of the Prospects Rules.
- 22.1.6 The Bonds are expected to be admitted on the Prospects List on 1 August 2017 and dealing is expected to commence on 2 August 2017. Dealing may commence prior to notification of the amount allotted being issued to Applicants.
- 22.1.7 The Issuer reserves the right that should any Bonds be sold on the secondary market, such Bonds may be purchased by the Issuer, at the price they would be trading at the time, prior to the Bonds’ Redemption Date.
- 22.1.8 All outstanding Bonds, not previously purchased and cancelled, shall be redeemed by the Issuer at par (together with interest accrued to the date fixed for redemption) on the Redemption Date.
- 22.1.9 Should any Application not be accepted, or be accepted for fewer Bonds than those applied for, the monies or the balance of the amount paid but not allocated will be returned by the Placement Agent, Manager and Registrar without interest by direct credit into the Applicant’s bank account as indicated by the Applicant in the Application Form within five (5) Business Days from the date of final allocation. Neither the Issuer nor the Placement Agent, Manager and Registrar will be responsible for any charges, loss or delays in transmission of the refunds. In this regard, save as otherwise may be established by the

applicable law, 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.

22.1.10 There are no special rights attached to the Bonds other than the right of the Bondholders to payment of capital and interest (as detailed below) and in accordance with the ranking specified in section 22.4 of this Company Admission Document: Part Two.

22.1.11 The minimum subscription amount of Bonds that can be subscribed for by Applicants is €2,000, and in multiples of €100 thereafter.

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

22.2 Intermediaries' Offer

The total amount of €2,000,000 of Bonds is being reserved for subscription by Authorised Financial Intermediaries as set out in Annex C participating in the Intermediaries' Offer.

In this regard, the Issuer has entered into conditional subscription agreements with Authorised Financial Intermediaries for the subscription of the Bonds, whereby it will bind itself to allocate Bonds thereto up to the total amount of €2,000,000 as aforesaid during the Intermediaries' Offer.

In terms of the subscription agreement entered into with the Authorised Financial Intermediary, the Issuer will be conditionally bound to issue, and the Authorised Financial Intermediary will conditionally bind itself to subscribe for, a number of Bonds as indicated therein subject to the Bonds being admitted to trading on the Prospects List. The subscription agreement will become binding on each of the Issuer and the Authorised Financial Intermediary upon delivery, provided that the intermediary 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.

22.3 Plan of Distribution and Allotment

The Issuer has appointed Financial Planning Services Limited as Placement Agent, Manager and Registrar for the purposes of this Bond Issue. Applications for subscriptions to the Bonds shall be made through the Placement Agent, Manager and Registrar or any of the Authorised Financial Intermediaries during the Issue Period on a first-come-first-served basis. The Issue Period shall close immediately upon attaining full subscription or on the last day of the Issue Period, whichever is the earliest. Subscription to the Bonds must be accompanied by full price of the Bonds applied for in euro and in cleared funds at the Issue Price. If the Application Form(s) and proof of payment of cleared funds do not reach the Placement Agent, Manager and Registrar or the Authorised Financial Intermediaries, as applicable, by the close of the Issue Period, the Application will be deemed to have been declined.

The Bonds are open for subscription by Authorised Financial Intermediaries through an Intermediaries' Offer.

It is expected that notification of allotment will be announced to Bondholders within five (5) Business Days of the closing of the Issue Period.

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

22.4 Status and Ranking of the Bonds

The Bonds shall 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 outstanding and unsecured debt of the Issuer, present and future. Furthermore, subject to the negative pledge clause set out in section 22.5 of this Company Admission Document, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer, as the case may be, for so long as such security interests remain in effect.

The following table sets out a summary of the Klikk Group indebtedness as at 31 May 2017, and includes details of security given in respect of guarantees, overdraft facilities, bank loans and other borrowings from related companies. The bank borrowings and facilities listed below are secured by privileges and hypothecs, and therefore, to the extent that such borrowings and/or facilities remain outstanding, the indebtedness being created by the Bonds would, rank after all these borrowings and/or facilities. In addition, the Bonds would also rank after any future debts which may be secured by a cause of preference such as a privilege and/or a hypothec, in so far as the asset constituting the relevant security is concerned.

Parties	Description of obligation	Original amount €	Amount outstanding as at 31 May 2017	Balance outstanding following Bond issue and drawdown of BOV loan facility	Security
Overdraft and loan facility between Klikk Limited (as borrower) and Banif Bank (Malta) p.l.c. (as lender) granted in terms of facility agreement dated 22 August 2016	General banking facility for working capital requirements and increase business related to software; Rescheduling of four existing loans into one loan	553,300	441,298	261,056	<ul style="list-style-type: none"> i. first general hypothec guarantee over the assets of Klikk Limited for €1,074,000; ii. first pledge on term deposit account held with Banif Bank (Malta) p.l.c. for €25,000 for Klikk Limited; iii. pledge over business assets; iv. Several personal guarantees over the present and future assets held by Mr Gordon Zammit and Mrs Michelle Zammit;
Promissory note agreement between Klikk Limited (as borrower) and FIMBank p.l.c. (as lender) granted in terms of facility agreement dated 22 February 2017	Credit facility	250,000	246,588	Nil	<ul style="list-style-type: none"> i. first ranking special hypothec on the property owned by Hal Mann Properties Limited situated at Plot 2A, Madliena Ridge, Madliena. The deed is in the process of being executed;
Loan facility between the Issuer (as borrower) and Bank of Valletta p.l.c. (as lender) granted in terms of facility agreement dated 4 April 2017	Repayment of Banif loan with Banif Bank (Malta) p.l.c. and financing of bills of exchange to Klikk Limited's customers	1,000,000	Nil – facility yet not drawn as at 31 May 2017	Nil	<p>The following security will be perfected following the drawdown of the loan:</p> <ul style="list-style-type: none"> i. first general hypothec over the assets of Klikk Finance p.l.c. for €1 million; ii. second general hypothec guarantee over the assets of Mavina Holiday Complex Ltd for €1 million; iii. first special hypothec guarantee given by Mavina Holiday Complex Ltd for €1 million on Huli Hotel, Apartments & Bistro, Triq in-Nakri Qawra; iv. pledge on property insurance policy securing Huli Hotel, Apartments & Bistro, Triq in-Nakri Qawra; v. guarantee of €1 million by Hal Mann Vella Group p.l.c.
Overdraft facility between the Klikk Limited (as borrower) and Bank of Valletta p.l.c. (as lender) granted in terms of facility agreement dated 4 April 2017	General banking facility for working capital requirements	200,000	148,317	Nil	<p>The following security will be perfected following drawdown of the loan facility:</p> <ul style="list-style-type: none"> i. personal guarantee of €30,000 by Mrs Michelle Zammit and Mr Gordon Zammit; ii. first general hypothec over the assets of Klikk Limited for €200,000; iii. second general hypothec guarantee over the assets of Mavina Holiday Complex Ltd for €200,000; iv. first special hypothec guarantee given by Mavina Holiday Complex Ltd for €200,000 on Huli Hotel, Apartments & Bistro, Triq in-Nakri Qawra; v. pledge on property insurance policy securing Huli Hotel, Apartments & Bistro, Triq in-Nakri Qawra; vi. guarantee of €200,000 by Hal Mann Vella Group p.l.c.
Related party loans between Klikk Finance p.l.c. and Hal Mann Vella Limited	Working capital requirements	34,639	34,639	34,639	Unsecured

22.5 Negative Pledge

The Issuer undertakes, for as long as any principal or interest under the Bonds or any of the Bonds remains outstanding, not to create or permit to subsist any Security Interest (as defined below), other than a Permitted Security Interest (as defined below), upon the whole or any part of their present or future assets or revenues to secure any Financial Indebtedness (as defined below) of the Issuer, unless at the same time or prior thereto the Issuer's indebtedness under the Bonds 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; and (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; and (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 net of any monies set aside for sinking fund purposes.

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 105.25% of the aggregate principal amount of the Bonds still outstanding;

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

22.6 Rights attaching to the Bonds

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

- i. the payment of interest;
- ii. the payment of capital;
- iii. ranking with respect to other indebtedness of the Issuer in accordance with the provisions of section 22.4 hereof;
- iv. attend, participate in and vote at meetings of Bondholders in accordance with the terms and conditions of the Bond Issue; and
- v. enjoy all such other rights attached to the Bonds emanating from the Company Admission Document.

22.7 Interest

22.7.1 The Bonds shall bear interest from and including 1 August 2017 at the rate of 5.25%

per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 31 July 2018 (covering the period 1 August 2017 to 31 July 2018). 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. Each Bond will cease to bear interest from and including its due date for redemption, unless payment of the principal in respect of the Bond is improperly withheld or refused or unless default is otherwise made in respect of payment, in any of which events interest shall continue to accrue at the rate specified above plus one per cent (1%), but in any event not in excess of the maximum rate of interest allowed by Maltese Law. In terms of article 2156 of the Civil Code (Cap. 16 of the Laws of Malta), the right of Bondholders to bring claims for payment of interest and repayment of the principal on the Bonds is barred by the lapse of five (5) years.

- 22.7.2 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.

22.8 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 5.25%.

22.9 Registration, Form, Denomination and Title

- 22.9.1 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 body corporates) 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.
- 22.9.2 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.
- 22.9.3 Upon submission of an Application Form, Bondholders who do not have an online e-portfolio account with the CSD will be registered by the CSD for the online e-portfolio facility and will receive by mail at their registered address a handle code to activate the new e-portfolio login. The Bondholder's statement of holdings evidencing entitlement to secured bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Those Bondholders who opt not to avail themselves of this facility should indicate such on the Application Form. Further detail on the e-portfolio is found on <https://eportfolio.borzamalta.com.mt/Help>.
- 22.9.4 The Bonds will be issued in fully registered form, in denominations of any integral multiple

of €100 per Bond, provided that on subscription the Bonds will be issued for a minimum of €2,000 per individual Bondholder. Authorised Financial Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client.

- 22.9.5 Any person in whose name a Bond is registered, in accordance with section 22.9.1 above, 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” as per the stipulations of the Company Admission Document.

22.10 Pricing

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

22.11 Payments

22.11.1 Payment of the principal amount of the Bonds will be made in euro by the Issuer to the person in whose name such Bonds are registered, in accordance with section 22.9.1 above, 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. The Issuer shall not be responsible for any charges, loss or delay in transmission. If no such euro-denominated bank account number is provided, or in the event that the bank account details on the Application Form are incorrect or inaccurate, Bondholders will receive payment by means of a cheque mailed to their address (or, in the case of joint Applications, the address of the first named Applicant) indicated in the Application Form. Upon payment of the Redemption Value, the Bonds shall be considered as effectively and legally redeemed and the appropriate entry shall be made in the electronic register of the Bonds at the CSD.

22.11.2 In the case of Bonds held subject to usufruct, payment of interests will be made against the instructions of the usufructuary/ies while redemption proceeds will be paid on the joint instructions of the usufructuary/ies and the bare owner/s. 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.

22.11.3 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. The Issuer shall not be responsible for any charges, loss or delay in transmission. If no such euro-denominated bank account number is provided, or in the event that bank account details on the Application Form are incorrect or inaccurate, Bondholders will receive payment by means of a cheque mailed to their address (or, in the case of joint Applications, the address of the first named Applicant) indicated in the Application Form.

22.11.4 All payments with respect to the Bonds are subject in all cases to any pledge (duly constituted) and 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.

22.1.1.5 No commissions or expenses shall be charged by the Issuer to the Bondholders in respect of payments made in accordance with this section 22.11. The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer.

22.12 Redemption and Purchase

22.12.1 Unless previously purchased and cancelled, the Issuer hereby irrevocably covenants in favour of each Bondholder that the Bonds will be redeemed at their nominal value (together with accrued interest, if any) on 31 July 2027. In such a case the Issuer shall be discharged of any and all payment obligations under the Bonds upon payment made net of any withholding or other taxes due or which may be due under Maltese Law and which is payable by the Bondholders.

22.12.2 Subject to the provisions of this section 22.12, 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.

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

22.13 Events of Default

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

- i. the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for thirty (30) days after written notice thereof shall have been given to the Issuer, by any Bondholder; or
- ii. the Issuer shall fail duly to perform or shall otherwise be in breach of any other material obligation contained in the Terms and Conditions of the Bonds and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- iii. an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer; or
- iv. the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; or
- v. the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or
- vi. there shall have been entered against the Issuer a final judgement by a court of competent jurisdiction from which no appeal may be or is made for the payment of money in excess of one million euro (€1,000,000) or its equivalent and ninety (90) days shall have passed since the date of entry of such judgement without its having been satisfied or stayed; or

- vii. any default occurs and continues for ninety (90) days under any contract or document relating to any Financial Indebtedness (as defined in section 22.5 above) of the Issuer in excess of one million euro (€1,000,000) or its equivalent at any time.

22.14 Transferability of the Bonds

22.14.1 The Bonds are freely transferable and, once admitted to the Prospects List, shall be transferable only in whole (in multiples of €100) in accordance with the rules and regulations of Prospects and the MSE applicable from time to time. If Bonds are transferred in part, the such an attempted partial transfer will not be cleared and the transferee thereof will not be registered as a Bondholder or claim from the Issuer any purported benefit therefrom.

22.14.2 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. Provided always that if a Bond is transmitted in furtherance of this paragraph, a person will not be registered as a Bondholder unless such transmission is made in multiples of €100.

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

22.14.4 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 person to whom the transfer/transmission has been made.

22.14.5 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 or the due date for redemption.

22.15 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.

22.16 Meetings of Bondholders

22.16.1 The Issuer may, from time to time, call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of any of the following: (i) considering and approving any matter affecting their interest, including the amendment, modification, waiver, abrogation or substitution of any of the Terms and Conditions of the Bonds and the

rights of the Bondholders, whether or not those rights arise under the Company Admission Document; (ii) considering and approving the exchange or substitution of the Bonds by, or the conversion of the Bonds into, shares, debentures or other obligations or securities of the Issuer; and (iii) obtaining the consent of Bondholders on other matters which in terms of the Company Admission Document require the approval of a Bondholders' meeting in accordance with the below.

22.16.2A meeting of Bondholders shall be called by the Directors by giving all Bondholders listed on the register of Bondholders as at a date being not more than thirty (30) days preceding the date scheduled for the meeting, not less than fourteen (14) days' notice in writing. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the Company Admission Document that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders. Following a meeting of Bondholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Bondholders whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Bondholders in accordance with the provisions of this section at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.

22.16.3 The amendment or waiver of any of the Terms and Conditions of Issue of the Bonds may only be made with the approval of Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.

22.16.4 A meeting of Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose at least two (2) Bondholders present, in person or by proxy, representing not less than 50% in nominal value of the Bonds then outstanding, shall constitute a quorum. If a quorum is not present within thirty (30) minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to Bondholders present at that meeting. The Issuer shall within two (2) days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven (7) days, and not later than fifteen (15) days, following the original meeting. At an adjourned meeting the number of Bondholders present at the commencement of the meeting, in person or by proxy, shall constitute a quorum; and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.

22.16.5 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.

22.16.6 Once a quorum is declared present by the chairman of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event that decisions are required to be taken at the meeting, the Directors or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of 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.

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

22.16.8 The proposal placed before a meeting of Bondholders shall only be considered approved if at least sixty per cent (60%) 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.

22.16.9 Save for the above, the rules generally applicable to proceedings at general meetings of shareholders of the Issuer shall *mutatis mutandis* apply to meetings of Bondholders.

22.17 Authorisations and Approvals

The Directors authorised the Bond Issue and the publication of the Company Admission Document pursuant to a Board of Directors' resolution passed on 5 June 2017.

22.18 Admission to Trading

22.18.1 The Malta Stock Exchange has authorised the Bonds as admissible to Admission pursuant to the Prospects Rules by virtue of a letter dated 3 July 2017.

22.18.2 Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Company Admission Document to be admitted and traded on its Prospects List.

22.18.3 The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 1 August 2017 and trading is expected to commence on 2 August 2017. Dealing may commence prior to notification of the amount allocated being issued to Applicants.

22.19 Representations and Warranties of the Issuer

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

- i. it is duly incorporated and validly existing under the Laws of Malta and has the power to carry on its business as it is now being conducted and to hold its property and other assets under legal title;
- ii. it has the power to execute, deliver and perform its obligations under the Company Admission Document and that all necessary corporate, shareholder and other actions have been duly taken to authorise the execution, delivery and performance of the same, and further that no limitation on its power to borrow or guarantee shall be exceeded as a result of the Terms and Conditions or the Company Admission Document; and
- iii. no litigation, arbitration or administrative proceedings are taking place, pending or, to the knowledge of its officers, threatened against it which could have a material adverse effect on its business, assets or financial conditions.

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

22.20 Bonds held jointly

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

22.21 Bonds held subject to usufruct

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-a-vis the Issuer to be the holder of the Bond/s so held and shall have the right to receive interest on the Bond/s and to vote at meetings of the Bondholders but shall not, during the continuance of the Bond/s, have the right to 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 subject to the rights of usufruct.

22.22 Governing law and jurisdiction

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

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

22.23 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/her/its registered address and posted.

22.24 Sinking fund

The Issuer hereby undertakes that as from the financial year ending 31 December 2022 it shall, over a period of six (6) years, build a sinking fund the value of which will by the Redemption Date be equivalent to 100% of the value of the issued Bonds. The Issuer shall make periodic payments for the purpose of building up this sinking fund. Below is a table with the minimum amounts to be paid by the Issuer for this purpose.

SINKING FUND CONTRIBUTION						
€000	2022 Projected	2023 Projected	2024 Projected	2025 Projected	2026 Projected	2027 Projected
Annual contribution	200	200	200	300	500	600
Cumulative balance	200	400	600	900	1,400	2,000

The sinking fund shall be managed by the Issuer and administered by its Board of Directors in line with the treasury management policy.

The functions of the Board of Directors in relation administering to the sinking fund shall include the following activities:

- i. ensure that the assets of the sinking fund shall be segregated from the other assets of the Issuer;
- ii. monitor the Issuer's obligation to effect yearly payments to the sinking fund;
- iii. seek to ensure that by Redemption Date, the sinking fund would have accumulated 100% of the nominal amount of the Bonds still outstanding; In the event of a shortfall, the Board of Directors are to ensure that such discrepancy, caused by the Issuer, would be due to justifiable reasons;
- iv. in the event where the Issuer pledges assets to the sinking fund, the Board of Directors shall ensure that the Issuer has applied the assets in accordance with the treasury management policy. Once the treasury management policy is in place it will be made available to the public and an appropriate announcement will be made by the Issuer;
- v. monitor that the portfolio of assets within the sinking fund is being managed appropriately;
- vi. authorise the release of sinking fund assets in the event that the Issuer requires the use of such assets due to temporary liquidity problems as detailed below; and
- vii. draw up an annual report, addressed to the Bondholders, as to the extent of compliance by the Issuer with the provisions of this section 22.24, a copy of which shall be published through a company announcement and shall be included in the annual financial statements of the Issuer.

The Issuer may not create or permit to subsist security over the sinking fund assets, other than the creation of a general hypothec, pledge or privilege with a credit institution in the event that the Issuer is facing temporary liquidity problems. Prior to the utilisation of the sinking fund assets for such temporary use, approval by the Board of Directors of the Issuer must be required.

The Issuer shall on a half-yearly basis, in its interim and annual financial statements, explain the Issuer's compliance with the sinking fund requirements as detailed in this section 22.24 and if necessary explain the reasons for non-compliance, if any. The Bondholders will be informed on the publication of the said financial statements through the issuance of a company announcement by the Issuer. The financial information will be available for inspection at the registered office of the Issuer and in electronic form on the Issuer's website www.klikk.com.mt.

TAXATION

23.1 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 the Bonds and to Bondholders in so far as taxation in Malta is concerned at the time of issue of this Company Admission Document. 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 issue of the Company Admission Document, in respect of a subject on which no official guidelines exist. Prospective 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 prospective 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.

23.2 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 10% of the gross amount of the interest where the Bondholder is a collective investment scheme that is a prescribed fund, in terms of Maltese legislation, or at the rate of 15% of the said gross amount in other cases.

Bondholders who do not fall within the definition of a “recipient” do not qualify for the said rate and should seek advice on the taxation of such income as special rules may apply.

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

In the case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the Bond interest so received in his income tax return and be subject to tax on it at the standard rates applicable to that person at that time. Additionally, in this latter case the Issuer will advise the Malta Commissioner for Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients 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 (Cap. 123 of the Laws of Malta).

In terms of article 12(1)(c) of the Income Tax Act (Cap. 123 of the Laws of Malta), Bondholders who are not resident in Malta and satisfying the applicable conditions set out in the Income Tax Act (Cap. 123 of the Laws of Malta) 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.

23.3 Exchange of Information

Persons that are not resident in Malta should note that payment of interest to individuals and certain entities residing in any other EU Member State or in other States that have concluded an appropriate agreement with Malta may be reported to the Malta Commissioner for Revenue. The Commissioner for Revenue may, in turn, automatically or on request, exchange the information with the competent authorities of the state where the recipient of the interest is resident.

23.4 Foreign Account Tax Compliance Act

The United States (US) enacted the Foreign Account Tax Compliance Act, 2010 (FATCA) that generally imposes a reporting regime and withholding requirements with respect to certain US source payments (including dividends and interest), gross proceeds from the disposition of property that can produce US source interest and dividends and certain payments made by, and financial accounts held with, entities that are classified as financial institutions under FATCA. The US entered into an intergovernmental agreement with Malta on 6 December 2013 regarding the implementation of FATCA. Payments effected by the Issuer on or with respect to the Bonds are not expected to be subject to withholding under FATCA except to the extent that any Bondholder fails to comply with its obligations under FATCA. However, FATCA may affect payments made to custodians or intermediaries, if any, in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It may also affect payments to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Bondholders should choose any custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Bonds are discharged once it has effected payment as stipulated in this Company Admission Document and therefore the Issuer has no responsibility for any amount thereafter transmitted through the payment chain. FATCA require participating financial institutions, as defined, to satisfy applicable due diligence and reporting requirements in terms of the intergovernmental agreement entered into by Malta together with the relevant regulations and guidelines issued by the Commissioner for Revenue. Consequently, certain confidential information in relation to the Bondholders and/or other relevant persons may be reported to the Commissioner for Revenue and automatically exchanged pursuant to these requirements. FATCA is rather complex and each Bondholder should consult his own tax advisor to obtain a more detailed explanation of FATCA and to determine how it might affect such holder in his specific circumstance.

23.5 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 (Cap. 123 of the Laws of Malta), that is, “shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return”, and that such Bonds are held as a capital asset and not for trading purposes, no Maltese income tax on capital gains should be chargeable in respect of any capital gain arising on the transfer of the Bonds.

23.6 Duty on Documents and Transfers

Gains that arise on the transfer of the Bonds, when such Bonds are not held as a capital asset by the Bondholder, may be taxable in the hands of the Bondholder in accordance with the applicable provisions of the Income Tax Act (Cap. 123 of the Laws of Malta) and Duty on Documents and Transfers Act (Cap. 364 of the Laws of Malta).

No Maltese duty on documents and transfers should be chargeable on the issue of the Bonds.

After the issue, future transfers of the Bonds may be dutiable at the applicable rate or rates according to the provisions of Maltese Law, specifically the Duty on Documents and Transfers Act (Cap. 364 of the Laws of Malta), unless appropriate exemptions apply.

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.

TERMS AND CONDITIONS OF THE BOND ISSUE

- 24.1 The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Prospects List of the MSE. In the event that the Bonds are not admitted to the Prospects 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. If no such bank account number is provided, or in the event that bank account details on the Application Form are incorrect or inaccurate, such returns will be made by means of a cheque mailed to the Applicant's address (or, in the case of joint applications, the address of the first named applicant) indicated in the Application Form. The Issuer shall not be responsible for any charges, and any loss or delay in transmission.
- 24.2 The Issuer has not established an aggregate minimum subscription level for the Bond Issue.
- 24.3 It is the responsibility of investors wishing to apply for the Bonds to inform themselves as to the legal requirements of so applying, including any requirements relating to external transaction requirements in Malta and any exchange control in the countries of their nationality, residence or domicile.
- 24.4 The contract created by the Issuer's acceptance of an Application filed by a prospective Bondholder shall be subject to all the Terms and Conditions set out in this Company Admission Document: Part Two and the Memorandum and Articles of Association of the Issuer.
- 24.5 Any person, whether natural or legal, shall be eligible to submit an Application and any one (1) person, whether directly or indirectly, should not submit more than one (1) Application Form. If an Application Form is signed on behalf of another party or on behalf of a corporation or corporate entity or association of persons, the person signing will be deemed to have duly bound his principal, or the relative corporation, corporate entity, or association of persons, and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions on their behalf. Such representative may be requested to submit the relative power of attorney/ resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Issuer and/or the Placement Agent, Manager and Registrar, but it shall not be the duty or responsibility of the Placement Agent, Manager and Registrar or Issuer to ascertain that such representative is duly authorised to appear on the Application Form and bind the Applicant.
- 24.6 In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each of the joint Applicants, and liability therefor is joint and several.
- 24.7 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 Form 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.

- 24.8 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 (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended).
- 24.9 No person receiving a copy of the Company Admission Document 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.
- 24.10 It is the responsibility of any person outside Malta, wishing to make any Application, to satisfy himself/herself/itself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consent, observing any other formality required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- 24.11 Subject to all other Terms and Conditions set out in the Company Admission Document, 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, and/or this Company Admission Document, and/or is not accompanied by the required documents. Only original Application Forms will be accepted and photocopies/facsimile copies will not be accepted. In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each Applicant, and liability therefor is joint and several.
- 24.12 Save where the context requires otherwise, terms defined in the Company Admission Document bear the same meaning when used in these Terms and Conditions, in the Application Form, in any of the annexes and in any other document issued pursuant to the Company Admission Document.
- 24.13 The Issuer has not sought assessment of the Bonds by any independent credit rating agency.
- 24.14 The Bonds will be issued in multiples of €100. The minimum amount of Bonds that can be subscribed for by each Applicant is €2,000.
- 24.15 Subject to all other Terms and Conditions set out in the Company Admission Document, the Issuer reserves the right to revoke the issue at any time before the closing of the Issue Period. The circumstances in which such revocation might occur are expected to be exceptional, for example where a significant change in market conditions occurs.
- 24.16 The Issue Period shall close immediately upon attaining full subscription or on the last day of the Issue Period, whichever is the earliest. It is expected that notification of allotment will be announced to Bondholders within five (5) Business Days of the closing of the Issue Period.
- 24.17 In the event that an Applicant has not been allocated any Bonds or has been allocated a number of Bonds which is less than the number applied for, the Applicant shall receive a full refund or, as the case may be, the balance of the price of the Bonds applied for but not allocated, without interest, by credit transfer to such account indicated in the Application Form, at the Applicant's sole risk within five (5) Business Days from the date of final allocation. The Issuer shall not be responsible for any charges, and any loss or delay in transmission. Completed Application Forms are to be lodged with the Placement Agent, Manager and Registrar or any of the Authorised Financial Intermediaries.

24.18 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 – Klikk Finance p.l.c. 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.

24.19 For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Legal Notice 180 of 2008), as amended from time to time, all appointed Authorised Financial Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the “Members’ Code of Conduct” appended as Appendix 3.6 to Chapter 3 of the Malta Stock Exchange Bye-Laws, irrespective of whether the said appointed Authorised Financial Intermediaries are Malta Stock Exchange members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the Data Protection Act (Cap. 440 of the Laws of Malta) for the purposes and within the terms of the Malta Stock Exchange Data Protection Policy as published from time to time.

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

- i. agrees and acknowledges to have had the opportunity to read the Company Admission Document and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;
- ii. warrants that the information submitted by the Applicant in the Application Form is true and correct in all respects and in the case where an MSE account number is indicated in the Application Form, such MSE account number is the correct account of the Applicant. In the event of a discrepancy between the personal details (including name and surname and the Applicant’s address) appearing on the Application Form and those held by the MSE in relation to the MSE account number indicated on the Application Form, the details held by the MSE shall be deemed to be the correct details of the Applicant;
- iii. authorises the Placement Agent, Manager and Registrar and the Directors of the Issuer to include his/her/its name or, in the case of joint Applications the first named Applicant, in the register of debentures of the Issuer in respect of the Bonds allocated to such Applicant and further authorises the Issuer and the MSE to process the personal data that the Applicant provides in the Application Form, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta). The Applicant has the right to request access to and rectification of the personal data relating to him/her/it as processed by the Issuer and/or the MSE. Any such requests must be made in writing and sent to the Issuer at the address indicated in the Company Admission Document. The requests must further be signed by the Applicant to whom the personal data relates;
- iv. confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer or the issue of the Bonds other than what is contained in the Company Admission Document and, accordingly, agree/s that no person responsible solely or jointly for the Company Admission Document or any part thereof will have any liability for any such other information or representation;
- v. agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her/its remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the Laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
- vi. agrees to provide the Placement Agent, Manager and Registrar and/or the Issuer, as the case may be, with any information which it/they may request in connection with the Application;

- vii. warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his/her/its Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Placement Agent, Manager and Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bonds or his/her/its Application;
- viii. warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- ix. represents that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) and that he/she/it is not accepting the invitation set out in the Company Admission Document from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
- x. agrees that Financial Planning Services Limited will not in its capacity of Placement Agent, Manager and Registrar, treat the Applicant as its customer by virtue of such Applicant making an Application for the Bonds, and that Financial Planning Services Limited will owe the Applicant no duties or responsibilities concerning the price of the Bonds or their suitability for the Applicant;
- xi. agrees that all documents in connection with the issue of the Bonds and any returned monies, including refunds of all unapplied Application monies, will be sent at the Applicant's own risk and may be sent, in the case of documents, by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as set out in the Application Form and in the case of monies by direct credit, into the Applicant's bank account as indicated by the Applicant on the Application Form;
- xii. renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of these Bonds;
- xiii. irrevocably offers to purchase the number of Bonds specified in his/her/its Application Form (or any smaller number for which the Application is accepted by the Issuer) at the Bond Issue Price subject to the Company Admission Document, the Terms and Conditions thereof, and the Memorandum and Articles of Association of the Issuer;
- xiv. warrants that his/her/its remittance will be honoured on first presentation and agrees that if such remittance is not so honoured he/she/it will not be entitled to receive a registration advice, or to be registered in the register of debentures or to enjoy or receive any rights in respect of such Bonds unless and until payment in cleared funds for such Bonds is received and accepted by the Issuer and/or the Placement Agent, Manager and Registrar (which acceptance shall be made in the absolute discretion of the Issuer and/or the Placement Agent, Manager and Registrar and may be on the basis that the Issuer and/or the Placement Agent, Manager and Registrar is indemnified against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of such remittance to be honoured on first presentation) and that, at any time prior to unconditional acceptance by the Issuer and/or the Placement Agent, Manager and Registrar of such late payment in respect of such Bonds, the Issuer and/or the Placement Agent, Manager and Registrar may (without prejudice to other rights) treat the agreement to allocate such Bonds as void and may allocate such Bonds to some other person, in which case the Applicant will not be entitled to any refund or payment in respect of such Bonds (other than return of such late payment);

- xv. agrees that all Applications, acceptances of Applications and contracts resulting therefrom will be governed by, and construed in accordance with, Maltese Law and that he/she/it submits to the exclusive jurisdiction of the Maltese courts and agrees that nothing shall limit the right of the Issuer to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of Applications and contracts in any other manner permitted by law in any court of competent jurisdiction;
- xvi. warrants that if he/she signs the Application Form on behalf of another party or on behalf of a corporation or corporate entity or association of persons, he/she has due authority to do so and such person, corporation, corporate entity or association of persons will also be bound accordingly, and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions;
- xvii. warrants that he/she is not under the age of eighteen (18) years or if he/she is lodging an Application in the name and for the benefit of a minor, warrants that he/she is the parent/s or legal guardian/s of the minor;
- xviii. confirms that, in the case of a joint Application entered into in joint names, the first named Applicant shall be deemed the holder of the Bonds; and
- xix. agrees that, in all cases, any refund of unallocated Application monies will be sent to the Applicant by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form. No interest shall be due on refunds. The Issuer shall not be responsible for any changes, loss or delay in transmission. If no such bank account number is provided, or in the event that bank account details on the Application Form are incorrect or inaccurate, such refund will be made by means of a cheque mailed to the Applicant's address (or, in the case of joint Applications, the address of the first named Applicant) indicated in the Application Form.

The background of the page is a vibrant blue with a complex, white circuit board pattern. The pattern consists of various lines, nodes, and clusters of dots, resembling a printed circuit board (PCB) layout. The lines are of varying thicknesses and connect different points across the page, creating a sense of connectivity and technology.

COMPANY ADMISSION DOCUMENT ANNEXES

Annex A

CONSOLIDATED PROSPECTIVE FINANCIAL INFORMATION AND ACCOUNTANTS' REPORT

SUMMARY OF SIGNIFICANT ASSUMPTIONS

1. Introduction

The consolidated projected statement of financial position, the consolidated projected income statement and the consolidated projected statement of cash flows of Klikk Finance p.l.c. and Klikk Limited (together "Klikk Group") for the five year period from 1 January 2017 to 31 December 2021 ("the consolidated prospective financial information") have been prepared to provide financial information for the purpose of inclusion in the Company Admission Document of Klikk Finance p.l.c. dated 3 July 2017. The consolidated prospective financial information, set out on pages 108 to 114 and the assumptions below are the sole responsibility of the Directors of Klikk Finance p.l.c.

The consolidated prospective financial information has been prepared on the basis of a bond issue of €2,000,000 at a nominal value of €100 per bond offered by Klikk Finance p.l.c.

The consolidated prospective financial information for the five year period ending 31 December 2021 has been based on the projections of the Klikk Group covering the period 1 January 2017 to 31 December 2021.

The consolidated prospective financial information is intended to show a possible outcome based on a mixture of best-estimate assumptions as to future events which the Directors expect to take place and hypothetical assumptions about future events and management actions which are not necessarily expected to take place. Events and circumstances frequently do not occur as expected and therefore actual results may differ materially from those included in the consolidated prospective financial information. Attention is drawn, in particular, to the risk factors set out in the Company Admission Document which describe the primary risks associated with the business and operations to which the consolidated prospective financial information relates.

The consolidated projected financial information is not intended to and does not, provide all the information and disclosures necessary to give a true and fair view of the financial results, financial position and cash flows of the Klikk Group in accordance with International Financial Reporting Standards as adopted by the EU.

The Directors have exercised due care and diligence in adopting the assumptions below. The consolidated prospective financial information was formally approved on 5 June 2017 by the Directors of the Issuer and the stated assumptions reflect the judgements made by the directors at the date. The assumptions that the Directors believe are significant to the consolidated prospective financial information are set out in section 3 of this Annex A.

2. Significant accounting policies

The significant accounting policies of Klikk Finance p.l.c. are set out in its audited financial statements for the year ended 31 December 2016. Where applicable, these accounting policies, in so far as they relate to recognition and measurement criteria, have been consistently applied in the preparation of the consolidated prospective financial information.

3. Basis of preparation and principal assumptions

The principal assumptions relating to the environment in which the Klikk Group operates, and the factors which are exclusively outside the influence of the Directors and which underlie the consolidated prospective financial information are the following:

- there will be no material adverse events originating from market and economic conditions;
- the Klikk Group will continue to enjoy the confidence of its suppliers, customers and its bankers;
- interest rates will not change materially throughout the period covered by the projections;
- the basis and rates of taxation will not change materially throughout the period covered by the projections; and
- the rate of inflation will not exceed that experienced in the last few years.

The principal assumptions relating to the environment in which the Klikk Group operates and the factors which the Directors can influence and which underlie the prospective consolidated financial information, are the following:

3.1 Revenues

The Klikk Group's projected revenue for the five years up to 31 December 2021 is based on the assumption that the Klikk Group will continue operating from its existing outlets and will continue granting its customers the possibility of purchasing products either through an outright cash sale or else on credit. The projections have been prepared on the basis of historic trends, but also factor in growth in Klikk Limited's market share, enhancements to the company's e-commerce capabilities, more attractive credit terms to corporate customers, as well as the possibility of customers purchasing their products on credit secured by bills of exchange.

The projections assume that Klikk Limited's revenues will grow at a faster pace compared to its competitors (Scan, Sound Machine, Forestals, and iCentre), with market share reaching 8% in FY2021, hence regaining the market share lost in the past years. The projections assume that sales on credit secured by bills of exchange shall generate interest of 8% on the outstanding balance and that the mix of cash sales:credit sales from revenue generated directly at the outlets will stabilise at 75%:25% in FY2020. It is assumed that all revenue generated from the enhancement of its e-commerce capabilities will be on a cash basis.

3.2 Direct costs

Direct costs comprise the purchase cost of the products sold and the associated transport cost. The projections have been based on the Klikk Group's gross profit margins achieved in FY2016 and January to April 2017.

3.3 Administrative expenses

Administrative expenses consist primarily of payroll costs, rental cost on the Birkirkara and Zejtun outlets, directors' fees, marketing and distribution fees, admission fees, professional fees and other corporate and general overheads. Administrative expenses are based on historical trends and are assumed to increase in line with inflation.

Depreciation is calculated using the straight line method to allocate the cost of all items comprised within property, plant and equipment to their residual values over their estimated useful lives. Depreciation is also calculated on the projected ongoing capital expenditure to periodically refurbish and improve Klikk Limited's outlets.

Furthermore, amortisation cost is calculated on the additional cost incurred to improve Klikk Limited's e-commerce capability.

3.4 Finance costs

Finance costs primarily relate to amounts due on the Klikk Group's loans as at the date of the Company Admission Document as well as the €1.0 million loan facility drawdown sanctioned with Bank of Valletta p.l.c., and interest on the Bond which is expected to be issued in FY2017, with an interest rate of 5.25% per annum. The interest on the Bond is assumed to commence on 1 July 2017, with the final payment being made on 30 June 2027. The projections assume that contributions to a sinking fund will be made as from FY2022, in order to facilitate the redemption of the Bond in FY2027. Interest receivable on amounts held in the sinking fund is assumed at 1.5% p.a., net of final withholding tax.

3.5 Taxation

Current taxation is provided for at 35% of chargeable income for the period.

3.6 Capital and Reserves

During the second half of 2017, it is the intention of the Issuer to capitalise €250k of its shareholders' loan into share capital. The Klikk Group's capital and reserves are expected to increase over the projection period as a result of retention of profits. No dividends have been assumed in the consolidated prospective financial information. The Klikk Group does not intend to distribute dividends to the ultimate beneficial owners in the first three years following the Bond Issue.

3.7 Working capital

The Group's working capital mainly comprises the net impact of trade receivables, inventory and trade payables.

Within the financial information, settlement of trade receivable balances has been assumed to be effected within normal credit terms granted to corporate customers as at 31 December 2016. Trade receivable balances on bills of exchange are assumed to be effected over a three year

period, in line with the credit terms expected to be provided to retail customers.

Settlement of trade payable balances has been assumed to be effected within the normal credit terms allowed by creditors as at 31 December 2016. Similarly, inventories are expected to increase in line with the requirements of the Klikk Group's operations, in order to support growth in the operations.

4. Conclusion

The Directors believe that the assumptions on which the prospective financial information is based are reasonable.

Approved by the Board of Directors on 5 June 2017 and signed on its behalf by:



Mr Gordon Zammit
Chairman



Mr Joseph Tabone
Director



Mr William Van Buren
Director



Dr Michael Borg Costanzi
Director

CONSOLIDATED INCOME STATEMENT FOR THE YEARS ENDING 31 DECEMBER

€000	2016 Actual	2017 Forecast	2018 Projected	2019 Projected	2020 Projected	2021 Projected
Revenue	3,364	3,662	4,636	5,580	6,595	7,716
Cost of sales	(2,557)	(2,742)	(3,443)	(4,144)	(4,919)	(5,774)
Gross profit	807	920	1,193	1,436	1,676	1,942
Administrative expenses	(676)	(804)	(965)	(1,086)	(1,175)	(1,218)
Marketing and distribution costs	(93)	(102)	(106)	(125)	(145)	(170)
EBITDA	38	14	122	225	356	554
Depreciation	(40)	(43)	(41)	(39)	(40)	(42)
Amortisation	(19)	(23)	(28)	(28)	(28)	(28)
EBIT	(21)	(52)	53	158	288	484
Finance costs	(67)	(115)	(165)	(157)	(149)	(141)
Profit before tax	(88)	(167)	(112)	1	139	343
Tax for the year	(16)	53	35	(5)	(53)	(125)
Profit after tax	(104)	(114)	(77)	(4)	86	218

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

€000	2016 Actual	2017 Forecast	2018 Projected	2019 Projected	2020 Projected	2021 Projected
ASSETS						
Non-current assets						
Property, plant and equipment	234	231	207	194	183	174
Intangible assets	437	519	499	479	459	438
Deferred tax	-	78	135	146	105	-
Trade and other receivables	546	1,077	1,272	1,160	1,163	1,291
	1,217	1,905	2,113	1,979	1,910	1,903
Current assets						
Inventories	358	413	519	625	741	870
Trade and other receivables	462	647	1,129	1,389	1,449	1,539
Cash and cash equivalents	418	1,458	538	272	225	210
	1,238	2,518	2,186	2,286	2,415	2,619
Total assets	2,455	4,423	4,299	4,265	4,325	4,522
EQUITY						
Share capital	100	350	350	350	350	350
Retained earnings	(122)	(194)	(239)	(233)	(161)	10
Shareholders loan	1,135	885	885	885	885	885
Equity attributable to equity holders of the parent	1,113	1,041	996	1,002	1,074	1,245
Non-controlling interest	2	(39)	(71)	(81)	(67)	(19)
Total equity	1,115	1,002	925	921	1,007	1,226
LIABILITIES						
Non-current liabilities						
Borrowings	225	2,748	2,603	2,449	2,287	2,173
	225	2,748	2,603	2,449	2,287	2,173
Current liabilities						
Borrowings	559	145	153	161	170	121
Trade and other payables	548	503	618	734	861	1,002
Current taxation due	8	25	-	-	-	-
	1,115	673	771	895	1,031	1,123
Total liabilities	1,340	3,421	3,374	3,344	3,318	3,296
Total equity and liabilities	2,455	4,423	4,299	4,265	4,325	4,522

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDING 31 DECEMBER

€000	2016 Actual	2017 Forecast	2018 Projected	2019 Projected	2020 Projected	2021 Projected
CASHFLOW FROM OPERATING ACTIVITIES						
EBITDA	38	14	122	225	356	554
Adjustments for:						
Impairment of receivables	17	-	-	-	-	-
Working capital adjustments:						
Changes in inventories	(49)	(55)	(105)	(105)	(117)	(129)
Changes in receivables	(275)	(715)	(676)	(149)	(63)	(217)
Changes in payables	68	(98)	115	115	127	140
Operating cash flow	(201)	(854)	(544)	86	303	348
Repayment to related parties	(217)	-	-	-	-	-
Advances to other related parties	(563)	-	-	-	-	-
Tax paid	4	(8)	(48)	(16)	(12)	(19)
Interest paid	(66)	(62)	(165)	(157)	(149)	(141)
Net cash used in operating activities	(1,043)	(924)	(757)	(87)	142	188
CASH FLOW FROM INVESTING ACTIVITIES						
Payments to acquire property, plant and equipment	-	(41)	(18)	(26)	(28)	(33)
Acquisition of intangible assets	-	(101)	-	-	-	-
Net cash used in investing activities	-	(142)	(18)	(26)	(28)	(33)
CASH FLOW FROM FINANCING ACTIVITIES						
Issue of share capital	98	-	-	-	-	-
Advances from/(repayments to) related undertaking	-	-	-	-	-	-
Advances from shareholders	1,200	-	-	-	-	-
Bank drawdown and repayment of bank loans	(56)	681	(145)	(153)	(161)	(170)
Bond proceeds	-	2,000	-	-	-	-
Payment of issue costs	-	(75)	-	-	-	-
Net cash generated from/(used in) financing activities	1,242	2,606	(145)	(153)	(161)	(170)
Net movement in cash and cash equivalents	199	1,540	(920)	(266)	(47)	(15)
Cash and cash movements and cash equivalents at beginning of year	(281)	(82)	1,458	538	272	225
Cash and cash movements and cash equivalents at end of year	(82)	1,458	538	272	225	210



Grant Thornton

An instinct for growth™

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28 June 2017

Dear Sirs

Independent Accountants' Report on the consolidated projected financial information of Klikk Finance p.l.c.

We report on the consolidated projected financial position, income and cash flows (“the consolidated projected financial information”) of Klikk Finance p.l.c., which include the projected financial information of Klikk Finance p.l.c. and its subsidiary Klikk Limited (together referred to as the “Group”) for the five year period 1 January 2017 to 31 December 2021. The consolidated projected financial information, the basis of preparation and the material assumptions upon which the projections are based, are set out in Annex A of the Company Admission Document issued by Klikk Finance p.l.c.

This report is required in terms of Appendix 4.6 of the Prospectus Rules issued by the Malta Stock Exchange and is given for the purpose of complying with that regulation and for no other purpose.

Directors' responsibilities for the consolidated projected financial information

It is the responsibility of the Directors of Klikk Finance p.l.c. to prepare the consolidated projected financial information, together with the material assumptions on which they are based, as set out in Annex A, in accordance with the requirements of Prospectus Rules issued by the Malta Stock Exchange.

Accountants' responsibility

It is our responsibility to form an opinion as required by Appendix 4.6 as issued by the Prospectus Rules as to whether the proper compilation of the consolidated projected financial information, in so far as the application of the underlying accounting policies and accuracy of calculations are concerned, and to report that opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the Prospectus Rules, consenting to its inclusion in the Company Admission Document.

Basis of preparation of the consolidated projection financial information

The financial information has been prepared on the basis stated in Annex A of the Company Admission Document and is based on a projection covering the five year period to 31 December 2021. The consolidated projected financial information is required to be presented on a basis consistent with the accounting policies of Klikk Finance p.l.c.

Basis of Opinion

We have examined the basis of compilation and the accounting policies of the accompanying consolidated projected financial information of Klikk Finance p.l.c. for the five years ending 31 December 2021 in accordance with International Standard on Assurance Engagements 3400 – The Examination of Prospective Financial Information.

Our work included evaluating the basis on which the financial information included in the projection has been prepared and considering whether the consolidated projected financial information has been accurately computed based upon the disclosed assumptions and the accounting policies of Klikk Finance p.l.c.

The assumptions upon which the consolidated projected financial information is based are solely the responsibility of the Directors of Klikk Finance p.l.c. and accordingly we express no opinion on the validity of the assumptions. However, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the Directors which, in our opinion, are necessary for a proper understanding of the consolidated projected financial information have not been disclosed and whether any material assumption made by the Directors appears to us be unrealistic.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the consolidated projected financial information has been properly compiled on the basis stated, in so far as the application of the underlying accounting policies and accuracy of calculations are concerned.

Since the consolidated projected financial information and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the consolidated projected financial information and differences may be material.

Opinion

In our opinion, the consolidated projected financial information has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies of Klikk Finance p.l.c.

Yours faithfully,



George Vella
Partner

Annex B ○

SPECIMEN APPLICATION FORM

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

A			
<input type="checkbox"/> Non-Resident	<input type="checkbox"/> Minor (under 18)	<input type="checkbox"/> Body Corporate / Body of Persons	<input type="checkbox"/> CIS-Prescribed Fund
B			
TITLE (Mr/Mrs/Ms/...)		FULL NAME & SURNAME / REGISTERED NAME	
ADDRESS			
			POST CODE
MSE A/C NO. (if applicable)	I.D. CARD / PASSPORT / COMPANY REG NO.	TEL NO.	MOBILE NO. (MANDATORY for e-portfolio registration)
<input type="checkbox"/> Already registered for e-portfolio		<input type="checkbox"/> Please do not register me for e-portfolio	
C			
ADDITIONAL (JOINT) APPLICANTS (see note 4)		(please use an additional Application Form if space is not sufficient)	
TITLE (Mr/Mrs/Ms/...)	FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.	
TITLE (Mr/Mrs/Ms/...)	FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.	
D			
MINOR'S PARENTS / LEGAL GUARDIAN/S (see note 5)		(to be completed ONLY if the Applicant is a minor)	
TITLE (Mr/Mrs/Ms/...)	FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.	
TITLE (Mr/Mrs/Ms/...)	FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.	
E			
I/WE APPLY TO PURCHASE AND ACQUIRE (see notes 8 and 9)			
AMOUNT IN FIGURES €	AMOUNT IN WORDS		
Klikk Finance p.l.c. 5.25% Bonds 2027 (minimum subscription of €2,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Company Admission Document dated 3 July 2017 (the 'Company Admission Document'), payable in full upon application under the Terms and Conditions of the Bonds as set out in the Company Admission Document			
F			
RESIDENT - WITHHOLDING TAX DECLARATION (see note 10 & 11a)		(to be completed ONLY if the Applicant is a resident of Malta)	
<input type="checkbox"/> I/We elect to have final withholding tax deducted from my/our interest.			
<input type="checkbox"/> I/We elect to receive interest gross (i.e. without deduction of withholding tax).			
G			
NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see note 12)		(to be completed ONLY if the Applicant is a non-resident)	
TAX COUNTRY	CITY OF BIRTH	COUNTRY OF BIRTH	
T.I.N. (Tax Identification Number)	PASSPORT / NATIONAL I.D. CARD NO.	COUNTRY OF ISSUE	ISSUE DATE
<input type="checkbox"/> I/We am/are NOT resident in Malta but I/we am/are resident in the European Union.			
<input type="checkbox"/> I/We am/are NOT resident in Malta and I/we am/are NOT resident in the European Union.			
H			
INTEREST, REFUND AND REDEMPTION MANDATE (see note 12)		(completion of this panel is MANDATORY)	
BANK	IBAN		
I/We have fully understood the instructions for completing this Application Form, and am/are making this application solely on the basis of the Company Admission Document subject to the Terms and Conditions as contained therein which I/we fully accept.			
Signature/s of Applicant/s <small>(Both parents or legal guardian/s are/is to sign if the Applicant is a minor) (All parties are to sign in the case of a joint Application)</small>		Date	

NOTES ON HOW TO COMPLETE THIS APPLICATION FORM AND OTHER INFORMATION

The following notes are to be read in conjunction with the Company Admission Document dated 3 July 2017 regulating the Bond Issue.

1. This Application is governed by the Terms and Conditions of the Application in this Company Admission Document dated 3 July 2017. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Company Admission Document.
2. The Application Form is to be completed in BLOCK LETTERS.
3. Applicants who are Non-Residents in Malta for tax purposes, must indicate their passport number in Panel B and complete Panel G. The relative box in Panel A must also be marked appropriately.
4. Applicants are to insert full personal details in Panel B. In the case of an Application by more than one person (including husband and wife) full details of all individuals, including I.D. card numbers, must be given in Panels B and C but the person whose name appears in Panel B shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 7 below). Interest and redemption proceeds will be issued to the account indicated in Panel H or as otherwise indicated by the Bondholder/s during the term of the Bond.

Upon submission of an Application Form, Bondholders who do not have an online e-portfolio account will be registered by the CSD for the online e-portfolio facility and will receive by mail at their registered address a handle code to activate the new e-portfolio login. The Bondholder's statement of holdings evidencing entitlement to Secured Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Those Bondholders who opt not to avail themselves of this facility should indicate such in Panel B of the Application Form. Further details on the e-portfolio are found on <https://eportfolio.borzamalta.com.mt/Help>.
5. Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or by the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. The relative box in Panel A must also be marked appropriately. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.
6. In the case of a body corporate, the name of the entity exactly as registered, and the registration number are to be inserted in Panel B. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
7. APPLICANTS WHO ALREADY HOLD SECURITIES ON THE MSE ARE TO INDICATE THEIR MSE ACCOUNT NUMBER IN PANEL B. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED IN THE MSE ACCOUNT NUMBER QUOTED ON THIS APPLICATION FORM. IF DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MSE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF, A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE WILL HAVE TO BE EFFECTED.
8. Applications must be for a minimum of €2,000 and thereafter in multiples of €100.
9. Payment must be made in Euro, in cleared funds to 'The Registrar – Klikk Finance p.l.c. Bond Issue'. In the event that the cheque accompanying an Application Form is not honoured on the first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application.
10. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will be obliged to declare interest so received in the tax return. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a Prescribed Fund (having indicated their status in the appropriate box in Panel A) will have final withholding tax (currently 10%), deducted from interest payments. In terms of section 23 of the Company Admission Document, unless the Issuer is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of Article 41(c) of the Income Tax Act (Cap. 123 of the Laws of Malta), interest shall be paid to such person net of final withholding tax, (currently 15%) of the gross amount of interest, pursuant to Article 33 of the Income Tax Act (Cap. 123 of the Laws of Malta).
11. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/ 107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation. 11a. The contents of Notes 10 and 11 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisors in case of doubt.
12. If any Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies or the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the bank account as indicated in Panel H. Interest and redemption proceeds will be credited to the account indicated in Panel H or as otherwise amended by the Bondholder/s during the term of the Bond.
13. Subscription lists for the Applicants will close at 21 July 2017 at 12:00 CET. The Issuer reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions of the Application as contained in the Company Admission Document. Any Applications received by the Registrar after the subscription lists close will not be accepted. Completed Application Forms are to be delivered to any of the Authorised Financial intermediaries listed in the Company Admission Document, during normal office hours. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists.
14. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
 - a. the Issuer may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta);
 - b. the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer. Any such requests must be made in writing and addressed to the Issuer. The request must be signed by yourself as the Applicant to whom the personal data relates.

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

Annex C

**AUTHORISED FINANCIAL
INTERMEDIARIES**

Name	Address	Telephone
Financial Planning Services Limited	4, Marina Court, Giuseppe Cali Street, Ta' Xbiex, XBX 1421, Malta	+356 21344244



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Issuer

Klikk Finance p.l.c.

Hal Mann, The Factory
Mosta road, Lija LJA 9016, Malta



Corporate Advisor and Reporting Accountant

Grant Thornton

Tower Business Centre,
Suite 3, Tower Street, Swatar BKR 4013, Malta



Placement Agent, Manager and Registrar
Financial Planning Services Limited

4, Marina Court, Giuseppe Cali Street,
Ta' Xbiex, XBX 1421, Malta

WWW.KLIKK.COM.MT

