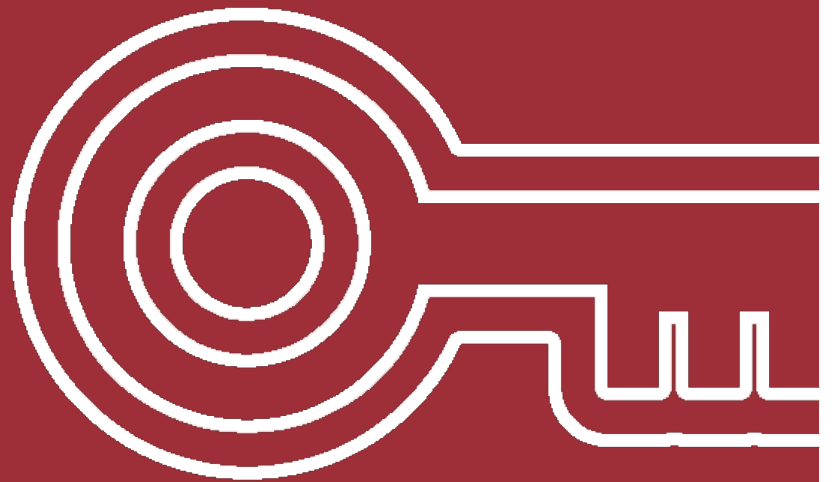


ORION

Orion Finance plc



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 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.

ORION

Orion Finance plc

a public limited liability company incorporated under the Laws of Malta
company registration number C 80722

In respect of an issue of

€5,000,000 4.75% Unsecured Bonds 2027

ISIN: MT0001521203

Guaranteed by*

Orion Retail Investments Limited

a private limited liability company registered in Malta
company registration number C 80707

*Prospective investors are to refer to the guarantee contained in Annex A of this Company Admission Document for a description of the scope, nature and term of the guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in this Company Admission Document for a discussion of certain risk factors, which should be considered by prospective investors in connection with the Bonds and the guarantee provided by Orion Retail Investments Limited.

COMPANY ADMISSION DOCUMENT

Dated 22 May 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 MULTI-LATERAL 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 ADVISER.

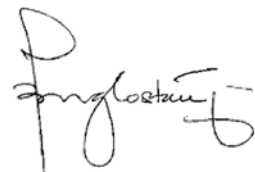
APPROVED BY THE DIRECTORS



Mr Anthony Camilleri



Mr John Soler



Mr Michael Borg Costanzi

IMPORTANT INFORMATION

THIS COMPANY ADMISSION DOCUMENT CONTAINS INFORMATION ON ORION FINANCE P.L.C. IN ITS CAPACITY AS ISSUER AND ORION RETAIL INVESTMENTS LIMITED IN ITS CAPACITY AS GUARANTOR, 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 €5,000,000 UNSECURED BONDS 2027 OF A NOMINAL VALUE OF €1,000 PER BOND, GUARANTEED BY THE GUARANTOR, ORION RETAIL INVESTMENTS LIMITED, EACH TO PROSPECTS. THE BONDS SHALL BE ISSUED AT PAR AND BEAR INTEREST AT THE RATE OF 4.75% PER ANNUM PAYABLE ANNUALLY IN ARREARS ON 18 JUNE OF EACH YEAR UNTIL THE REDEMPTION DATE, WITH THE FIRST INTEREST PAYMENT FALLING DUE ON 18 JUNE 2018. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON 18 JUNE 2027.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR OR THEIR 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, THE GUARANTOR OR THEIR 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 AND/OR THE GUARANTOR 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 ("SMEs") 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 AND GUARANTOR HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND GUARANTOR 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 THE ADMISSION DOCUMENT AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS.

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1 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;
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, Registrar and Trustee (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 E of this Company Admission Document;
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;
Authorised Financial Intermediaries	the licensed stockbrokers and financial intermediaries listed in Annex F of this Company Admission Document;
Bond/s or Securities	a maximum of €5,000,000 unsecured bonds 2027 of a nominal value of €1,000 per bond issued at par and redeemable on the Redemption Date at their nominal value, bearing interest at the rate of 4.75% per annum;
Bondholder	a holder of Bond/s;
Bond Issue	the issue of the Bond/s;
Bond Issue Price	the price of €1,000 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;
C. Camilleri & Sons (Catering) Limited	C. Camilleri & Sons (Catering) Limited, a company registered under the Laws of Malta with company registration number C 32922, having its registered office situated at 63, St. Dominic Street, Valletta, VLT 1602, Malta;
C. Camilleri and Sons Limited	C. Camilleri and Sons Limited, a company registered under the Laws of Malta with company registration number C 5572, having its registered office situated at 63, St. Dominic Street, Valletta, VLT 1602, Malta;
Camcom Limited	Camcom Limited, a company registered under the Laws of Malta with company registration number C 59080, having its registered office situated at KKW030, Corradino Industrial Estate, Paola, PLA 3000, Malta;

Camilleri Establishments Limited	Camilleri Establishments Limited, a company registered under the Laws of Malta with company registration number C 9390, having its registered office situated at 196, Merchants Street, Valletta, VLT 1172, Malta;
Camilleri Holdings Limited	Camilleri Holdings Limited, a company registered under the Laws of Malta with company registration number C 27495, having its registered office situated at 63, St. Dominic Street, Valletta, VLT 1602, Malta;
Camilleri Group	means Camilleri Holdings Limited including its subsidiaries C. Camilleri and Sons Limited, C. Camilleri & Sons (Catering) Limited, Camilleri Establishments Limited, Camilleri Trading Limited, Camilleri Investments Limited, Camilleri Import and Export Limited, Camilleri Trends Ltd., Orion Retail Investments Limited, Orion Finance p.l.c. and associates Re-Store Limited, Camcom Limited and Treat & Taste Limited;
Camilleri Import & Export Limited	Camilleri Import & Export Limited, a company registered under the Laws of Malta with company registration number C 51631, having its registered office situated at 13/20, Manuel Borg Gauci Street, Qormi, QRM 4000, Malta;
Camilleri Investments Limited	Camilleri Investments Limited, a company registered under the Laws of Malta with company registration number C 56996, having its registered office situated at 13/20, Manuel Borg Gauci Street, Qormi, QRM 4000, Malta;
Camilleri Trading Limited	Camilleri Trading Limited, a company registered under the Laws of Malta with company registration number C 21411, having its registered office situated at 63, St. Dominic Street, Valletta, VLT 1602, Malta;
Camilleri Trends Ltd	Camilleri Trends Ltd, a company registered under the Laws of Malta with company registration number C 47627, having its registered office situated at 13/20, Manuel Borg Gauci Street, Qormi, QRM 4000, Malta;
Cash Component	the cash portion of the Combined Consideration equivalent to €4.9 million payable on the Settlement Date;
CET	Central European Time;
Combined Consideration	the consideration payable by Orion Retail Investments Limited in connection with the Property Management Agreement and consists of a combination of the Share Component, the Cash Component and the Deferred Consideration;
Company or Issuer	Orion Finance p.l.c., a company registered under the Laws of Malta with company registration number C 80722 having its registered office at 14, Manuel Borg Gauci Street, Qormi, QRM 4000, Malta;
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;

Deferred Consideration	the balance of €4.2 million payable in line with the Repayment Schedule;
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, VLT1063, Malta and bearing company registration number C 42525;
FY	Financial Year;
Financial Markets Act	the Financial Markets Act, (Cap. 345 of the Laws of Malta), formerly the Malta Stock Exchange Act;
Guarantee	the suretyship of the Guarantor undertaking to effect payment of interest and capital repayments of any amount due by the Issuer to any Bondholder and which remain unpaid by the Issuer after sixty (60) days of the due date for payment thereof. A copy of the Guarantee and a description of the nature, scope and terms of the Guarantee are appended to the Company Admission Document as Annex A;
Guarantor or Parent or Property Manager	Orion Retail Investments Limited, a company registered under the Laws of Malta with company registration number C 80707, having its registered office situated at 14, Manuel Borg Gauci Street, Qormi, QRM 4000, Malta;
Orion Group	the Guarantor as defined above, given that it has a controlling interest in the Issuer, and the Issuer;
Interest	the Bonds shall bear interest from and including 19 June 2017 at the rate of 4.75% per annum payable annually in arrears on the Interest Payment Dates;
Interest Payment Date	annually, on 18 June of each year commencing on 18 June 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 23 May 2017 and 12:00 hours (CET) on 2 June 2017 (or such earlier date as may be determined by the Issuer) during which the Bonds are available for subscription;
Lease Agreement/s	Lease Agreement/s as defined in section 6.2.5;
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, 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, Registrar and Trustee	Jesmond Mizzi Financial Advisors 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 67, Level 3, South Street, Valletta, Malta, and company registration number C 30176;
Property	each of the properties within Camilleri Holdings Limited's immovable property portfolio valued by Paul Camilleri & Associates at €20.9 million as at 30 April 2017, and the term ' Properties ' shall collectively refer to all properties forming the Camilleri Holdings Limited's immovable property portfolio, which are managed by the Orion Group as from 19 June 2017 in terms of the Property Management Rights;
Property Management Agreement	agreement entered into on 5 May 2017 by virtue of which Camilleri Holdings Limited has appointed Orion Retail Investments Limited as the Property Manager to take on responsibility for managing properties owned by the same Camilleri Holdings for a period of 25 years, with effect from 19 June 2017;
Property Management Rights	are the rights acquired by Orion Retail Investments Limited by virtue of the Property Management Agreement;
Prospects	the market regulated as a Multi-lateral 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 of admitted companies prepared and published by Prospects;
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;
Qormi warehouse and plot	plots situated on 49-51, M. Borg Gauci Street and 61-62 Luigi Maria Galea Street, Handaq and warehouses built on plots 19 and 20, M. Borg Gauci Street, Handaq, Qormi;
Redemption Date	18 June 2027;
Redemption Value	at par (€1,000 per Bond);
Repayment Schedule	the repayment schedule of the €4.2 million Deferred Consideration which has been agreed upon between Camilleri Holdings Limited and Orion Retail Investments Limited;
Re-Store Limited	Re-Store Limited, a company registered under the Laws of Malta with company registration number C 36741, having its registered office situated at Demajo House, 103 Archbishop Street, Valletta, VLT 1446, Malta;
Settlement Date	19 June 2017;

Share Component	that portion of the Combined Consideration equivalent to a nominal value of six million twenty eight thousand, three hundred and twenty eight euro (€6,028,328), divided into three million, fourteen thousand, one hundred and sixty four (3,014,164) ordinary shares of two euro (€2) each, issued by Orion Retail Investments Limited and allotted to Camilleri Holdings Limited within fourteen (14) days from the Settlement Date;
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;
Tony's Bar	the building situated at ground floor level at The Strand, Sliema, which is currently occupied by a commercial outlet called Tony's Bar, operated by B.Tagliaferro & Sons Limited, a company registered under the laws of Malta with company registration number C 817, having its registered office situated at 62, Republic Street, Valletta, Malta;
Treat & Taste Limited	Treat & Taste Limited, a company registered under the Laws of Malta with company registration number C 34312, having its registered office situated at 13/20, Manuel Borg Gauci Street, Qormi, QRM 4000, Malta.

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.

2 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, the Guarantor 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 the Authorised Financial Intermediaries pursuant to the Intermediaries' Offer and any subsequent resale, placement or other offering of Bonds by the 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 Prospects 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 the 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 Prospects website, and also be made available on the Issuer's website www.orion.com.mt.

SECTION B – THE ISSUER AND GUARANTOR

- B.1 Legal and commercial name of the Issuer and Guarantor** – The legal and commercial name of the Issuer is Orion Finance p.l.c. (registration number C 80722). The legal and commercial name of the Guarantor is Orion Retail Investments Limited (registration number C 80707).
- B.2 Domicile and legal form of the Issuer and Guarantor** – The Issuer is incorporated and domiciled in Malta, and is a public limited liability company duly registered in terms of the Companies Act. The Guarantor, is incorporated and domiciled in Malta, and is a private limited company registered in terms of the Companies Act. Both the Issuer and Guarantor operate under the Companies Act, any regulations enacted thereunder and any other applicable legislation enacted in Malta.
- B.3 Nature of the Issuer’s and Guarantor’s current operations and its principal activities** – The Issuer is a wholly owned subsidiary of the Guarantor. The principal object of the Issuer is to carry on the business of a finance company. The Issuer itself does not have any substantial assets and is a special purpose vehicle set up to raise finance for the business of the Orion Group. As the Issuer itself does not carry on any trading activities, the Issuer is economically dependent on the business prospects of the Guarantor.

The Guarantor is the parent of Orion Finance p.l.c. (together referred to as the Orion Group). The Orion Group is a sub-set of the Camilleri Group. The principal object of the Guarantor is to act as a property management company. Camilleri Holdings Limited has legal title to the Properties. By virtue of the Property Management Agreement dated 5 May 2017, Camilleri Holdings Limited and the Guarantor agreed that:

- i) Camilleri Holdings Limited has appointed the Guarantor as the Property Manager to manage properties owned by the same Camilleri Holdings Limited for a period of 25 years, with effect from 19 June 2017;
- ii) the Guarantor shall operate the Properties for a specified period of 25 years, during which term any and all expenses incurred (excluding extraordinary repairs and maintenance which are to be carried out at the owner’s expense, whilst ordinary repairs and maintenance is to be carried out at the lessee’s expense) and revenues generated (particularly from the leasing out of the premises forming part of the Properties) in connection with the operation of the Properties shall be at the Guarantor’s own risk and benefit, respectively; and
- iii) upon expiry of the said 25 year term, the Property Management Agreement is terminated and the Guarantor is under the obligation to transfer the management of the Properties to Camilleri Holdings Limited, and from that point in time the benefit of revenues generated and the risks associated with the running of the Properties shall be transferred to Camilleri Holdings Limited.

An independent expert valued the rights acquired by virtue of the Property Management Agreement at €15.2 million as included in Annex C of the Company Admission Document. This agreement covers the management of the Properties situated in various locations in Malta.

The Property Management Agreement further stipulates that Orion Retail Investments Limited is committed to pay for the acquired rights by means of the Combined Consideration consisting of:

- i) the Share Component comprising of an issue of €3,014,164 ordinary shares in Orion Retail Investments Limited of a nominal value of €2 each and allotted to Camilleri Holdings Limited;

- ii) the Cash Consideration equivalent to €4.9 million payable on the Settlement Date; and
- iii) the Deferred Consideration of €4.2 million payable in line with the Repayment Schedule.

All Properties, except for Tony's Bar, are being leased to companies forming part of the Camilleri Group for a period of fifteen (15) years effective 19 June 2017, of which the first ten (10) years are *di fermo*, whilst the remaining five (5) years are *di rispetto* at the option of the lessee. Should the companies forming part of the Camilleri Group opt not to enter in the *di rispetto* period, the companies forming part of the Camilleri Group have the option to terminate the respective leases by giving six months' notice to the Guarantor.

In the event of a breach of any one or more of the conditions of the Lease Agreement, or a default in the payment of the rent, the Lease Agreement would be immediately terminated and the property would be promptly relinquished. In the event that the lessee does not relinquish possession of the property immediately, a penalty of four thousand euro (€4,000) per day would be charged.

In all Lease Agreements, lease charges are based on a yield of 6% of the freehold property value as at the last valuation date as included in Annex B of the Company Admission Document, except for the Fgura outlet which is set at 6.5% of the freehold property value, and the Qormi warehouse and plot which are set at 4% of the freehold property value. All lease charges are subject to an annual increase of 3.2%.

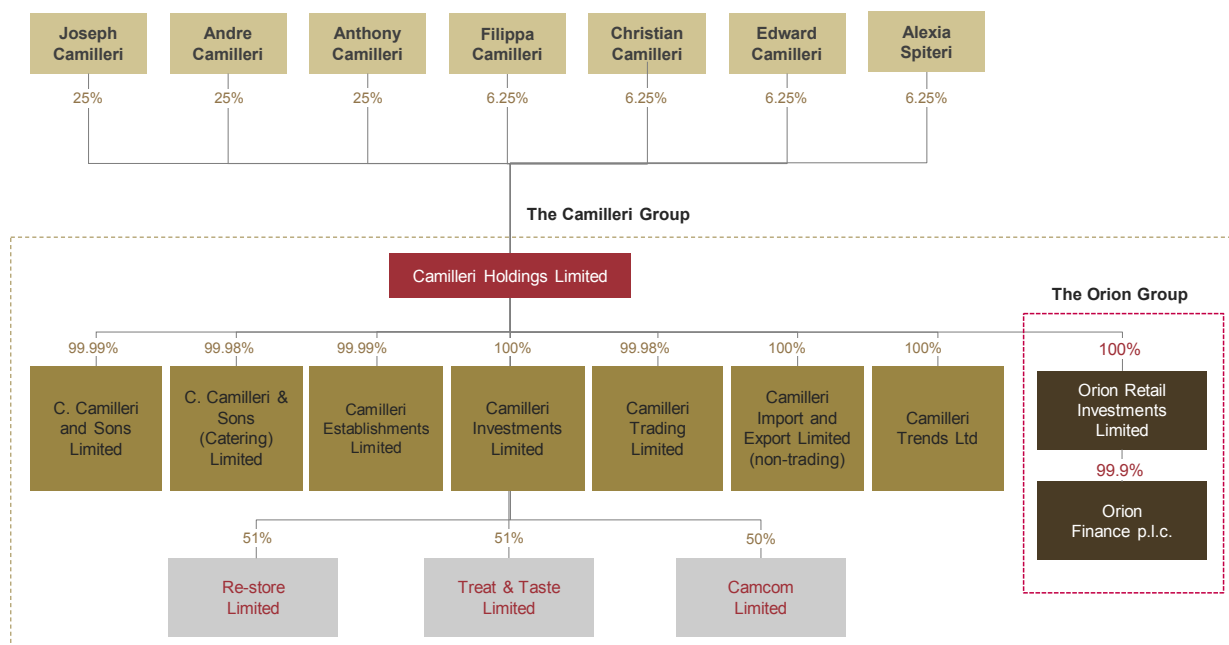
B.4. Significant recent trends of the Issuer and Guarantor – The Issuer is a fully owned subsidiary of the Guarantor (except for one share held by Mr Anthony Camilleri), and has been set up to act as a financing company. The Guarantor is the parent company of the Orion Group. Accordingly, the Issuer's business is limited to raising capital and lending of such funds to the Guarantor.

The Guarantor's principal income stream is derived from long term Lease Agreements with companies within the Camilleri Group. In view of the long term nature of such leases, the Directors do not consider the Guarantor to be unduly exposed to operating uncertainties relating to the commercial and real estate sector and/or to other external events related to the economy, which could be deemed likely to have a material impact on the business of the Guarantor, at least for the next ten years.

The Guarantor's business prospects therefore predominantly revolves around the ability of companies forming part of the Camilleri Group to service its obligations towards the Guarantor in a timely manner. The annual amounts receivable by the Guarantor are quantifiable and revisable over time at pre-agreed terms. They have also been based on commercial rental rates and the respective lease agreements were entered into on an arms' length basis. Therefore, the lease provides the Guarantor with a visible and stable revenue stream, which will increase over time, at 3.2% per annum. Given the financial stability of the Camilleri Group, the Directors are confident that the anticipated revenue streams in the next ten years will be generated as contracted.

B.5 The Property Management Rights acquired by the Guarantor – The Guarantor acquired the Property Management Rights of a real estate portfolio valued at €15.2 million. The rights acquired by virtue of the Property Management Agreement have been valued by Grant Thornton on 8 May 2017 and a copy of their valuation report is included in Annex C of this Document. The freehold value of the Properties that are subject to the Property Management Agreement were valued by Paul Camilleri & Associates and a copy of the valuation report dated 30 April 2017 is included in Annex B of this Document.

B.6 Shareholding structure – The Issuer’s current authorised and issued share capital of €50,000, divided into 50,000 ordinary shares of €1 each, all fully paid up. The Guarantor is a fully owned subsidiary of Camilleri Holdings Limited. The below chart sets out the shareholding structure of the Orion Group:



B.7 Summary financial information – The Issuer and the Guarantor are both companies which were incorporated in May 2017 and since their incorporation and up to the date of this Company Admission Document, no financial statements have been prepared. There has not been any significant change in the financial or trading position of the Issuer or the Guarantor, which has occurred since the companies’ date of incorporation.

Extracts from the projections of the Orion Group for FY2017, FY2018 and FY2019 are set out below. The following extracts assume that both the rent payments as well as the interest commence on 1 July 2017:

Consolidated projected income statement for the period / years ending 31 December			
€000	FY2017F Jul-Dec	FY2018P Jan-Dec	FY2019P Jan-Dec
Revenue	713.3	1,449.2	1,495.6
Administrative expenses	(76.8)	(98.2)	(100.6)
EBITDA	636.5	1,351.0	1,395.0
Amortisation	(313.0)	(616.0)	(616.0)
Net finance costs	(215.3)	(418.2)	(384.0)
Profit before tax	108.2	316.8	395.0
Tax expense	(106.2)	(242.8)	(267.3)
Profit after tax	2.0	74.0	127.7

Consolidated projected statement of financial position as at 31 December			
€000	FY2017F	FY2018P	FY2019P
ASSETS			
Non-current assets	14,937.0	14,321.0	13,805.0
Current assets	377.0	798.4	535.6
Total assets	15,314.0	15,119.4	14,340.6
EQUITY AND LIABILITIES			
Equity	6,030.3	6,104.3	6,232.0
Liabilities			
Non-current liabilities	8,653.5	7,722.6	7,293.1
Current liabilities	630.2	1,292.5	815.6
Total liabilities	9,283.7	9,015.1	8,108.7
Total equity and liabilities	15,314.0	15,119.4	14,340.6

Consolidated projected statement of cash flows for the period / year ending 31 December			
€000	FY2017F Jul-Dec	FY2018P Jan-Dec	FY2019P Jan-Dec
Cash generated from operating activities	540.0	826.6	768.2
Cash used in financing activities	(163.0)	(405.2)	(1,030.9)
Net movement in cash and cash equivalents	377.0	421.4	(262.8)
Cash and cash equivalents at the beginning of the period/year	-	377.0	798.4
Cash and cash equivalents at the end of the year	377.0	798.4	535.6

SOURCE: ORION GROUP FORECASTS FOR THE PERIOD 1 JULY TO 31 DECEMBER 2017 AND THE YEARS ENDING 31 DECEMBER 2018 AND 2019

- B.8. **Guarantee** – For the purposes of the guarantee, the Guarantor irrevocably and unconditionally guarantees to each Bondholder that if for any reason the Issuer fails to pay any sum payable by it to such Bondholder pursuant to the Terms and Conditions of the Bonds as and when the same shall become due, the Guarantor will pay to such Bondholder on demand the amount payable by the Issuer to such Bondholder. The obligations of the Guarantor under the Guarantee shall remain in full force and effect until no sum remains payable to any Bondholder pursuant to the issue of the Bonds.

SECTION C – THE SECURITIES

C.1 **Type and class of securities** – The Issuer shall issue an aggregate of €5,000,000 in Bonds having a face value of €1,000 per bond, subject to a minimum subscription of €2,000 in Bonds and multiples of €1,000 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: MT0001521203.

The Bonds shall bear interest at the rate of 4.75% per annum. The Bonds shall be repayable in full upon maturity on the 18 June 2027 (together with the interest accrued to the date fixed for redemption) unless previously re-purchased, cancelled or redeemed, 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 and Guarantor in accordance with the status of the Bonds, as follows: “the Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed by the Guarantor, 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 and Guarantor, 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.

Following the acquisition of the Property Management Rights, the Orion Group's indebtedness shall total €9.1 million.

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

C.5 **Interest** – The Bonds shall bear interest at the rate of 4.75% per annum payable annually in arrears on 18 June of each year, the first interest falling on 18 June 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 4.75%.

Redemption shall take place on 18 June 2027, unless previously repurchased or 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 redeemed or 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 to Admission pursuant to the Prospects Rules by virtue of a letter dated 22 May 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 19 June 2017 and trading is expected to commence on 20 June 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, the Guarantor and/or their respective Directors. These forward looking statements are subject to a number of risks, uncertainties and assumptions and important factors that could cause actual risks to differ materially from the expectations of the Issuer’s and Guarantor’s respective Directors. No assurance is given that the future results or expectations will be achieved.

The 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, the 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, the Guarantor, the Orion Group and its business

Since the Issuer was incorporated on 3 May 2017, it has no trading record or history of operations. Furthermore, the Issuer itself does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company solely for the needs of the Orion Group, and, as such, its assets are intended to consist primarily of loans issued to the Guarantor. The Issuer

is mainly dependant on the business prospects of the Guarantor and, therefore, the operating results of the Guarantor have a direct effect on the Issuer's financial position.

Accordingly, the risks of the Issuer are indirectly those of the Guarantor.

The operations of the Orion Group and its operating results are subject to a number of factors that could adversely affect its business and financial condition, some of which are beyond the Orion Group's control:

- i. The Properties under Guarantor's management are leased out to one principal tenant – companies forming part of the Camilleri Group, and as such all of the Guarantor's annual rental income is generated from companies forming part of the Camilleri Group. The business, revenue and projected profits of the Guarantor would be adversely impacted if companies within the Camilleri Group fail to honour their Lease Agreements, even though such agreements have been concluded on an arm's length basis in line with current market conditions. The Guarantor is subject to the risk that tenants may default on the lease payment, in which case there will be a risk of loss of rental income if the tenant is not replaced in a timely manner.
- ii. The value of rights acquired by virtue of the Property Management Agreement may be adversely affected by a number of factors, including, changing demand, changes in general economic conditions, changing supply within a particular area of competing space and attractiveness of real estate relative to other investment choices.
- iii. The Orion Group is susceptible to adverse economic developments and trends in Malta.
- iv. Changes in laws and regulations relevant to the Orion Group's business and operations could be enacted that may have an adverse impact on the Orion Group's business, results of operations, financial condition or prospects.
- v. The Orion Group's operating and other expenses could increase without a corresponding increase in revenue.

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, the Bonds will be traded on a Multi-lateral 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 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 to admission by the MSE. Prospects 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 described above could have a material adverse effect on the liquidity and value of the Bonds.
- x. The Bonds shall constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed by the Guarantor, and 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 and Guarantor. The Bonds will, however, rank subordinate to the present and future secured creditors of the Issuer and the Guarantor. The Issuer

and the Guarantor have not granted any security over any of their assets and therefore as security for their obligations under the Bonds. 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 and Guarantor for so long as such security interests remain in effect.

- xii. In view of the fact that the Bonds are being guaranteed by the Guarantor, Bondholders are entitled to request the Guarantor to pay both the interest due and the principal amount under said Bonds if the Issuer fails to meet any amount, when due. The strength of this undertaking on the part of the Guarantor and, therefore, the level of recoverability by the Bondholders from the Guarantor of any amounts due under any of the Bonds is dependent upon and directly linked to the financial position and solvency of the Guarantor, such that the level of recoverability is further dependant upon the existence or otherwise of any prior ranking claims over the assets of the Guarantor.
- xiii. 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.
- xiv. 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. 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.
- xv. 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.
- xvi. The funds or assets constituting the sinking fund (as described in section 22.24 of the Company Admission Document) shall be held by Jesmond Mizzi Financial Advisors Limited as trustees for the benefit of the Issuer. In accordance with Section 302 of the Act, in the event of winding up of the Issuer, the assets of which are insufficient to meet the 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.

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 €4,900,000, will be advanced by the Issuer to its Parent, whereby the Parent shall pay the Cash Component of the Combined Consideration equivalent to €4,900,000 on the Settlement Date.

E.2 **Subscription** – The Bonds are open for subscription by Authorised Intermediaries through an Intermediaries' Offer. The total amount of €5,000,000 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 €5,000,000 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 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, Registrar and Trustee 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 in the annexes thereto:

1. General

Each Bond forms part of a duly authorised issue of 4.75% unsecured Bonds 2027 of a nominal value of €1,000 per Bond issued by the Issuer at par up to the principal amount of €5 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 €1,000 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 18 June 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 redeemed or 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 4.75% per annum payable annually on 18 June of each year. Interest shall accrue as from 19 June 2017. The first Interest Payment Date following the issuance of this Company Admission Document shall be 18 June 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 four point seven five per cent (4.75%).

5. Status of the Bonds

The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed by the Guarantor, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt of each of the Issuer and Guarantor.

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 changes 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 €1,000) in accordance with the rules and regulations

of Prospects and the MSE applicable from time to time. If Bonds are transferred in part, the transferee thereof will not be registered as a Bondholder.

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 2019 it shall, over a period of 9 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					
€	FY2019	FY2020	FY2021	FY2022	FY2023
Annual contribution	100,000	200,000	250,000	300,000	500,000
Cumulative balance	100,000	300,000	550,000	850,000	1,350,000
€		FY2024	FY2025	FY2026	FY2027
Annual contribution		150,000	1,000,000	1,350,000	1,150,000
Cumulative balance		1,500,000	2,500,000	3,850,000	5,000,000

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 – Jesmond Mizzi Financial Advisors Limited will hold clients' money on their behalf in clients' accounts. Furthermore, the Merrill SICAV, of which Jesmond Mizzi is the founder and shareholder, will also invest in the Bond. Jesmond Mizzi Financial Advisors Limited was appointed by the board of directors of Merrill SICAV as manager of the fund since the fund is self-managed. As trustees, Jesmond Mizzi Financial Advisors Limited will administer the assets of the trust.

Save for the subscription for Bonds by the Authorised Financial Intermediaries (which include the Placement Agent, Manager, Registrar and Trustee) and any fees payable to Jesmond Mizzi Financial Advisors Limited as Placement Agent, Manager, Registrar and Trustee 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	23 May 2017
2. Issue Period	23 May 2017 to 2 June 2017
3. Commencement of interest on Bonds	19 June 2017
4. Issuance of Bonds	22 May 2017
5. Expected date of Admission of the Bonds to Prospects	19 June 2017
6. Expected date of commencement of trading in the Bonds	20 June 2017

The Issuer reserves the right to close the offer of the Bonds before the 2 June 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 four (4) to six (6) above shall be brought forward although the number of working days between the respective events shall not also be altered.



COMPANY ADMISSION DOCUMENT

PART I

③ 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 AND/OR THE GUARANTOR. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND NEITHER THE ISSUER NOR THE GUARANTOR ARE 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 AND/OR GUARANTOR'S FINANCIAL RESULTS AND TRADING PROSPECTS AND THE ABILITY OF THE ISSUER AND/OR GUARANTOR 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 AND GUARANTOR, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER AND GUARANTOR FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S AND/OR GUARANTOR'S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER AND/OR GUARANTOR 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 GUARANTOR OR THE CORPORATE ADVISOR OR THE PLACEMENT AGENT, MANAGER AND REGISTRAR AND TRUSTEE, 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 and Guarantor’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, a few of which are beyond the Issuer’s and/or Guarantor’s control.

Important factors that could cause actual results to differ materially from the expectations of the Issuer’s and/or Guarantor’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 and/or Guarantor’s financial results, trading prospects and the ability of the Issuer and/or Guarantor to fulfil its obligations under the securities to be issued in terms of the Company Admission Document.

Accordingly, the Issuer and Guarantor caution 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 and Guarantor 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 and Guarantor’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, Guarantor and their 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 Orion Group: 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 the Guarantor

3.3.1 **The Issuer's dependence on payments due from its Guarantor may be affected by factors beyond the Issuer's control:** The Issuer has been set up as a finance company, with its main purpose being that of financing the funding requirements of Orion Retail Investments Limited (the Parent and Guarantor), and as such, its assets consist of loans issued to its Guarantor. Consequently, the Issuer is largely dependent, including for the purpose of servicing interest payments on the securities described in the Company Admission Document: Part II and the repayment of the principal on maturity date, on receipt of interest and loan repayments from its Guarantor. In this respect, the operating results of its Guarantor have a direct effect on the Issuer's financial position and performance. Therefore, the intrinsic risks of the business and operations of its Guarantor 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 its Guarantor, and, in turn, all risks relating to the Guarantor are the risks relevant to the Issuer.

Specifically, the Issuer is principally dependent, including for the purpose of servicing interest payments of the Bonds and the repayment of the principal amount on Redemption Date, on the receipt of interest payments and loan repayments from its Parent. In this respect, the operating results of the Guarantor have a direct effect on the Issuer's financial position. Therefore, the intrinsic risks of the business and operations of the Guarantor have a direct effect on the ability of the Issuer to meet its obligations in connection with the payment of interest on the Bonds and repayment of principal when due.

The interest payments and principal repayments to be affected by the Guarantor are subject to certain risks. More specifically, the ability of the Guarantor 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 Guarantor to enable a prospective investor to make an informed judgment as to the reliance on the Guarantee.

3.3.2 **Limited operating history:** The Issuer was established on 2 May 2017 and therefore has a limited operating history that can be evaluated as a basis for the Issuer's potential performance. The risks attendant with a newly incorporated company (such as that of the Issuer) may have a direct effect on the ability of the Issuer to meet its obligations in respect of the repayment of principal and interest under the Bonds.

3.4. Risks relating to the Business of the Issuer, the Guarantor and the Orion Group

3.4.1 **Reliance on companies forming part of the Camilleri Group:** The Properties under Guarantor's management are leased out to one principal tenant – companies forming part of the Camilleri Group, and as such all of the Guarantor's annual rental income is generated from companies forming part of the Camilleri Group. The business, revenue and projected profits of the Guarantor would be adversely impacted if the companies within the Camilleri Group default on their lease agreements, in which case there will be a risk of loss of rental income if the tenant is not replaced in a timely manner.

3.4.2 **Risks relating to reliance on the lease of retail space forming part of the Properties:** In the event that the present lease agreements are terminated early in the event of default, there can be no guarantee that the Guarantor will continue to find suitable tenants for the Properties on the terms it seeks from time to time. In addition, the financial stability of the Guarantor's tenants may change over time. Defaults by tenants could result in a reduction in rental revenues, which could require the Orion Group to contribute additional capital or obtain alternative financing. In addition, the Guarantor may incur costs in enforcing rights under the lease of a defaulting tenant, including eviction and re-leasing costs. Any adverse changes in tenants' financial conditions may negatively affect cash flows generated by the tenants.

Further, the Guarantor is subject to the risk that tenants may terminate or elect not to renew their respective lease, either due to the expiration of the lease term or due to an early termination of the lease. In cases of early termination by tenants prior to the expiration of the lease term there will be a risk of loss of rental income if the tenant is not replaced in a timely manner. If tenants were to default on or fail to renew their leases, the Guarantor may need to expend significant time and money in attracting replacement tenants. In addition, in connection with any renewal or re-letting, the Guarantor may incur costs to renovate or remodel the space. Any of the foregoing factors may adversely affect the business, financial condition and results of operations of the Orion Group.

3.4.3 **Property Management Rights' valuation may not reflect actual market values:** The valuation of property and property-related assets is inherently subjective. The Property Management Rights have been valued by Grant Thornton and a copy of the valuation report dated 8 May 2017 is included in Annex C of this Company Admission Document. Grant Thornton, a firm of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act (Cap. 281 of the Laws of Malta), and is a member of Grant Thornton International. In providing the market value of the Property Management Rights, the independent valuer has made certain assumptions which ultimately may cause the actual value to be materially different from any future value that may be expressed or implied by such forward-looking statements or anticipated on the basis of historical trends as reality may not match the assumptions. There can be no assurance that such valuations of Property Management Rights will reflect actual market values.

3.4.4 **Dependence on the Maltese market and exposure to economic conditions in Malta:** The Orion Group's business activities (as described in section 6) are concentrated in and aimed at the Maltese market, which is its geographical scope. Accordingly, the Orion Group is highly susceptible to adverse economic developments and trends that may from time to time be felt in Malta. Negative economic factors and trends in Malta, particularly those having an effect on the property market, could have a material impact on the business of the Orion Group generally, and may adversely affect rental revenues, property values and results of operations. In addition, the Orion Group may be impacted by increased competition from other similar developments and rising operating costs.

- 3.4.5 **Exposure to market and economic conditions generally:** The health of the commercial property rental market may be affected by a number of factors such as national economy, political developments, government regulations, changes in planning or tax laws, interest rate fluctuations, inflation, the availability of financing and yields of alternative investments. An increase in the supply of commercial space could impact negatively upon capital values and income streams of the property portfolio. In the event that general economic conditions experience a downturn, these weakened conditions may have an adverse impact on the financial position and operational performance of the Orion Group's business activity, potentially having a serious effect on the Issuer's financial position, cash flows, operational performance and its ability to meet its obligations under the Bonds.
- 3.4.6 **The Orion Group may be impacted by changes in laws and regulations:** Changes in laws and regulations relevant to the Orion Group's business and operations could be enacted that may have an adverse impact on the Orion Group's business, results of operations, financial condition or prospects.
- 3.4.7 **The Orion Group may be subject to increases in operating and other expenses:** A significant portion of the Orion Group's costs are fixed and the Orion Group's operating results are vulnerable to short-term changes in its revenues. The Orion Group's inability to react swiftly to changes in its revenue by reducing its operating expenses could have a material adverse effect on its business, financial position and results of operations. The factors which could materially increase operating and other expenses include:
- (a) increases in the rate of inflation above the level of annual increments contracted with tenants;
 - (b) unforeseen increases in costs of maintaining the property; and
 - (c) material increases in operating costs that may not be fully recoverable from tenants.
- 3.4.8 **Moderate leveraged capital structure:** As set out in further detail in section 8 of this Company Admission Document, the Orion Group's projected funding plan indicates that the gearing ratio (net debt: total net funding) is projected to peak at 59% gearing following the issue of the Bonds. Gearing is then projected to decrease as the level of retained earnings improve the shareholder equity base and as borrowings decrease over time.
- This represents a moderate level of gearing in the initial years, which gives rise to all the risks typically associated with such 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 Orion Group not manage to achieve its projected operating results, this will adversely impact gearing levels. Adverse changes to the Orion 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.
- 3.4.9 **Certain financial markets risk:** The Orion 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 and fair values of investments), 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).
- 3.4.10 **Risks relating to taxation:** The amount of taxation charged on the Orion Group's activities is subject to changes in tax laws and their practical application.
- 3.4.11 **Litigation risk:** The Orion Group is not presently involved in any pending or threatened governmental, legal or arbitration proceedings which, so far as the Directors are aware, may have, or have from their date of incorporation to the date of this Company Admission Document,

a significant effect on the Orion Group's financial position or operational performance. However, no assurance can be given that disputes which could have such an effect will not arise in the future. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute will not have a material adverse effect on the Orion Group's future cash flow, results of operations or financial condition. Furthermore, exposure to litigation or fines imposed by regulatory authorities may affect the Orion Group's reputation even though the monetary consequences may not be significant.

4 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 and Guarantor. 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.

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

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

5.1 Directors of the Issuer

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

- **Anthony Camilleri** - Executive Director and Chairman
- **John Soler** - Independent, non-Executive Director
- **Dr Michael Borg Costanzi** - Independent, non-Executive Director

Anthony Camilleri occupies a senior executive position within the Orion Group. The other two Directors, John Soler and Dr Michael Borg Costanzi, serve on the Board of the Issuer in an independent, non-executive capacity. John Soler 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 14, Manuel Borg Gauci Street, Qormi, QRM 4000, Malta.

The company secretary of the Issuer is Christos Barmperis.

The compliance officer in terms of the Prospectus Rules is Pierre Griscti.

The following are the respective *curriculum vitae* of the Directors and Company Secretary of the Issuer:

Anthony Camilleri **Executive Director and Chairman**

Anthony Camilleri is the eldest of the founding members of the present group. He was the catalyst for the diversification of the group from confectionery and catering into retail fashion. Mr Camilleri has been in the family business for over 44 years and has over 30 years' experience in the fashion sector. He has been instrumental in the expansion of the business into its current form as CEO of the Camilleri Group. Anthony is president of the Valletta Merchants Street Business Community and is also a founding Governor of the Valletta Alive Foundation.

John Soler **Independent, non-Executive Director**

John Soler has more than 40 years' experience in retail banking after holding several senior positions with Bank of Valletta p.l.c. He led the bank's operations for over a decade before being appointed to the senior management team as Chief Officer Credit, with responsibility for Bank of Valletta's lending portfolio, including consumer lending, business lending, home loans and card business. Mr Soler presently is chairman of the board of FCM Bank Ltd, and sits on the board of AX Holdings Limited and Valletta Cruise Port p.l.c. He is Chairman of the Audit Committee of AX Holdings Limited.

Dr Michael Borg Costanzi
Independent, non-Executive Director

Dr 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.

Christos Barmperis
Company Secretary

Christos Barmperis holds a Bachelor of Science (Honours) in Marketing from the American University of Athens and a Master of Business Administration, with specific focus given to Finance, from the City University of Seattle. Mr Barmperis joined Camilleri Group in January 2013 as Chief Operations Officer, he is presently the Managing Director of the group. Prior to that he served at C Level positions in leading retailing global brands such as Carrefour group, Dixons group, Intersport and other regional brands in Europe and the Balkans, accumulating international experience in over 8 countries.

5.2 Directors of the Guarantor

As at the date of this Company Admission Document, the board of directors of the Guarantor is constituted by the following persons:

- **Anthony Camilleri** - Executive Director and Chairman
- **John Soler** - Independent, non-Executive Director
- **Dr Michael Borg Costanzi** - Independent, non-Executive Director

The business address of the directors of the Guarantor is 14, Manuel Borg Gauci Street, Qormi, QRM 4000, Malta.

The company secretary of the Guarantor is Joseph Camilleri.

The curriculum vitae of the directors of the Guarantor are set out in Section 5.1 above.

5.3 Senior management of the Orion Group

The Orion Group does not have any employees of its own and is reliant on the resources which are made available to it by the Camilleri Group.

In addition to the Directors of the Issuer and the directors of the Guarantor, a key member of the Orion Group's Executive Team is:

Pierre Griscti
Chief Financial Officer and Compliance Officer

Pierre Griscti joined the Camilleri group in 1989 in the early years of the fashion business as a Finance Executive, he has now been serving as Chief Financial Officer for the last few years and was a key player in the financial growth and development of the group of companies as one of the leading players in the catering, confectionery and fashion sectors. Mr Griscti is a Fellow of

the Association of Chartered Certified Accountants and sits on the board of directors and various committees of the group companies.

5.4 Advisors to the Issuer



Corporate Advisor and Reporting Accountant

Grant Thornton
Address: Tower Business Centre, Suite 3,
Tower Street, Swatar, Malta



Placement Agent, Manager, Registrar and Trustee

Jesmond Mizzi Financial Advisors Limited
Address: 67, Level 3, South Street, Valletta, Malta

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

Jesmond Mizzi Financial Advisors Limited will hold clients' money on their behalf in clients' accounts. Furthermore, the Merrill SICAV, of which Jesmond Mizzi is the founder and shareholder, will also invest in the bond. Jesmond Mizzi Financial Advisors Limited was appointed by the board of directors of Merrill SICAV as manager of the fund since the fund is self-managed. As trustees, Jesmond Mizzi Financial Advisors Limited will administer the assets of the trust.

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

5.5 Auditors of the Issuer and the Guarantor

Name:	Horwath Malta
Address:	'La Provvida', Karm Zerafa Street, Birkirkara BKR 1713

The Issuer and Guarantor were set up in May 2017 and from incorporation to the date of this Company Admission Document, no financial statements have been prepared. The Issuer and Guarantor have appointed Horwath Malta as their auditors.

Horwath Malta is a member of Crowe Horwath International, a Swiss verein (Crowe Horwath). Each member firm of Crowe Horwath is a separate and independent legal entity. Horwath Malta and its affiliates are not responsible or liable for any acts or omissions of Crowe Horwath or any other member of Crowe Horwath and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe Horwath or any other Crowe Horwath member.

6 INFORMATION ABOUT THE ISSUER AND THE GUARANTOR

6.1 The Issuer

6.1.1 Introduction

Full legal and commercial name of the Issuer:	Orion Finance p.l.c.
Registered address:	14, Manuel Borg Gauci Street, Qormi, QRM 4000, Malta
Place of registration and domicile:	Malta
Company registration number:	C 80722
Date of registration:	3 May 2017
Legal form:	The Issuer is lawfully existing and registered as a public limited company in terms of the Act
Telephone numbers:	+356 2147 2255
Email:	info@orion.com.mt
Website:	www.orion.com.mt

6.1.2 Principal activities

The principal object of the Issuer is to carry on the business of a finance company. The Issuer itself does not have any substantial assets and is a special purpose vehicle set up to raise finance for the business of the Orion Group. Consequently 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 parent Orion Retail Investments Limited, as and when required. Accordingly, the Issuer is economically dependent principally on the financial and operating performance of the business of Orion Retail Investments Limited.

The Issuer was incorporated on 3 May 2017 as a public limited liability company, registered in terms of the Companies Act with company registration number C 80722 and is domiciled in Malta, having its registered office at 14, Manuel Borg Gauci Street, Qormi, QRM 4000, Malta. The Issuer, which was set up and established to act as a finance company, has as at the date of the Company Admission Document an authorised and issued share capital of €50,000 divided into 50,000 ordinary shares of €1 each, all fully paid up. The Issuer is a fully-owned subsidiary of the Guarantor (Orion Retail Investments Limited), except for one share which is held by Mr Anthony Camilleri.

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.orion.com.mt) which includes an “Investor Information”

section from which investors can obtain current information on the Company. This section shall include all electronic communication for all information required to be disclosed under the Rules and/or applicable law to all holders of admitted securities.

6.1.3 Principal markets

The Issuer operates exclusively in and from Malta.

6.2 Information about the Guarantor and overview of the Orion Group's business

6.2.1 Introduction

Full legal and commercial name of the Guarantor:	Orion Retail Investments Limited
Registered address:	14, Manuel Borg Gauci Street, Qormi, QRM 4000, Malta
Place of registration and domicile:	Malta
Company registration number:	C 80707
Date of registration:	2 May 2017
Legal form:	The Issuer is lawfully existing and registered as a private limited company in terms of the Act
Telephone numbers:	+356 21 472 255
Email:	info@orion.com.mt

6.2.2 Principal activities of the Guarantor and overview of the Orion Group's business

The Guarantor is a private limited liability company incorporated and registered in Malta with company registration number C 80707, having its registered office at 14, Manuel Borg Gauci Street, Qormi, QRM 4000, Malta. The Guarantor is the parent company of the Issuer (together referred to as the Orion Group) and is a subsidiary of Camilleri Holdings Limited. The Guarantor's current authorised share capital is 9 million shares of €2 each and its issued share capital is €1,200 divided into 600 ordinary shares of €2, fully paid up.

The main activity of the Guarantor is that of acting as a property managing company. In terms of its Memorandum and Articles of Association, the Guarantor, may, *inter alia*, directly or through subsidiary companies, acquire by any title whatsoever, and take on lease or sub-lease and dispose of, grant and/or lease and hold or manage property of any kind, whether movable or immovable for the purposes of its business, and construct, develop and enter into arrangements with contractors and other service providers in connection with properties under its management.

Camilleri Holdings Limited has legal title to the Properties described in section 6.2.4. By virtue of a Property Management Agreement dated 5 May 2017, Camilleri Holdings Limited and Orion Retail Investments Limited agreed that:

- i) Camilleri Holdings Limited will transfer the property management responsibilities of the following Properties for a period of 25 years (the Property Management Agreement) to the Guarantor, with effect from 19 June 2017:
 - a. Sliema outlet, The Strand, which includes the premises currently occupied by the retail outlet under the Matalan brand, Tony's Bar, and use of roof;
 - b. Sliema outlet, St. Anne's Square, which includes the premises currently occupied by the retail outlet under the Mothercare brand;
 - c. Valletta outlet, South Street, which includes the premises currently occupied by the retail outlet under the Mothercare brand;
 - d. Fgura outlet, Zabbar Road, which includes the premises currently occupied by the retail outlet under the Matalan brand and Mothercare brand;
 - e. Qormi warehouse and plot being plots situated on 49-51, Manuel Borg Gauci Street and 61-62 Luigi Maria Galea Street, Handaq, Qormi and warehouses built on plots 19 and 20, Manuel Borg Gauci Street, Handaq, Qormi.
- ii) The Guarantor shall operate the Properties for a specified period of 25 years, during which term the owner shall be responsible for any and all expenses incurred (excluding extraordinary repairs and maintenance, which are to be carried out at owner's expense, whilst ordinary repairs and maintenance are to be carried out at Lessee's expense) and any revenues generated (particularly from the leasing out of the Properties) in connection with the operation of the Properties shall be at the Guarantor's own risk and benefit respectively; and
- iii) Upon expiry of the said 25 year term, the Property Management Agreement is terminated and the Guarantor is under the obligation to transfer the operation of the Properties to Camilleri Holdings Limited, and from that point in time the benefit of revenues generated and the risks associated with the running of the Properties shall be transferred to Camilleri Holdings Limited.

The Property Management Agreement further stipulates that Orion Retail Investments Limited is committed to pay for the acquired rights by means of the Combined Consideration consisting of:

- the Share Component comprising of an issue of 3,014,164 Ordinary Shares in Orion Retail Investments Limited of a nominal value of €2 each and allotted to Camilleri Holdings Limited;
- the Cash Consideration equivalent to €4.9 million payable on the Settlement Date; and
- the Deferred Consideration of €4.2 million payable in line with the Repayment Schedule.

6.2.3 Principal markets

The Guarantor operates exclusively in and from Malta.

6.2.4 The property portfolio operated by the Orion Group

Following the Property Management Agreement dated 5 May 2017, with effect from 19 June 2017 the Guarantor will take on the responsibility of managing the following property portfolio (the Properties) for a 25 year period:

Name of Property	Address	Tenant	Use of property	Property freehold valuation as at 30 April 2017	Valuation of the Property Management Rights as at 8 May 2017
				€000	€000
Sliema outlet, The Strand	Matalan premises, The Strand, Sliema	Camilleri Establishments Limited / Tony's Bar	Retail	7,500	4,960
Fgura outlet, Zabbar Road	Matalan/ Mothercare premises, Zabbar Road, Fgura	Camilleri Establishments Limited and Camilleri Trading Limited	Retail	4,750	4,070
Sliema outlet, St. Anne's Square	Mothercare premises, St. Anne Square, Sliema	Camilleri Trading Limited	Retail	4,380	3,390
Valletta outlet, South Street	Mothercare premises, 14, South Street, Valletta	Camilleri Trading Limited	Retail	2,150	1,670
Qormie warehouse and plot	Plots 49-51, Manuel Borg Gauci Street and 61-62 Luigi Maria Galea Street, Qormi, Handaq Qormi warehouses built on plots 19 and 20, Manuel Borg Gauci Street, Handaq, Malta	Camilleri Holdings Limited	Warehouse	2,150	1,060
Total				20,930	15,150

The aggregate freehold valuation of the Properties is of €20.9 million and has been valued by Paul Camilleri & Associates. A copy of their valuation report dated 30 April 2017 is included in Annex B of this Company Admission Document. The aggregate valuation of the Property Management Rights is of €15.2 million and has been valued by Grant Thornton. A copy of their valuation report dated 5 May 2017 is included in Annex C of this Company Admission Document. The Properties are currently hypothecated in favour of HSBC Bank Malta p.l.c. and Bank of Valletta p.l.c. as security for credit facilities made available to the Camilleri Group, for a total of €7.8 million as at 31 December 2016.

As evidenced above, occupancy of the Properties is 100% with the Properties principally leased to companies forming part of the Camilleri Group. Upon transferring of the Property Management Rights, the Orion Group is materially dependent on the Camilleri Group for the purpose of honouring the respective lease contracts. Moreover, changes in the business strategy and operations of the Camilleri Group may adversely impact the operations and financial position of the Orion Group.

An overview of the Properties which are owned by Camilleri Holdings Limited and operated by the Orion Group through the transfer of the Property Management Rights is included hereunder:

6.2.4.1 Sliema outlet, The Strand

This outlet consists of a building situated at The Strand, Sliema and includes the premises currently operated as a fashion retail outlet under the Matalan brand, whilst a part of it is occupied by Tony's Bar. The commercial property has an approximate internal shop area of 837sqm whilst Tony's bar has an approximate floor area of 73sqm. In addition, there is a shared access of 44sqm, which is required in order to provide common access to the third party residences situated above these commercial properties and which is used as an entrance shop window. At first floor, the premises have a commercial frontage of 16.5 metres overlooking the main street, which is all utilised as display window/balcony.

6.2.4.2 Fgura outlet, Zabbar Road

This outlet consists of a building accessible from Zabbar Road and Mater Boni Consilii Street, a building which was constructed on a site formerly occupied by four properties officially numbered 248, 250, 252 and 254 on Zabbar Road and beneath a cluster of eleven garages accessible through a long drive-way from Mater Boni Consilii Street located at the back of the development. A number of these garages belong to third parties and are accessible through a communal drive-way; which also serves as a service access to the building, as well as an access for the parking area which occupies the second floor of the building.

The outlet includes the premises currently occupied by the retail outlets under the Matalan brand and Mothercare brand which are situated on the basement floor, ground floor and front part of the first floor level, allocation of 12 car parking spaces and the contractual right of way over the plant room in order to use the fire escape located at the back of the property. The commercial property has an approximate gross external area of 1,945sqm plus a frontage of 11.95 metres on the ground floor and 16.40 frontage on first floor overlooking Zabbar Road.

6.2.4.3 Sliema outlet, St. Anne's Square

This outlet consists of a building currently currently operated as a retail outlet under the Mothercare brand and is situated at St. Anne's square, Sliema, overlooking the Sliema ferries. The outlet is situated in an area which is predominantly pedestrian and can be accessed from three separate entrances, these being, The Plaza Shopping Centre, St. Anne's square and Guze Fava Street.

The commercial property has a total floor area of 328 sqm and is situated on two floors. At ground floor level, the property has an 8 metre frontage on St. Anne square, whilst at first floor level, the property has a 5.15 metre frontage on Guze Fava Street.

6.2.4.4 Valletta outlet, South Street

This outlet consists of a building currently occupied by the retail outlet under the

Mothercare brand and is situated at 14, South Street, Valletta. The retail outlet originally consisted of two separate units underlying two adjacent apartment blocks, connected by a main internal staircase. Consequently, the premises have two prominent main entrances from two streets (Ordnance Street and South Street), with a 5 metre frontage on Ordnance Street at the upper level and a 3 metre frontage on South Street at the lower level.

The premises have a total floor area of 407sqm, which consists of a utilisable retail floor area of 375sqm and a 32sqm basement. The premises also include a 12sqm space facing South Street, which is currently used as an office.

6.2.4.5 Qormi warehouse and plot

The plot is situated at 49-51, Manuel Borg Gauci Street and 61-62 Luigi Maria Galea Street, Handaq. This combined site has two street frontages in an area of containment, the first on M. Borg Gauci Street and second on Luigi Maria Galea Street. All of the site, which has a total developable area measuring 868sqm, may be developed into industrial warehouses and/or industrial uses in line with the development having been carried out in the tal-Handaq area in recent years. Currently this land is being utilised as a car park, including a covered parking bay for the Camilleri Group's commercial fleet.

The warehouse was constructed around 32 years ago on plots 19 and 20, Manuel Borg Gauci Street, Handaq, Qormi and consists in a double plot construction.

By virtue of Planning Authority permit PA00762/12 of the building application of an additional floor, the Camilleri Group constructed a second floor to be used as offices, archives, stores and canteen. The permit also included the change of use of part of the ground floor level from metal works workshop to stores and the change of use of part of the first floor level from offices to catering (food preparation).

6.2.5 Lease Agreements

6.2.5.1 Lease Agreements with the companies forming part of the Camilleri Group

All Lease Agreements with companies forming part of the Camilleri Group have been renewed on an arm's length basis to reflect (i) current market conditions and (ii) the more recent valuation of each Property. Under the terms of these Lease Agreements during FY2018 companies within the Camilleri Group will pay Orion Retail Investments Limited a total of one million one hundred and ninety-five thousand, two hundred and twenty-seven euro (€1,195,227). The main terms of these Lease Agreements are as noted in the forthcoming paragraphs.

All Properties are being leased for a period of fifteen (15) years effective 19 June 2017, of which the first ten (10) years are *di fermo*, whilst the remaining five (5) years are *di rispetto* at the option of the lessee. Should the companies forming part of the Camilleri Group opt not to enter in the *di rispetto* period, the companies within the Camilleri Group have the option to terminate the respective leases by giving six months' notice to Orion Retail Investments Limited.

In the event of a breach of any one or more of the conditions of the Lease

Agreement, or a default in the payment of the rent, the Lease Agreements would be immediately terminated and the Property would be promptly relinquished. In the event that the lessee does not relinquish possession of the Property immediately, a penalty of four thousand euro (€4,000) per day would be charged.

In all Lease Agreements, lease charges are based on a yield of 6% of the freehold property value as at the last valuation date as included in Annex B of this Company Admission Document, except for the Fgura outlet which is set at 6.5%, and the Qormi warehouse and plot which are set at 4% of the freehold property value. All lease charges are subject to an annual increase of 3.2%.

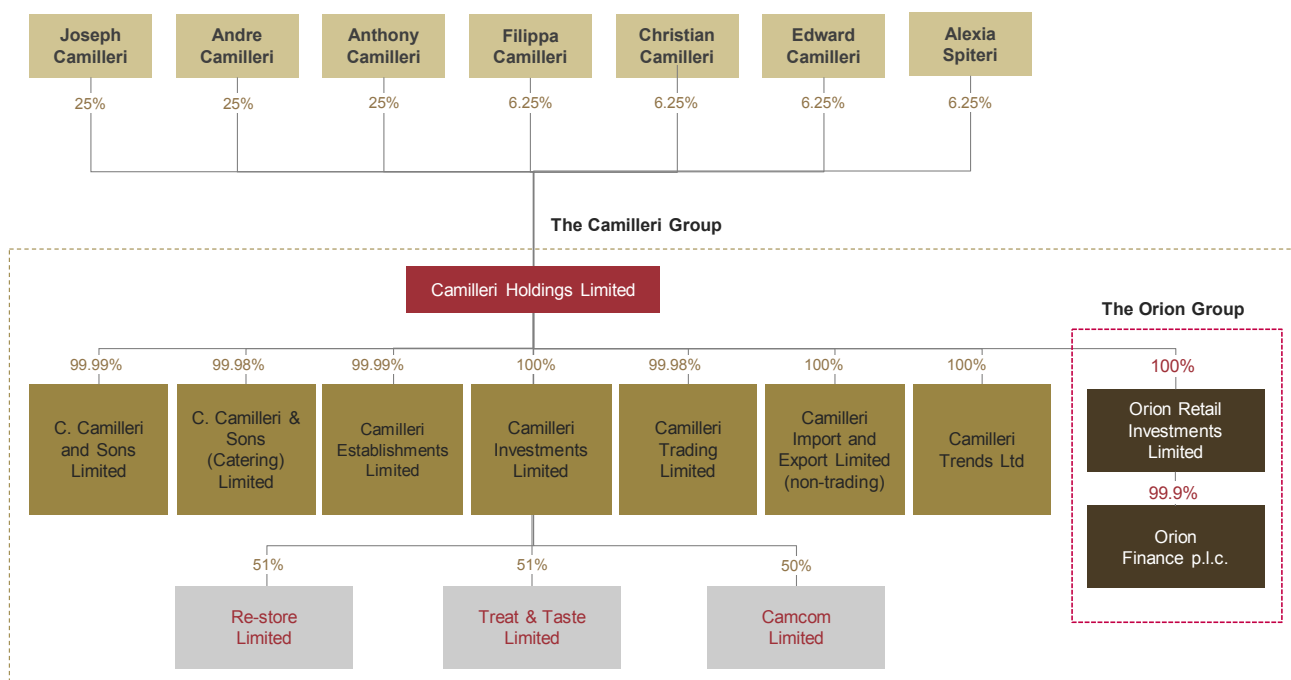
Furthermore, the tenant is responsible for the upkeep and all ordinary repairs and maintenance of the respective Property whilst the Camilleri Group is only responsible for extraordinary repairs and maintenance.

6.2.5.2 Contract relating to Tony’s Bar

Tony’s Bar, operated by B. Tagliaferro & Sons Limited, a company registered under the Laws of Malta with company registration number C 817, having its registered office situated at 62, Republic Street, Valletta, Malta, was granted on temporary emphyteusis which runs until 2044 and, consequently, as at that date, the Property consisting of Tony’s Bar reverts to Camilleri Holdings Limited as ‘free and unencumbered’. The ground rent is charged based on the current contract in place.

6.2.6 Organisational structure

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



6.2.7 Orion Group dependencies

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

As evidenced in section 6.2.4 above, all Properties held under management by the Orion Group are leased to companies within the Camilleri Group and as such the Orion Group is materially dependent on the Camilleri Group for the purpose of honouring the respective lease contracts. Moreover, changes in the business strategy and operations of the Camilleri Group may adversely impact the operations and financial position of the Orion Group.

6.2.8 Business development strategy

It is the intention of Orion Retail Investments Limited to continue to manage the Properties in order to optimise utilisation thereof, maximise the value of its portfolio, leverage revenue streams arising therefrom and achieve positive and sustainable financial results going forward. To this end, the rents chargeable to the Camilleri Group will continue to be based on commercial rental rates and the respective Lease Agreements entered shall remain on an arm's length basis.

7 TREND INFORMATION

7.1 Trend information of the Issuer

The Issuer is dependent on the business prospects of the Guarantor and, therefore, the trend information of the Guarantor (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 incorporation.

7.2 Trend information of the Guarantor

Orion Retail Investments Limited was set up as a property managing company of the Orion Group. In this regard, the Guarantor aims to continue to manage the Properties that fall under its responsibility. Consequently, its principal income stream will be the generation of income from long-term lease agreements with companies within the Camilleri Group. In view of the long-term nature of such leases, the Directors do not consider the Orion Group to be unduly exposed to operating uncertainties relating to the commercial real estate sector and/or to other external events related to the economy, which could be deemed likely to have a material impact on the business of the Orion Group, for the next ten years. There has been no material adverse change in the prospects of the Issuer since the date of its incorporation.

The Orion Group's business prospects therefore predominantly revolve around the ability of companies within the Camilleri Group to service their obligations in a timely manner. The annual amounts receivable by the Orion Group are quantifiable and revisable over time at pre-agreed terms. They have also been based on commercial rental rates and the respective Lease Agreements were entered into on an arm's length basis. Therefore, the lease provides the Orion Group with a visible and stable revenue stream, which will increase over time, at a rate of 3.2% until the expiration of the Property Management Agreement. Given the financial stability of the Camilleri Group, the Directors are confident that the anticipated revenue streams in the coming year and foreseeable future will be generated as contracted.

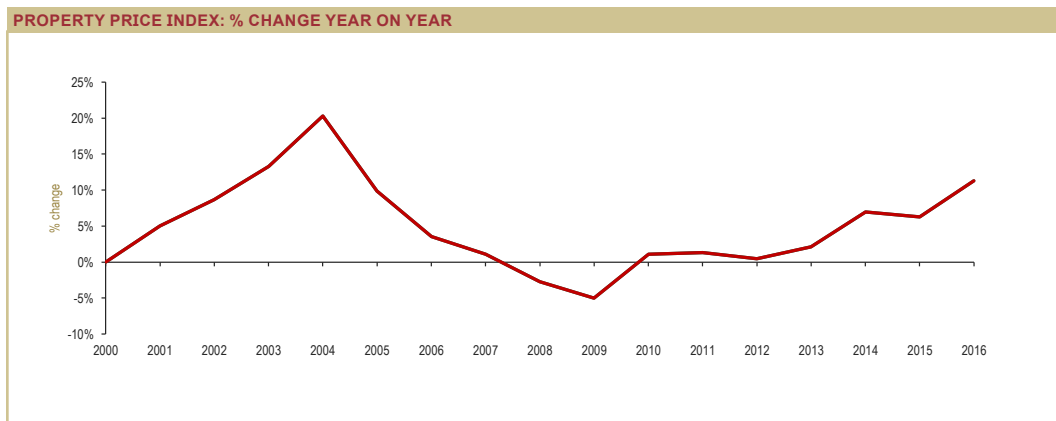
7.3 The property market: market overview

Portman International in their report entitled "Malta Property Market" dated 17 July 2015, stated that the property market in Malta underpins the tourism industry, the retail sector and important segments of the financial services industry and in fact the property market in Malta has historically been considered as one of the key measures of the health of the Maltese economy. The price of a property in Malta is defined by a number of factors, including location, type, state of maintenance, views and size.

The analysis of property price movements illustrated below is based on the Central Bank of Malta's residential property price index, which tracks movements in advertised residential property prices. As set out below, the Maltese property market enjoyed strong growth, with a brief property boom experienced between 2002 and 2005 and a more normalised rate from 2005 to 2007. Following that, the next two years saw a slump in the general property market index as a result of the global financial crisis. Performance in the years 2010 to 2013 was relatively stable but still slightly below activity levels registered in 2007 (2007 index: 178.9 vs 2013 index 173.7). It was in the following three years that Malta experienced another property boom, whereby by the end of 2016, the property price index reached 219.7, an increase of 26% between 2013 and 2016, driven principally by an increase in apartment prices. Moreover, according to the Times of Malta's article entitled "House price increases were EU's highest at the end of 2016", house prices in Malta rose by 6% between the third and fourth quarter of 2016, compared to an average of 4.7% in the EU and 4.1% in the Eurozone.

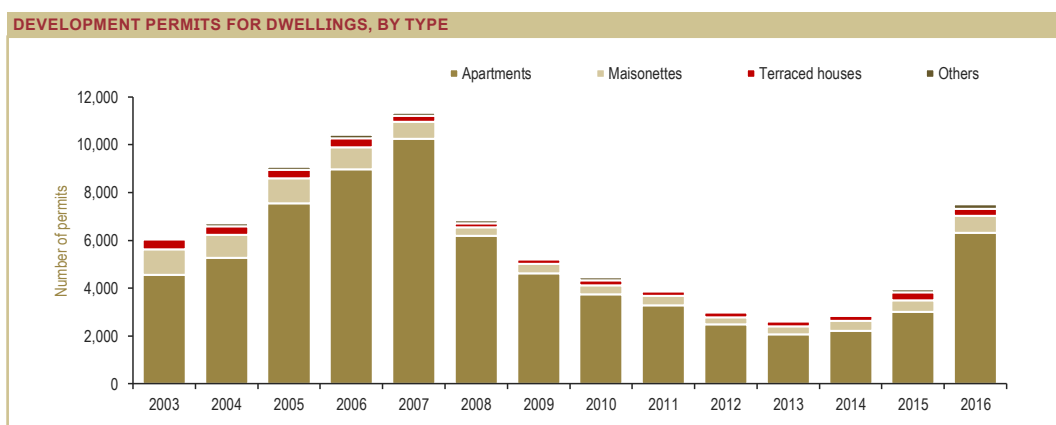


SOURCE: CENTRAL BANK OF MALTA



SOURCE: CENTRAL BANK OF MALTA

According to the Central Bank of Malta report entitled “The Construction Sector in 2015”, an increase in the number of permits issued for residential dwellings and commercial properties supported the recovery in the construction sector. As evidenced in the chart below, permits for residential units began to recover in 2014 and continued to increase in 2015, reaching 2008 levels by the end of 2016. Permits in fact increased from 2,705 in 2013 to 3,947 in 2015, reaching 7,508 by 2016.

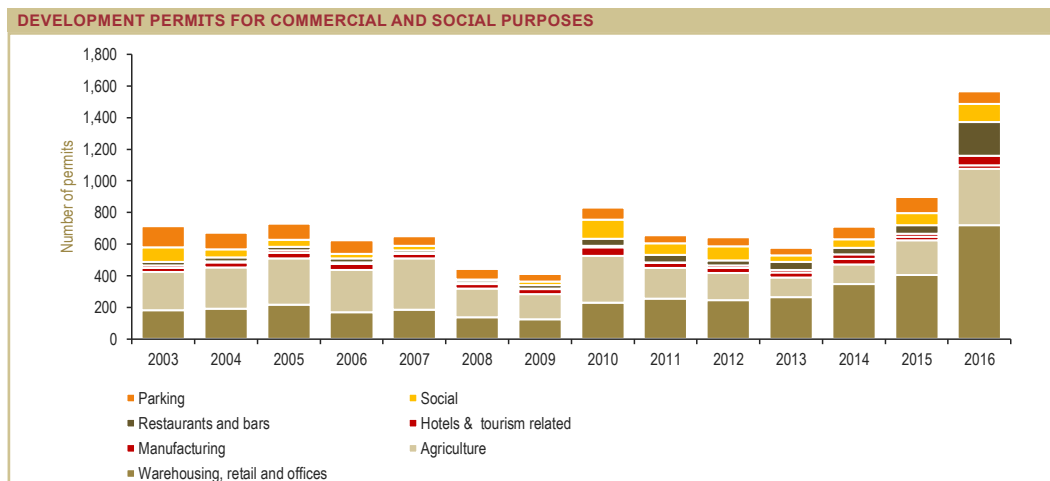


SOURCE: PLANNING AUTHORITY, MALTA

The increase in permits as well as the increase in the property price index was aided in part by various incentives implemented by a number of administrative reforms by the Government to encourage purchases by foreign investors as well as fiscal incentives for first time buyers, together with favourable expectations in anticipation of schemes targeting high-end investors. In addition, the growth in disposable income on the back of a strong labour market, the increasing number of foreigners working in Malta, as well as the low interest rate environment are all factors which have stimulated property demand.

The Sliema and St. Julian’s area are the most sought by prospective buyers and tenants. A barometer carried out by PricewaterhouseCoopers (PwC Malta Middle Market Barometer – Real Estate Market, October 2015) indicated that over 60% of the participating real estate agents consider these areas to be the most in demand, and have registered the highest increase in prices. Areas in central Malta and in the north of the Island rank second and third respectively. Real estate agents anticipate that in the coming months, property in Valletta will experience an increase in demand.

National statistics relating to commercial property in Malta is currently not captured and is therefore more difficult to gauge the relative state of this sector. Notwithstanding the lack of such data, given the progressive evolvement of Malta as a services-oriented economy and the success achieved to date in attracting foreign companies specifically from sectors such as financial services, gaming and IT, it is evident that demand for good quality commercial property has increased markedly leading to a situation where demand seems to exceed supply. In fact, most, if not all, high quality commercial developments in key locations are fully let. Moreover, as evidenced in the chart below, the number of permits for warehousing, retail and offices has substantially increased over the period, from a low of 123 permits in 2009 to 403 permits in 2015, reaching 719 permits by end of 2016.



SOURCE: PLANNING AUTHORITY, MALTA

In addition, MaltaToday’s article dated 19 April 2017 and entitled “Shopping mad: Over 107,000 square metres of retail space awaits green light”, states that eight projects whose planning applications are pending, three of which seek land outside building zones, could potentially add 107,000 square metres of retail space in Malta if approved. These projects include:

City	Planned development
Ghaxaq	The application incorporates the existing 2,500 sqm Lidl supermarket on the ground floor, 12,964 sqm department store constructed over three levels and an additional 17,682 sqm of other retail shops. Underground parking will cater for 752 cars while 408 parking spaces are allocated at ground floor level.
Marsasclala	The development includes a basement carpark, a 3,080 sqm commercial outlet, a 748 sqm restaurant and a 330 sqm drive thru at ground floor level, 2,080 sqm of offices at the first floor level and a landscaped roof. The development is located outside development zone.
Qormi	The development includes two levels of underground parking, a DIY centre with ancillary facilities and a receded first floor for retail space and offices occupying a floor space of 10,000 sqm.

Sliema	Townsquare, a 38-storey high-rise in Sliema which includes 9,600 sqm of retail space, was approved by the Planning Authority in 2016, but is currently pending an appeal.
St. Julian's	The planned shopping mall will cover almost 24,000 sqm of retail space and be solely dedicated to high-end designer brands.
Luqa	The project includes the expansion of the existing Malta International Airport complex and the addition of office and retail blocks (consisting of 16,800 sqm of commercial space), a hotel and recreational areas.
Attard	The proposed development includes 7,460 sqm of retail in a proposed industrial park for SMEs over 158,000 sqm on a site currently taken up by quarries in Wied Incita, Attard. A 2,550 sqm family recreation park is proposed next to the shopping area.
Gzira	In 2012 the Planning Authority approved 6,320 sqm of retail in the Lazzaretto development by MIDI in Manoel Island, alongside 54 apartments, a 2,868 sqm casino and a 1,950 sqm hostel. New plans presented recently by MIDI foresee a waterfront mix of catering, retail and recreational facilities.

7.3.1 Yield rates

As set out in section 6.2.5.1, the leases charged to companies forming part of the Camilleri Group are based on a yield of 6% of the freehold property value as at the last valuation date as included in Annex B of this Company Admission Document, except for the Fgura outlet which is set at 6.5%, and the Qormi warehouse and plot which are set at 4% of the freehold property value.

For comparison purposes, reference is made to properties held by listed companies in Malta, in which such companies have published the yield rates, annual rents and/or valuation of the retail space and warehousing facilities in their respective prospectuses. Such a comparison highlights that the yield rates included in the Lease Agreements between Orion Retail Investments Limited and companies forming part of the Camilleri Group are in line with market rates of those properties in the vicinity of the main outlets, primarily Plaza Commercial Centre, McDonald's Sliema and Tigne Mall which have an average yield of c. 7%.

Name of Property	Source	Location	Use of Property	Contracted rental yield, gross
Warehousing facilities				
Hili Building	Hili Properties p.l.c., 2015	Luqa	Office space/ warehousing facilities	5.0%
Lija Warehouse	Hal Mann Vella Group p.l.c., 2014	Lija	Warehousing/ parking	Current 3.8% potentially increasing to 6.5% following development

Name of Property	Source	Location	Use of Property	Contracted rental yield, gross
Retail				
Casino Malta	Eden Finance p.l.c.	Paceville	Casino	c. 5.0%
Plaza Commercial Centre	Plaza Centres p.l.c., 2016	Sliema	Mall/ offices	7.2%
McDonald's, Sliema	Hili Properties p.l.c., 2015	Sliema	Restaurant	6.1%
Tigne Mall	Tigne Mall p.l.c., 2013	Tigne Point	Mall	7.7%

⑧ HISTORICAL FINANCIAL INFORMATION

8.1 Financial information on the Issuer

The Issuer was registered and incorporated on 3 May 2017 to issue the Bonds and loan the proceeds to the Guarantor. The Issuer has not conducted any business and has no trading record. Since incorporation to the date of this Document, no financial statements have been prepared in respect of the Issuer.

There has not been any significant change in the financial or trading position of the Issuer, which has occurred since the company's date of incorporation.

8.2 Financial information of the Guarantor

The Guarantor was registered and incorporated on 2 May 2017 and has not conducted any business since the date of its incorporation except for the transfer of the Property Management Rights. Consequently, the Guarantor has no trading record and since incorporation to the date of this Document, no financial statements have been prepared in respect of the Guarantor.

There has not been any significant change in the financial or trading position of the Guarantor, which has occurred since the company's date of incorporation.

Set out below are projections for the six months 1 July to 31 December 2017, and for the years ending 31 December 2018 and 2019, based on the consolidated position of the Orion Group, which includes the projected financial statements of the Guarantor and the Issuer. The projections assume that both the rent payments as well as the interest commence on 1 July 2017.

8.2.1 Orion Group's projected income statement

Consolidated projected income statement for the period / year ending 31 December			
€000	FY2017F Jul-Dec	FY2018P Jan-Dec	FY2019P Jan-Dec
Revenue			
Rental income	588.3	1,195.2	1,233.5
Management fee	125.0	254.0	262.1
Total revenue	713.3	1,449.2	1,495.6
Administrative expenses	(76.8)	(98.2)	(100.6)
EBITDA	636.5	1,351.0	1,395.0
Amortisation	(313.0)	(616.0)	(616.0)
EBIT	323.5	735.0	779.0
Net finance costs	(215.3)	(418.2)	(384.0)
Profit before tax	108.2	316.8	395.0
Tax expense	(106.2)	(242.8)	(267.3)
Profit after tax	2.0	74.0	127.7
Key performance indicators			
EBITDA margin	89.2%	93.2%	93.3%
Net profit margin	0.3%	5.1%	8.5%
Interest cover ratio (times)	2.96	3.23	3.63

SOURCE: ORION GROUP FORECASTS FOR THE PERIOD 1 JULY TO 31 DECEMBER 2017 AND THE YEARS ENDING 31 DECEMBER 2018 AND 2019

Orion Group's revenue is expected to consist of rental income based on the rental agreements set out in section 6.2.5, as well as a management fee of €250k per annum, increasing in line with inflation, charged by Orion Retail Investments Limited to companies within the Camilleri Group, to cover the cost of managing the Properties.

Administration expenses shall primarily comprise Directors' fees, ongoing Bond issue costs and professional and legal costs. As a result, Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) is expected to reach €1.4 million in FY2018.

Amortisation cost is projected to total €616k per annum and shall include the amortisation of the Property Management Rights over the term of the Property Management Agreement.

Finance costs consist of interest on the Deferred Consideration and interest on the Bond. As from FY2019, the Orion Group will be contributing towards a sinking fund, which is expected to generate interest income. The Orion Group's interest cover ratio is expected to increase between FY2017 and FY2019, reflecting the increase in profits generated.

Orion Group's profit after tax is expected to improve between FY2017 and FY2019, from €2k in FY2017 to €128k in FY2019. The Group shall not be distributing any dividends to its shareholders in the first three years of the Bond.

8.2.2 Orion Group's projected statement of financial position

Consolidated projected statement of financial position as at 31 December			
€000	FY2017F	FY2018P	FY2019P
ASSETS			
Non-current assets			
Intangible assets	14,937.0	14,321.0	13,705.0
Sinking fund	-	-	100.0
Non-current assets	14,937.0	14,321.0	13,805.0
Current assets			
Cash and cash equivalents	377.0	798.4	535.6
Current assets	377.0	798.4	535.6
Total assets	15,314.0	15,119.4	14,340.6
EQUITY AND LIABILITIES			
Equity			
Share capital	6,028.3	6,028.3	6,028.3
Retained earnings	2.0	76.0	203.7
Equity	6,030.3	6,104.3	6,232.0
Liabilities			
Non-current liabilities			
Deferred consideration for Property Management Rights	3,653.5	2,722.6	2,293.1
Non-current liabilities	8,653.5	7,722.6	7,293.1
Current liabilities			
Deferred consideration for Property Management Rights	405.2	930.9	429.6
Accrued interest	118.8	118.8	118.8
Current tax liability	106.2	242.8	267.3
Current liabilities	630.2	1,292.5	815.6
Total liabilities	9,283.7	9,015.1	8,108.7
Total equity and liabilities	15,314.0	15,119.4	14,340.6
Key performance indicators			
Gearing (net debt/net debt + equity)	59.0%	56.3%	53.2%

SOURCE: ORION GROUP FORECASTS FOR THE PERIOD 1 JULY TO 31 DECEMBER 2017 AND THE YEARS ENDING 31 DECEMBER 2018 AND 2019

to Orion Retail Investments Limited the management of the Properties with effect from 19 June 2017, by way of a Property Management Agreement in return for the Combined Consideration.

Intangible assets of €14.9 million as at 31 December 2017 consist of the value of the Property Management Rights which is being amortised over the term of the Property Management Agreement. A sinking fund will be built up gradually between FY2019 and FY2027 in order to ensure that Orion Finance p.l.c. will have sufficient cash resources to redeem the outstanding Bonds at maturity. The sinking fund money will firstly be used to buy back any Bonds on the stock market, with any excess cash invested in bonds and/or treasury bills. The projections included in this Company Admission Document do not assume the buy-back of any Bonds.

As at 31 December 2017 Orion Group's indebtedness is expected to total €9.1 million, comprising the Deferred Consideration of €4.1 million and the Bond of €5.0 million. Total equity of the Orion Group is expected to be €6.0 million as at 31 December 2017. As a result, the Orion Group's gearing is expected to peak at 59% as at 31 December 2017, decreasing steadily thereafter.

8.2.3 Orion Group's projected statement of cash flow

Consolidated projected statement of cash flows for the period / year ending 31 December			
€000	FY2017F Jul-Dec	FY2018P Jan-Dec	FY2019P Jan-Dec
Cash generated from operating activities			
EBITDA	636.5	1,351.0	1,395.0
Interest paid	(96.6)	(418.2)	(384.7)
Interest received	-	-	0.6
Tax paid	-	(106.2)	(242.8)
Net cash generated from operating activities	540.0	826.6	768.2
Cash generated from/(used in) financing activities			
Payment of Deferred Consideration	(163.0)	(405.2)	(930.9)
Payment of Cash Component on Settlement Date	(4,900.0)	-	-
Issue of Bond	5,000.0	-	-
Payment of issue costs	(100.0)	-	-
Sinking fund transfers	-	-	(100.0)
Net cash generated from financing activities	(163.0)	(405.2)	(1,030.9)
Movement in cash and cash equivalents	377.0	421.4	(262.8)
Cash and cash equivalents at the beginning of the period/year	-	377.0	798.4
Cash and cash equivalents at the end of the year	377.0	798.4	535.6

SOURCE: ORION GROUP FORECASTS FOR THE PERIOD 1 JULY TO 31 DECEMBER 2017
AND THE YEARS ENDING 31 DECEMBER 2018 AND 2019

Cash flow generated from operating activities is expected to total €0.5 million in FY2017 increasing to €0.8 million in FY2019.

The cash portion of the Combined Consideration equivalent to €4.9 million will be settled on the Settlement Date following receipt of the Bond proceeds. The Deferred Consideration is expected to be repaid in line with the Repayment Schedule.

As from FY2019, the Orion Group will gradually transfer part of its cash balance towards a sinking fund, in preparation for the redemption of the bond in FY2027.

Resultant cash reserves are expected to reach €0.5 million by 31 December 2019.

9 MANAGEMENT AND ADMINISTRATION

9.1 The Issuer

9.1.1 The Board of Directors of the Issuer

The Memorandum of Association of the Issuer provides that, unless and until otherwise determined by an extraordinary resolution of the Company in a general meeting, and subject that a few matters are reserved to be exercised by shareholders in 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 shareholders.

The Issuer is currently managed by a Board of three (3) 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 Orion 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.

9.1.2 Executive Directors

The Executive Director of the Issuer is entrusted with the Company's day-to-day management and is also a director or officer of the other company within the Orion Group. The only Executive Director of the Issuer is Mr Anthony Camilleri.

9.1.3 Non-Executive Directors

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

The Non-Executive Directors are Mr John Soler and Dr Michael Borg Costanzi.

9.1.4 **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.

9.1.5 **Conflicts of interest**

Mr Anthony Camilleri, Mr John Soler and Dr Michael Borg Costanzi, in addition to sitting on the Board of Directors of the Issuer, also act as directors of the Guarantor. Moreover, they all also form part of the Audit Committees of the Issuer and the Guarantor. In addition Mr Anthony Camilleri sits on boards of other companies within the Camilleri Group. Conflicts of interest could potentially arise in relation to transactions involving the Issuer and the Guarantor and other companies within the Camilleri Group.

In light of the foregoing, such Directors are susceptible to conflicts between the potentially diverging interests of the Issuer and the Guarantor, as the case may be, and any of such other companies within the Camilleri Group in transactions entered into, or proposed to be entered into, between them. The Audit Committees of the Issuer and Guarantor have 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, the Guarantor and the Orion Group and according to law. The fact that the Audit Committees are constituted with a majority of independent non-executive directors, provides an effective measure to ensure that transactions vetted by the Audit Committees are determined on an arm's length basis.

Additionally, the Audit Committees have, pursuant to the relative terms of reference, been granted express powers to be given access to the financial position of the Issuer and the Guarantor, as well as the Camilleri Group on a quarterly basis. To this effect, the Issuer, the Guarantor and the Camilleri Group are to submit to the Audit Committees bi-annual accounts, as well as at least quarterly comparisons of actuals against projections.

To the extent known or potentially known to the Issuer and the Guarantor, 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 the directors of the Guarantor and their private interests and/or their other duties which require disclosure in terms of the Prospects Rules.

9.1.6 **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.

9.1.7 **Removal of Directors**

In terms of the Issuer's Articles of Association, the first Directors of the Issuer shall serve until the end of the first annual general meeting during which the new Directors shall be appointed. Thereafter, all Directors shall hold office from the general meeting at which they are elected until the end of the next annual general meeting. All retiring Directors shall be eligible for re-election. The Directors of the Issuer currently in office are expected to remain in office at least until the next annual general meeting of the Issuer.

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

9.1.8 **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 a 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 Orion Group operations as well as ensure that the interests of the Bondholders are upheld at all times.

9.1.9 **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 €33,750 to its Directors.

9.1.10 **Employees**

The Issuer does not have any employees of its own and is, therefore, reliant on the Camilleri Group for administrative support.

9.1.11 **Working capital**

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

9.2 **The Guarantor**

9.2.1 **The Board of Directors of the Guarantor**

The memorandum of association of the Guarantor provides that the board of directors shall be composed of not less than three (3) and not more than seven (7) directors. As at the date of the Company Admission Document, the board of directors of the Guarantor is composed of three directors.

9.2.2 **Directors' service contracts**

None of the directors of the Guarantor have a definitive service contract with the Guarantor.

9.2.3 **Removal of the Guarantor's directors**

A director of the Guarantor may, unless he resigns, be removed by an ordinary resolution of the shareholders as provided by Article 140 of the Act. The directors of the Guarantor currently in office are expected to remain in office at least until the next annual general meeting of the Guarantor.

9.2.4 **Loans to the directors**

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

9.2.5 **Employees**

The Guarantor does not have any employees of its own and is, therefore, reliant on the Camilleri Group for administrative support.

10 MAJOR SHAREHOLDERS

10.1 Major shareholders of the Issuer

The Issuer has an authorised and issued share capital of €50,000 divided into 50,000 ordinary shares of a nominal value of €1 each. The Guarantor holds 49,999 'A' shares and 1 'B' share is held by Mr Anthony Camilleri.

Name of shareholder	Number of shares held
Orion Retail Investments Limited (C 80707) (the Guarantor)	49,999 Ordinary 'A' shares
Anthony Camilleri	1 Ordinary 'B' share

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.

10.2 Major shareholders of the Guarantor

The Guarantor's current authorised share capital is €9,000,000 divided into 4,500,000 ordinary shares of a nominal value of €2 each. The Guarantor's current issued share capital is €1,200 divided into 600 ordinary shares of €2 each which are subscribed to and allotted as fully paid shares, as follows:

Name of shareholder	Number of shares held
Camilleri Holdings Limited (C 27495)	600

Camilleri Holdings Limited is ultimately owned by Andre Camilleri, Anthony Camilleri, Filippa Camilleri, Joseph Camilleri, Christian Camilleri, Edward Camilleri and Alexia Spiteri.

11 BOARD COMMITTEES

11.1 Audit Committees of the Issuer and Guarantor

The terms of reference of the Audit Committees of the Issuer and Guarantor consist of *inter alia* their support to the Board of the Issuer and the board of directors of the Guarantor in their responsibilities in dealing with issues of risk, control and governance, and associated assurance.

The Boards have set formal rules of engagement and the terms of reference of the Audit Committees that establish their composition, role and function, the parameters of its remit, as well as the basis for the processes that they are required to comply with. The Audit Committees, which meet at least once every three months, are sub-committees of the respective boards and are directly responsible and accountable to the respective board. The Boards reserves the right to change the Committees' terms of reference from time to time.

The terms of reference of the Audit Committees have been formally set out in a separate charter. Briefly, the Audit Committees are expected to deal with and advise the respective board on:

- a. their 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 (the Guarantor) 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 Committees have the role and function of considering and evaluating the arm's length nature of any proposed transactions to be entered into by the Issuer/Guarantor and a related party, and given the role and position of the Issuer/Guarantor within the Orion 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/Guarantor. In this regard, the Audit Committees 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, as stated in section 11.1 above, the Audit Committees have, pursuant to the relative terms of reference, been granted express powers to be given access to the financial position of the Issuer and the Guarantor, as well as the Camilleri Group on a quarterly basis. To this effect, the Issuer, Guarantor and the Camilleri Group are to submit to the Audit Committees bi-annual accounts, as well as at least quarterly comparisons of actuals against projections.

The Audit Committees are presently composed of Anthony Camilleri, John Soler and Dr Michael Borg Costanzi, of which John Soler and Dr Michael Borg Costanzi act as independent, non-executive members. The Audit Committees are chaired by John Soler, whilst Anthony Camilleri and Dr Michael Borg Costanzi act as members, whilst Pierre Griscti performs the duties of secretary to the Audit Committees. As stipulated by the terms of reference of the Audit Committees, the Chairman shall have a casting vote in the case of a deadlock.

In compliance with the Prospects Rules, John Soler is the independent, Non-Executive Director who is competent in accounting and/or auditing matters. The Issuer/Guarantor consider that the

members of the Audit Committees have the necessary experience, independence and standing to hold office as members thereof. The CVs of the said Directors may be found in section 5.1 above.

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

12 COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

12.1 The Issuer

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 transitions 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 audit 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 listing obligations, the Board is advised directly, as appropriate, by its appointed Placement Agent, Manager, Registrar and Trustee, 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.

13 LITIGATION PROCEEDINGS

There is no pending or threatened governmental, legal or arbitration proceedings or dispute from the date of incorporation 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, Guarantor and/or the Orion Group, taken as whole.

14 ADDITIONAL INFORMATION

14.1 Memorandum and Articles of Association of the Issuer

14.1.1 Incorporation

The Issuer was incorporated on 3 May 2017 as a public limited liability company in terms of the Companies Act, with company registration number C 80722.

In terms of Clauses 3(b), 3(c) and 4(h) 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 debt securities.

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 €50,000 divided into 50,000 ordinary shares of a nominal value of €1 each.

The shares of the Company are not admitted on 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 in connection with the ownership, development, operation and financing of the business activities of any related company, whether in Malta or overseas, and thereby, to lend or advance money or otherwise give credit to any related company, with or without security, on such terms as the Directors may deem fit; and to invest and deal with the moneys of related companies in such manner as the Directors may deem fit. 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 “A” 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. Subscribers of ordinary “B” shares shall be entitled to receive notice of any general meeting in terms of the Articles of Association of the Issuer, and to attend general meetings, but shall not hold any voting rights except for the purposes of participating in the appointment or election of Directors. Furthermore, holders of ordinary “B” shares are not entitled to receive any dividend distributions nor are they entitled to any assets upon dissolution or winding up of the Issuer.

14.1.5 Appointment and removal of Directors

In terms of the Memorandum and Articles of Association of the Company, the Directors shall be appointed in the general meeting of the Issuer.

Further details on the appointment of Directors may be found in the Memorandum and Articles of Association of the Company, a copy of which may be inspected during the lifetime of the Company Admission Document 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 Registrar of Companies of the MFSA.

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.

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 and to hypothecate or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligations of the Issuer or of any third party as it thinks fit, 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 Director’s 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. Mr. Anthony Camilleri has an indirect beneficial interest in the share capital of the Company through his shares in Camilleri Holdings Limited.

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, the Guarantor holds 49,999 shares in the Issuer, equivalent to 99.999% 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.

14.3 Memorandum and articles of association of the Guarantor

14.3.1 Objects

The memorandum and articles of association of the Guarantor are registered with the Registry of Companies, Malta. The main objects of the Guarantor's activities are set out in Clause 3 of the memorandum of association and the Guarantor is authorised to, but not limited to, carry on the business of a property management company.

A copy of the memorandum and articles of association may be inspected during the lifetime of the Company Admission Document at the registered office of the Guarantor 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 Guarantor.

14.3.2 Voting rights

Each ordinary share shall carry the right to one vote at any general meeting of the Guarantor.

14.3.3 Appointment and removal of Directors

In terms of the memorandum and articles of association of the Guarantor, the directors shall be appointed in the general meeting of the Guarantor.

Further details on the appointment of directors of the Guarantor may be found in the memorandum and articles of association of the Guarantor, a copy of which may be inspected during the lifetime of the Company Admission Document at the registered office of the Guarantor as set out under the heading "Documents available for inspection" in section 17 of this Company Admission Document and at the Registrar of Companies of the MFSA.

14.3.4 Powers of Directors

The directors of the Guarantor are vested with the management of the Guarantor and their powers of management and administration emanate directly from the memorandum and articles of association of the Guarantor and the law. The directors, subject to the memorandum and articles of association of the Guarantor, are empowered to act on behalf

of the Guarantor and, in this respect, have the authority to enter into contracts, sue and be sued in representation of the Guarantor. In terms of the said 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.

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

There are no provisions in the Guarantor's memorandum and articles of association regulating the retirement or non-retirement of directors over an age limit.

14.3.5 **Directors' interests**

The non-executive directors of the Guarantor have no beneficial interests in the share capital of the Guarantor as at the date of the Company Admission Document. Mr. Anthony Camilleri has an indirect beneficial interest in the share capital of the Guarantor through his shares in Camilleri Holdings Limited.

14.4 **Holdings in excess of 5% of share capital**

On the basis of the information available to the Guarantor as at the date of the Company Admission Document, Camilleri Holdings Limited holds six hundred (600) shares of two euro (€2) each in the Guarantor, equivalent to 100% of its total issued share capital. Furthermore, to the best of the Guarantor'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 Guarantor.

15 MATERIAL CONTRACTS

The Issuer, Guarantor or the Orion 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 the Guarantor or any member of the Orion Group being under an obligation or entitlement that is material to the Issuer's or Guarantor'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 II.

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

16.1 Valuation reports

The Company commissioned Paul Camilleri & Associates to issue a valuation report on the freehold value of the Properties. The business address of Paul Camilleri & Associates is at 127, Archbishop Street, Valletta, VLT 1444, Malta.

Prospects Rule 4.13.04.03 provides that property valuations to be included in a company admission document must not be dated (or be effective from) more than 60 days prior to the date of publication of the Company Admission Document. The valuation report is dated 30 April 2017.

The Company commissioned Grant Thornton to issue a valuation report on the Property Management Rights. The business address of Grant Thornton is at Suite 3, Tower Business Centre, Swatar, BKR 4013, Malta.

16.2 Accountants' report

The Issuer engaged Grant Thornton, a firm of Certified Public Accountants, to issue the Accountants' Report dated 8 May 2017. The following are the details of the said expert:

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

16.3 Interest of experts and advisors

Save for the valuation reports prepared in relation to the freehold value of the Properties and the Property Management Rights and 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 valuation report on the freehold value of the Properties is available for inspection at the registered address of the Company and a version is included in Annex B of this Company Admission Document. The valuation report on the Property Management Rights and the accountants' report are included in Annex C and Annex D of this Company Admission Document.

The valuation report dated 30 April 2017 has been included in the form and context in which they appear with the authorisation of Paul Camilleri & Associates of 127, Archbishop Street, Valletta, VLT 1444, Malta, which have given and have not withdrawn their consent to the inclusion of such report herein. Paul Camilleri & Associates do not have any material interest in the Company. The Company confirms that the valuation report has been accurately reproduced in the Company Admission Document and that there are no facts of which the Company is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

The valuation report on the Property Management Rights and the accountants' report on the consolidated profit forecast dated 8 May 2017 has been included in Annex C and Annex D respectively 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.

17 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 the Guarantor;
- c. Property Management Agreement dated 5 May 2017;
- d. Lease Agreements;
- e. the profit forecast and accountants' report for the years ending 31 December 2017, 2018, 2019, 2020 and 2021;
- f. the independent expert's property valuation report dated 30 April 2017 in respect of the valuation of the Properties; and
- g. the independent expert's valuation report dated 5 May 2017 in respect of the valuation of the Property Management Rights.

By not later than June 30 of each year, Orion Group will upload its consolidated financial statements on its website www.orion.com.mt.



COMPANY ADMISSION DOCUMENT

PART II

18 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 GUARANTOR OR THE CORPORATE ADVISOR OR THE PLACEMENT AGENT, MANAGER, REGISTRAR AND TRUSTEE 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 and/or the directors of the Guarantor. 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, the Bonds will be traded on a multi-lateral 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, 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 to admission by the MSE. Prospects is a multi-lateral 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 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 of Part II of the 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 held by Jesmond Mizzi Financial Advisors Limited as trustees for the benefit of the Issuer. 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, and shall be guaranteed in respect of both the interest due and the principal amount under said Bonds by the Guarantor. 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 and the Guarantor. The Bonds will, however, rank subordinate to the present and future secured creditors of the Issuer and the Guarantor, 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 and the Guarantor for so long as such security interests remain in effect.

18.5 Risks relating to the Guarantee

In view of the fact that the Bonds are being guaranteed by the Guarantor, Bondholders are entitled to request the Guarantor to pay both the interest due and the principal amount under said Bonds if the Issuer fails to meet any amount, when due. The strength of this undertaking on the part of the Guarantor and, therefore, the level of recoverability by the Bondholders from the Guarantor of any amounts due under any of the Bonds is dependent upon and directly linked to the financial position and solvency of the Guarantor, such that the level of recoverability is further dependent upon the existence or otherwise of any prior ranking claims over the assets of the Guarantor. Furthermore, subject to the negative pledge clause (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 and of the Guarantor, as the case may be, for so long as such security interests remain in effect.

19 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 Guarantor and the Bonds. The Directors, whose names appear in section 5.1 of the Company Admission Document: Part I, 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.

20

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 II (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;
- 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, Registrar and Trustee 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, Registrar and Trustee when acting in its capacity as an Authorised Financial Intermediary.

Other than as set out herein, neither the Issuer nor the Placement Agent, Manager, Registrar and Trustee 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, Registrar and Trustee and neither the Issuer nor the Placement Agent, Manager, Registrar and Trustee 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, Registrar and Trustee. 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, Registrar and Trustee 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.orion.com.mt.

21 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 €4.9 million will be advanced by the Issuer to its Parent, whereby the Parent shall pay the Cash Component equivalent to €4.9 million on the Settlement Date under the Property Management Agreement.

In the event that the Issuer does not receive subscriptions for the full €5 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 Orion 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 €100,000 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 €4,900,000. There is no particular order of priority with respect to such expenses.

21.3 Issue statistics

Issuer	Orion Finance p.l.c., a public limited liability company registered in Malta with registration number C 80722;
Amount	€5,000,000;
Application Forms made available	23 May 2017;
Bond Issue Price	At par (€1,000 per Bond);
Closing date for Applications to be received	2 June 2017 at 12:00 hours (CET);
Denomination	euro (€);
Events of Default	The events listed in section 22.13 of this Company Admission Document: Part II;
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	4.75% per annum;
Interest payment dates	Annually on 18 June as from 18 June 2018 (the first interest payment date);
ISIN	MT0001521203;
Issue	Bonds denominated in euro having a nominal value of €1,000 each, which will be issued at par and shall bear interest at the rate of 4.75% per annum;
Issue Period	the period between 08:30 hours (CET) on 23 May 2017 and 12:00 hours (CET) on 2 June 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 II. 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 €1,000 thereafter;
Plan of Distribution	The Bonds are open for subscription by Authorised Financial Intermediaries pursuant to the Intermediaries' Offer;
Redemption Date	18 June 2027;
Status of the Bonds	The Bonds shall constitute the general, direct, unconditional and unsecured obligation of the Issuer, guaranteed by the Guarantor, 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 and the Guarantor, present and future;
Subscription	Multiples of one thousand euro (€1,000)
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 pre-paid 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

Jesmond Mizzi Financial Advisors Limited will hold clients' money on their behalf in clients' accounts. Furthermore, the Merrill SICAV, of which Jesmond Mizzi is the founder and shareholder, will also invest in the Bonds. Jesmond Mizzi Financial Advisors Limited was appointed by the board of directors of Merrill SICAV as manager of the fund since the fund is self-managed. As trustees, Jesmond Mizzi Financial Advisors Limited will administer the assets of the trust.

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

21.5 Expected timetable of principal events

1. Application forms made available	23 May 2017
2. Issue Period	23 May 2017 to 2 June 2017
3. Commencement of interest on the Bonds	19 June 2017
4. Issuance of the Bonds	22 May 2017
5. Expected date of Admission of the Bonds to Prospects	19 June 2017
6. Expected date of commencement of trading in the Bonds	20 June 2017

The Issuer reserves the right to close the Intermediaries' Offer of the Bonds before 2 June 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.

22 INFORMATION CONCERNING THE BONDS

Each Bond shall be issued on the Terms and Conditions set out in this Company Admission Document: Part II 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 4.75% unsecured bonds 2027 of a nominal value of €1,000 per Bond issued by the Issuer at par up to the principal amount of €5,000,000 (except as otherwise provided under section 22.15 *Further Issues* below), and guaranteed by the Guarantor. The issue date of the Bonds is 22 May 2017.
- 22.1.2 The currency of the Bonds is euro (€).
- 22.1.3 The Bonds shall bear interest at the rate of 4.75% per annum payable annually in arrears on 18 June of each year, the first interest falling on 18 June 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: MT0001521203.
- 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 19 June 2017 and dealing is expected to commence on 20 June 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 or 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, Registrar and Trustee 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, Registrar and Trustee 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 II.
- 22.1.11 The minimum subscription amount of Bonds that can be subscribed for by Applicants is €2,000, and in multiples of €1,000 thereafter.
- 22.1.12 The issue of the Bonds is made in accordance with the requirements of the Prospects Rules.
- 22.1.13 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 €5,000,000 of Bonds is being reserved for subscription by Authorised Financial Intermediaries as set out in Annex F 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 €5,000,000 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 Jesmond Mizzi Financial Advisors Limited as Placement Agent, Manager, Registrar and Trustee for the purposes of this Bond Issue. Applications for subscriptions to the Bonds shall be made through the Placement Agent, Manager, Registrar and Trustee 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, Registrar and Trustee 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, guaranteed by the Guarantor, 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 and Guarantor, 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 and Guarantor, as the case may be, for so long as such security interests remain in effect.

Following the transfer of the Property Management Rights, the aggregate indebtedness of the Orion Group shall total €9,121,673 comprising the Cash Component and Deferred Consideration.

Debtor	Creditor	Description of obligation	Amount outstanding as at 19 June 2017 (€)	Repayment with Bond Proceeds (€)	Balance post Bond Issue (€)	Security
Orion Retail Investments Limited	Camilleri Holdings Limited	Cash Component and Deferred Consideration	9,121,673	4,900,000	4,221,673	Unsecured

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.

22.5 Negative Pledge

The Issuer and Guarantor undertake, 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 and Guarantor, 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; (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 or the Guarantor;

“Permitted Security Interest” means: (A) any Security Interest arising by operation of law; (B) any Security Interest securing temporary bank loans or overdrafts in the ordinary course of business; (C) any other Security Interest (in addition to (A) and (B) above) securing Financial Indebtedness of the Issuer or the Guarantor, in an aggregate outstanding amount not exceeding 80% of the difference between the value of the unencumbered assets of the Issuer and the Guarantor and the aggregate principal amount of Bonds outstanding at the time net 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 and Guarantor being less than 104.75% 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 19 June 2017 at the rate of 4.75% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 18 June 2018 (covering the period 19 June 2017 to 18 June 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

22.8.1 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 4.75%.

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 €1,000 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

- 22.10.1 The Bonds are being issued at par, that is, at €1,000 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 will be made against the joint instructions of all bare owners and usufructuaries. Before effecting payment, the Issuer and/or the CSD shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bare owner/s and the usufructuary/ies to payment of the Bonds.
- 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.
- 22.11.5 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 18 June 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 and/or Guarantor, as the case may be, 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 and/or Guarantor, as the case may be, by any Bondholder; or
- ii. the Issuer or in the event of default by the Issuer, the Guarantor 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 and/or Guarantor 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 and/or Guarantor; or
- iv. the Issuer and/or Guarantor 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 and/or Guarantor 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 and/or the Guarantor 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 22.4 above) of the Issuer and/or Guarantor 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 €1,000) in accordance with the rules and regulations of Prospects and the MSE applicable from time to time. If Bonds are transferred in part, the transferee thereof will not be registered as a Bondholder.
- 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 €1,000.
- 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

- 22.15.1 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.
- 22.16.2 A meeting of Bondholders shall be called by the Directors by giving all Bondholders listed on the register of Bondholders as at a date being not more than thirty (30) days preceding the date scheduled for the meeting, not less than fourteen (14) days' notice in writing. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the 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 3 May 2017. The Guarantee being given by the Guarantor in respect of the Bonds has been authorised by a resolution of the board of directors of the Guarantor dated 22 May 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 22 May 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 19 June 2017 and trading is expected to commence on 20 June 2017. Dealing may commence prior to notification of the amount allocated being issued to Applicants.

22.19 Representations and warranties of the Issuer and Guarantor

22.19.1 Each of the Issuer and the Guarantor 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 Guarantor 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 and/or Guarantor, their respective businesses 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.

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/or Guarantor 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 2019 it shall, over a period of nine (9) 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					
€	FY2019	FY2020	FY2021	FY2022	FY2023
Annual contribution	100,000	200,000	250,000	300,000	500,000
Cumulative balance	100,000	300,000	550,000	850,000	1,350,000
€		FY2024	FY2025	FY2026	FY2027
Annual contribution		150,000	1,000,000	1,350,000	1,150,000
Cumulative balance		1,500,000	2,500,000	3,850,000	5,000,000

The Issuer has appointed Jesmond Mizzi Financial Advisors Limited (“Jesmond Mizzi”) as trustee of the sinking fund. Jesmond Mizzi is an investment service license holder, licensed by the Malta Financial Services Authority, independent of the Issuer. The assets constituting the sinking fund shall be transferred to Jesmond Mizzi’s clients account and shall be registered in the name of the Issuer. For clarification purposes, it is hereby noted that the sinking fund assets shall remain the assets of the Issuer.

The trustees of the sinking fund administration shall include the following activities:

- i. take control of the assets of the sinking fund which 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 trustee of the sinking fund is 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 trustees of the sinking fund is to audit that the Issuer has applied the assets in accordance with the treasury management policy to be approved by the Board of Directors. Once this 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 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, the consent of the trustees of the sinking fund must be requested after approval by the Board of Directors of the Issuer.

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.orion.com.mt.

23 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.

24 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 II 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, Registrar and Trustee, but it shall not be the duty or responsibility of the Placement Agent, Manager, Registrar and Trustee 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 €1,000. 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, Registrar and Trustee 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 – Orion Finance 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 Guarantor 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, Registrar and Trustee 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, the Guarantor 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, Registrar and Trustee 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, Registrar and Trustee 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 Jesmond Mizzi Financial Advisors Limited will not in its capacity of Placement Agent, Manager, Registrar and Trustee, treat the Applicant as its customer by virtue of such Applicant making an Application for the Bonds, and that Jesmond Mizzi Financial Advisors 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, Registrar and Trustee (which acceptance shall be made in the absolute discretion of the Issuer and/or the Placement Agent, Manager, Registrar and Trustee and may be on the basis that the Issuer and/or the Placement Agent, Manager, Registrar and Trustee 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, Registrar and Trustee of such late payment in respect of such Bonds, the Issuer and/or the Placement Agent, Manager, Registrar and Trustee 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.



COMPANY ADMISSION DOCUMENT

ANNEX

A GUARANTEE

[ORION RETAIL INVESTMENTS LETTERHEAD]

To All Bondholders:

Reference is made to the issue of €5,000,000 4.75% unsecured bonds due 2027 (the “Bonds”) by Orion Finance p.l.c. C 80722 (the “Issuer”) pursuant to and subject to the terms and conditions contained in the admission document to be dated 22 May 2017 (the “Company Admission Document”).

Now, therefore, by virtue of this Guarantee, Orion Retail Investments Limited hereby stands surety with the Issuer and irrevocably and unconditionally undertakes to effect the due and punctual performance of all the payment obligations undertaken by the Issuer under the Bonds if the Issuer fails to do so and, without prejudice to the generally of the foregoing, undertakes to pay on an ongoing basis, interest which may become due and payable during the term of the Bonds and the principal amount of the Bonds on the Redemption Date should the Issuer default in paying the Bondholders under the Bonds.

All words and expressions used in this Guarantee in their capitalised form shall, unless the context otherwise requires, have the same meaning assigned to them in the Company Admission Document.

This Guarantee shall be governed by the Laws of Malta.

Signed and executed on the 22 May 2017, after approval of the board of directors of Orion Retail Investments Limited.



Anthony Camilleri

for and on behalf of
Orion Retail Investments Limited



John Soler

for and on behalf of
Orion Retail Investments Limited

1. **Nature of the Guarantee**

The offering of Bonds that will be made by the Issuer pursuant to the Company Admission Document will be made with the benefit of this corporate guarantee.

2. **Scope of the Guarantee**

The Guarantee is unconditional and shall cover all payments that may be due to Bondholders pursuant to the Company Admission Document.

3. **Information about the Guarantor**

All relevant information about the Orion Retail Investments Limited as required in terms of applicable law may be found in the Company Admission Document: Part I.

4. **Terms of the Guarantee**

4.1 **Guarantee**

For the purposes of the Guarantee, Orion Retail Investments Limited irrevocably and unconditionally undertakes to each Bondholder that if for any reason the Issuer fails to pay any sum payable by it to such Bondholder pursuant to the terms of the Bonds detailed in the Company Admission Document: Part II as and when the same shall become due, Orion Retail Investments Limited will pay to such Bondholder on demand the amount payable by the Issuer to such Bondholder. Such payment shall be made in the currency in force in Malta at the time the payment falls due.

4.2 **Continuing obligations**

The obligations under this Guarantee being given by Orion Retail Investments Limited are continuing obligations and will remain in full force and effect until no sum remains payable to any Bondholder pursuant to the issue of the Bonds.

4.3 **Repayment to the Issuer**

If any payment received by a Bondholder is, on subsequent liquidation or insolvency of the Issuer, avoided under any laws relating to liquidation or insolvency, such payment will not be considered as having discharged or diminished the liability of Orion Retail Investments Limited, and this Guarantee will continue to apply as if such payment had at all times remained owing by the Issuer.

4.4 **Indemnity**

As a separate and alternative stipulation, Orion Retail Investments Limited unconditionally and irrevocably agrees that any sum expressed to be payable by the Issuer pursuant to the terms of the Bonds but which is for any reason (whether or not now known or becoming known to the Issuer, Orion Retail Investments Limited or any Bondholder) not recoverable from Orion Retail

Investments Limited, will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid by it to the Bondholder on demand. This indemnity constitutes a separate and independent obligation from the other obligations in this Guarantee, gives rise to a separate and independent obligation from the other obligations in this Guarantee and gives rise to a separate and independent cause of action.

4.5 Status of Guarantee

The obligation of Orion Retail Investments Limited under this Guarantee constitutes a general, direct, unconditional and unsecured obligation of Orion Retail Investments Limited and ranks equally with all other existing and future unsecured obligations of Orion Retail Investments Limited, if any, except for any debts for the time being preferred by law.

4.6 Power to execute

Orion Retail Investments Limited hereby warrants and represents to each Bondholder that it has all corporate power, and has taken all necessary corporate or other steps, to enable it to execute, deliver and perform this Guarantee, and that this Guarantee constitutes the legal, valid and binding obligations of Orion Retail Investments Limited in accordance with the terms set out in this clause 4.

4.7 Deposit and production of the Guarantee

The instrument creating this Guarantee shall be deposited with and held by the Issuer at its registered address for the benefit of the Bondholders. Until such time as all obligations of Orion Retail Investments Limited hereunder have been discharged in full, every Bondholder shall have the right to obtain a copy thereof.

4.8 Subrogation

Until all amounts which may be payable under the terms of the Bonds have been irrevocably paid in full, Orion Retail Investments Limited shall not by virtue of this Guarantee be subrogated to any rights of any Bondholder or claim in competition with the Bondholders against the Issuer.

4.9 Governing law and jurisdiction

This Guarantee is governed by and shall be construed in accordance with Maltese law, and any disputes which may arise out of or in connection with this Guarantee are to be settled exclusively by the courts of Malta.

B VALUATION REPORTS



**Paul Camilleri
& Associates**
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Our Ref: miscT397

30th.April 2017

TO WHOM IT MAY CONCERN

Re: BHS Premises, The Strand, Sliema

These premises are a large commercial outlet situated in Sliema's prime commercial area known as the Sliema Strand, 'Ferries' or 'ix-Xatt ta' tas-Sliema' which seamlessly links to the shopping area of Tower Road, St. Anne Square, Bisazza Street and the Plaza shopping complex. Access to the premises is situated at street level and is a shared access with the owners of the overlying flats. Along this 10 metre long shared access there is a continuous internal glazed display window shop front, appertaining to the premises.

The commercial property has an approximate total internal shop area of 837 sq.mtrs.; not including the shared access which has an area of 44 sq.mtrs.. It is pertinent to point out that, included in this valuation, there also are the premises known as 'Tony's Bar', having an approximate floor area of 73 sq.mtrs.; since it is owned by the same company which owns the BHS premises, and which will eventually revert to the said company as 'free and unencumbered', once the period of the temporary ground rent would expire in 2044.

The premises are located on two floors, at ground and first floor levels.

The Planning Authority Local Plan for Sliema as per Map SJ1 defines this location as a Town Centre, further defined by Policy NHRE01. Furthermore, Sliema is defined as a primary centre, with acceptable land uses, as per policy NHRE0. The retail strategy defines a primary town-centre as having a regional or sub-regional function for non-food shopping. This success of town centres as a commercial & social hub depends on a pleasant external environment, adequate public transport facilities and proper management of traffic; which this area, known as 'The Ferries' or 'ix-Xatt ta' tas-Sliema', clearly has.

As stated above, this existing commercial outlet is located on two floors. Entrance into this commercial outlet is from The Strand.

Ground floor has two main uses. A large area is used up as an entrance/display area and the rest is used as a department store. Ground floor has a total area of 319 sq.mtrs. having a total utilisable floor area area of 275sqm. The rest is taken up by the access to the outlet which is utilised as entrance shop windows with an approximate total of 44 sq.mtrs.. This has to be left as a common area as this must be used as a common access to the third party residences situated above these commercial premises.

Once Tony's Bar reverts back as 'free and unencumbered' to the owners of the BHS premises, the access situation would substantially change, insofar as, besides having this shared entrance, there would also be a separate independent access; opening



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up various possibilities in the utilisation of the premises, such as splitting them up.

Access to the first floor is via an internal glazed lift or by a staircase as can be noted. There also is an atrium (double-height space) in the middle of the premises.

The first floor has a total overall area of 560 sq.mtrs. including a store area, a staff toilet and kitchenette. Most of the area, of approximately 498 sq.mtrs., is utilised as a department store. It is to be noted that the rear store area is accessible via the communal area shared with the occupants of the overlying flats. Furthermore the premises also share the use of the roof, for the placing of building services there-on.

Area Analysis	
Total Internal commercial area ground	275 sq.mtrs.
Total Area taken up by common access	44 sq.mtrs.
Total back store area	20 sq.mtrs.
Area taken up presently by Tony's Bar	65 sq.mtrs.
Total internal commercial area 1 st floor	560 sq.mtrs.
Storage space	62 sq.mtrs.

The premises are fully serviced and finished to a high modern standard.

At first floor the premises have a commercial frontage of 16.5 mtr. overlooking the main street, and is all utilised as display window/ balcony.

For this valuation, the rental value of the retail floors is being computed by converting the total utilisable area into the number of average sized prime front retail units. An average sized prime front retail unit is defined by a 4 mtr. frontage having a depth of 9 mtrs. Furthermore, the halving principle is being applied for the inner portion/s of the premises.

Based on information gathered, a prime frontal retail unit in Tower Road & Bisazza Street with having a 4 mtr. frontage at ground floor by a 9 mtr. depth is estimated to fetch around €160/day. Considering that the Strand is more prominent and has more footfall than Bisazza Street and Tower Road, an increase of 15% on this average value will be assumed in arriving at a fair estimate of its rental value; therefore assessed at €184/day; with the rental value of the first floor area reduced by around 30%, i.e. at €130/day.

Ground Floor	= 3.5 units	€644 per day
First Floor	= 3 units	€390 per day
		= 6.5 units	€1,034 per day
Rental value of Retail space	6.5 units x €160/day x 365 days	€379,600 annum	per

The above rental commercial rates are justified by the prime location of these premises.

The above rental value does not take into consideration the latent value of Tony's Bar or the shared front access. As such, even if one were to take the rental value for both Tony's Bar and the shared front access at 40% of the assessed rental value of €184/day, based on the conversion there-of to 2.5 units a prime frontal retail unit then a further €67,000 per annum will be added, for a total rental value of €446,600 per annum.

Which capitalised at 6% gives a fair assessment of the free market value there-of **€7,500,000 (seven million, five hundred thousand euros); or €7,470/ sq.mtr..**

A fair estimate of the re-building costs, including debris removal and carting way, would be **€1,900,000 (one million, nine hundred thousand euros).**



Perit Paul Camilleri



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30th. April 2017

TO WHOM IT MAY CONCERN

Re: 'Mothercare', St. Anne Square, Sliema

This retail outlet is situated in a prominent, grade-two scheduled building in a prime retail and commercial location in Sliema; having an 8 mtr. frontage on St. Anne Square and an overall depth of 26 mtrs. At this level (St. Anne Square level), the premises also has an access from the basement level of the 'Plaza Shopping Centre'. The first floor level has a 5.15 mtr. frontage on Triq Guze Fava and an overall depth of 19 mtrs..

The fact that the premises enjoy three separate accesses has an important bearing as one of the factors being taken into consideration in arriving at the valuation there-of; as well as the fact that the area is predominantly pedestrian.

The Planning Authority Local Plan for Sliema as per Map SJ1 defines this location as a Town Centre, further defined by Policy NHRE01. Furthermore, Sliema is defined as a primary centre, with acceptable land uses, as per policy NHRE0. The retail strategy defines a primary town-centre as having a regional or sub-regional function for non-food shopping. This success of town centres as a commercial & social hub depends on a pleasant external environment, adequate public transport facilities and proper management of traffic; which this area, known as 'The Ferries' or 'ix-Xatt ta' tas-Sliema', clearly has.

The property, which forms part of a larger development, has been constructed by virtue of the following Planning Authority permits:

PA02981/04
PA03890/04
PA03017/05
PA04088/05
PA08099/05
PA02545/08
PA05377/09

As already noted, the premises are laid out on two floors, with a footprint of 8 mtrs. by 23 mtrs. at ground floor level (St. Anne Square level); whilst the first floor level (Triq Guze Fava level) footprint measures 9 mtrs. by 16mtrs.. The resulting areas are as follows:

Ground floor	184 sq.mtrs.
First floor	144 sq.mtrs.
Total Floor Area	328 sq.mtrs.

Based on information gathered, a prime frontal retail unit in Tower Road & Bisazza

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Street with having a 4 mtr. frontage at ground floor by a 9 mtr. depth is estimated to fetch around €160/day. Considering that St. Anne Square is less prominent and has less footfall than Bisazza Street and Tower Road, a reduction of 10% on this average value will be assumed in arriving at a fair estimate of its rental value.

Furthermore, an assessment of the combination of street frontage/s and floor area/s would result in the equivalent of 3.5 units (shops) at ground floor and 1.5 units (shops) at first floor).

Derived rental value - 5 units x €144/day x 365 days = €262,800 per annum or €800/sq.mtr. per annum

Which capitalised at 6% gives a fair assessment of the free market value there-of **€4,380,000 (four million, three hundred and eighty thousand euros); or €13,350/sq.mtr..**

Retail outlets in Malta in prime retail areas have been subject to an average yearly increment of around 5% per annum over the past 10/ 15 years. At a 5% yearly increase in market value, the value of the property should practically double in value over a 15-year period, if the same rate of increase in value carries on.

The estimated retail rental value of €262,800 per annum averages out at €800/sq.mtr. over the total retail area, considered to be a sustainable rental rate for the this prime Sliema Strand location.

A fair estimate of the re-building costs, including debris removal and carting way, would be **€600,000 (six hundred thousand euros).**



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Our Ref: miscT396

30th. April 2017

TO WHOM IT MAY CONCERN

Re: 'Mothercare', 14, South Street, Valletta

The above-mentioned premises has a 5mtr. street frontage on Triq I-Ordinanza at the upper level and a 3mtr. street frontage on Triq Nofs in-Nhar at the lower level, with an overall depth of 25.5m.

The premises have a floor area of 192 sq.mtr. at ground floor level (Triq Nofs in-Nhar level), 183 sq.mtr. at first floor level (Triq I-Ordinanza level), and a 32 sq.mtr. basement. The premises also include a 12 sq.mtr. space facing Triq Nofs in-Nhar and is currently used as an office.

This retail outlet originally consisted in two separate units underlying two adjacent apartment blocks, connected by a main internal staircase. A salient fact which is being taken into consideration in arriving at a fair estimate of the value of these premises is that of it having two prominent main entrances from the two streets, considered as important retail streets.

Although Triq Nofs in-Nhar is pedestrianised, Triq I-Ordinanza is not, which facilitates delivery of goods.

The property is in a secondary retail frontage area as per Planning Authority Local Plan of Valletta. The policy aims to reinforce retailing as an activity forming part of the economic and social life of Valletta. The policy is aimed at directing non-food shopping to the Town Centre and ensuring that other uses are complimentary to it. The success of town centres as a commercial & social hub depends on a pleasant external environment, adequate public transport facilities and property management of traffic; which the area within which the premises are situated, satisfies on all counts.

As observed, these premises are laid out on two floors and a basement, with a utilisable retail floor area of 192 sq.mtrs. at ground level, and 183 sq.mtrs. at first floor level.

The premises have been developed by virtue of Planning Authority permit PA/05760/03 for 'Structural alterations to ground and first floor, installation of shop signs, change of use of part premises from store and of other part from residence to shop (PA/2092/12)'.

For this valuation, the rental value of the retail floors is being computed by converting the total utilisable are into the number of average sized prime front retail units. An average sized prime front retail unit is defined by a 4mtr. frontage having a depth of 9 mtrs. Furthermore, the halving principle is being applied for the inner

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portion/s of the premises, whilst quarter of this rental rate is being assumed for the basement level.

Basement	32 m ²
Ground floor (Triq Nofs in-Nhar)	192 m ²
<u>First floor (Triq I-Ordinanza)</u>	<u>183 m²</u>
Total Floor Area	407m ²

Basement equivalent of 0.25 units

Ground floor (Triq Nofs in-Nhar level) equivalent of 2.75 units

First floor (Triq I-Ordinanza level) equivalent of 2.25 units

From information available, the average rental value of average sized prime front retail units in similar areas of Valletta is around €75 /day. For this valuation, the rental value of both that part of the premises fronting Triq I-Ordinanza and the basement is being reduced by 20% to €60 /day.

The total market rental value of the premises therefore adds up to = $(2.75) * €75 + (2.25 + 0.25) * €60 = €356.25/\text{day} = 130,031.25$ per annum; which capitalised at 6% would give a fair estimate of the free market value of the premises as being **€2,150,000 (two million, one hundred and fifty thousand euros)**

Retail outlets in Malta in prime retail areas have been subjected to an average yearly increment of around 5% p.a. over the past 15-year period. At a 5% yearly increase in market value, this should double in value over a 15-year period, if increase in value carries on.

A fair estimate of the re-building costs, including debris removal and carting way, would be **€580,000 (five hundred and eighty thousand euros).**



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Our Ref: miscT394

30th. April 2017

TO WHOM IT MAY CONCERN

BHS/ Mothercare premises, Zabbar Road, Fgura

The building, within which the property which is the subject of this valuation is situated, consists in a five-storey commercial outlet accessible from Triq Haz-Zabbar and Triq Mater Boni Consilii. The building has been constructed on a site formerly occupied by four properties officially numbered 248, 250, 252 and 254 on Triq Haz-Zabbar and beneath a cluster of eleven garages accessible through a long driveway from Triq Mater Boni Consilii located to the back of the development. A number of these garages belong to third parties and are accessible through a communal drive-way; which also serves as a service access for building, as well as an access for the parking area which occupies the second floor of the building.

The complex, which comprises Class 4 retail outlets, offices, a plant room, substation and a parking area (inclusive of the third party garages) occupies the basement, ground floor, first floor, second floor and penthouse levels as viewed from Triq Haz-Zabbar.

The relevant Planning Authority permit, based on which the subject building has been constructed, bears reference PA00425/13 – "To demolish sites, door numbers Little Flower, 250, 252, 248 and re-construct basement Class 4, ground floor, first and second Class 4 and office space at third floor".

The parts of this development which concern this valuation are:

- (a) the basement floor, which has been approved a Class 4 retail outlet
- (b) the ground floor which has also been approved to be used as a Class 4 retail outlet
- (c) the front part of the first floor level which has been approved to be used as a Class 4 retail outlet as well as a Class 5 Office.
- (d) Also taken into consideration is the contractual right of way over the plant room in order to use the fire escape located to the back of the property.

Basement

The Class 4 retail outlet at basement level is accessible via stairs from the retail area at ground floor level. A lift, for wheel chair users, is also installed. A separate flight of stairs, serves as a fire escape and is situated at the back of the property and leads directly to the open driveway at second floor level. A goods lift adjacent to the stairwell facilitates the servicing of the commercial outlet via the delivery area accessible from Triq Mater Boni Consilii.

This level will not have any shop fronts since it will be located beneath the level of Triq Haz-Zabbar. This level is mechanically ventilated through a ventilation shaft at the

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back of the property. This level has a gross external area of approximately 740 sq.mtrs.; including the emergency escape and lifts.

Ground Floor

The Class 4 retail outlet at ground floor level is accessible directly from street level and separate staircases link this level with the first floor and basement levels. A lift (as mentioned above), for wheel chair users, is also installed. As also mentioned above, a separate flight of stairs, serves as a fire escape and is situated at the back of the property and leads directly to the open driveway at second floor level. A goods lift adjacent to the stairwell facilitates the servicing of the commercial outlet via the delivery area accessible from Triq Mater Boni Consilii. A w.c. for customers is situated at this level.

This level has a frontage of 11.95 mtrs. on Triq Haz-Zabbar and a gross external area of approximately 770 sq.mtrs.; including the emergency escape and lifts and bathroom facilities.

First Floor

The Class 4 retail outlets and Class 5 Offices at this level are accessible via stairs from the ground floor level. A lift (as mentioned above), for wheel chair users, is also installed. A separate flight of stairs link Triq Haz-Zabbar with the second and third floor levels, located within that part of the building which is not part of the property being valued; but still contractually serves as a fire escape for the property being valued. Another staircase to the back of the property also links the underlying floors with the parking at second floor level, accessible from this level through the plant room; which though not forming part of the property being valued; still has the servitude of the right of to the said fire escape and the goods lift which, at this level, also located within the plant room. A w.c. for customers is situated at this level.

This level has a frontage of 16.40 mtrs. on Triq Haz-Zabbar and a gross external area of approximately 435 sq.mtrs.; including the bathroom facilities.

The basic construction of the building consists in a reinforced concrete frame structure supporting a system of reinforced concrete ceilings.

Parking

Included in this valuation is the allocation of twelve (12) parking spaces, for the part of the property being valued.

Conclusion

Triq Haz-Zabbar in Fgura has established itself as an important hub of commercial activity in the area with retail facilities, cinemas, shopping malls and essential service providers such as banks and insurance agencies operating from this area. The area is also adequately served by public transport connecting this part of Fgura with nearby towns and villages. The Planning Authority has also designated a large extent of Triq Haz-Zabbar as a Secondary Town Centre encouraging the development of this area into a regional commercial hub.



As a result of the above, retail commercial outlets in the area, having a good exposure to passing trade attract a rental value in the average region of €200.00 per sq.mtr. per annum.

The property being valued in this report has the following gross external area and frontages:

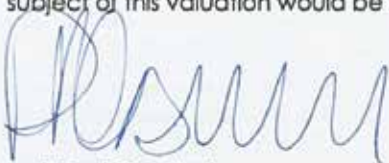
- 740 sq.mtrs. at basement level
- 770 sq.mtrs. at ground floor level
- 435 sq.mtrs. at first floor level
- 11.95 mtr. ground floor frontage (on Triq Haz-Zabbar)
- 16.40 mtr. first floor frontage (on Triq Haz-Zabbar)

Based on the afore-mentioned observations and considerations, it is my considered opinion that a fair estimate of the rental values of that part of the building, which is the subject of its valuation are as follows:

- Ground floor - €220.00 per sq.m. per annum
- Basement - €140.00 per sq.m. per annum
- First floor - €170.00 per sq.m. per annum

giving a total estimated rental value of €346,950.00, but discounted by approximately 10% to take into consideration the combined overall size of the property being valued, results in a fair estimate of the annual rental value of €310,000.00; and based on a capitalisation of 6.5%, results in a fair estimate of the free market value there-of, of **€4,750,000 (Four million, seven hundred and fifty thousand Euros)**; or at an average unit value of €2,442 per sq.mtr..

A fair estimate of the replacement value of the part of the development, the subject of this valuation would be in the region of €2,000,000 (Two million Euros).



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Our Ref: miscT398

30th. April 2017

TO WHOM IT MAY CONCERN

Re: Warehouse built on plots 19 & 20, Triq M. Borg Gauci, Tal Handaq, Qormi

This large warehouse, constructed around 32 years ago, consists in a double plot construction. Main warehousing facilities at ground level has a street frontage of 12.8 mtrs. on Triq M. Borg Gauci, with 2 main metal garage doors and one small man-door. The site is located in an area of containment, with good vehicular access.

The average depth of the premises is 31.9 mtrs., including the back yard. The overall height of the warehouse measures 12.25 mtrs. (33 courses); sub-divided into three floors by precast, pre-stressed reinforced concrete ceiling slabs ('planki'). The warehouse can also be accessed via a man-door, also leading to a central core where a goods/passenger lift and staircase to the first floor, second floor and roof level, are located.

The depth of the relatively recently constructed warehouse at second floor level measures 26.5 mtrs., together with a 1.5 mtr. deep back terrace.

The approximate respective heights of the three floors are as follows:

- Ground floor - 5.2 mtrs. high
- First floor - 3.2 mtrs. high
- Second floor - 3.6 mtrs. high
- A central row of reinforced concrete columns exist at ground level, whilst at the upper level the plots are divided with a dividing wall having several wide openings.

The flooring is a smooth concrete ground slab, with decorated wall & ceiling surfaces and metal security painted external apertures. The premises are fully serviced.

The Planning Authority Local Plan for the area (tal-Handaq) designates the property as being situated in an area of containment; with buildings which may be constructed up to a height of 14 mtrs..

When an operation in an existing residential area increases, relocation to an SME site is prioritized due to neighbouring incompatibilities. An application PC/00013/13 to establish the zoning, height limitation and road alignments of the Western part of the Area of Containment, in line with the requirements of Policy CGOS (Areas of Containment) of the Central Malta Local Plan (2006) has not yet been approved.

The recently constructed second floor of the building application of an additional floor, together with the sanctioning of other works, was effected by virtue of Planning Authority permit PA00762/12. This permit also envisages/ ed further alterations and additions to the existing part of the building. changes to the facade

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and the construction of a second floor level to be used as offices, archives, stores and canteen. The permit also includes the change of use of part of the ground floor level from a metal works workshop to stores and the change of use of part of the first floor level from offices to catering (food preparation).

After having taken into consideration the existing property market, the location and the foregoing observations it is my considered opinion that a fair estimate of the value of the warehouse complex constructed on plots 19 and 20, Triq M. Borg Gauci, tal-Handaq, Qormi, having an area of around 400 sq.mtrs. and a gross floor area of just under 1,400 sq.mtrs., would be **€1,400,000 (one million, four hundred thousand euros)**.

A fair estimate of the re-building costs, including debris removal and carting way, would be **€630,000 (six hundred and thirty thousand euros)**.



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Our Ref: miscT399

30th. April 2017

TO WHOM IT MAY CONCERN

Re: Plots 49-51, Triq M. Borg Gauci & 61-62 Triq Luigi Maria Galea, Handaq, Qormi

This combined site has two street frontages in an area of containment, the first on Triq M. Borg Gauci and having 19.5 mtr. frontage, basically comprising three plots and having a depth of 27.30 mtrs.; the second on Triq Luigi Maria Galea and having a 12.15 mtr., basically comprising two plots, and having a width depth of 27.60 mtrs., with a total site area of approximately 868 sq.mtrs..

All of the site may be developed into industrial warehouses and/ or industrial uses in line with the development having been carried out in the tal-Handaq area in recent years.

Currently this land is being utilised as a car park, including a covered parking bay (13 mtrs. x 11.3 mtrs. x 3.2 mtrs. high) for the Company's commercial fleet, and which covered parking bay is situated towards rear of premises. The narrower part of the site (the two plot part), faces a green area with limited access.

The total developable plot area measures 868 sq.mtrs..

After having taken into consideration the existing property market, the location and the foregoing observations it is my considered opinion that a fair estimate of the value of the land formed by combining plots 49, 50 and 51 in Triq M. Borg Gauci and plots 61 and 62 in Triq Luigi Maria Galea, tal-Handaq, Qormi, having an area of around 868 sq.mtrs., would be **€750,000 (seven hundred and fifty thousand euros)**, or €150,000 (one hundred and fifty thousand euros) per plot.

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Valuation of Property Management Agreement

Mr Anthony Camilleri
Chairman
Orion Finance p.l.c.
14, Manuel BORG Gauci Street
Qormi, QRM 4000, Malta

08 May 2017

Dear Mr Camilleri

Valuation of the Property Management Agreement between Orion Retail Investment Limited and Camilleri Holdings Limited

We have pleasure in enclosing a copy of our report in accordance with your instructions to independently assess the fair value of the Property Management Agreement (the 'Agreement') being entered into by Orion Retail Investments Limited and Camilleri Holdings Limited. We based our work on reviewing a draft and unsigned version of the Agreement and have based our valuation upon this draft and unsigned document. The key elements of the agreement include:

- Camilleri Holdings Limited agrees to hand over all rights to receive rent from its property portfolio for a period of 25 years to Orion Retail Investments Limited;
- The property portfolio itself has recently been valued by an independent architect at a total market value of €19.9 million (exc. Tony's Bar). Most property was valued utilising a rental yield model whereby the architect estimated the market rents for the property and capitalised such rents at a appropriate rental yield;
- We understand that by the time that the Property Management Agreement will be signed, all property within the property portfolio will be covered by a 15 year lease agreement, set at the market rental rates discussed above, and including an annual rate increase of 3.2% p.a.;
- The ownership of the property portfolio, and thus all rewards of future capital appreciation, will remain in the hands of Camilleri Holdings Limited;

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- Camilleri Holdings Limited reserves the right to utilise its title over the property portfolio as security for current and future debt, and the obligations entered into through the Property Management Agreement rank lower than such debt.

We utilised two income based methodologies in order to undertake our work. The first is based upon discounting 25 years' worth of the architect's assessment of fair market rents by the architect's assessment of an appropriate rental yield. The second is based on discounting free cash flows directly attributable to the Agreement by an appropriate discount rate. We find that the value of the property portfolio in total has a fair value of between €15,105k to €15,197k. In our view, the mid-point within this range represents the most appropriate fair value measurement for the property portfolio. This amounts to €15,150k. Further details and explanations are found over leaf.



If you have any questions in respect of this report or its contents, please contact:

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Valuation of Property Management Agreement (continued)

Overview of property portfolio

The table below summarises the properties forming part of the portfolio of assets to be governed by the Agreement. Each asset was valued by an independent architect on 30 April 2017. The architect utilised the rental yield method for all assets other than for development plots in Qormi and adjacent warehouses. The rental yield model consists of firstly estimating a fair market rent for the property and subsequently discounting such income streams in perpetuity utilising an appropriate gross capitalisation rate. The gross capitalisation rate utilised by the architect is based on his local market knowledge and includes consideration of future growth in income and capital appreciation.

In the architect's view, the best and highest use of the plots and warehouses in Qormi involves the further development of such assets and therefore the architect has not utilised the rental yield model to assess their value, and has likewise not estimated the fair rents that can be produced from the assets in their current state.

Based on our own research, we estimate that in their current form, the Qormi plots and warehouse are likely to attract rents of approximately €86k p.a. In our view, a fair gross rental capitalisation rate for such assets would be 7%, which would result in a valuation of the assets utilising the rental yield model of only €1.2m. The difference between the architect's valuation of €2.2m compared to our implied valuation of €1.2m relates to the development potential of the assets, which is not taken into consideration through the rental yield model.

Overview of the property portfolio

Name of property	Tenant	Location	Use of property	Gross Rental Yield as per architect's report	Market Value of Freehold	Fair Market Rent	Agreed Rent
Sliema outlet, the Strand	Camilleri Establishments Limited (exc. Tony's Bar)	Sliema	Retail	6.0%	€6,500,000	€379,600 p.a.	€390,000 p.a.
Sliema outlet, St. Anne's square	Camilleri Trading Limited	Sliema	Retail	6.0%	€4,380,000	€262,800 p.a.	€262,800 p.a.
Fgura outlet, Zabbar Road	Camilleri Establishments Limited and Camilleri Trading Limited	Fgura	Retail	6.5%	€4,750,000	€310,000 p.a.	€308,750 p.a.
Valletta, outlet, South Street	Camilleri Trading Limited	Valletta	Retail	6.0%	€2,150,000	€130,031 p.a.	€129,000 p.a.
Qormi plot and warehouse	Camilleri Holdings Limited	Qormi	Warehouse	n/a	€2,150,000	€86,000 p.a.	€86,000 p.a.
Total				n/a	€19,930,000	€1,168,431 p.a.	€1,176,550 p.a.

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Valuation of Property Management Agreement (continued)

Method 1: Discounted Gross Rental Flows

In our view, the rental yield utilised by the architect to value the property portfolio can also be applied to establish the present value of rental flows foregone by Camilleri Holdings Limited through the Property Management Agreement.

Discounting the foregone market rents over the 25 year period, at each properties' respective capitalisation rate, and assuming monthly rental payments, produces a total valuation of foregone rental streams of €15.1m. In our view, this amount should be sufficient to compensate Camilleri Holdings Limited for the foregone rental payments.

Valuation 1: Discounted gross rental flows using yields

Property	Gross Market Rent	Yield	Annuity factor for 25 years	Present value of rental flows (€)
Matalian Stemma	379,600	6.0%	13.161	4,996,018
Mabian & Mothercare Figura	310,000	6.5%	12.588	3,902,301
Mothercare Stemma	262,800	6.0%	13.161	3,458,782
Mothercare Vallella	130,031	6.0%	13.161	1,711,376
Handaq Warehouses and plots	86,000	7.0%	12.055	1,036,692
Total				15,105,170

Method 2: Discounted Free Cash Flows

An alternative perspective would be to assess the present value of free cash flows arising to the purchasers of the contracted rents. We note minor differences between the market rental values assigned by the Architect and the rent amounts contracted with the tenants. Furthermore, we now also incorporate the impact of taxation and the impact of contracted annual rent increases.

We utilise the Weighted Average Cost of Capital (WACC) approach to construct our discount factor. This is calculated as follows:

$$WACC = ((K_e * (1-G)) + ((K_d * (1-t)) * G)$$

Where: K_e = Cost of Equity capital; K_d = Cost of Debt capital; G = Industry gearing expressed as Debt / (Debt + Equity) and t = Corporate tax rate.

Cost of equity

We use the CAPM model as a basis for estimating the entity's cost of equity. The formula to calculate return on equity (R_e) using the CAPM model is:

$$R_e = R_f + \beta * EMRP$$

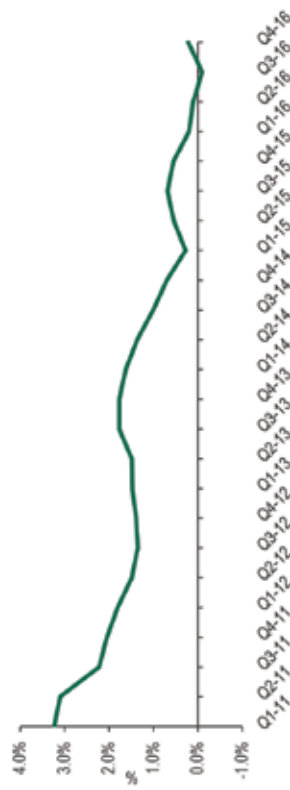
Where:

- R_f = Risk free rate
- β = Asset Beta
- EMRP = The equity market risk premium (the differential between average market returns and the risk free rate)

Risk free rate and equity risk premium

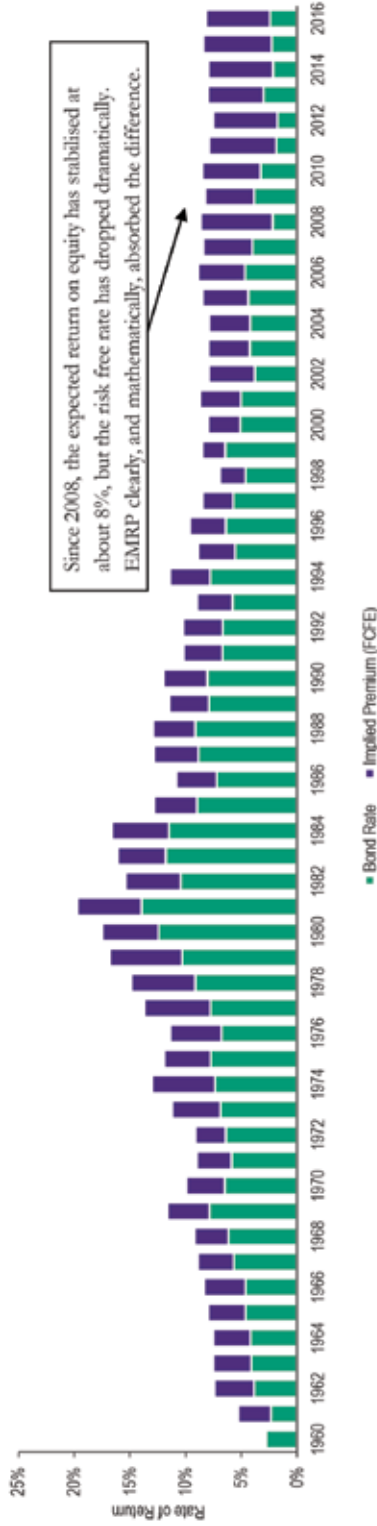
In our view, a fair value assessment should seek to determine the long term income generation capabilities of an asset judged against reasonable long term yield expectations and as such should not fluctuate mechanically from year to year in line with interest rate movements, ignoring all wider considerations. This is particularly relevant due to the extensive variability in Eurozone government bond yields witnessed in recent years

Yields on 10yr German Government Bonds



Valuation of Property Management Agreement (continued)

Implied EMRP and risk free rate



Sources: 1. Damodaran

Dealing with the volatility of the risk free rate

As shown in the previous page, the Government bond yields have suffered from extensive market volatility. To cater for this volatility, we utilise forward looking estimates of the average equity market returns to then estimate the implied equity risk premium.

As illustrated through the figure above, investors' return expectations have not varied in line with the risk free rate. Since 2008, the expected return on equity has stabilised at about 8%, but the risk free rate has dropped and varied dramatically. EMRP clearly, and mathematically, absorbed the difference.

The equity market risk premium (EMRP), represents the premium that investors expect over and above the risk free rate in order to invest into a fully diversified portfolio of listed equity products.

Mathematically, it is the difference between the average market return on equity and the risk free rate. There are various ways of estimating the EMRP.

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We have adopted the implied method – which is calculated as the difference between forward looking market average returns and the assumed risk free rate. Since the market return has been stable for the past decade, irrespective of the wild movements in the risk free rate, we believe that this approach will provide additional stability to our value in use assessment. The EMRP will automatically absorb movements in the risk free rate to the precise extent that they have not impacted market return expectations.

Selected risk free rate and EMRP

Given the significant y-o-y variation witnessed in recent years, we deem that a five year average is appropriate, as it adds consistency to the Beta estimation (60 months).

Based upon this approach, we estimate the risk free rate as being the interest rate for 10yr Government bonds, which amounts to 0.98%. To this we add the country risk for Malta, as estimated at 1.7% by Aswath Damodaran (Stern School of Business, New York University). To this, we add the EMRP, which amounts to 7.0% using the implied method, multiplied by Damodaran's beta for the European real estate industry (0.627). This yields a cost of equity of 7.1%.

Valuation of Property Management Agreement (continued)

Valuation 2: Discounted free cash flows

Step 1: Setting an appropriate discount rate

	Value	Source
Gearing	47.5%	Demodaran - industry estimate
Risk free rate before country risk	0.98%	10yr German Gov Bond rate
Country risk	1.71%	Demodaran - rating based
Risk free rate	2.69%	0.98% + 1.71%
EMRP	7.02%	Implied Method (Demodaran)
Beta	62.70%	Demodaran - industry estimate
Unadjusted cost of equity ($R_e = R_f + \beta \cdot EMRP$)	7.10%	Demodaran - industry estimate
Illiquidity premium	2.00%	Professional judgement
Cost of equity	9.10%	
		54.3% * Bond rate +
Borrowing cost	4.68%	45.7% * Loan rate
Effective tax rate	35.0%	Corporate tax rate
Cost of debt	3.04%	
Post-tax nominal discount rate	6.22%	WACC
Rental growth rate	3.20%	Per lease agreements
Post-tax, ex-growth, discount rate	3.02%	

Step 2: Net Present Value

Property	Contracted Rent net of tax	Post-tax, ex-growth, discount rate	Annually for 25 years	Present value of FCF (€)
Matslan Siema	280,800	3.0%	17,534	4,923,538
Matslan & Mothercare Fgura	241,920	3.0%	17,534	4,241,817
Mothercare Siema	189,216	3.0%	17,534	3,317,707
Mothercare Vauletta	92,880	3.0%	17,534	1,628,555
Hendaq Warehouses and plots	61,920	3.0%	17,534	1,085,703
Total				15,197,321

Based upon our own professional judgement, and following the use of a qualitative methodology, we have increased the cost of equity by 200 basis points in order to reflect firm specific risks and a discount for illiquidity in comparison to large traded stocks. In performing this assessment, we took note of:

- the long trading history of the Camilleri Group;
- the transparency and governance rules imposed by listing on Prospects;
- the low operational and demand risks associated with simply receiving rents from an existing property portfolio; and
- the lack of any owner inputs, or large succession risks, which could undermine the value of future rental streams.

This adjustment increases the cost of equity to 9.1% and results in lowering the valuation by approximately 12% - which we deem sufficient to reward investors for the relative illiquidity of the asset in comparison to listed securities.

The weighted average borrowing cost of the entity amounts to 4.68%. Since interest is a tax deductible expense, we reduce the borrowing costs by the tax shield, as calculated using Malta's 35% corporate tax rate. This results in a cost of debt of 3.04%.

At the market gearing of 47.5%, the resulting WACC rate amounts to 6.22%. This represents a post-tax discount rate that should be applied to post tax free cash flows.

When estimating tax payments, we took note that Orion Retail Investments Limited will be able to claim a 20% maintenance allowance for tax purposes. Hence tax will only be payable on 80% of gross rents - this equates to an effective tax rate of 28% (35% * 80%). We also note that the existing lease contracts include an annual rate of increase of 3.2% p.a. (which is considered to be an industry norm). Similarly, our valuation is based on the assumptions that every 12 months, rental incomes will increase by 3.2%. Our valuation also assumes that rents will be paid every month and that no credit terms will be offered to tenants. This is in-line with industry norms.

Based upon this methodology, the value of the Property Management Agreement is estimated at €15.197k.

Valuation of Property Management Agreement (continued)

Valuation summary

€	Method 1	Method 2	Average (3 sig. fig.)
Mislan Siema	4,995,018	4,923,538	4,960,000
Mislan & Mothercare Fgura	3,902,301	4,241,817	4,070,000
Mothercare Siema	3,458,782	3,317,707	3,390,000
Mothercare Vallaletta	1,711,376	1,628,595	1,670,000
Handaq Warehouses and plots	1,036,692	1,085,703	1,060,000
Total	15,105,170	15,197,321	15,150,000

Conclusion

Any value higher than €15.1 million should be considered to be sufficient for Camilleri Holdings Limited. However, Orion Retail Investments Limited would still meet its required return on capital should it pay not more than €15.2 million. In our view, a midpoint of these two ranges appears fair and reasonable – say €15,150,000.

D 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 Orion Finance p.l.c. and Orion Retail Investments Limited (together "Orion 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 Orion Finance p.l.c. dated 22 May 2017. The consolidated prospective financial information, set out on pages 134 to 136 and the assumptions below are the sole responsibility of the Directors of Orion Finance p.l.c.

The consolidated prospective financial information has been prepared on the basis of a bond issue of €5,000,000 at a nominal value of €1,000 per bond offered by Orion 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 Orion 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 actions the Directors of the Guarantor expect to take 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 Orion 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 3 May 2017 by the directors of the Guarantor 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 D.

2. Basis of preparation and principal assumptions

The principal assumptions relating to the environment in which the Orion 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 Orion Group will continue to enjoy the confidence of its suppliers 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 Orion Group operates and the factors which the Directors can influence and which underlie the prospective consolidated financial information, are the following:

2.1 Revenues

The Orion Group's projected revenue for the five years up to 31 December 2021 is based on the rental streams stipulated in the rental agreements currently in place with the Camilleri Group and the contractual relationship in place relating to Tony's Bar. Whilst the terms of the individual leases vary between individual properties, the leases are based on a standard form of agreement.

Projected revenue also includes a management fee of €250k per annum payable by the Camilleri Group, increasing in line with inflation, to cover the cost of managing the Properties.

2.2 Administrative expenses

Administrative expenses consist primarily of payroll costs, directors' fees, admission fees, professional fees and other corporate and general overheads.

Amortisation cost is calculated on the value of the Property Management Rights based on the valuation included in Annex C of this Company Admission Document over the term of the Property Management Agreement.

2.3 Finance costs

Finance costs primarily relate to amounts due on the Deferred Consideration and interest on the Bond which is expected to be issued in FY2017, which has been assumed at 4.75% 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 FY2019, 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.

2.4 Taxation

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

2.5 Capital and Reserves

The Orion 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 Orion Group does not intend to distribute dividends to the ultimate beneficial owners in the first three years following the Bond Issue.

3. Conclusion

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

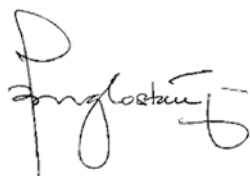
Approved by the Board of Directors on 3 May 2017 and signed on its behalf by:



Anthony Camilleri - Chairman



John Soler - Director



Dr Michael Borg Costanzi - Director

Consolidated projected income statement (year ended 31 December)					
€000	FY2017F	FY2018P	FY2019P	FY2020P	FY2021P
	Projected financial information				
Rental income from investment property	588	1,195	1,233	1,273	1,314
Management fee	125	254	262	270	279
Revenue	713	1,449	1,496	1,543	1,593
Administrative expenses	(77)	(98)	(101)	(103)	(106)
EBITDA	637	1,351	1,395	1,440	1,487
Amortisation	(313)	(616)	(616)	(616)	(616)
EBIT	324	735	779	824	871
Net finance cost	(215)	(418)	(384)	(352)	(330)
Profit before tax	108	317	395	472	541
Tax expense	(106)	(243)	(267)	(291)	(311)
Profit for the year	2	74	128	181	230

Consolidated projected statement of financial position (year ended 31 December)

€000	FY2017F	FY2018P	FY2019P	FY2020P	FY2021P
	Projected financial information				
ASSETS					
Non-current assets					
Intangible assets	14,937	14,321	13,705	13,089	12,473
Investment in subsidiaries	-	-	100	300	550
	14,937	14,321	13,805	13,389	13,023
Current assets					
Cash and cash equivalents	377	798	536	727	942
Current assets	377	798	536	727	942
Total assets	15,314	15,119	14,341	14,116	13,965
EQUITY AND LIABILITIES					
Equity					
Share capital	6,028	6,028	6,028	6,028	6,028
Retained earnings	2	76	204	385	615
Equity	6,030	6,104	6,232	6,413	6,643
Liabilities					
Non-current liabilities					
Borrowings	5,000	5,000	5,000	5,000	5,000
Deferred consideration for Property Management Rights	3,654	2,723	2,293	1,892	1,513
Non-current liabilities	8,654	7,723	7,293	6,892	6,513
Current liabilities					
Deferred consideration for Property Management Rights	405	931	430	401	378
Trade and other payables	225	362	386	410	430
Current liabilities	630	1,292	816	811	808
Total liabilities	9,284	9,015	8,109	7,703	7,322
Total equity and liabilities	15,314	15,119	14,341	14,116	13,965

Consolidated projected statement of cash flows (year ended 31 December)

€000	FY2017F	FY2018P	FY2019P	FY2020P	FY2021P
	Projected financial information				
Cash generated from operating activities					
EBITDA	637	1,351	1,395	1,440	1,487
Interest paid	(97)	(418)	(385)	(355)	(335)
Interest received	-	-	1	3	5
Tax paid	-	(106)	(243)	(267)	(291)
Net cash generated from operating activities	540	827	768	821	867
Cash used in financing activities					
Payment of Deferred Consideration	(163)	(405)	(931)	(430)	(401)
Issue of bond, net of issue costs	4,900	-	-	-	-
Payment of Cash Component on Settlement Date	(4,900)	-	-	-	-
Sinking fund transfers	-	-	(100)	(200)	(250)
Net cash used in financing activities	(163)	(405)	(1,031)	(630)	(651)
Movement in cash and cash equivalents	377	421	(263)	191	215
Cash and cash equivalents at the beginning of the period/year	-	377	798	536	727
Cash and cash equivalents at the end of the year	377	798	536	727	942



Grant Thornton

An instinct for growth™

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08 May 2017

Dear Mr Camilleri

Accountant's report on Orion Finance p.l.c. as the Issuer and Orion Retail Investments Limited in its capacity as Guarantor (together the Orion Group)

We have examined the basis of compilation accompanying the consolidated projected financial statements of the Orion Group (the "Group") for the period 1 July 2017 to 31 December 2027. The consolidated projected financial statements are set out in this section of the Report.

Directors' responsibility

It is the directors' responsibility to prepare the consolidated projected financial statements, together with the material assumptions on which they are based, in accordance with the requirements of the Prospects Rules issued by the Malta Stock Exchange plc and the International Standard on Assurance Engagements 3400 – The Examination of Prospective Financial Information.

Accountants' responsibility

It is our responsibility to form an opinion as to whether the consolidated projected financial statements, so far as the calculations are concerned, have been properly compiled on the basis adopted by the directors of the company. It is our responsibility to provide the opinion required by Prospects Rules and in accordance with International Standard on Assurance Engagements 3400 – The Examination of Prospective Financial Information.

Since the consolidated projected financial statements and the assumptions on which they are based relate to the future they may be affected by unforeseen events. The variation between projected and actual results may be material. We are not required to express, nor do we express, any opinion on the possibility of achievement of the results set out in the consolidated projected financial statements or on the validity of the underlying assumptions on which they are based.

Chartered Public Accountants

Member firm of Grant Thornton International Ltd.

A list of partners and directors of the firm is available at Tower Business, Suite 3, Tower Street, Swatar BKR 4013, Malta



Work performed

Our work included an evaluation of the procedures undertaken by the directors in compiling the consolidated projected financial statements and the consistency of the consolidated projected financial statements with the accounting policies adopted by the Group.

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

Actual results are likely to be different from those shown in the consolidated projected financial statements since anticipated events frequently do not occur as expected and the variation may be material.

Opinion

The Issuer and the Guarantor are both companies which were incorporated in May 2017 and since their incorporation and up to the date of this report, no financial statements have been prepared. As the entity is in a start-up phase the Projections have been prepared using a set of assumptions that include hypothetical assumptions about future events and management's actions that are not necessarily expected to occur. Consequently, readers are cautioned that the Projections may not be appropriate for purposes other than that described above.

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe, that these assumptions do not provide a reasonable basis for the Projections, assuming that they successfully action their plans and strategies within the timescales laid out in the Company Admission Document. Furthermore, in our opinion:

- the consolidated projected financial statements have been properly compiled on the basis of the underlying assumptions; and
- have been prepared on a basis consistent with the accounting policies normally adopted by the Group.

We emphasise that the consolidated projected financial statements are not intended to, and do not, provide all the information and disclosures necessary to give a fair presentation of the results and financial position of the Group in accordance with International Financial Reporting Standards.

This opinion is solely intended to be relied upon by you for the purposes of the Company Admission Document to be dated 22 May 2017. Readers are cautioned that the consolidated projected financial statements may not be appropriate for purposes other than that described above. We accept no responsibility to any other person in respect of, arising out of, or in connection with, our work.

Basis of preparation

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

- The Orion Group will not significantly change the manner in which it conducts its business;
- The Orion Group will continue to enjoy good relations with its tenants;
- The property market will remain stable and robust without experiencing any adverse shocks;
- The Maltese economy will not experience any adverse economic developments;
- Tenants will honour all of their obligations in a timely manner;
- Orion Finance p.l.c. will issue a 10 year 4.75% Prospects Bond of €5 million in July 2017;
- The bases and rates of taxation, both direct and indirect, will not change; and
- Where applicable, the rate of inflation will stand at 2% - in line with the European monetary policy target.

Key assumptions underlying the model

The reader should be aware of the following assumptions which are based on the agreements entered into as at the date of this Report:

- Rental yield on the retail properties (except for Tony's Bar) will be 6% throughout the Projections, whilst the rental yield on the Figura outlet and warehouse will be 6.5% and 4% respectively. The rental income will increase at a rate of 3.2% per annum. These yields and annual increase are based on the lease agreements entered into between Orion Retail Investments Limited and companies within the Camilleri Group on 5 May 2017; and
- The repayment of the Deferred Consideration and the interest cost on the remaining balance are based on the Payment Schedule as prescribed on the Second Schedule of the Property Management Agreement between Camilleri Holdings Limited and Orion Retail Investments Limited.

Yours faithfully,



George Vella
 Partner,
 Certified Public Accountant

E SPECIMEN APPLICATION FORMS

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

A

Non-Resident Minor (under 18) Body Corporate / Body of Persons 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)

Already registered for e-portfolio 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
------------------------	-----------------

Orion Finance p.l.c. 4.75% Bonds 2027 (minimum subscription of €2,000 and in multiples of €1,000 thereafter) at the Bond Issue Price (at par), as defined in the Company Admission Document dated 22 May 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)

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

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

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

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

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

NOTES ON HOW TO COMPLETE THIS APPLICATION FORM AND OTHER INFORMATION

The following notes are to be read in conjunction with the Company Admission Document dated 22 May 2017 regulating the Bond Issue.

1. This Application is governed by the Terms and Conditions of the Application in this Company Admission Document dated 22 May 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 €1,000.
9. Payment must be made in Euro, in cleared funds to 'The Registrar – Orion 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 6.2 of the Securities Note, unless the Issuer is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of Article 41(c) of the Income Tax Act (Cap. 123 of the Laws of Malta), interest shall be paid to such person net of final withholding tax, (currently 15%) of the gross amount of interest, pursuant to Article 33 of the Income Tax Act (Cap. 123 of the Laws of Malta).
11. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation. 11a. The contents of Notes 10 and 11 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisors in case of doubt.
12. If any Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies or the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the bank account as indicated in Panel H. Interest and redemption proceeds will be credited to the account indicated in Panel H or as otherwise amended by the Bondholder/s during the term of the Bond.
13. Subscription lists for Preferred Applicants will close at 2 June 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 Prospectus. Any Applications received by the Registrar after the subscription lists close will not be accepted. Completed Application Forms are to be delivered to any of the Authorised Financial intermediaries listed in the Securities Note, during normal office hours. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists.
14. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
 - a. the Issuer may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta);
 - b. the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer. Any such requests must be made in writing and addressed to the Issuer. The request must be signed by yourself as the Applicant to whom the personal data relates.

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

F AUTHORISED FINANCIAL INTERMEDIARIES

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ORION

Orion Finance plc

Issuer

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Malta

Guarantor

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Corporate Advisor and Reporting Accountant

Grant Thornton
Tower Business Centre
Tower Street
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Placement Agent, Manager, Registrar and Trustee

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