This document comprises an admission document, required by the rules of Prospects MTF (the market regulated as a multilateral trading facility operated by the Malta Stock Exchange (the "MSE")) and has been drawn up in compliance with the Prospects MTF Rules by the MSE for the purpose of giving information with regards to the issue of the Bonds (as defined herein). Prospects MTF is not a regulated market for the purposes of EU Prospectus Regulation (2017/1129) of the European Parliament and of the Council on markets in financial instruments. This document does not comprise a document drawn up in terms of the EU Prospectus Regulation (2017/1129) or for the purposes of the Capital Market Rules of the MFSA. In terms of article 2(3)(b)(v) of the Companies Act, Cap 386 of the laws of Malta, this Bond Issue (as defined herein) 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.

Company Admission Document

Dated 19 January 2022

In respect of an issue of

€3,000,000 4.9% Unsecured Bonds 2032

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



A public limited company registered under the laws of Malta with registration number C 94741 with the joint and several Guarantee* of Class Optical Manufacturing Limited (C 6387)

*Prospective investors are to refer to the Guarantee contained in Schedule 1 of this Admission Document for a description of the Guarantee and to the "Risk Factors" section for a discussion of the risk factors which should be considered by prospective investors in connection with the Bonds and the Guarantee provided by the Guarantor.

ISIN: MT0002601202

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 THE COMPLETENESS OR ACCURACY 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, WHOSE NAMES APPEAR UNDER THE HEADING "Directors of the Issuer", ARE THE PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS DOCUMENT. TO THE BEST OF THEIR KNOWLEDGE AND BELIEF (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 MTF, A MULTI-LATERAL TRADING FACILITY OPERATED BY THE MSE. THIS MEANS THAT THE SAID INSTRUMENTS ARE IN COMPLIANCE WITH THE ADMISSION REQUIREMENTS SET OUT IN THE PROSPECTS MTF RULES. 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 MTF MAY PUT AN INVESTOR'S CASH PARTLY OR WHOLLY AT RISK. SECURITIES ISSUED BY SMALL AND MEDIUM-SIZED ENTERPRISES TEND TO BE ILLIQUID AND CARRY HIGHER RISKS. INVESTORS SHOULD THUS SEEK APPROPRIATE ADVICE AND READ THE WHOLE DOCUMENT BEFORE MAKING ANY INVESTMENT DECISIONS. THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. IF YOU NEED ADVICE OR ARE REQUIRED UNDER APPLICABLE LEGISLATION TO SEEK ADVICE WITH RESPECT TO THIS SECURITIES ISSUE, YOU SHOULD CONSULT A DULY LICENSED INVESTMENT ADVISOR.

APPROVED BY THE DIRECTORS

John C. Grech

Maurice Zarb Adami

Cyril Gabarretta

Kerstien Gabarretta

Robert Tua

Robert Ebeier

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1 IMPORTANT INFORMATION

THIS DOCUMENT CONTAINS INFORMATION ON CLASS FINANCE PLC IN ITS CAPACITY AS ISSUER AND CLASS OPTICAL MANUFACTURING LIMITED IN ITS CAPACITY AS GUARANTOR IN COMPLIANCE WITH THE PROSPECTS MTF RULES ISSUED BY THE MSE.

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

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 ADMISSION DOCUMENT AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR OR THEIR RESPECTIVE DIRECTORS OR ADVISORS.

THE MSE ACCEPTS NO RESPONSIBILITY FOR THE COMPLETENESS OR ACCURACY 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.

THIS 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 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.

THIS 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 ADMISSION DOCUMENT IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE 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.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT LEGAL ADVISORS, ACCOUNTANTS AND/OR OTHER FINANCIAL ADVISORS AS TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE BONDS AND THE ADMISSION DOCUMENT.

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



A COPY OF THE ADMISSION DOCUMENT HAS BEEN SUBMITTED TO THE MSE IN SATISFACTION OF THE PROSPECTS MTF RULES. STATEMENTS MADE IN THIS 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 THE ADVISORS TO THE ISSUER AND THE GUARANTOR NAMED IN THIS ADMISSION DOCUMENT UNDER THE HEADING "Advisors and Statutory Auditors" HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE ADMISSION DOCUMENT.

UNLESS OTHERWISE STATED, THE CONTENTS OF THE ISSUER'S OR THE GUARANTOR'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITES OR GUARANTOR'S WEBSITE DO NOT FORM PART OF THIS 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 GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE ADMISSION DOCUMENT AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS.



DEFINITIONS & INTERPRETATION

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

| Act | Companies Act, Cap 386 of the laws of Malta. | | |
|--------------------------------|---|--|--|
| 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 and delivering same to the Placement Agent in accordance with the terms of this Admission Document. | | |
| Application Form | the form of application for subscription to Bonds, available from the Placement Agent, a specimen of which is attached hereto and marked Schedule 2 | | |
| Appropriateness Test | the test conducted by the licensed financial intermediary, when providing an investment service (other than investment advice or portfolio management) in relation to the subscription for and the trading of Bonds, for the purpose of the licensed financial intermediary determining (after collecting the necessary information) whether the investment service or the Bonds are appropriate for the prospective Applicant or prospective transferee. In carrying out this assessment, the Placement Agent is required to ask the Applicant or the prospective transferee to provide information regarding the Applicant or transferee's knowledge and experience so as to determine that the Applicant or transferee has the necessary experience and knowledge in order to understand the risks involved in relation to the Bonds or investment service offered or demanded, in accordance with the Conduct of Business Rules as issued by the Malta Financial Services Authority (the "COB"). In the event that the licensed financial intermediary considers, on the basis of the test conducted, that the subscription or transfer of Bonds is not appropriate for the Applicant or prospective transferee, or in the event that the Applicant or prospective transferee does not provide the requested information or provides insufficient information, the licensed financial intermediary shall warn the said Applicant or prospective transferee accordingly. | | |
| Bond(s) | €3,000,000 unsecured bonds due in 2032 of a nominal value of €100 per bond bearing an interest rate of 4.9% per annum, issued at par and redeemable on the Redemption Date at their nominal value. | | |
| Bondholder | a holder of Bonds, as listed as such in the Register of Bondholders. | | |
| Bond Issue | The issuance of the Bonds pursuant to this Admission Document. | | |
| Bond Issue Price | the price of €100 per Bond. | | |
| Business Day | any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business. | | |
| Bye-Laws | the Malta Stock Exchange p.l.c. bye-laws issued by the authority of the board of directors of the MSE, as may be amended from time to time. | | |
| Capital Market Rules | the Capital Market Rules issued by the MFSA in terms of Part III of the Financial Markets Act (Chapter 345 of the laws of Malta), as the same may be amended from time to time. | | |
| Class Group | the group of companies of which the Issuer forms part and as described in Section 8.2. | | |
| Class Optical | Class Optical Limited, a limited liability company registered under the laws of Malta company registration number C 21530 and with registered address at UBT 13/14, Gwann Industrial Estate, San Gwann SGN 3000, Malta. | | |



| Class Holding | Class Holding Limited, a limited liability company registered under the laws of Malta with company registration number C89428 and with registered address at UBT 13/14, San Gwann Industrial Estate, San Gwann SGN 3000, Malta. | | |
|---|---|--|--|
| Completion | the completion of each of the Works, as certified by the Issuer's architect; | | |
| Corporate Advisor or Manager or Placement Agent | Calamatta Cuschieri Investment Services Ltd, a limited liability company registered under th laws of Malta with company registration number C13729, having its registered office a Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta. | | |
| CSD | the Central Securities Depository of the MSE authorised in terms of Part IV of the Financial Markets Act (Chapter 345 of the laws of Malta), having its address at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta. | | |
| Deeds of Modification | the public deeds entered into by and between INDIS and the Guarantor published in the records of Notary Luca Burlo on the 2 nd July 2021 and on the 29 th November 2021, amending the Emphyteutical Deed. | | |
| Directors | the Directors of the Issuer as set out in Section 11.1. | | |
| Euro or € | the lawful currency of Malta. | | |
| Emphyteutical Deed or Deed | the public deed entered into by and between INDIS and the Guarantor published in the records of Notary Luca Burlo on the 21 st January 2019, and as amended by the Deeds of Modification, pursuant to which the Guarantor was granted a temporary emphyteusis over the Property, as described in Section 16.1. | | |
| Escrow Agent | Tri-Mer Services Ltd., a limited liability company registered under the laws of Malta with company registration number C 36968 and with registered office situated at International House, Mdina Road, Mriehel, BKR 3000, Malta and licensed by the Malta Financial Services Authority to act as trustee in terms of Article 43(3) of the Trusts and Trustees Act, appointed pursuant to the Escrow Agency Agreement. | | |
| Escrow Agency Agreement | the agreement between the Issuer and the Escrow Agent, a copy of which is set out in Schedule 6. | | |
| Free Form Lens | a form of ophthalmic lens that is customized to the patient's prescription in a very precise manner. | | |
| MSE | Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Chapter 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta. | | |
| GDPR | Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data. | | |
| Guarantee | the joint and several guarantee dated on or around the 19 January 2022 to be granted by the Guarantor in favour of the Bondholders guaranteeing the punctual performance of the Issuer's obligations under the Bond Issue. | | |
| Guarantor | Class Optical Manufacturing Limited, a limited liability company registered under the laws of Malta with company registration number C 6387 and with registered office situated at UBT 13/14, San Gwann Industrial Estate, San Gwann SGN 3000, Malta. | | |
| INDIS | INDIS Malta Limited, C28965 and with registered office situated at 88 Msida Valley Road, Birkirkara BKR9020, Malta (formerly Malta Industrial Parks Limited). | | |
| Interest | the interest payable on the Bonds from and including the 9 February 2022 at the rate of four point nine per cent (4.9%) per annum payable annually in arrears on each Interest Payment Dates. | | |



| Interest Payment Date | annually, on the 9 February of each year commencing on 9 February 2023 and ending with 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. | | |
|---------------------------------|---|--|--|
| Issue Period | the period between 20 January 2022 and 9 February 2022 (or such earlier date as may be determined by the Issuer) during which the Bonds are available for subscription. | | |
| Issuer | Class Finance plc, a public limited company with company registration number C94741 and with registered office situated at UBT 13/14, San Gwann Industrial Estate, San Gwann SGN 3000, Malta. | | |
| Issuer Group | the group of companies comprising the Issuer as parent and the Subsidiaries as subsidiary companies of the Issuer. The Issuer Group forms part of the Class Group. | | |
| MFSA | the Malta Financial Services Authority, appointed as competent authority in terms of the Financial Markets Act (Chapter 345 of the laws of Malta). | | |
| PMLFTR Regulations | Prevention of Money Laundering and Funding of Terrorism Regulations made under the Prevention of Money Laundering Act, Subsidiary Legislation 373.01 of the laws of Malta as the same may be amended from time to time. | | |
| Property | the land and buildings thereon situated at UBT13/14, San Gwann Industrial Estate, San Gwann, in respect of which the Guarantor has a temporary emphyteutical concession for a period of thirty-five years commencing on the 21 January 2019 granted by INDIS. | | |
| Prospects MTF | the market regulated as a Multilateral Trading Facility operated by the MSE providing a venue for start-up and growth of SMEs to float their capital (including equity or debt) on the market. | | |
| Prospects MTF List | the list prepared and published by the MSE as the list indicating the companies admitted to Prospects MTF in accordance with the Prospects MTF Rules. | | |
| Redemption Date | 9 February 2032. | | |
| Redemption Value | €100, at par. | | |
| Register of Bondholders | the electronic register of persons holding the Bonds maintained by the CSD on behalf of the Issuer. | | |
| Restructuring | the acquisition by the Issuer of the ownership of the Guarantor, Vision Opticians Ltd and Class Optical Ltd on the 26th February 2020. | | |
| Rules or Prospects MTF 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 (Chap. 345 of the Laws of Malta) regulating the Prospects MTF market, as the same may be amended from time to time. | | |
| SMEs | An enterprise as defined in section 2 (1) of the Companies Act, Chapter 386 of the laws of Malta, that is, companies which, according to their last annual or consolidated accounts, meet at least two of the following three criteria: | | |
| | 1. an average number of employees, during the financial year, of less than 250; | | |
| | 2. a total balance sheet not exceeding forty-three million euro (43,000,000); | | |
| | 3. an annual net turnover not exceeding fifty million euro (50,000,000); | | |
| Subsidiaries | the subsidiary companies of the Issuer, being the Guarantor, Vision Opticians and Class Optical. | | |
| Suitability Test | the whole process through which a licensed financial intermediary providing investment advice or portfolio management services in relation to the subscription for and trading of Bonds obtains such information from the Applicant or prospective transferee as is necessary to enable the licensed financial intermediary to recommend to or, in the case of portfolio management, to effect for, the Applicant or prospective transferee, the investment service and trading in Bonds that are considered suitable for him/her, in accordance with the COB | | |



| | rules issued by the MFSA. When providing Advice or Portfolio Management Services, the licensed financial intermediary must first obtain the necessary information to understand the essential facts about the Applicant or prospective transferee and to have a reasonable basis for determining, giving due consideration to the nature and extent of the service provided, that the specific transaction to be recommended, or entered into in the course of providing a Portfolio Management Service, satisfies the following criteria: |
|----------------------|--|
| | a. it meets the investment objectives of the Applicant or prospective transferee in question; |
| | b. it is such that the Applicant or prospective transferee is able financially to bear any related investment risks consistent with investment objectives of such Applicant or prospective transferee; and |
| | c. it is such that the Applicant or prospective transferee has the necessary experience and knowledge in order to understand. |
| | In the event that the licensed financial intermediary does not obtain the necessary information to assess suitability, it must not make a personal recommendation to the Applicant or prospective transferee or take a decision to trade for him/her. |
| Summary | a summary of the salient features of the Document, as contained in Section 3. |
| Terms and Conditions | the terms and conditions of the Bonds and their issuance contained in Section 20, entitled 'Terms and Conditions of the Bonds . |
| Vision Opticians | Vision Opticians Limited, a limited liability company registered under the laws of Malta with company registration number C78706 and with registered office situated at UBT 13/14, San Gwann Industrial Estate, San Gwann SGN 3000, Malta. |
| Works | the construction, development and finishing of the Property, following which the Property shall provide additional and modernized laboratory and office space from which the Class Group can increase its product and serving offering. |

Interpretation

- (a) All references in the Document to "Malta" are to the "Republic of Malta".
- (b) Unless it appears otherwise from the context:
- (i) words importing the singular shall include the plural and *vice-versa*;
- (ii) words importing the masculine gender shall include the feminine gender and *vice-versa*;
- (iii) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;
- (iv) any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations or trusts;
- (v) any reference to a person includes that person's legal personal representatives, successors and assigns;
- (vi) 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; and
- (vii) 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 Admission Document."



3 **SUMMARY**

This Summary should be read as an introduction to the Admission Document. Prospective investors are hereby warned that this Summary is being provided to convey the essential characteristics and risks associated with the Issuer, the Guarantor and the securities being offered pursuant to the Admission 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 Admission Document as a whole by the investor.

Civil liability attaches to those persons who have tabled the summary including any translation thereof, and applied for its notification, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Admission Document.

3.1 Information regarding the Issuer and the Guarantor

- (a) Legal and commercial name of the Issuer The legal and commercial name of the Issuer is Class Finance plc (C 94741). The legal and commercial name of the Guarantor is Class Optical Manufacturing Limited (C 6387)
- (b) Domicile and legal form of the Issuer The Issuer was registered as a public limited company on the 30 January 2020 and is domiciled in Malta. The Guarantor was registered as a private limited liability company on the 6 June 1983 and is domiciled in Malta.
- (c) Directors & Senior Management. The directors of the Issuer are:

| John C. Grech | Independent Non-Executive Director & Chairman |
|---------------------|---|
| Cyril Gabarretta | Executive Director |
| Robert Tua | Executive Director |
| Maurice Zarb Adami | Non-Executive Director |
| Kerstien Gabarretta | Non-Executive Director |
| Robert Ebejer | Independent Non-Executive Director |

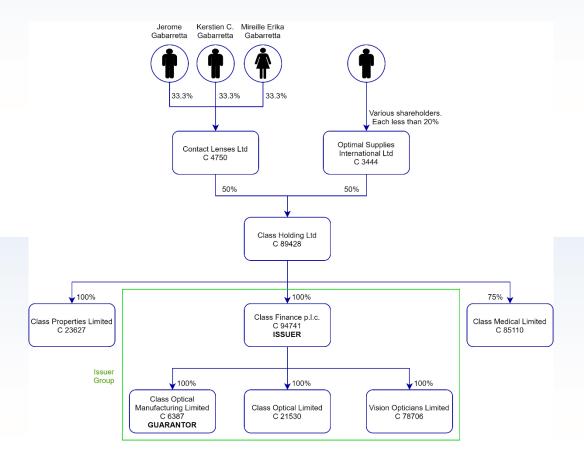
- (d) The directors of the Guarantor are John C. Grech, Cyril Gabarretta, Robert Tua, Maurice Zarb Adami and Kerstien Gabarretta.
- (e) In addition to the above executive directors, the CEO of the Issuer Group is Martin Mercieca, details of whom are found in Section 11 hereof.
- (f) Shareholding Structure The Issuer's current authorised share capital is €408,650 consisting of 40,865 Ordinary Shares of €10.00 each. The Issuer's issued share capital is €408,650 consisting of 40,863 Class "A" Ordinary Shares of €10.00 each and 2 Class "B" Ordinary Shares of €10.00 each, subscribed as follows:

| Class Holding Ltd (C 89428) San Gwann Industrial Estate, San Gwann SGN 3000, Malta | 4,698 Ordinary A Shares 25% paid-up 36,165 Ordinary A Shares 100% paid-up |
|--|--|
| Contact Lenses Limited (C 4750) 17, The Strand, Sliema, SLM 1025, Malta | 1 Ordinary B Share 25% paid-up |
| Optimal Supplies International Limited (C 3444) 142/144, Melita Street, Valletta VLT 1123, Malta | 1 Ordinary B Share 25% paid-up |

The Guarantor's authorised and issued share capital is €250,000 divided into 250,000 ordinary shares of a nominal value of €1 each, all of which are allotted in favour of the Issuer on a fully paid-up basis.

Below is an organisational chart of the Class Group of which the Issuer and the Guarantor form part:





- (g) History and Development The Issuer was incorporated on the 30 January 2020 with the purpose of, *inter alia*, to act as a holding company and a financing vehicle. The issuance of the Bonds falls within its objects. The Guarantor is a 100% owned subsidiary of the Issuer and was incorporated on the 6th June 1983. In its inception, the Guarantor's business related to frame production, and in the later years expanded its business to the manufacturing of contact lenses and later producing optical frames before investing in what is today a fully-fledged Free Form Lens laboratory.
- (h) Business Overview the Issuer's business is limited to acting as a financing vehicle and as the parent company of the Guarantor, Class Optical and Vision Opticians. The business of these entities involves the following:
 - (A) Management of Eyewear, Optical and Contact Lenses, including distribution and representation of iconic brands. This activity is carried out by Class Optical
 - (B) Manufacturing of contact lenses and optical frames through the operations of a fully-fledged Free Form Lens laboratory, an advanced manufacturing process. This service is provided by the Guarantor and targets the local market as well as large overseas clients. The Guarantor intends to complete the Works with a view to increasing the footprint of the Issuer Group's premises, to allow for the achievement of desired economies-of-scale which is a prerequisite to achieve profitable success by competing on the international platform. It will also allow the company to reach a much higher production capacity in its expansion plan.
 - (C) Retail Operation operating eight outlets under the branding of 'Vision Opticians' and 'Sunglass & Sunglass' in Fgura, Paola, PAVI Shopping Complex, Mellieha, Qormi, Hamrun, Zejtun and Valletta.
- (i) Significant recent trends of the Issuer There has been no material adverse change in the prospects of the Issuer since the date of incorporation.



(j) Summary of Financial Information – The Issuer was set up on the 30 January 2020. There has been no significant change in the financial or trading position of the Issuer, which has occurred since the company's date of incorporation.

The Admission Document comprises the following financial information:

- (i) *Proforma* consolidated financial statements of the Issuer Group for the financial years ended 31 December 2019 and 2020. Extracts from such *Proforma* financial statements are found in Schedule 2;
- (ii) Interim consolidated financial statements of the Issuer Group for the period ended 30 June 2021;and
- (iii) financial forecasts of the Issuer Group for the financial years ending 31 December 2021, 2022, 2023 and 2024. Extracts from such unaudited forecast financial information are found in Schedule 2.

Set out below are summarised extracts from the Issuer Group's financial information:

| Consolidated Income Statement | Proforma* 2019 | Audited** 2020 | Proforma*** 2020 | |
|-------------------------------|-------------------|----------------|------------------|--|
| | €'000 | €'000 | €'000 | |
| Profit after tax | 604 | 556 | 563 | |

Note: Totals may not tally due to rounding

^{***}Proforma Consolidated Financial Statements for the period 1 January 2020 to 31 December 2020 were prepared using IFRS.

| Consolidated Income Statement | Unaudited* June 2021 |
|----------------------------------|----------------------|
| | €'000 |
| Profit after tax | 395 |

^{*}Interim consolidated financial statements for the period 1 January 2021 to 30 June 2021 were prepared using IFRS.

| Consolidated Statement of | Proforma* | Audited** | Unaudited*** |
|---------------------------|-----------|-----------|--------------|
| Financial Position | 2019 | 2020 | June 2021 |



^{*}Proforma Consolidated Financial Statements for the period 1 January 2019 to 31 December 2019 were prepared using GAPSME.

^{**}Audited Consolidated Financial Statements were prepared for the period 30 January 2020 to 31 December 2020 in view of the fact that the Issuer was incorporated on 30 January 2020. These were prepared using GAPSME.

| | €'000 | €'000 | €'000 |
|-----------------------------|-------|-------|-------|
| ASSETS | | | |
| Total non-current assets | 760 | 651 | 2,922 |
| Total current assets | 6,031 | 6,252 | 6,812 |
| | | | |
| TOTAL ASSETS | 6,791 | 6,902 | 9,734 |
| | | | |
| EQUITY & LIABILITIES | | | |
| Equity | | | |
| Total equity | 4,548 | 4,850 | 5,065 |
| Total long-term liabilities | 88 | 285 | 2,503 |
| Total current liabilities | 2,155 | 1,767 | 2,166 |
| | | | |
| TOTAL EQUITY & LIABILITIES | 6,791 | 6,902 | 9,734 |

The Issuer Group's projected financial information is summarised below:

| Projected Consolidated Income Statement | Forecast 2021 | Forecast 2022 | Forecast 2023 | Forecast 2024 |
|--|------------------|------------------|------------------|------------------|
| | €'000 | €'000 | €'000 | €'000 |
| Profit after tax | 439 | 443 | 475 | 507 |

Note: Totals may not tally due to rounding. Forecasts have been prepared using IFRS.

| Projected Consolidated | Forecast | Forecast | Forecast | Forecast |
|---------------------------------|----------|----------|----------|----------|
| Statement of Financial Position | 2021 | 2022 | 2023 | 2024 |
| | €'000 | €'000 | €'000 | €'000 |



^{*}Proforma Consolidated Financial Statements for the period 1 January 2019 to 31 December 2019 were prepared using GAPSME.

^{**}Audited Consolidated Financial Statements were prepared for the period 30 January 2020 to 31 December 2020 in view of the fact that the Issuer was incorporated on 30 January 2020. These were prepared using GAPSME.

^{***} Interim Consolidated Financial Statements for the period 1 January 2021 to 30 June 2021 were prepared using IFRS.

| ASSETS | | | | |
|-----------------------------|--------|--------|--------|--------|
| Total non-current assets | 5,639 | 5,288 | 4,961 | 4,579 |
| Total current assets | 7,551 | 8,215 | 8,546 | 8,746 |
| TOTAL ASSETS | 13,190 | 13,503 | 13,507 | 13,325 |
| | | | | |
| EQUITY & LIABILITIES | | | | |
| Total equity | 5,708 | 5,931 | 6,185 | 6,454 |
| Total long-term liabilities | 5,382 | 5,122 | 4,887 | 4,707 |
| Total current liabilities | 2,100 | 2,450 | 2,435 | 2,164 |
| TOTAL EQUITY & LIABILITIES | 13,190 | 13,503 | 13,507 | 13,325 |

Note: Totals may not tally due to rounding. Forecasts have been prepared using IFRS.

| Projected Consolidated Cash Flow Statement | Forecast 2021 | Forecast 2022 | Forecast 2023 | Forecast 2024 |
|--|------------------|------------------|------------------|------------------|
| | €'000 | €'000 | €'000 | €'000 |
| EBITDA | 1,030 | 1,401 | 1,422 | 1,461 |
| Operating cash flows | 1,052 | 1,250 | 1,263 | 1,333 |
| | | | | |
| Capital expenditure | (1,946) | (98) | (118) | (53) |
| Financing cash flows | 1,348 | (378) | (379) | (896) |
| | | | | |
| Net cash movements | 454 | 774 | 766 | 384 |
| Cash brought forward | 638 | 1,092 | 1,582 | 2,061 |
| Cash carried forward | 1,092 | 1,582 | 2,061 | 2,165 |

Note: Totals may not tally due to rounding. Forecasts have been prepared using IFRS.

The principal factors and assumptions underlying the projections as well as the accountant's report thereon, are set out in Schedule 4.

3.2 Information regarding the Securities

(a) Type and class of securities - The Issuer shall issue an aggregate of €3,000,000 in Bonds having a face value of €100 per bond, subject to a minimum amount per subscription of €2,000 in Bonds and in multiples of €100 thereafter. The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. On admission to trading on Prospects MTF, the Bonds will have the following ISIN: MT0002601202. The Bonds shall bear interest at the rate of 4.9% per annum. The Bonds shall be repayable in full upon maturity on 9 February 2032 (together



- with interest accrued to the date fixed for redemption). The Bonds shall be guaranteed jointly and severally by the Guaranter pursuant to the terms of the Guarantee.
- (b) Currency The Bonds are denominated in Euro (€).
- (c) Transferability The Bonds are freely transferable and, once admitted to the Prospects MTF List, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.
- (d) Rights attached to the Bonds Persons wishing to participate in the Bonds will be able to do so by duly executing the appropriate Application Form in relation 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 as and when due;
 - (iii) seek recourse from the Guarantor pursuant to the Guarantee, in case of failure by the Issuer to pay any sum payable by it to Bondholders pursuant to the Terms and Conditions of the Bond Issue:
 - (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 this Admission Document.
- (e) Ranking: The Bonds are guaranteed by the Guarantor however the Issuer and the Guarantor have not granted any security over their own assets and therefore their obligations in regards to the Bonds are unsecured debt obligations ranking equally with all other present and future unsecured obligations of the Issuer and of the Guarantor.

This means that if either the Issuer or the Guarantor is insolvent, then its respective assets will be used to pay any prior ranking debts before paying those in respect of the Bonds.

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 under any of the foregoing, the Guarantor will pay to such Bondholder on written 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.

The net Bond Issue proceeds shall be held by the Placement Agent, which shall release the proceeds to the Issuer once the conditions to the Bond Issue have been fulfilled. Provided that €2,200,000 of the proceeds earmarked for the Works shall only be held by the Escrow Agent and shall only be released to the Issuer upon the receipt of the certification of Completion of the Works, or part thereof.

- (f) Interest The Bonds shall bear interest from and including 9 February 2022 at the rate of four point nine percent per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date, the first Interest Payment Date being 9 February 2023 provided that 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 nine per cent (4.9%).
- (g) Redemption: The Bonds shall be redeemed in full and at par on the 9 February 2032.

3.3 Risks

- (a) Risks relating to the Issuer and the industry in which the Issuer operates:
 - (i) The COVID19 pandemic has had adverse effect on the retail sector of the Issuer Group's business, particularly as a result of the closure of all retail outlets. The effects of the said pandemic have been offset by the Government aid. There is no guarantee that if the situation worsens and Government aid is curtailed, the Issuer Group's financial and operating results will not be adversely materially affected.
 - (ii) Although the Issuer forms part of the Class Group, its financial results are entirely dependent on the performance of the Subsidiaries. In view of the recent incorporation of the Issuer, the Directors



- have prepared historical *Proforma* financial information of the Issuer Group for the financial year ended 31 December 2019 and 2020 (presenting the financial information of the Issuer Group as though it had been incorporated before Restructuring) and forecasts of the Issuer Group for the financial years ending 31 December 2021, 2022, 2023 and 2024.
- (iii) Uncertainty about global economic conditions poses a risk to the Issuer's business because consumers and businesses may postpone spending in response to tighter credit markets, unemployment, negative financial news and/or declines in income or asset values.
- (iv) If the Subsidiaries are unable to successfully introduce new products and develop and defend their brands, their future sales and operating performance may suffer. Online sales and parallel imports may negatively affect the Subsidiaries' operating income.
- (v) In so far as the export line of the Issuer Group's business concerned, its performance may be negatively impacted by unexpected changes in regulatory requirements, taxes, trade laws, tariffs, export quotas, custom duties or other trade restrictions and fluctuations in exchange rates that may increase the volatility of any foreign-based revenue;
- (vi) Compliance with laws and regulations that apply to the Issuer Group's operations increases the Issuer's costs of doing business, including cost of compliance, and such costs may rise in the future as a result of changes in these laws and regulations or in their interpretation or enforcement.
- (vii) In terms of the Emphyteutical Deed, all Works are required to be completed by the 31 August 2022 and accordingly, any delays in the completion of the Works would be in breach of the said grant. The Guarantor is also exposed to the risk of cost overruns inherent in their finalization. These risks include, but are not limited to, delays in the delivery of material necessitated for the completion of the Works, shortage of skilled labour, unscheduled delays in the delivery of ordered goods, failure of equipment to meet quality and adverse weather conditions or any other events of force majeure.
- (viii) The Issuer's growth is dependent upon the efforts and abilities of the directors and the key personnel. If one or more of these individuals were unable or unwilling to continue in their present position, they may not be replaceable within the short term, which could have an adverse effect on the Issuer's business, financial condition and results of operations.
- (ix) The Issuer's financial performance is dependent on its key customers and suppliers. Any deterioration in the commercial relationship between the Issuer and its suppliers and customers could have a material impact on Issuer's business, financial condition and results of operations.
- (x) Reputational risk could materially and adversely affect the Issuer's ability to retain or attract customers, whose loss could adversely affect the Issuer's and Guarantor's operations, financial condition and prospects. More specifically, reputational harm may result in the loss of market share and revenue, increased compliance costs and higher financing costs, reflecting the perceived increased risks.
- (xi) 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 Issuer's future cash flow, results of operations or financial condition.
- (b) Risks Relating to the Bond:
 - (i) Upon successful admission, the Bonds will be traded on a multilateral trading facility but will NOT be traded on any regulated market. Hence, the market for the Bonds may be less liquid than a regulated market and a bondholder may find it more difficult to identify willing buyers for their Bonds. The existence of an orderly and liquid market for the Bonds depends on a number of factors, including the presence of willing buyers and sellers of the Issuer's Bonds at any given time. Such presence is dependent upon the individual decisions of investors over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that Bondholders will be able to sell the Bonds at or above the price at which the Issuer issued the Bonds or at all.
 - (ii) 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.



- (iii) A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of the Bonds (€) and the Bondholder's currency of reference, if different.
- (iv) The Issuer and the Guarantor may, subject to the negative pledge contained in Section 20.5 incur further borrowings or indebtedness and may create or permit to subsist other security interests upon the whole or any part of its present or future undertakings, assets or revenues (including uncalled capital).
- (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 any of the Bonds prevailing from time to time.
- (vi) The Bonds bear a fixed rate of interest which 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) Even after the Bonds are admitted to trading on Prospects MTF, the Issuer is required to remain in compliance with certain requirements of the Prospects MTF Rules issued by the MSE as amended from time to time. Moreover, the MSE has the authority to suspend trading of the Bonds if 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 MTF. Such trading suspensions could have a material adverse effect on the liquidity and value of the Bonds.
- (viii) The value of investments can rise or fall, and past performance is not necessarily indicative of future performance.
- (ix) The Bonds, as and when issued and allotted, shall constitute the general, direct and unconditional obligations of the Issuer, shall be guaranteed in respect of both the interest due and the principal amount under said Bonds by the Guarantor. The Bonds are unsecured and shall at all times rank pari passu with all unsecured debt obligations of the Issuer and of the Guarantor.
- (x) Furthermore, subject to the negative pledge provided for in Section 20.5, third-party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.
- (xi) In view of the fact that the Bonds are being guaranteed by the Guarantor on a joint and several basis, the Bondholders shall be 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 in terms of this Admission Document. The joint and several Guarantee also entitles the Bondholders to take action against the Guarantor without having to first take action against the Company. 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.
- (xii) Neither the Issuer nor the Guarantor have sought, nor do they 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.
- (xiii) The Terms and Conditions of the Bonds are based on Maltese law in effect as at the date of this document and a change in Maltese law may have an effect on the terms of the Bonds. In the event that the Issuer wishes to amend any of the Terms and Conditions of issue of the Bonds, subject to the prior written approval of the MSE until such time that the Bonds remain admitted on any of its markets, it shall call a meeting of Bondholders. The provisions relating to meetings of Bondholders 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.
- (xiv) The attention of prospective investors in the Bonds is drawn to the fact that the issue and allotment of the Bonds is conditional upon, among other things:
 - (A) the Bonds being admitted to the Prospects MTF List; and
 - (B) at least €2,200,000 worth of Bonds being subscribed by Applicants;

In the event that the aforesaid conditions are not satisfied, the Placement Agent shall return the Bond Issue proceeds to Bondholders.



3.4 The Bond Issue

- (a) Use of Proceeds: The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €2,900,000 shall be used by the Issuer for the following purposes, in the following order of priority;
 - (i) In the amount of *circa* €2,200,000, to on-lend the funds to the Guarantor for the purpose of part-financing the Works;
 - (ii) In the amount of *circa* €200,000, to on-lend the funds to the Guarantor for the purposes of part financing the acquisition by the Guarantor of laboratory machinery originally acquired from the Guarantor's working capital (the original acquisition cost of which was circa €323,000;
 - (iii) In the amount of €250,000, to on-lend, the funds to the Guarantor for the purposes of part financing the acquisition by the Guarantor of plant and machinery;
 - (iv) In the amount of €250,000 for the Issuer Group's general corporate funding requirements

The net Bond Issue proceeds shall be held by the Placement Agent, which shall release the proceeds to the Issuer once the conditions to the Bond Issue have been fulfilled. Provided that €2,200,000 of the proceeds earmarked for the Works shall be transferred to the Escrow Agent, which shall only release the said funds to the Issuer upon the receipt of the certification of Completion of the Works, or part thereof.

In the event that the Bond Issue is not fully subscribed but subject in all cases to the Minimum Amount of €2,200,000 being subscribed, the Issuer will proceed with the admission to trading of the amount of Bonds subscribed for and the proceeds from the Bond Issue shall be applied in the manner and order of priority set out above. Any residual amounts required by the Issuer for the purposes of the uses specified above which shall not have been raised through the Bond Issue, shall be financed from the Guarantor's general cash flow and/or bank financing.

(b) All payments made by the Issuer on behalf of the Guarantor for the Works and all loans provided by the Issuer to the Guarantor shall be reflected in loan agreements pursuant to which the Issuer shall be entitled to an interest rate of five point five per cent per annum and an arrangement fee in the amount of €10,000.

The issue and allotment of the Bonds is conditional upon:

- (i) the Bonds being admitted to the Prospects MTF List; and
- (ii) at least €2,200,000 worth of Bonds being subscribed by Applicants;

such that, in the event that the aforesaid conditions are not satisfied, the Placement Agent shall return Bond Issue proceeds to Bondholders.

(c) Subscription – The Issuer has appointed Calamatta Cuschieri as Placement Agent and Manager for the purposes of this Bond Issue and interested investors may contact them for the purposes of subscribing to Bonds during the Issue Period. Applications for subscriptions to the Bonds will be processed at the discretion of the Placement Agent and Manager and the offer may close earlier than that indicated in the timetable in the event of over subscription.

The Bonds are open for subscription to all categories of investors, provided that the Placement Agent and Manager shall be required to carry out an Appropriateness Test in respect of each Applicant for the purpose of assessing such Applicant's level of knowledge and experience prior to investing in the Bonds. Applications shall not be accepted by the Placement Agent and Manager unless, based on the results of such Appropriateness Test, the Placement Agent and Manager is satisfied that an investment in the Bonds may be considered appropriate for the Applicant. To the extent that the Placement Agent and Manager is providing advice in respect of a purchase of the Bonds by an Applicant, the Placement Agent and Manager shall also be required to conduct a Suitability Test in respect of the Applicant and, based on the results of such test, be satisfied that an investment in the Bonds may be considered suitable for the Applicant.

The Bond Issue is not underwritten. Should subscriptions for a total of at least €2,200,000 (the "Minimum Amount") not be received, no allotment of the Bonds shall be made, the Applications for Bonds shall be deemed not to have been accepted by the Issuer and all money received from Applicants for Bonds shall be refunded accordingly. In the event that the Minimum Amount is reached but the Bond Issue is still not fully subscribed, the Issuer will proceed with the allotment of the amount of Bonds subscribed. The total amount of three million Euro (€3,000,000) of Bonds is being reserved for subscription by the Placement



Agent and Manager participating in the Placement Offer. The Issuer shall enter into a conditional subscription agreement with the Placement Agent and Manager for the subscription of Bonds, whereby it will bind itself to allocate Bonds thereto up to the total amount of three million Euro (\leq 3,000,000) as aforesaid. In terms of said subscription agreement entered into with the Placement Agent and Manager, the Issuer will be conditionally bound to issue, and the Placement Agent and Manager will be conditionally bound to subscribe to, up to the total amount of three million Euro (\leq 3,000,000) of Bonds as indicated therein, subject to the Minimum Amount being subscribed.

- (d) Governing Law and Jurisdiction The Bonds have been created, and the Bond Issue relating thereto is being made, in terms of the Companies 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 proceeding 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) Fees Professional fees and costs related to printing, fees relating to the admission to trading on Prospects MTF, registration, corporate advisor, management, selling commission and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €100,000 and shall be borne by the Issuer.
- (f) Interest of natural and legal persons involved in the Issue Save for the subscription for Bonds by the Placement Agent and Manager and any fees payable to the Placement Agent and Manager 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.
- (g) Expected Timetable:

| Issue Period | From 20 January 2022 to 9 February 2022 |
|--|--|
| Announcement of Basis of Acceptance | 9 February 2022 |
| Commencement of Interest on Bonds | 9 February 2022 |
| Expected Dispatch of Allotment Advices and Refunds of Unallocated Monies, if Any | 9 February 2022 |
| Expected Date of Admission of the Bonds to Prospects MTF List | 15 February 2022 |
| Expected Date of Commencement of Trading in the Bonds | 16 February 2022 |

The Issuer reserves the right to close the subscription lists before 9 February 2022 in the event of oversubscription, in which case the remaining steps shall be brought forward in the same chronological order in such a way so as to retain the same number of business days between the said events.



4 RISK FACTORS

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

THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL UPON MATURITY, UNLESS THE BONDS ARE PREVIOUSLY RE-PURCHASED AND CANCELLED.

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS, INCLUDING THOSE DESCRIBED BELOW. 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 ADMISSION DOCUMENT, BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

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 THEIR RESPECTIVE OBLIGATIONS UNDER THE SECURITIES ISSUED BY THE ISSUER FROM TIME TO TIME.

THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE ISSUER AS AT THE DATE OF THIS ADMISSION DOCUMENT 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 ADMISSION DOCUMENT NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE BONDS: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, NOR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE CORPORATE ADVISOR, THE PLACEMENT AGENT & MANAGER THAT ANY RECIPIENT OF THIS DOCUMENT OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE ADMISSION DOCUMENT OR ANY BONDS, 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.

THE ORDER IN WHICH THE RISKS ARE PRESENTED BELOW IS NOT INTENDED TO PROVIDE AN INDICATION OF THE LIKELIHOOD OF THEIR OCCURRENCE NOR OF THEIR SEVERITY OR SIGNIFICANCE.

4.1 Forward Looking Statements

- (a) The Admission Document contains forward-looking statements that include, among others, statements concerning the Issuer's and Guarantor's strategies and plans relating to the attainment of its objectives, capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts and which may, accordingly, involve predictions of future circumstances. Prospective investors can generally identify forward-looking statements by the use of terminology such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", or similar phrases. Such 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.
- (b) 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 this heading "Risk Factors" and elsewhere in the Admission Document. If any of the risks described were to materialise, they could have a serious effect on the Issuer's and/or the Guarantor's financial results, trading prospects and the ability of the Issuer and/or the Guarantor to fulfil their respective obligations under the securities to be issued.



- (c) Accordingly, the Issuer and the 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/or the 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.
- (d) Prospective investors are advised to read the 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/or Guarantor's future performance. In the light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in the Document may not occur. All forward-looking statements contained in the Admission Document are made only as at the date hereof. The Issuer and its 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.
- (e) 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 redeemed, re-purchased and cancelled. An investment in the Bonds involves certain risks, including those described below.

4.2 General

An investment in the Issuer and the Bonds may not be suitable for all recipients of this Admission Document and prospective investors are urged to consult an independent investment advisor licensed under the Investment Services Act (Chapter 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 whether each prospective investor

- (a) 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 to the 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 be familiar with the behaviour of any relevant indices and financial markets; and
- (d) be able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

4.3 Risks relating to the Issuer and the Guarantor and the industry in which they operate

- (a) Pandemic Risk The COVID19 pandemic has had adverse effect on the retail sector of the Issuer Group's business, particularly as a result of the closure of all retail outlets. The effects of the said pandemic have been offset by the aid provided to the industry by the Government of Malta. As a result, the pandemic has not had a material impact on the financial position of the Issuer Group, however there is no guarantee that if the situation worsens and if Government aid is curtailed, the Issuer Group's financial and operating results will not be materially affected.
- (b) Issuer's Dependence on the Guarantor Although the Issuer forms part of the Class Group, its financial results are entirely dependent on the performance of the Subsidiaries. In view of the recent incorporation of the Issuer, the Directors have prepared historical *Proforma* financial information of the Issuer Group for the financial years ended 31 December 2019 and 2020 (presenting the financial information of the Issuer Group as though it had been incorporated before Restructuring) and forecasts of the Issuer Group for the financial years ending 31 December 2021, 2022, 2023 and 2024.
- (c) Uncertainty in the Global Economic Conditions Uncertainty about global economic conditions poses a risk to the Issuer's business because consumers and businesses may postpone spending in response to tighter credit markets, unemployment, negative financial news and/or declines in income or asset values, which could have a material adverse effect on demand for the Issuer's products and services.



- (d) Export Market in so far as the export line of the Issuer Group's business concerned, the Issuer Group's business may be negatively impacted by unexpected changes in regulatory requirements, taxes, trade laws, tariffs, export quotas, custom duties or other trade restrictions and fluctuations in exchange rates that may increase the volatility of any foreign-based revenue;
- (e) Competition If the Subsidiaries are unable to successfully introduce new products and develop and defend their brands, their future sales and operating performance may suffer. More specifically, the sunglasses and contact lenses market faces particular competition from the online market, which is known for being a highly competitive market. Additionally, the Subsidiaries' operating results generated from the sale of sunglasses and contact lenses may also be affected by parallel imports, particularly within the European Union, whereby distributors engage in arbitrage based on national price differences to buy products in low cost markets for resale in higher cost markets.
- (f) Compliance with laws Compliance with laws and regulations that apply to our operations increases the Issuer's costs of doing business, including cost of compliance, and such costs may rise in the future as a result of changes in these laws and regulations or in their interpretation or enforcement. This includes, in particular, the Issuer's manufacturing activities and services provided to the Issuer by third parties within its supply chain, which are subject to numerous workplace health and safety laws, environmental laws, labour laws and other similar regulations. In particular, failure to comply with applicable laws and regulations relating to workplace health and safety protection could result in criminal and/or civil penalties being imposed.
- (g) Execution of the Works in terms of the Emphyteutical Deed, all Works are required to be completed by the 31 August 2022 and accordingly, any delays in the completion of the Works would be in breach of the said grant. Additionally, the Guarantor is exposed to the risk of delay in the completion of the Works or cost overruns inherent in their finalization. These risks include, but are not limited to, delays in the delivery of material necessitated for the completion of the Works, shortage of skilled labour, unscheduled delays in the delivery of ordered goods, failure of equipment to meet quality and adverse weather conditions or any other events of force majeure.
- (h) Reliance on key personnel The Issuer's growth is dependent upon the efforts and abilities of the directors and the key personnel. If one or more of these individuals were unable or unwilling to continue in their present position, they may not be replaceable within the short term, which could have an adverse effect on the Issuer's business, financial condition and results of operations.
- (i) Dependence on Key Customers and Suppliers—The Issuer's financial performance is dependent on its main customers and suppliers. Any deterioration in the commercial relationship between the Issuer and its suppliers and customers could have a material impact on Issuer's business, financial condition and results of operations.
- (j) Reputational Risk Reputational risk is usually associated with conflicts of interest, regulatory compliance, remuneration systems, professional behaviour of human resources, reputation and financial soundness of major shareholders, corporate culture, leadership and corporate strategy and its implementation. Reputational risk could materially and adversely affect the Issuer's ability to retain or attract customers, whose loss could adversely affect the Issuer's and Guarantor's operations, financial condition and prospects. More specifically, reputational harm may result in the loss of market share and revenue, increased compliance costs and higher financing costs, reflecting the perceived increased risks.
- (k) Litigation risk All industries, including the industry in which the Issuer operates, are subject to legal claims, with and without merit. Defence and settlement costs can be substantial. 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 Issuer's future cash flow, results of operations or financial condition.

4.4 Risks relating to the Bonds

(a) No Assurance of Active Secondary Market in the Bonds - Upon successful admission, the Bonds will be traded on a multilateral trading facility but will NOT be traded on any regulated market. Hence, the market for the Bonds may be less liquid than a regulated market and a bondholder may find it more difficult to identify willing buyers for their Bonds. The existence of an orderly and liquid market for the Bonds depends on a number of factors, including the presence of willing buyers and sellers of the Issuer's Bonds at any given time. Such presence is dependent upon the individual decisions of investors over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue.



- Furthermore, there can be no assurance that Bondholders will be able to sell the Bonds at or above the price at which the Issuer issued the Bonds or at all.
- (b) Fluctuations in exchange rate A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of the Bonds (€) and the Bondholder's currency of reference, if different.
- (c) Absence of a prior market 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.
- (d) Additional Indebtedness Subject to the negative pledge provision contained in Section 20.5, the Issuer and the Guarantor may incur further borrowings or indebtedness and may create or permit to subsist other security interests upon the whole or any part of its present or future undertakings, assets or revenues (including uncalled capital).
- (e) Effect of Future Public Offerings/Takeover/Merger Activity 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 any of the Bonds prevailing from time to time. If such changes take place they could have an adverse effect on the market price for the Bonds.
- (f) Fixed Rate Bonds The Bonds bear 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.
- (g) Discontinuation of Trading on Prospects MTF Even after the Bonds are admitted to trading on Prospects MTF, the Issuer is required to remain in compliance with certain requirements emanating from the Prospects MTF Rules as issued by the MSE and 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 MTF. Any such trading suspensions described above could have a material adverse effect on the liquidity and value of the Bonds.
- (h) Value of the Bonds The value of investments can rise or fall, and past performance is not necessarily indicative of future performance. Furthermore, investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.
- (i) Ranking The Bonds, as and when issued and allotted, 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. Bondholders shall at all times rank *pari passu* without any priority or preference among themselves and with all other unsecured debt of the Issuer and the Guarantor.
 - Furthermore, subject to the negative pledge clause set out in Section 20.5, third-party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.
- (j) Guarantee In view of the fact that the Bonds are being guaranteed by the Guarantor on a joint and several basis, the Bondholders shall be entitled to request the Guarantor to pay both the interest due and the principal amount under said Bonds if the Company fails to meet any amount when due in terms of this Admission Document. The joint and several Guarantee also entitles the Bondholders to take action against the Guarantor without having to first take action against the Company. 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.
- (k) Credit Rating Neither the Issuer nor the Guarantor have sought, nor do they 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.
- (I) Terms and Conditions The Bonds and the Terms and Conditions of the Bond Issue are based on Maltese law in effect as at the date of this document. A change in Maltese law or administrative



practice or a judicial decision may have an effect on the terms and conditions of the Bonds. No assurance can be given as to the impact thereof after the date of this document. In the event that the Issuer wishes to amend any of the Terms and Conditions of the Bonds, subject to the prior written approval of the MSE until such time that the Bonds remain admitted on any of its markets, it shall call a meeting of Bondholders in accordance with the provisions of Section 20.16 of this 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.

- (m) Conditions The attention of prospective investors in the Bonds is drawn to the fact that the issue and allotment of the Bonds is conditional upon, among other things,
 - (i) the Bonds being admitted to the Prospects MTF List; and
 - (ii) at least €2,200,000 worth of Bonds being subscribed by Applicants;

In the event that any of the aforesaid condition is not satisfied, the Placement Agent shall return Bond Issue proceeds to Bondholders.

5 Persons Responsible

Each and all of the Directors of the Issuer whose names appear in Section 11.1 hereunder, are the persons responsible for the information contained in this 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 Document is in accordance with the facts and contains no omission likely to affect its import. The Directors accept responsibility accordingly.

As at the date of this Document there are no other facts or matters omitted from the 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.

6 ADVISORS AND STATUTORY AUDITORS

6.1 Corporate Advisor, Placement Agent and Manager

Calamatta Cuschieri Investment Services Ltd - Ewropa Business Centre, Triq Dun Karm, Birkirkara, BKR 9034. Calamatta Cuschieri Investment Services Ltd holds a Category 3 license issued by the Malta Financial Services Authority and is a member of the MSE.

6.2 Reporting Accountants & Statutory Auditors

Reporting Accountants & Statutory Auditors - Griffiths + Associates Ltd (C 58472), of Level 1, Casal Naxaro, Labour Avenue, Naxxar, Malta. Griffiths + Associates Ltd is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta).

6.3 Legal Advisors

Camilleri Cassar Advocates of 206, Wisely House, Level 2, Old Bakery Street, Valletta VLT 1451, Malta.

7 Interest of Natural and Legal Persons involved in the Issue

Save for the subscription for Bonds by the Placement Agent and Manager and any fees payable to the Placement Agent and Manager 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.



8 INFORMATION ABOUT THE ISSUER

8.1 Historical Development

The Issuer

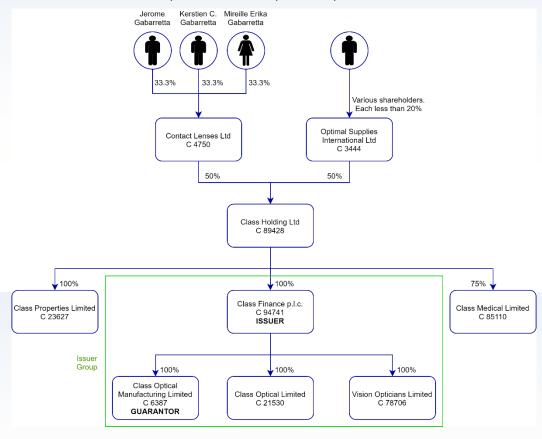
The Issuer was set up on the 30 January 2020 with a view to acting as a holding company and finance company to the Class Group.

The Guarantor

The Guarantor is a 100% owned subsidiary of the Issuer and was incorporated on the 6th June 1983. In its inception, the Guarantor's business related to frame production, and in the later years expanded its business to the manufacturing of contact lenses and later producing optical frames before investing in what is today a fully-fledged Free Form Lens laboratory.

8.2 Class Group Structure Chart

Below is an illustration of the Class Group, the Issuer Group and the position of the Issuer and the Guarantor therein:



8.3 Business Overview

The Issuer is the parent company of Class Optical, Vision Opticians and the Guarantor. Through these entities, the following operations are provided:

(a) Management and business to business distribution of designer sunglasses, optical frames, contact lenses and lens care products and ophthalmic instruments. This service is carried out by Class Optical, which also acts as the representative of iconic eyewear brands. The company had also invested in supplying the Libyan market however post 2014 this level of demand from this market has decreased substantially given the country's (and regional) instability however the company managed to retain a number of customers till the present date. The company has, year on year



- experienced an increased local demand (with the exception of the year ended 31st December 2020 in view of the Covid-19 pandemic).
- (b) Manufacturing of optical lenses through the operations of a fully-fledged Free Form Lens laboratory, an advanced lens manufacturing process. This service is provided by the Guarantor and targets the local and international market. The ongoing investment in technology and manufacturing equipment is intended to ensure that the laboratory is up to date in the latest processes on production components, such surfacing, polishing, tints, coating, edging and mounting. The process is tailored to accurately match the prescription requirements and to ensure that the highest standards are applied and that the product is dispatched to retailers within the shortest time possible.
- (c) Retail Operation operating eight outlets under the branding of 'Vision Opticians' and 'Sunglass & Sunglass' in Fgura, Paola, PAVI Shopping Complex, Qormi, Hamrun, Zejtun, Mellieha and Valletta.

The said companies are considered to be a specialist organisation in the ophthalmic sector providing a one-stop-shop ophthalmic centre to the local market, both in respect of the consumer market and the business segment. They also provide premium and secondary products, with a view to addressing all segments of the market.

8.4 The Works

The manufacturing arm of the Issuer Group (performed by the Guarantor) has grown organically over a period stretching in excess of three decades. The production methods have changed and adapted over the years. In the earlier years much of the production process was done manually as mechanisation was very limited in this field with surfacing, polish and lens edging done manually. This has evolved during the time and today's manufacturing process is fully automated. Although automation has been achieved, the rate of technological change is constant, and the Guarantor has invested continuously with a view to remaining competitive at an international level and provide products which are in line with industry standards.

With the Guarantor already operating at close to full capacity and being unable to increase the equipment and employees given the physical space limitation, the Guarantor has decided to substantially increase the manufacturing capacity to be able to exploit the expected future demand. The decision for larger premises is directly linked with the need to achieve desired economies-of-scale which is a prerequisite to achieve profitable success by competing on the international platform.

The scope of the Works being proposed is an integral part of a wider strategic plan that looks into the long-term growth and sustainability of the Issuer Group and indeed for Malta, given that it operates the only fully-fledged Free Form Lens laboratory on the island.

The country's proximity to North Africa adds a crucial dimension to further longer-term growth, particularly in line with the business objective of exporting a European product to North Africa. Successful entry relies on having the right pricing strategy to compete (high rivalry) in these markets which are considered large and having the necessary output to cater for such potential influx. The project comprising the Works entails the following activities:

- (a) building a larger manufacturing premises (that incorporate the redevelopment of the current building and the Property (new adjacent building that has been granted by INDIS to the Guarantor pursuant to the Emphyteutical Deed) to replace the current facilities. This will add a significant footprint to the Issuer Group's manufacturing hub;
- (b) design the new significantly larger premises around the needs of the organisation, rather than retro fitting the production facilities around the space available;
- (c) fit the premises with all the required health and safety facilities (health and safety by design);
- (d) purchase of new state of the art equipment to add to the current equipment and that guarantee a high-quality output and enables higher production volume;
- (e) purchase of dedicated software to allow better lens designs and hence better-quality lenses.

Additional human resources, upskilling of existing employees and additional resources will need to be implemented to meet the expected increasing demand from market expansion as well as to guarantee the quality assurance of the final products produced and improve the logistics aspects from product initiation, through storage and finally dispatching to client.

The directors expect that the Issuer Group's operations will continue uninterruptedly until completion of the Works.



9 Trend Information

9.1 Trend Information of the Issuer Group

The Issuer has been set up to act as a holding and financing company. Accordingly, the Issuer's business is limited to acting as a holding company and to the raising of capital. The Issuer was registered and incorporated in Malta on the 30 January 2020 as a subsidiary of Class Holding. In this regard, the Issuer has no financial information to report in view of the fact that it has not been in existence long enough to prepare its financial statements. There has been no material adverse change in the prospects of the Issuer since the date of its incorporation.

The Issuer is dependent on the business prospects of the Issuer Group, and therefore, the trend information of the members of the Issuer Group as explained below, has a material effect on its financial position and prospects.

- (a) The Issuer Group is exposed to the retail sector, the major challenges of which are competitive forces as well as the ever-growing online presence.
- (b) Distribution the market of contact lenses and lens care solutions incorporates 'grey trade' or 'parallel trade' which qualifies under EU jurisdiction as an acceptable form of trade. The threat relies on the fact that certain European wholesalers afford significant (large) stock purchases and this renders attractive rebates provided by manufacturers. The attractive price model is cascaded to individual parallel traders which at times disrupt the local B2B market offering lower prices than the recommended distributor price. The company's combat strategy lies in its extensive product portfolio, good relations with the retailer trade, favourable business trade terms and the consistency in product availability where parallel trade generally fails to maintain.
- (c) Online trade is another channel that has altered traditional consumer purchases across a variety of products not least that relating to ophthalmic needs. Online transcends territory, consumer choice is endless and retail prices are generally lower when compared to in-store prices. Coupled with this, the online platform has become safer to trade, more credible, offers consumer protection at times superior to bricks and mortar (returns policy) and an efficient delivery service with no questions asked for returns. The Issuer Group has set up an online platform to its local chain of optical shops known as 'Vision Opticians'. In-store shopping still holds a degree of strength over online in this sector particularly from a consultative perspective where trained retail eyewear specialists offer advice according to consumer behaviour, prescription needs and lifestyle preference. Another element that favours bricks and mortar shopping relates to the customer journey experience. The company is conscious and focused on this level, constantly seeking methods to improve its tangible physical environment. The trend more than ever aims to bridge the two platforms where the physical supplements the digital to combine a seamless and natural flow.
- (d) In terms of manufacturing, the Guarantor operates the only Free Form Lens laboratory on the island and this allows it to hold a strong position in the distribution of manufactured (surfaced) lenses and stock lenses to a lesser degree, across the island. Competition is faced in the form of overseas (European) laboratories whereby local stores may choose to channel their optical job orders. Current technology allows orders to be placed instantly through a digital ordering system. Travel efficiency has led to visits by sales representatives seeking to compete with the local market and thereby redirecting business outside the island. The company's key competitive strength against this scenario lies in its price strategy, product quality, short delivery times and its focus to strengthen and sustain client relations.

9.2 Economic Update¹

The following information in this section 9.2 is extracted from the Economic Update issued by the Central Bank of Malta.

In November annual growth in business activity receded somewhat from recent historical highs, but remained strong from a historical perspective as aggregate economic activity continued to recover from the record low level of 2020.

European Commission data show that sentiment eased in November but remained well above its level a year earlier and its historical average. The recent decrease in sentiment was driven by weaker sentiment across all sectors, bar the services sector. Following recent developments, and in contrast to October, sentiment turned mildly negative in industry and in the retail sector.



In October, industrial production contracted on an annual basis for the third consecutive month and fell at a faster pace when compared with September. Meanwhile, the volume of retail trade rose at a slower pace. The number of registered unemployed fell during the month. The unemployment rate was marginally above September's, yet still well below last year's rate.

Commercial permits increased in October relative to their year-ago levels, while residential permits fell. In November, the number of final deeds of sale rose on an annual basis, as did the number of promise-of-sale agreements.

The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood at 1.4% in October, up from 0.7% in the previous month. Inflation based on the Retail Price Index (RPI) rose to 2.3% in October, from 2.2% a month earlier. The difference between these two measures of inflation is primarily due to technical factors related to the revision of HICP weights in 2021. In November, both the annual HICP and RPI inflation rates rose to 2.4%.

Maltese residents' deposits expanded at an annual rate of 10.3% in October, following an increase of 10.0% in the previous month, while annual growth in credit to Maltese residents reached 8.6%, up from 7.1% a month earlier. In October, the cash-based Consolidated Fund recorded a wider deficit when compared with a year earlier, as government expenditure increased while government revenue was broadly unchanged.

9.3 Economic Outlook²

The following information in this section 9.3 is extracted from the Economic Projections issued by the Central Bank of Malta.

Since the June projections were published, the pandemic situation continued to evolve, both in Malta and abroad. Following the strong decline in active cases during the second quarter of this year, the Government embarked on a gradual easing of COVID-19 restrictions, including the limited re-opening of international travel since June. Following a renewed increase in active cases in July, the Government introduced some restrictions related to international travel, whereby persons over 12 years of age need to quarantine or produce a negative swab test, unless they are in possession of a valid vaccination certificate recognised by the Superintendent of Public Health. Furthermore, English language schools were closed, although a number have since re-opened. At the same time, vaccination continued at a brisk pace, with over 87% of the adult population being fully vaccinated according to data published by the European Centre for Disease Prevention and Control.

In addition, the international economic environment continued to improve and economic activity is rebounding in several trading partners. Nevertheless, active cases of COVID-19 have also increased somewhat in several countries as a result of the Delta variant, which suggests that international travel will likely retain restrictions for some time.

At the same time, the increase in the rate of vaccination – both in Malta and abroad – as well as the improved international economic environment, should provide tailwinds for growth. On the other hand, we expect that this year tourism will be weaker than expected in June in light of the escalation of measures to stem the increase of active cases across Europe and frequent changes to travel advice. In addition, many firms that participate in the Bank's Business Dialogue exercise have expressed growing concern regarding labour shortages, which could act as a drag on the recovery in the short-run; such shortages should subside in the medium run as the pandemic situation improves and international travel normalises.

9.4 The Issuer Group's positioning within the local optical industry

In Malta, there are currently around 60 optical stores. The industry is considered to have a relatively low barrier to entry, therefore it is considered as a competitive market. The highest threat level is at the retail segment, given that Malta has no legislation that regulates the opening up of optical stores despite the majority of products retailed fall within a semi-medical device environment particularly optical lenses and contact lenses. In fact, a company can open an optical store without any restrictions, contrary to pharmacy outlets which are protected from proximity competition. This situation differs from many European countries whereby opening of such stores requires a minimum to have qualified dispensing opticians serving customers.

The Issuer Group is considered an early entrant in the local optical industry which has benefited it as a result of the foresight from its founding members who are still active in the business in semi executive roles. Positioned as an early entrant to the sector has largely assisted current day robust performance. Additionally, the Issuer Group is in the process to initiate discussions with the authorities in respect of the retail side of the industry, which as discussed above is highly unregulated.



Online trade is another channel that has altered consumer demand and preferences. It offers several advantages over traditional in-store shopping, consequently similar to other products, ophthalmic needs of consumers are also undergoing a digital transformation. Online retailers are not limited by space therefore their choice is larger, prices are generally lower and platforms have progressed significantly over the years. Online platforms have become safer to trade, more credible, offer a strong consumer protection and an efficient delivery service with no questions asked for returns.

The Issuer Group has actively followed this trend and set up its own local platform based on its local chain of optical shops known as 'Vision Opticians'. Whilst the said platform presently targeting the local market, the Issuer Group will be looking at setting up another brand to broaden the focus to international export sales. Traditional in-store shopping still holds a degree of retail strength over online in respect to consultations given by trained specialist to consumers, coupled with the advantage of in-store shopping, which enables customers to try on glasses rather than relying on virtual images.

In terms of manufacturing, the Issuer Group operates the only Free Form Lens laboratory on the island and this allows it to hold a strong position in the distribution of manufactured (surfaced) lenses and stock lenses to a lesser degree, across the island.

Competition is faced in the form of overseas (European) laboratories whereby local stores may choose to channel their optical job orders. Current technology allows orders to be placed instantly through a digital ordering system. Travel efficiency has led to visits by sales representatives particularly from Italy seeking to compete for the local market and thereby redirecting business outside the island. The company's key competitive strength against this scenario lies in its price strategy, product quality and short delivery times.

As an overview, it would be sufficient to say that, although the local market is in a buoyant state, year-on-year growth of the Issuer Group is limited due to the size of the local market. Inevitably, the Issuer Group's growth prospects are seen beyond our shores. From a manufacturing perspective, the need to increase output is intensified by the ongoing investment required to maintain an up-to-date manufacturing process. Additionally, the Guarantor intends to increase its export market through a number of measures, including a) a certification to be obtained in Morocco pursuant to which the Guarantor may export optical lenses to the two presently operating retail stores in Morocco, of which Class Holding has a minority interest. An increase of such stores (which is expected to take place in post COVID-19 scenario) should improve the Guarantor's export potential; b) the conclusion of an export agreement with a European optical lens wholesale client and c) pursuing an online strategy to enter other markets within and outside Europe through its online platform and other third-party ecommerce platforms.

9.5 The impact of COVID-19 pandemic on the Group's performance

The pandemic hit the country during March 2020 and the Issuer Group suffered an average drop of performance of around 60% during the period March to May 2020 compared to the same period of the previous year. The Issuer Group temporarily closed four of its retail shops and staff were placed on a 30-hour week due to the lack of business.

Normal operations resumed from the 1 June 2020 and the Issuer Group managed to narrow the drop in turnover to 15% for the period January to September 2020 compared to the performance for the same period of the previous year. The wage supplements offered by Malta Enterprise together with other COVID assistance narrowed the overall drop in net profit before tax of the Issuer Group to around 15%.

The Issuer Group reported positive results in the first ten months of year 2021, achieving a marginal increase of 4% in turnover, compared to the same period of the financial year ended 31 December 2019. The Issuer Group doesn't expect any further impacts with Covid-19 unless the new variant labelled 'Omicron' can outperform the current vaccines in their entirety and the country would need to revert back to Covid measures similar to 2020.

10 **KEY FINANCIAL INFORMATION**

10.1 Historical Financial Information of the Issuer and Guarantor

The Issuer was registered and incorporated on 30 January 2020 as a public limited company. As at the date of this Admission Document, the Issuer has not conducted any business and has no trading record.

Historical financial information in respect of the Issuer Group as a whole, a summary of which is reproduced below, represents *proforma* consolidated data based on the audited financial statements of the Subsidiaries. This *proforma* data presents what the Issuer Group consolidated financial statements would have looked like had the Issuer Group existed with its current constituent companies for the entire period covered by the proforma data.



The below is a summary of the proforma financial information of the Issuer Group covering the financial years ended 31 December 2019, the audited financial statements for the year ended 31 December 2020, together with interim financial information for the periods ended 30 June 2020 and 30 June 2021. The proforma financial information has been prepared for illustrative purposes only. It addresses a hypothetical situation and, therefore, does not represent the Issuer's actual financial position or results.

Set out below are summarised extracts:

(a) Issuer Group Consolidated Income Statement

| Consolidated Income Statement | Proforma* 2019 | Audited** 2020 | Proforma*** 2020 |
|----------------------------------|-------------------|-------------------|------------------|
| | €'000 | €'000 | €'000 |
| Revenue | 8,256 | 6,264 | 7,635 |
| Cost of sales | (4,548) | (3,614) | (4,278) |
| Gross profit | 3,707 | 2,650 | 3,357 |
| | | | |
| Other Income | 214 | 159 | 192 |
| Direct overheads | (1,590) | (784) | (911) |
| Indirect overheads | (1,241) | (1018) | (1,186) |
| EBITDA | 1,091 | 1,007 | 1,452 |
| | | | |
| Depreciation | (163) | (140) | (361) |
| Finance costs | - | (6) | (146) |
| Profit before tax | 929 | 861 | 945 |
| Taxation | (325) | (305) | (382) |
| Profit after tax | 604 | 556 | 563 |

Note: Totals may not tally due to rounding

| Consolidated Income | Unaudited* | Unaudited** |
|---------------------|------------|-------------|
| Statement | June 2020 | June 2021 |



^{*}Proforma Consolidated Financial Statements for the period 1 January 2019 to 31 December 2019 were prepared using GAPSME.

^{**}Audited Consolidated Financial Statements were prepared for the period 30 January 2020 to 31 December 2020 in view of the fact that the Issuer was incorporated on 30 January 2020. These were prepared using GAPSME.

^{***}Proforma Consolidated Financial Statements for the period 1 January 2020 to 31 December 2020 were prepared using IFRS.

| | €'000 | €'000 |
|--------------------|---------|---------|
| Revenue | 3,589 | 4,283 |
| Cost of sales | (1,930) | (2,396) |
| Gross profit | 1,659 | 1,887 |
| | | |
| Other Income | 183 | 193 |
| Direct overheads | (511) | (520) |
| Indirect overheads | (622) | (697) |
| EBITDA | 709 | 863 |
| | | |
| Depreciation | (160) | (157) |
| Finance costs | (73) | (71) |
| Profit before tax | 476 | 635 |
| Taxation | (167) | (240) |
| Profit after tax | 309 | 395 |

^{*}Interim consolidated financial statements for the period 1 January 2020 to 30 June 2020 were prepared using GAPSME.

Revenue

FY2019 was best performing year for the Issuer Group. The Issuer Group experienced growth in the three sectors: retail, B2B distribution and manufacturing. The Issuer Group closed off 2020 with a drop in turnover of slightly below the 8% mark compared to FY2019 due to the COVID-19 pandemic. The Issuer Group is expecting to reach the same turnover level of FY2019 in FY2021 assuming that the country won't experience any partial lock-downs till the end of the year.

Gross Profit

The Issuer Group achieved the same gross profit margin in the first six months of FY2021 as prices for raw materials and goods remained stable. Customer volume discounts related to manufacturing increased in FY2021, however, this was mitigated by additional sales with higher profits. The same level of gross profit margin obtained in FY2020 and previous years is being projected for subsequent years as per projected financial information. The Issuer Group will be investing in new machinery in the coming year which will enhance production levels however this will increase the annual depreciation cost which will be mitigated by the additional sales. The retail sector is expected to keep on growing which yields a higher margin in view that the products are all sourced within the group.

Other Income

Other income mainly consists of Marketing Rebates received from suppliers and Management Fees received from an external company for the managements of its shops. In FY2020, the Issuer Group was eligible for the wage supplements from Malta Enterprise and this was classified as Other Income. The Issuer Group received lower rebates compared to previous years in view of the lower turnover compared to previous years. The same level of 'Other Income' as FY2019 net of wage supplements is being projected for future years.

Depreciation



^{**}Interim consolidated financial statements for the period 1 January 2021 to 30 June 2021 were prepared using IFRS.

The cost of depreciation was slightly lower in FY2021 when compared to FY2020 in view that certain equipment was fully depreciated. The Issuer Group postponed certain investments in machinery planned for FY2020 in view of the negative outlook and lower turnovers, which investments will be completed by FY2022. Depreciation is calculated on property, plant and equipment which belongs to the Issuer Group during the same period. In FY2021, the majority of the refurbishment works of the factory and offices will be complete and therefore the Issuer Group will be seeing a major increase in depreciation.

Profit before tax

Profit before tax margin was higher in FY2020 compared to FY2019 in view that the Issuer Group postponed certain investments to a future date. The Profit before tax margin will decrease substantially in FY2021 in view of the additional depreciation and finance costs.

(b) Issuer Group Consolidated Statement of Financial Position

| Consolidated Statement of Financial Position | Proforma* 2019 | Audited** 2020 | Unaudited*** June 2021 |
|--|-------------------|----------------|------------------------|
| | €'000 | €'000 | €'000 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant & equipment | 743 | 633 | 2,905 |
| Investment in subsidiaries | 17 | 17 | 17 |
| Total non-current assets | 760 | 651 | 2,922 |
| | | | |
| Current assets | | | |
| Inventory | 2,588 | 2,157 | 2,189 |
| Receivables | 3,233 | 3,457 | 3,861 |
| Bank & cash | 211 | 638 | 761 |
| Total current assets | 6,031 | 6,252 | 6,812 |
| | | | |
| TOTAL ASSETS | 6,791 | 6,902 | 9,734 |
| | | | |
| EQUITY & LIABILITIES | | | |
| Equity | | | |
| Share capital | 362 | 373 | 373 |
| Reserves | 4,186 | 4,477 | 4,692 |
| Total equity | 4,548 | 4,850 | 5,065 |
| | | | |
| Long term liabilities | | | |



| Bank loans | 15 | 241 | 212 |
|-----------------------------|-------|-------|-------|
| Deferred tax | 73 | 44 | 56 |
| Lease liability | | | 2,235 |
| Total long-term liabilities | 88 | 285 | 2,503 |
| | | | |
| Current liabilities | | | |
| Payables | 1,856 | 1,639 | 1,710 |
| Current tax | 213 | 36 | 226 |
| Bank loans | 86 | 91 | 78 |
| Lease liability | - | - | 152 |
| Total current liabilities | 2,155 | 1,767 | 2,166 |
| | | | |
| TOTAL EQUITY & LIABILITIES | 6,791 | 6,902 | 9,734 |

The net asset position of the Issuer Group improved over the two (2) years under review, mainly due to an increase in its asset base.

10.2 Projections

The financial projections include those of the financial years ending 31 December 2021, 2022, 2023 and 2024, and are detailed in the prospective financial information set out in Schedule 4, which must be read in conjunction with the Accountants' Report thereon also set out in Schedule 4.

The Issuer Group's projected financial information prepared in line with IFRS is summarised below:



^{*}Proforma Consolidated Financial Statements for the period 1 January 2019 to 31 December 2019 were prepared using GAPSME

^{**}Audited Consolidated Financial Statements were prepared for the period 30 January 2020 to 31 December 2020 in view of the fact that the Issuer was incorporated on 30 January 2020. These were prepared using GAPSME.

^{***}Interim consolidated financial statements for the period 1 January 2021 to 30 June 2021 were prepared using IFRS.

| Projected Consolidated Income Statement | Forecast 2021 | Forecast 2022 | Forecast 2023 | Forecast 2024 |
|---|------------------|------------------|------------------|------------------|
| | €'000 | €'000 | €'000 | €'000 |
| Revenue | 8,110 | 8,514 | 8,716 | 8,899 |
| Cost of sales | (4,405) | (4,664) | (4,747) | (4,848) |
| Gross profit | 3,705 | 3,850 | 3,970 | 4,051 |
| | | | | |
| Other income | 228 | 230 | 232 | 233 |
| Direct overheads | (1,356) | (1,392) | (1,490) | (1,516) |
| Indirect overheads | (1,271) | (1,288) | (1,290) | (1,308) |
| EBITDA | 1,307 | 1,401 | 1,422 | 1,461 |
| | | | | |
| Depreciation | (459) | (440) | (432) | (433) |
| Finance costs | (144) | (260) | (251) | (242) |
| Profit before tax | 704 | 701 | 738 | 785 |
| Taxation | (265) | (258) | (263) | (278) |
| Profit after tax | 439 | 443 | 475 | 507 |
| | | | | |
| % Gross profit margin | 46% | 45% | 46% | 46% |
| % EBITDA margin | 16% | 16% | 16% | 16% |
| % PBT margin | 9% | 8% | 9% | 9% |
| | | | | |
| Interest cover | 9.08 | 5.39 | 5.66 | 6.04 |

| Projected Statement of Financial Position | Forecast 2021 | Forecast 2022 | Forecast 2023 | Forecasts 2024 |
|---|------------------|------------------|------------------|-------------------|
| | €'000 | €'000 | €'000 | €'000 |
| ASSETS | | | | |
| Non-current assets | | | | |



| Property, plant & equipment | 5,621 | 5,271 | 4,944 | 4,562 |
|------------------------------|--------|--------|--------|--------|
| Investment in joint ventures | 17 | 17 | 17 | 17 |
| Total non-current assets | 5,639 | 5,288 | 4,961 | 4,579 |
| | | | | |
| Current assets | | | | |
| Inventory | 2,459 | 2,466 | 2,472 | 2,483 |
| Receivables | 4,000 | 4,168 | 4,013 | 4,099 |
| Bank & cash | 1,092 | 1,582 | 2,061 | 2,165 |
| Total current assets | 7,551 | 8,215 | 8,546 | 8,746 |
| | | | | |
| TOTAL ASSETS | 13,190 | 13,503 | 13,507 | 13,325 |
| | | | | |
| EQUITY & LIABILITIES | | | | |
| Equity | | | | |
| Share capital | 373 | 373 | 373 | 373 |
| Reserves | 5,335 | 5,558 | 5,812 | 6,081 |
| Total equity | 5,708 | 5,931 | 6,185 | 6,454 |
| | | | | |
| Long term liabilities | | | | |
| Bond | 3,000 | 3,000 | 3,000 | 3,000 |
| Deferred tax | 76 | 76 | 76 | 76 |
| Lease liability | 2,155 | 1,985 | 1,812 | 1,631 |
| Bank loans | 151 | 61 | - | - |
| Total long-term liabilities | 5,382 | 5,122 | 4,887 | 4,707 |
| | | | | |
| Current liabilities | | | | |
| Payables | 1,786 | 2,116 | 2,125 | 1,904 |
| Corporate tax | 65 | 71 | 75 | 79 |
| Bank loans and overdraft | 90 | 90 | 61 | - |
| Lease liability | 160 | 170 | 174 | 181 |



| Total current liabilities | 2,100 | 2,450 | 2,435 | 2,164 |
|----------------------------|--------|--------|--------|--------|
| | | | | |
| TOTAL EQUITY & LIABILITIES | 13,190 | 13,503 | 13,507 | 13,325 |

| Projected Consolidated Cash Flow Statement | Forecast 2021 | Forecast 2022 | Forecast 2023 | Forecast 2024 |
|--|------------------|------------------|------------------|------------------|
| | €'000 | €'000 | €'000 | €'000 |
| EBITDA | 1,030 | 1,401 | 1,422 | 1,461 |
| | | | | |
| Movements in working capital | 301 | 137 | 142 | 185 |
| Taxation | (279) | (287) | (301) | (313) |
| Operating cash flows | 1,052 | 1,250 | 1,263 | 1,333 |
| | | | | |
| Capital expenditure | (1,946) | (98) | (118) | (53) |
| | | | | |
| Investing cash flows | | | | |
| Bank loan | (314) | - | - | - |
| Bond proceeds | 3,000 | - | - | - |
| Bond Issue Expenses | (128) | (23) | (23) | (23) |
| Bond Interest | - | (135) | (135) | (135) |
| Loans to group companies | (900) | - | - | (500) |
| Dividends | (310) | (220) | (221) | (238) |
| Financing cash flows | 1,348 | (378) | (379) | (896) |
| | | | | |
| Net cash movements | 454 | 774 | 766 | 384 |
| Cash brought forward | 638 | 1,092 | 1,582 | 2,061 |
| Cash carried forward | 1,092 | 1,582 | 2,061 | 2,165 |

Note: Totals may not tally due to rounding

The principal factors and assumptions underlying the projections as well as the accountant's report thereon, are set out in Schedule 4.



10.3 Significant Change

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

11 DIRECTORS & MANAGEMENT

11.1 Directors of the Issuer

The business and affairs of the Issuer are managed by the board of directors to be composed of a minimum of (3) Executive Directors and not more than nine (9) Directors. The said directors are appointed by ordinary resolution of the shareholders in general meeting. As at the date of this Admission Document, the Board of Directors of the Issuer is composed of the following persons:

| Dr. John C. Grech | Independent Non-Executive Director & Chairman | |
|-------------------------|---|--|
| Mr. Cyril Gabarretta | Executive Director | |
| Mr. Robert Tua | Executive Director | |
| Dr. Maurice Zarb Adami | Non-Executive Director | |
| Mr. Kerstien Gabarretta | Non-Executive Director | |
| Mr. Robert Ebejer | Independent Non-Executive Director | |

The independent directors as considered as such since they are free of any business, family or other relationship with the Issuer, its controlling shareholders or the management of either, that could create a conflict of interest such as to impair their judgement. The non-executive directors have the same responsibilities at law as the executive directors however since they are not involved in the day-to-day running of the business of the Issuer, they are expected to bring fresh perspectives and contribute more objectively in supporting as well as constructively challenging and monitoring the management team.

None of the directors of the Issuer have been:

- (a) convicted in relation to fraud or fraudulent conduct;
- (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.

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.

The business address of the Directors is UBT 13/14, San Gwann Industrial Estate, San Gwann SGN 3000, Malta.

The company secretary and compliance officer of the Issuer is Mr Anton Magro.

The following are the respective *curriculum vitae* of the Directors:

Dr. John C. Grech - Independent Non-Executive Director & Chairman

Dr. Grech graduated from the University of Malta in 1971 and 1974. In 1978 he also obtained a Ph.D. in International Economics from the Graduate Institute for International Studies of the University of Geneva. He served as Chairman of the Bank of Valletta Group, Middle Sea Valletta Life Assurance Limited, the Malta Tourism Authority, Mizzi Organisation and as President of the Mediterranean Bank Network. He is currently Chairman of Fimbank plc,



Chairman of the MelitaUnipol Insurance Agency Limited and Chairman of Central Cement Limited. He also served as visiting professor at the University of Malta.

Mr. Cyril Gabarretta – Executive Director

Cyril Gabarretta has been involved in retailing eyewear since early adult life. After studying dispensing and training abroad, Cyril opened a boutique optician's outlet in 1965. He has always been after innovation and was one of the first to actively market and encourage the usage of contact lenses in Malta.

Mr. Robert Tua - Executive Director

Robert was born and bred in the world of optics and has long been involved in his family outlets. He furthered his studies following a number of courses in optics both in the UK and Italy. He took on the manufacturing arm of the Class Group since inception of the venture bringing it to the production of contact lenses and optical lenses.

Dr. Maurice Zarb Adami – Non-Executive Director

A pharmacist by profession, Maurice has been active in various areas. Today, he serves as senior lecturer in Pharmacy at the University of Malta, but before this he occupied various top positions in some of Malta's largest organisations, both in the public and private sector. He has also served as government pharmacist and medical representative. He was Chairman of Maltacom (now GO), one of the Malta's top communications company, the Public Broadcasting Services and Gozo Channel Co Ltd.

Mr. Kerstien Gabarretta – Non-Executive Director

Kerstien is a qualified Optometrist. He attended Bradford University from 1991-1994, graduating with honours. Before coming to Malta, he practiced his specialization during a placement year at Auckland Opticians in Yorkshire gaining valuable hands-on experience. He has been practicing optometry since 1995, registered under the Council of Professions Complementary to Medicine (CPCM) and for five years (2008 to 2013), served as board member for this council. He now serves as a member of the subcommittee regarding Optometry with CPCM and is a member of The European Academy of Ophthalmic Opticians.

Mr. Robert Ebejer - Independent Non-Executive Director

Robert is a warranted certified public accountant. He graduated from the University of Malta in 1997 and furthered his studies obtaining a Master of Business Administration from the University of Malta in 2005. He has garnered over 20 years' experience in accounting, auditing, tax planning and corporate issues and is presently the managing director of Vector Assurance Limited, a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta). Robert has extensive experience in the telecommunications, manufacturing and insurance industry.

Mr. Anton Magro - Company Secretary and Compliance Officer

Anton obtained his Bachelor's degree in Business & Computing from the University in Malta. He started his career in business consultancy and ERP implementations. During this period, he studied for the Association of Chartered Certified Accountants before joining Griffiths + Associates Advisory Ltd as a Senior Manager. Today, Anton is Director of Griffiths + Associates Advisory Ltd and is seconded to the Class Group to carry out the role of Chief Financial Officer.

11.2 **Senior Management**

The following persons are responsible for the day-to-day management of the Issuer Group:

- (a) Robert Tua
- (b) Cyril Gabarretta



(c) Martin Mercieca

Executive Directors

Robert Tua and Cyril Gabaretta, both Executive Directors, sit on the management boards of each of Subsidiaries. They are the founders of the Class Group and have acquired an indispensable wealth of knowledge and expertise throughout the Class Group's thirty-seven-year existence. Their presence on the management boards aims to tap into this resource. The management board meetings are chaired by the CEO and involve members from different departments to share and dialogue business processes at a tactical level.

Additionally, monthly meetings are held between the Executive Directors and the CEO with the aim to serve as a review and dialogue on strategic and operational matters as well as business progression in line with the company's corporate development.

Martin Mercieca (CEO)

Martin Mercieca is responsible for the day-to-day management of the Issuer Group and implementing the decisions taken by the board of directors. A chartered marketer by profession and Fellow of the Chartered Institute of Marketing UK (FCIM), Martin has occupied top management positions for over 20 years and has gained valuable experience at operational, strategic and board level. Prior to joining the Class Group in 2013, Martin was the Group Business Development Officer for the M. Demajo Group and General Manager and Director at The Malta Experience. Martin has held various other marketing positions in the hospitality industry over the years.

11.3 Directors of the Guarantor

The board of directors of the Guarantor is constituted by the following persons:

John C. Grech, Mr. Cyril Gabarretta, Mr. Robert Tua, Dr. Maurice Zarb Adami and Mr. Kerstien Gabarretta, details of which are set out in the preceding section.

11.4 Conflicts of Interest

The following interests have been identified as potentially causing a conflict with the duties of the directors towards the Issuer:

- (a) All of the directors of the Issuer (other than Mr Robert Ebejer) are directors of the Guarantor and Class Holding;
- (b) Cyril Gabaretta and Kerstein Gabaretta are directors of Optika Limited, one of the clients of the Class Group. Cyril Gabaretta is also the sole beneficial owner of Optika Limited;
- (c) Robert Tua and Maurice Zarb Adami are directors and shareholders (amongst others) of Tuaco Opticians Limited, one of the clients of the Class Group.

Accordingly, situations may arise where the interests of a director conflict with his other position. In these situations, the conflicted director will not be permitted to vote on any contract or arrangement or any other proposal in which he has a material interest, thus ensuring that the appropriate safeguards are in place.

11.5 Loans to Directors of the Issuer and the Guarantor

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

11.6 Issuer and Guarantor Director Service Contracts

Each of the Directors of the Issuer has entered into service contracts with the Company for the purposes of regulating their appointment. The said service contracts are additional to their legal and regulatory obligations arising in terms of the Memorandum and Articles of Association of the Issuer as well as arising at law pursuant to the Companies Act, Cap 386 of the laws of Malta and the Rules.



The Guarantor has not entered into a separate service contract with respect to the appointment of its directors. As with the Issuer, the directorship of the Guarantor is also regulated by the Memorandum and Articles of Association of the Guarantor as well as by the Companies Act, Cap 386 of the laws of Malta and the Rules.

11.7 Removal of Directors

In terms of the Issuer's Articles of Association, the Directors of the Issuer shall serve until the end of the following annual general meeting during which the new directors shall be appointed. 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.

In terms of the Guarantor's Articles of Association, a director shall hold office until such time as he or she resigns, dies or has been removed.

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

11.8 Powers of Directors

By virtue of the provisions of the Articles of Association of the Issuer and of the Guarantor, the respective directors are empowered to transact all business which is not by the Articles expressly reserved for the shareholders in general meeting.

11.9 Aggregate Emoluments of the 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 general meeting.

The remuneration of Directors shall be deemed to accrue from day to day. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Issuer or in connection with the business of the Issuer.

For the current financial year, no director emoluments are due by the Guarantor and the Issuer.

11.10 **Employees**

The Issuer does not presently have any employees. The Guarantor employs seventeen (17) persons.

11.11 Working capital

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

12 **BOARD COMMITTEES**

In terms of the Rules, the Issuer has set up an Audit Committee composed of a majority of independent non-executive directors and who are appointed for a period of three years. The terms of reference of the Audit Committee of the Issuer consist of *inter alia* its support to the board of the Issuer in its responsibilities in dealing with issues of risk, control and governance, and associated assurance. The board of the Company has set out formal terms of establishment and the terms of reference of the Audit Committee that establish its composition, role and function, the parameters of its remit, as well as the basis for the processes with which it is required to comply. The Audit Committee, which meets at least four (4) times a year, is a sub-committee of the Board of the Issuer and is directly responsible and accountable to the board of the Issuer. The Board of the Company has reserved the right to change the Committee's terms of reference from time to time, with the prior notification to the MSE.

The Board has resolved to formally appoint the following three (3) individuals as the first members of the Audit Committee:



- (a) Mr. Robert Ebejer Chairman, Independent, Non-Executive Director. Mr Ebejer is a CPA warrant holder, thus having the necessary qualifications to be considered competent in accounting and/or auditing matters.
- (b) Dr. John Grech Independent, Non-Executive Director
- (c) Mr. Kerstein Gabaretta Non-Executive Director.

Mr. Anton Magro occupies the position of Secretary of the Committee.

Briefly, the Audit Committee is expected to deal with and advise the Board of the Issuer on:

- (a) its monitoring responsibility over the financial reporting processes, financial policies and internal control structures;
- (b) maintaining communications on such matters between the Board, management and the independent auditors;
- (c) facilitating the independence of the external audit process and addressing issues arising from the audit process;
- (d) preserving assets by understanding the risk environment in which the Issuer operates and determining how to deal with those risks.

Additionally, the Audit Committee has the role and function of considering and evaluating the arm's length nature of any proposed transactions to be entered into in order 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 or the Guarantor, as the case may be. In this regard, the Audit Committee has the task of ensuring that any potential conflicts of interest which may arise is immediately identified and resolved in accordance with applicable law. The members of the Audit Committee are required to disclose any interest at the earliest opportunity and precluded from participating in discussions or vote on such matters. In the case of an equality of votes during a meeting of the Audit Committee, the Chairperson shall have a casting vote. In situations where the Chairperson of the Audit Committee is either unavailable or has a conflict of interest the committee is to be chaired by the other independent member who shall also have a casting vote.

The Chairman of the Audit Committee shall be appointed from amongst the non-executive independent Directors and Meetings of the Audit Committee shall only be held if a quorum of at least two (2) members is satisfied.

The Audit Committee is entrusted with the review of the financial position of the Issuer on a quarterly basis. To this effect, the Issuer shall submit to the Audit Committee bi-annual accounts, as well as quarterly comparisons of actuals against projections

13 CORPORATE GOVERNANCE

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

The Issuer complies with the Code of Principles of Good Corporate Governance forming part of the Capital Market 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 of Principles with a view to ensuring that all transactions are carried out at arm's length.

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

As required by the Act, 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 at Board meetings at which the Issuer's financial statements are approved. In ensuring compliance with other statutory requirements and with continuing admission obligations, the Board is advised directly, as appropriate, by its appointed corporate advisor and legal advisor. 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 5: In view of the Company's recent incorporation, it has not yet held an annual general meeting and thus has not yet had the opportunity to report on Board members' attendance.

Principle 6: The Board has not yet prepared a formal succession plan for senior management;

Principle 7: In view of the Company's recent incorporation, the Board has not yet undertaken an annual evaluation of its own performance and that of its committees.

Principle 8: The Board of Directors considers that the size and operation of the Issuer does not warrant the setting up of nomination and remuneration committee. Also, the Issuer will not be incorporating a nominations committee. 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.

Principle 9: In view of the, to date, unlisted status of the Company and in view of its recent incorporation, communication with the shareholders has been informal. In so far as the communication to the market is concerned, the communication therewith will only become possible following the listing of the Bonds

Principle 10: In view of the lack of institutional investors, Principle 10 on the responsibility of institutional investors does not apply to the Company.

Principe 12 – In view of its very recent incorporation, the Company did not carry out significant economic contributions in the sphere of Corporate Social Responsibility.

13.1 Board Committees and Corporate Governance – Guarantor

The Guarantor is private company and, accordingly, is not required to endeavour to adhere to the provisions of the Code, including, *inter alia*, the requirement to set up an audit committee.

14 Major Shareholders and Related Party Transactions

14.1 Issuer

The Issuer's current authorised share capital is €408,650 consisting of 40,865 Ordinary Shares of €10 each. The Issuer's issued share capital is €408,650 consisting of 40,863 Class "A" Ordinary Shares of €10.00 each and 2 Class "B" Ordinary Shares of €10.00 each, subscribed as follows:

| CLASS HOLDING LIMITED (C89428) San Gwann Industrial Estate, San Gwann SGN 3000, Malta | 4,698 Ordinary A Shares 25% paid-up 36,165 Ordinary A Shares 100% paid-up |
|---|--|
| CONTACT LENSES LIMITED (C4750) 17, The Strand, Sliema, SLM 1025, Malta | 1 Ordinary B Share 25% paid-up |
| OPTIMAL SUPPLIES INTERNATIONAL LIMITED (C3444) 142/144, Melita Street, Valletta VLT 1123, Malta | 1 Ordinary B Share 25% paid-up |

Class Holding Limited is owned as follows:

As to 50%, by Contact Lenses Limited (C 4750), which is beneficially owned in equal proportions by Jerome Gabaretta, Kerstien Gabaretta and Mireille Gabaretta and in respect of which Mr Cyril Gabaretta and Mrs Rosanne Gabaretta have a right of usufruct thereon.

As to the other 50%, by Optimal Supplies International Limited (C 3444), which is beneficially owned by Lucienne Borg Caruana (4.761%), Adrienne Despott (10.713%), the heirs of Isabella Farrugia (4.761%), Helena Mamo (19.048%), Arthur Tua (4.761%), John Tua (4.761%), Julien Tua (19.048%), Richard Tua (4.761%), Kathleen Zarb Adami (10.713%) and Maurice Zarb Adami (16.666%). Mr Robert Tua and Mrs Anna Tua have usufructuary rights



over the shares held by Helena Mamo and Julien Tua. Maurice Zarb Adami and Maria Theresa Zarb Adami have usufructuary rights over the shares held by Kathleen Zarb Adami and Adrienne Despott.

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

The Issuer adopts measures in line with the Code of Principles of Good Corporate Governance forming part of the Capital Market Rules (the "**Code**") with a view to ensuring that all transactions are carried out at arm's length.

14.2 Guarantor

The Guarantor's authorised and issued share capital is €250,000 divided into 250,000 ordinary shares of a nominal value of €1 each, all of which are allotted in favour of the Issuer on a fully paid-up basis.

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

15 **DIVIDEND POLICY**

The Directors of the Issuer currently adopt a policy pursuant to which, subject to available cash flows, the requirements of the Act and sufficient working capital, fifty per cent of the distributable profits are distributed to its shareholders by way of dividend. It is expected that subject to unforeseen circumstances and economic conditions that might have an impact on the Issuer's financial performance, and provided that the Company will sustain adequate cash flows and subject to the requirements of the Act, the Directors maintain this policy in the foreseeable future.

15.1 Third-Party Information & Experts

Save for the Accountant's Reports annexed in Schedule 3, Schedule 4, and Schedule 5, this Admission Document does not contain any statement or report attributed to any person as an expert.

Griffiths + Associates Ltd have authorised the publication (and which authorisation has not been withdrawn) of the Accountant's Reports, in the form and context in which they appear.

The foregoing experts have no beneficial interest in the Issuer and the Guarantor. The Issuer confirms that the Accountant's Reports have been accurately reproduced in this Admission Document and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

16 MATERIAL CONTRACTS

16.1 Emphyteutical Deed

On the 21st January 2019, INDIS granted the Guarantor a temporary emphyteusis over the Property for a period of thirty-five (35) years subject to the payment of an annual ground rent of €26,735.80 (net of VAT) payable quarterly in advance. The Deed sets out the following additional matters:

- (a) the Guarantor has the right to request that the term be extended beyond the third-five year term, provided notice is provided. Upon the publication of the required public deed, the annual ground rent is increased to €37,619.96 (net of VAT);
- (b) the annual ground rent is revisable every five (5) years by five per cent (5%);
- (c) the Guarantor is to make use of the Property for the production of optical products (or other products acceptable to INDIS) and is required to invest one million three hundred thousand (€1,300,000) in improvements by the 31st August 2022 and in accordance with detailed plans approved by INDIS. The Guarantor undertook to carry on its business from the Property by the 31st August 2022. An additional two million one hundred thousand Euro (€2,100,000.00) must be invested in plant, machinery and equipment over a period of three years;
- (d) the Guarantor is required to maintain the Property in a good state of repair and is to maintain a Contractor's All Risk insurance policy during the period of the Works and other insurance policies (including an insurance on the building and improvements, loss of one year's ground rent, public liability insurance and employer's liability) throughout the term;
- (e) INDIS has the right to enter the Property provided notice is provided to the emphyteuta;



- (f) The Guarantor is precluded from transferring (under any title) the Property or part thereof to third parties (including from granting possession or control) without the written consent of INDIS. Where consent is granted, laudemium equivalent to one year's ground rent. INDIS also covenanted in favour of the Guarantor that it will not refuse its consent to any bank or financial institution that has provided a loan facility to the Guarantor in the event that of an enforcement by the said bank/financial institution following an Event of Default by the Guarantor. In any event, the use of the Property by a prospective purchaser must be to the satisfaction of INDIS;
- (g) The Issuer, Class Holding and Class Optical are, together, required to employ at least fifty-six (56) full time employees throughout the term. At present, the said companies together employ 56 full time employees.
- (h) In the event that any historical, antique or archaeological remains are found on the Property, the Guarantor is required to notify INDIS, which has the right to terminate the emphyteutical grant and reimburse the Guarantor only for the value of any works carried out on the Property, after an evaluation carried out by INDIS.
- (i) The Emphyteutical Deed can be terminated by INDIS on the happening of certain events, including a) the Guarantor makes use of the Property for a purpose other than that agreed, b) if the Works are not in accordance with the agreed plans; c) if two payments of the ground rent remain unpaid d) if the Guarantor transfers the Property under any title without consent and e) a default by the Guarantor any other condition of the emphyteutical grant. Subject to a grace period, a daily penalty of €3,408 shall be due of every day of default. INDIS undertook not to terminate the grant should the Property be subject to a judicial sale by auction;
- (j) In warranty of the observance by the Guarantor of its obligations under the Deed, including the payment of ground rent, the Guarantor provided a general hypothec over all its assets, present and future, and a special privilege over the Property in favour of INDIS.

17 LITIGATION

Issuer - There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period covering the date of incorporation of the Issuer up to the date of the Admission Document which may have, or have had, in the recent past significant effects on the financial position or profitability of the Issuer.

Guarantor - There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Guarantor is aware) during the preceding twelve months up to the date of the Admission Document which may have, or have had, in the recent past significant effects on the financial position or profitability of the Guarantor.

18 USE OF PROCEEDS

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €2,900,000, shall be used by the Company for the following purposes, in the following amounts, in the following order of priority:

- (a) In the amount of *circa* €2,200,000, to part-finance the Works.
- (b) In the amount of *circa* €200,000, to on-lend, in part, the funds to the Guarantor for the purposes of re-financing the acquisition by the Guarantor of laboratory machinery in the amount of €323,000 originally acquired from working capital.
- (c) In the amount of €250,000, to on-lend the funds to the Guarantor for the purposes of acquiring plant and machinery by the Issuer Group;
- (d) In the amount of €250,000 for the Issuer Group's general corporate funding requirements

The net Bond Issue proceeds shall be held by the Placement Agent, which shall release the proceeds to the Issuer once the conditions to the Bond Issue have been fulfilled. Provided that €2,200,000 of the proceeds earmarked for the Works shall be transferred to the Escrow Agent, which shall only release the said funds to the Issuer upon the receipt of the certification of Completion of the Works, or part thereof.



All payments made by the Issuer on behalf of the Guarantor for the Works and all loans provided by the Issuer to the Guarantor shall be reflected in loan agreements pursuant to which the Issuer shall be entitled to an interest rate of five point five per cent per annum and an arrangement fee of €10,000;

In the event that the Bond Issue is not fully subscribed but subject in all cases to the Minimum Amount of €2,200,000 being subscribed, the Issuer will proceed with the admission to trading of the amount of Bonds subscribed for and the proceeds from the Bond Issue shall be applied in the manner and order of priority set out above. Any residual amounts required by the Issuer for the purposes of the uses specified above which shall not have been raised through the Bond Issue, shall be financed from the Company's general cash flow and/or bank financing.

The issue and allotment of the Bonds is conditional upon:

- i. the Bonds being admitted to the Prospects MTF List; and
- ii. at least €2,200,000 worth of Bonds being subscribed to by Applicants.

In the event that any of the aforesaid conditions is not satisfied, the Placement Agent shall return the proceeds of the Bond Issue to the Bondholders.

Professional fees and costs related to printing, fees relating to the admission to trading on Prospects MTF, registration, corporate advisor, management, selling commission and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €100,000 and shall be borne by the Issuer. There is no particular order of priority with respect to such expenses.

19 INFORMATION ABOUT THE BONDS

Each Bond shall be issued on the terms and conditions set out in this Admission Document 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.

20 TERMS AND CONDITIONS OF THE BONDS

20.1 General

- (a) Each Bond forms part of a duly authorised issue of 4.9% bonds 2032 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €3,000,000 (except as otherwise provided under Section 20.15).
- (b) The Bonds are unsecured.
- (c) Subject to admission to trading of the Bonds to Prospects MTF the Bonds are expected to be assigned the following ISIN: MT0002601202.
- (d) All outstanding Bonds not previously purchased and cancelled shall be redeemed by the Issuer at par (together with accrued interest to the date fixed for redemption) on the Redemption Date.
- (e) The issue of the Bonds is made in accordance with the requirements of the Prospects MTF Rules.
- (f) The Issue Period of the Bonds is between 20 January 2022 and 9 February 2022, both days included.
- (g) 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 the right to call in on the Guarantee.
- (h) The Bonds will not be listed on the Official List of the MSE or the Alternative Companies list of the MSE or on any other regulated market.

20.2 Subscription

- (a) The Issuer has appointed Calamatta Cuschieri as Placement Agent and Manager for the purposes of this Bond Issue and interested investors may contact the Placement Agent and Manager for the purposes of subscribing to Bonds during the Issue Period. Applications for subscriptions to the Bonds will be processed at the discretion of the Placement Agent and Manager and the offer may close earlier than that indicated in the timetable in the event of over subscription or later, in all cases, in accordance with the provisions of Section 3.4(g) of this Document.
- (b) The Bonds are open for subscription to all categories of investors, provided that the Placement Agent and Manager shall be required to carry out an Appropriateness Test in respect of each



Applicant for the purpose of assessing such Applicant's level of knowledge and experience prior to investing in the Bonds. Applications shall not be accepted by the Placement Agent and Manager unless, based on the results of such Appropriateness Test, the Placement Agent and Manager is satisfied that an investment in the Bonds may be considered appropriate for the Applicant. To the extent that the Placement Agent and Manager is providing advice in respect of a purchase of the Bonds by an Applicant, the Placement Agent and Manager shall also be required to conduct a Suitability Test in respect of the Applicant and, based on the results of such test, be satisfied that an investment in the Bonds may be considered suitable for the Applicant.

- (c) In any case the Placement Agent and Manager shall ensure that subscribers to the Bonds are duly warned about the Risk Factors involved with investing in the Bonds and subscribers shall confirm that they have been so warned.
- (d) The Bond Issue is not underwritten. Should subscriptions for a total of at least two million two hundred thousand Euro €2,200,000 (the "Minimum Amount") not be received, no allotment of the Bonds shall be made, the Applications for Bonds shall be deemed not to have been accepted by the Issuer and all money received from Applicants for Bonds shall be refunded accordingly. In the event that the Minimum Amount is reached but the Bond Issue is still not fully subscribed, the Issuer will proceed with the allotment of the amount of Bonds subscribed.
- (e) The total amount of three million Euro (€3,000,000) of Bonds is being reserved for subscription by the Placement Agent and Manager participating in the Placement Offer. The Issuer shall enter into a conditional subscription agreement with the Placement Agent and Manager for the subscription of Bonds, whereby it will bind itself to allocate Bonds thereto up to the total amount of three million Euro (€3,000,000) as aforesaid.
- (f) In terms of the said subscription agreement entered into with the Placement Agent and Manager, the Issuer will be conditionally bound to issue, and the Placement Agent and Manager will be conditionally bound to subscribe to, up to the total amount of three million Euro (€3,000,000) of Bonds as indicated therein, each subject to the Minimum Amount of €2,200,000 being subscribed.

20.3 Plan of distribution and allotment & Allocation Policy

- (a) The Bonds shall be allocated to the Placement Agent and Manager pursuant to the subscription agreement, details of which are included in the preceding section immediately above, without priority or preference and in accordance with the allocation policy as determined by the Issuer.
- (b) It is expected that an allotment letter will be dispatched to Applicants within five (5) Business Days of the announcement of the allocation policy. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the PMLFTR Regulations. Such monies will not bear interest while retained as aforesaid.
- (c) Dealings in the Bonds shall not commence prior to (i) admission to trading of the Bonds by the MSE on Prospects MTF and (ii) generally the issuance of the Bonds becoming unconditional.
- (d) Within five (5) Business Days from closing of the Issue Period, the Issuer shall announce the result of the Bond Issue and shall determine and announce the basis of acceptance of Applications and allocation policy to be adopted.

20.4 Ranking of the Bonds

- (a) The Bonds, on their issuance and allotment shall constitute unsecured debt obligations of the Issuer accompanied by a guarantee granted by the Guarantor. The Issuer and the Guarantor have not granted any security over their own assets and therefore their obligations in regards to the Bonds are unsecured obligations ranking equally with all other present and future unsecured obligations.
- (b) 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 under any of the foregoing, the Guarantor will pay to such Bondholder on written 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.
- (c) The bond constitutes the general, direct, unconditional and unsecured obligations of the Issuer, and shall at all times rank *pari passu*, without any priority or preference among themselves and with



other unsecured debt of the Issuer, if any. Furthermore, subject to the negative pledge as detailed in section 20.5 below, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.

The following sets out a summary of the Issuer's indebtedness as at 30th September 2021 and as expected after the bond issue.

The bank borrowings listed below are secured by privileges and hypothecs, and therefore the indebtedness being created by the Bonds, ranks after all these borrowings. 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:

Bank Borrowing facilities as at date of Bond Issue

| Facility Held | Borrower | Lender | Limit | Amounts Outstanding | Security Held |
|---------------|----------|---------------------|----------|------------------------|---|
| Overdraft | CMAN | Bank of Valletta | €500,000 | NIL | Property owned by a subsidiary of Class Holding Ltd |
| Covid Loan | CMAN | Bank of Valletta | €300,000 | €269,028 | N/A |

'CMAN' stands for Class Optical Manufacturing Ltd

Bank Borrowing facilities following date of Bond Issue

| Facility Held | Borrower | Lender | Limit | Amounts Outstanding | Security Held |
|---------------|----------|---------------------|-------------|------------------------|---|
| Overdraft | CMAN | Bank of Valletta | EUR 500,000 | NIL | Property owned by a subsidiary of Class Holding Ltd |
| Covid Loan | CMAN | Bank of Valletta | EUR 300,000 | EUR 269,028 | N/A |

'CMAN' stands for Class Optical Manufacturing Ltd

20.5 Negative Pledge

(a) The Issuer undertakes, for as long as any principal or interest under the Bonds or any of them 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 the Issuer Group's respective present or future assets or revenues to secure any Relevant Indebtedness (as defined below) of the Issuer unless the Issuer, in the case of the creation of a Security Interest,



before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (i) all amounts payable by it under the Bonds are secured by a Security Interest equally and rateably with the Financial Indebtedness in question being so secured; or
- (ii) such other Security Interest is approved by a resolution duly passed by the Bondholders.

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

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

"Permitted Security Interest" means: (A) any Security Interest arising by operation of law; (B) any Security Interest securing Financial Indebtedness, including bank loans and overdrafts, in the ordinary course of business; (C) any Security Interest securing any indebtedness of the Issuer created for the sole purpose of financing or raising finance for the redemption of all the Bonds; (D) any other Security Interest (in addition to (A), (B) and (C) above) securing Financial Indebtedness of the Issuer, in an aggregate outstanding amount not exceeding 80% of the amount resulting after taking the Relevant Value and subtracting therefrom (i) the aggregate value of the liabilities of the Issuer Group secured by Security Interests referred to in (B) (C) and (D) above and (ii) the aggregate principal amount of the Bonds still outstanding at the time.

PROVIDED THAT the aggregate Security Interests referred to in (B), (C) and (D) above do not result in the Relevant Value being less than the aggregate principal amount of the Bonds still outstanding together with one (1) year's interest thereon;

"Relevant Value" means the market value of the total assets of the Issuer.

20.6 Rights attached to the Bonds

- (a) 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 as and when due;
- (iii) ranking with respect to other indebtedness of the Issuer and the Guarantor in accordance with the provisions of Section 20.4;
- (iv) seek recourse from the Guarantor pursuant to the Guarantee, in case of failure by the Issuer to pay any sum payable by it to Bondholders pursuant to the Terms and Conditions of the Bonds Issue;
- (v) attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and
- (vi) enjoy all such other rights attached to the Bonds emanating from the Admission Document.

20.7 Interest

- (a) The Bonds shall bear interest from and including 9 February 2022 at the rate of 4.9% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date.
- (b) The first interest payment will be effected on 9 February 2023 (covering the period 9 February 2022 to 8 February 2023). 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 highest rate applicable by law. In terms of article 2156 of the Civil Code (Chapter 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. 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.

20.8 Yield

(a) For Bonds issued at the Bond Issue Price, 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 4.9% per annum.

20.9 Form, Denomination and Title

- (a) 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 at the CSD. There will be entered in such electronic register the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies), LEI numbers and MSE account numbers of the Bondholders and particulars of the Bonds held by them respectively, and the Bondholders shall have, at all reasonable times during business hours on such terms and conditions as may be specified, access to the register of bondholders held at the CSD for the purpose of inspecting information held on their respective account.
- (b) 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 in accordance with the MSE's applicable terms and conditions.
- (c) 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 the Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on https://eportfolio.borzamalta.com.mt/. 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.
- (d) The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100 provided that on subscription the Bonds will be issued for a minimum of €2,000 per individual Bondholder. The Placement Agent and Manager may subscribe for Bonds for its own account or for the account of underlying customers, including retail customers.
- (e) Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Bond. Title to the Bonds may be transferred as provided pursuant to Section 20.14.

20.10 Pricing

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

20.11 Payments

- (a) Payment of the principal amount of a Bond will be made in euro by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account is denominated in Euro and held with any licensed bank within the European Economic Area and any applicable charges shall be borne by the bondholder. Such payment shall be effected within seven (7) days of the Redemption Date. The Issuer shall not be responsible for any loss or delay in transmission. Upon payment of the Redemption Value, the Bonds shall be redeemed and the appropriate entry made in the electronic register of the Bonds at the CSD.
- (b) 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.
- (c) Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business fifteen (15) days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is



- denominated in euro and held with any licensed bank within the European Economic Area and any applicable charges shall be borne by the bondholder. Such payment shall be effected within seven (7) days of the Interest Payment Date. The Issuer shall not be responsible for any loss or delay in transmission.
- (d) All payments with respect to the Bonds are subject in all cases to any applicable fiscal or other laws and regulations prevailing in Malta. In particular, but without limitation, all payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Malta or any authority thereof or therein having power to tax.

The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer.

20.12 Redemption and Purchase

- (a) The Bonds shall be repayable in full upon maturity on 9 February 2032 unless previously repurchased and cancelled.
- (b) Unless previously purchased and cancelled, the Issuer irrevocably covenants in favour of each Bondholder that the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 9 February 2032.

20.13 Events of Default

- (a) Each Bondholder shall be entitled to declare his Bonds to have become immediately due and repayable at their principal amount, together with any accrued interest, upon the occurrence of any of the following events ("Events of Default"):
 - (i) if the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for thirty (30) days after written notice thereof shall have been given to the Issuer by any Bondholder; or
 - (ii) if the Issuer shall fail to pay the principal amount of a Bond on the date fixed for its redemption and such failure shall continue for thirty (30) days after written notice thereof shall have been given to the Issuer by any Bondholder; or
 - (iii) if the Issuer and/or 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 the Guarantor by any Bondholder; or
 - (iv) if the Emphyteutical Deed is terminated by INDIS; or
 - (v) an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer; or
 - (vi) the Issuer and/or the 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
 - (vii) the Issuer and/or the Guarantor is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or
 - (viii) there shall have been entered against the Issuer and/or the Guarantor a final judgment by a court of competent jurisdiction from which no appeal may be or is made for the payment of money in excess of one million Euro (€1,000,000) or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed; or
 - (ix) any default occurs and continues for ninety (90) days under any contract or document relating to any Financial Indebtedness (as defined above) of the Issuer in excess of two million Euro (€1,000,000) or its equivalent at any time.
- (b) Upon any such declaration being made as aforesaid, the said principal monies and interest accrued under the Bonds shall be deemed to have become immediately payable at the time of the event which shall have happened as aforesaid.



20.14 Transferability

- (a) The Bonds are freely transferable and, once admitted to the Prospects MTF List, shall be transferable only in whole (in multiples in €100) in accordance with the rules and regulations of the MSE applicable from time to time. If Bonds are transferred in part, the transferee thereof will not be registered as a Bondholder.
- (b) Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may, from time to time, properly be required by the Issuer or the CSD, elect either to be registered himself as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person. Provided always that if a Bond is transmitted in furtherance of this paragraph, a person will not be registered as a Bondholder unless such transmission is made in multiples of €100.
- (c) All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.
- (d) 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 that may be imposed in relation thereto, will be borne by the person to whom the transfer / transmission has been made.
- (e) 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.
- (f) The minimum subscription amount of €2,000 shall only apply during the Issue Period. No minimum holding requirement shall be applicable once the Bonds are admitted on the Prospects MTF List and commence trading thereafter, subject to trading in multiples of €100.

20.15 Further Issues

(a) 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.

20.16 Meetings of Bondholders

- (a) The Issuer may, from time to time, call meetings of Bondholders, subject to the prior written approval of the MSE until such time that the Bonds remain admitted on any of its markets, 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 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 Admission Document require the approval of a Bondholders' meeting in accordance with the below.
- (b) 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 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.
- (c) The amendment of any of the Terms and Conditions of issue of the Bonds, subject to the prior written approval of the MSE until such time that the Bonds remain admitted on any of its markets, may only be made with the approval of Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.
- (d) 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 75% 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 the 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, together with a warning about the new quorum at such adjourned meeting. 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 and decided upon during, the adjourned meeting.
- (e) 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.
- (f) 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 of decisions being required 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.
- (g) The voting process shall be managed by the Issuer's company secretary under the supervision and scrutiny of the auditors of the Issuer.
- (h) 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.
- (i) 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.

20.17 Authorisations and approvals

- (a) The Directors of the Issuer authorised the Bond Issue and the publication of the Admission Document pursuant to a board of directors' resolution passed on 18 January 2022.
- (b) The directors of the Guarantor authorised the provision of the Guarantee and pursuant to a board of directors' resolution passed on 18 January 2022.

20.18 Admission to trading

(a) Application has been made to the MSE for the Bonds being issued pursuant to the Admission Document to be traded on Prospects MTF. The Bonds are expected to be admitted to the Prospects MTF with effect from 15 February 2022 and trading is expected to commence on 16 February 2022. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

20.19 Representations and warranties

(a) The Issuer represents and warrants to Bondholders, that 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 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 Document; and
- (iii) no litigation, arbitration or administrative proceedings are taking place, pending or, to the knowledge of the officers of the Issuer, threatened against the Issuer which could have a material adverse effect on the business, assets or financial condition of the Issuer.
- (iv) the Admission Document contains all relevant material information with respect to the Issuer and/or Guarantor and all information contained in the Document is in every material respect true and accurate and not misleading, and there are no other facts in relation to the Issuer, the Guarantor or their respective businesses and financial position, the omission of which would, in the context of issue of the Bonds, make any statement in the Admission Document misleading or inaccurate in any material respect.

20.20 Bonds held jointly

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

20.21 Bonds held subject to usufruct

(a) In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed vis-a-vis the Issuer to be the holder of the Bond/s so held and shall have the right to receive interest on the Bond/s and to vote at meetings of the Bondholders but shall not, during the continuance of the Bond/s, have the right to dispose of the Bond/s so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Bond (which shall be due to the bare owner, subject to the right of the usufructuary).

20.22 Communication

(a) The Issuer Group has set up a website with URL www.classoptical.com which includes an "Investor Information" section from which investors can obtain current information on the Issuer. 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.

21 TERMS AND CONDITIONS OF APPLICATION

- (a) The issue and allotment of the Bonds is conditional upon:
 - (i) the Bonds being admitted to the Prospects MTF List; and
 - (ii) a minimum of €2,200,000 being subscribed to by Applicants;

In the event that said conditions are not satisfied any Application monies received by the Issuer will be returned by the Placement Agent 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.

(b) 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.



- (c) 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 Document and the Memorandum and Articles of Association of the Issuer.
- (d) 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 shall be requested to submit the relative power of attorney/resolution or a copy thereof duly certified by a lawyer or notary public unless already known to the Placement Agent / Manager.
- (e) 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.
- (f) Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.
- (g) 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.
- (h) No person receiving a copy of the 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.
- (i) It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself/herself/itself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- (j) Subject to all other terms and conditions set out in the 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 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.
- (k) Save where the context requires otherwise or where otherwise defined therein, terms defined in the Document bear the same meaning when used in these Terms and Conditions, in the Application Forms, in any of the Schedules and in any other document issued pursuant to the Admission Document.
- (I) The Issuer has not sought assessment of the Bonds by any independent credit rating agency.
- (m) Subject to all other terms and conditions set out in the Admission Document, the Issuer reserves the right to revoke the Issue at any time before the closing of the Issue Period or to extend 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.
- (n) The Bonds will be issued in multiples of €100. The minimum subscription amount of Bonds that can be subscribed for by all Applicants is €2,000.



- (o) The completed Application Forms are to be lodged with the Placement Agent and Manager. The Placement Agent and Manager shall, prior to accepting an Application, conduct an Appropriateness Test in respect of the Applicant and, based on the results of such test, be satisfied that an investment in the Bonds may be considered appropriate for the Applicant. To the extent that the authorised financial intermediary is providing advice in respect of a purchase of the Bonds by an Applicant, the authorised financial intermediary shall also be required to conduct a Suitability Test in respect of the Applicant and, based on the results of such test, be satisfied that an investment in the Bonds may be considered suitable for the Applicant.
- (p) For the purposes of the PMLFTR Regulations, all appointed authorised financial intermediaries are under a duty to communicate to the CSD, all information including customer due diligence data about clients as is required under the Implementing Procedures issued by the Financial Intelligence and Analysis Unit in view of its placing of reliance on the said intermediaries under the said Regulations and Articles 1.2(d) and 2.4 of the "Members' Code of Conduct" appended as Appendix 3.6 to Chapter 3 of the MSE Bye-Laws, irrespective of whether the said appointed authorised financial intermediaries are MSE members or not. Such information shall be held, recorded and controlled by the MSE in terms of the said PMLFTR Regulations, GDPR and the Data Protection Act (Chapter 586 of the laws of Malta) for the purposes and within the terms of the MSE Data Protection Policy as published from time to time.
- (q) Applications in the name of a corporation or corporate entity or association of persons need to include a valid Legal Entity Identifier ("LEI") in the space provided on the Application Form. Failure to include a valid LEI code will result in the Application being cancelled by the Issuer acting through the Placement Agent and Manager and subscription monies will be returned to the Applicant in accordance with Section 21(r) below.
- (r) In the event that an Applicant fails to submit full information and/or documentation required with respect to an Application, the Applicant shall receive a full refund, without interest, by direct credit transfer to such account indicated in the Application Form at any time before the Bonds are admitted to the Prospects MTF List. The Issuer shall not be responsible for any charges, loss or delay arising in connection with such credit transfer.
- (s) By completing and delivering an Application Form, the Applicant:
 - (i) agrees and acknowledges to have had the opportunity to read the Admission Document and to be deemed to have had notice of all information and representations concerning the Issuer, 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.
 - (iii) authorises the Placement Agent and Manager 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 GDPR and Data Protection Act (Chapter 586 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 Admission Document. The requests must further be signed by the Applicant to whom the personal data relates:
 - (iv) confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer or the issue of the Bonds other than what is contained in the Admission Document and, accordingly, agree/s that no person responsible solely or jointly for the Document or any part thereof will have any liability for any such other information or representation;
 - 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 PMLFTR Regulations, and that such monies will not bear interest;
 - (vi) agrees to provide the Placement Agent and Manager 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 Corporate Advisor 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 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 all documents in connection with the issue of the Bonds and any returned monies, including refunds of all unapplied Application monies, if any, will be sent at the Applicant's own risk and may be sent, in the case of documents, by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as set out in the Application Form and in the case of monies by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form;
- (xi) 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;
- (xii) irrevocably offers to purchase the number of Bonds specified in his/her/its Application Form (or any smaller number for which the Application is accepted) at the Bond Issue Price subject to the Admission Document, the terms and conditions thereof and the Memorandum and Articles of Association of the Issuer;
- (xiii) 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 and Manager (which acceptance shall be made in the absolute discretion of the Issuer and/or the Placement Agent and Manager and may be on the basis that the Issuer and/or the Placement Agent and Manager 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 and Manager of such late payment in respect of such Bonds, the Issuer and/or the Placement Agent and Manager 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);
- (xiv) 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;
- (xv) 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;
- (xvi) 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;



- (xvii) 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
- (xviii) agrees that, in all cases, any refund of unallocated Application monies, if any, will be sent to the Applicant by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form. No interest shall be due on refunds. The Issuer shall not be responsible for any 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.

22 TAXATION

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. This information does not constitute legal or tax advice and does not purport to be exhaustive.

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

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

22.1 Malta Tax on Interest

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 (Chapter 123 of the laws of Malta), interest shall be paid to such person net of a final withholding tax, currently at the rate of 15% of the gross amount of the interest, pursuant to article 33 of the said Income Tax Act. Interest payments made to Prescribed Funds will be subject to a final withholding tax at the rate of 10%. 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. For the purpose of the above, a "recipient" is generally a person who is resident in Malta during the year in which investment income is payable to him or other persons or entities acting on behalf of such resident person or a trustee or foundation pursuant to or by virtue of which any money or other property whatsoever shall be paid or applied to or for the benefit of such resident persons.

This withholding tax is considered as a final tax and a Maltese resident individual Bondholder may not declare the interest so received in his income tax return. No person shall be charged to further tax in respect of such income.

In the case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his income tax return and be subject to tax on it at the progressive rate/s applicable to that person at that time. The Issuer is required to provide an account to the Commissioner for Revenue of all payments of interest made during any year, whether tax is deducted or otherwise. The annual account shall include details of the recipient's name, address and the income tax registration number as well as the amount of interest paid, and the tax deducted, where applicable, by the Issuer to the recipient during that year. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

In terms of article 12(1)(c) of the Income Tax Act, Bondholders who are not resident in Malta satisfying the applicable conditions set out in the Income Tax Act are not taxable in Malta on the interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

22.2 Foreign Account Tax Compliance Act

The United States has enacted rules, commonly referred to as "FATCA", that generally impose a new 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 United States has entered into an intergovernmental agreement with Malta dated 6 December 2013 regarding the implementation of FATCA with Malta. 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 also may 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 Admission Document and therefore the Issuer has no responsibility for any amount thereafter transmitted through the payment chain.

FATCA requires participating financial institutions to satisfy applicable due diligence and reporting requirements in terms of the inter-governmental 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 particularly complex. Each Bondholder should consult his own tax advisor to obtain a more detailed explanation of FATCA and to learn how it might affect such holder in his specific circumstance.

Directive on Administrative Cooperation in the Field of Taxation The Council of the European Union has adopted Directive 2014/107/EU amending Directive 2011/16/EU on administrative cooperation in the field of taxation so as to introduce an extended automatic exchange of information regime that implements the OECD measures known as the "Common Reporting Standard". Member States have been required to exchange information pursuant to this Directive since 30 September 2017 (subject to deferral under transitional rules in the case of Austria) are required to begin exchanging information pursuant to this Directive no later than 30 September, 2017 (subject to deferral under transitional rules in the case of Austria).

Malta has transposed Directive 2014/107/EU into national law by means of Legal Notice 384 of 2015 amending the Cooperation with Other Jurisdictions on Tax Matters Regulations. In terms of this legal notice, the automatic exchange of information obligations extends also to jurisdictions that are not EU Member States with which there is a relevant arrangement in place.

In consequence, financial institutions of an EU Member State and of participating jurisdictions will be required to report to their respective tax authorities certain financial account information in respect of account holders (and in some cases, beneficial holders), that are residents of another EU Member State or of a participating jurisdiction in order to be exchanged automatically with the tax authorities of the other EU Member States or participating jurisdictions. Financial account information in respect of holders of the Bonds could fall within the scope of EU Directive 2014/107/EU and this may therefore be subject to reporting obligations.

22.3 Malta Capital Gains Taxation on Transfer of Bonds

To the extent that the Bonds do not fall within the definition of "securities" in terms of article 5(1)(b) of the Income Tax Act, that is, "shares and stocks and such like instruments that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return", no Malta tax on capital gains should be chargeable in respect of transfers of Bonds held as capital assets at the time of disposal.

22.4 Duty on documents and transfers

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

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

22.5 Tax Status of the Issuer and the Guarantor

The Issuer and the Guarantor are subject to tax in Malta at the standard corporate tax rate, which currently stands at 35%. Income from foreign sources received (including capital gains, dividends, interest and any other income) is also subject to tax in Malta at the rate of 35% subject to claiming relief for double taxation in terms of the provisions of the Income Tax Act (Chapter 123 of the laws of Malta).



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 BOND 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.

23 GOVERNING LAW AND JURISDICTION

The Bonds are governed by and shall be construed in accordance with Maltese law. Any legal action, suit or proceedings against the Issuer arising out of or in connection with the Bonds, the Guarantee and/or the Admission Document shall be brought exclusively before the Maltese court

24 **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.

25 **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents or certified copies thereof, where applicable, are available for inspection at the registered office of the Issuer during the term of the Bond Issue during office hours:

- (a) The Memorandum and Articles of Association of each of the Issuer and the Guarantor;
- (b) The Escrow Agreement;
- (c) The Guarantee;
- (d) The Emphyteutical Deed;
- (e) The Deeds of Modification;
- (f) The *proforma* financial statements of the Issuer Group for the financial years ended 31 December 2019 and 31 December 2020;
- (g) The audited consolidated financial statements of the Issuer Group for the financial year ended 31 December 2020:
- (h) The interim financial statements of the Issuer Group for the period ended 30 June 2021;
- (i) The standalone audited financial statements of the Guarantor, Vision Opticians and Class Optical for the financial years ended 31 December 2019 and 30 December 2020;
- (j) The Loan Agreement between the Issuer and the Guarantor;
- (k) The insurance policies on the Property required to be maintained by the Guarantor pursuant to the Deed of Emphyteusis; and
- (I) Accountant's Report on the Reconciliation of GAPSME and IFRS.



Schedule 1 GUARANTEE

Guarantee Undertaking (the "Guarantee" or "Undertaking") dated 19 January 2022

Issued by:

Class Optical Manufacturing Limited, a limited liability company registered under the laws of Malta with company registration number C 6387 and with registered office situated at UBT 13/14, San Gwann Industrial Estate, San Gwann SGN 3000, Malta (the **Guarantor**).

To:

The Holders of the 4.9% 2032 Unsecured Bonds issued by Class Finance plc

Pursuant to a Company Admission Document Dated 19 January 2022

Reference is made to the issue of up to €3million Unsecured Bonds 2032 by Class Finance plc, a company registered in Malta bearing company registration number C 94741 (the "Issuer") pursuant to and subject to the terms and conditions contained in the Company Admission Document dated 19 January 2022 (the "Bonds").

NOW THEREFORE BY VIRTUE HEREOF

We, Class Optical Manufacturing Limited (C 6387), hereby stand surety jointly and severally with the Issuer in favour of the Bondholders and irrevocably and unconditionally guarantee to the Bondholders the due and punctual performance of all the obligations undertaken by the Issuer under the Bonds (the "Secured Obligations"), on the terms set out in this Guarantee.

1. DEFINITIONS

- (a) In this Undertaking, unless otherwise defined, the definitions contained in the CAD, as the same may be updated from time to time, shall bear the same meaning herein.
- (b) Any reference to the Issuer and/or the Guarantor includes a reference to its/their duly authorised delegates.
- (c) References to Clauses or Recitals are references to clauses or recitals of this Undertaking.
- (d) The headings to the clauses of this Guarantee are for convenience only and shall not affect the construction or interpretation hereof.
- (e) In this Agreement, unless the context otherwise requires, any reference to the singular shall include the plural and vice versa, the use of the masculine pronoun shall include the feminine, the use of the neutral pronoun shall include the masculine or the feminine as the case may be and any reference to any Statute, Law or Regulation having the force of Law or any section thereof includes reference to any modification thereto or reenactment of such Statute, Law or Regulation having the force of Law for the time being in force.

1



2. GUARANTEE

- (a) The Guarantor hereby stands surety jointly and severally with the Issuer and irrevocably and unconditionally guarantees the Secured Obligations and further covenants 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 detailed in the CAD as and when the same shall become due under any of the foregoing, the Guarantor will pay to such Bondholder on written demand the amount payable by the Issuer to such Bondholder. All demands shall be sent to the registered office of the Guarantor.
- (b) With the exception of any withholding tax due by a Bondholder pursuant to article 33 of the said Income Tax Act, Cap 123 of the laws of Malta, all payments shall be made to Bondholders without any withholding for taxes (and in so far as this obligation exists under any law the payment shall be grossed up by the amount of withholding), and without set-off for any amounts which may be then owing to the Guarantor by the Issuer.
- (c) This is a continuing Guarantee for the whole amount due or owing under the Bonds or which may hereafter at any time become due or owing under the Bonds by the Issuer, but the amount due by the Guarantor to the Bondholders under this Guarantee shall be up to and shall not be in excess of €3,000,000 (three million Euro), plus interest due up to the date of payment and costs and expenses relating to the protection, preservation, collection or enforcement of the Bondholders' rights against the Issuer and/or the Guarantor.

3. CONTINUING LIABILITY

- (a) The liability of the Guarantor under this Guarantee shall be continuing until such time as the Secured Obligations are satisfied in full and shall in no way be prejudiced or affected, nor shall it in any way be discharged or reduced, by reason of:
 - (i) the bankruptcy, insolvency or winding up of the Issuer; or
 - (ii) the incapacity or disability of the Issuer; or
 - (iii) any change in the name, style, constitution, any amalgamation or reconstruction of either the Issuer or the Guarantor;
 - (iv) a Bondholder conceding any time or indulgence, or compounding with, discharging, releasing or varying the liability of the Issuer or renewing, determining, reducing, varying or increasing any accommodation or transaction or otherwise dealing with the Issuer in any manner whatsoever or concurring in, accepting or in any way varying any compromise, composition, arrangement or settlement or omitting to claim or enforce or extract payment from the Issuer; or
 - (v) any event, act or omission that might operate to exonerate the Guarantor without settlement in full of the Secured Obligations towards the relevant Bondholder.

4. INDEMNITY

(a) As a separate and alternative stipulation, the Guarantor unconditionally and irrevocably agrees that any Secured Obligations payable by the Issuer but which is for any reason (whether or not now known or becoming known to the Issuer, the Guarantor or any Bondholder) not recoverable from the Guarantor, 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.

2



(b) This indemnity constitutes /a separate and independent obligation from the other obligations in this Guarantee and gives rise to a separate and independent cause of action.

5. REPRESENTATIONS AND WARRANTIES

- (a) The Guarantor hereby represents and warrants in favour of the Bondholders that, for the duration of the Guarantee:
 - it is duly incorporated and validly registered under the laws of Malta and has the power to carry on their 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 this Guarantee:
 - (iii) all necessary corporate action has been duly taken to authorise the execution, delivery and performance of the same;
 - (iv) this Guarantee constitutes its legally valid and binding obligations;
 - the execution of the Guarantee and the performance of the Guarantor's obligations hereunder do not
 - ((a)) contravene any existing applicable law, statute, rule or regulation or any judgment, decree or permit to which the Guarantor is subject,
 - ((b)) conflict with, or result in any breach of any terms of, or constitute an event of default or acceleration event under any bond or other instrument to which the Guarantor is a party or is subject or by which it or its property is bound;
 - ((c)) contravene any provisions of the Guarantor's memorandum and articles of association;
 - (vi) no litigation, arbitration or administrative proceedings are pending or, to the knowledge of the Guarantor, threatened against the Guarantor which could have a material adverse effect on their business, assets or financial condition;

6. SUBROGATION

(a) Until all amounts which may be payable under the terms of the Bonds have been irrevocably paid in full, the Guarantor 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.

7. BENEFIT

- (a) This Guarantee is immediately binding upon the Guarantor in favour of the Bondholders.
- (b) The Guarantor shall not be entitled to assign or transfer any of its obligations under this same Guarantee.

8. APPLICABLE LAW & JURISDICTION

(a) This Guarantee is governed by and shall be construed in accordance with Maltese Law.

3



Any dispute, controversy or claim arising out of or relating to this Guarantee or as to the interpretation, validity, performance or breach thereof shall be brought exclusively before the Maltese courts. Signature: Name and Surname: Robert Tua & Cyril Gabarretta For and on behalf of Class Optical Manufacturing Limited

Schedule 2 APPLICATION FORM

CLASSFINANCE

Class Finance plc €3,000,000 4.9% Unsecured Bonds 2032 Application Form

| | Please read the notes overleaf b | efore com | pleting this | Applica | tion Form. | Mark 'X' whe | re appli | cable. | | | | |
|---|---|-------------------|---------------------|---------------|-------------------|--------------------|---------------|----------|----------------|---------------------|-----------------------------------|----------------|
| Α | APPLICANT (see notes 2 to 7) | | **I | 4.01 | | □ Rody | Corporat | to/ | | etc p | - th - d for d | |
| | Non-Resident | , | Minor (und | | | ☐ Body | of Perso | | | CIS-Pres | cribed Fund | |
| В | TITLE (Mr/Mrs/Ms/) FULL NAME AND SURNAME / REGISTERED NAME | | | | | | | | | | | |
| | ADDRESS | | | | | | | | | | | |
| | | | | | | | | | | POST CODE | | |
| | MSE A/C NO. (mandatory) | I.D. CARD | / PASSPORT | / COMPA | NY REG. NO. | | DOCUM | MENT T | YPE | COUNTRY O | FISSUE | |
| | LEI (Legal Entity Identifier (if applican | t if NOT an inc | dividual) | | DATE OF B | IRTH | NATIO | NALITY | | MOBILE NUI | ИBER | |
| | REGISTER FOR E-PORTFOLIO | (mobile num | ber is mandator | ry for e-por | tfolio registrat | ion) | | | | | | |
| c | ADDITIONAL (JOINT) APPLICANT TITLE (Mr/Mrs/Ms/) | | e 3) 1E & SURNAN | ИE | | | | (pleas | se use Addendi | I.D. CARD / I | Form if space is i PASSPORT NO | |
| | DOCUMENT TYPE | COUNTRY | OF ISSUE | | | DATE OF | BIRTH | | | NATIONALIT | Υ | |
| D | DECISION MAKER/MINOR'S PAR | RENTS/LEG | AL GUARDI | AN(S) (se | ee notes 4 a | nd 7) | | | | (to be | completed ONLY | if applicable) |
| | TITLE (Mr/Mrs/Ms/) | FULL NAM | IE & SURNAN | ΛE | | | | | | I.D. CARD / I | ASSPORT NO | |
| | DOCUMENT TYPE | COUNTRY | OF ISSUE | | | DATE OF | BIRTH | | | NATIONALIT | Υ | |
| | TITLE (Mr/Mrs/Ms/) | FULL NAM | ME & SURNAN | ΛE | | | | | | I.D. CARD / I | PASSPORT NO | |
| | DOCUMENT TYPE | COUNTRY | OF ISSUE | | | DATE OF | BIRTH | | | NATIONALIT | Υ | |
| E | I/WE APPLY TO PURCHASE AND | ACQUIRE | (see note 8) | | | | | | | | | |
| | AMOUNT IN FIGURES € | |] [| AMOUNT | IN WORDS | | | | | | | |
| | Class Finance plc 4.9% Unsecured B defined in the Company Admission I | Document d | ated 19 Janua | ary 2022 (| | | | | | | | |
| F | the Bonds as set out in the Admission RESIDENT - WITHHOLDING TAX | | | | | | | | (to be comple | ted ONLY if the Ap | plicant is a resid | lent of Malta) |
| | I/We elect to receive interest | t NET of FW | т | | | I/We e | lect to re | ceive i | nterest GROS | S (i.e. without | FWT) | |
| G | NON-RESIDENT - DECLARATION | FOR TAX F | PURPOSES (| see note | 12) | | | | (to be co | mpleted ONLY if th | e Applicant is a | non-resident) |
| | TAX COUNTRY | | | | | CITY OF BIRT | | | | | | |
| | T.I.N. (Tax Identification Number) | | | | | COUNTRY O | | | | | | |
| | NOT resident in Malta but res | | | | | Not | resident i | in Malta | a and NOT re | sident in the Eu | - | |
| н | INTEREST, REFUND AND REDEM | IPTION MA IBAN | NDATE (see | notes 1 | 1 and 12) | | | | | (completion | of this panel is N | MANDATORY) |
| | | | | | | | | | | | | |
| | I/We have fully understood the inst Document, and subject to its Terms | | | | | | | | ication solely | on the basis of | the Admissio | n |
| | I/We hereby authorise the Company to | | | | | | | | | | | |
| | portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MiFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided. | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | Signature/s of Applicant/s | | | | | | | | Date | | | |
| | (Parent/s or legal guardian/s are/is to sign are subject to usufruct) | if Applicant i | s a minor) (All p | parties are t | to sign in the ca | ase of a joint App | olication) (i | Bare ow | ner/s and usuf | ructuary/les to sig | n in the case of | holdings that |
| Ì | AUTHORISED INTERMEDIARY'S | STAMP | Al | UTHORIS | ED INTERN | 1EDIARY'S CO | DDE |] [| | APPLICATIO | N NUMBER | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |



Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Admission Document dated 19 January 2022 regulating the Bond Issue

- This Application is governed by the Terms and Conditions of Application contained in section 21 of the Admission Document dated 29 January 2022. Capitalised
 terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Admission Document.
- The Application Form is to be completed in BLOCK LETTERS. 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.
- 3. 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 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 6 below). Applications by more than two persons are to use the Addendum to the Application Form.
 - Upon submission of an Application Form, Bondholders who opt to have an online e-portfolio facility (by marking the relative box in Panel B), will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for the e-Portfolio facility requires a mobile number to be provided on the Application Form. The Bondholder's statement of holdings evidencing entitlement to 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/. Further detail on the e-portfolio may be found on https://eportfolio.borzamalta.com.mt/helo.
- 4. Applications in the name and for the benefit of minors shall be allowed provided that the applicant already holds an account on the MSE. 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. Panel D must be inserted with full details of the parents/legal guardians.
- 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. A valid Legal Entity identifier
 ("LEI") needs to be inserted in Panel B. Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar. Applications must be
 signed by duly authorised representatives indicating the capacity in which they are signing.
- 6. APPLICANTS ARE TO INSERT AN MSE ACCOUNT NUMBER IN THE SPACE PROVIDED IN PANEL B, AND FAILURE TO DO SO WILL RESULT IN REJECTION OF THE APPLICATION FORM. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, 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 AFFECTED.
- Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "decision maker") such as an individual that holds a power
 of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in Panel D.
- Applications must be for a minimum subscription of €2,000 and thereafter in multiples of €100 and must be accompanied by the relevant subscription amount in
 Furn.
- 9. 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 13%, 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. The issuer will render an account to the Maltese Commissioner for Revenue of all interest paid, all amounts of tax deducted by the payor in respect of the interest paid and of the identity of all such recipients. 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 front (having indicated their status in the appropriate box in Panel A) will have final withholding tax (currently 13%). deducted from interest payments.
 - In terms of section 23 of the Admission Document, unless the issuer is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act (Cap. 123 of the laws of Malta), interest shall be paid to such person net of final withholding tax, (currently 13%) of the pross amount of interest, pursuant to article 33 of the Income Tax Act (Cap. 123 of the laws of Malta).
- 10. 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 2011/10/EU as regards mandatory automatic exchange of information in the field of taxation. The contents of Notes 9 and 10 above do not constitute tax advice by the issuer and Applicants are to consult their own independent tax advisors in case of doubt.
- 11. 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.
- 12. The Issue Period will open at 08:30 hours on 20 January 2022 and will close at 12:00 hours on 9 February 2022, or earlier in case of over-subscription. Completed Application Forms are to be delivered to the Placement Agent during regular office hours. Remittances by post are made at the risk of the Applicant and the Company disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists. 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 equivalent to the number of Bonds not being accepted will be returned by direct credit into the IBAN specified in Panel H.
- 13. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
 - a. the Issuer or Its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Application Form in
 accordance with the Data Protection Act (Cap. 386 of the laws of Malta) and the General Data Protection Regulation (GDPR)(EU) 2010/079 as amended from
 time to time:
 - 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.



Schedule 3 PROFORMA CONSOLIDATED FINANCIAL STATEMENTS & ACCOUNTANTS' REPORT



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info@griffithsassoc.com Level I, Casal Naxaro, Labour Avenue, Naxxar, Malta

The Directors Class Finance p.l.c. UBT 13/14 San Gwann Industrial Estate San Gwann Malta

28th December 2021

Accountant's report on the consolidated pro forma profit or loss and consolidated statement of financial position of Class Finance p.l.c.

We report on the consolidated pro forma statement of profit or loss and consolidated statement of financial position of Class Finance p.l.c. for the year ended 31 December 2020, included in Appendix A.

The Group's – which includes Class Finance p.l.c., Class Optical Ltd, Class Optical Manufacturing Ltd and Vision Opticians Ltd – consolidated financial statements have been prepared using the General Accounting Principle for Small and Medium-Sized Entities Regulations (GAPSME) as set out by subsidiary legislation 5 of Chapter 281 of the Laws of Malta.

The consolidated pro forma statement of profit or loss and consolidated statement of financial position have been prepared by the directors on the assumption that the International Financial Reporting Standards (IFRS) as adopted by the European Union have been applied for the year ended 31st December 2020.

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Directors' responsibility

The Directors of Class Finance p.l.c. ("the Directors") are responsible for the preparation of the pro forma financial information, together with the material assumptions upon which they are based, in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union. This requirement emanates from the Prospects MTF Rules 4.01.01.01.b2, which oblige companies that previously reported under a different generally accepted accounting principles such as GAPSME, to prepare financial statements in line with IFRS as adopted by the European Union for current and future reporting.

Accountant's responsibility

Our responsibility is to express an opinion on the proper compilation of the consolidated pro forma profit or loss and consolidated statement of financial position in so far as the application of the underlying accounting policies and accuracy of calculations are concerned.

We are not responsible for updating or reissuing any reports or opinions on any financial information used in compiling the pro forma financial information. In addition, we have not performed an audit or review of the pro forma financial information and, accordingly, we do not express an opinion on the pro forma financial information.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered as a result of or in connection with our statement, required by and given solely for the purposes of complying with the above-mentioned Prospects MTF Rules.

Basis of opinion







We have conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information in a Prospectus, issued by the International Auditing and Assurance Standard Board. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the Directors have applied the process to compile the proforma financial information in accordance with the International Financial Reporting Standards as adopted by European Union.

Our work included an evaluation of the procedures undertaken by the Directors as to the proper compilation of the proforma financial information, in so far as they have been properly compiled on the basis stated and that the basis of accounting used for their compilation is consistent with IFRSs as adopted by the European Union.

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

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

Opinion

In our opinion, the consolidated pro forma statement of profit or loss and consolidated statement of financial position have been properly compiled according to the International Audited and Assurance Standards Board and the accounting used is consistent with IFRS as adopted by the European Union.











APPENDIX A

CLASS FINANCE P.L.C.

Consolidated statement of financial position as at 31st December 2020

| | GAPSME 2020 Euro | IFRS 2020 Euro |
|-------------------------------|------------------------|----------------------|
| Assets | | |
| Non-Current Assets | | |
| Right-of-use assets | - | 2,383,099 |
| Property, plant and equipment | 633,471 | 633,471 |
| Investments in associate | 17,268 | 17,268 |
| | 650,739 | 3,033,838 |
| Current Assets | | |
| Inventories | 2,156,630 | 2,156,630 |
| Trade and other receivables | 3,456,832 | 3,445,157 |
| Cash and bank balances | 638,069 | 638,069 |
| | 6,251,531 | 6,239,856 |
| Total Assets | 6,902,270 | 9,273,694 |
| | | |
| Equity and Liabilities | | |
| Capital and reserves | | |
| Share capital | 373,400 | 373,400 |
| Other reserves | 4,246,322 | 4,246,322 |
| Retained earnings | 242,981 | 155,784 |
| Minority interest | (12,235) | (12,235) |
| | 4,850,468 | 4,763,271 |
| Non-Current Liabilities | | |
| Loans and other borrowings | 240,861 | 240,861 |
| | | |

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| G. Mar. Companiants | | |
|------------------------------|-----------|-----------|
| Deferred tax liability | 44,343 | 44,343 |
| | 285,204 | 2,599,939 |
| Current Liabilities | | |
| Borrowings | 91,174 | 91,174 |
| Trade and other payables | 1,639,070 | 1,639,070 |
| Current tax liability | 36,354 | 36,354 |
| Lease Liability | | 143,886 |
| | 1,766,598 | 1,910,484 |
| Total Equity and Liabilities | 6,902,270 | 9,273,694 |
| | | |

The IFRS statement of financial position is based on the Issuer's consolidated financial position as at 31st December 2020 prepared under the GAPSME framework adjusted to reflect the effect of the difference between the IFRS and GAPSME frameworks as follows:

The application of IFRS 16 - Lease instead of Section 14 - Lease of the GAPSME rules.

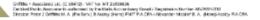
IFRS 16 eliminated the distinction between operating and finance lease for the lessees and are required to include lease liabilities which reflect the future lease payment and the "right of use model".

In applying IFRS 16, the Group applied the simplified transitional method for the transition, meaning that no adjustment for comparative figures is carried out and comparison figures for FY2019 have not been restated. The reclassification and adjustments that arise because of adoption of the new lease rules are therefore recognised in the opening balance for the financial year commencing $\mathbf{1}^{\text{st}}$ January 2020.

The Group's leases consist mainly of the factory and retail outlets. Excluded from application of IFRS 16 are short-term leases which have a lease term of 12 months or less and leases of low-value assets.

Due to the adoption of IFRS 16 the Group's assets and liabilities increased initially by Eur 2.5 million. The increase of assets corresponds to the value of the lease liability at the start of the financial year and any prepaid lease payments made before 1st January 2020.

Lease liabilities were measured at the present value of the lease payment that are not paid as at 1st January 2020 and discounted by the incremental borrowing rate of 5.4%.







Following the initial recognition, the right-of-use assets have been depreciated on a straight-line basis over the lease term, while lease liabilities have been amortised using the effective interest method.

Under GAPSME framework, all Group leases were classified as operating lease as risk and rewards of the ownership of the assets were not transferred to the Issuer. Payments made under operating leases are chargeable to the statement of Profit or Loss on a straight-line basis over the period of the lease.

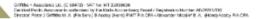
The application of IFRS 9 - Financial Instruments instead of Section 9 - Financial assets, financial liabilities and equity of the GAPSME rules.

IFRS 9 introduced the concept of the expected credit loss model. The expected credit loss model requires the Group to measure impairment allowance for all financial instruments from the time the asset is originated, based on the deterioration of credit risk since initial recognition.

In applying IFRS 9, the Group did not restate prior period amounts. Any difference between prior year carrying amount and those determined by IFRS 9 at the date of initial application were included in opening retained earnings.

The expected credit model is implemented for the trade receivables. For trade receivables, the Group measure impairment losses using the simplified approach. The expected credit losses on these financial assets are estimated by grouping together trade receivable based on the credit risk characteristics and credit days which are due.

Under GAPSME framework, the Group recognise impairment on financial instruments when there is objective evidence of impairment because of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.







CLASS FINANCE P.L.C.

Proforma Consolidated profit or loss for the year ending 31st December 2020

| | As reported under GAPSME Eur '000 | 1 | 2 | 3 | 4 | As per IFRSs Eur '000 |
|--------------------|--------------------------------------|--------|----------|-------|------|--------------------------|
| Revenue | 7,635 | | | | | 7,635 |
| Direct costs | (4,287) | 9 | | | | (4,278) |
| Gross Profit | 3,348 | 9 | | | | 3,357 |
| Other Income | 192 | | | | | 192 |
| Direct overheads | (1,119) | 208 | | | | (911) |
| Indirect overheads | (1,166) | 200 | | | (20) | (1,186) |
| EBITDA | 1,255 | 217 | | | | 1,452 |
| Depreciation | (167) | | (194) | | | (361) |
| Finance costs | (8) | | | (138) | | (146) |
| Finance income | | | | | | 2 |
| Profit before tax | 1,080 | 217 | (194) | (138) | | 945 |
| Taxation | (382) | 34768k | \$55(00) | 15574 | | (382) |
| Profit after tax | 698 | 217 | (194) | (138) | (20) | 563 |

The following is a description of the IFRS adjustments made to the results under GAPSME of Class Finance p.l.c.'s, consolidated profit or loss for the financial year ended 31 December 2020

- 1) Being removal of lease entries as per section 14 of GAPSME rules
- 2) Being deprecation on right-of-use assets
- 3) Being financial expense on lease liability
- 4) Being Impairment on Trade Receivables

Office - Associants Ltd. (C. 984/2) - WFT Ass. MT 20020629. Servicel Productionals - authorized by the Moto Associationary Departs Department Number ASSOCIATIO



Schedule 4 Consolidated Forecast Information & Accountants Report



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info@griffithsassoc.com Level 1, Casal Naxaro, Labour Avenue, Naxxar, Malta

Class Finance plc

UBT 13/14, San Gwann Industrial Estate,

San Gwann SGN 3000, Malta

Dear Sirs,

We report on the *proforma* consolidated statement of financial position and proforma consolidated income statement ("the Financial Information") of Class Optical Manufacturing Ltd, Class Optical Ltd and Vision Opticians Ltd (the "Companies") for the two financial years ending 31 December 2019 and 2020 (FY19 and FY20) as per Annex A. The proforma Financial Information are based on the audited financial statements of the Companies for the years ended 31 December 2019 and 2020.

Basis of Preparation

The Issuer was incorporated on the 30th January 2020 and acquired the ownership of the Guarantor, Vision Opticians Ltd and Class Optical Ltd on the 26th February 2020 (the Restructuring).

The Proforma financial information has been prepared for illustrative purposes only, to show the consolidated financial statements of the Issuer Group as if the Restructuring took place prior to the Issuer being incorporated.

The Proforma financial information comprises of a Proforma consolidated income statement for the financial years ended 31 December 2019 and 31 December 2020, and statement of financial position for the financial year ended 31 December 2019.

The Proforma financial information has been prepared by reference to the audited financial statements of the Guarantor, Vision Opticians and Class Optical as at 31 December 2019 and 31 December 2020. The Proforma financial information provides a clear indication of the historical financial situation of Issuer Group in view that the Issuer Group will be mainly performing the same activities of the Guarantor, Vision Opticians and Class Optical.

Because of its nature, the Proforma financial information does not represent the Issuer Group's actual financial position. The Proforma financial information is not intended to, and does not, provide all the information and disclosures necessary to give a true and fair view of the results of the operations and the financial position of the Issuer Group.

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Directors' responsibilities for the proforma financial information

The Directors are responsible for compiling the Proforma Consolidated Financial Information.

Accountant's responsibility

It is our responsibility to express an opinion about whether the Proforma financial information has been compiled, in so far as the application of the underlying assumptions and accounting policies and accuracy of calculations are concerned, and to report that opinion to you.

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

Basis of Opinion

We have examined the basis of compilation of the accompanying *Proforma Consolidated* Financial Information of the Company for the two years ending 31 December 2019 and 2020 in accordance with ISAE 3000 "Assurance Engagements Other than Audits and Reviews of Historical Financial Information". Our work included evaluating the basis on which the financial information included in the *proforma* had been prepared and considering whether the *profroma* has been accurately computed based upon the disclosed assumptions and accounting policies of the Company.

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

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

The Proforma Consolidated Financial Information is not intended to and does not provide all the information and disclosures necessary to give a true and fair view of the results of the operations and the financial position of the Issuer in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs).







Opinion

In our opinion, the proforma consolidated financial information has been properly compiled in the basis stated and the basis of accounting used is consistent with the accounting policies to be adopted by Class Finance p.l.c.

Alexander Micallef as director in the name and on behalf of

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in the name and on behalf or Griffiths + Associates Ltd Level 1, Casal Naxaro, Labour Avenue, Naxar, NXR9021, Malta 28th December 2021

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ANNEX A

Consolidated Income Statement

| | Proforma* FY2019 €'000 | Proforma** FY2020 €'000 |
|--------------------|------------------------------|-------------------------|
| Revenue | 8,256 | 7,635 |
| Cost of Sales | (4,548) | (4,287) |
| Gross Profit | 3,707 | 3,347 |
| Other Income | 214 | 192 |
| Direct Overheads | (1,590) | (1,119) |
| Indirect Overheads | (1,241) | (1,166) |
| EBITDA | 1,091 | 1,254 |
| Depreciation | (163) | (167) |
| Finance Costs | 51 | (8) |
| Profit before Tax | 929 | 1,079 |
| Taxation | (325) | (382) |
| Profit after Tax | 604 | 697 |
| % Gross Profit | | |
| margin | 44.9% | 43.8% |
| % EBITDA marain | 13.2% | 16.4% |

[%] EBITDA margin % PBT margin 11.2% 14.1%



^{*}Proforma Consolidated Financial Statements for the period 1 January 2019 to 31 December 2019 were prepared using GAPSME.

^{**}Proforma Consolidated Financial Statements for the period 1 January 2020 to 31 December 2020 were prepared using IFRS



| | Proforma* FY2019 €'000 | Proforma** 2020 €'000 |
|------------------------------|------------------------------|-----------------------|
| ASSETS | | |
| Non-Current Assets | | |
| Property, Plant & Equipment | 743 | 633 |
| Investment in Joint Ventures | 17 | 17 |
| Total Non-Current Assets | 760 | 651 |
| Current Assets | | |
| Inventory | 2,588 | 2,157 |
| Receivables | 3,233 | 3,457 |
| Bank & Cash | 211 | 638 |
| Total Current Assets | 6,031 | 6,252 |
| TOTAL ASSETS | 6,791 | 6,902 |
| EQUITY & LIABILITIES | | |
| Equity | | |
| Share Capital | 362 | 373 |
| Reserves | 4,186 | 4,477 |
| Total Equity | 4,548 | 4,850 |
| Long Term Liabilities | | |
| Bank Loans | 15 | 241 |
| Deferred Tax | 73 | 44 |
| Total Long-Term Liabilities | 88 | 285 |
| Current Liabilities | | |
| Payables | 1,856 | 1,639 |
| Current Tax | 213 | 36 |
| Bank Loans | 86 | 91 |
| Total Current Liabilities | 2,155 | 1,76 |
| TOTAL EQUITY & LIABILITIES | 6,791 | 6,902 |

^{*}Proforma Consolidated Financial Statements for the period 1 January 2019 to 31 December 2019 were prepared using GAPSME.

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^{**}Proforma Consolidated Financial Statements for the period 1 January 2020 to 31 December 2020 were prepared using IFRS

Schedule 5 ACCOUNTANT'S REPORT ON THE RECONCILIATION OF GAPSME AND IFRS



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Level 1, Casal Naxaro, Labour Avenue, Naxxar, Malta

Class Finance plc

UBT 13/14, San Gwann Industrial Estate,

San Gwann SGN 3000, Malta

Dear Sirs,

<u>Independent Accountant's Report on the compilation of forecast financial information for Class Finance plc.</u>

We report on the forecast statement of financial position, forecast income statement and forecast cash flow statement ("the Forecast Financial Information") of Class Finance plc (the "Company") for the four financial years ending 31 December 2021, 2022, 2023 and 2024 (FY21, FY22, FY23 and FY24). The Forecast Financial Information, the basis of preparation and the material assumptions upon which the forecasts are based, are set out in the "Summary of significant assumptions and accounting policies".

This report is required in terms of Appendix 4.7 (4) in the Prospects MTF Rules issued by the Malta Stock Exchange dated October 2021 and is given for the purpose of complying with that regulation and for no other purpose.

Directors' responsibilities for the forecast financial information

It is the responsibility of the Directors of the Company ("the **Directors**") to prepare the Forecast Financial Information and the assumptions upon which it is based, as set out in the "Summary of significant assumptions and accounting policies" in Schedule 4 of the Company's Admission Document, in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union.

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Accountant's responsibility

It is our responsibility to form an opinion as required by Appendix 4.7 (4) in the Prospects MTF Rules as issued by the Malta Stock Exchange as to the proper compilation of the Forecast Financial Information, in so far as the application of the underlying assumptions and accounting policies and accuracy of calculations are concerned, and to report that opinion to you.

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

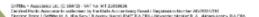
Basis of Opinion

We have examined the basis of compilation and material assumptions of the accompanying Forecast Financial Information of the Company for the years ending 31 December 2021, 2022, 2023 and 2024 in accordance with ISAE 3000 "Assurance Engagements Other than Audits and Reviews of Historical Financial Information". Our work included evaluating the basis on which the financial information included in the forecast has been prepared and considering whether the Forecast Financial Information has been accurately computed based upon the disclosed assumptions and the accounting policies of the Company.

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

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

The Forecast Financial Information is not intended to, and does not provide all the information and disclosures necessary to give a true and fair view of the results of the operations and the financial position of the Issuer in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs).







Since the Forecast Financial Information and the stated assumptions related to the future and may therefore be affected by unforeseen events, we express no opinion as to whether the actual results reported will correspond to those shown in the Forecast Financial Information and difference may be material.

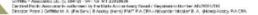
Opinion

In our opinion, the forecast financial information presented in Schedule A has been properly compiled in the basis stated and the basis of accounting used is consistent with the accounting policies to be adopted by Class Finance p.l.c.

Mr. Alexander Micallef In the name and on behalf of Griffiths + Associates Ltd Certified Public Accountants Level 1, Casal Naxaro, Labour Avenue, Naxxar, NXR9021, Malta

Abe Miny

Date: 28th December 2021







Schedule A

| Projected Consolidated | Forecast | Forecast | Forecast | Forecast |
|------------------------|----------|----------|----------|----------|
| Income Statement | 2021 | 2022 | 2023 | 2024 |
| | €'000 | €'000 | €'000 | €'000 |
| Revenue | 8,110 | 8,514 | 8,716 | 8,899 |
| Cost of sales | (4,405) | (4,664) | (4,747) | (4,848) |
| Gross profit | 3,705 | 3,850 | 3,970 | 4,051 |
| Other income | 228 | 230 | 232 | 233 |
| Direct overheads | (1,356) | (1,392) | (1,490) | (1,516) |
| Indirect overheads | (1,271) | (1,288) | (1,290) | (1,308) |
| EBITDA | 1,307 | 1,401 | 1,422 | 1,461 |
| Depreciation | (459) | (440) | (432) | (433) |
| Finance costs | (144) | (260) | (251) | (242) |
| Profit before tax | 704 | 701 | 738 | 785 |
| Taxation | (265) | (258) | (263) | (278) |
| Profit after tax | 439 | 443 | 475 | 507 |
| % Gross profit margin | 46% | 45% | 46% | 46% |
| % EBITDA margin | 16% | 16% | 16% | 16% |
| % PBT margin | 9% | 8% | 9% | 9% |
| Interest cover | 9.08 | 5.39 | 5.66 | 6.04 |





| Projected Statement of Financial | Forecast | Forecast | Forecast | Forecast |
|----------------------------------|----------|----------|----------|----------|
| Position | 2021 | 2022 | 2023 | 2024 |
| | €'000 | €'000 | €'000 | €'000 |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant & equipment | 5,621 | 5,271 | 4,944 | 4,562 |
| Investment in joint ventures | 17 | 17 | 17 | 17 |
| Total non-current assets | 5,639 | 5,288 | 4,961 | 4,579 |
| Current assets | | | | |
| Inventory | 2,459 | 2,466 | 2,472 | 2,483 |
| Receivables | 4,000 | 4,168 | 4,013 | 4,099 |
| Bank & cash | 1,092 | 1,582 | 2,061 | 2,165 |
| Total current assets | 7,551 | 8,215 | 8,546 | 8,746 |
| TOTAL ASSETS | 13,190 | 13,503 | 13,507 | 13,325 |
| EQUITY & LIABILITIES | | | | |
| Equity | | | | |
| Share capital | 373 | 373 | 373 | 373 |
| Reserves | 5,335 | 5,558 | 5,812 | 6,081 |
| Total equity | 5,708 | 5,931 | 6,185 | 6,454 |
| Long term liabilities | | | | |
| Bond | 3,000 | 3,000 | 3,000 | 3,000 |
| Deferred tax | 76 | 76 | 76 | 76 |
| Lease liability | 2,155 | 1,985 | 1812 | 1,631 |
| Bank loans | 151 | 61 | - | - |
| Total long-term liabilities | 5,382 | 5,122 | 4,887 | 4,707 |
| Current liabilities | | | | |
| Payables | 1,786 | 2,116 | 2,125 | 1,904 |

CHITMEN - Associated Ltd., C. 1944(2) - Ver No. N. 12 (2019) A. D. Estable Pools Associated Ltd., C. 1944(2) - Ver No. N. 12 (2019) Associated Associated Marchine ASSOCIATION Director: Peter J. Geffide Mr. A. (#In Serv.) B Assocy (Here) FMT F.A. CRA i Associate Microller B. A. (#In Serv.) B Assocy (Here) FMT F.A. CRA i Associate Microller B. A. (#In Serv.) B Assocy (Here) FMT F.A. CRA i Associate Microller B. A. (#In Serv.) B Assocy (Here) FMT F.A. CRA i Associate Microller B. A. (#In Serv.) B Associate Microller B. A. (#In Serv.) B Associate Microller B. A. (#In Serv.) B Associated Microller B. (#In Se





| Projected Statement of Financial | Forecast | Forecast | Forecast | Forecast |
|----------------------------------|----------|----------|----------|----------|
| Position (continued) | 2021 | 2022 | 2023 | 2024 |
| | €'000 | €'000 | €'000 | €'000 |
| Corporate tax | 65 | 71 | 75 | 79 |
| Bank loans and overdraft | 90 | 90 | 61 | |
| Lease liability | 160 | 170 | 174 | 181 |
| Total current liabilities | 2,100 | 2,450 | 2,435 | 2,164 |
| TOTAL EQUITY & LIABILITIES | 13,190 | 13,503 | 13,507 | 13,325 |

Note: Totals may not tally due to rounding

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| Projected Consolidated | Forecast | Forecast | Forecast | Forecast |
|------------------------------|----------|----------|----------|----------|
| Cash Flow Statement | 2021 | 2022 | 2023 | 2024 |
| | €'000 | €'000 | €*000 | €'000 |
| EBITDA | 1,030 | 1,401 | 1,422 | 1,461 |
| Movements in working capital | 301 | 137 | 142 | 185 |
| Taxation | (279) | (287) | (301) | (313) |
| Operating cash flows | 1052 | 1,250 | 1,263 | 1,333 |
| Capital expenditure | (1,946) | (98) | (118) | (53) |
| Investing cash flows | | | | |
| Bank loan | (314) | ± | ŧt | |
| Bond proceeds | 3,000 | 9 | 24 | 100 |
| Bond Issue Expenses | (128) | (23) | (23) | (23) |
| Bond Interest | 4 | (135) | (135) | (135) |
| Loans to group companies | (900) | * | * | (500) |
| Dividends | (310) | (220) | (221) | (238) |
| Financing cash flows | 1,348 | (378) | (379) | (896) |
| Net cash movements | 454 | 774 | 766 | 384 |
| Cash brought forward | 638 | 1,092 | 1,582 | 2,061 |
| Cash carried forward | 1,092 | 1,582 | 2,061 | 2,165 |

Note: Totals may not tally due to rounding

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Summary of Significant Assumptions and Accounting Policies

A. Introduction

The forecast statement of financial position, the forecast income statement, and the forecast statement of cash flows (the "Forecasts") of the Issuer for the period ending 31 December 2021 and the year ending 31 December 2021 have been prepared to provide financial information for the purposes of inclusion in the Company's Admission Document. Together with the forecast, the Issuer is presenting the audited consolidated statement of financial position for the year ended 31 December 2020, a reconciliation between the consolidated financial statements for the year ended 31 December 2020 prepared using GAPSME and converted to IFRS, and interim financial information for the period ended 30 June 2021. The Proforma Financial Information as presented in this Annex, together with the assumptions set out below, are the sole responsibility of the Directors of the Company.

The Forecasts are intended to show a possible outcome based on assumptions relating to anticipated future events which the Directors expect to take place, and on actions which the Directors expect to take. Events and circumstances frequently do not occur as expected, and therefore, actual results may differ materially from those included in the forecast and projected financial information. We draw your attention in particular, to the risk factors set out in the Admission Document, which describe the primary risks associated with the business to which the Forecast Financial Information relates.

The Forecasts are not intended to and do 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 Group, in accordance with International Financial Reporting Standards as adopted by the EU, however the Directors have exercised due care and diligence in adopting the assumptions set out below.

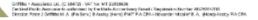
The forecast statement of financial position, the forecast income statement, and the forecast statement of cash flows were formally approved on 28th December 2021 by the Directors, and the stated assumptions reflect the judgements made by the Directors at that date. The assumptions that the Directors believe are significant to the prospective financial information are described in Section C below.

B. Significant accounting policies

The Forecast Financial Information shows the projected financial performance and position of Class Finance plc (the "Company") in accordance with International Financial Reporting Standards as adopted by the European Union ("EU-IFRS") except that, due to the nature of Forecast Financial Information:

- The Forecast Financial Information does not include all the disclosure requirements under EU-IFRS and other laws or securities regulations, including but not limited to the Maltese Companies Act (Cap. 386);
- Do not necessarily present line items (including totals and sub-totals) and the classification thereof in the
 forecast financial performance and financial position in accordance with EU-IFRS;
- Do not consider certain recognition or measurement criteria; and
- Do not show comparative amounts.

C. Basis of preparation and significant assumptions







The principal assumptions relating to the environment in which the Company operates, and the factors which are exclusively outside the influence of the Directors and which underlie the forecast financial statements, are the following:

- The Company will continue to enjoy the confidence of its customers, and bankers throughout the period under consideration;
- There will be no material adverse movements originating from market and economic conditions
 affecting the retail market in Malta following a possible end to the COVID-19 pandemic, consumer
 spending levels, employment and job growth, amongst others;
- · The rate of inflation will be in line with historic trends;
- . The basis and rates of taxation, direct and indirect will not change
- · The Company will enjoy good relations with its employees throughout the period under consideration.

Other principal assumptions relating to the environment in which the Company operates, factors which the Directors can influence, and which underlie the forecast financial information, are the following:

1 Revenue

- Revenues for FY2021 are expected to surpass FY2019 by approximately 5%. It is assumed that COVID-19 will not have significant impact to the business unlike what happened in FY2020. Revenues are expected to grow from FY2022 onwards.
- Own store revenues are projected on a per store basis based on past trends, growth reported during FY2019 and an inflationary growth rate of 2% p.a. after stabilisation.
- Revenue from the manufacturing side is expected to keep on increasing year on year due to planned exports and growth in Malta's population.
- Revenue from the B2B distribution is expected to remain constant with an inflationary growth rate of 2% p.a. after stabilisation.

2 Cost of Sales

Cost of sales is projected as the difference between revenue and gross profit. The assumptions underlying the gross profit calculation. The wages and salaries of the personnel involved in the manufacturing are included within the cost of sales. It is forecasted that wages will keep on increasing year on year.

3 Gross Profit

- Gross profit is projected using actual gross margins reported by the current revenue sectors.
- Margins are kept constant throughout the projected period

4 Other Income

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- Other Income is projected to be average around the EUR 245k annually from FY2021 onwards.
- Other Income mainly consists of a management fee payable for two stores which are not owned by the Company but managed by the Company through Vision Opticians Ltd and other contributions payable by the suppliers annually
- For FY2020, the Company was entitled to the Wage Supplements payable by Malta Enterprise and these have been categorised as 'Other Income'

5 Direct Overheads

- Direct Overheads includes the expenses which are directly attributed to the business generating business unit including wages and salaries.
- Direct Overheads are forecasted on FY2019 and the additional commitments carried out in FY2020. It
 is expected that the direct overheads will increase year on year especially the wages and salaries of the
 personnel.

6 Indirect Overheads

Indirect Overheads consists mainly of the management fee being charged by Class Holding Ltd which is
the management company of the group offering administrative services to the various subsidiaries of
the whole group and other administrative costs which cannot be categorized to one particular business
generating business unit.

7 Depreciation

- Depreciation is calculated on a straight-line basis in order to allocate the cost of the assets over their estimated useful lives. IFRS 16 requires that all lease obligations are treated similarly to a finance lease by the lessee. As a result the Company will be required to book a lease liability and recognise a right-of-use asset in relation to the lease agreement with INDIS Malta Ltd (the "Lease Agreement"). The Net Present Value of future obligations under the Lease Agreement is estimated to be €354,814. The right-of-use asset and the value of improvements rendered to the leasehold property (i.e. the value of the factory) are amortised and depreciated on a straight line basis over the remaining lease period. The following useful life estimates are used to depreciate the remaining asset classes:
 - Computers, electronics and equipment: 5 years;
 - $\circ \quad \text{Furniture, fixtures, fittings and soft furnishings: 10 years;} \\$
 - o Electrical and plumbing installation: 20 years;
 - o Lifts: 10 years;
 - o Air conditioners: 10 years;
 - o Other Plant: 10 years

8 Finance Costs

Forecast finance costs include:

Interest costs associated with an existing COVID loan with principal balance of €300k that is contracted
for at a variable interest rate. The loan is expected to be paid in full in FY2021. No further bank interest
is projected throughout this period being projected;





- Interest costs associated with the bond are taken to be equal to the annual coupon cost on the planned bond of €3m, which are calculated using a rate of 4.5%; •
- Finance costs also includes the deemed interest expense on the present value of future lease obligations due under the Lease Agreement in accordance with IFRS 16.

9 Finance Income

The company plans to invest some of the cash balances which it will hold throughout the terms of the bond in low-risk financial instruments with a guaranteed capital return.

10 Working Capital

The following working capital assumptions have been utilised to forecast the business' working capital requirements:

- Day's receivable outstanding of 100 days;
- Day's inventory outstanding of 180 days;
- Day's payable outstanding of 80 days

11 Revaluation Reserve

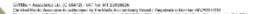
Following the completion of the factory and office, the Company plans to revalue the Leased Property at its market value in accordance with IAS36. The Revaluation Reserve is projected to amount EUR 1,476,356 which is the gain on the revaluation of property, plant and equipment based on the architect's valuation report which valued the factory and office at €3.4m.

12 Capital Expenditure

The cashflow for FY2020 and FY2021 include capital expenditure related to the refurbishment of the factory and office at San Gwann Industrial Estate. In total such works are anticipated to amount to EUR 2.36 million.

13 Dividends

Dividends are projected using a dividend pay-out ratio amounting to 50% of the profits after tax.





Schedule 6 ESCROW AGENCY AGREEMENT

An escrow agreement (the Agreement) entered into on this 19th day of January 2022

BY AND BETWEEN

Tri-Mer Services Ltd., a limited liability company registered under the laws of Malta with company registration number C 36968 and with registered office situated at International House, Mdina Road, Mriehel, BKR 3000, Malta and licensed by the Malta Financial Services Authority to act as trustee in terms of Article 43(3) of the Trusts and Trustees Act, hereinafter referred to as the "Escrow Agent";

and

Class Finance plc, a public limited company with company registration number C94741 and with registered office situated at UBT 13/14, San Gwann Industrial Estate, San Gwann SGN 3000, Malta, hereinafter referred to as the "Issuer"

Together referred to as the "Parties" and each a "Party"

WHEREAS

- (A) By virtue of an admission document (hereinafter referred to as the "CAD"), the Issuer intends to issue three million euro (€3,000,000) in value of Bonds, as defined in the CAD, subject to the terms and conditions contained therein;
- (B) In terms of the CAD, the Issuer is seeking to raise funds from the Prospects Market for the purpose of, inter alia, financing the Works on the Property (each as defined in the CAD), which funds shall be held by the Escrow Agent and released to the Issuer in accordance with the terms of this Agreement.;
- (C) The Parties are therefore entering into this Agreement so as to establish the terms and conditions under which the Escrow Agent shall retain the funds and release them to the Issuer only as and when the Works are Completed.

NOW IT IS HEREBY AGREED AS FOLLOWS:

1 DEFINITIONS & INTERPRETATION

1.1 Unless the context otherwise requires, terms used in this Agreement have the same meanings as in the CAD. In this Agreement, the following meanings shall be ascribed to the capitalised term:

| Architect | Perit Kurt Camilleri Burlo' of 22, Triq il-Wizna, Swieqi, SWQ 2300, Malta, being the architect appointed by the Issuer for the purposes of, <i>inter alia</i> , confirming Completion of the relevant part of the Works; |
|-----------------|--|
| Bond Conditions | the conditions set out in Section 20 of the CAD; |
| Completion | the completion of each of the Works, as confirmed by the Architect. |
| Escrow Account | Tri-Mer Services Ltd. MT03VALL22013000000040014671207 |





| | VALL MTMT |
|----------------|--|
| Issuer Account | MT87APSB77013000000043468610012 |
| Works | As defined in the CAD; |
| Works Funds | the sum of €2,200,000 (two million two hundred thousand Euros of the Bond Issue proceeds to be held by the Escrow Agent and released to the Issuer upon the terms of this Agreement and the CAD. |

- 1.2 In this Agreement reference to the parties includes reference to their lawful successors and assigns.
- 1.3 In this Agreement, unless the context otherwise requires, any reference to the singular shall include the plural and vice versa, the use of the masculine pronoun shall include the feminine, the use of the neutral pronoun shall include the masculine or the feminine as the case may be and any reference to any Statute, Law or Regulation having the force of Law or any section thereof includes reference to any modification thereto or reenactment of such Statute, Law or Regulation having the force of Law for the time being in force.
- 1.4 The headings in this Agreement are used and inserted for convenience only and shall be ignored in the interpretation of this Agreement.

2 APPOINTMENT OF THE ESCROW AGENT

2.1 The Issuer hereby appoints the Escrow Agent as escrow agent to act in accordance with the terms, conditions and provisions of this Agreement and the CAD, and the Escrow Agent hereby accepts such appointment upon the terms, conditions and provisions set forth herein.

3 DEPOSIT OF WORKS FINANCING

3.1 Upon the fulfilment of the Bond Conditions, the Issuer shall procure that the Works Funds are transferred to the Escrow in the Escrow Account, which shall be held by the Escrow Agent in accordance with the terms of this Agreement.

4 COVENANTS

- 4.1 Upon receipt by the Escrow Agent of a Completion Certificate together with the corresponding invoice issued by the relevant contractor, the Escrow Agent shall transfer the corresponding sum indicated therein to the relevant contractor.
- 4.2 In the event that that the Issuer has itself settled the invoice raised by the Contractor, the Escrow Agent shall, upon receipt of a) evidence of payment by the Issuer, and b) the Completion Certificate of the corresponding Works, transfer the corresponding payment to the Issuer in the Issuer Account.
- 4.3 The following persons shall be deemed to be authorized representatives of each of the Parties:
 - 4.3.1 As regards the Issuer, Mr. Anton Magro, bearing the details set out in Clause 9.1.1 hereof;





4.3.2 As regards the Escrow Agent, Mr. Marco Mercieca, bearing the details set out in Clause 9.1.2 hereof.

5 DUTIES OF THE ESCROW AGENT

- 5.1 The Works Funds shall be held on trust by the Escrow Agent until all of the said Work Funds have been disbursed in accordance with the terms of this Agreement.
- 5.2 This Agreement sets forth all the duties of the Escrow Agent with respect to any and all matters pertinent hereto. The Escrow Agent shall not be bound by the provisions of any agreement between the other Parties hereto.

6 FEE

6.1 The fee payable by the Issuer to the Escrow Agent as consideration for the appointment by the Escrow Agent in terms of the provisions of this Agreement shall amount to € 5,000 (excluding VAT and expenses) (the "Fee").

7 INDEMNITY

7.1 The Issuer shall at all times hold harmless, indemnify and keep indemnified the Escrow Agent and his officers and employees and hereby waive any right of action which either of them may have against the Escrow Agent as well as all actions, suits, proceedings, claims, demands, costs, fines, expenses and liabilities whatsoever which may arise or occur or be taken, commenced, made or sought from or against the Escrow Agent in connection with or arising from the performance by the Escrow Agent of his duties under this Agreement, save for any fraudulent or grossly negligent act or omission on the part of the Escrow Agent or his employees.

8 TERMINATION

- 8.1 This Agreement shall terminate upon such date on which the Escrow Agent transfers all of the Works Funds to the Issuer Account or the relevant contractor in accordance with clause 4 above.
- 8.2 The Escrow Agent may withdraw from this Agreement at any time by sending the Issuer a letter of resignation by registered letter, return receipt requested. The resignation shall take effect 30 business days from the date of the registered letter. During this time, the Issuer shall appoint a successor to the Escrow Agent (hereinafter the "Successor"). The Escrow Agent shall withhold the Escrow Funds until the costs, fees, commission and disbursements owed to it in consideration of this contract have been paid in full. The retirement shall not become effective until such time as the Successor is appointed and the Works Funds are transferred to the Successor.
- 8.3 The Issuer may, with the consent of the Corporate Advisor appointed under the Prospects MTF Rules (acting in its duty of care to the Exchange and the market), dismiss the Escrow Agent by sending a jointly signed registered letter, return receipt requested, to the Escrow Agent. Said letter shall designate the Escrow Agent's Successor. The Escrow Agent's dismissal shall take effect following the transfer, as soon as reasonably practicable, of the Escrow Funds to the Escrow Agent's Successor. Following the transfer of the Escrow Funds under the conditions set out hereinbefore, the Escrow





Agent will be released from any commitment, obligation or liability in respect of this Agreement.

8.4 The Issuer also expressly authorise the Escrow Agent to divulge their name and the names of their directors and beneficial owners to its bankers, the relevant regulatory and other authorities in Malta if this disclosure is required thereby for due diligence purposes, or is necessary in terms of Maltese law.

9 NOTICES

9.1 All notices and other communications provided for hereunder shall be in writing (including electronic mail) and sent by registered mail or transmitted by electronic mail respectively as follows, or at such other addresses as shall have been designated by the recipient Party in a written notice to the other Parties hereto.

9.1.1 If to the Issuer:

Class Finance plc

UBT 13/14, Industrial Estate, San Gwann

Attn: Anton Magro

Email: anton.magro@classoptical.com

9.1.2 If to the Escrow Agent:

Tri-Mer Services Ltd.

Address: International House, Mdina Road, Mriehel, BKR 3000, Malta

Attn: Mr. Marco Mercieca

Email: marco.mercieca@trimerservices.com

9.1.3 All such notices and communications shall be effective (i) on receipt of successful delivery if sent by registered mail, or (ii) on its transmission if by electronic email.

10 GOVERNING LAW AND ARBITRATION

- 10.1 This Agreement shall be interpreted, construed, enforced and administered in accordance with the law in force in Malta from time to time.
- 10.2 All disputes or differences which arise out of or in connection with this Agreement, including as to its validity or that of any term hereof, shall if practicable be settled by means of negotiation between the parties. If the parties cannot settle any such dispute or difference within 21 days after first conferring, then such dispute or difference shall be settled by arbitration and the parties are hereby irrevocably submitting themselves to the exclusive jurisdiction of the Arbitral Tribunal. The Arbitration shall be conducted according to the rules issued by the Malta Arbitration Centre and applicable at the time that the referral to arbitration is made. Unless they agree otherwise, the number of arbitrators shall be three. Each party to the arbitration proceedings shall appoint one arbitrator. If within 15 days after receipt of the Claimant's notification of the appointment of an arbitrator the Respondent has not notified, in writing, the Claimant of the name of the arbitrator he appoints, the second arbitrator shall be appointed by the Malta Arbitration Centre. The arbitrators thus appointed shall choose the third arbitrator who will act as the presiding arbitrator of the tribunal. If within 30 days after the appointment of the second arbitrator, the two arbitrators have not agreed upon the choice of the





presiding arbitrator, then at the request of either party to the arbitration proceedings the presiding arbitrator shall be appointed by the Malta Arbitration Centre.

11 MODIFICATION AND WAIVER

11.1 This Agreement may only be modified in writing signed by the Parties hereto, and no waiver hereunder shall be effective unless in writing signed by the Parties hereto.

12 EXECUTION IN COUNTERPARTS

12.1 This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

13 FORCE MAJEURE

13.1 The Escrow Agent shall not be liable or deemed to be in default for any failure or delay in performance of any duty in whole or in part arising out of or caused by circumstances beyond its direct and reasonable control.

[Remainder of page intentionally left blank]





EXECUTION PAGE

IN WITNESS WHEREOF, the parties hereto caused this Agreement to be executed by their respective duly authorised representatives on the date first above written.

ISSUER

Executed by:

All the state of t Mr. Cyril Gabarretta & Mr.

Roberta Tua for and on behalf of Class Finance plc

ESCROW AGENT

Executed by: Mr. Marco Mercieca for and on behalf of Tri-Mer Services Ltd.



Schedule 7 DEED OF EMPHYTEUSIS & DEEDS OF MODIFICATION

Page No.

Nru. 4.

Illum wiehed u ghoxrin (21) ta' Jannar tas-sena elfejn u dsatax (2019).

Koncessjoni Enfitewtika

Quddiemi, Nutar Dottor Luca Burlo', qed jidhru personalment, wara li vverifikajt l-identita taghhom permezz tad-dokumenti msemmija:-

Insinwat: 5/2/2019

Min-naha l-wahda:- Karl Azzopardi, Kap Eżekuttiv, bin Joseph Pio u Annie neè Axiaq, imwieled Attard, fl-ghoxrin (20) ta' Lulju tas-sena elf disa' mija u wiehed u sebghin (1971) u joqghod Naxxar (karta tal-Identita' numru 354371M, li qieghed jidher fuq dana l-att ghannom u in-rapprežentanza tas-socjetà Malta Industrial Parks Limited [bin-numru ta' reģistrazzjoni C. 28965] - aktar l-isfel imsejha "il-Kumpanija", debitament awtorizzat, li in forza tal-Kapitlu hames mija u tlieta u sebghin (573) tal-Ligijiet ta' Malta dwar l-Artijiet tal-Gvern assumiet kull jedd jew obbligi relatati ma' lamministrazzjoni ta' propjetà industrijali tal-Gvern ta' Malta li qabel kienu jispettaw lill-Korporazzjoni ghal Żvilupp ta' Malta.

INS: <u>2547</u> 2019 I: <u>2122</u>

2019

Min-naha l-ohra

Robert Tua, direttur, bin Robert Tua u Saverina née Cachia, imwieled il-Hamrun nhar is-6 ta' Frar 1948 u residenti Attard, karta tal-identita' numru 174748M, ghan-nom u in-rapprezentanza tas-socjetà Class Optical

Manufacturing Limited [bin-numru ta' reģistrazzjoni C. 6387] - aktar l-isfel imsejjah bhala "L-Enfitewta", debitament awtorizzat bis-saħħa ta' rizoluzzjoni talbord ta' direttrui tal-kumpanija, hawn annessa bhala dokument itttra 'R'.

3



Permezz ta' dan l-att, l-imsemmija Kumpanija, hekk kif inhi rappreżentata, qieghda tikkonćedi b'titolu ta' ćens temporanju terminu ghal perjodu ta' hamsa u tletin (35) sena (it-Terminu Oriģinali) liema perjodu jibda jiddekorri mid-data ta' dan l-att lill-imsemmi Enfitewta u li jakkwista bl-istess titolu ta' ċens temporanju, biċċa art kif ukoll kull bini li jista' jinstab fuqha. L-imsemmija il-biċċa art hija sitwata ġewwa l-Qasam Industrijali ta' San Gwann u l-art tinsab mmarkata bl-ahmar fil-pjanta hawn annessa u mmarkata dokument 'A' bl-ittri 'S' 'U' 'B' numri disgha wiehed wiehed ittri 'Y' 'L' numri żero żero ittra 'A' simbolu '_' (SUB911YL00A_) u liema art u bini jikkonsistu f"factory ground floor' tal-kejl superficjali ta' elf u sitta u tletin metru kwadru (1,036m²), f'offices ground floor' tal-kejl superficjali ta' mija sebgħa u sebghin metru kwadru (177m²), f"offices first floor' tal-kejl superficjali ta' seba' mitt metru kwadru (700m²), f''room/structure A' tal-kejl superficjali ta' tnaxil metru kwadru (12m²), f''room/structure B' tal-kejl superficjali ta' tlieta u ghoxrin metru kwadru (23m²) u f"unbuilt surrounding area' tal-kejl superficjali ta' erba' mija u sitta u hamsin metru kwadru (456m²) ghandha Ikonfini taghha jmissu kollha ma' propjeta tal-Gvern, lart u l-bini minn issa 'il quddiem imsejha bhala is-"Sit Enfitewtiku". Din il-končessjoni enfitewtika tista' tiģi estiża ghal perjodu wiehed addizzjonali ta' tletin (30) sena (it-Terminu Estiż) fuq talba tal-Enfitewta.

L-imsemmi Sit Enfitewtiku huwa muri b'bordura hamra fuq pjanta bl-ittri 'S' 'U' 'B' numri disgha wiehed wiehed ittri 'Y' 'L' numri żero żero ittra 'A' simbolu '_' (SUB911YL00A_) li qed tiği hawn anessa ghar-



reģistrazzjoni, liema pjanta tinkorpora wkoll Survey Sheet.

Iċ-ċens temporanju annwu applikabbli ghat-Terminu Oriģinali huwa ta' sitta u ghoxrin elf seba' mija hamsa u tletin euro u tmenin ċenteżmu tal-euro (€26,735.80) netti mill-VAT (Taxxa Fuq il-Valur Mizjud) pagabbli mill-Enfitewta bil-quddiem mill-lum. L-ewwel pagament qieghed issir fid-data ta' dana l-att.

Kemm il-darba l-Enfitewta jkun irrid jestendi t-Terminu Oriģinali, L-Enfitewta ghandu mhux qabel u mhux aktar tard minn tlett (3) xhur qabel jiskadi l-imsemmi Terminu Oriģinali jaghmel talba f'dan is-sens permezz ta' ittra ufficjali.

It-Terminu Estiž ghandu jiģi regolat b'att ģdid iżda taht it-termini u l-kundizzjonijiet ta' dan l-att.

F'każ illi t-Terminu Oriģinali jiģi estiż, l-imsemmija končessjoni b'titolu ta' enfitwesi temporanja qed issir u tiģi aččettata in konsiderazzjoni ta' čens temporanju annwu ta' sebgħa u tletin elf sitt mija u dsatax-il euro u sitta u disgħin čenteżmi tal-euro (€37,619.96) netti mill-VAT.

Matul it-terminu Oriģinali kif ukoll t-Terminu Esteiż, icćens ghandu jithallas kull tlett (3) xhur bil-quddiem flewwel (1) ta' Jannar, fl-ewwel (1) ta' April, fl-ewwel (1) ta' Lulju u fl-ewwel (1) ta' Ottubru jew poporzjonalment ghall-kwalunkwe perjodu ta' inqas minn sena.

Wara kull perijodu ta' hames (5) snin minn meta tibda din l-enfitewsi temporajna inkluż tul it-Terminu Estiż, iċ-ċens ghandu jiġi revidibbli bir-rata ta hamsa fil-mija (5%). L-ewwel reviżjoni ghandha ssir fil-wiehed u ghoxrin (21) ta' Jannar tas-sena elfejn u erbgha u ghoxrin (2024).



Din il-končessjoni b'titolu ta' enfitewsi temporanja ghandha tiģi regolata mill-kundizzjonijiet li ģejjin u mid-dispožizzjonijiet tal-liģi dwar l-enfitewsi fil-Kodiči Čivili, sakemm dawn id-dispožizzjonijiet ma jkunux konfliģģenti ma, jew eskluži minn, dana l-att, f'liema każ ghandhom japplikaw id-dispožizzjonijiet ta' dana l-att.

- (1) (a) L-Enfitewta ghandu, matul iż-żmien kollu tal-koncessjoni enfitewtika, juża s-Sit Enfitewtiku ghal skopijiet industrijali biss, u l-Enfitewta f'dan ir-rigward qed jobbliga ruhu li jtella' benefikati li ma jqumux anqas minn miljun u tlett mitt elf euro (€1,300,000) netti mill-VAT u liema benefikati ghandhom jibdew fi zmien tlett (3) xhur u jitlestew sa mhux aktar tard mill-wiehed u tletin (31) ta' Dićembru tas-sena elfejn u ghoxrin (2020). Ix-xogholijiet u benefikati kollha ta' natura permanenti ghandhom jigu mibnija u kull xoghol iehor ghandu jigi mwettaq mill-Enfitewta skond is-sengha u bl-ahjar materjal disponibbli ghas-sodisfazzjon tal-imsemmija Kumpanija.
- (b) Is-Sit Enfitewtiku ghandu jiği wżat specifikament ghall-iskop ta' 'the production of optical products' biss, jew ghall-produzzjoni ta' prodott jew prodotti ohra permessi bil-miktub mill-Kumpanija.
- (2) Din il-klawsola hija mħollija barra intenzjonalment.
- (3)(a) L-Enfitewta għandu jissottometti, għall-approvazzjoni tal-Kumpanija, pjanti dettaljati (inklużi 'elevations' u 'drawings to scale') tal-modifikazzjonijiet u benefikati proposti skond l-ewwel klawsola subparagrafu ittra 'a' (1(a)), lill-istess Kumpanija fi żmien xaharejn (2) mid-data ta' dan l-att. Il-Kumpanija tista', fid-diskrezzjoni tagħha, jew tapprova l-pjanti kif proposti jew tista' titlob lill-Enfitewta biex jissottometti pjanti ġodda jew tibdil għalihom. F'każ li l-pjanti ma



jiġux fiż-żmien stipulat aktar 'l fuq f'din il-klawsola jew, f'każ li l-Kumpanija titlob pjanti ġodda jew modifikazzjonijiet, fi żmien xahar (1) mit-talba tal-Kumpanija, għandha tiġi imposta penali ta' tnax-il euro (€12) għal kull ġurnata ta' dewmien, liema penali tkun għad-dewmien biss.

3(b) Meta jiğu approvati 1-pjanti mill-Kumpanija, 1-Enfitewta ghandu japplika ghal permess tal-awtorita' kompetenti ghax-xogholijiet nećessarji. II-partijiet jaqblu illi 1-ispejjeż tal-arkitetti, rapport nećessarji u kwalunkwe spiża ohra li ghandha x'taqsam malpermess huwa a karigu tal-Enfitewta:

A skans ta' kull ekwivoku jiġi miftiehem illi r-responsabbilita' ghall-ottjenement tal-permessi tibqa' tal-Enfitewta u l-Kumpanija m'ghandha taħt l-ebda c'irkostanza titqies bhala li qed taghti xi garanzija ghall-ottjeniment tal-permessi mehtieġa. F'kaz illi permessi mehtieġa biex jiġu mwettqa x-xogholijiet fuq imsemmija ma jinhargux mill-awtorita kompetenti fi zmien erbgha u ghoxrin (24) xahar mid-data ta' dana l-att, l-Enfitewta jkollu dritt li jipproceddi ghax-xoljiment tal-koncessjoni billi jaghti notifika bil-miktub ta' l-intenzjoni tieghu li ixolji dan il-kuntratt.

3(c) L-Enfitewta ghandu fiż-żmien tliet (3) xhur middata ta' l-approvazzjoni tal-Kumpanija skond it-tielet klawsola subparagrafu 'a' (3 (a)) ta' dan l-att, japplika mal-awtorita` kompetenti ghal kull permess mehtieģ biex jiġu mwettqa x-xogholijiet. L-Enfitewta jobbliga ruhu li jsegwi l-andament ta` tali applikazzjoni bir-reqqa mehtieġa. F'dan il-kuntest, dan iffisser li l-Enfitewta ghandu jforni lill-awtorita` kompetenti b'kull dokument u/jew informazzjoni li tista` tiġi mitluba lilu fi żmien stipulat mill-awtorita` kompetenti hawn fuq imsemmija u ghandu wkoll jirrispondi, fiż-żmien stipulat mill-awtorita` kompetenti, ghal kull



korrispondenza li tista' tintbaghat lilu mill-imsemmija awtorita'kompetenti. F'kaz illi l-awtorita' kompetenti ma tistipulax terminu ghar-risposta u/jew żmien ghassottomissjoni ta' informazzjoni jew dokumenti dawn ghandhom jintbaghtu fi żmien rażonevoli. L-Enfitewta ghandu wkoll fiż-żmien tliet (3) xhur mid-data ta' l-approvazzjoni tal-Kumpanija skond il-klawsola tlieta (3) ta' dan l-att, japplika ghal kull ličenzja li tista' tkun mehtieża biex jiżu mwettqa x-xogholijiet.

3(d) Ladarba l-Kumpanija tapprova l-pjanti, l-Enfitewta jkun ottjena l-lićenzji kollha neććessarji u l-awtorita' kompetenti tohrog il-permessi relattivi, l-Enfitewta jkun jista' jibda x-xogholijiet fuq imsemmija.

3(e) F'każ li l-Enfitewta jaghti bidu ghax-xogholijiet qabel ma jirćievi l-approvazzjoni bil-miktub mill-Kumpanija ta' l-imsemmija pjanti, u/jew qabel ma jinhareġ il-permessi relattivi tal-awtorita' kompetenti u/jew f'każ li x-xogholijiet ma jiġux esegwiti skond kif ikun ġie approvat mill-Kumpanija, l-Enfitewta jkun soġġett ghall-penali ta' bejn elf mija u hamsa u sittin euro (€1,165) u erbat elef sitt mija u disgha u hamsin euro (€4,659), liema penali ghandha tiġi ffissatta mill-Kumpanija wara li tiġi kkunsidrata l-entità u l-istat avanzat tax-xogholijiet mwettaq bi ksur ta' din il-kundizzjoni, u l-Kumpanija tista' wkoll teżiġi li l-Enfitewta jaghmel dawk ix-xogholijiet kollha neċessarji, inkluż twaqqigh u bini mill-ġdid, biex is-Sit Enfitewtiku jiġi skond il-pjanti approvati mill-Kumpanija.

3 (f) Kemm-il darba fil-futur l-Enfitewta jkun irrid jaghmel xi xogholijiet, zvilupp jew modifikazzjonijiet, inkluz dawk ta` natura strutturali, fuq is-Sit Enfitewtiku, l-Enfitewta ghandu jsegwi l-procedura stabbilita` flimsemmija it-tielet (3) klawsola ta` dan l-att mutatis mutandis.



(4) L-Enfitewta ghandu ghas-spejjeż tieghu, u ghas-sodisfazzjon tal-Kumpanija, jżomm matul iż-źmien kollu tal-koncessjoni enfitewtika, is-Sit Enfitewtiku u l-benefikati mibnija fuqu, f'kundizzjoni tajba ta' tiswija skond il-ligi. Kull hsarat li jigu kkagonati mhux biss minhabba kawżi normali, imma anki minhabba cirkostanzi accidentali, straordinarji jew imprevisti, jew minhabba Act of God, ghandu jaghmel tajjeb ghalihom l-Enfitewta, billi jigi obbligat, ghas-spejjeż tieghu, jirranga jew jibni mill-gdid jekk ikun mehtieg dik il-parti tal-bini affetwata, jew il-bini kollu jekk ikun il-każ.

(5)(i) L-Enfitewta ghandu, ghall-perijodu li jkunu ghaddejjin ix-xogholijiet imsemmija fl-ewwel klawżola ittra 'a' (1(a)), jaghmel u jżomm fis-sehh assigurazzjoni, a spejjeż tieghu, maghrufa bhala "Contractor's All Risk Insurance" a sodisfazzjon tal-Kumpanija.

(5)(ii)L-Enfitewta ghandu, fi zmien tletin (30) ģurnata mid-data tat-tlestija tax-xogholijiet imsemmija fl-ewwel klawsola subparagrafu a (1(a)), jissottometti kopja taċċċertifikat ta' compliance mahruġ mill-awtorita kompetenti u ċertifikat ta' completion mahruġ mill-arkitett tal-Enfitewta. Fin-nuqqas il-Kumpanija jkollha id-dritt li timponi penali ta` hamest elef euro (€5,000), liema penali tkun ghad-dewmien biss.

(5)(iii)L-Enfitewta ghandu wkoll, mid-data ta' dan l-att u mid-data li jitlestew ix-xogholijiet imsemmija fl-ewwel klawżola subparagrafu ittra 'a' (1(a)) u jinharġu ċ-ċertifikati ta'compliance and completion kif stabbilit fil-klawsola preċedenti '1 quddiem, jassigura u jżomm assigurat ghall-valur kollu tieghu matul il-perijodu kollu ta' l-enfitewsi, l-bini u kull benefikati ta' natura permanenti, li jiġu mibnija fuq is-Sit Enfitewtiku skond l-ewwel klawsola subparagrafu ittra 'a' (1(a)) ta' dan l-att, kontra kull hsara jew danni li fir-rigward taghhom normalment tinhareġ assigurazzjoni, inklużi danni



volontarji, li jirriżultaw minn hruq jew/u splużjoni inkluż hrug u/jew splużjoni li jista' jkun attribwibbli għan-negliġenza tal-Enfitewta u/jew l-aġenti tiegħu jew impjegati tieghu, kif wkoll kontra danni kkawżati minn ajruplani. Tali assigurazzjoni ghandha ssir mill-Enfitewta ghas-spejjeż tieghu u ma' Kumpanija ta' assigurazzjoni lićenzjata biex topera f'Malta. Il-partijiet jaqblu wkoll illi l-valur li ghalih ghandu jigi assigurat is-Sit Enfitewtiku huwa skont l-ammont indikat fiddokument hawn anness u mmarkat bl-ittra 'C'. Minkejja li l-Kumpanija qeghdha tipprovdi l-valur li ghalih ghandu jigi assigurat s-Sit Enfitewtiku, huwa l-obbligu tal-Enfitewta li jassigura li s-somma stabbilita' fiddokument 'C' hawn anness jirrifletti l-valur kurrenti talkostruzzjoni tal-benefikati ta' natura permanenti fuq is-Sit Enfitewtiku matul il-perjodu ta' dan iċ-ċens temporanju. L-ammont ghandu, minn źmien ghal żmien, jigi rivedut mill-Enfitewta, sabiex jirrifletti lvalur kurrenti, tal-kostruzzjoni tal-benefikati ta' natura permanenti fuq is-Sit Enfitewtiku matul il-perjodu ta' dan ić-ćens temporanju.

L-Enfitewta ghandu wkoll johrog u jżomm fis-sehh polza ta' assigurazzjoni kontra t-telf ta' sena čens liema telf ikun attribwibbli ghal wahda mill-kawżi hawn fuq imsemmija. Din l-assigurazzjoni ghandha ssir ma' Kumpanija ta' l-assigurazzjoni lićenzjata biex topera f'Malta u ghandha tithallas mill-Enfitewta.

Kwalsiasi polza mehtiega taht dan l-att ghandha tinhareg ukoll f'isem il-Kumpanija.

5(iv) L-Enfitewta ghandu wkoll johrogʻu jżomm fis-sehh Polza ta' Assugurazzjoni dwar ir-Responsabbilta' Pubblika (*Public Liability*). Tali Assigurazzjoni ghandha tkopri minimu ta' miljun mija hamsa u sittin elf euro (€1,165,000) dwar il-mewt ta' xi persuna, jew feriment (inkluż il-mard) taghha, jew telf ta' jew hsara lil



proprjetà ta' Terzi (inklużi l-impjegati tal-Enfitewta), ghal kull darba li jiġri avveniment (b'limitu aggregat minimu f'kull perjodu ta` assigurazzjoni ta` żewġ miljuni tlett mija u hamsin elf euro (€2,350,000).

B'dan iżda, hija ir-responsabbilita` tal-Enfitewta li jassigura illi l-kopertura minima inkluż il-limitu aggregat huwa xieraq tenut kont tal-iskop imsemmi flewwel (1) klawsola ittra 'b' (1(b)).

5(v) L-Enfitewta ghandu wkoll johroʻgʻu jʻzomm fis-sehh Polza ta' Assigurazzjoni dwar ir-Responsabbilita' tal-Principali (Employers` Liability). Tali Assigurazzjoni ghandha tkopri minimu ta' żewʻgʻ miljuni tlett mija u hamsin elf euro (€2,350,000) fʻka'z ta' mewt, feriment, mard, hsara fis-sahha jew kull indeboliment fis-sahha fiżika jew mentali jew marda hafifa ta' xi impjegat tal-Enfitewta, ghal kull darba li jigʻri avveniment (bʻlimitu aggregat minimu fʻkull perjodu ta' assigurazzjoni ta' erba' miljuni u seba' mitt elf euro (€4,700,000).

5(vi) Kopji tal-poloz tal-assigurazzjoni ghandhom jintbaghtu, flimkien ma' l-ircevuta tal-premiums mhallsa, lill-Kumpanija biex jigu mizmuma mill-istess Kumpanija.

(6) L-Enfitewta ghandu josserva l-obbligi kollha imposti bil-liģi fuq min huwa sid tal-bini jew art, u l-Kumpanija m'ghandha fl-ebda ćirkostanza tiģi msejjha biex taghmel il-kontribut taghha ghall-ispiża mehtiega, anki jekk sostanzjali, biex jigu osservati dawn l-obbligi. Din il-kundizzjoni tibqa tgħodd minghajr ma ghandu jinghata qies ta' kemm ikun baqa' żmien biex tiskadi il-koncessjoni enfitewtika.

(7) L-Enfitewta ghandu josserva wkoll kull liği u regolament li jkun fis-sehh ghal dak li ghandu x'jaqsam ma' bini. Fl-ebda cirkostanzi l-Enfitewta m'hu ezentat



mill-obbligu li jkollu fil-pussess tieghu xi permess jew ličenzja mehtiega skond dawn il-ligijiet jew regolamenti.

(8) L-Enfitewta ghandu jottempra ruhu maddispożżjonijiet kollha tal-Att dwar ir-Regolament tal-Bini (Kapitlu hames mija u tlettax (513)) u ghandu jassumi, bhala aģent tal-Kumpanija, l-obbligi kollha li skont id-dispożżijonijiet tal-imsemmi Att, jew ta' kwalunkwe regolament maghmul bis-sahha tal-istess Att, jew kwalunkwe liģi ohra f'dan ir-rigward huma imposti fuq is-sid tas-Sit Enfitewtiku.

A skans ta' kull ekwivoku, l-Enfitewta huwa obbligat illi jiżgura illi ċ-Ćertifikat dwar ir-Rendiment tal-Enerģija (Energy Performace Certificate) fir-rigward tas-Sit Enfitewtiku jiġi mahruġ u jinżamm aġġornat matul ilperjodu kollu tal-konċessjoni enfitewtika. Kwalunkwe spiża relatata ma' din il-klawsola inkluż kwalunkwe spiża li l-Enfitewta jinkorri bħala aġent tal-Kumpanija għandha tkun a karigu tal-Enfitewta.

- (9) L-Enfitewta ghandu jgharraf minnufih lil awtorita` kompetenti jew lill-Kumpanija b'kull sejba li tista' ssir fuq is-Sit Enfitewtiku ta' oġġetti jew monumenti ta' natura storika, antika jew arkejoloġika. Kull sejba ta' din it-tip (inkluż is-sejba ta' gherien, oqbra, bjar, hitan tal-gebel, fuhhar, muniti, ghadam jew oġġetti simili ssir 'ipso facto' propjeta tal-awtorita` kompetenti.
- (10) Hekk kif jiği mgharraf b'sejba ta' dan it-tip l-awtorita` kompetenti ghandha d-dritt li tidhol f'kull parti tas-Sit Enfitewtiku fejn tkun saret is-sejba, u dan biex is-sejba tiği eżaminata minn persuna delegata millawtorita` kompetenti ghal dan l-iskop. Hekk kif l-ezistenza ta' tali sejba tiği konfermata, l-Kumpanija ikollha dritt tirrixxendi l-att t'enfitewsi temporanja wara li tgharraf lil Enfitewta b'dan. F'każ bhal dan l-Enfitewta ghandu dritt li jircievi kumpens biss ghal



valur tax-xogholijiet li jkun wettaq ghas-spejjeż tieghu, u dan wara li ssir stima mill-Kumpanija. L-Enfitewta m'ghandux dritt ghal ebda kumpens iehor.

- (11) L-Enfitewta ma jistax jaghmel thaffir ghall-ilma fuq is-Sit Enfitewtiku minghajr ma jkollu bil-quddiem lapprovazzjoni bil-miktub tal-awtorità kompetenti.
- (12) L-Enfitewta għandu jħalli li jidhlu fil-fond, f'hinijiet raġenevoli u (ħlief f'każijiet urġenti) wara pre-avviż ta' almenu tlett (3) ijiem, uffiċjali tal-Gvern u/jew tal-Kumpanija. Dan għal skopijiet kemm ta' spezzjoni kif wkoll biex dawn jiżguraw illi l-kundizzjonijiet ta' din il-konċessjoni enfitewtika ġew osservati u li qegħdin jiġu osservati.
- (13) (i) L-Enfitewta m'ghandux johloq kwalsiasi servitu fuq is-Sit Enfitewtiku jew b'xi mod iehor irendi xi servitu gravanti siti adjagenti aktar gravuž;
- 13 (ii) L-Enfitewta jaqbel u jaċċetta illi s-Sit Enfitewtikuk jista` jkun soġġett għas-servitujiet attivi u passivi naxxenti mill-qagħda tiegħu.
- (14) L-Enfitewta m'ghandux ihalli li jghaddu missistema pubblika tad-dranaġġ u katusi żjut, xahmijiet, skart industrijali jew materjal iehor li jaghmel hsara. Ghal dan il-ghan l-Enfitewta ghandu jaghmel użu minn apparat li jinnewtralizza dan il-materjal qabel ma dan jinżel fil-katusi jew is-sistema pubblika tad-dranaġġ.
- (15) L-Enfitewta m'ghandux juża, jew ihalli min juża, is-Sit Enfitewtiku b'tali mod li jista' johloq inkonvenjent jew idejjaq lil Awtoritajiet Pubblići, jew lis-sidien jew okkupanti tal-propjetajiet li jinsabu fil-vićinanzi jew li jistghu jigu effettwati mill-użu li jsir mis-Sit Enfitewtiku. B'dan iżda, sakemm in-negozju tal-Enfitewta jkun dak espressament kontemplat fl-ewwel klawżola



subparagrafu ittra 'b' (1(b)) jiģi eżercitat b'mod raġonevoli, dan m'ghandux jitqies li jikser din il-kundizzjoni. U dan minghajr ma l-Gvern jassumi ebda responsabbilta f'dak li ghandu x'jaqsam ma' relazzjonijiet bejn l-Enfitewta u sidien tal-propjetajiet ohra.

- (16) (i) Matul il-perjodu kollu ta' enfitewsi preżenti, l-Enfitewta m'ghandux dritt li jikkoncedi s-Sit Enfitewtiku jew xi parti minnu b'titolu ta' sub-enfitewsi.
- (ii) L-Enfitewta lanqas ma jista', direttament jew indirettament, bi kwalunkwe mod, ikun x'ikun, inkluż b'titolu ta' bejgh, jiddisponi mis-Sit Enfitewtiku jew xi parti minnu, jew jittrasferixxi l-pussess jew il-kontroll tas-Sit Enfitewtiku jew parti minnu inkluż billi jikri is-Sit Enfitewtiku jew xi parti minnu, qabel ma jkollu bil-quddiem l-approvazzjoni bil-miktub tal-Kumpanija. Iddeciżjoni jekk din l-approvazzjoni ghandhiex tinghata jew le, hija fid-diskrezzjoni assoluta tal-Kumpanija. Ghall-finijiet ta' din is-subklawżola, it-terminu "direttament jew indirettament" ghandha titqies li tinkludi tibdil fil-persuna jew persuni li jkunu jikkontrollaw lill-Enfitewta.
- (iii) F'każ li l-Enfitewta jinghata approvazzjoni ai termini tal-klawsola sittax subparagrafu tnejn (16(ii)), irid jiği mhallas lil Kumpanija lawdemju ekwivalenti ghal sena cens. Jekk il-lawdemju ma jithallasx fi zmien xahar mid-data ta' l-att ta' trasferiment, jibda jiddekorri l-imghax fuq il-bilanc bir-rata ta' tmienja fil-mija (8%) fis-sena u liema imghax ghandu jiği kkalkolat fuq bazi per diem.

B'dan iżda, l-Kumpanija qed tintrabat bil-quddiem li ma tirrifjutax li taghti l-kunsens taghha rikjest taht paragrafu (ii) ta' din il-klawsola, lil xi bank jew istituzzjoni finanzjarja f'Malta li tkun avvanzat self



approvat mill-Kumpanija f'każ li l-bank jew istituzzjoni finanzjarja in kwistjoni jitterminaw it-tali self bhala konsegwenza ta' xi nuqqas da parti tal-Enfitewta. B'dan iżda, f'każ li s-Sit Enfitewtiku u l-benefikati mibnija fuqu jinbieghu b'subbasta jew jigu trasferiti lil enfitewta gdid wara t-tali terminazzjoni, l-iskop li ghalih ikun ser jintuza` s-Sit Enfitewtiku mill-enfitewta l-ġdid ghandu jkun aċċetabbli ghall-Kumpanija. Hija fid-diskrezzjoni assoluta tal-Kumpanija jekk l-użu l-ġdid hux aċċetabbli ghall-Kumpanija jew le.

B'dana iżda l-Kumpanija qieghda tinrabat illi ma tirrifjutax l-kunsens taghha sabiex l-enfitewta l-ġdid juża` s-Sit Enfitewtiku ghal attivita` kwalifikanti taht l-Att dwar il-Promozzjoni tan-Negozju (Kapitlu 325 tal-Ligijiet ta' Malta) u/jew ghal kwalunkwe użu iehor approvat mill-Kumpanija.

- (iv) F'każ li l-Enfitewta jinghata approvazzjoni aż termini tal-klawżola sittax subparagrafu tnejn (16(ii)), huwa ma jistax jimponi favur tieghu cens addizzjonali jew xi piż annwali iehor.
- (v) Min jakkwista s-Sit Enfitewtiku għandu, fi żmien xahar (1) minn meta sar it-trasferiment, jgħaddi kopja ta' l-att tat-trasferiment lill-Kumpanija. F'każ li dan ma jsirx, min jakkwista s-Sit Enfitewtiku jinżamm responsabbli għal hlas ta' multa ta' mija u sittax-il euro (€116).
- (vi) L-Enfitewta ghandu jaghti lil Kumpanija kull informazzjoni nečessarja biex din tkun tista' taččerta l-posizzjoni legali taghha.
- (vii) L-Enfitewta jobbliga ruhu li jforni lill-Kumpanija dik l-informazzjoni statistika u dawk il-kontijiet kollha li ghandhom x'jaqsmu man-negozju skond kif jista' jiĝi lilu mitlub minn żmien ghal żmien mill-Kumpanija.



(17) L-Enfitewta jobbliga ruhu li jimpjega mill-inqas sitta u hamsin (56) haddiem fuq bażi full-time equivalent u jobbliga ruhu li jżomm fl-impjieg dan in-numru minimu ta' impjegati matul iż-żmien kollu tal-koncessjoni enfitewtika.

- (18) L-Enfitewta jobbliga ruhu illi fir-rigward:
- (i) il-parti tas-Sit Enfitewtiku mmarkata bl-aħdar fuq ilpjanta hawn annessa u mmarkata bħala dokument 'A',
 I-Enfitewta għandu jkompli għaddej bl-operat kollu tiegħu mill-fond allokat;
- (ii) il-parti tas-Sit Enfitewtiku mmarkata bl-oranĝjo fuq il-pjanta hawn annessa u mmarkata bhala dokument 'A', l-Enfitewta ghandu jibda bl-operat kollu tieghu millfond allokat sa mhux aktar tard miill-ewwel (1) ta' Jannar tas-sena elfejn u wiehed u ghoxrin (2021).
- (19) L-Enfitewta huwa obbligat li jsir membru ta' kwalunkwe assocjazzoni jew organiżazzjoni, tkun xi tkun l-rwol taghha, li tista' tiġi iffurmata sabiex tamministra l-partijiet komuni tal- Qasam Industrijali ta' San Ġwann.
- (20) Qieghed jiği maqbul bejn il-Partijiet illi sabiex l-Enfitewta jkun jista` jipoteka s-Sit Enfitewtiku favur xi istituzzjoni bankarja l-Enfitewta ghandu jgib lappovazzjoni bil-quddiem u bil-miktub tal-Kumpanija qabel ma s-Sit Enfitewtiku jiği effetivament ipotekat.

F'każ illi l-Kumpanija tilqa` t-talba ta' l-Enfitewta u taghti l-approvazzjoni taghha biex is-Sit Enfitewtiku jiĝi ipotekat, l-Enfitewta ghandu jhallas, kontestwalment mal-hrug tal-ittra t'approvazzjoni (minn hawn 'l quddiem imsejha 'Ittra t'Approvazzjoni'), premium ekwivalenti ghal wieĥed punt hamsa fil- mija (1.5%) ta' l-ammont taċ-ċens pagabbli ghal perjodu rimanenti tal-konċessjoni enfitewtika. Gĥall-iskop ta' din il-klawola



biss, iċ-ċens pagabbli ghal-perjodu rimanenti talkonċessjoni enfitewtika, ghandu jiġi kkalkolat fuq lammont ta' ċens stabbilit fid-data ta' dana l-att u ghalhekk ghandu jeskludi r-reviżjoni tacċ-ċens.

- (ii) F'kaz illi 1-Enfitewta jinghata approvazzjoni ai termini tal-klawsola ghoxrin subparagrafu 'i' (20 (i)), 1-Enfitewta jobbliga ruhu illi matul din il-koncessjoni enfitwetika jforni lill-Kumpannija kwalunkwe informazzjoni u/jew dokumenti li jaffetwaw il-facilita' bankarja li fir-rigward taghha tkun inghatat 1-Ittra t'Approvazzjoni.
- (20) (A) l-Enfitewta jobbliga ruhu wkoll illi ma jidholx garanti b'mod illi jkun qieghed jaghmel tajjeb ghal xi obbligi bis-Sit Enfitewtiku qabel ma jģib l-appovazzjoni bil-quddiem u bil-miktub tal-Kumpanija.
- (21) Il-Kumpanija ghandha d-dritt li xxolji l-enfitewsi preżenti ghal kull wahda minn dawn ir-raġunijiet li gejjin:-
- (a) Jekk l-Enfitewta jaghmel użu mis-Sit Enfitewtiku ghal skop differenti minn dak specifikat fi, jew permess skond, l-ewwel (1) klawsola ta' dana l-att; u/jew
- (b) Jekk ix-xogholijiet imsemmija fil-klawsola numru wiehed (1) li jridu jsiru skond il-pjanti approvati mill-Kumpanija ma jinbdewx fi żmien tlett (3) xhur u ma jitlestewx sal-wiehed u tletin (31) ta' Dićembru tas-sena elfejn u ghoxrin (2020); u/jew
- (c) Jekk l-Enfitewta jonqos milli jhallas ić-ćens ghal żewġ (2) skadenzi, jew jekk ghalkemm huwa ghamel pagament ta' parti mis-somma dovuta, xorta wahda dan jibqa' jibqaghlu jaghti f'ćens somma ekwivalenti ghal żewġ (2) pagamenti; u/jew



- (d) Jekk l-Enfitewta jonqos milli jassigura jew iżomm assigurat is-Sit Enfitewtiku u l-benefikati mibnija fuqu; u/jew
- (e) Jekk I-Enfitewta jonqos milli jottjeni I-lićenzji u permessi kollha mehtiega; u/jew
- (f) Jekk l-Enfitewta jittrasferixxi, jew b'xi titolu iehor jiddisponi mill-koncessjoni enfitewtika, jew iwettaq xi tibdil fit-titolu ta' l-istess, jew b'xi mod iehor jiddisponi jew jaghti b'titolu ta' kera s-Sit Enfitewtiku, minghajr ma jkollu bil-quddiem l-approvazzjoni bil-miktub tal-Kumpanija; u/jew
- (ģ) Jekk l-Enfitewta jonqos li jsegwi bir-reqqa landament tal-applikazzjoni mal-awtorita` kompetenti kif stipulat fil-klawsola tlieta (3) ta` dan l-att; u/jew
- (g) Jekk l-Enfitewta jkun irrid jaghmel xi xogholijiet, żvilupp jew modifikazzjonijiet, inkluż dawk ta` natura strutturali fuq is-Sit Enfitewtiku skond il-klawsola tlieta (3) ta` dan l-att, u:

L-Enfitewta jghati bidu ghax-xogholijiet, żvilupp jew modifikazzjonijiet qabel ma jirčievi l-approvazzjoni bilmiktub mill-Kumpanija u/jew mill-awtorita` kompetenti tal-imsemmija pjanti; u/jew

F'każ li xogholijiet, żvilupp jew modifikazzjonijiet ma jigux esegwiti skond kif ikun gie approvat mill-Kumpanija u/jew mill-awtorita` kompetenti; u/jew

Jekk ix-xogholijiet, żvilupp, modifikazzjonijiet u benefikati kollha ta` natura permanenti jigu mibnija u kull xoghol iehor jigu mwettqa mill-Enfitewta mhux skond is-sengha u mhux bl-ahjar materjal disponibbli ghas-sodisfazzjon tal-Kumpanija; u/jew

(għ) Din il-klawsola hija mhollija barra intenzjonalment; u/jew



- (h) Jekk jongos li:
- (i) jkompli jopera mill-parti tas-Sit Enfitewtiku mmarkata bl-ahdar fuq il-pjanta hawn annessa u mmarkata bhala dokument 'A'; u/jew
- (ii) jibda jopera mill-parti tas-Sit Enfitewtiku mmarkata bl-oranĝjo fuq il-pjanta hawn annessa u mmarkata bħala dokument 'A', sal-ewwel (1)ta' Jannar tas-sena elfejn u wiehed u ghoxrin (2021); u/jew
- (h) Jekk l-Enfitewta jaghti istruzzjonijiet lil terzi persuni li jaffetwaw il-validita' tad- direct debit mandate form; u/jew
- (i) Jekk l-Enfitewta jikser kwalunkwe kundizzjoni ohra ta' din il-koncessjoni enfitewtika;

B'dan iżda, kemm-il darba l-Enfitewta jikser xi wahda mill-kundizzjonijiet ta` dan l-att, il-Kumpanija jkollha l-jedd li teżiġi l-ħlas ta` penali ta' tlett elef erba' mija u tmien euro [€3,408] ghal kull ġurnata ta` ksur, liema penali tkun dovuta in linea ta` danni prelikwidati u tiddekorri minghajr ħsara għall-jedd tal-Kumpanija li tgħaddi għax-xoljiment tal-konċessjoni skont klawsola numru wiehed u għoxrin (21) ta` dan l-att. Tali penali ossia danni prelikwidati ma għandiex tkun sindikabbli minn kwalsiasi Qorti u l-Enfitewta qiegħed minn issa jirrinunzja għal kwalsiasi jedd li jista` jkollu li jitlob tnaqqis:

B'dan iżda li l-Kumpanija ghandha, qabel ma timponi lpenali, taghti lill-Enfitewta avviz bil-miktub tal-ksur talkundizzjonijiet ta` dan l-att bi zmien tletin (30) ġurnata sabiex l-Enfitewta jottempora ruhu mal-kundizzjonijiet ta' dan l-att u l-penali tibda` tiddekorri minnufih malli jaghlaq iz-zmien moghti fl-avviz sabiex l-Enfitewta jottempora ruhu.





B'dan iżda wkoll I-Kumpanija ghandha taghti, lil bank jew istituzzjoni finanzjarja li tkun avvanzat self biex jinbnew benefikati fis-Sit Enfitewtiku, pre-avviz ta' tletin (30) ġurnata permezz ta' ittra reģistrata jekk kemm il-darba I-Enfitewta jkun kiser xi wahda mill-kundizzjonijiet skond il-klawsola wiehed u ghoxrin (21) ta' dan I-att.

B'dan iżda l-Kumpanija qieghda tobbliga ruhha li ma xxoljix din il-koncessjoni enfitewtika ghal xi wahda mirragunijiet hawn fuq imsemmija sakemm ikun ghad hemm pendenti proceduri ta' subbasta mibdija millbank jew minn xi istituzzjoni finanzjarja hawn fuq imsemmija.

- (22) L-Enfitewta jobbliga ruhu li jinvestu s-somma ta' żewġ miljuni u mitt elf euro (€2,100,000) f''benefiktai fuq is-Sit Enfitewtiku', 'plant', 'machinery' u 'equipment' u 'fixtures' u 'fittings' fi zmien tlett (3) snin mid-data ta' dan l-att.
- (23) Ħlief safejn tista' tapplika l-klawsola ghaxra (10) ta' dan l-att, hekk kif jaghlaq iż-żmien tal-koncessjoni enfitewtika jew tiġi mitmuma ghal xi raġuni ohra, dawk ix-xogholijiet u benefikati li jkunu twettqu fuq is-Sit Enfitewtiku jghaddu lura mas-Sit Enfitewtiku ghand il-Kumpanija fi stat tajjeb li jkun acettabbli ghall-Kumpanija u l-Enfitewta ma jkollu ebda dritt ta' kumpens ikun xi jkun il-valur tax-xogholijiet jew benefikati li jkunu saru.
- (24) Minbarra x-xoljiment tal-končessjoni enfitewtika ghal wahda mir-raģunijiet stipulati fil-klawsola wiehed u ghoxrin (21), il-Kumpanija ghandha d-dritt li tinforza u teżiģi l-hlas ta' penali li jistghu jkunu dovuti mill-Enfitewta skond il-klawsoli prečedenti ta' dana l-att saddata tax-xoljiment tal-končessjoni enfitewtika. Barra minn dan l-imposizzjoni ta' l-istess penali u/jew rimedji



ohra qabel ma tigi xolta l-končessjoni m'ghandhiex titqies bhala rinunzja tad-dritt ta' xoljiment;

(25) L-Enfitewta jirrikonoxxi illi l-Kumpanija ghandha dritt fi kwalunkwu hin, tassenja d-drittijiet u/jew l-obbligi taghha naxxenti minn dan l'att lill-rapprezentant appuntat mill-Kumpanija.

A skans ta' kull eqwivoku r-rapprezentant appuntat mill-Kumpanija, imsemmi hawn fuq, jista' jkun kwalunkwe persuna jew entita' appuntata mill-Kumpanija sabiex tassumi kwalunkwe d-dritt u/jew obbligazzjoni naxxenti minn dan l'att.

(26) (a) L-Enfitewta huwa responsabbili sabiex iqabbad is-servizzi tas-Sit Enfitewtiku mal-infrastruttura generali tas-servizzi inkluzi izda mhux limitati ghas-servizzi tal-ilma tax-xita u r-'reservoir overflows' sabiex jigu diretti ghal post adegwat identifikat wara konsultazzjoni mal-awtoritajiet kompetenti kif ukoll ghas-servizzi ta' ilma, dawl, dranagg u ta' kommunikazzjoni. L-ispejjeż kollha relatati mal-konnessjoni tas-servizzi tas-Sit Enfitewtiku mal-infrastruttura generali kif stipulat hawn fuq, inkluża l-ispiża ta' kwalunkwe 'power upgrades' ghandhom jithallsu esklużivament mill-Enfitewta u ghaldaqstant l-Enfitewta mhux intitolat ghal ebda kumpens mill-Kumpanija.

26 (b) L-Enfitewta huwa obbligat li jżomm in situ sservizzi infrastrutturali eżistenti kemm jekk jinstabu taht l-art jew xort 'ohra jew f'każ li wara konsultazzjoni ma' l-awtoritajiet kompetenti, r-rilokazzjoni tirriżulta mandatorja l-Enfitewta ghandu jirriloka dawn isservizzi infrastrutturali u dawn ghandhom isiru gharriskju u l-ispiza tal-Enfitewta.





- (27) Qieghed jiği maqbul bejn il-partijiet illi sabiex iddividenti jiğu mhallsa lill-azzjonisti, l-Enfitewta ghandu jğib l-appovazzjoni bil-quddiem u bil-miktub tal-Kumpanija u liema approvazzjoni hija fid-diskrezzjoni assoluta tal-Kumpanija.
- (28) Qieghed jigi maqbul bejn il-partijiet illi ċ-ċens kif ukoll il-hlasijiet kollha dovuti li jaqghu taht dan l-att ghandhom jigu pagabbli permezz tad-'direct debit mandate system' u ghal dan il-ghan qed tigi hawn annessa l-formula u mmarkata bhala dokument 'B'.
- (29) Is-Sit Enfitewtiku qieghed jigi trasferit fi stat tale quale, fil-kundizzjoni stabbilita fil-condition report, liema dokument huwa anness ma' dan l-att u mmarkat bhala 'Dokument 'D'.

In garanzija tal-hlas taċ-ċens u l-osservanza xierqa ta' l-obbligazzjonijiet li l-Enfitewta assuma taħt dan l-att, minbarra l-Privileġġ Speċjali stipulat mil-liġi fir-rigward tas-Sit Enfitewtiku u l-benefikati mibnija fuqu, l-Enfitewta qed jippoteka favur il-Kumpanija, aċċettanti, il-beni kollha tieghu preżenti u futuri;

L-ispejjež kollha legali u notarili in konnessjoni ma' dana l-att ghandhom jithallsu mill-Enfitewta.

Ghall-finijiet tal-Att dwar Taxxa fuq Dokumenti u Trasferimenti tas-sena elf disgha mija tlieta u disghin (1993), qed jigi hawn dikjarat illi:

A. Il-Kumpanija akkwistat il-propjeta' hawn končessa in forza tal- Ordinanza dwar il-Kummissarju ta' l-Artijiet (Kap. 169 tal-Ligijiet ta' Malta), illum abrogata, u kif ukoll l-Avviži Legali tlett mija u sittin tas-sena elfejn u erbgha (360/2004) u tlett mija wiehed u sittin tas-sena elfejn u erbgha (361/2004);



B. U peress li skond id-dispozizzjonijiet tal-artikolu erbgha (4) tal-Kap hames mija u tlieta u sebghin (573) tal-Ligijiet ta' Malta dwar Artijiet tal-Gvern, id-drittijiet u r-responsabbilitajiet fuq dawk lartijiet lipermezz ta' liġi, ordni jew avviż kienu ġew mghoddija lill-Kumpannija bis-sahha tal- Ordinanza dwar il-Kummissarju ta' l-Artijiet (Kap. 169 tal-Ligijiet ta' Malta) ghandhom jibqghu jiġu miżmuma mill-Kumpannija;

C. Dan l-att huwa eżenti mit-taxxa tal-boll a tenur tal-Att numru disgha (IX) tas-sena elf disgha mija u tlieta u disghin (1993).

Ghall-finijiet ta' l-Att dwar l-Amministrazzjoni tat-Taxxa tas-sena elf disa' mija u erbgha u disghin (1994) qed jigi hawn dikjarat illi l-ebda taxxa fuq Qligh Kapitali ma hi dovuta fuq dan l-att.

Ghall-finijiet tal-Att Dwar l-Akkwist ta' Proprjeta' Immobbli minn Persuni mhux Residenti (Kapitlu mitejn u sitta u erbgħin (246) tal-Liġijiet ta' Malta qed jiġi hawn dikjarat illi l-Enfitewta m'ghadhiex bzonn permess għax-xiri ta' proprjeta' immobbli minn persuni mhux residenti u dan wara li r-rapprezentanti taghha ddikjaraw qabel illum illi giet kostitwita, iffurmata, stabbilita, inkorporata jew reģistrata fi, jew taht il-liģijiet ta' stat Stat Membru; u (ii) ghandha 1-indirizz reģistrat taghha, post principali ta' residenza jew ta' negozju taghha f'Malta jew Stat Membru iehor; u (iii) ghandha iktar minn sebgħa u għoxrin fil-mija (75%) mis-sehem taghha f'isem persuni residenti; u (iv) hija kemm direttament kemm indirettament ikkontrollata minn persuni residenti; u (v) il-proprjetà immobbli hi mehtiega għall-fini tat-twettiq tal-attività li tkun twaqqfet ghaliha I-kumpanija.



Ghall-finijiet tal-Att Dwar l-Professjoni Nutarili u Arkivju Nutarili (Kapitlu hamsa u hamsin (55) tal-Liģijiet ta' Malta) u ghall-finijiet tar-Regolamenti Dwar l-Ezami tat-Titolu, Liģi Sussidjara sitta tal-kapitlu hamsa u hamsin (L.S. 55.06) jiena Nutar niddikjara illi jiena ipso jure eženti milli nežamina t-titolu tas-Sit Enfitewtiku skont artikolu erbgha paragrafu 'd' (4(d)) tal- Liģi Sussidjara u dan wara li fissirt l-implikazzjonijiet ta' din l-eženzjoni skont il-ligi.

Dan l-att ģie maghmul, moqri u ppubblikat wara li lkontenut tieghu ģie debitament spjegat lil komparenti partijiet skond il-liģi f'Malta, fl-Ufficju tas-socjetà Malta Industrial Parks Limited, bla numru, Gwardamangia Hill, Pieta'.

Karl Azzopardi. Robert Tua. LUCA BURLO' NUTAR PUBBLIKU, MALTA.

Vera kopja tal-Originali fl-Atti tieghi mahruga llum 6ta' Frar 2019. Quod Attestor.

Luca Burlo',

Nutar Pubbliku, Malta.

152/1, Naxxar Road, San Gwann.

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halfi las sera offeri wrend ughoomi (202).

Nru.

Quddiemi, Nutar Dottor Luca Burlo', qed jidhru personalment, wara li vverifikajt l-identita taghhom permezz tad-dokumenti msemmija:-

Emenda ta' Koncessjoni Enfitewtika

Min-naha l-wahda:- Karl Azzopardi, Kap Eżekuttiv, bin Joseph Pio u Annie neè Axiaq, imwieled Attard, fl-ghoxrin (20) ta' Lulju tas-sena elf disa' mija u wiehed u sebghin (1971) u joqghod Naxxar (karta tal-Identita' numru 354371M, li qieghed jidher fuq dana l-att ghannom u in-rapprezentanza tas-socjetà INDIS Malta Limited [bin-numru ta' reģistrazzjoni C. 28965] - aktar l-isfel imsejha "il-Kumpanija", debitament awtorizzat, li in forza tal-Kapitlu hames mija u tlieta u sebghin (573) tal-Ligijiet ta' Malta dwar l-Artijiet tal-Gvern assumiet kull jedd jew obbligi relatati ma' l-amministrazzjoni ta' propjetà industrijali tal-Gvern ta' Malta li qabel kienu jispettaw lill-Korporazzjoni ghal Żvilupp ta' Malta.

Min-naha l-ohra:- Anton Magro, direttur, mizzewweg, bin Mario Magro u Pauline Magro nee' Sant, imwieled il-Pieta' nhar l-1 ta' Lulju 1985 u residenti n-Naxxar, detentur tal-karta tal-identita numru 340685M li jidher ghan-nom u in-rapprezentanza tas-socjetà Class Optical Manufacturing Limited [bin-numru ta' registrazzjoni C. 6387] - aktar l-isfel imsejjah bhala "L-Enfitewta", debitament awtorizzat bis-sahha ta' rizoluzzjoni tal-bord ta' diretturi tal-kumpanija datata l-erbgha u ghoxrin (24) ta' Gunju elfejn wieehd u ghoxrin (2021), estratt tar-rezoluzzjoni hawn anness bhala dokument itttra 'R'.



Definizzjonijiet

Il-Partijiet jaqblu li fuq dan l-att, sakemm il-kuntest ma jinhtiegx mod iehor, is-segwenti definizzjonijiet ghandhom japplikaw:

"Att Originali" tfisser il-koncessjoni enfitewtika originali fl-atti tieghi tal-wiehed u għoxrin (21) ta' Jannar tas-sena elfejn u dsatax (2019) li sar bejn il-Partijiet, bit-termini u soggett ghall-kundizzjonijiet indikati fl-istess att.

"Partijiet" tfisseril-Kumpanija u l-Enfitewta, flimkien.

"Sit Enfitewtiku" tfisser biċċa art kif ukoll kull bini li jista' jinstab fuqha sitwata ġewwa l-Qasam Industrijali ta' San Gwann, liema art tinsab mmarkata bl-ahmar filpjanta annessa mal-Att Originali u mmarkata dokument 'A' bl-ittri 'S' 'U' 'B' numri disgħa wieħed wieħed ittri ' Y 'L' numri żero żero ittra 'A' simbolu 'L' (SUB911YL00A_), u liema art u bini jikkonsistu f''factory ground floor' tal-kejl superficjali ta' elf u sitta u tletin metru kwadru (1,036m2), f''offices ground floor' tal-kejl superficjali ta' mija sebgħa u sebgħin metru kwadru (177m2), f''offices first floor' tal-kejl superficjali ta' seba' mitt metru kwadru (700m2), f''room/structure A' tal-kejl superficjali ta' tnax-il metru kwadru (12m2), f'' room/structure B' tal-kejl superficjali ta' tlieta u ghoxrin metru kwadru (23m2) u f'unbuilt surrounding area' talkejl superficjali ta' erba' mija u sitta u ħamsin metru kwadru (456m2) u ghandha l-konfini taghha jmissu kollha ma' propjeta tal-Gvern, bid-drittijiet, gustijiet u pertinenzi kollha tieghu.



Premessi

Il-Partijiet jippremettu illi:-

- Bis-sahha tal-Att Originali, il-Kumpanija kienet ikkoncediet is-Sit Enfitewtiku lill-Enfitewta, b'titolu ta' cens temporanju ghal perjodu ta' hamsa u tletin (35) sena liema perjodu beda jiddekorri mid-data tal-Att Originali, liema koncessjoni tista` tigi estiza ghal perjodu wiehed addizzjonali ta' tletin (30) sena fuq talba tal-Enfitewta, bit-termini u soggett ghallkundizzjonijiet indikati fl-istess att.
- Il-Partijiet jixtiequ jaghmlu xi emendi talkundizzjonijiet tal-koncessjoni enfitewtika li saret bis-sahha tal-Att Originali.

Ghaldaqstant il-Partijiet dehru fuq dan l-att li bis-sahha tieghu, jaqblu bonarjament kif gej:

Emendi

Il-Partijiet ihassru artikolu 18(ii) tal-Att Originali u jistipulaw minfloku s-segwenti artikolu:-

'il-parti tas-Sit Enfitewtiku mmarkata bl-oranĝjo fuq ilpjanta hawn annessa u mmarkata bħala dokument 'A', l-Enfitewta ghandu jibda bl-operat kollu tieghu millfond allokat sa mhux aktar tard miill-ewwel (1) ta' Jannar tas-sena elfejn u tnejn u għoxrin (2022).'

Il-Partijiet ihassru artikolu 21(b) tal-Att Originali u jistipulaw minfloku s-segwenti artikolu :

'Jekk ix-xogholijiet imsemmija fil-klawsola numru wieħed (1) li jridu jsiru skond il-pjanti approvati mill-Kumpanija ma jinbdewx fi żmien tlett (3) xhur u ma

de Seal

jitlestewx sal-wiehed u tletin (31) ta' Dičembru tas-sena elfejn u wiehed ghoxrin (2021); u/jew'

Il-Partijiet ihassru artikolu 21(h)(ii) tal-Att Originali u jistipulaw minfloku s-segwenti artikolu :

'jibda jopera mill-parti tas-Sit Enfitewtiku mmarkata blorangjo fuq il-pjanta hawn annessa u mmarkata bhala dokument 'A', sal-ewwel (1) ta' Jannar tas-sena elfejn u tnejn u ghoxrin (2022); u/jew'

Il-Partijiet ihassru artikolu 17 tal-Att Originali u jistipulaw minfloku s-segwenti artikolu :

'(17) L-Enfitewta jobbliga ruhu li jimpjega mill-inqas sitta u hamsin (56) haddiem fuq bażi full-time equivalenti u jobbliga ruhu li jżomm fl-impjieg dan innumr minimu ta' impjegati matul iż-żmien kollu tal-koncessjoni enfitewtika. B'dan iżda, ghall-iskopijiet ta' din is-subklawżola, n-numru ta' persuni impjegati mall-kumpanniji Class Finance plc (bin-numru ta' reģistrazzjoni C94741), Class Holding Limited (bin-numru ta' reģistrazzjoni C94741) class Optical Limited (bin-numru ta' reģistrazzjoni C21530) ghandhom jigu kkunsidrati u dan sakemm l-imsemmija kumpaniji u l-Enfitewta jkollhom l-istess sha beneficjaru ahbari.

Salv l-emendi li qed isiru b'dan l-att, il-Partijiet jirratifikaw l-Att Originali, bit-termini u soggett ghall-kundizzjonijiet indikati.

Dan l-att ģie maghmul, moqri u ppubblikat wara li lkontenut tieghu ģie debitament spjegat lil komparenti



Page No. partijiet skond il-liģi f'Malta, fl-Ufficju tas-socjetà INDIS Malta Ltd, Valley Road, Msida 1) Tlet 13) Klein Kkarcellali u Sosttrili: Sieleen Sereficjorgi otitarija L'adob: numer twiergon toners 198). MER PUSPUKY. PALTA



C6387

A faithful extract of the board of directors' written resolution of Class Optical Manufacturing Ltd ("the Company") dated $24^{\rm th}$ June 2021

The company requested INDIS Malta Limited ("INDIS") a modification to the original deed of emphyteusis dated 21st January 2019.

The amendments include the following:

- The company starts operating within the new premises allocated by INDIS by the 1^{st} January 2022, previously 1^{st} January 2021
- The company together with Class Optical Ltd and Class Holding Ltd employs a minimum of fifty-six (56) full-time employees

It was unanimously agreed that Mr. Anton Magro holder of Maltese Identity Card Numbered 0340685M is hereby being authorized to appear on behalf of the company under such terms and conditions as he deems fit to accept and adopt, and to sign the final deed.

Anton Magro

Company Secretary



Iller dight of tornis (29) to Morenson latescar effer weeked n ghazni (2021).

Page No.

Nru.

Quddiemi, Nutar Dottor Luca Burlo', qed jidhru personalment, wara li vverifikajt l-identita taghhom permezz tad-dokumenti msemmija:-

Emenda ta' Koncessjoni Enfitewtika

Min-naha l-wahda:- Perit Joseph Attard, Kap Eżekuttiv, iben Grazio Attard u Mary Attard nee' Muscat imwieled H'Attard nhar il-21 ta' Jannar 1980 u residenti ġewwa l-Mellieha, detentur tal-karta' tal-identita' numru 90880(M), li qieghed jidher fuq dana l-att ghan-nom u in-rapprezentanza tas-socjetà INDIS Malta Ltd. [bin-numru ta' reġistrazzjoni C. 28965] - aktar l-isfel imsejha "il-Kumpanija", debitament awtorizzat, li in forza tal-Kapitlu hames mija u tlieta u sebghin (573) tal-Ligijiet ta' Malta dwar l-Artijiet tal-Gvern assumiet kull jedd jew obbligi relatati ma' l-amministrazzjoni ta' propjetà industrijali tal-Gvern ta' Malta li qabel kienu jispettaw lill-Korporazzjoni ghal Żvilupp ta' Malta.

Min-naha I-ohra:- Anton Magro, direttur, mizzewweg, bin Mario Magro u Pauline Magro nee' Sant, imwieled il-Pieta' nhar I-1 ta' Lulju 1985 u residenti n-Naxxar, detentur tal-karta tal-identita numru 340685M, ghannom u in-rapprezentanza tas-socjetà Class Optical Manufacturing Limited [bin-numru ta' registrazzjoni C. 6387] - aktar I-isfel imsejjah bhala "L-Enfitewta", debitament awtorizzat bis-sahha ta' rizoluzzjoni tal-bord ta' diretturi tal-kumpanija, hawn annessa bhala dokument ittra 'R'.



Definizzjonijiet

Il-Partijiet jaqblu li fuq dan l-att, sakemm il-kuntest ma jinhtiegx mod iehor, is-segwenti definizzjonijiet ghandhom japplikaw:

"Att Oriģinali" tfisser il-koncessjoni enfitewtika originali fl-atti tieghi tal-wiehed u ghoxrin (21) ta' Jannar tas-sena elfejn u dsatax (2019) li sar bejn il-Partijiet, bittermini u soggett ghall-kundizzjonijiet indikati fl-istess att.

"Att ta' Emenda" tfisser l-Att tat-tnejn (2) ta' Lulju tassena elfejn, wiehed u ghoxrin (2021) li sar bejn il-Partijiet fejn saru certu emendi tal-kundizzjonijiet talkoncessjoni enfitewtika li kienet saret bis-sahha tal-Att Originali;

"Partijiet" tfisser il-Kumpanija u l-Enfitewta, flimkien.

"Sit Enfitewtiku" tfisser biċċa art kif ukoll kull bini li jista' jinstab fuqha sitwata gewwa l-Qasam Industrijali ta' San Ġwann, liema art tinsab mmarkata bl-ahmar filpjanta annessa mal-Att Oriģinali u mmarkata dokument 'A' bl-ittri 'S' 'U' 'B' numri disgħa wieħed wieħed ittri ' Y 'L' numri zero zero ittra 'A' simbolu '_' (SUB911YL00A_), u liema art u bini jikkonsistu f'factory ground floor' tal-kejl superficjali ta' elf u sitta u tletin metru kwadru (1,036m2), f'offices ground floor' tal-kejl superficjali ta' mija sebgħa u sebgħin metru kwadru (177m2), f'offices first floor 'tal-kejl superficjali ta' seba' mitt metru kwadru (700m2), f'room/structure A' tal-kejl superficjali ta' tnax-il metru kwadru (12m2), f' 'room/structure B' tal-kejl superficjali ta' tlieta u ghoxrin metru kwadru (23m2) u f''unbuilt surrounding area' talkejl superficjali ta' erba' mija u sitta u ħamsin metru kwadru (456m2) u ghandha l-konfini taghha jmissu

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kollha ma' propjeta tal-Gvern, bid-drittijiet, ģustijiet u pertinenzi kollha tieghu.

Premessi

Il-Partijiet jippremettu illi:

- Bis-sahha tal-Att Oriģinali, il-Kumpanija kienet ikkoncediet is-Sit Enfitewtiku lill-Enfitewta, b'titolu ta' cens temporanju ghal perjodu ta' hamsa u tletin (35) sena liema perjodu beda jiddekorri mid-data tal-Att Oriģinali, liema koncessjoni tista` tiģi estiža ghal perjodu wiehed addizzjonali ta' tletin (30) sena fuq talba tal-Enfitewta, bit-termini u soġġett ghallkundizzjonijiet indikati fl-istess att.
- Bis-sahha tal-Att ta' Emenda saru xi emendi talkundizzjonijiet tal-koncessjoni enfitewtika li kienet saret bis-sahha tal-Att Originali.
- Il-Partijiet jixtiequ jagħmlu xi emendi ulterjuri talkundizzjonijiet tal-koncessjoni enfitewtika li saret bis-saħħa tal-Att Originali, kif emendat bl-Att ta' Emeda.

Ghaldaqstant il-Partijiet dehru fuq dan l-att li bis-sahha tieghu, jaqblu bonarjament kif ģej:

Emendi

Il-Partijiet ihassru artikolu (1)(a) tal-Att Originali u jistipulaw minfloku s-segwenti artikolu:

'(1)(a) L-Enfitewta ghandu, matul iz-zmien kollu talkončessjoni enfitewtika, juža s-Sit Enfitewtiku ghal skopijiet industrijali biss, u l-Enfitewta f'dan ir-rigward qed jobbliga ruhu li jtella' benefikati li ma jqumux anqas minn miljun u tlett mitt elf euro (€1,300,000) netti mill-VAT u liema benefikati ghandhom jibdew fi žmien tlett (3) xhur u jitlestew





sa mhux aktar tard mill-wiehed u tletin (31) ta' Awwissu tassena elfejn u tnejn u ghoxrin (2022). Ix-xoghlijiet u benefikati kollha ta' natura permanenti ghandhom jigu mibnija u kull xoghol iehor ghandu jigi mwettaq mill-Enfitewta skond issengha u bl-ahjar materjal disponibbli ghas-sodisfazzjon talimsemmija Kumpanija.'

Il-Partijiet ihassru artikolu 18(ii) tal-Att Oriģinali u jistipulaw minfloku s-segwenti artikolu :

'il-parti tas-Sit Enfitewtiku mmarkata bl-orangjo fuq il-pjanta hawn annessa u mmarkata bhala dokument 'A', l-Enfitewta ghandu jibda bl-operat kollu tieghu mill-fond allokat sa mhux aktar tard mill-wiehed u tletin (31) ta' Awwissu tas-sena elfejn u tnejn u ghoxrin (2022).'

Il-Partijiet ihassru artikolu 21(b) tal-Att Oriģinali u jistipulaw minfloku s-segwenti artikolu:

'Jekk ix-xogholijiet imsemmija fil-klawsola numru wiehed (1) li jridu jsiru skond il-pjanti approvati mill-Kumpanija ma jinbdewx fi žmien tlett (3) xhur u ma jitlestewx sal-wiehed u tletin (31) ta' Awissu tas-sena elfejn u tnejn u ghoxrin (2022); u/jew'

Il-Partijiet ihassru artikolu 21(h)(ii) tal-Att Originali u jistipulaw minfloku s-segwenti artikolu:

'jibda jopera mill-parti tas-Sit Enfitewtiku mmarkata blorangjo fuq il-pjanta hawn annessa u mmarkata bhala dokument 'A', sal-wiehed u tletin (31) ta' Awwissu tas-sena elfejn u tnejn u ghoxrin (2022); u/jew'

Salv l-emendi li qed isiru b'dan l-att, il-Partijiet jirratifikaw l-Att Oriģinali, bit-termini u soģģett għallkundizzjonijiet indikati.



Dan l-att ģie maghmul, moqri u ppubblikat wara li lkontenut tieghu ģie debitament spjegat lil komparenti partijiet skond il-liģi f'Malta, fl-Ufficju tas-socjetà INDIS Malta Ltd, tmienja u tmenin (88), Valley Road, Msida.

WEA BYRO MARTA.
HUSAR PUBLIKU, MARTA.



CLASS OPTICAL MANUFACTURING LTD UBT 13/14, Industrial Estate, San Gwann.

C6387

A faithful extract of the board of directors' written resolution of Class Optical Manufacturing Ltd ("the Company") dated 29th November 2021

The company requested INDIS Malta Limited ("INDIS") a modification to the original deed of emphyteusis dated 21st January 2019.

The amendments include the following:

 The company starts operating within the new premises allocated by INDIS by the 31st August 2022, previously 1st January 2022

It was unanimously agreed that Mr. Anton Magro holder of Maltese Identity Card Numbered 0340685M is hereby being authorized to appear on behalf of the company under such terms and conditions as he deems fit to accept and adopt, and to sign the final deed.

Anton Magro

Company Secretary



Schedule 8 LOAN AGREEMENT

| Date: | 2022 |
|-----------------------------|---------|
| | |
| Class Finance p.l.c. | |
| | |
| ("Lender") | |
| | |
| A so al | |
| And | |
| | |
| Class Optical Manufacturing | Limited |
| | |
| ("Borrower") | |
| | |
| And | |
| | |
| Tri-Mer Services Limite | ed |
| ("Escrow Agent") | |
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| LOAN AGREEMENT | |
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| An agreement dated _ | 2022 |
|----------------------|------|
| | |
| Between: | |

Class Finance p.l.c., a public liability company registered under the laws of Malta, bearing company registration number C 94741and having its registered office at UBT 13/14, San Gwann Industrial Estate, San Gwann SGN 3000, Malta (the "Lender"); and

Class Optical Manufacturing Limited, a limited liability company registered under the laws of Malta, bearing company registration number C 6387, and having its registered office at UBT 13/14, San Gwann Industrial Estate, San Gwann SGN 3000, Malta (the "Borrower"); and

Tri-Mer Services Ltd., a limited liability company registered under the laws of Malta with company registration number C 36968 and with registered office situated at International House, Mdina Road, Mriehel, BKR 3000, Malta and licensed by the Malta Financial Services Authority to act as trustee in terms of Article 43(3) of the Trusts and Trustees Act, (the "Escrow Agent")

The Lender, the Borrower and the Escrow Agent shall be jointly hereinafter referred to as the "**Parties**".

WHEREAS it has been agreed that the Lender shall make available to the Borrower, a loan for a sum of two million six hundred and fifty hundred thousand Euro (€2,650,000) (hereinafter referred to as the "**Loan**") upon the terms and subject to the conditions of this Agreement.

NOW THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS

1. Definitions

In this Agreement, the following words shall, unless the context otherwise requires have the meanings assigned to them hereunder:

Borrower Group means any company forming part of the group of companies, of which the Lender is the parent company;

Bonds means the bonds issued by the Lender pursuant to the CAD;

Business Day means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to remain closed under the laws of Malta;

CAD means the company admission document issued by the Lender on the 19 January 2022 pursuant to which the Bonds in the amount of three million Euros (€3,000,000) were issued;



Escrow Agreement means the agreement entered into by and between the Lender and the Escrow Agent on the 19 January 2022;

Loan Agreement means this agreement in its entirety;

Repayment Date means the 9 January 2032.

2. The Loan Facility

With effect from the date of this Agreement, the Lender hereby grants the Loan to the Borrower, which accepts, upon the terms and subject to the conditions of this Agreement, by transferring the Loan to such bank account as may be instructed by the Borrower, subject to Clause 3 hereunder.

3. Use of Proceeds

- 3.1 The Borrower shall apply all amounts that are to be drawn down by it under this Loan Agreement solely for the following purposes:
- (a) in the amount of €2,200,000, to part-finance the Works (as defined and set out in the CAD) (the **Works Financing**).
- (b) in the amount of *circa* €200,000, to re-financing the acquisition by the Borrower of laboratory machinery; and
- (c) in the amount of *circa* €250,000, to finance the acquisition by the Borrower of plant and machinery.
- 3.2 The Parties acknowledge that the funds available to the Lender to be on-lent to the Borrower for the purposes of the Works Financing are in the possession of the Escrow Agent, pursuant to the terms of the CAD. Accordingly, the Parties agree that:
- (a) the Loan for the purposes set out in Clause 3.1(a) shall only be disbursed by the Escrow Agent if and when it is satisfied that the Loan (or part thereof) is to be utilised in accordance with the purposes indicated in Clause 3.1(a) hereof and only upon Completion of the Works (both terms as defined in the Escrow Agreement); and
- (b) the Borrower shall provide the Escrow Agent with all information and documentation necessary for it to determine that the Loan (or part thereof) shall be utilised for the purposes of Works Financing.

4. Interest

- 4.1 The Parties agree that the Borrower shall pay interest on the Loan at the rate of five point five percent (5.5%) *per annum*.
- 4.2 Interest shall accrue on the Loan at the rate of interest calculated in accordance with the provisions of Clause 4.1 and shall be paid by the Borrower to the Lender twice annually as follows:
- (a) on the 15th June; and
- (b) on the 15th December.



The Parties agree that the first interest payment payable pursuant to this clause 4 shall be paid by the Borrower on the 15th June 2022.

5. Term & Repayment

- 5.1 The Borrower shall repay the Loan and any accrued interest thereon in full and in cash on the Repayment Date.
- 5.2 Without prejudice to any provisions in this Loan Agreement which may require the earlier repayment thereof, the Loan shall be repaid as provided in Clause 5 provided that the Repayment Date, all amounts which are due and owing under the Loan at such time shall be repaid by the Borrower in full, without deduction or set-off together with any charges or other amounts that may be or may become due and payable under the Agreement.
- 5.3 The Borrower may not re-borrow any part of the Loan which is repaid.

6. Arrangement Fee

In consideration of the Lender raising the Loan funds for the Borrower's purposes and arranging the Loan, the Borrower agrees to pay the Lender on the Repayment Date a fee amounting to ten thousand Euro (€10,000).

7. Events of Default

Each of the events or circumstances set out in this Clause (Events of Default) shall constitute an Event of Default:

- 7.1 if an Event of Default (as defined in the CAD) occurs in relation to the Lender;
- 7.2 if the Borrower shall fail to pay any interest when due and such failure shall continue for thirty (30) days after written notice thereof shall have been given to the Borrower;
- 7.3 if the Borrower shall fail to pay the principal amount of the Loan on Repayment Date and such failure shall continue for thirty (30) days after written notice thereof shall have been given to the Borrower; or
- 7.4 if the Borrower shall fail duly to perform or shall otherwise be in breach of any other material obligation contained in the terms and conditions of this Loan Agreement and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Borrower by the Lender; or
- 7.5 an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Borrower; or



- 7.6 the Borrower 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
- 7.7 the Borrower is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent.

8. Acceleration

Upon the occurrence of an Event of Default, the Lender shall inform the Borrower that an Event of Default under this Loan Agreement has occurred and the Lender shall

- 8.1 cancel the Loan whereupon it shall immediately be cancelled;
- 8.2 declare that all or part of the Loan, together with all other amounts accrued or outstanding under this Loan Agreement be immediately due and payable, whereupon they shall become immediately due and payable; and/or
- 8.3 declare that all or part of the Loan be payable on demand, whereupon it shall immediately become payable on demand.

9. Undertakings

The Borrower undertakes with the Lender that from the date of this Loan Agreement and so long as any moneys are owing under this Agreement:

- 9.1 the Borrower's payment obligations hereunder constitute its legal, valid, binding, unsecured and unsubordinated obligations which rank and will at all times rank at least pari passu in all respects with all its respective other unsecured and unsubordinated borrowed moneys indebtedness other than those obligations which are expressly preferred by any applicable bankruptcy, insolvency or other similar laws of general application;
- 9.2 it will promptly effect all payments due and payable or which may become due and payable under this Loan Agreement as well as all other fees or charges mentioned in this Loan Agreement;
- 9.3 it will promptly inform the Lender of any occurrence of which it becomes aware which might adversely affect its ability to perform its obligations under this Loan Agreement and of any default forthwith upon becoming aware thereof and will from time to time, if so requested by the Lender, confirm to the Lender in writing that, save as otherwise stated in such confirmation, no default has occurred and is continuing;
- 9.4 it will provide the Lender with such information, financial or otherwise, concerning the Borrower and its affairs as the Lender may from time reasonably require.



10. Assignment and Novation

- 10.1 The Lender may: (a) assign any of its rights hereunder; or (b) transfer by novation any of its rights and obligations hereunder to any third party and the Borrower hereby consents and agrees to such assignment, novation or transfer.
- 10.2 The Borrower may not assign any of its rights or transfer any of its rights or obligations under the Loan Agreement without the written consent of the Lender.

11. Governing Law and Jurisdiction

- 11.1 This Loan Agreement is governed by and shall be construed in accordance with Maltese law.
- 11.2 In the event of any dispute arising in connection with this Loan Agreement, the Parties shall attempt in good faith to settle the dispute amicably. Where however, despite their best efforts, the Parties are unable to resolve the dispute amicably, the Parties shall refer the matter to the Courts of Malta.

12. Notices

Al Notices required to be given by this Loan Agreement by one party to the other shall be properly given if sent by mail to the address of the receiving party indicated under their signatures below.

Executed in two originals.

Name:

For and on behalf of

Class Finance p.l.c.

Name:

For and on behalf of

Class Optical Manufacturing

Limited



Schedule 9 PAST AND PRESENT DIRECTORSHIPS

| Director | Past Directorships (5 years) | Present Directorships |
|------------------|---------------------------------------|---|
| John C. Grech | | Class Finance plc |
| | | Class Holding Ltd |
| | | Class Optical Manufacturing Class Optical Limited |
| | | Class Properties Limited |
| | | Limited |
| | | Vision Opticians Limited |
| | | Central Cement Limited |
| | | The Spiro Mizzi Foundation |
| | | Melitaunipol Insurance Agency Limited |
| | | Melitaunipol Financial Limited |
| | | SBR Real Estates Ltd |
| | | SBR Holdings Limited |
| | | Unipol Holdings Limited |
| | | FIMBank p.l.c. |
| | | Jumbo Bags Limited |
| | | The Millenium Chapel Foundation |
| Cyril Gabarretta | Bay Optical Limited (struck off) | Class Finance plc |
| | Celvik Estates Limited (struck off) | Class Holding Ltd |
| | Vision Screening Ltd (struck off) | Class Optical Manufacturing Limited |
| | Specs Opticians Limited (struck off) | Class Properties Limited |
| | | Class Medical Limited |
| | | Class Optical Limited |
| | | Contact Lenses Limited |
| | | Eyewearthese Limited |
| | | Optika Limited - |
| | | Vision Opticians Limited |
| | | Vision (Gozo) Limited |
| | | Optical Outlet Ltd |
| | | Eye Space Limited |
| | | |
| Robert Tua | Tuaco Opticians Limited | Class Finance plc |
| | Vision Screening Limited (struck off) | Class Holding Limited |
| | | Class Optical Manufacturing Limited |
| | | , |
| | | Class Properties Limited |



| | | Class Optical Limited Eye Space Limited Eyewearthese Limited Optical (CCSG) Limited Vision Opticians Limited Optical Outlet Ltd Optimal Supplies International Limited Vision (Gozo) Limited |
|-----------------------|--|--|
| Maurice Zarb Adami | Elsacom Malta Limited (struck off) | Class Finance plc Class Holding Limited Class Optical Manufacturing Limited Class Properties Limited Class Optical Limited Optimal Supplies International Limited Tuaco Optician Limited Vision Opticians Limited |
| Kerstien Gabarretta | Celvik Estates Limited (struck off) | Class Finance plc Class Holding Ltd Class Optical Manufacturing Limited Class Properties Limited Class Optical Limited Optika Limited Vision Opticians Limited KMJ Optical Limited (in dissolution) Contact Lenses Limited |
| Robert Ebejer | C & S Real Estate Limited (struck off) | Class Finance plc Lean Consulting Accountants Ltd LSW Limited Zugimpex Assurance Limited Innovate Business Consulting Limited Skamrat Agro Ltd Vector Assurance Ltd Dermoblading Holding Ltd EB Dermoservice Ltd |



Schedule 10 DIRECTORY

| Issuer | Class Finance plc (C 94741) |
|--|---|
| | UBT 13/14, San Gwann Industrial Estate, San Gwann SGN 3000, Malta https://www.classoptical.com |
| Corporate Advisor, Placement Agent and Manager | Calamatta Cuschieri Investment Services Limited (C 13729) Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta https://www.cc.com.mt |
| Reporting Accountant | Griffiths + Associates Ltd (C 58472) Level 1, Casal Naxaro, Labour Avenue, Naxxar NXR 9021, Malta https://griffithsassoc.com |
| Escrow Agents | Tri-Mer Services Ltd (C 36968) International House, Mdina Road, Mriehel BKR 3000, Malta https://trimerservices.com |
| Legal Advisor to the Group | Camilleri Cassar Advocates 206, Wisely House, Level 2, Old Bakery Street, Valletta VLT1451, Malta http://www.camillericassar.com |

