

GlobalCapital plc

PROSPECTUS

Prospectus dated 12th May 2016 issued by GlobalCapital plc, a public limited liability company registered under the laws of Malta with company registration number C19526 and having its registered office at GlobalCapital p.l.c., Testaferrata Street, Ta' Xbiex XBX 1403, Malta as Issuer of €10,000,000 Unsecured 5% Bonds 2021 of nominal value of €100 per Bond issued at par.

ISIN: MT0000171216

Application has been made to the Listing Authority in Malta which is the competent authority for the purposes of the Prospectus Directive for the approval of this Prospectus. Application has also been made to the MSE for the Bonds issued pursuant to this Prospectus to be admitted to trading on the MSE's Regulated Market and to be listed on the Official List of the MSE. Prospective investors ought to consider the provisions of the section entitled 'Risk Factors' before making an investment in the securities. This Prospectus has been filed with the Listing Authority and will be published in electronic form on the website of the Listing Authority and of the Issuer. A printed form of the Prospectus is also available, free of charge from the registered office of the Issuer.

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT SAID INSTRUMENTS ARE IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN SAID INSTRUMENTS AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENTS. THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN THESE SECURITIES. A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL 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 FINANCIAL ADVISOR.

Legal Counsel

**Refalo &
Zammit Pace**
ADVOCATES

Sponsor, Manager & Registrar


Calamatta Cuschieri
YOUR PARTNER IN FINANCIAL SERVICES



Mr Reuben Zammit



Mr Reuben Zammit on behalf of:
Prof Paolo Catalfamo, Prof Andrea Gemma, Dr Joseph del Raso,
Mr Joseph Schembri and Mr Christopher J Pace

This Summary Note is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 and Commission Delegated Regulation (EU) No. 301/2016 of 30 November 2015.

This document is dated 12th May 2016

An Issue of €10,000,000 5% Unsecured Bonds 2021

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

GlobalCapital plc

a public limited liability company registered under the laws of Malta with company registration number C19526 and having its registered office at GlobalCapital plc, Testaferrata Street, Ta' Xbiex, XBX 1403, Malta

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

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

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL 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 FINANCIAL ADVISER.

ISIN: MT0000171216

Sponsor, Manager & Registrar



Legal Counsel

**Refalo &
Zammit Pace**
ADVOCATES

IMPORTANT INFORMATION

THIS SUMMARY NOTE CONTAINS INFORMATION IN RELATION TO GLOBALCAPITAL P.L.C. (“**ISSUER**” OR “**COMPANY**”) AND ITS BUSINESS. THIS REGISTRATION DOCUMENT INCLUDES INFORMATION GIVEN IN COMPLIANCE WITH: THE LISTING RULES OF THE LISTING AUTHORITY, THE COMPANIES ACT, CAP. 386 OF THE LAWS OF MALTA AND THE COMMISSION REGULATION (EC) NO. 809/2004 OF 29 APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION CONTAINED IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS (AS AMENDED BY COMMISSION DELEGATED REGULATION (EU) NO. 486/2012 OF 30 MARCH 2012, COMMISSION DELEGATED REGULATION (EU) NO. 862/2012 OF 4 JUNE 2012, COMMISSION DELEGATED REGULATION (EU) NO. 759/2013 OF 30 APRIL 2013, COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7 MARCH 2014 AND COMMISSION DELEGATED REGULATION (EU) NO. 301/2016 OF 30 NOVEMBER 2015), THE REQUIREMENTS OF THE LISTING RULES OF THE MALTA FINANCIAL SERVICES AUTHORITY (“**MFSA**”) AND THE RULES AND REGULATIONS APPLICABLE TO THE ADMISSION OF SECURITIES ON THE OFFICIAL LIST OF THE MALTA STOCK EXCHANGE (“**MSE**”).

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

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

THE PROSPECTUS 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 PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY BONDS MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS 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 PROSPECTUS 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 PROSPECTUS.

IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL

REQUIREMENTS OF SO APPLYING AND OF ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXATION IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

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

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED THE DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING (THE "PROSPECTUS DIRECTIVE") OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF THE PROSPECTUS DIRECTIVE, THE BONDS CAN ONLY BE OFFERED TO "QUALIFIED INVESTORS" (AS DEFINED IN THE PROSPECTUS DIRECTIVE), AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE.

A COPY OF THE PROSPECTUS HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, TO THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES, IN ACCORDANCE WITH THE COMPANIES ACT.

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

THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THIS DOCUMENT. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN ANY FINANCIAL INSTRUMENTS AND SECURITIES ISSUED BY THE ISSUER.

ALL THE ADVISORS TO THE ISSUER HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PUBLIC 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 PROSPECTUS.

UNLESS OTHERWISE STATED, THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITES DO NOT FORM PART OF THE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

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 PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS.

SUMMARY NOTE

This Summary Note is prepared in accordance with the requirements of the Regulation, as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 and Commission Delegated Regulation (EU) No. 301/2016 Of 30 November 2015.

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1– E.7). This Summary Note contains all the Elements required to be included in a summary for these type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the Summary Note because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

In this Summary Note the following words and expressions shall bear the following meaning except where the context otherwise requires:

Act	the Companies Act, Cap. 386 of the laws of Malta;
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 any of the Financial Intermediaries in accordance with the terms of the Securities Note;
Application Form/s	the forms of application to subscription for Bonds, a specimen of which is contained in Annex B of the Securities Note;
Bonds	the €10,000,000 unsecured 5% bonds due 2021 of a nominal value of €100 per bond issued at par and redeemable on the Redemption Date at their nominal value, bearing interest at the rate of 5% per annum, as detailed in the Securities Note;
Bondholder	a holder of the Bonds;
Bond Issue	the issue of the Bonds;
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;
Calamatta Cuschieri	Calamatta Cuschieri Investment Services Limited, a limited liability company registered under the laws of Malta with company registration number C13729, having its registered office at 5th Floor, Valletta Buildings, South Street, Valletta, Malta and which holds a Category 3 investment services licence issued by the MFSA under the Investment Services Act, (Cap. 370 of the Laws of Malta);
CSD	the central registration system for dematerialised financial instruments in Malta operated by the MSE (of Garrison Chapel, Castille Place, Valletta VLT 1063, Malta) and authorised in terms of the Financial Markets Act;
Cut-Off Date	close of business of 13 th May 2016;
Directors or Board	the board of directors of the Company is composed of: Prof. Paolo Catalfamo, Mr. Reuben Zammit, Prof. Andrea Gemma, Dr. Joseph Del Raso, Mr. Joseph Schembri and Mr. Christopher Pace;
Euro or €	the lawful currency of the Republic of Malta;
Elective Professional Client	any investor not falling under any of the categories in paragraphs (a) to (d) of the definition of Professional Clients below, including public sector bodies and private individual investors, who elects to be treated as a Professional Client and who satisfies as a minimum two of the following criteria: (a) the investor has carried out transactions, in significant size, on a relevant market at an average frequency of 10 per quarter of the previous four quarters; (b) The size of the investor's Instrument portfolio, defined as including cash deposits and Instruments (as defined in article 2 of the Investment Services Act, Cap. 370 of the Laws of Malta) exceeds €500,000; (c) The investor works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged; - and provided that the following procedures are followed: (i) the investor states in writing to the relevant Financial Intermediary that

	s/he wishes to be treated as a Professional Client, either generally or in respect of her/his Application for Bonds; (ii) the relevant Financial Intermediary must give such investor a clear written warning of the protections and investor compensation rights s/he may lose; (iii) the investor states in writing in a separate document from the Application Form, that s/he is aware of the consequences of losing such protections.
Existing Bonds	the 5.6% bonds due to mature on 02 June 2016 of a nominal value of €100 per bond issued by the Company with ISIN code MT0000073412, amounting as at the date of the Prospectus to €13,823,200;
Existing Bondholders	the holders of Existing Bonds as at the Cut-Off Date;
Existing Bond Transfer	the subscription for Bonds by an Existing Bondholder settled, after submitting the pre-printed Application Form (received by mail directly from the Issuer), by the transfer to the Issuer of all or part of the Existing Bonds held by such Existing Bondholder as at the Cut-off Date;
Financial Markets Act GC Holdings	the Financial Markets Act, Cap. 345 of the Laws of Malta; GlobalCapital Holdings Ltd, a private limited liability company registered in Malta with company registration number C 29873 and having its registered office at GlobalCapital, Testaferrata Street, Ta' Xbiex, XBX1403, Malta;
GCLI	GlobalCapital Life Insurance Limited, a private limited company registered in Malta with registration number C 29086 and having its registered office at GlobalCapital, Testaferrata Street, Ta' Xbiex, XBX1403, Malta;
Group	the Issuer (as parent company) and its Subsidiaries;
Interest Payment Date	2 nd June of each year between and including each of years 2017 and 2021, 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 Date	25th May 2016;
Issuer or Company	GlobalCapital p.l.c., a public limited liability company registered in Malta with company registration number C 19526 and having its registered office at GlobalCapital, Testaferrata Street, Ta' Xbiex, XBX1403, Malta;
Listing Authority	the Board of Governors of the MFSA, appointed as Listing Authority for the purposes of the Financial Markets Act by virtue of the Malta Financial Services Authority Act, Cap. 330 of the laws of Malta;
Listing Rules	the listing rules of the Listing Authority;
Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., a public limited liability company having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta, and bearing company registration number C 42525, which continued in the personality of the Malta Stock Exchange established under Part IV of the Financial Markets Act (Cap. 345 of the laws of Malta) prior to the repeal of that Part by the Various Financial Services Laws (Amendment) Act, 2007 (Act XX of 2007), with effect from 01 November 2007;
Memorandum and Articles of Association or M&As	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus;
MFSA	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act, Cap. 330 of the Laws of Malta;
MiFID	Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC;
Offer Period	The period between 9:00am on the 25 th May 2016 and 12:00 noon on 30 th May 2016 (both dates inclusive) during which the Bonds are on offer for subscription;
Professional Client	shall have the same meaning as 'Professional Client' as defined in the Glossary to the Investment Services Rules for Investment Services Providers of the MFSA as updated on 03 October 2014 (the "Rules") and which implement and, or transpose MiFID, including Annex II thereof, namely: a client who possesses the experience, knowledge and expertise to make its own

investment decisions and properly assess the risks that it incurs. The following shall be regarded as Professional Clients:

- a) Entities which are required to be authorised or regulated to operate in the financial markets. The list below should be understood as including all authorised entities carrying out the characteristic activities of the entities mentioned: entities authorised by a Member State under a Directive, entities authorised or regulated by a Member State without reference to a Directive, and entities authorised or regulated by a non-Member State:
 - i. Credit Institutions;
 - ii. Investment Firms;
 - iii. Other authorised or regulated financial institutions;
 - iv. Insurance Companies;
 - v. Collective investment schemes and management companies of such schemes; and
 - vi. Pension funds and management companies of such funds
 - vii. Commodity and commodity derivatives dealers
 - viii. Locals
 - ix. Other institutional investors.
- b) Large undertakings meeting two of the following size requirements on a company basis: – balance sheet total: EUR20,000,000 – net turnover: EUR40,000,000 – own funds: EUR2,000,000;
- c) National and regional governments, public bodies that manage public debt, Central banks, international and supranational institutions such as the World Bank, the IMF, the ECB, the EIB and other similar international organisations;
- d) Other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financing transactions; and
- e) Elective Professional Clients.

Prospectus	this document together with the Registration Document and the Securities Note, as such documents may be amended, updated, replaced and supplemented from time to time;
Redemption Date	2 nd June 2021
Registration Document	the registration document issued by the Issuer dated 12 th May 2016, forming part of the Prospectus;
Securities Note	the securities note issued by the Issuer dated 12 th May 2016, forming part of the Prospectus;
Sponsor and Registrar	Calamatta Cuschieri;
Subsidiaries	any company the ultimate holding company of which, as at the date of this Registration Document is the Company, including without limitation each of the following companies: a. GC Holdings; b. GCLI; c. GlobalCapital Financial Management Ltd, a private limited liability company registered in Malta with company registration number C 30053; d. GlobalCapital Insurance Brokers Ltd, a private limited liability company registered in Malta with company registration number C 32451; e. Central Landmark Development Ltd, a private limited liability company registered in Malta with company registration number C 34858; f. GlobalCapital Health Insurance Agency Ltd, a private limited liability company registered in Malta with company registration number C 6393; g. Global Properties Ltd. (Medunarodne Nekretnine d.o.o.) a private limited liability company registered in Croatia with company registration number 97381210793; h. Global Estates Ltd, a private limited liability company registered in Malta with company registration number C 37544;

- i. Brammer Ltd, a private limited liability company registered in Bulgaria with company registration number 131292817; and
- j. Quadrant Italia s.r.l., a limited liability company (società a responsabilità limitata) registered in Italy with company registration number 1102926;

Summary Note	this document in its entirety;
Terms and Conditions	the terms and conditions of the Bond Issue, a summary of which is included in Element E.

Section A: Introduction and Warnings

Element	Disclosure
A.1	Prospective investors are hereby warned that: i. This summary is being provided to convey the essential characteristics and risks associated with the Issuer and the securities being offered pursuant to this document. This part is merely a summary and therefore should only be read as an introduction to the Prospectus. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this summary in making a decision as to whether to invest in the securities described in this document. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor; ii. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated; and iii. Civil liability attaches only to those persons who have tabled the summary including any translation thereof and who applied for its notification, but only if the summary, when read together with the other parts of the Prospectus, is misleading, inaccurate or inconsistent; or does not provide key information in order to aid investors when considering whether to invest in such securities.
A.2	Prospective investors are hereby informed that: i. For the purposes of any subscription for Bonds through Calamatta Cuschieri and, or any Financial Intermediary during the Offer Period and any subsequent resale, placement or other offering of Bonds by Calamatta Cuschieri and, or any other Financial Intermediary in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Directive, the Issuer consents to the use of this Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale or placement or other offering of Bonds, provided this is limited only: a) in respect of Bonds subscribed for through Calamatta Cuschieri and, or any Financial Intermediary during the Offer Period; and b) to any resale or placement of Bonds subscribed for as aforesaid, taking place in Malta; and c) to any resale or placement of Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Prospectus. ii. In the event of a resale, placement or other offering of Bonds by Calamatta Cuschieri and, or any Financial Intermediary, Calamatta Cuschieri and, or such Financial Intermediary shall be responsible to provide information to investors on the terms and conditions of the resale, placement or other offering at the time such is made. iii. Any new information with respect to Calamatta Cuschieri and, or Financial Intermediaries unknown at the time of the approval of the Prospectus will be made available through a company announcement which will also be made available on the Issuer's website: www.globalcapital.com.mt

Section B: The Issuer

B.1	The legal and commercial name of the Issuer is GlobalCapital p.l.c. (C-19526).
B.2	The Issuer is a Maltese public limited company, incorporated in Malta under the Act. The Issuer is domiciled in Malta. The registered office of the Issuer is at GlobalCapital plc, Testaferrata Street, Ta' Xbiex XBX 1403, Malta.

B.4b	Since the publication of its audited financial report for the period from 1 January to 31 December 2015, no material events or transactions have taken place that would have an impact on the financial position of the Company, such that would require specific mention, disclosure or announcement pursuant to the applicable Listing Rules. Furthermore, the Issuer is not aware of any trends or uncertainties that are likely to affect the Group's prospects for the current financial year. In the financial year ended 31 December 2015, the Group continued to grow its asset base primarily through the activities of GCLI, which experienced an increase in the sale of life insurance products, and as a result of positive performance of the Group's investment portfolio. For the financial year ended 31 December 2015, the Group registered pre-tax earnings of Eur5,606,505 compared to Eur811,151 in 2014. The Group's results include net fair value gains on its financial and property investment portfolios amounting to €7,151,579 which were partially compensated by an increase in technical reserves. The Group's net assets as at 31 December 2015 stood at €7,360,089 compared to €3,162,547 in 2014. The Issuer's strategy, which is aimed at generating revenue growth, reducing operational costs and ensuring long-term financial stability, is generating the desired results for the Group and this has allowed its positive financial performance to continue throughout the financial year ended 31 December 2015. GCLI's life insurance business registered growth during 2015 when compared to the business registered during the same reporting period in 2014. New policies written continued to increase by 28% in 2013, 44% in 2014 and 33% in 2015 showing that GCLI has registered sustained growth over the past three years. Total number of active policies increased by 4% in 2015 following a decline by 2% in 2013 and no change in 2014. During 2015 GCHIA also registered positive results in line with the previous year. GCFM registered a decrease in its fee income, the impact of which was more than offset by the reduction in GCFM's cost base. Further action has been taken during 2015 in relation to the divestment of the Group's local property portfolio. In due course this will further reduce the overall property exposure to bring it in line with the Board's target. i. Trends in the insurance industry According to the MIA Report, insurance penetration in Malta, and hence the level of development of the Maltese insurance sector, grew by 5.09% in 2014 compared to growth of 4.59% in the previous year and as compared to the 2013 EU average growth of 7.68%. Furthermore, insurance premium per capita in Malta grew from €783 in 2013 to €910 in 2014. In 2013, the EU average stood at €1,883 per capita. In 2014 an average of €346 per capita was spent in Malta on non-life insurance business compared to €326 in 2013. The insurance density in long-term insurance business increased in 2014 during which period an average of €563 per capita was spent compared to the 2013 average of €458. 2014 witnessed an increase of 16.92% in total insurance premiums, with premiums reaching €385.8 million compared to €330 million generated in 2013. The latter figure reflected, in turn, an increase of 8.41% on 2012 figures, which stood at €304.4 million. The increase in total insurance premium witnessed in 2014 was principally owed to a substantial growth in life insurance by 23.97%. Following the decrease of 18.9% over 2011 figures in 2012, life insurance recovered and increased by 13.53% in 2013. Moreover, health insurance increased by 6.13% in 2014, following an increase of 3.96% in 2013.
B.5 and B.14	The Issuer is the parent company of the Group, having investments in a number of undertakings which operate the business of the Group. Accordingly, the Issuer is ultimately dependent on the business prospects, operating results and financial position of the Group's operating companies. Hence, the operating results of the Group have a direct effect on the financial position of the Issuer.
B.9	Not applicable: The Registration Document forming part of the Prospectus does not contain any profit forecast or estimate
B.10	Reference is made to the disclaimer of opinion in the independent auditor's report (the "Independent Auditor's Report") of Deloitte Audit Limited ("Deloitte") dated 01 May 2016 in respect of the Company's financial statements for the year ended 31 December 2015 approved on 30 April 2016. As explained in the Independent Auditor's Report, because of the significance of the matter described in the 'Basis for Disclaimer of Opinion' paragraph, namely the imminent Existing Bonds Maturity Date,

Deloitte has not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion as to whether the financial statements of the Company for the year ended 31 December 2015 give a true and fair view of the financial position of the Company and the Group as at 31 December 2015, and of the Company's and the Group's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and whether they have been properly prepared in accordance with the requirements of the Act. Accordingly, Deloitte did not express an opinion on the financial statements of the Company for the year ended 31 December 2015.

B.12 The historical financial information about the Issuer is included in the audited consolidated financial statements for each of the financial years ended 31 December 2013 ("FY13"), 31 December 2014 ("FY14") and 31 December 2015 ("FY15"). The said statements have been published and are available at the Issuer's registered office.

Save for the disclaimer of opinion described in the Independent Auditor's Report, there has been no material adverse change in the prospects of the Issuer since the date of their latest published audited financial statements. There were no significant changes to the financial or trading position of each of the Issuer since 31 December 2015, being the end of the financial year to which the last audited financial statements of the Issuer relate.

The following information is extracted from the statement of comprehensive income in the abovementioned financial statements of the Issuer.

Amounts in €'000s	FY13 Actual	FY14 Actual	FY15 Actual
Commission and fees receivable	2,932	2,724	2,568
Commission payable and direct marketing costs	(172)	(145)	(147)
Balance on the long term business of insurance technical account	(1,063)	1,317	942
Increment in the value of in-force business	735	611	1,355
Staff costs	(1,367)	(1,171)	(949)
Other expenses	(1,840)	(1,858)	(1,774)
Net investment return, net of allocation to the insurance technical account	1,108	540	3,282
Finance costs, net of allocation to the insurance technical account	(1,013)	(984)	(806)
Profit/(loss) for the year before impairment charges and fair value movements on investment properties	(680)	1,034	4,471
Net gains/(losses) on investment property, net of allocation to the technical account	(3,145)	53	1,252
Other	(358)	(276)	(117)
Profit/(loss) before tax	(4,183)	811	5,606
Tax (expense)/credit	522	(588)	(1,482)
Profit/(loss) for the financial year attributable to the shareholders of the company	(3,661)	223	4,124

The following information is extracted from the statement of financial position in the abovementioned financial statements of the Issuer.

Amounts in €'000s	FY13 Actual	FY14 Actual	FY15 Actual
Intangible assets	5,033	6,234	7,163
Property, plant and equipment	3,116	2,709	2,450
Investment property	20,320	20,395	15,237
Deferred tax asset	68	1	-
Other investments	48,329	51,937	55,581
Reinsurers' share of technical provisions	2,079	2,327	3,612
Taxation receivable	556	495	581

	Property held for development	749	680	-
	Trade and other receivables	2,578	1,991	2,555
	Cash and cash equivalents	7,574	2,571	5,441
	Non-current assets held-for-sale	180	156	8,415
	Total assets	90,582	89,496	101,035
	Technical provisions	(65,349)	(66,065)	(71,510)
	Interest bearing borrowings	(16,888)	(14,028)	(13,801)
	Deferred tax liability	(1,616)	(2,080)	(3,105)
	Trade and other payables	(3,410)	(3,921)	(5,211)
	Current tax liabilities	(240)	(240)	(48)
	Total liabilities	(87,503)	(86,334)	(93,675)
	Total equity	3,079	3,162	7,360
B.13	Not Applicable: the Issuer is not aware of any recent events which are to a material extent relevant to the evaluation of the solvency of the Issuer.			
B.15	The principal object of the Issuer is to carry on the business of a holding and investment company. Accordingly, the Issuer does not undertake any trading activities. The Subsidiaries operate primarily in the following business sectors: i) Business of insurance; ii) Investment and advisory services; iii) Insurance intermediation activities; and iv) Property holding and management			
B.16	As at the date of this Prospectus, the Issuer had been notified that the following persons held directly or indirectly 5% or more of the voting rights of the Company:			
	Shareholder	Number of Ordinary Shares	%	
	Investar p.l.c.	15,781,465	52.60	
	BAI Co. (Mtius) Ltd	6,399,092	21.33	
	Christopher J. Pace	2,013,032	6.71	
	With reference to the table above, as at the date of this Prospectus, Investar holds 52.6% of the total issued share capital of the Issuer. The Issuer adopts measures in line with the Code of Principles of Good Corporate Governance to ensure that the relationship with Investar is retained at arm’s length, including adherence to rules on related party transactions requiring the sanction of the Audit Committee, which is constituted of Non-Executive Directors. Moreover, key decisions affecting the Issuer require the sanction of the general meeting by means of an extraordinary resolution as defined in the Articles of the Issuer.			
B.17	Not Applicable: The Issuer has not sought the credit rating of an independent rating agency, and there has been no assessment by any independent rating agency of the Bonds issued by the Issuer.			

Section C- SECURITIES

C.1	The Issuer shall issue an aggregate of €10,000,000 in Bonds having a face value of €100 per bond. 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 the Bonds will have the following ISIN number MT0000171216. The Bonds shall bear interest at the rate of 5% per annum and shall be repayable in full upon maturity unless they are previously re-purchased and cancelled.
C.2	The Bonds are denominated in Euro €.
C.5	The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.
C.8	Investors wishing to participate in the Bonds will be able to do so by duly executing the appropriate Application Form in relation to the Bonds. Execution of the Application Form will entitle such investor to: i) the payment of capital; ii) the payment of interest; iii) ranking with respect to other indebtedness of the Issuer in accordance with the status of the Bonds, as follows: "the Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional, unsubordinated and unsecured obligations of the Issuer,

	and shall at all times rank <i>pari passu</i> , without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, with all other outstanding, unsubordinated and unsecured obligations of the Issuer, present and future. Furthermore, subject to the negative pledge clause, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer, as the case may be, for so long as such security interests remain in effect"; iv) attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond; and v) enjoy all such other rights attached to the Bonds emanating from the Prospectus.
C.9	The Bonds shall bear interest from and including 30 th May 2016 at the rate of 5% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected 2 nd June 2017. 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. Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 2 nd June 2021. The gross yield calculated on the basis of the interest, the Bond Offer Price and the Redemption Value of the Bonds at Redemption Date, is Five per cent (5%).
C.10	Not Applicable: there is no derivative component in the interest payments on the Bonds.
C.11	The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 12 th May 2016. Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List of the Malta Stock Exchange. The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 1 st June 2016 and trading is expected to commence on 2 nd June 2016.

Section D- RISKS

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

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

Below is a summary of the principal risks associated with an investment in the Issuer and the Bonds – there may be other risks which are not mentioned in this Summary Note. Investors are therefore urged to consult their own financial or other professional advisors with respect to the suitability of investing in the Bonds. The following is a summary of the principal risk factors:

D.2	Essential information on the key risks specific to the Issuer, the Group and its business: i. Market risk: The businesses of the Group are materially affected by conditions in the financial markets and economic conditions generally, in Malta and globally. In addition, the Issuer is exposed to certain business-specific market risks, namely insurance business risk, investment services business risk, stock market risk, and real estate market risk. ii. Interest rate risk: The Group is exposed to movements in interest rates. The risk impacts the earnings of the Group as a result of changes in the economic value of its assets, liability and off-balance sheet instruments. iii. Price risk: The Group and the Company are exposed to market price risk arising from the uncertainty about the future prices of investments held at fair value through profit or loss or as available for sale. iv. Currency risk: The Group's and the Company's exposure to foreign exchange risk arises primarily from investments that are denominated in currencies other than the Euro.
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	v. Liquidity risk: The Issuer is exposed to the risk of decrease in profits or capital, and an inability of the Group to meet its immediate obligations, without incurring additional costs. In addition, the Issuer is also exposed to significant liquidity risk in relation to interest and capital payment obligations arising on the Bonds. vi. Credit risk: The Group is exposed to the risk of loss if any of its reinsurers, and trading counterparties fails to fulfil its contractual obligations. vii. Regulatory matters: The Group operates in a highly regulated environment. In particular, GCLI has had to comply with the Solvency II Directive (Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009) as from 01 January 2016 ("Solvency II"). In the event that GCLI should, at any time, have inadequate capital resources to meet the applicable regulatory capital requirements, GCLI could be subjected to regulatory sanctions or the suspension or termination of its insurance business activity. viii. Operational risk: The Group's activities are exposed to the potential that inadequate information systems, operations problems, breaches in internal controls, fraud, or unforeseen catastrophes will result in unexpected losses. The Group is exposed to risks which may arise from inadequate information technology and processing, inappropriate IT strategy and policy or inadequate use of the Group's IT. ix. Reputational risk: Reputational risk could materially and adversely affect the Group's ability to retain or attract customers, particularly institutional and retail customers, whose loss could adversely affect the Group's operations, financial condition and prospects. x. The dependence of GCHIA on its business arrangement with BUPA Insurance Limited exposes the Issuer to risk, as the termination or modification of this or any other material arrangements for any reason whatsoever could have a significant and adverse effect on the business of GCHIA and consequently on the Issuer. xi. Strategic and business risk: Improper strategic choices or the actual implementation of strategic decisions can have a serious and significant impact on the Group's prospective profit and capital results. xii. Legal and compliance risk: Future changes to the existing regulatory framework for the financial services industry may be significant with negative impacts on the Group. The direct and indirect costs of regulatory breaches can be significant. Judicial and regulatory decisions that are unfavourable to other regulated companies operating in the same sectors as the Group may also have implications for the Issuer's regulated operating Subsidiaries, even in cases in which the Subsidiary in question is not a party to the proceedings. Certain Group companies are themselves subject to ongoing legal proceedings and regulatory investigations in respect of their financial services business and consumer claims for mis-selling of financial products, which could have a material adverse effect on the Group. Accounting provisions for legal proceedings and regulatory matters typically require a higher degree of judgement than other types of provisions as it is often not practicable to quantify a range of possible outcomes for individual matters, as well as to meaningfully quantify ranges of potential outcomes in aggregate for these types of provisions because of the diverse nature and circumstances of such matters and the wide range of uncertainties involved. xiii. Competition risk: the financial services sector within which the Group operates is highly competitive, thereby posing substantial competitive pressures which could adversely affect the Issuer's results of operations and profitability. xiv. External factors: the Group is exposed to economic conditions, political factors, business cycles and market risks including volatility in financial markets. xv. Solvency risk: In the case of insolvency of the Issuer, the Shareholders may suffer direct and materially adverse consequences, including loss of their entire investment.
D.3	Essential information on the key risks specific to the Bonds: An investment in the Bonds involves certain risks, including those set out below in this section. In deciding whether to make an investment in the Bonds, prospective investors are advised to carefully consider, with their own independent financial and other (including tax, accounting, credit, legal and regulatory) professional advisors, the following risk factors (not listed in order of priority) and other investment considerations, together with all the other information contained in the Prospectus:

	i. the existence of an orderly and liquid market for the Bonds depends on a number of factors. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price or at all; ii. investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds; iii. a Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different; iv. no prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time; v. the Bonds, as and when issued, constitute the general, direct, unconditional, unsubordinated and unsecured obligations of the Issuer, and shall at all times rank <i>pari passu</i>, without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, with all other outstanding, unsubordinated and unsecured obligations of the Issuer, present and future. Furthermore, subject to the negative pledge clause, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer, as the case may be, for so long as such security interests remain in effect; vi. in the event that the Issuer wishes to amend any of the Terms and Conditions of Issue of the Bond it shall call a meeting of Bondholders. The provisions relating to meetings of Bondholders permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority; vii. the terms and conditions of this Bond Offer are based on Maltese law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of this Prospectus.
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Section E- OFFER

E.2b	The proceeds from the Bond Issue, which net of Issue expenses are expected to amount to approximately €9,700,000, will be used by the Issuer for the purpose of purchasing Existing Bonds from Existing Bondholders for cancellation, whether by way of Existing Bond Transfer, and, or by way of payment in cash for the purpose of redeeming any Existing Bonds remaining in issue as at the Existing Bond Maturity Date (as at the date of this Prospectus the total value of Existing Bonds in issue stands at €13,823,200).
E.3	The Bonds are open for subscription as follows: i) Existing Bondholders as at the Cut-off Date and ii) Professional Clients in respect of any balance of the Bonds not subscribed for by the Existing Bondholders as at the Cut-off Date. Within five (5) Business Days from closing of the subscription lists, the Issuer shall announce the result of the Issue and shall determine, and issue a company announcement setting out, the basis of acceptance of applications and allocation policy to be adopted. The following is a synopsis of the general terms and conditions applicable to the Bonds. A Bondholder is deemed to have invested only after having received, read and understood the contents of the Prospectus, including the full terms and conditions contained in the annexes thereto: i. General Each Bond forms part of a duly authorised issue of 5% unsecured bonds due 2nd June 2021 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €10,000,000 (except as otherwise provided under the section (viii) entitled "Further Issues and Further Indebtedness" below). ii. Form, Denomination and Title The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100, provided that on subscription, the Bonds will be issued for a minimum of

€2,000, per individual Bondholder.

iii. Redemption and Purchase

Unless previously purchased and cancelled, the Issuer hereby irrevocably covenants in favour of each Bondholder that the Bonds will be redeemed at their nominal value (together with accrued interest) on 2nd June 2021 (the “**Redemption Date**”). In such a case the Issuer shall be discharged of any and all payment obligations under the Bonds upon payment made net of any withholding or other taxes due or which may be due under Maltese law and which is payable by the Bondholders.

iv. Interest and Yield

The Bonds shall bear interest from and including 30th May 2016 at the rate of 5% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 2nd June 2017. 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 Offer Price and the Redemption Value of the Bonds at Redemption Date, is five per cent (5%).

v. Status of the Bonds and Negative Pledge

The Bonds constitute the general, direct, unconditional, unsubordinated and unsecured obligations of the Issuer, and shall at all times rank *pari passu*, without any priority or preference among themselves and with all other outstanding, unsubordinated and unsecured obligations of the Issuer, present and future. Furthermore, subject to the negative pledge, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer, as the case may be, for so long as such security interests remain in effect.

vi. Payments

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 in Malta. Such payment shall be effected within seven (7) days of the Redemption Date. Payment of interest on a Bond will be made in Euro to the person in whose name such Bond is registered as 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. Such payment shall be effected within seven (7) days of the Interest Payment Date.

vii. Transferability of the Bonds

The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time. 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. All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations. 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 for the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Issuer. 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.

viii. Further Issues and Indebtedness

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) 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.

	ix. Meetings of Bondholders The provisions of the Prospectus may be amended with the approval of the Bondholders at a meeting called for that purpose by the Issuer. x. Events of Default The Bonds shall become immediately due and repayable at their principal amount, together with any accrued interest, if any of the following events (“Events of Default”) shall occur: a) the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; b) the Issuer duly fails to perform or shall otherwise be in breach of any other material obligation contained in the terms and conditions of the Bonds and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; c) 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; d) the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threaten to cease to carry on its business or a substantial part of its business; e) the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise become insolvent; f) any material indebtedness of the Issuer is not paid when properly due or becomes properly due and payable or any creditor of the Issuer becomes entitled to declare any such material indebtedness properly due and payable prior to the date when it would otherwise have become properly due or any guarantee or indemnity of the Issuer in respect of indebtedness is not honoured when properly due and called upon; PROVIDED THAT for the purposes of this provision, material indebtedness shall mean an amount exceeding €750,000. xi. 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 and/or the Prospectus shall be brought exclusively before the Maltese courts.
E.4	Prof. Paolo Catalfamo is a Director and holds a 100% shareholding interest in Investar p.l.c., which as at the date of this Prospectus is a shareholder in the Issuer holding fifty-two point six per centum (52.6%) of the Ordinary Shares. In addition, Mr Christopher Pace is also a Director and holds six point seven one per centum (6.71%) of the Ordinary Shares in the Issuer. With the exception of Prof. Paolo Catalfamo and Mr. Christopher J. Pace, none of the Directors and members of executive management, directly or indirectly, traded any Ordinary Shares of the Issuer. As at the date of this Prospectus, Investar holds 52.6% of the total issued share capital of the Issuer. The Issuer adopts measures in line with the Code of Principles of Good Corporate Governance to ensure that the relationship with Investar is retained at arm’s length. Moreover, key decisions affecting the Issuer require the sanction of the general meeting by means of an extraordinary resolution as defined in the Articles of the Issuer.
E.7	Not applicable. No expenses will be charged to the investor by the Issuer.

Timetable

1)	Application Forms mailed to Existing Bondholders as at the Cut-off Date	16 th May 2016
2)	Application Forms available to Professional Clients	16 th May 2016
3)	Closing Date for Applications to be received from Existing Bondholders as at the Cut-off Date	30 th May 2016
4)	Closing Date for Applications to be received from Professional Clients	30 th May 2016
5)	Issue Period (opening and closing of subscription lists, respectively)	25 th May 2016 to the 30 th May 2016
6)	Commencement of interest on the Bonds	30 th May 2016
7)	Announcement of basis of acceptance	2 nd June 2016
8)	Refunds of unallocated monies	3 rd June 2016
9)	Expected dispatch of allotment advices	4 th June 2016
10)	Expected date of admission of the securities to listing	6 th June 2016
11)	Expected date of commencement of trading in the securities	8 th June 2016

This Registration Document is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 and Commission Delegated Regulation (EU) No. 301/2016 of 30 November 2015.

This document is dated 12th May 2016

An Issue of €10,000,000 5% Unsecured Bonds 2021

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

GlobalCapital plc

a public limited liability company registered under the laws of Malta with company registration number C19526 and having its registered office at GlobalCapital plc, Testaferrata Street, Ta' Xbiex, XBX 1403, Malta

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

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

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL 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 FINANCIAL ADVISER.

ISIN: MT0000171216

Sponsor, Manager & Registrar



Legal Counsel

**Refalo &
Zammit Pace**
ADVOCATES

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1. IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION IN RELATION TO GLOBALCAPITAL P.L.C. (“**ISSUER**” OR “**COMPANY**”) AND ITS BUSINESS. THIS REGISTRATION DOCUMENT INCLUDES INFORMATION GIVEN IN COMPLIANCE WITH: THE LISTING RULES OF THE LISTING AUTHORITY, THE COMPANIES ACT, CAP. 386 OF THE LAWS OF MALTA AND THE COMMISSION REGULATION (EC) NO. 809/2004 OF 29 APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION CONTAINED IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS (AS AMENDED BY COMMISSION DELEGATED REGULATION (EU) NO. 486/2012 OF 30 MARCH 2012, COMMISSION DELEGATED REGULATION (EU) NO. 862/2012 OF 4 JUNE 2012, COMMISSION DELEGATED REGULATION (EU) NO. 759/2013 OF 30 APRIL 2013, COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7 MARCH 2014 AND COMMISSION DELEGATED REGULATION (EU) NO. 301/2016 OF 30 NOVEMBER 2015.), THE REQUIREMENTS OF THE LISTING RULES OF THE MALTA FINANCIAL SERVICES AUTHORITY (“**MFSA**”) AND THE RULES AND REGULATIONS APPLICABLE TO THE ADMISSION OF SECURITIES ON THE OFFICIAL LIST OF THE MALTA STOCK EXCHANGE (“**MSE**”).

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

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

THE PROSPECTUS 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 PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY BONDS MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS 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 PROSPECTUS 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 PROSPECTUS.

IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF SO APPLYING AND OF ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXATION IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

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

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED THE DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING (THE "PROSPECTUS DIRECTIVE") OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF THE PROSPECTUS DIRECTIVE, THE BONDS CAN ONLY BE OFFERED TO "QUALIFIED INVESTORS" (AS DEFINED IN THE PROSPECTUS DIRECTIVE), AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE.

A COPY OF THE PROSPECTUS HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, TO THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES, IN ACCORDANCE WITH THE COMPANIES ACT.

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

THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THIS DOCUMENT. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN ANY FINANCIAL INSTRUMENTS AND SECURITIES ISSUED BY THE ISSUER.

ALL THE ADVISORS TO THE ISSUER NAMED IN THIS REGISTRATION DOCUMENT UNDER THE HEADING "ADVISORS TO THE ISSUER" IN SUB-SECTION 6 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PUBLIC 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 PROSPECTUS.

UNLESS OTHERWISE STATED, THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITES DO NOT FORM PART OF THE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

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 PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS.

2. DEFINITIONS

In this Registration 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	the Companies Act, Cap. 386 of the laws of Malta;
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 any of the Financial Intermediaries in accordance with the terms of this Registration Document;
Application Form/s	the forms of application to subscription for Bonds, a specimen of which is contained in Annex C of this Registration Document
Bonds	the €10,000,000 unsecured 5% bonds due 2021 of a nominal value of €100 per bond issued at par and redeemable on the Redemption Date at their nominal value, bearing interest at the rate of 5% per annum, as detailed in the Securities Note;
Bondholder	a holder of the Bonds
Bond Issue	the issue of the Bonds;
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 business;
Calamatta Cuschieri	Calamatta Cuschieri Investment Services Limited, a limited liability company registered under the Laws of Malta with company registration number C 13729, having its registered office at 5th Floor, Valletta Buildings, South Street, Valletta, Malta and which holds a Category 3 investment services licence issued by the MFSA under Investment Services Act, (Cap.370 of the Laws of Malta);
CESR Recommendations	the European Securities and Markets Authority (ESMA) update of the Community of European Securities Regulators (CESR) recommendations on the consistent implementation of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive;

CDS	the central registration system for dematerialised financial instruments in Malta operated by the MSE (of garrison Chapel, Castille Place, Valletta VLT 1063, Malta) and authorised in terms of the Financial Markets Act;
Cut-Off Date	close of business of 13 th May 2016
Directors or Board	the directors of the Issuer whose names are set out in section 9 of this Registration Document;
Eligible Investors	Existing Bondholders as at the Cut-off Date and Professional Clients;
Euro or €	the lawful currency of the Republic of Malta;
Elective Professional Client	any investor not falling under any of the categories in paragraphs (a) to (d) of the definition of Professional Clients below, including public sector bodies and private individual investors, who elects to be treated as a Professional Client and who satisfies as a minimum two of the following criteria: (a) the investor has carried out transactions, in significant size, on a relevant market at an average frequency of 10 per quarter of the previous four quarters; (b) The size of the investor's Instrument portfolio, defined as including cash deposits and Instruments (as defined in article 2 of the Investment Services Act, Cap. 370 of the Laws of Malta) exceeds €500,000; (c) The investor works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged; and provided that the following procedures are followed: (i) the investor states in writing to the relevant Financial Intermediary that s/he wishes to be treated as a Professional Client, either generally or in respect of her/his Application for Bonds; (ii) the relevant Financial Intermediary must give such investor a clear written warning of the protections

and investor compensation rights s/he may lose;

(iii) the investor states in writing in a separate document from the Application Form, that s/he is aware of the consequences of losing such protections.

Existing Bonds	the 5.6% bonds due to mature on 02 June 2016 of a nominal value of €100 per bond issued by the Company with ISIN code MT0000073412, amounting as at the date of the Prospectus to €13,823,200;
Existing Bondholders	the holders of Existing Bonds as at the Cut-Off Date;
Existing Bond Transfer	the subscription for Bonds by an Existing Bondholder settled, after submitting the pre-printed Application Form (received by mail directly from the Issuer), by the transfer to the Issuer of all or part of the Existing Bonds held by such Existing Bondholder as at the Cut-off Date;
Financial Markets Act	The Financial Markets Act, Cap. 345 of the Laws of Malta;
GC Holdings	GlobalCapital Holdings Ltd, a private limited liability company registered in Malta with company registration number C 29873 and having its registered office at GlobalCapital, Testaferrata Street, Ta' Xbiex, XBX1403, Malta;
GCHIA	GlobalCapital Health Insurance Agency Limited, a private limited liability company registered in Malta with registration number C 6393 and having its registered office at GlobalCapital, Testaferrata Street, Ta' Xbiex, XBX1403, Malta;
GCLI	GlobalCapital Life Insurance Limited, a private limited company registered in Malta with registration number C 29086 and having its registered office at GlobalCapital, Testaferrata Street, Ta' Xbiex, XBX1403, Malta;
Group	the Issuer (as parent company) and its Subsidiaries;
Income Tax Act	the Income Tax Act, Cap. 123 of the Laws of Malta;
Interest Payment Date	2 nd June of each year between and including each of years 2017 and 2021, 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;

Insurance Business Act	Insurance Business Act, Cap. 403 of the Laws of Malta;
Insurance Intermediaries Act	Insurance Intermediaries Act, Cap. 487 of the Laws of Malta;
Investment Services Act	the Investment Services Act, Cap. 370 of the Laws of Malta;
Issue Date	30 th May 2016;
Issuer or Company	GlobalCapital p.l.c., a public limited liability company registered in Malta with company registration number C 19526 and having its registered office at GlobalCapital, Testaferrata Street, Ta' Xbiex, XBX1403, Malta;
Investar	Investar p.l.c., a company registered in Malta with registration number C 65310 (formerly EIP p.l.c.);
Listing Authority	the Board of Governors of the MFSA, appointed as Listing Authority for the purposes of the Financial Markets Act by virtue of the Malta Financial Services Authority Act, Cap. 345 of the laws of Malta
Listing Rules	the listing rules of the Listing Authority;
Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., a public limited liability company having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta, and bearing company registration number C 42525, which continued in the personality of the Malta Stock Exchange established under Part IV of the Financial Markets Act, (Cap. 345 of the laws of Malta) prior to the repeal of that Part by the Various Financial Services Laws (Amendment) Act, 2007 (Act XX of 2007), with effect from 01 November 2007;
Memorandum and Articles of Association or M&As	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus;

MFSA the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act, Cap. 330 of the laws of Malta;

MiFID Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/11/EEC;

Offer Period The period between 9:00am on the 25th May 2016 and 12:00 noon on 30th May 2016 (both dates inclusive) during which the Bonds are on offer for subscription;

Ordinary Shares the ordinary shares of a nominal value of €0.291172 each of the Issuer;

Professional Client shall have the same meaning as ‘Professional Client’ as defined in the Glossary to the Investment Services Rules for Investment Services Providers of the MFSA as updated on 03 October 2014 (the “Rules”) and which implement and, or transpose MiFID, including Annex II thereof, namely:

a client who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs. The following shall be regarded as Professional Clients:

a) Entities which are required to be authorised or regulated to operate in the financial markets. The list below should be understood as including all authorised entities carrying out the characteristic activities of the entities mentioned: entities authorised by a Member State under a Directive, entities authorised or regulated by a Member State without reference to a Directive, and entities authorised or regulated by a non-Member State:

- i. Credit Institutions;
- ii. Investment Firms;
- iii. Other authorised or regulated financial institutions;
- iv. Insurance Companies;
- v. Collective investment schemes and management companies of such schemes;

and

- vi. Pension funds and management companies of such funds
- vii. Commodity and commodity derivatives dealers
- viii. Locals
- viii. Other institutional investors.

- b) Large undertakings meeting two of the following size requirements on a company basis: – balance sheet total: EUR20,000,000 – net turnover: EUR40,000,000 – own funds: EUR2,000,000;
- c) National and regional governments, public bodies that manage public debt, Central banks, international and supranational institutions such as the World Bank, the IMF, the ECB, the EIB and other similar international organisations;
- d) Other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financing transactions; and
- e) Elective Professional Clients.

Prospectus

this document together with the Securities Note and the Summary Note, as such documents may be amended, updated, replaced and supplemented from time to time;

Prospectus Directive

Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as amended by Directive 2008/11/EC of the European Parliament and of the Council of 11 March 2008, Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010 and Directive 2010/78/EU of the European Parliament and of the Council of 24 November 2010, and as supplemented by Commission Delegated Regulation (EU) No 1392/2014 of 2014;

Prospectus Regulation

Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing the Prospectus Directive as amended by Commission Delegated Regulation (EU) No 486/2012 of 30

March 2012, Commission Delegated Regulation (EU) No 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) 382/2014 of 7 March 2014, and Commission Delegated Regulation (EU) No. 301/2016 of 30 November 2015 and as may be further amended from time to time;

Reference Documents

the documents listed in Section 16 under the heading “*Documents on Display*”;

Redemption Date

2nd June 2021;

Registration Document

this document in its entirety;

Regulated Market

the regulated market in terms of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC and operated by the MSE;

Regulated Subsidiaries

the Subsidiaries of the Company, which as at the date of this Registration Document are authorised and regulated by the MFSA, including without limitation each of the following companies:

- a. GCLI;
- b. GlobalCapital Financial Management Ltd, a private limited liability company registered in Malta with company registration number C 30053 and having its registered office at GlobalCapital, Testaferrata Street, Ta’ Xbiex, XBX1403, Malta;
- c. GlobalCapital Insurance Brokers Ltd, a private limited liability company registered in Malta with company registration number C 32451 and having its registered office at GlobalCapital, Testaferrata Street, Ta’ Xbiex, XBX1403, Malta;
- d. GlobalCapital Health Insurance Agency Ltd, a private limited liability company registered in Malta with company registration number C 6393 and having its registered office at GlobalCapital, Testaferrata Street, Ta’ Xbiex, XBX1403, Malta;

Securities Note

the securities note issued by the Issuer dated 12th May 2016, forming part of the Prospectus;

Solvency II Directive	Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on The Taking-Up and Pursuit of the Business of Insurance and Reinsurance (Solvency II) (Recast) as amended by Directive 2011/89/EU of the European Parliament and of the Council of 16 November 2011, Directive 2012/23/EU of the European Parliament and of the Council of 12 September 2012, Council Directive 2013/23/EU of 13 May 2013, Directive 2013/58/EU of the European Parliament and of the Council of 11 December 2013 and Directive 2014/51/EU of the European Parliament and of the Council of 16 April 2014, and as may be further amended from time to time;
Solvency II Regulation	Commission Delegated Regulation 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance;
Sponsor and Registrar	Calamatta Cuschieri;
Shareholders or Shareholders	Ordinary holders of Ordinary Shares of the Issuer;
Subsidiaries	any company the ultimate holding company of which, as at the date of this Registration Document is the Company, including without limitation each of the following companies: a. GC Holdings; b. the Regulated Subsidiaries; c. Central Landmark Development Ltd, a private limited liability company registered in Malta with company registration number C 34858; d. Global Properties Ltd. (Medunarodne Nekretnine d.o.o.) a private limited liability company registered in Croatia with company registration number 97381210793; e. Global Estates Ltd, a private limited liability company registered in Malta with company registration number C 37544; f. Brammer Ltd, a private limited liability company registered in Bulgaria with company registration number 131292817; and g. Quadrant Italia s.r.l., a limited liability company (società a responsabilità limitata) registered in Italy with company registration number 1102926;

Summary Note the summary note issued by the Issuer dated 12th May, forming part of the Prospectus.

Terms and Conditions the terms and conditions relating to the Bonds as described in Section 8 of the Securities Note;

All references in the Prospectus to “Malta” are to the “Republic of Malta”.

Unless it appears otherwise from the context:

- a) words importing the singular shall include the plural and vice-versa;
- b) words importing the masculine gender shall include the feminine gender and vice-versa;
- c) the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative.

3. RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE COMPANY. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE COMPANY 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 COMPANY'S FINANCIAL RESULTS AND TRADING PROSPECTS AND THE ABILITY OF THE COMPANY TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES ISSUED BY IT FROM TIME TO TIME. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE COMPANY, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE COMPANY FACES. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE COMPANY'S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE COMPANY.

NEITHER THE PROSPECTUS NOR ANY OTHER INFORMATION SUPPLIED HEREIN IN CONNECTION WITH THE SHARES ISSUED BY THE COMPANY (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, NOR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE COMPANY OR THE SPONSOR OR FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THE PROSPECTUS, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE COMPANY. PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS OF THIS DOCUMENT.

3.1 FORWARD-LOOKING STATEMENTS

The Prospectus and the documents incorporated therein by reference or annexed thereto contain "forward-looking statements" that include, among others, statements concerning the Company'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 involve predictions of future circumstances. 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. These forward-looking statements are inherently subject to a number of risks, uncertainties and assumptions. Important factors that could cause actual results to differ materially from the expectations of the Directors include those risks identified under the heading "Risk Factors" and elsewhere in the Prospectus.

If any of the risks described were to materialise, they could have a serious effect on the Company's financial results, trading prospects and the ability of the Company to fulfil its obligations under the securities to be issued. Accordingly, the Company cautions the reader that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ from those expressed or implied by such statements and no assurance is given that the future results or expectations will be achieved.

3.2 RISKS RELATED TO THE ISSUER

The Issuer is a holding company with Subsidiaries engaged primarily in life assurance business, health insurance agency activities, investment and advisory services and property holding and management. By reason of the Issuer's broad business profile, the Issuer is exposed to various risks, as detailed below. Accordingly, the business of the Issuer is intimately related to that of the Group. Therefore, the operating results of the Group have a direct effect on the Issuer's financial position.

3.2.1 Financial Risk

The Issuer and the Group are exposed to financial risk, principally through GCLI's financial assets and liabilities, reinsurance assets, and insurance liabilities. In particular, a key financial risk is that the proceeds from GCLI's financial assets may not be sufficient to fund the obligations arising from its insurance and investment contracts with a discretionary participation feature (DPF). The most important components of financial risk are market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk, all of which are highlighted below. These risks partly arise from open positions in interest rate, currency, and equity products, all of which are exposed to general and specific market movements.

i. Market risk

a) General

The businesses of the Group are materially affected by conditions in the financial markets and economic conditions generally, both in Malta and elsewhere around the world. Therefore, all of the Group's business segments are affected by market conditions which can cause results to fluctuate from year to year as well as on a long-term basis.

Risk can arise, *inter alia*, from adverse changes in interest rates, credit spreads, foreign exchange rates, equity prices and other relevant parameters, such as market volatility. For example, the current global economic and financial crisis led to a re-evaluation of risks, particularly credit risks. Similarly, the Eurozone sovereign debt crisis and concerns over the viability of the European Monetary Union have further increased uncertainties in the financial markets. The probability of default increased across many asset classes, including sovereign debt, resulting in a multitude of credit rating downgrades and widening credit spreads. In addition, price volatility of many financial assets such as equities, credit and structured products increased significantly. Simultaneously therewith, liquidity in the markets for these assets decreased substantially, making it difficult to sell certain assets at reasonable prices.

Demographics, inflation, interest rates, consumer and business spending, recession, unemployment and other such factors which are beyond the Issuer's control, including general economic conditions, may also influence the Group's overall performance and results.

b) Business-specific market risks

Insurance Business Risk

One of the principal Subsidiaries of the Group, GCLI is engaged in Class I (life and annuity) and Class III (linked long term) insurance activities, which are subject to insurance risk, as further highlighted below. If any of the risks hereunder is not adequately managed, then this could have a material adverse effect on the assets, financial condition and results of the operations of GCLI, thereby impacting the Issuer.

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount and timing of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

Depending on the insurance product, this risk is influenced by macroeconomic changes, changes in customer behaviour, changes in public health, pandemics and catastrophic events such as earthquakes, industrial disasters, fires, riots or terrorism.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk and geographical location.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that GCLI faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could take place because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques.

i. Frequency and severity of claims

For contracts where death is the insured risk, the most significant factor that could increase the overall frequency of claims are epidemics or widespread changes in lifestyle resulting in earlier or more claims than expected. In this regard, undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

For contracts with fixed and guaranteed benefits and fixed future premiums there are no mitigating terms and conditions that reduce the insurance risk accepted.

ii. Sources of uncertainty in the estimation of future benefit payments and premium receipts

Uncertainty in the estimation of future benefit payments and premium receipts for long term insurance contracts arises from the unpredictability of long term changes in overall levels of mortality and the variability in contract holder behaviour.

GCLI may be liable for certain insured events that occur during the term of a contract, even if the loss is discovered after the end of the contract term. As a result, the estimation of claims incurred but not reported ('IBNR') is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to GCLI where information about the claim event is generally available. Certain classes of business, most notably those exposed to liability, can take several years to develop and are therefore subject to a greater degree of uncertainty than other classes of business which are typically settled in a shorter period of time.

The assumptions used in conventional statistical or actuarial models used in the estimation of claims reserves may differ from actual future results.

The estimated cost of claims includes direct expenses to be incurred in settling claims, value and recoveries. Given the uncertainty in establishing claims provisions, it is possible that the final outcome will prove to be different from the original liability established.

iii. Actual results could deviate from the actuarial and other assumptions made in calculating the actuarial reserves in life insurance business and in computing the value of in-force business

The assumptions used in calculating actuarial reserves and the value of in-force business may differ from actual future results. Actuarial reserves are calculated and the associated value of in-force business is based on recognised actuarial methods and assumptions. These assumptions include estimates of long-term developments in interest rates, financial investment yields, the allocation of financial investments between shares, interest-bearing securities and other categories, participations in profits, mortality and morbidity rates, lapse rates as well as future costs. Changes in these assumptions or incorrect assumptions may lead to an increase of the actuarial reserves for the life insurance business and to changes in the value of in-force business.

iv. Reinsurance

The lack of available reinsurance protection or the availability of reinsurance protection at increased costs and/or the inability to pay/untimely payment by reinsurers, could have a material adverse effect on the earnings of GCLI and consequently of the Issuer.

Reinsurance does not discharge GCLI's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, GCLI remains liable for payment to the policyholder.

Various factors applying to the global reinsurance market may from time to time result in higher premiums sought by reinsurers for the acceptance of risk on their part. This will inevitably have a negative impact on the assets, financial position and earnings for GCLI and consequently for the Group. Such negative impacts may also occur should GCLI be unable to cede certain risks to reinsurance companies at an economical cost, retaining larger proportions of risks for its' own account thus increasing its' exposure to uncertainty on the probability of occurrence.

v. Distribution channels

GCLI distributes its insurance products through a combination of direct sales and of third party distributors that include tied insurance intermediaries and insurance brokers. GCLI may accordingly be exposed to the risk of distributors seeking to terminate their business relationship, which could lead to a loss of business. GCLI also may also be exposed to the risk of its own employees and third party distributors mis-selling policies.

vi. Dependence on insurance business

The diversification of the Group's Subsidiaries across different business sectors does not eliminate the dependence of the Issuer on GCLI and there can be no guarantee as to the level of success that will be achieved by GCLI, its results of operations or financial condition generally. Nor can there be any guarantee that the measures which may be implemented by the Company across its Group to mitigate its investment risk will be effective in any given economic or market circumstances or at all.

Investment Services Business Risk

GCFM's income and profits or losses from its investment and advisory business, may vary significantly from year to year as a result of market cycles, including volatile movements on the financial markets, in equity and bond prices, interest rates and exchange rates which may reduce investment and demand for investment products promoted or distributed by GCFM. A decline in the financial markets could also have an adverse effect on GCFM's ability to earn advisory and other fees.

GCLI's and GCFM's performance is also influenced by returns dependent to a significant extent on the health of the financial markets, both locally and overseas.

Stock Market Risk

GCLI and GCFM's local stock market investments may be affected by the relatively low liquidity of the local market as a whole. Protracted market declines, both locally and internationally, can also reduce the liquidity of the assets of GCLI and GCFM which can in turn have an adverse effect on the Issuer. If GCLI and GCFM require significant amounts of cash on short notice in excess of anticipated cash requirements at a time when some or any of their respective assets have low liquidity they may have difficulty selling these investments in a timely manner at the fair values at which these investments are reflected in their respective financial statements. This potential constraint may be more marked in the case of securities listed on the local stock market.

Real Estate Market Risk

The Group's real estate Subsidiaries will be influenced by the health of the property market, both locally and overseas, and fluctuations in property prices. An increase in supply and/or a reduction in demand in the property markets in which the Group's real estate Subsidiaries are active could impact negatively upon the capital value, income streams and investment strategy of those Subsidiaries and consequently of the Issuer.

c) Interest rate fluctuations

The Issuer and the Subsidiaries are exposed to the risk of fluctuating market interest rates. Assets/liabilities with variable rates expose the Group to cash flow interest risk. Assets/liabilities with fixed rates expose the Group to fair value interest rate risk to the extent that they are measured at fair value.

Interest rate fluctuations in the Eurozone significantly influence the value of the Group's financial assets. Interest rate fluctuations result in the following risks:

- **Write-downs:** Book value depends on changes in the interest rate level; if interest rates rise, the market value of these securities falls.
- **Attractiveness of products:** The sales success of fund and index linked products also depends on the volatility of capital markets. Fluctuations in the capital markets, in particular in interest rates, influence the attractiveness of these products.
- **Reinvestment:** Upon the maturity of higher-interest securities, a lower interest level at the time of reinvestment in interest-bearing securities will lead to a decline in net earnings.

Interest rate fluctuations may have a material adverse effect on the financial and earnings position of the Group.

d) Price risk

The Group is exposed to market price risk arising from the uncertainty about the future prices of investments held at fair value through profit or loss or as available for sale.

e) Currency risk

The Group's exposure to foreign exchange risk arises primarily from investments that are denominated in currencies other than the Euro. The Group's exposure to foreign currency investments (principally comprising a mix of US Dollar and UK Pound) represented four per centum (4%) of the Group's total investments as at 31 December 2015. Seventeen per centum (17%) of the Group's cash equivalents, at 31 December 2015, are denominated in foreign currency (principally comprising a mix of US Dollar and UK Pound).

ii. Liquidity risk

Liquidity risk is the risk of decrease in profits or capital, arising from an inability of the Group to meet its immediate obligations, without incurring additional costs. This risk can arise from mismatches in the timing of cash flows relating to assets, liabilities and off-balance sheet instruments. The Group is also exposed to significant liquidity risk in relation to interest and capital payment obligations arising on the Bonds. Accordingly, the Group is exposed to increased risk of default vis-à-vis its capital requirement obligations, consequently running the risk of impeding its ability to continue as a going concern.

iii. Credit Risk

The Group has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. These include issuers of securities held by the Group, reinsurers, customers and trading counterparties. Due to insolvency, a lack of liquidity, an economic downturn or a decline in real estate values, business management errors or other reasons, these parties may no longer be in a position to satisfy their obligations towards the Group. Financial assets that potentially subject the Group to concentrations of credit risk consist principally of:

- Investments (including counterparty risk);
- Reinsurers' share of technical provisions;
- Trade and other receivables; and
- Cash and cash equivalents.

3.2.2 Regulatory matters

The Group is subject to a broad regulatory framework, relating, in particular, to the insurance and investment services activities of its Subsidiaries. As a result, the Group operates in a highly regulated environment. GCLI and GCHIA are licensed by the MFSA under the Insurance Business Act and the Insurance Intermediaries Act respectively. GCFM is licenced by the MFSA under the Investment Services Act and the Financial Institutions Act. Furthermore, GCFM is licenced as an Alternative Investment Fund Manager - De Minimis AIFM and as a Recognised Fund Administrator.

In particular, the Solvency II Directive, as supplemented by the Solvency II Regulation, encompasses requirements on own funds, the calculation of technical provisions, valuation of assets and liabilities, governance structure, regulatory reporting and disclosure as well as governance of insurance companies ("Solvency II"). GCLI has had to comply with the Solvency II regime as from 01 January 2016 in accordance with its statutory obligations. Solvency II provides for more risk-sensitive standards in relation to capital requirements, aims to align capital requirements for insurance companies with those applicable to banks and investment firms in order to avoid regulatory arbitrage, as well as to align regulatory capital with economic capital and bring about an enhanced degree of public disclosure. The Solvency II regime has created a stricter and more comprehensive regulatory framework compared to the supervisory and solvency rules existing pre-2016 ("Solvency I") for insurance and re-insurance companies within the EU. As a result, solvency and capital ratio requirements for insurance and reinsurance have become more onerous compared to the previous Solvency I regime and also result in capital ratios becoming more volatile.

In the event that GCLI should, at any time, have inadequate capital resources to meet the applicable regulatory capital requirements, GCLI could be subjected to regulatory sanctions which may have a detrimental effect on the ongoing insurance business activity of GCLI, and in the most extreme case could lead to the suspension or termination of GCLI's insurance business activity. In addition, the imposition of fines could have a material adverse effect on the assets, financial position and earnings of GCLI and consequently of the Group. Moreover, the violation of regulatory requirements could lead to intensified supervision of GCLI and, accordingly, to an increase in operational expenses.

In view of the Group's activities and revenues the Issuer constitutes a mixed activity insurance holding company and is therefore not required to meet a group minimum capital requirement ("Group MCR") and a group solvency requirement ("Group SCR") under the Solvency II regime. However, in the event that the Issuer were to constitute, at any time after the 01 January 2016, an insurance holding company as a result of a change in the nature of its activities and revenues, the Issuer will be required to meet a group minimum capital requirement ("Group MCR") and a group solvency capital requirement ("Group SCR") under Solvency II which would in turn entail significantly more onerous capital requirements, increased operational costs, and the potential exposure of the Issuer to the detrimental effects referred to in the preceding paragraph of this clause 3.2.2.

3.2.3 Operational risks

The Group is exposed to a number of operational risks, as detailed hereunder:

i. Key succession planning

The loss of specialised employees occupying key positions within the different business units making up the Group could result in a loss of know-how.

The financial results of the Group are to a significant degree dependent on the existing market and industry knowledge of its management. The loss of executives or of employees in key positions could materially adversely affect the assets, financial position and earnings of the Group if it is not possible to fill the vacant positions with equally qualified executives within an appropriate time period.

ii. Fraud risk

The Group is exposed to the risk of damages arising as a result of illicit manipulation. Such manipulation, if not countered by effective control, could lead to financial losses.

iii. The Group relies on complex IT systems, which could be considerably impaired by internal and external factors

The Group is dependent on the functioning of an efficient IT system (hardware and software). IT systems are susceptible to a number of risks, such as computer viruses, hackers, or damage to critical IT hardware. The partial or complete failure of the Group's IT systems, accompanied by a breakdown in back-up resources, could lead to a significant disruption of business processes, a temporary shutdown of business operations, claims for damages and/ or a loss of customers. Should such events or similar events occur and lead to damages or lost revenues, there could be a material adverse effect on the Group's assets, financial position and earnings.

3.2.4 Reputational risk

Reputational risk is usually associated with conflicts of interest, regulatory compliance, remuneration systems, professional behaviour of the 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 Group's ability to retain or attract customers, particularly institutional and retail customers, whose loss could adversely affect the Group'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.

3.2.5 Other Business Arrangements

GCHIA is dependent on its business arrangement with BUPA Insurance Limited, a company incorporated in England and Wales, with registration number 3956433. The termination or modification of this or any other material arrangements for any reason whatsoever could have a significant and adverse effect on the business of GCHIA and consequently on the Group, particularly if GCHIA is not able to renew or replace these arrangements with alternative arrangements on similar or equally favourable terms. Any adverse economic, market or other circumstances which may impact negatively on GCHIA's operations may be accentuated in their impact on the Group as they may in turn necessitate the impairment of goodwill carried on the Issuer's balance sheet.

3.2.6 Business Strategy Risk

Strategic risk is the risk associated with the future business plans and strategies of the Group. Improper strategic choices or the actual implementation of strategic decisions, as well as lack of responsiveness to changes in the economic environment, can have a serious and significant impact on prospective financial results. Closely linked with the above, business risk is the risk associated with the particular business and operating circumstances of the Group, and is more within the control of decisions taken by management but which nevertheless can have a significant impact on operating and business results.

3.2.7 Legal and compliance risk

The Group is exposed to various forms of legal and compliance risk due to the extent and complexity of its operations and the wide range of its regulatory obligations.

Governmental and other regulatory authorities continue to introduce proposals to strengthen the regulatory and supervisory framework for the financial services industry which include, *inter alia*, stricter own funds requirements, liquidity standards, the regulation of types of business considered as potentially high risk, expansion of the powers of competent authorities, and new or additional forms of redress for consumers of financial services. Such future changes to the existing regulatory framework for the financial services industry may be significant with negative impacts on the Group, such as increased cost of capital due to stricter own funds requirements and additional administrative cost incurred in the implementation and compliance with such new rules. In particular, the implementation of Solvency II is causing a substantial increase in the regulation applicable to insurance companies, including increased (quantitative and qualitative) capital and disclosure requirements, as well as restrictions on certain types of transactions, as set out in more detail under section 3.2.2 "*Regulatory Matters*" above.

Financial service firms are also at risk of regulatory sanctions or fines related to conduct of business and financial crime. The incidence of regulatory proceedings against financial service firms is increasing, with a consequent increase also in civil litigation arising from or relating to matters which are subject to regulatory investigation, sanction or fine.

In recent years, the regulated operating Subsidiaries of the Group have experienced increasing levels of compliance risk as regulators pursued investigations into historical and existing activities, and the Group remains in regular communication with the MFSA in relation to possible breaches of regulations. The direct and indirect costs of regulatory breaches can be significant. Given the increased levels of regulatory scrutiny experienced in recent years across the financial services industry and the substantial rise in the volume of new legislation and regulation, the level of inherent legal and compliance risk faced by the Group will continue to remain high for the foreseeable future.

The volume and amount of damages claimed in legal and other adversarial proceedings against financial services firms are increasing for many reasons, including legislative and regulatory developments and changes

in regulatory policy, increased media attention and higher expectations from the government, regulators and the public.

Judicial and regulatory decisions that are unfavourable to other regulated companies operating in the same sectors as the Group may also have implications for the Group's regulated operating Subsidiaries, even in cases in which the Subsidiary in question is not a party to the proceedings. This could occur in cases where certain business practices or contractual provisions are interpreted against third party service providers in circumstances where the same or similar business practices or contractual provisions have historically also been adopted by any of the Group's regulated operating Subsidiaries. For instance, decisions that have an impact on life insurance policies or terms of investment services business could affect the whole of the insurance and investment services industries respectively. As a result, such judicial and/or regulatory decisions may have a material adverse impact on the Group's results, business, financial condition and prospects.

Certain Group companies are themselves subject to on-going legal proceedings and regulatory investigations in respect of their financial services business and consumer claims for mis-selling of financial products. It is inherently difficult to predict the outcome of such legal proceedings, regulatory investigations and other adversarial proceedings involving Group companies particularly in those cases in which the liquidation of damages is being sought, or in which matters are brought on behalf of classes of claimants, or which otherwise involve novel legal claims.

Such proceedings and/or investigations could result in the Group incurring significant expense, substantial financial loss, fines, penalties and reputational damage and could have a material adverse effect on the Group's results, business, financial condition and prospects, including the potential loss of key licences, potential regulatory restrictions and/or the requirement to exit certain businesses and payments of compensation to customers. Moreover, the Group may face additional legal proceedings and regulatory investigations in the future with respect to matters similar or different to the existing proceedings and investigations. As a result the Group faces significant legal and compliance risks in its business.

In addition, accounting provisions for legal proceedings and regulatory matters typically require a higher degree of judgement than other types of provisions. Accounting judgements and estimates can be difficult because of the high degree of uncertainty associated with determining whether a present obligation exists, and estimating the probability, timing and amount of any outflows that may arise. As such legal proceedings and/or regulatory matters progress previous accounting judgements and estimates may need to be revised, however, any amount provisioned is likely to remain very sensitive to the assumptions used. There could be a wide range of possible outcomes for any pending legal proceedings, investigations or inquiries. As a result, it is often not practicable to quantify a range of possible outcomes for individual matters. It is also not practicable to meaningfully quantify ranges of potential outcomes in aggregate for these types of provisions because of the diverse nature and circumstances of such matters and the wide range of uncertainties involved.

3.2.8 Competition

The insurance and investment services markets are highly competitive, with several factors affecting the Group's insurance and investment services Subsidiaries' ability to sell their products, including price and yields offered, financial strength, range of product lines and product quality, brand strength and name recognition, investment management performance and historical bonus levels. In some of its markets the Group faces competitors that are larger, have greater financial resources or a greater market share, offer a broader range of products or have higher bonus rates, claims-paying ratios, or products delivering superior returns.

In addition to the above, the financial services industry is also very competitive and the Group faces substantial competitive pressures which could adversely affect the Issuer's results of operations and profitability.

Competition in the financial services industry is affected by the high level of consolidation, both at national and an international level, in the markets in which the Issuer's regulated Subsidiaries operate. The Group competes with other insurance and investment services providers, including the subsidiaries and/or associated companies of national and multi-national banking, insurance, and other investment services firms which are authorised in Malta and/or which have established a branch and/or provide their services in Malta on a cross border basis under the EU freedoms of establishment and services on a cross border basis.

Competitive pressures could result in a reduction in margins on a number of the Group's products and services and may affect the Issuer's ability to maintain or increase profitability. Competition is also expected to result in increased pressures on the availability of technical and qualified human resources and this in turn may pose a challenge to the retention by the Group of its key personnel.

3.2.9 External Factors

The Group's overall performance and results may also be adversely affected by external factors beyond the Issuer's control. These include changes in economic conditions, political factors, business cycles, volatility in financial markets and increased competitive pressure in the financial services sector.

3.2.10 Solvency Risk

The Bondholders assume the credit risk of the Company as the Issuer of the Bonds. Accordingly, in the case of insolvency of the Issuer, Bondholders may suffer direct and materially adverse consequences, including loss of their entire investment.

4. PERSONS RESPONSIBLE

Each and all of the Directors whose names appear in Section 9 of this Registration Document, are the persons responsible for the information contained in this Registration 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 Prospectus is in accordance with the facts and contains no omission likely to affect its import. The Directors accept responsibility accordingly.

5. SELECTED FINANCIAL INFORMATION

5.1 HISTORICAL FINANCIAL INFORMATION

The historical financial information about the Issuer is included in the audited consolidated financial statements for each of the financial years ended 31 December 2013 ("FY13"), 31 December 2014 ("FY14") and 31 December 2015 ("FY15"). The said statements have been published and are available at the Issuer's registered office.

The following information is extracted from the statement of comprehensive income in the abovementioned financial statements of the Issuer.

Amounts in €'000s	FY13	FY14	FY15
	Actual	Actual	Actual
Commission and fees receivable	2,932	2,724	2,568
Commission payable and direct marketing costs	(172)	(145)	(147)
Balance on the long term business of insurance technical account	(1,063)	1,317	942
Increment in the value of in-force business	735	611	1,355
Staff costs	(1,367)	(1,171)	(949)
Other expenses	(1,840)	(1,858)	(1,774)
Net investment return, net of allocation to the insurance technical account	1,108	540	3,282
Finance costs, net of allocation to the insurance technical account	(1,013)	(984)	(806)
Profit/(loss) for the year before impairment charges and fair value movements on investment properties	(680)	1,034	4,471
Net gains/(losses) on investment property, net of allocation to the technical account	(3,145)	53	1,252
Other	(358)	(276)	(117)
Profit/(loss) before tax	(4,183)	811	5,606
Tax (expense)/credit	522	(588)	(1,482)
Profit/(loss) for the financial year attributable to the shareholders of the company	(3,661)	223	4,124

The following information is extracted from the statement of financial position in the abovementioned financial statements of the Issuer.

Amounts in €'000s	FY13	FY14	FY15
	Actual	Actual	Actual
Intangible assets	5,033	6,234	7,163
Property, plant and equipment	3,116	2,709	2,450
Investment property	20,320	20,395	15,237
Deferred tax asset	68	1	-
Other investments	48,329	51,937	55,581
Reinsurers' share of technical provisions	2,079	2,327	3,612
Taxation receivable	556	495	581
Property held for development	749	680	-
Trade and other receivables	2,578	1,991	2,555
Cash and cash equivalents	7,574	2,571	5,441
Non-current assets held-for-sale	180	156	8,415
Total assets	90,582	89,496	101,035
Technical provisions	(65,349)	(66,065)	(71,510)
Interest bearing borrowings	(16,888)	(14,028)	(13,801)
Deferred tax liability	(1,616)	(2,080)	(3,105)
Trade and other payables	(3,410)	(3,921)	(5,211)
Current tax liabilities	(240)	(240)	(48)
Total liabilities	(87,503)	(86,334)	(93,675)
Total equity	3,079	3,162	7,360

Independent Auditor's Report

Reference is made to the disclaimer of opinion in the independent auditor's report (the "Independent Auditor's Report") of Deloitte Audit Limited ("Deloitte") dated 01 May 2016 in respect of the Company's financial statements for the year ended 31 December 2015 approved on 30 April 2016.

As explained in the Independent Auditor's Report, because of the significance of the matter described in the 'Basis for Disclaimer of Opinion' paragraph (reproduced below), Deloitte has not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion as to whether the financial statements of the

Company for the year ended 31 December 2015 give a true and fair view of the financial position of the Company and the Group as at 31 December 2015, and of the Company's and the Group's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and whether they have been properly prepared in accordance with the requirements of the Act. Accordingly, Deloitte did not express an opinion on the financial statements of the Company for the year ended 31 December 2015.

The basis for the foregoing disclaimer of opinion set out in the Independent Auditor's Report is reproduced hereunder in its entirety:

"Basis for Disclaimer of Opinion"

As explained in Note 1 to the financial statements, the Company's bond, amounting to Eur13.8M excluding accrued interest of Eur0.8M, is due for repayment five weeks after the approval of these financial statements, on 2 June 2016. At the date of approval of these financial statements, the Company had only secured Eur4.7M of the funding required for repayment of these obligations with a plan in place for securing the remaining funds through the fresh issue of a Eur10M five year bond ('the New Bond').

In a letter to the Company dated 27 April 2016 the Malta Financial Services Authority indicated that it would proceed to consider the regulatory approval of the admissibility to listing of the New Bond subject to a number of conditions, one of which was that the New Bond would be underwritten or its take-up otherwise ensured or guaranteed.

In Note 1 to the financial statements, the Directors explain that the Company has received a commitment from its majority shareholder Investar p.l.c. to subscribe up to Eur5M in nominal value in New Bonds in the event that there is a shortfall of such an amount or more in the overall take-up of the New Bonds. The Company has also received commitments from other shareholders / professional investors, through its sponsor, to subscribe up to an additional Eur5M in aggregate in nominal value in the New Bonds in the event of a shortfall in the overall take-up of the New Bonds after the fulfilment by Investar p.l.c. of its foregoing commitment to subscribe to Eur5M in nominal value of the New Bonds. Such commitments amount in aggregate to Eur10M which is equivalent to the full amount of the New Bond.

International Standards on Auditing require the auditor to obtain sufficient appropriate audit evidence about the appropriateness of the Directors' use of the going concern assumption and to evaluate the Directors' assessment. The potential effects of inherent limitations on the auditor's ability to detect material misstatements are greater for future events or conditions that may cause the Company to cease to continue as a going concern. The auditor cannot predict such future events or conditions. Nonetheless, in evaluating the Directors' assessment of the Company's ability to continue as a going concern, the auditor shall consider whether the Directors' assessment includes all relevant information of which the auditor is aware as a result of the audit. Where the Directors' assumptions include continued support by third parties, e.g. through commitments to maintain or provide additional funding or guarantees, and such support is important to the Company's ability to continue as a going concern, the auditor may need to obtain evidence of the third parties' ability to provide such support.

At the time of issue of this audit report:

- We have not been provided with sufficient appropriate audit evidence of cash or other liquid assets for the full amount of Eur10M that would be used if necessary over the coming weeks to support the shareholders' commitments mentioned by the Directors in Note 1 to the financial statements; and*
- There are no formal pledges or equivalent arrangements in place over any assets that would underlie the Eur10M commitments made to the Company.*

We requested the Company whether they are able to obtain further assurances regarding the basis of the shareholders' commitments, but we were informed that no such further assurances were available by the time of issue of this audit report.

As a result of the above, we were unable to obtain sufficient appropriate audit evidence at the time of issue of this audit report about the appropriateness of the Directors' use of the going concern assumption in the preparation of the financial statements.

This audit report is based on the information available to us on 30 April 2016, which is the last time that the Company provided documentation to us for the purpose of our audit. We have received assurances from the Directors that no further relevant events or conditions, or additional Board minutes or audit evidence that could require adjustment of, or disclosure in, the financial statements or that could have a bearing on our audit report have occurred or have become available at the time of issue of this audit report."

6. ADVISERS AND STATUTORY AUDITORS

6.1 ADVISERS TO THE ISSUER

Legal Counsel

Refalo & Zammit Pace Advocates

61, St. Paul Street,

Valletta VLT 1212, Malta

Sponsor, Manager and Registrar

Calamatta Cuschieri Investment Services Ltd

5th Floor, Valletta Buildings, South Street, Valletta,
Malta;

Calamatta Cuschieri Investment Services Ltd holds a Category 3 license issued by the Malta Financial Services Authority and is a member of the Malta Stock Exchange.

6.2 STATUTORY AUDITORS TO THE ISSUER

Deloitte Audit Ltd

Deloitte Place,
Mriehel Bypass,
Birkirkara BKR 3000, Malta

Deloitte is a firm of certified public accountants, holding a warrant to practice the profession of accountant and a practising certificate to act as auditors in terms of the Accountancy Profession Act, Cap. 281 of the laws of Malta.

7. INFORMATION ABOUT THE ISSUER

7.1 THE ISSUER

Legal Name of the Company	GlobalCapital p.l.c.
Registered Address	GlobalCapital p.l.c., Testaferrata Street, Ta' Xbiex XBX 1403, Malta
Place of Registration and Domicile	Malta
Registration Number	C 19526
Date of Registration	21 December 1995
Legal Form	The Company is lawfully existing and registered as a public limited company in terms of the Act
Telephone No.	+356 21 342 342
Fax No.	+356 21 333 100
Email Address	info@globalcapital.com.mt
Website	www.globalcapital.com.mt

7.2 History and Development of the Issuer

The Company was registered in Malta on the 21 December 1995 as a private limited liability company under registration number C 19526 and is domiciled in Malta.

The status of the Company was changed to that of a public limited liability company on 27 July 2000 and its ordinary shares were listed on the Official List of the Malta Stock Exchange on 6 March 2001.

On 12 June 2002 the Company changed its name from "Globe Financial Management p.l.c." to "GloBAI Financial Services Group p.l.c." and completed the acquisition of the local operations of British American Insurance Co. (Mtius) Ltd. on 16 January 2003 (the "**Merger**") by virtue of the amalgamation of British American Holdings (Malta) Limited, a private limited liability company registered in Malta with company registration number C 29087 into GC Holdings which was registered in Malta on the 21 June 2002 as a private limited liability company under registration number C 29873 and is domiciled in Malta. As a result of the said amalgamation, GC Holdings acquired the assets and liabilities of British American Holdings (Malta) Limited.

As a result of the Merger, British American Insurance Co. (Mtius) Ltd came to hold a shareholding interest of approximately 48% in the Company, while the Company acquired a 100% interest in GCLI, formerly British American Insurance Co. (Malta) Ltd, which carries on life assurance business and GCHIA, formerly BUPA Agencies Limited, which acts as an insurance agent.

On 03 April 2006, GC Holdings changed its name from “Globe Holding Limited” to “GlobalCapital Holdings Limited”.

In May 2006, the Company issued €17,000,000, 5.6% Bonds maturing on 2 June 2016 (the “**Existing Bonds Maturity Date**”), subject to an early redemption at the option of the Company on 2 June 2014 and 2 June 2015. The proceeds from the Bonds were used in part to finance group operations and in part to acquire investment property.

On 30 June 2006, the Company changed its name from “GloBAI Financial Services Group p.l.c.” to “GlobalCapital p.l.c.”

In the period between 01 January 2008 and 31 December 2013, the Group registered a loss after taxation of €26,159,730. During 2010, the Company announced a change in strategy to significantly reduce its exposure to the real estate sector and appointed a new chief executive officer to remodel and refocus the senior management team. As part of the Company’s change in operational strategy, in early 2011 the Group moved into its present head office premises at Testaferrata Street, Ta’ Xbiex Malta, providing a centralised operational base from which to carry out its core activities. Since 2013, the Issuer’s attention has been increasingly focused on the Group’s insurance business activities and the reduction of the Group’s expense base.

In June 2014 the Company appointed Mr. Reuben Zammit, formerly the Company’s chief financial officer, as the Group’s chief executive officer. For the financial year ended 31 December 2014, the Issuer reported a profit after taxation of €222,671 compared to a loss after taxation in the prior financial year of €3,661,194. On 03 April 2015, the Financial Services Commission (“FSC”) of Mauritius, in exercise of its powers pursuant to section 106 of the Insurance Act 2005 of Mauritius, appointed conservators for BAI Co (Mtius) Ltd, formerly British American Insurance Co. (Mtius) Ltd, (“**BAI**”) which holds approximately 48% of the Ordinary Shares of the Company. Subsequently on 30 April 2015 the FSC appointed special administrators in BAI and any of its related companies under section 110A(2) of the Insurance Act 2005 of Mauritius.

On 16 September 2015 the Company resolved in general meeting to issue up to a maximum amount of new Ordinary Shares not exceeding the authorised share capital of the Company and that such authorisation be valid for a maximum period of 12 months from the date of approval of the said resolution. The approval of the increase in issued share capital of the Company pursuant to the aforementioned resolution served to facilitate the Rights Issue (as defined below) contemplated by the prospectus dated 4 March 2016.

On 15 October 2015, Investar acquired 1,180,000 Ordinary Shares from Aberdeen Asset Management p.l.c, which represents 8.93% of the issued Ordinary Shares of the Company.

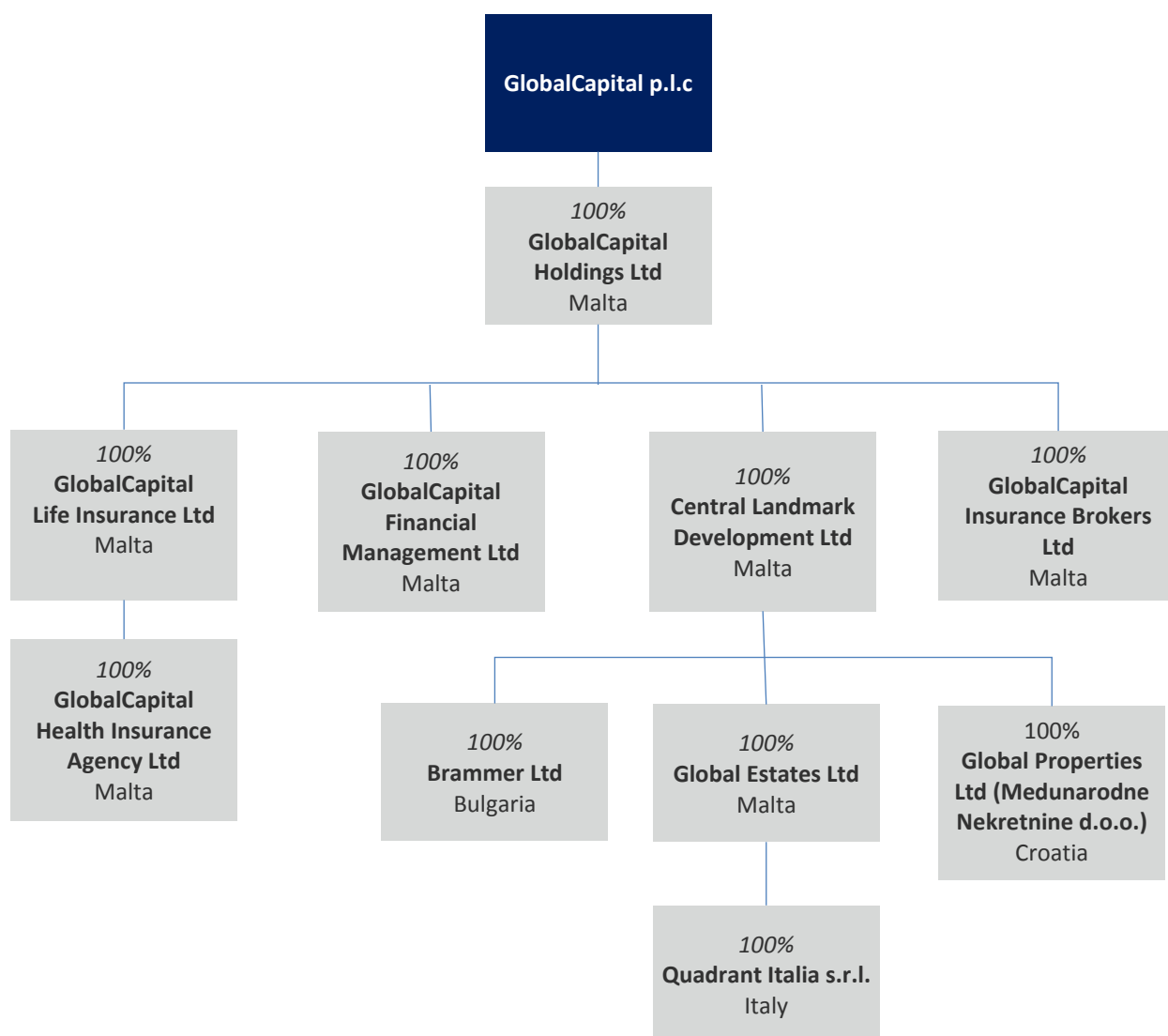
On 11 April 2016 the Company issued 16,792,452 new ordinary shares, having a nominal value of €0.291172 (the “**Rights Issue**”) pursuant to the prospectus dated 4 March 2016. As a result, Investar acquired 14,601,465 ordinary shares in the Issuer, thereby increasing its shareholding in the Company to 52.6%.

The Directors approved the financial statements of the Company for the year ended 31 December 2015 on 30 April 2016. As explained in Section 5.1 of this Registration Document, Deloitte Audit Limited, as independent auditor, was unable to express an opinion on the Company’s financial statements for the year ended 31 December 2015. The independent auditor’s basis for such disclaimer of opinion, set out in the independent auditor’s audit report dated 01 May 2016, is reproduced in full in Section 5.1 of this Registration Document.

7.3 ORGANISATIONAL STRUCTURE

With reference to the Group organogram below, the Issuer is the parent company of the Group, having investments in a number of undertakings which operate the business of the Group. Accordingly, the Issuer is ultimately dependent on the business prospects, operating results and financial position of the Group's operating companies. Hence, the operating results of the Group have a direct effect on the financial position of the Issuer.

The diagram below illustrates the principal subsidiaries and associates within the organisational structure of the Group:



GlobalCapital Insurance Brokers Ltd ceased operations in 2013 and is in the process of being amalgamated into GC Holdings. Furthermore, Brammer Ltd does not carry out any business activities and will be placed in liquidation in 2016.

7.4 BUSINESS OVERVIEW

7.4.1 Principal Activities of the Group

The principal object of the Issuer is to carry on the business of a holding and investment company. The Issuer does not itself undertake any trading activities. Accordingly, the Issuer is economically dependent on the financial and operating performance of the business of its Subsidiaries. The Issuer operates exclusively in and from Malta. The Subsidiaries operate primarily in the following business sectors:

- Business of insurance;
- Investment and advisory services;
- Insurance intermediation activities; and
- Property holding and management

i. Business of insurance

GCLI (formerly, British American Insurance Co. (Malta) Ltd) was incorporated on 21 December 2001, with registration number C 29086. It has an issued and fully paid up share capital of €9,969,870. Its registered office is situated at Testaferrata Street, Ta' Xbiex Malta.

GCLI was authorised by the MFSA on 15 January 2003 to carry on long-term business of insurance in Malta as principal under Class I (Life and Annuity) and on 6 July 2007 under Class III (Linked Long Term), in terms of the Insurance Business Act, 1998, Cap. 403, laws of Malta. In January 2003, GCLI took over the Maltese insurance business portfolio of BAI which had been carrying on life assurance business in Malta since 1965.

GCLI is engaged principally in ordinary life assurance business (interest sensitive and term) and industrial life assurance business (home service). It provides both single premium and regular premium saving products and a range of life assurance products, including term, interest-sensitive endowment, life assurance and group life policies.

ii. Investment and advisory services

GCFM (formerly, Globe Financial Management Limited) was incorporated on 1 August 2002 with registration number C 30053 and was authorised by the MFSA on 23 March 2006. It has a subscribed and fully paid up share capital of €6,171,673.76. Its registered office is situated at Testaferrata Street, Ta' Xbiex, Malta.

GCFM is licensed to provide investment services under a Category 2 licence issued by the MFSA in terms of the Investment Services Act. It is also licensed to provide money broking and trading in foreign exchange in terms of the Financial Institutions Act.

GCFM provides a range of investment services including dealing as agent, arranging deals, the provision of investment advice, nominee services, foreign exchange and stockbroking services. GCFM promotes a diversified range of investment products, including retail and professional investment funds. It also provides local and international stockbroking services on recognised investment exchanges and investment advice to clients.

iii. Insurance intermediation activities

GCHIA, (formerly BUPA Agencies Limited) was incorporated on 7 June 1983 with registration number C 6393 and was authorised by the MFSA on 4 August 2000 in terms of the Insurance Intermediaries Act. GCHIA was previously authorised in terms of the Insurance Business Act, 1981 (repealed by the Insurance Business Act). GCHIA was acquired by British American Insurance Co. (Mtius) Ltd on 7 January 1998 and later acquired by the Group by virtue of the Merger referred to in Section 7.2 above. GCHIA has a fully paid up share capital of €174,703 divided into 70,000 ordinary “A” shares of €2.329373 each held by GCLI and 5,000 non-profit participating “B” shares of €2.329373 each held by BUPA Investments Limited of BUPA House, 15 – 19 Bloomsbury Way, London WC1A 2BA, United Kingdom. The “A” ordinary shares are designated as profit participating shares while the “B” ordinary shares are designated as non-profit participating shares. All of the ordinary shares carry voting rights. GCHIA’s registered office is situated at Testaferrata Street, Ta’ Xbiex, Malta.

GCHIA is the exclusive agent in Malta for BUPA Insurance Limited (“**BUPA**”) and is duly licensed by the MFSA to act as insurance agent for Sickness Insurance (General Business). Statistics published by the Malta Insurance Association, in its Annual Report 2014-2015 (the “**MIA Annual Report**”), indicate that BUPA maintains a strong position within the ambit of private medical insurance in Malta. GCHIA acts as a branch of BUPA which has passported its services under the EU provisions of Freedom of Establishment. GCHIA is registered as an insurance agent and is regulated by the MFSA. BUPA is a leading international health insurance service provider established in 1971. The agency activity conducted in Malta by GCHIA constituted the first BUPA agency of its sort outside the United Kingdom. As the exclusive agent in Malta for BUPA, GCHIA is engaged in the promotion, administration and provision of health insurance cover for individuals and groups in Malta. GCHIA also provides BUPA with client and back office support services in respect of its local business in Malta. Accordingly, the economic viability of GCHIA depends on its business arrangement with BUPA, the termination or modification of which could have a significant and adverse effect on the business of GCHIA and consequently on the Issuer. The risks associated with this arrangement are set out in section 3.2.5 of this Registration Document under the heading “Business Arrangements”.

Until 2013 one of the Issuer’s Subsidiaries, GlobalCapital Insurance Brokers Limited (“**GCIB**”) (formerly, MY Insurance Brokers Limited) was enrolled in the Brokers List and was authorised to carry on the business of insurance broker by the MFSA in terms of the Insurance Intermediaries Act, on 25 November 2003. GCIB was incorporated on 14 November 2003 with registration number C 32451. GCIB has a subscribed and fully paid up share capital of €487,759. Its registered office is situated at Testaferrata Street, Ta’ Xbiex, Malta. In view of the Issuer’s objective to focus on the life and health insurance business segments of the Group, the business activities of GCIB were discontinued in October 2013. GlobalCapital Insurance Brokers Ltd ceased operations in 2013 and is in the process of being amalgamated into GlobalCapital Holdings Ltd.

iv. Property holding and management

The Group holds immovable property both locally and overseas through its Subsidiaries. The immovable property interests of the Group are managed through its wholly owned subsidiary Central Landmark Development Limited (“**CLD**”). CLD was incorporated on 25 October 2004, with registration number C 34858. It has a subscribed and fully paid up share capital of €1,164 and its registered address is located at Testaferrata Street, Ta’ Xbiex, Malta.

The Issuer’s investment strategy is to divest of a significant portion of the Group’s investment property, with a targeted reduction of up to ten per centum (10%) of the overall investment portfolio. As at 30 June 2015, total property assets comprised approximately 31% of the Group’s total investment portfolio.

CLD continues to provide property management services to tenants of immovable property owned by the Group.

7.4.2 Principal Markets

The Group’s turnover as at the date of this Registration Document is generated primarily in and from Malta.

7.4.3 Investments

The Issuer has not made any principal investments since the date of the last published audited financial statements of the Issuer and the Group respectively

8. TREND INFORMATION

8.1 TREND INFORMATION OF THE ISSUER

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

i. Trends in Group performance

Since the publication of its audited financial report for the period from 1 January to 31 December 2015, no significant changes have occurred in the financial or trading position of the Group, such that would require specific mention in this Prospectus. Furthermore, the Issuer is not aware of any trends or uncertainties that are likely to affect the Group's prospects for the current financial year.

In the financial year ended 31 December 2015, the Group continued to grow its asset base primarily through the activities of GCLI, which experienced an increase in the sale of life insurance products, and as a result of positive performance of the Group's investment portfolio. For the financial year ended 31 December 2015, the Group registered pre-tax earnings of Eur5,606,505 compared to Eur811,151 in 2014. The Group's results include net fair value gains on its financial and property investment portfolios amounting to €7,151,579 which were partially compensated by an increase in technical reserves. The Group's net assets as at 31 December 2015 stood at €7,360,089 compared to €3,162,547 in 2014.

The Issuer's strategy (described in Section 8.1.1) which is aimed at generating revenue growth, reducing operational costs and ensuring long-term financial stability is generating the desired results for the Group and this has allowed its positive financial performance to continue throughout the financial year ended 31 December 2015.

GCLI's life insurance business registered growth during 2015 when compared to the business registered during the same reporting period in 2014. New policies written continued to increase by 28% in 2013, 44% in 2014 and 33% in 2015 showing that GCLI has registered sustained growth over the past three years. Total number of active policies increased by 4% in 2015 following a decline by 2% in 2013 and no change in 2014. During 2015 GCHIA also registered positive results in line with the previous year. GCFM registered a decrease in its fee income, the impact of which was more than offset by the reduction in GCFM's cost base. Further action has been taken during 2015 in relation to the divestment of the Group's local property portfolio. In due course this will further reduce the overall property exposure to bring it in line with the Board's target.

ii. Trends in the insurance industry

According to the MIA Report, insurance penetration in Malta, and hence the level of development of the Maltese insurance sector, grew by 5.09% in 2014 compared to growth of 4.59% in the previous year and as compared to the 2013 EU average growth of 7.68%. Furthermore, insurance premium per capita in Malta grew from €783 in 2013 to €910 in 2014. In 2013, the EU average stood at €1,883 per capita.

In 2014 an average of €346 per capita was spent in Malta on non-life insurance business compared to €326 in 2013. The insurance density in long-term insurance business increased in 2014 during which period an average of €563 per capita was spent compared to the 2013 average of €458.

2014 witnessed an increase of 16.92% in total insurance premiums, with premiums reaching €385.8 million compared to €330 million generated in 2013. The latter figure reflected, in turn, an increase of 8.41% on 2012 figures, which stood at €304.4 million.

The increase in total insurance premium witnessed in 2014 was principally owed to a substantial growth in life insurance by 23.97%. Following the decrease of 18.9% over 2011 figures in 2012, life insurance recovered and increased by 13.53% in 2013.

Moreover, health insurance increased by 6.13% in 2014, following an increase of 3.96% in 2013.

iii. Trends in the life insurance industry

According to the MIA Report in the domestic market life insurance business is carried out by five local insurance companies, with demand for life insurance products having gradually increased from a premium of €75 million in 2001 to €228 million in 2007.

In the wake of the financial crisis, a 20.5% drop in growth brought premium down to a low of €181 million in 2008. Notwithstanding this, business gradually started to recover since 2009, with premiums growing from €193 million in 2009 to €224 million in 2010.

In 2011, premium decreased to €209 million and declined further to €169.8 million in 2012. Nevertheless, there was an increase in life insurance premium once again in 2013 to €193 million and further in 2014 to €238.98 million. In terms of market share, life premium for 2014 grew substantially by 23.97% in comparison with the previous year, representing 61.94% of the total life and non-life premium.

There was an increase of 8.4% over 2013 in the number of single premium policies in 2014, after experiencing a drop of 1.8% in the preceding year. The amount of periodic premium policies experienced a 1.5% decrease in 2013 but rose significantly in 2014 by 68.3%.

In 2013, benefits paid under life policies grew by 12.5% from €139.8 million in 2013 to €157.3 million in 2014. In 2014, the proportion of policy surrenders dropped by 42.3% of all benefits. In 2013, policy surrenders had represented 46.8% of all benefits. Maturity payments, which represented 48.7% of all benefits, amounted to €76.6 million in 2014 when compared with €59.8 million in 2013. In 2014 a slight decrease in death benefits was experienced, from €14.6 million in 2013 to €14.1 million in 2014. In 2014, the proportion of death benefits stood at 9% of all benefits paid out.

In 2013, 79% of the distribution channels used by insurance undertakings were financial institutions, whereas 17% were other insurance intermediaries, 3% were brokers and direct sales represented a mere 1%.

iv. Trends in the health insurance industry

With reference to the MIA Report, the gross written premium in the private health insurance sector reached €22.1 million in 2013 compared to €21.3 million in 2012, and €20.6 million in 2011.

Claims incurred in 2014 amounted to €14.8 million, compared to €12.8 million in the previous year. The loss ratio in 2014 increased to 64.55% from 58.8% in 2013.

There was an increase in the number of individuals covered by private health insurance, from 91,156 in 2012 to 97,491 in 2013. The number of lives insured under individual contracts in 2013 stood at 12,847, whereas 84,644 lives were insured under group policies.

The proportion of this class to total non-life written gross premiums decreased to 15.95% in 2014 when compared to 16.08% in 2013.

8.1.1 Business Strategy

In June 2014 the Group embarked on the implementation of a transformation strategy aimed at generating revenue growth, reducing operational costs and ensuring long-term financial stability. This transformation strategy, which has already resulted in a significant impact on the Issuer's financial results in 2014 and 2015 is based on the following key objectives:

- i. Strengthen operational efficiency
 - *Investment in IT systems* – Back in 2012 the Group invested in a new operational IT system (approximately €1.8 million). The purpose of this investment was to automate various process and procedures, provide management with the ability to monitor performance of policies, allow Tied Insurance Intermediaries to better manage their workflow and monitor their key performance indicators. Furthermore, the system is intended to act as a platform for brokers through which they will be able to access and manage their accounts directly. The system was launched on 1 January 2016.
 - *Process re-engineering* – during 2014 and 2015 the Group's management team carried out a comprehensive review of the business processes across all departments. The aim of this review was to identify and eliminate processes which are duplicated or do not add value. The initiative resulted in reduction in resources, more efficient operations and improved performance in back office functions. In 2015, the Group's management team set up a Project Management and Business Process Improvement function in order to maintain the focus on continuous business process improvement.
- ii. Enhance the business model
 - *Product rationalisation* – during 2014 and 2015, the Group's management team revisited its product mix with the aim of discontinuing or decreasing less profitable products and introducing more attractive, innovative and capital efficient solutions. During the same period the Group registered improved performance in the life company with particular increase in unit-linked and other protection products. The Group's management team will remain focused on delivering flexible solutions to clients in order to sustain the growth from recent years and therefore increase local market share.
 - *Entering new markets outside Malta* – the Group's management team intends to make use of the right to passport its products in other EU jurisdictions which will bring further growth opportunities and diversify the dependence on the Maltese market.
 - *Effective management of the life fund* – the Group's management team intends to appoint an asset manager whose responsibility would also include the handling of the life fund. The objective is to implement the investment strategy of the company and evaluate the investment mix to ensure an appropriate matching between the assets and liabilities of the company.
- iii. Revive the asset management business
 - The Issuer is seeking to re-dimension the Group's investment advisory business by offering asset management services and developing new investment products. It is envisaged that new services

will be provided in relation to discretionary portfolio management and unit-linked products issued by GCLI, thereby leveraging the relationship between the Group's investment services and life insurance business units. The Issuer has already carried out a study of the investment services business and identified both the operational and capital gaps. The Issuer is now in the process of evaluating candidates with a view to recruiting and thus enhancing the current operational structure. Thereafter, it is the intention to focus on the investment services capital needs including the IT platform and infrastructure.

- It is anticipated that in due course the Group will also seek to offer its investment services overseas with the primary focus being the Italian and potentially other European markets where the Group can avail itself of EU passporting rights to establish itself or provide services on a cross-border basis.

iv. Strengthen the Group's brand and reputation

- Traditionally, the Issuer has been perceived as an investment services company, however, today the Group is a mixed activity organisation which provides various financial services including life insurance, agency services and investment products. The Group's management team has taken steps to reposition the brand of the issuer on the local market by participating in various trade shows and launching various campaigns (such as the Life Insurance Awareness Month campaign) which increase awareness of the Group's objectives and mission.
- Furthermore, the Group's management team has put significant effort in raising awareness and improving the image of the Group through social media websites.

v. Invest in human capital

- During 2014 and 2015 the number of employees across the Group decreased as a result of the rationalisation and streamlining of business processes. The Group's management team revised the existing structures and put in place new hierarchy and a new compensation scheme which was linked more closely to the objectives of the Company. As much as possible, employees which resigned or were made redundant during that period were not replaced and their responsibilities were allocated to existing personnel. This effort resulted in staff being more motivated and staff turnover decreased significantly. The Group's management team is now increasingly focusing on continuous training and development and retention of staff.
- The cost cutting strategy from a human resources perspective was substantially complete by the end of 2015. With the new structures in place, the Group's management team decided to bring key functions such as risk management and internal audit in-house rather than keep on outsourcing to third parties. In this respect, management is in the process of hiring new employees to staff these departments.
- The decision to revive the asset management arm of the Group resulted in new individuals being recruited. The Asset management line of the business will be further enhanced by the addition of the risk management and compliance functions.

vi. Provide customers with security and peace of mind in both their insurance and investment needs

- As noted above, the Group's management team has put a lot of emphasis on risk management and compliance and is currently transferring these functions in-house.
- During 2014 and 2015 management implemented a Business Continuity Plan which aimed to ensure that the Issuer is prepared to take necessary measures to safeguard the interests of all stakeholders in the event of a disruption due to unforeseen circumstances.

While retaining its primary focus on its existing insurance business, the Issuer's growth strategy for the future includes a renewed focus on asset management and unit-linked life insurance business. The Group will continue its efforts to divest itself of its portfolio of investment properties and focus on these areas.

The Issuer is confident of the Group's prospects to continue increasing profits whilst capitalising on the opportunities that present themselves across a range of its operations.

9. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

9.1 DIRECTORS

9.1.1 The Board of Directors

The Memorandum and Articles of the Company provide that the affairs of the Company shall be managed by a board of directors composed of not less than two and not more than seven directors.

As at the date of this Registration Document, the Board of Directors of the Issuer is composed of the following persons:

Name	Designation	Date of Appointment
Prof. Paolo Catalfamo	Non-Executive Director and Chairman	16.09.2015
Prof. Andrea Gemma	Non-Executive Director	16.09.2015
Dr. Joseph Del Raso	Non-Executive Director	16.09.2015
Mr. Reuben Zammit	Executive Director	16.09.2015
Mr. Joseph Schembri	Non-Executive Director	16.09.2015
Mr. Christopher J. Pace	Non-Executive Director	16.09.2015

The business address of the Directors is that of the Issuer.

The current term of office of the Directors listed above has commenced on 16 September 2015 and shall end at the closure of the next AGM in accordance with the provisions of the Articles of the Issuer.

The Directors are appointed by election at the annual general meeting of the Issuer. In accordance with the Issuer's articles of association ("**Articles**"), a Shareholder holding 14% or more of the voting rights, or a number of Shareholders who between them hold 14% or more, of the issued share capital of the Issuer are entitled to appoint one Director for every such 14% holding by letter addressed to the Issuer. All shares not utilised to make appointments as aforesaid are entitled to vote in the election of Directors at the annual general meeting of the Issuer.

The Chairman of the Board of Directors, is, in terms of the Articles of the Issuer, appointed from amongst the appointed Directors by any member holding in the aggregate at least 40% of all voting rights of the Issuer. In the absence of any member having the required holding of voting rights, the Chairman will be appointed by the Board of Directors.

The Directors are responsible for the general governance of the Issuer, its proper administration and management and for the general supervision of its affairs. The day-to-day management of the Issuer is delegated

by the Directors to an executive committee (the “**Executive Committee**”) consisting of the Issuer’s senior executives.

A list of all current and past directorships of Board members and Group executive management is set out in Annex C of this Prospectus.

9.1.2 Curriculum Vitae of the Directors

Prof. Paolo Catalfamo

Prof. Catalfamo is the founder and chairman of the merchant banking group ‘Investar’, based in Italy, US and India and Professor at the Villanova School of Business in Philadelphia. He serves as managing director of IKF Spa, a holding company listed on the Italian Stock Exchange, as managing director and CEO of Milliora Finanzia Spa, a corporate lending company regulated by the Banca d’Italia, as managing director of Investar Plc, a financial services group in Malta and as an advisor to Equinox Partners, a private equity fund in Luxembourg. He was deputy chairman and CEO of the investment management group Franklin Templeton in Italy. Prof. Catalfamo serves as chairman of the Company and sits on the Investment, the Remuneration, the Nominations and the Risk Committees of the Board of Directors of the Company.

Prof. Andrea Gemma

Prof. Gemma was admitted to the Supreme Court of Italy and is partner of the legal and tax consultancy firm Gemma & Partners. He is a member of the Arbitro Bancario Finanziario (ABF) appointed by Banca d’Italia. Prof. Gemma is director of Eni S.p.A. He is also a member of the Board of Cinecittà’ Centro Commercial SRL (Rome), deputy chairman of the Board of Serenissima SGR S.p.A (Verona), chairman of the Board of Directors of Immobiliare Strasburgo S.r.L, member of the Board of Vega Management S.p.A. (Torino), an extraordinary commissioner of Valtur S.p.A., an extraordinary commissioner of Novit Assicurazioni S.p.A. and Sequoia Partecipazioni S.p.A., an extraordinary commissioner of Suditalia Compagnia di Assicurazioni and Riassicurazione S.p.A., President of the Supervisory Body of Sorgente S.p.A. and Extraordinary Commissioner of Alpi Assicurazioni S.p.A. Prof. Gemma also serves as legal counsel to leading insurance companies (Società Cattolica di Ass.ne coop. a r.l., Carige Assicurazioni S.p.A., Faro Ass.ni in A.S.). Prof. Gemma sits on the Audit, the Risk and the Ethics Committees of the Board of Directors of the Company.

Dr. Joseph Del Raso

Dr. Del Raso is a partner in the Commercial Department of Pepper Hamilton LLP. He is experienced in assisting businesses with a variety of international and domestic transactions, and advises on government relations on the federal, state and international level. Dr. Del Raso leads the firm’s Investment Management Practice Group and is co-chair of the firm’s Italian Desk and a practice leader for mutual funds of the firm’s Funds Services Practice Group. He is a past member of Pepper Hamilton’s Executive Committee and currently serves as a director of Freeh Group International Solutions, a Pepper Hamilton subsidiary. Dr. Del Raso sits on the Audit, the Nominations and the Ethics Committees of the Board of Directors of the Company.

Mr. Reuben Zammit

Mr. Zammit is the chief executive officer of the Group. Prior to his current role as chief executive officer, Mr. Zammit was the chief financial officer of the Group. Mr. Zammit sits on the Investment and the Risk Committees of the Board of Directors of the Company.

Mr. Joseph Schembri

Mr. Schembri is a consultant with Baker Tilly Sant. Mr Schembri is a certified public accountant and auditor. He was an audit partner of Joseph Tabone & Co and Senior Partner of KPMG Malta, as well as a board member of the KPMG regional practice specialising in Financial Services. Mr Schembri has also acted for a three-year period as director of EneMalta Corporation and as a member on the Disciplinary Committee of the Accountancy Board and the Malta Institute of Accountants. Mr Schembri was actively involved in the setting up of a KPMG member firm in Libya, acting as risk management principal as well as audit principal for foreign owned oil and gas clients operating in Libya. Mr. Schembri sits on the Audit and the Remuneration Committees of the Board of Directors of the Company.

Mr. Christopher J. Pace

Mr. Pace is the Managing Director of the Malta office of Chesterton, an international real estate agency. Mr Pace founded Globe Financial Investments Limited, the Issuer's predecessor in 1987. He was a founder member of the Malta Stock Exchange which commenced trading operations in 1992. Mr Pace served as director of the Company until 2011 and was re-appointed director in 2015. He also served as chairman of the Company since its inception until 2008. Mr. Pace sits on the Nominations Committee of the Board of Directors of the Company.

9.2 GROUP EXECUTIVE MANAGEMENT

The Executive Committee is vested with responsibility for the Group's day-to-day business and the implementation of the strategy set out by the Directors. The members of the Executive Committee are employed on an indefinite basis with the Company. The Executive Committee is chaired by the Group's CEO and is composed of the executive heads of the Group as follows:

Name	Designation
Mr. Reuben Zammit	Chief Executive Officer
Mr. Shawn Bezzina	Group Financial Controller
Mr. Paul Said	Group Operations Manager

The business address of the members of the Executive Committee is that of the Issuer.

9.2.1 Curriculum Vitae of the Executive Management Team

Mr. Paul Said

Mr Said is the Group Operations Manager. Having more than ten years of industry experience, particularly in financial services, Mr Said previously held the role of Group IT Manager and Group IT Project Manager. Prior to this, Mr Said was a software developer for GO plc.

Mr. Shawn Bezzina

Mr Bezzina is the Group Financial Controller. Mr Bezzina is a certified public accountant and auditor. Previously Mr Bezzina was the Financial Controller and Fund Accountant of the Group. Prior to his employment with the Company, Mr. Bezzina was the financial controller of Citadel Insurance plc as well as the coordinator direct operating costs of Air Malta plc.

9.3 INTERESTS OF DIRECTORS AND EXECUTIVE MANAGEMENT

The number of shares in the Issuer held directly in the name of the current Directors as at the date of this Registration Document is as follows:

Prof. Paolo Catalfamo*	Nil
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Prof. Andrea Gemma	Nil
Dr. Joseph Del Raso	Nil
Mr. Reuben Zammit	Nil
Mr. Joseph Schembri	Nil
Mr. Christopher J. Pace	2,013,032

In view of the above roles and position, the above-mentioned Directors may be subject to conflicts of potentially diverging interests between the Shareholders they are associated with and their position as Directors of the Issuer. Save as set out in section 14.1.2 of this Registration Document no Shareholder is entitled to any automatic right to nominate or appoint a director on the Board.

Aside from the direct interests referred to above in the shareholding of the Issuer, the Directors marked above with an * are considered to be associated with companies that hold a beneficial interest in the Issuer's shareholding. The following Directors are considered to be associated with shareholders of the Issuer or with companies that hold a beneficial interest in the Issuer's shareholding:

Prof. Paolo Catalfamo is a director and holds a 100% shareholding interest in Investar, which as at the date of this Registration Document is a Shareholder in the Issuer holding 52.6% of the Ordinary Shares.

Investar in which Prof. Paolo Catalfamo has a direct shareholding interest, acquired one million one hundred eight thousand (1,180,000) Ordinary Shares constituting the 8.93% interest in the Issuer referred to above on 5 October 2015. In the course of the Rights Issue, Investar acquired 14,601,465 Ordinary Shares, thereby increasing its shareholding interest in the Issuer to 52.6%.

With the exception of Mr. Christopher J. Pace and Prof. Paolo Catalfamo, none of the Directors and members of executive management, directly or indirectly, traded any Ordinary Shares of the Issuer. In addition, and save as explained hereunder, no material transactions in the Company's Ordinary Shares were effected in which any Director had a beneficial or non-beneficial interest.

The manner in which Directors are appointed is provided in section 14.1.2 hereunder.

Other than the above private interests and conflicts of interest, the Issuer is not aware of any other facts and circumstances which may give rise to conflicts of interest or potential conflicts of interest.

9.4 DECLARATION

On 26 October 2009 the MFSA imposed an administrative penalty amounting to €44,100 on Christopher J. Pace in terms of article 22 of the Prevention of Financial Markets Abuse Act, Cap.476 of the laws of Malta (the "PFMA"). The MFSA decided that Mr. Pace breached article 6 of the PFMA by having traded in the Issuer's shares in the period between the 14 and 27 December 2007 when in possession of inside information. Mr. Pace has submitted an appeal before the Financial Services Tribunal against the MFSA's decision. This appeal is presently pending before the Financial Services Tribunal. Save for the above, none of the above-mentioned Directors and members of senior management of the Issuer have:

- been convicted in relation to fraudulent offences in the previous five years;
- been involved in any bankruptcies, receiverships, or liquidations for at least the previous five years;
- been the subject of any official public incrimination or sanction by any statutory or regulatory authority (including designated professional bodies) and neither have they ever been disqualified by a court from acting as a member of the administrative, management or supervisory body in the last five years.

9.5 EMPLOYEES OF THE GROUP

The average number of persons employed by the Group during the years 2012, 2013, 2014 and 2015 are as follows, divided by main category of activity:

9.5.1.1 Managerial and Supervisory

Number of Employees	FY2012	FY2013	FY2014	FY 2015
Issuer	1	1	0	0
GCFM	5	4	4	2
GCLI	7	4	4	5
GCHIA	5	4	4	6
Total	18	13	12	13

Sales

Number of Employees	FY2012	FY2013	FY2014	FY 2015
Issuer	0	0	0	0
GCFM	4	4	4	3
GCLI	1	0	0	0
GCHIA	0	1	0	0
Total	5	5	4	3

9.5.2 Administration

Number of Employees	FY2012	FY2013	FY2014	FY 2015
Issuer	0	0	0	0
GCFM	13	14	12	8
GCLI	16	18	15	14
GCHIA	32	24	24	19
Total	61	56	51	41

10. BOARD PRACTICES

10.1 CORPORATE GOVERNANCE

The Issuer is in compliance with the Code of Principles of Good Corporate Governance as contained in the Listing Rules.

10.2 BOARD COMMITTEES

The Directors of the Issuer have established the following board committees:

10.2.1 Audit Committee

The Audit Committee is composed entirely of non-executive Directors and assists the Board in monitoring and reviewing the Group's financial statements, accounting policies and internal control mechanisms in accordance with the Committee's terms of reference. The responsibilities of the Audit Committee also include the review and approval of related party transactions in accordance with the Listing Rules.

The Audit Committee also approves and reviews the Group's compliance plan and internal audit plan prior to the commencement of every financial year and monitors the implementation of these plans. The audit committee is composed of:

- Prof. Andrea Gemma
- Mr. Joseph Schembri
- Dr. Joseph Del Raso

10.2.2 Investment Committee

The Investment Committee is responsible for developing overseeing and developing the investment strategies and policies with respect to investments that may be made by the Company. It is also responsible for the formulation, monitoring, and review of the Group's investment processes.

The Investment Committee is composed of:

- Prof. Paolo Catalfamo
- Mr. Reuben Zammit

10.2.3 Remuneration Committee

The Remuneration Committee monitors, reviews, and advises on the Group's remuneration policy as well as approves the remuneration packages of senior executives and management. The main activities of the Remuneration Committee include devising appropriate policies and remuneration packages to attract, retain, and motivate Directors and senior management of a high calibre in order to well position the Group within the financial services market and its areas of business. At the end of every financial year, the Remuneration

Committee draws up a report which is included in the Group's Annual Report. A performance management system has been implemented across the Group. This system is intended to:

- Enhance the existing systems used to define key performance indicators; and
- Improve the assessment of performance for all the Group's employees including senior management and members of the Executive Committee.

The Remuneration Committee is composed of:

- Prof. Paolo Catalfamo
- Mr. Joseph Schembri

10.2.4 Nominations Committee

The Nominations Committee is responsible for recommending Directors for election by Shareholders at the AGM, for planning the structure, size, performance, and composition of the Group's Subsidiary boards, for the appointment of senior executives and management and for the development of a succession plan for senior executives and management.

The Nominations Committee is composed of:

- Prof. Paolo Catalfamo
- Dr. Joseph Del Raso
- Mr. Christopher J Pace

10.2.5 Risk Committee

The Risk Committee's function is to oversee policies, practices, procedures, and controls related to risk identification, capital structure, liquidity management, regulatory compliance, and monitoring the annual capital plan.

The Risk Committee is composed of:

- Prof. Paolo Catalfamo
- Mr. Reuben Zammit
- Prof. Andrea Gemma

10.2.6 Ethics Committee

The Ethics Committee reports to each meeting of the Board of Directors on the operation of the Code of Ethics. In addition, it periodically reviews the Code of Ethics and makes recommendations for any amendments thereto to the Board. The Ethics Committee's function is to investigate any suspected breach of the Code of Ethics and report its findings to the Board of Directors with any recommendation that may impinge on the deliberations of the Board of Directors.

The Ethics Committee is composed of:

- Prof. Andrea Gemma
- Dr. Joseph Del Raso

11. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

11.1 INTEREST OF MAJOR SHAREHOLDERS

The following Shareholders hold in excess of five per cent (5%) of the Issuer's Ordinary Shares at the date of this Prospectus:

Name	Number of Shares
BAI Co. (Mtius) Ltd	6,399,092
Christopher J. Pace	2,013,032
Investar p.l.c.	15,781,465

With reference to the table above, as at the date of this Prospectus, Investar holds 52.6% of the total issued share capital of the Issuer. The Issuer adopts measures in line with the Code of Principles of Good Corporate Governance to ensure that the relationship with Investar is retained at arm's length, including adherence to rules on related party transactions requiring the sanction of the Audit Committee, which is constituted of Non-Executive Directors. Moreover, key decisions affecting the Issuer require the sanction of the general meeting by means of an extraordinary resolution as defined in the Articles of the Issuer. Matters requiring approval by means of an extraordinary resolution include, *inter alia*, the alteration to the Company's M&As (except for the alteration of the office of the Issuer) and the dissolution of the Issuer.

The Shares held by the major Shareholders rank '*pari passu*' with all the other Shares in the Issuer.

The Shares held by the major Shareholders of the Issuer do not entitle such Shareholders to any different voting rights.

11.2 RELATED PARTY TRANSACTIONS

In the normal course of business, the Group enters into various transactions with related parties. Related parties are defined as those that have an ability to control or exercise significant influence over the other party in making financial and operational decisions. These include Directors and Shareholders who hold a substantial amount of votes able to be cast at general meetings.

Relevant particulars of related party transactions for the financial year end 2015, all of which have been carried out on an arm's-length basis are as follows:

	FY2013	FY2014	FY2015
	€	€	€
Commission receivable from related parties	56,097	70,244	7,839
Commission receivable on investments made by related funds	3,235	2,090	5,039
Fees receivable in respect of advice provided to related funds	66,938	70,055	87,301

GCFM acts as investment advisor and manager to GlobalCapital Funds SICAV p.l.c. The advisory fees earned by GCFM from its activity as investment advisor and manager are included in turnover in the consolidated financial statements of the Company, and during the year 2015 amounted to €87,301 (2014: €70,055 and 2013: €66,938). Global Funds SICAV p.l.c. is considered to be a related party by way of key management.

In 2012, the Group recovered expenses amounting to €183,406 in liquidation costs in relation to Global Funds SICAV p.l.c. which had been written off in 2010.

In 2011 CLD entered into an agreement with Boutique Properties Limited a private limited liability company registered in Malta with company registration number C 34858 owned and controlled by Christopher J. Pace, a director of the Company, for the provision of real estate brokerage and related consultancy services. This agreement was terminated in 2014. However, a refund of €50,000, representing a pre-payment of commissions which did not eventually become due, remains owing to CLD as of the date of this Prospectus.

In 2015, GC Holdings, CLD, GCLI and GCFM entered into a pledge agreement to secure:

- an outstanding balance of seven hundred and eighty-eight thousand and ten Euro (€788,010) due by CLD to GCLI under the terms and conditions contained in a loan agreement dated as of 31 December 2014 and entered into between CLD as borrower, GC Holdings as guarantor and GCLI as lender;
- an outstanding balance of five million, one hundred and seventy-three thousand, four hundred and eighty-two Euro (€5,173,482) due by Quadrant SRL to the GCLI under the terms and conditions contained in a loan agreement dated as of 31 December 2014 and entered into between Quadrant SRL as borrower, GC Holdings as guarantor and GCLI as lender;
- an outstanding balance of nine hundred fifty thousand and two Euro (€950,002) due by CLD to GCFM under the terms and conditions contained in a loan agreement dated as of 31 December 2014 and entered into between CLD as borrower, GC Holdings as guarantor and GCFM as lender; and
- all existing or future credit facilities granted by or to be made by GCLI and, or GCFM and guaranteed by GC Holdings, and/or any existing, contingent or future indebtedness of GC Holdings to GCLI and, or GCFM, or any of them,

by virtue of a pledge over 499 ordinary shares in CLD held by GC Holdings in favour of GCLI acting as a trustee holding security for the benefit of GCLI and, or GCFM in terms of article 43(7)(a) of the Trusts and Trustees Act, Cap. 331 of the laws of Malta.

12. LITIGATION

Some Group companies are party to legal proceedings and/or regulatory investigations arising out of the historical business activities of certain regulated operating Subsidiaries which could give rise to potential financial loss and significant reputational damage. Provisions for outstanding legal proceedings as at 31 December 2015 totalled €435,129. The recognition of these provisions has been determined in accordance with the accounting policies set out in Note 20 of the Issuer's audited consolidated financial statements for the financial year ended 31 December 2015. The timing and outcome of legal proceedings and regulatory investigations is inherently uncertain which makes it difficult to determine whether a loss is probable or even reasonably possible. Given the complexity and uncertainties associated with the actual determination of any liability, including the outcome of any appeals, there is a wide range of possible outcomes. The foregoing provisions have been made based on

management's best estimate of probable outflows. The Directors anticipate that provisions for outstanding legal proceedings will be increased for the period ended 31 December 2015. However, the fact that a provision has been, or will be, made or recognised does not constitute an admission of wrongdoing or legal liability.

It is not practicable to provide an aggregate estimate of potential liability for judicial letters/protests and other consumer complaints received by certain Group companies, in addition to the legal proceedings referred to above, as a class of contingent liabilities as explained in note 30 of the Issuer's audited consolidated financial statements for the financial year ended 31 December 2015.

13. MATERIAL CONTRACTS

The following Subsidiaries have entered into the following agreements with third parties:

- i. GCLI has entered into a promise of sale agreement with a third party for the sale of the property located at The Strand, Gzira, Malta (further described in section 7.2.1 (i) above, for the sale of the said property by no later than 31 December 2016;
- ii. CLD has entered into a conditional promise of sale agreement with third parties for the sale of the vacant site situated in Testaferrata Street Ta' Xbiex, Malta (further described in section 7.2.2. above) and the building occupying a rectangular site located in Testaferrata Street Ta' Xbiex, Malta (further described in section 7.2.2. above), for the sale of the said properties, which has been extended to 15 May 2016.

With the exception of the above, the Company has not entered into contracts of a material nature which were not in the ordinary course of the Company's business.

14. ADDITIONAL INFORMATION

14.1 THE ISSUER

14.1.1 Share Capital

The current authorised share capital of the Company is eight million seven hundred and thirty-five thousand one hundred and sixty Euro (€8,735,160) divided into thirty million (30,000,000) ordinary shares of a nominal value of €0.291172 each. The current issued share capital of the Company is eight million seven hundred and thirty-five thousand one hundred and sixty Euro (€8,735,160) divided into thirty million (30,000,000) ordinary shares of a nominal value of €0.291172 each, which are all listed on the Official List of the MSE.

14.1.2 Memorandum and Articles of Association

A copy of the M&As of the Company is available for inspection during the lifetime of this Registration Document at the registered office of the Company and at the Registrar of Companies at the Malta Financial Services Authority. The M&As include, *inter alia*, provisions to the following effect:

- **Objects**

The full list of objects of the Company is set out in clause 3 of the Memorandum. The principal object of the Issuer is to carry on the business of a holding company and to acquire by purchase, exchange, subscription or otherwise, and to hold the whole or any part of the securities and interests of and in any companies for the time being engaged, concerned or interested in any industry, trade or business

and to promote the beneficial co-operation of any such companies with one another as well as with the Company and to exercise in respect of such investments and holdings all the rights, powers and privileges of ownership including the right to vote thereon. The other objects of the Company are the following:

- i. to employ the funds of the Company in the development and expansion of the business of the Company, of any of its Subsidiaries and of any other company in which this Company has or may at any time have an interest;
- ii. to co-ordinate the administration, policies, management, supervision, control, research, development, marketing, planning, manufacture, trading, services and any and all other activities of, and to act as consultants to, any company or companies or group of companies now or hereafter formed or incorporated or acquired which may be or may become related or associated in any way with the Company or with any company related or associated therewith and either without remuneration or on such terms as to remuneration as may be agreed;
- iii. to carry on any business carried on by any Subsidiary of the Company or any other company in which the Company has or may at any time have an interest;
- iv. to promote or assist in promoting any company or companies in any part of the world and to subscribe shares therein or other securities thereof for the purpose of carrying on any business which the Company is authorised to carry on, or for any other purpose which may seem directly or indirectly calculated to benefit the Company;
- v. to carry on any other activity and do anything of any nature which may seem to the Company capable of being conveniently carried on or done by the Company in connection with the above, or may seem to the Company calculated directly or indirectly to benefit the Company; and

to do all such things as in the opinion of the board of directors are or may be incidental or conducive to the above objects or any of them.

- ***Classes of Shares***

The Company only has Ordinary Shares in issue.

- ***Variation of Rights***

The rights attached to any class of shares shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by the terms upon which such shares are for the time being held, be deemed not be varied by the creation or issue of further shares ranking '*pari passu*' therewith.

- ***Voting Rights and Restrictions***

Unless otherwise provided for in the articles of association or in the terms of issue of any shares, all shares shall enjoy equal rights irrespective of their class.

Unless otherwise provided for in the terms of issue, on a poll, each share in the Company shall have the right to one vote, irrespective of the class of the said share, which right to vote may be exercised by the holder thereof either personally or by proxy.

The Directors shall not, without the prior sanction of an ordinary resolution of the Company in a general meeting, issue or allot equity securities for the purpose of transferring a controlling interest in the Company or where a controlling interest will result from such issue or allotment.

- **Annual and Other General Meetings**

Article 49 to article 72 of the Articles regulate the annual general meetings (“**AGM**”) of the Company. The said articles provide that the Company shall in each year hold a General Meeting as its AGM in addition to any other Meetings in that year, and not more than fifteen (15) months shall elapse between the date of one AGM of the Company and that of the next. The Annual General Meetings of the Company shall be held at such time and place as the Directors shall appoint. Furthermore, all General Meetings other than AGMs shall be called Extraordinary General Meetings (“**EGM**”).

The Directors may convene an EGM whenever they think fit. The Directors shall, on the requisition of a Shareholder holding, at the date of deposit of the requisition, not less than one-tenth of such of the paid up share capital of the Company as at the date of the deposit carried the right to vote at general meetings of the Company, forthwith proceed to duly convene an EGM in accordance with the provisions of section 129 of the Act.

The Articles provide that an AGM of the Company shall be deemed not to have been duly convened unless at least twenty-one (21) days’ prior notice has been given in the manner specified in the Articles. Notwithstanding, a general meeting which is not an AGM shall be deemed to have been duly convened if at least fourteen (14) days’ prior notice has been given in the manner specified in the Articles and the following conditions are satisfied:

- i. the facility to vote by electronic means is made accessible to all Members; and
- ii. a resolution reducing the period of notice to not less than fourteen (14) days has been duly passed by a majority of not less than two-thirds of the Shareholders having the right to attend and vote and represented at such meeting. Any such resolution shall be valid until the next AGM.

Provided further that in the case of a general meeting duly convened and adjourned in accordance with the M&As due to the lack of a quorum, the adjourned meeting shall be deemed to have been duly convened if held at least ten (10) days after the final convocation is issued and no new item is put on the agenda of such adjourned meeting.

The notice referred to above shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and, shall be sent to every Shareholder entitled to attend and vote at the meeting by pre-paid mail at the last known residential address of such Shareholder, or with the consent of the Shareholder concerned, by the publication of such notice on the Company’s website or on the website of the MSE, as the Company may determine. Provided that any notice requesting the consent of a Shareholder to the publication of notices convening general meetings of the Company on the website indicated in the notice shall be sent by mail to the Shareholder concerned at the last known address of such shareholder that do not give his consent shall remain entitled to receive notices convening general meetings of the Issuer by mail at their last known residential address.

15. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS

Sections 6.3.1(iii) and 10.2.1(ii) of the Registration Document contain information sourced from the MIA Report (as defined in section 6.3.1(iii)). The Issuer confirms that the information extracted from such third party report has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information

published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. This Registration Document does not contain any statement or report attributed to any person as an expert.

16. DOCUMENTS ON DISPLAY

For the duration period of this Registration Document the following Reference Documents shall be available for inspection at the registered address of the Company at GlobalCapital plc, Testaferrata Street, Ta' Xbiex XBX 1403, Malta:

- M&As of the Issuer;
- The audited consolidated financial statements of the Company for the financial periods ended 31 December 2013, 2014 and 2015;
- The audited financial statements of each of the Subsidiaries for the financial periods ended 31 December 2013, 2014 and 2015.

This Securities Note is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 and Commission Delegated Regulation (EU) No. 301/2016 of 30 November 2015. This Securities Note is issued pursuant to the requirement of the Listing Rule 4.14 of the Listing Rules and contains information about the Bonds being issued by GlobalCapital p.l.c. Application has been made for the admission to listing and trading of the Bonds on the Official List of the Malta Stock Exchange. This Securities Note should be read in conjunction with the most updated Registration Document issued from time to time containing information about the Company.

This document is dated 12th May 2016

**An Issue of €10,000,000 5% Unsecured Bonds 2021 of nominal value of €100 per
Bond issued at par by**

GlobalCapital plc

a public limited liability company registered under the laws of Malta with company registration number C19526 and having its registered office at GlobalCapital plc, Testaferrata Street, Ta' Xbiex, XBX 1403, Malta

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

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

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL 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 FINANCIAL ADVISER.

ISIN: MT0000171216

Sponsor, Manager & Registrar



Legal Counsel

**Refalo &
Zammit Pace
ADVOCATES**

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1. IMPORTANT INFORMATION

THIS SECURITIES NOTE:

- A. CONTAINS INFORMATION ABOUT GLOBALCAPITAL P.L.C. (THE “ISSUER” OR “COMPANY”) AND THE BONDS IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES, THE ACT AND THE REGULATION, AND SHOULD BE READ IN CONJUNCTION WITH THE REGISTRATION DOCUMENT ISSUED BY THE ISSUER; AND
- B. SETS OUT THE CONTRACTUAL TERMS UNDER WHICH THE BONDS ARE ISSUED BY THE COMPANY AND ACQUIRED BY A BONDHOLDER WHICH TERMS SHALL REMAIN BINDING UNTIL THE REDEMPTION DATE OF THE BONDS UNLESS THEY ARE OTHERWISE CHANGED IN ACCORDANCE WITH THE TERMS OF THIS SECURITIES NOTE.

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

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR BONDS BY ANY PERSON IN ANY JURISDICTION (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED; OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION.

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

SAVE FOR THE ISSUE IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE BONDS OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF SAID DIRECTIVE, THE BONDS CAN ONLY BE OFFERED TO “QUALIFIED INVESTORS” (AS DEFINED IN SAID DIRECTIVE) AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF SAID DIRECTIVE.

THE BONDS HAVE NOT BEEN NOR WILL THEY BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933 AS AMENDED, OR UNDER ANY FEDERAL OR STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, OR ANY AREA SUBJECT TO ITS JURISDICTION (THE “U.S.”) OR TO OR FOR THE BENEFIT OF, DIRECTLY OR INDIRECTLY, ANY U.S. PERSON (AS DEFINED IN REGULATION “S” OF THE SAID ACT). FURTHERMORE, THE ISSUER WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT, 1940 AS AMENDED AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS SET OUT THEREIN.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES AND TO THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYELAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH THE ACT.

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

THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THIS DOCUMENT. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

ALL THE ADVISERS TO THE ISSUER HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON. NONE OF THE ADVISERS ACCEPT ANY RESPONSIBILITY TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE CONTENTS OF AND ANY INFORMATION CONTAINED IN, THE PROSPECTUS, ITS COMPLETENESS OR ACCURACY OR ANY OTHER STATEMENT MADE IN CONNECTION THEREWITH.

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

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

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

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES AND TO THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH THE ACT.

2. DEFINITIONS

In this Securities Note 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	the Companies Act, Cap. 386 of the laws of Malta;
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 any of the Financial Intermediaries in accordance with the terms of this Securities Note;
Application Form/s	the forms of application to subscription for Bonds, a specimen of which is contained in Annex B of this Securities Note;
Bonds	the €10,000,000 unsecured 5% bonds due 2021 of a nominal value of €100 per bond issued at par and redeemable on the Redemption Date at their nominal value, bearing interest at the rate of 5% per annum, as detailed in this Securities Note;
Bondholder	a holder of the Bonds;
Bond Issue	the issue of the Bonds;
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;
Calamatta Cuschieri	Calamatta Cuschieri Investment Services Limited, a limited liability company registered under the laws of Malta with company registration number C13729, having its registered office at 5th Floor, Valletta Buildings, South Street, Valletta, Malta and which holds a Category 3 investment services licence issued by the MFSA under the Investment Services Act, (Cap. 370 of the Laws of Malta);
CSD	the central registration system for dematerialised financial instruments in Malta operated by the MSE (of Garrison Chapel, Castille Place, Valletta VLT 1063, Malta) and authorised in terms of the Financial Markets Act;
Cut-Off Date	close of business of 13 th May 2016;

Directors or Board	the directors of the Issuer whose names are set out in section 9 of the Registration Document;
Euro or €	the lawful currency of the Republic of Malta;
Elective Professional Client	any investor not falling under any of the categories in paragraphs (a) to (d) of the definition of Professional Clients below, including public sector bodies and private individual investors, who elects to be treated as a Professional Client and who satisfies as a minimum two of the following criteria: (a) the investor has carried out transactions, in significant size, on a relevant market at an average frequency of 10 per quarter of the previous four quarters; (b) The size of the investor's Instrument portfolio, defined as including cash deposits and Instruments (as defined in article 2 of the Investment Services Act, Cap. 370 of the Laws of Malta) exceeds €500,000; (c) The investor works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged; and provided that the following procedures are followed: (i) the investor states in writing to the relevant Financial Intermediary that s/he wishes to be treated as a Professional Client, either generally or in respect of her/his Application for Bonds; (ii) the relevant Financial Intermediary must give such investor a clear written warning of the protections and investor compensation rights s/he may lose; (iii) the investor states in writing in a separate document from the Application Form, that s/he is aware of the consequences of losing such protections.
Eligible Investors	Existing Bondholders as at the Cut-off Date and Professional Clients;
Existing Bonds	the 5.6% bonds due to mature on 2 nd June 2016 of a nominal value of €100 per bond issued by the Company with ISIN code MT0000073412, amounting as at the date of the Prospectus to €13,823,200;
Existing Bondholders	the holders of Existing Bonds as at the Cut-Off Date;

Existing Bond Transfer	the subscription for Bonds by an Existing Bondholder settled, after submitting the pre-printed Application Form (received by mail directly from the Issuer), by the transfer to the Issuer of all or part of the Existing Bonds held by such Existing Bondholder as at the Cut-off Date;
Financial Markets Act	the Financial Markets Act, Cap. 345 of the Laws of Malta;
Financial Intermediaries	the licenced members of the MSE authorised to conduct investment services business by the MFSA, as listed in Annex A;
GCLI	GlobalCapital Life Insurance Ltd, a private limited liability company registered in Malta with company registration number C 29086 and having its registered office at GlobalCapital, Testaferrata Street, Ta' Xbiex, XBX1403, Malta;
GC Holdings	GlobalCapital Holdings Ltd, a private limited liability company registered in Malta with company registration number C 29873 and having its registered office at GlobalCapital, Testaferrata Street, Ta' Xbiex, XBX1403, Malta;
Group	the Issuer (as parent company) and its Subsidiaries;
Income Tax Act	the Income Tax Act, Cap. 123 of the laws of Malta;
Interest Payment Date	2 nd June of each year between and including each of the years 2017 and 2021, 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 Date	30 th May 2016;
Issuer or Company	GlobalCapital p.l.c., a public limited liability company registered in Malta with company registration number C 19526 and having its registered office at GlobalCapital, Testaferrata Street, Ta' Xbiex, XBX1403, Malta;
Listing Authority	the Board of Governors of the MFSA, appointed as Listing Authority for the purposes of the Financial Markets Act by virtue of the Malta Financial Services Authority Act, Cap. 330 of the laws of Malta;
Listing Rules	the listing rules of the Listing Authority;
Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., a public limited liability company having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta, and bearing company registration number C 42525, which continued in the personality of the Malta Stock Exchange established under Part IV of the Financial Markets Act (Cap. 345 of the laws of Malta) prior to

the repeal of that Part by the Various Financial Services Laws (Amendment) Act, 2007 (Act XX of 2007), with effect from 01 November 2007;

Memorandum and Articles of Association or M&As the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus;

MFSA the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act, Cap. 330 of the Laws of Malta;

MiFID Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC;

Offer Period The period between 9:00am on the 25th May 2016 and 12:00 noon on 30th May 2016 (both dates inclusive) during which the Bonds are on offer for subscription;

Professional Client shall have the same meaning as ‘Professional Client’ as defined in the Glossary to the Investment Services Rules for Investment Services Providers of the MFSA as updated on 03 October 2014 (the “Rules”) and which implement and, or transpose MiFID, including Annex II thereof, namely:

a client who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs. The following shall be regarded as Professional Clients:

a) Entities which are required to be authorised or regulated to operate in the financial markets. The list below should be understood as including all authorised entities carrying out the characteristic activities of the entities mentioned: entities authorised by a Member State under a Directive, entities authorised or regulated by a Member State without reference to a Directive, and entities authorised or regulated by a non-Member State:

- i. Credit Institutions;
- ii. Investment Firms;
- iii. Other authorised or regulated financial institutions;
- iv. Insurance Companies;
- v. Collective investment schemes and management companies of such schemes; and
- vi. Pension funds and management companies of such funds
- vii. Commodity and commodity derivatives dealers

- viii. Locals
- ix. Other institutional investors.

b) Large undertakings meeting two of the following size requirements on a company basis: – balance sheet total: EUR20,000,000 – net turnover: EUR40,000,000 – own funds: EUR2,000,000;

c) National and regional governments, public bodies that manage public debt, Central banks, international and supranational institutions such as the World Bank, the IMF, the ECB, the EIB and other similar international organisations;

d) Other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financing transactions; and

e) Elective Professional Clients.

Prospectus

this document together with the Registration Document and the Summary Note, as such documents may be amended, updated, replaced and supplemented from time to time;

Prospectus Directive

Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as amended by Directive 2008/11/EC of the European Parliament and of the Council of 11 March 2008, Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010 and Directive 2010/78/EU of the European Parliament and of the Council of 24 November 2010, and as supplemented by Commission Delegated Regulation (EU) No 1392/2014 of 2014;

Prospectus Regulation

Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing the Prospectus Directive as amended by Commission Delegated Regulation (EU) No 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) 382/2014 of 7 March 2014, and Commission Delegated Regulation (EU) No. 301/2016 of 30 November 2015 and as may be further amended from time to time;

Redemption Date

2nd June 2021;

Registration Document

the registration document issued by the Issuer dated 12th

May 2016, forming part of the Prospectus;

Regulated Market

the regulated market in terms of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC and operated by the MSE;

Regulated Subsidiaries

the Subsidiaries of the Company, which as at the date of this Securities Note are authorised and regulated by the MFSA, including without limitation each of the following companies:

- a. GCL;
- b. GlobalCapital Financial Management Ltd, a private limited liability company registered in Malta with company registration number C 30053 and having its registered office at GlobalCapital, Testaferrata Street, Ta' Xbiex, XBX1403, Malta;
- c. GlobalCapital Insurance Brokers Ltd, a private limited liability company registered in Malta with company registration number C 32451 and having its registered office at GlobalCapital, Testaferrata Street, Ta' Xbiex, XBX1403, Malta;
- d. GlobalCapital Health Insurance Agency Ltd, a private limited liability company registered in Malta with company registration number C 6393 and having its registered office at GlobalCapital, Testaferrata Street, Ta' Xbiex, XBX1403, Malta;

Securities Note

this document in its entirety;

Sponsor and Registrar

Calamatta Cuschieri;

Subsidiaries

any company the ultimate holding company of which, as at the date of this Registration Document is the Company, including without limitation each of the following companies:

- a. GC Holdings;
- b. the Regulated Subsidiaries;
- c. Central Landmark Development Ltd, a private limited liability company registered in Malta with company registration number C 34858;
- d. Global Properties Ltd. (Medunarodne Nekretnine d.o.o.) a private limited liability company registered in Croatia with company registration number 97381210793;
- e. Global Estates Ltd, a private limited liability company registered in Malta with company registration number C 37544;
- f. Brammer Ltd, a private limited liability company registered in Bulgaria with company registration

- number 131292817; and
- g. Quadrant Italia s.r.l., a limited liability company (società a responsabilità limitata) registered in Italy with company registration number 1102926;

Summary Note	the summary note issued by the Issuer dated 12 th May 2016, forming part of the Prospectus;
Terms and Conditions	the terms and conditions relating to the Bonds as detailed in Section 8 of this Securities Note;

All references in the Prospectus to “Malta” are to the “Republic of Malta”.

Unless it appears otherwise from the context:

- a) words importing the singular shall include the plural and vice-versa;
- b) words importing the masculine gender shall include the feminine gender and vice-versa;
- c) the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative.

3. 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. THE ISSUER SHALL REDEEM THE BONDS ON THE REDEMPTION DATE.

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS, INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, 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.

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

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

3.1 FORWARD-LOOKING STATEMENTS

The Prospectus and the documents incorporated therein by reference or annexed thereto contain “forward-looking statements” that include, among others, statements concerning the Company’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 involve predictions of future circumstances. 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. These forward-looking statements are inherently subject to a number of risks, uncertainties and assumptions. Important factors that could cause actual results to differ materially from the expectations of the Directors include those risks identified under the heading “Risk Factors” and elsewhere in the Prospectus.

If any of the risks described were to materialise, they could have a serious effect on the Company’s financial results, trading prospects and the ability of the Company to fulfil its obligations under the securities to be issued. Accordingly, the Company cautions the reader that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ from those expressed or implied by such statements and no assurance is given that the future results or expectations will be achieved.

3.2 RISKS RELATING TO THE BONDS

- **Orderly and Liquid Market**

The existence of an orderly and liquid market for the Bonds depends on a number of factors, including but not limited to the presence of willing buyers and sellers of the Issuer’s Bonds at any given time and the general economic conditions in the market in which the Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price or at all.

- **Subsequent Changes in Interest Rates**

The Bonds have a fixed interest rate. Therefore, investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

- **Currency Risk**

A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder’s currency of reference, if different.

- **Changes in Circumstances**

No prediction can be made about the effect which any future public offerings of the Issuer’s securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time.

- **Security**

The Bonds, as and when issued, constitute the general, direct, unconditional, unsubordinated and unsecured obligations of the Issuer, and shall at all times rank *pari passu*, without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, with all other outstanding, unsubordinated and unsecured obligations of the Issuer, present and future. Furthermore, subject to the negative pledge clause (section 6.3 of this Securities Note), third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer, as the case may be, for so long as such security interests remain in effect.

- **Changes in Law**

The terms and conditions of this Bond Issue are based on Maltese law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of this Prospectus.

- **Changes in Terms and Conditions**

In the event that the Issuer wishes to amend any of the Terms and Conditions of Issue of the Bond it shall call a meeting of Bondholders in accordance with the provisions of Section 6.13 of this Securities Note. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

- **Taxation**

The US Foreign Account Tax Compliance Act, 2010 ("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.

4. PERSONS RESPONSIBLE

Each and all of the Directors whose names appear in section 9 of the Registration Document, are the persons responsible for the information contained in this Securities Note. To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import. The Directors accept responsibility accordingly.

4.1 CONSENT FOR USE OF PROSPECTUS

Consent required in connection with the use of the Prospectus during the Offer Period by Calamatta Cuschieri and, or any Financial Intermediary:

For the purposes of any subscription for Bonds through Calamatta Cuschieri and, or any Financial Intermediary during the Offer Period and any subsequent resale, placement or other offering of Bonds by Calamatta Cuschieri and, or any other Financial Intermediary in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Directive, the Issuer consents to the use of this Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale or placement or other offering of Bonds, provided this is limited only:

- (i) in respect of Bonds subscribed for through Calamatta Cuschieri and, or any Financial Intermediary during the Offer Period; and
- (ii) to any resale or placement of Bonds subscribed for as aforesaid, taking place in Malta; and
- (iii) to any resale or placement of Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Prospectus.

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

Other than as set out above, neither the Issuer nor the Sponsor has authorised (nor do they authorise or consent to the use of this Prospectus in connection with) the making of any public offer of the Bonds by any person in any

circumstances. Any such unauthorised offers are not made on behalf of the Issuer or the Sponsor and neither the Issuer nor the Sponsor has any responsibility or liability for the actions of any person making such offers.

If the investor is in doubt as to whether it can rely on the Prospectus and/or who is responsible for its contents, it should obtain legal advice.

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

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

Any resale, placement or other offering of Bonds to an investor by Calamatta Cuschieri and, or any Financial Intermediary, will be made in accordance with any terms and other arrangements in place between Calamatta Cuschieri and, or such Financial Intermediary and such investor including as to price, allocation and settlement arrangements. Where such information is not contained in the Prospectus, it will be the responsibility of Calamatta Cuschieri and, or the applicable Financial Intermediary at the time of such resale, placement or other offering to provide the investor with that information and neither the Issuer nor the Sponsor has any responsibility or liability for such information.

Calamatta Cuschieri and any other Financial Intermediary using this Prospectus in connection with a resale, placement or other offering of Bonds subsequent to the Bond Issue shall, limitedly for the period of 60 days from the date of the Prospectus, publish on its website a notice to the effect that it is using this Prospectus for such resale, placement or other offering in accordance with the consent of the Issuer and the conditions attached thereto. The consent provided herein shall no longer apply following the lapse of such period.

5. KEY INFORMATION

5.1 REASONS FOR THE OFFER AND USE OF PROCEEDS

The proceeds from the Bond Issue, which net of Issue expenses are expected to amount to approximately €9,700,000, will be used by the Issuer for the purpose of purchasing Existing Bonds from Existing Bondholders for cancellation, whether by way of Existing Bond Transfer, and, or by way of payment in cash for the purpose of redeeming any Existing Bonds remaining in issue as at the Existing Bond Maturity Date (as at the date of this Prospectus the total value of Existing Bonds in issue stands at €13,823,200). The balance of €4,123,200 required for the repayment of the Existing Bonds in full has been raised by the Issuer through the rights issue conducted pursuant to the Prospectus dated 4 March 2016.

5.2 ESTIMATED EXPENSES AND PROCEEDS OF THE ISSUE

Professional fees and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission and other miscellaneous costs incurred in connection with this Bond Issue, are estimated not to exceed €300,000 and shall be borne by the Issuer. No expenses will be specifically charged to any Bondholder who subscribes for the Bonds. The amount of the expenses will be deducted from the proceeds of the Issue, which, accordingly, will bring the estimated net proceeds from the Bond Issue to €9,700,000. There is no particular order of priority with respect to such expenses.

5.3 ISSUE STATISTICS

Amount	€10,000,000;
Form	the Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD;
Denomination	Euro €;
ISIN	MT0000171216
Minimum amount per subscription	€2,000;
Redemption Date	2 nd June 2021;
Plan of Distribution	the Bonds are open for subscription by: Existing Bondholders as at the Cut-off Date and Professional Clients in respect of any balance of the Bonds not subscribed for by the Existing Bondholders as at the Cut-off Date.
Preferred Allocations	i. Existing Bondholders applying for Bonds may elect to settle all or part of the amount due on the Bonds applied for by the transfer to the Issuer of Existing Bonds at par value. Existing Bondholders electing to subscribe for Bonds through the transfer to the Issuer of all or part of the Existing Bonds held by them as at the Cut-off Date shall be allocated Bonds for the corresponding nominal value of Existing Bonds transferred to the Issuer. The transfer of Existing Bonds to the Issuer in consideration for the subscription for the Bonds shall cause the obligations of the Issuer with respect to such Existing Bonds to be extinguished, and shall give rise to obligations on the part of the Issuer under the Bonds. Bonds applied for by Existing Bondholders by way of Existing Bond Transfer as described above shall be allocated prior to any other allocation of Bonds; ii. An Existing Bondholder wishing to apply for a number of Bonds exceeding in value the aggregate nominal value of Existing Bonds held as at the Cut-off Date may subscribe for such additional Bonds in terms of sub-section 8.2.2 below.
Amount	€10,000,000;

Bond Offer Price	at par (€100 per Bond);
Offer Period	25 th May to 30 th May, both days included;
Status of the Bond	the Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional, unsubordinated and unsecured obligations of the Issuer, and shall at all times rank <i>pari passu</i> , without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, with all other outstanding, unsubordinated and unsecured obligations of the Issuer, present and future. Furthermore, subject to the negative pledge clause (section 6.3 of this Securities Note), third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer, as the case may be, for so long as such security interests remain in effect.
Application Forms made available	16 th May 2016
Closing Date for Applications to be received from Existing Bondholders	30 th May 2016
Denomination	Euro €;
Interest	5% per annum;
Interest Payment Date	annually on 2 nd June between and including each of the years 2017 and 2021, as from 2 nd June 2017 (the first interest payment date);
Listing	The Listing Authority has approved the Bonds for admissibility to listing and subsequent trading on the Official List of the Malta Stock Exchange. Application has been made to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List;
Governing Law and Jurisdiction	the Prospectus and the Bonds are governed by and shall be construed in accordance with Maltese law. The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Prospectus and/or the Bonds;

5.4 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for the possible placement of Bonds by Calamatta Cuschieri, and any fees payable in respect of such placements, as well as any fees payable in connection with the Bond Issue to Calamatta Cuschieri as Sponsor, so far as the Issuer is aware no person involved in the Issue has an interest material to the Issue.

6. INFORMATION CONCERNING THE SECURITIES TO BE ISSUED AND ADMITTED TO TRADING

6.1 GENERAL

6.1.1 Each Bond forms part of a duly authorised issue of 5% unsecured bonds due 2nd June 2021 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €10,000,000 (except as otherwise provided under sub-section 6.12 “Further Issues and Further Indebtedness” below). The issue date of the Bonds is 30th May 2016.

6.1.2 The currency of the Bonds is Euro €.

6.1.3 Subject to admission to listing of the Bonds to the Official List, the Bonds are expected to be assigned ISIN: MT0000171216

6.1.4 The Bonds are expected to be listed on the Official List on 6th June 2016 and dealing is expected to commence on 8th June 2016.

6.1.5 Unless previously purchased and cancelled, the Bonds shall be redeemable at par on the Redemption Date.

6.1.6 The Bond Issue is made in accordance with the requirements of the Listing Rules, the Act and the Regulation.

6.1.7 The Offer Period of the Bonds is between 25th May 2016 and 30th May 2016, both days included;

6.1.8 The Bond Issue is not underwritten. However, the Company has received a commitment from Investar to subscribe directly, or to procure third parties to subscribe, up to €5,000,000 in nominal value of the Bonds in the event that there is a shortfall of such an amount or more in the overall take-up of the Bonds. The Company has also received commitments from the Sponsor, acting as nominee for and on behalf of its Professional Clients, to subscribe up to an additional €5,000,000 in aggregate in nominal value of the Bonds in the event of a shortfall in the overall take-up of the Bonds after the fulfilment by Investar of its commitment to subscribe to €5,000,000 in nominal value of the Bonds. Such commitments amount in aggregate to €10,000,000 which is equivalent to the full amount of the Bond Issue.

6.2 RANKING OF THE BONDS

The Bonds shall, as and when issued, constitute the general, direct, unconditional, unsubordinated and unsecured obligations of the Issuer, and shall at all times rank *pari passu*, without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, with all other outstanding, unsubordinated and unsecured obligations of the Issuer, present and future. Furthermore, subject to the negative pledge clause (section 6.3 of this Securities Note), third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer, as the case may be, for so long as such security interests remain in effect.

6.3 NEGATIVE PLEDGE

The Issuer undertakes, for as long as any principal or interest under the Bonds or any of the Bonds remains outstanding, not to create or permit to subsist any Security Interest (as defined below), other than a Permitted Security Interest (as defined below), upon the whole or any part of its present or future assets or revenues to secure any Financial Indebtedness (as defined below) of the Issuer, unless at the same time or prior thereto the Issuer's indebtedness under the Bonds, shares in and is secured equally and rateably therewith, and the instrument creating such Security Interest so provides.

"Financial Indebtedness" means and includes:

- (a) All monies borrowed or raised (in each case with or without security);
- (b) Receivables sold, assigned or discounted (otherwise than on a non-recourse basis), except any receivables sold, assigned or discounted as part of normal day to day cash collection procedures and not as a means of raising finance;
- (c) The acquisition cost of any asset acquired to the extent payable before or after the time of acquisition or possession by the party liable therefor where and to the extent that the advance or deferred payment is arranged primarily as a method of raising finance or financing the acquisition of that asset;
- (d) The aggregate capital amount owing under any finance lease (as determined in accordance with any applicable accounting standards);
- (e) The principal amount raised by acceptances (not being acceptances in relation to the purchase of goods or services in the ordinary course of trading which have been outstanding for 180 days or less) or under any acceptance credit opened on its behalf;
- (f) The principal amount (including any fixed or minimum premium payable on final redemption or repayment) of any debenture, debenture stock, bonds, loan notes, and any other debt security;
- (g) The aggregate maximum amount for the time being outstanding under any guarantee, indemnity or similar assurance in respect of the Financial Indebtedness of any person;
- (h) Amounts raised under any other transaction and which are to be treated as Financial Indebtedness in accordance with any applicable accounting standards;

But shall not include: (i) any amounts which would otherwise constitute Financial Indebtedness and which are intended to be applied within six months of being borrowed or raised in repayment of any Financial Indebtedness then outstanding, pending their application for such purpose or the expiry of such period (whichever shall be the earlier); (ii) any intra group balances and intra group transactions that are required to be eliminated in full on consolidation in accordance with any applicable accounting standards; (iii) any loans or indebtedness subordinated to the Bonds.

"Permitted Security Interest" means (a) any Security Interest (as defined hereunder) arising by operation of law; (b) any Security Interest securing bank loans, overdrafts or any other facility in the ordinary course of business; (c) any other security interest in addition to (a) and (b) above securing Financial Indebtedness of the Group in an aggregate amount not exceeding 80% of the difference between the value of the Unencumbered Assets of the Group (on a consolidated basis) and the aggregate principal amount of the Bonds outstanding at the time;

Provided that the aggregate Security Interests in (b) and (c) above do not result in the Unencumbered Assets of the Group (on a consolidated basis) being less than 105% of the aggregate principal amount of the Bonds still outstanding.

"Security Interest" means any privilege, hypothec, pledge, lien, charge or other encumbrance whatsoever, which grants rights of preference to a creditor over the assets of the Group.

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

6.4 RIGHTS ATTACHING TO THE BONDS

The terms and conditions of the Bond Issue as described in this Securities Note create the contract between the Issuer and a Bondholder. A Bondholder shall have such rights as are, pursuant to this Securities Note, attached to the Bonds, including:

- i. the payment of capital;
- ii. the payment of interest;
- iii. the right to attend, participate in and vote at meetings of Bondholders in accordance with the terms and conditions of the Bond; and
- iv. enjoy all such other rights attached to the Bonds emanating from this Prospectus.

No Bonds shall be issued and allotted to Eligible Investors before the conditions precedent set out in section 8.3.1 have been duly satisfied.

6.5 INTEREST

6.5.1 The Bonds shall bear interest from and including 30th May 2016 at the rate of 5% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 2nd June 2017. Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. In terms of article 2156 of the Civil Code (Cap. 16 of the Laws of Malta), the right of Bondholders to bring claims for payment of interest and repayment of the principal on the Bonds is barred by the lapse of five (5) years.

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

6.6 YIELD

The gross yield calculated on the basis of the interest, the Bond Offer Price and the Redemption Value of the Bonds at Redemption Date, is five per cent (5%).

6.7 REGISTRATION, FORM, DENOMINATION AND TITLE

6.7.1 Certificates will not be delivered to Bondholders in respect of the Bonds. The entitlement to Bonds will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer by the CSD. There will be entered in such electronic register the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies) and MSE account numbers of the Bondholders and particulars of the Bonds held by them respectively, and the Bondholders shall have, at all reasonable times during business hours, access to the register of bondholders held at the CSD for the purpose of inspecting information held on their respective account.

6.7.2 The CSD will issue, upon a request by a Bondholder, a statement of holdings to such Bondholder evidencing his/her/its entitlement to Bonds held in the register kept by the CSD.

6.7.3 The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100, provided that on subscription, the Bonds will be issued for a minimum of €2,000, per individual Bondholder.

6.7.4 Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading “Transferability of the Bonds” in section 6.11 of this Securities Note.

6.8 PAYMENTS

6.8.1 Payment of the principal amount of the Bonds will be made in Euro by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account is denominated in Euro and held with any licensed bank in Malta. Such payment shall be effected within seven (7) days of the Redemption Date. The Issuer shall not be responsible for any charges, 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. 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.

6.8.2 Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business fifteen (15) days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in Euro and held with any licensed bank in Malta. Such payment shall be effected within seven (7) days of the Interest Payment Date. The Issuer shall not be responsible for any charges, loss or delay in transmission.

6.8.3 All payments with respect to the Bonds are subject in all cases to any pledge (duly constituted) and to any applicable fiscal or other laws and regulations prevailing in Malta. In particular, but without limitation, all payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Malta or any authority thereof or therein having power to tax.

6.8.4 No commissions or expenses shall be charged by the Issuer to the Bondholders in respect of payments made in accordance with this Section 6.8. The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer.

6.9 REDEMPTION AND PURCHASE

6.9.1 Unless previously purchased and cancelled, the Issuer hereby irrevocably covenants in favour of each Bondholder that the Bonds will be redeemed at their nominal value (together with accrued interest) on 2nd June 2021 (the “**Redemption Date**”). In such a case the Issuer shall be discharged of any and all payment obligations under the Bonds upon payment made net of any withholding or other taxes due or which may be due under Maltese law and which is payable by the Bondholders..

6.9.2 Subject to the provisions of this sub-section 6.9.2, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike.

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

6.10 EVENTS OF DEFAULT

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

- i. the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- ii. the Issuer duly fails to perform or shall otherwise be in breach of any other material obligation contained in the terms and conditions of the Bonds and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- iii. an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer; or
- iv. the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or cease or threaten to cease to carry on its business or a substantial part of its business; or
- v. the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or
- vi. any material indebtedness of the Issuer is not paid when properly due or becomes properly due and payable or any creditor of the Issuer becomes entitled to declare any such material indebtedness properly due and payable prior to the date when it would otherwise have become properly due or any guarantee or indemnity of the Issuer in respect of indebtedness is not honoured when properly due and called upon; PROVIDED THAT for the purposes of this provision, material indebtedness shall mean an amount exceeding €750,000.

6.11 TRANSFERABILITY OF THE BONDS

6.11.1 The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.

6.11.2 Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may from time to time properly be required by the Issuer or the CSD, elect either to be registered himself as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person.

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

6.11.4 The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require for the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Issuer.

6.11.5 The Issuer will not register the transfer or transmission of Bonds for a period of fifteen (15) days preceding the due date for any payment of interest on the Bonds.

6.12 FURTHER ISSUES AND FURTHER INDEBTEDNESS

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) 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.

6.13 MEETINGS OF BONDHOLDERS

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

6.13.2 A meeting of Bondholders shall be called by the Directors by giving all Bondholders listed on the register of Bondholders as at a date being not more than thirty (30) days preceding the date scheduled for the meeting, not less than fourteen (14) days notice in writing. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the Prospectus 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 6.13 at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.

6.13.3 The amendment or waiver of any of the provisions of and/or conditions contained in this Securities Note, or in any other part of the Prospectus, may only be made with the approval of the Issuer and of the Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.

6.13.4 A meeting of Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose at least two (2) Bondholders present, in person or by proxy, representing not less than fifty per cent (50%) in nominal value of the Bonds then outstanding, shall constitute a quorum. If a quorum is not present within thirty (30) minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to 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. 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, in person or by proxy, shall constitute a quorum; and

only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.

6.13.5 Any person who in accordance with the Memorandum and Articles of Association of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of Bondholders.

6.13.6 Once a quorum is declared present by the chairman of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event 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 the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.

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

6.13.8 The proposal placed before a meeting of Bondholders shall only be considered approved if at least seventy-five (75%) % 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.

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

6.14 AUTHORISATIONS AND APPROVALS

The Board of Directors of the Issuer authorised the Bond Issue pursuant to a Directors' resolution passed on 12th May 2016.

6.15 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 and/or the Prospectus shall be brought exclusively before the Maltese courts.

6.16 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.

7. TAXATION

7.1 GENERAL

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

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

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

7.2 MALTA TAX ON INTEREST

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is otherwise instructed by a Bondholder or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act, interest shall be paid to such person net of a final withholding tax, currently at the rate of 15% of the gross amount of the interest, pursuant to article 33 of the Income Tax Act. Interest payments made to "prescribed funds" (as defined in the Income Tax Act) 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.

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

In the case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his income tax return and be subject to tax on it at the standard rates applicable to that person at that time. Additionally in this latter case the Issuer will advise the Inland Revenue Department on an annual basis in respect of all interest paid gross and of the identity of all such recipients unless the beneficiary is a non-resident of Malta. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

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

7.3 FOREIGN ACCOUNT TAX COMPLIANCE ACT

The United States has enacted rules, the US Foreign Account Tax Compliance Act, 2010 ("**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 Prospectus 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 intergovernmental agreement entered into by Malta together with the relevant regulations and guidelines issued by the Commissioner for Revenue. Consequently, certain confidential information in relation to the Bondholders and/or other relevant persons may be reported to the Commissioner for Revenue and automatically exchanged pursuant to these requirements.

FATCA is 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.

7.4 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 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.

Consequently, 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 the may therefore be subject to reporting obligations.

7.5 MALTESE TAXATION ON CAPITAL GAINS ON TRANSFER OF THE BONDS

To the extent that the Bonds would not fall within the definition of "securities" in terms of article 5(1)(b) of the Income Tax Act, that is, "shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return", transfers of the Bonds should not be chargeable to tax on capital gains.

7.6 DUTY ON DOCUMENTS AND TRANSFERS

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

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

8. TERMS AND CONDITIONS OF THE BOND ISSUE

8.1 EXPECTED TIMETABLE OF THE BOND ISSUE

1)	Application Forms mailed to Existing Bondholders as at the Cut-off Date	16 th May 2016
2)	Application Forms available to Professional Clients	16 th May 2016
3)	Closing Date for Applications to be received from Existing Bondholders as at the Cut-off Date	30 th May 2016
4)	Closing Date for Applications to be received from Professional Clients	30 th May 2016
5)	Issue Period (opening and closing of subscription lists, respectively)	25 th May to the 30 th May 2016
6)	Commencement of interest on the Bonds	30 th May 2016
7)	Announcement of basis of acceptance	2 nd June 2016
8)	Refunds of unallocated monies	3 rd June 2016
9)	Expected dispatch of allotment advices	4 th June 2016
10)	Expected date of admission of the securities to listing	6 th June 2016
11)	Expected date of commencement of trading in the securities	8 th June 2016

The Issuer reserves the right to close the Bond Issue before 30th May 2016 in the event of over-subscription, in which case the events set out in steps 7 to 11 above shall be brought forward, although the number of working days between the respective events shall not be altered.

8.2 TERMS AND CONDITIONS OF APPLICATION

8.2.1 Existing Bondholders applying for Bonds may elect to settle all or part of the amount due on the Bonds applied for by completing a pre-printed Application Form 'A' indicating that the consideration for the Bonds applied for shall be settled by way of transfer to the Issuer of all or part of the Existing Bonds held as at the Cut-Off Date in an amount equivalent to the par value of the Bonds applied for, subject to a minimum application of €2,000 (the "**Existing Bond Transfer**").

8.2.2 In addition to the aforesaid, holders of Existing Bonds transferring all of the Existing Bonds held by them as at the Cut-off Date pursuant to sub-section 8.2.1 above may apply for an amount of Bonds in excess of the

amount of Existing Bonds being transferred. In such case the holders of Exchangeable Bonds may subscribe for additional Bonds, in multiples of €100, by completing the appropriate section of Application Form 'A'. The completed Application Form 'A' is to be completed and submitted by not later than 12 noon on 30th May 2016, together with payment of the full price of the additional Bonds applied for, in Euro and in clear funds. Payment may be made in cash or cheque payable to "The Registrar – GlobalCapital Bond Issue".

8.2.3 Professional Clients, not being holders of Existing Bonds, may subscribe for Bonds by submitting an Application Form 'B'. The completed Application Form 'B' is to be lodged with Calamatta Cuschieri or any of the Financial Intermediaries. All Application Forms 'B' must be accompanied by the full price of the Bonds applied for and payment may be made either in cash or by cheque payable to "The Registrar – GlobalCapital Bond Issue".

8.2.4 Calamatta Cuschieri when acting as Financial Intermediary and each of the other Financial Intermediaries receiving an Application Form 'B' shall verify that the Applicant who has completed the Application Form 'B' qualifies as a Professional Client. In addition, every such Financial Intermediary shall ensure in respect of any Applicant who is an Elective Professional Investor that the application to subscribe for Bonds is made on an advisory basis in accordance with standard licence condition 2.13 of the MFSA's Investment Services Rules for Investment Services Providers. Furthermore, when acting in the capacity of Financial Intermediary Calamatta Cuschieri will inform Applicants that it is also acting as Sponsor in respect of the Bond Issue. Calamatta Cuschieri has procedures in place to manage any conflicts of interest that may arise on its part and those of its officers and employees carrying out functions on behalf of Calamatta Cuschieri as Sponsor will not be carrying out any functions on behalf of Calamatta Cuschieri as Financial Intermediary.

8.2.5 By submitting a signed Application Form 'A' indicating that the Existing Bond Transfer is being selected (whether in whole or in part consideration for the Bonds being applied for), the Applicant is thereby confirming:

- i. that all or part (as the case may be) of the Existing Bonds held by the Applicant on the Cut-off Date are being transferred to the Issuer;
- ii. that the pre-printed Application Form 'A' constitutes the Applicant's irrevocable mandate to the Issuer to:
 - a. cause the transfer of the said Existing Bonds in the Issuer's name in consideration of the issue of Bonds; and
 - b. engage, at the Issuer's cost, the services of such brokers or intermediaries as may be necessary to fully and effectively vest title in the said Existing Bonds in the Issuer and fully and effectively vest title in the appropriate number of Bonds in the Applicant;
- iii. the obligations of the Issuer with respect to the Existing Bonds being transferred to the Issuer are extinguished, replaced by obligations on the part of the Issuer under the Bonds to be issued upon acceptance by the Issuer of the application in question.

8.2.6 By submitting a signed Application Form in terms of sections 8.2.4 and 8.2.5 above, the Applicant is thereby confirming that: (i) the Applicant's remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application, and furthermore the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders, unless the Applicant makes payment in cleared funds and such consideration is accepted by the Issuer, acting through the Registrar (which acceptance shall be made in the Issuer's absolute discretion and may be on the basis that the Applicant indemnifies the Issuer against all costs,

damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation).

8.2.7 Where the Applicant is the holder of Existing Bonds which as at the Cut-Off Date are held subject to usufruct, the signatures of both the bare owner and the usufructuary will be required in the Application Form 'A'.

8.3 GENERAL TERMS AND CONDITIONS

8.3.1 The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Official List. In the event that either of the aforesaid conditions is not satisfied within fifteen Business Days of the close of the Offer Period, any Application monies received by the Issuer will be returned without interest by direct credit into the Applicant's bank account indicated by the Applicant on the relative Application Form.

8.3.2 The subscription lists during the Issue Period will open at 9:00am on 25th May 2016 and will close soon thereafter as may be determined by the Issuer, but in any event no later than 12 noon on the 30th May 2016.

8.3.3 In view of the fact that the proceeds of the Bond Issue are intended to be applied to the redemption of the outstanding amount of the Existing Bonds, the aggregate minimum subscription level for the Bond Issue is €10,000,000. As indicated in section 5.1 above under the heading "Reasons for the Issue and Use of Proceeds", the Existing Bonds forming the subject of Existing Bond Transfers shall be redeemed out of the proceeds of the Bond Issue, for cancellation by the Issuer. It is the responsibility of investors wishing to apply for the Bonds to inform themselves as to the legal requirements of so applying including any requirements relating to external transaction requirements in Malta and any exchange control in the countries of their nationality, residence or domicile.

8.3.4 The contract created by the Issuer's acceptance of an Application filed by a prospective bondholder shall be subject to all the terms and conditions set out in this Securities Note and the Memorandum and Articles of Association of the Issuer.

8.3.5 If an Application Form is signed on behalf of another party or on behalf of a corporation or corporate entity or association of persons, the person signing will be deemed to have duly bound his principal, or the relative corporation, corporate entity, or association of persons, and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions on their behalf. Such representative may be requested to submit the relative power of attorney/resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Issuer and the Registrar, but it shall not be the duty or responsibility of the Registrar or Issuer to ascertain that such representative is duly authorised to appear on the Application Form.

8.3.6 In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each of the joint Applicants, and liability therefor is joint and several. The person whose name shall be inserted in the field entitled "Applicant" on the Application Form, or first-named in the register of Bondholders shall, for all intents and purposes, be deemed to be such nominated person by all those joint holders whose names appear in the field entitled "Additional Applicants" in the Application Form or joint holders in the register, as the case may be. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held.

8.3.7 In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed vis-à-vis the Issuer to be the holder of the Bond/s so held and shall have the right to receive interest on the Bond/s and to vote at

meetings of the Bondholders but shall not, during the continuance of the Bond/s, have the right to dispose of the Bond/s so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Bond (which shall be due to the bare owner).

8.3.8 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.

8.3.9 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.

8.3.10 No person receiving a copy of the Prospectus or an Application Form in any territory other than Malta may treat the same as constituting an invitation or offer to such person, nor should such person in any event use such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or such Application Form could lawfully be used without contravention of any registration or other legal requirements.

8.3.11 It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself/herself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

8.3.12 Subject to all other terms and conditions set out in the Prospectus, the Issuer reserves the right to reject, in whole or in part, or to scale down, any Application, including multiple or suspected multiple applications, and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application which in the opinion of the Issuer is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents. Only original Application Forms will be accepted and photocopies/ facsimile copies will not be accepted.

8.3.13 The Bonds will be issued in multiples of €100.

8.3.14 Within five (5) Business Days from closing of the subscription lists, the Issuer shall announce the result of the Issue and shall determine, and issue a company announcement setting out, the basis of acceptance of applications and allocation policy to be adopted.

8.3.15 Other than in the case of an Existing Bond Transfer, in the event that an Applicant has not been allocated any Bonds or has been allocated a number of Bonds which is less than the number applied for, the Applicant shall receive a full refund or, as the case may be, the balance of the price of the Bonds applied for but not allocated, without interest, by credit transfer to such account indicated in the Application Form, at the Applicant's sole risk within five (5) Business Days from the date of final allocation. The Issuer shall not be responsible for any charges or delay arising in connection with such credit transfer.

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

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

- a. agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations made available to him by the Financial Intermediary concerning the Issuer and the issue of the Bonds contained therein;
- b. warrants that the information submitted by the Applicant in the Application Form is true and correct in all respects and in the case where an MSE account number is indicated in the Application Form, such MSE account number is the correct account of the Applicant. In the event of a discrepancy between the personal details (including name and surname and the Applicant’s address) appearing on the Application Form and those held by the MSE in relation to the MSE account number indicated on the Application Form, the details held by the MSE shall be deemed to be the correct details of the Applicant;
- c. authorises the Issuer and the MSE to process the personal data that the Applicant provides in the Application Form, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta). The Applicant has the right to request access to and rectification of the personal data relating to him/her as processed by the Issuer and/or the MSE. Any such requests must be made in writing and sent to the Issuer at the address indicated in the Prospectus. The requests must further be signed by the Applicant to whom the personal data relates;
- d. confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer or the issue of the Bonds other than what is contained in the Prospectus and accordingly agree/s that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;
- e. agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her remittance or surrender of the Existing Bonds, as the case may be, and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the Laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
- f. agrees to provide the Registrar and/or the Issuer, as the case may be, with any information which it/they may request in connection with the Application;
- g. warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his/her Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bond or his/her Application;
- h. warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- i. represents that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the “United States”) or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;

- j. agrees that unless such Application is made with Calamatta Cuschieri as Financial Intermediary, Calamatta Cuschieri will not, in its capacity of Sponsor, treat the Applicant as its customer by virtue of such Applicant making an Application for the Bonds, and that Calamatta Cuschieri in its capacity of Sponsor will owe the Applicant no duties or responsibilities concerning the price of the Bonds or their suitability for the Applicant;
- k. agrees that all documents in connection with the issue of the Bonds will be sent at the Applicant's own risk and may be sent by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as set out in the Application Form;
- l. 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.

8.4 PLAN OF DISTRIBUTION AND ALLOTMENT

Applications for subscription to the Bonds may be made through the Registrar.

The Bonds are open for subscription by:

- i. Existing Bondholders who may apply for Bonds and settle the consideration due by the transfer to the Issuer of all or part of the Existing Bonds held by such Application as at the Cut-off Date by submitting an Application Form A;
- ii. Existing Bondholders shall also have the option to apply for Bonds in excess of their respective holding in Existing Bonds as at the Cut-off Date by completion the appropriate section of Application Form 'A'; and
- iii. Professional Clients may subscribe for Bonds through Calamatta Cuschieri or any Financial Intermediary by submitting an Application Form 'B'.

It is expected that an allotment advice will be dispatched to Applicants by 2nd June 2016. The registration advice and other documents may be retained pending surrender of the Existing Bonds, and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the Laws of Malta), and regulations made thereunder.

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

8.5 ALLOCATION POLICY

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

- i. first to Existing Bondholders to the extent of their holdings of the Existing Bonds at the Cut-off Date having applied for Bonds by way of Existing Bond Transfer in accordance with Section 8.2.1 above;
- ii. the balance of the Bonds not subscribed for by the Existing Bondholders by means of an Existing Bond Transfer shall be made available for subscription to Existing Bondholders in respect of any additional Bonds applied for other than by Existing Bonds Transfer exceeding in value the aggregate nominal value of Existing Bonds held by them as at the Cut-off Date, rateably and without preference between them and in accordance with the allocation policy as determined by the Issuer; and
- iii. the remaining balance of Bonds not taken up by Existing Bondholders following the allocations made pursuant to (i) and (ii) above, shall be made available for subscription to Professional Clients.

8.6 PRICING

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

8.7 ADMISSION TO TRADING

- 8.7.1 The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 12th May 2016.
- 8.7.2 Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List of the Malta Stock Exchange.
- 8.7.3 The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 6th June 2016 and trading is expected to commence on 8th June 2016.

ANNEX A

Name	Address	Telephone
Calamatta Cuschieri Investment Services Ltd	Fifth Floor, Valletta Buildings, South Street, Valletta VLT 1103	25688688
Charts Investment Management Service Ltd	Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913	21224106
Crystal Finance Investments Ltd	10, First Floor, City Gate, Valletta VLT 1010	21226190
Curmi & Partners Ltd	Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	23426000
Financial Planning Services Ltd	4, Marina Court No. 1, G. Cali Street, Ta' Xbiex XBX 1421	21344244
FINCO Treasury Management Ltd	Level 5, The Mall Complex, The Mall, Floriana FRN 1470	21220002
Jesmond Mizzi Financial Advisors Ltd	67/3, South Street, Valletta VLT 1105	23265690
Lombard Bank Malta p.l.c.	67. Republic Street, Valletta VLT 1117	25581114
Michael Grech Financial Investment Services Ltd	1, Mican Court, JF Kennedy Square, Victoria, Gozo VCT 2580	21554492
MZ Investment Services Ltd	55, MZ House, St Rita Street, Rabat RBT 1523	21453739
Rizzo, Farrugia & Co (Stockbrokers) Ltd	Airways House, Third Floor, High Street, Sliema SLM 1549	22583000

Annex B

Application Forms & Instruction Sheet

GlobalCapital plc

APPLICATION FORM A – Existing Bondholders
€10,000,000 5% Unsecured Bond 2021

APPLICANT			
☐ Non-Resident	☐ Minor (under 18)	☐ Corporate	☐ CIS
TITLE (Mr/Mrs/Ms/...)		FULL NAME & SURNAME / REGISTERED NAME	
ADDRESS			
			POST CODE
MSE A/C NO. (if applicable)		I.D. CARD / PASSPORT / COMPANY REG. NO.	
E-MAIL ADDRESS		TEL NO.	MOBILE NO.
ADDITIONAL (JOINT) APPLICANTS (please use additional application form if space is not sufficient)			
TITLE (Mr/Mrs/Ms/...)		FULL NAME & SURNAME	
		I.D. CARD / PASSPORT NO.	
TITLE (Mr/Mrs/Ms/...)		FULL NAME & SURNAME	
		I.D. CARD / PASSPORT NO.	
I/We apply to purchase and acquire the amount set out below and would like to settle by way of transfer to the Issuer the equivalent amount of Existing Bonds.			
AMOUNT IN FIGURES TO BE SETTLED BY EXISTING BONDS €		AMOUNT IN WORDS TO BE SETTLED BY EXISTING BONDS	
Furthermore, I/We would like to apply for a further amount as set out below			
AMOUNT IN FIGURES €		AMOUNT IN WORDS	
GlobalCapital plc €10,000,000 Unsecured 5% Bonds 2021 at the Bond Issue Price (at par) pursuant to the Prospectus dated 12 May 2016 (minimum €2,000 and in multiples of €1,00 thereafter)			
RESIDENT - WITHHOLDING TAX DECLARATION (to be completed ONLY if the Applicant is a Resident of Malta)			
☐ I/We elect to have Final Withholding Tax deducted from my/our interest.			
☐ I/We elect to receive interest GROSS (i.e. without deduction of withholding tax).			
NON-RESIDENT DECLARATION FOR TAX PURPOSES (to be completed ONLY if the Applicant is a Non-Resident)			
TAX COUNTRY		TOWN OF BIRTH	
T.I.N. (Tax Identification Number)		COUNTRY OF BIRTH	
PASSPORT/NATIONAL I.D. CARD NUMBER		ISSUE DATE	
☐ I/We am/are NOT Resident in Malta but I/we am/are Resident in the European Union.			
☐ I/We am/are NOT Resident in Malta and I/we am/are NOT Resident in the European Union.			
INTEREST, REFUND AND REDEMPTION MANDATE (completion of this panel is mandatory)			
BANK		IBAN	
I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions (as defined therein) which have been explained to me/us, and which I/we fully accept.			
Signature/s of Applicant/s (Parent/s or legal guardian/s is/are to sign if Applicant is a minor) (All parties are to sign in the case of a joint Application)		Date	
FINANCIAL INTERMEDIARY'S STAMP		FINANCIAL INTERMEDIARY'S CODE	

APPLICANT			
☐ Non-Resident	☐ Minor (under 18)	☐ Corporate	☐ CIS
TITLE (Mr/Mrs/Ms/...)		FULL NAME & SURNAME / REGISTERED NAME	
ADDRESS			
			POST CODE
MSE A/C NO. (if applicable)		I.D. CARD / PASSPORT / COMPANY REG. NO.	
E-MAIL ADDRESS		TEL NO.	MOBILE NO.
ADDITIONAL (JOINT) APPLICANTS (please use additional application form if space is not sufficient)			
TITLE (Mr/Mrs/Ms/...)		FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.
TITLE (Mr/Mrs/Ms/...)		FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.
I/We apply to purchase and acquire the amount set out below			
AMOUNT IN FIGURES €		AMOUNT IN WORDS	
GlobalCapital plc €10,000,000 Unsecured 5% Bonds 2021 at the Bond Issue Price (at par) pursuant to the Prospectus dated 12 May 2016 (minimum €2,000 and in multiples of €1,00 thereafter).			
RESIDENT - WITHHOLDING TAX DECLARATION (to be completed ONLY if the Applicant is a Resident of Malta)			
☐ I/We elect to have Final Withholding Tax deducted from my/our interest.			
☐ I/We elect to receive interest GROSS (i.e. without deduction of withholding tax).			
NON-RESIDENT DECLARATION FOR TAX PURPOSES (to be completed ONLY if the Applicant is a Non-Resident)			
TAX COUNTRY		TOWN OF BIRTH	
T.I.N. (Tax Identification Number)		COUNTRY OF BIRTH	
PASSPORT/NATIONAL I.D. CARD NUMBER		ISSUE DATE	
☐ I/We am/are NOT Resident in Malta but I/we am/are Resident in the European Union.			
☐ I/We am/are NOT Resident in Malta and I/we am/are NOT Resident in the European Union.			
INTEREST, REFUND AND REDEMPTION MANDATE (completion of this panel is mandatory)			
BANK		IBAN	
I/We have fully understood the instructions for completing this Application Form, and am/are making this Application on the basis of the Prospectus, and subject to its Terms and Conditions (as defined therein) which have been explained to me/us, and which I/we fully accept.			
I/we confirm that I/we am/are eligible to apply for these instruments given that I/we classify as Professional Clients (as defined in the Glossary to the Investment Services Rules for Investment Services Providers of the MFSA as updated on 03 October 2014 and which implement and, or transpose MiFID, including Annex II thereof) or have elected to be treated as such. In the case that I/we have elected to be treated as Professional Clients, I/we confirm that I/we received from the Financial intermediary a clear written warning of the protections and investor compensation rights that I/we might lose. Furthermore, I/we am/are aware of the consequences of losing such protections and investor compensation rights.			
The undersigned Financial Intermediary confirms that the Applicant/s duly classify/classifies as Professional Client/s or has/have elected to be treated as such. In the case that the Applicant/s has/have elected to be treated as Professional Clients, the undersigned Financial Intermediary confirms that the Applicant/s satisfy/satisfies a minimum of two of the following criteria:			
☐ I. the Applicant has carried out transactions, in significant size, on a relevant market at an average frequency of 10 per quarter of the previous four quarters; ☐ II. the size of the Applicant's Instrument portfolio, defined as including cash deposits and Instruments (as defined in article 2 of the Investment Services Act, Cap.370 of the Laws of Malta) exceeds €500,000; ☐ III. the Applicant works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged.			
Furthermore, in the case that the Applicant/s has/have elected to be treated as Professional Clients, the undersigned Financial Intermediary confirms that it has given the Applicant/s a clear written warning of the protections and investor compensation rights that he/she/they might lose, and accordingly he/she/they have been made aware of the consequences of losing such protections and investor compensation rights.			
Signature/s of Applicant/s (All parties are to sign in the case of a joint Application)		Financial Intermediary	
		Date	
FINANCIAL INTERMEDIARY'S STAMP		FINANCIAL INTERMEDIARY'S CODE	

INSTRUCTIONS FOR COMPLETION

1. The following is to be read in conjunction with the Prospectus dated 12th May 2016 regulating the Bond Issue.
 2. There are 2 application forms:
 - a) Existing Bondholders – this is to be filled in by holders of the existing 5.6% Bond maturing 2016 (Application Form 'A'); and
 - b) Professional Investors (Application Form 'B').
 3. This Application is governed by the Terms and Conditions of Application contained in Section 8.2 of the Securities Note dated 12th May 2016.
 4. This Application Form is to be completed in BLOCK LETTERS.
 5. Applicants who are Non-Residents in Malta for tax purposes must complete the Non-Residents Section overleaf.
 6. Applicants are to note that any Bonds allotted to them will be recorded by the Malta Stock Exchange (MSE) in the MSE account quoted on the application form even if the details of such MSE account, as held by the CSD of the Malta Stock Exchange, differ from any or all of the details appearing overleaf.
 7. In the case where a holder of Exchangeable Bonds is a body corporate, the relevant Application Form 'A' must be signed by duly authorised representative/s indicating the capacity in which they are signing.
 8. The amount applied for must be in multiples of €100. The Issuer will be giving preference to applications made by holders of Exchangeable Bonds up to their full amount held as at the Cut-Off Date, subject to a minimum application of €2,000. Where the Applicant wishes to acquire a number of Bonds having an aggregate value which exceeds the nominal value of the number of Exchangeable Bonds set out in Box 1 of Panel B, the Applicant may do so by including such higher amount in Box 2 in Panel B. In such case, the Applicant must ensure that the relative Application Form is accompanied by payment of the difference between the full price of the amount of Bonds applied for and the nominal value of Exchangeable Bonds being transferred. Payment of the amount representing such difference, which is to be inserted in Box 3 of Panel B overleaf, must be made in Euro in cleared funds to "The Registrar – Global Capital Bond Issue". In the event that the cheque accompanying the Application Form is not honored on the first presentation the Issuer and the Registrar reserve the right to invalidate the relative Application.
 9. Only Applicants who hold a valid Maltese Identity Card or companies registered in Malta will be treated as residents in Malta. In such a case, the Applicant may elect to have Final Withholding Tax, currently 15%, deducted from interest payments in which case, such interest need not be declared in the Applicants income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will then be obliged to declare interest in their tax return. Interest received by non-resident applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of Prescribed Funds will have final withholding tax (currently 10%) deducted from interest payments.
 10. In terms of Section 7.2 of the Securities Note, unless the Issuer is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of 'recipient' in terms of article 41(c) of the Income Tax Act (Cap. 123 of the Laws of Malta), Interest shall be paid to such a person net of final withholding tax (currently 15%) of the gross amount of interest, pursuant to Article 33 of the Tax Act (Cap. 123 of the Laws of Malta).
 11. European Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "Directive") requires all payors established in the EU which pay interest to an individual resident in another EU Member State, to report the interest payment to the tax authorities of the Member State in which the payor is established. If the Applicant's permanent address is in an EU Member State or in another country to which the directive applies (a "specific territory") then the interest paid will be reported.
- 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.
12. If any Application is not accepted, after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies of the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the bank account as indicated in the application form. Interest or redemption proceeds will be credited to the account designated in Panel E or as otherwise amended by the Bondholder/s during the term of the Bond.
 13. Completed Application Forms are to be delivered to any of the Financial Intermediaries listed in Annex B of the Securities Note during normal office hours by not later than 12 noon on the 30th May 2016. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not being received by the closing date indicated above. The Issuer reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions of the Bonds as contained in the Prospectus. Any applications received by the Registrar after 12 noon on the 30th May will be rejected.
 14. By completing and delivering an Application Form, you (as the Applicant/s) acknowledge that:
 - a) the Registrar and/or Issuer may process the personal data in the Application Form in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta);
 - b) the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c) The Applicant/s, 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 the Applicant to whom the personal data relates.
 15. By completing this Application Form, both the Financial Intermediary and the Applicant acknowledge that all terms and conditions of the Prospectus, including but not limited to the undertakings, representations and warranties contained therein, have been read, explained by the Financial Intermediary, and understood.

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

Annex C

List of Past and Present Directorships

The following table lists the details of the other companies the Directors and Executive Management have been members of in terms of their administration and management over the previous five years, and are so as at the date of this Prospectus:

Prof. Paolo Catalfamo

Present	Past
Investar US LLC	Templeton Italia SIM S.p.A.
Concordia Sas	Investar SGR S.p.A.
Global Investar Ltd	Invesclub SGR S.p.A.
Sintesi USA, LLC	Integrazione LLC
Milliora Finanzia S.p.A.	Mediafilm Cinema S.r.l.
NIAF Italia Associazione	The American Chamber of Commerce in Italy
The National Italian American Foundation Inc	World Trade Capital Partners Ltd
Cardinal Federico Borromeo Foundation Inc	IKF S.p.A.
Leonardo and Friends LLC	

Prof. Andrea Gemma

Present	Past
Banca UBAE	AD Impresa S.p.A.
Cinecittà Centro Commerciale S.r.l.	Vega Management S.p.A.
ENI S.p.A.	Alpi Assicurazioni S.p.A. (Extraordinary Commissioner)
Serenissima	Suditalia Compagnia di Assicurazioni e Riassicurazione
SGR S.p.A.	S.p.A. (Extraordinary Commissioner)
Valtur S.p.A. (Extraordinary Commissioner)	Immobiliare Strasburgo S.r.l.
Novit Assicurazioni S.p.A. (Extraordinary Commissioner)	
Sequoia Partecipazioni S.p.A (Extraordinary Commissioner)	
Sigrec S.p.A. (Liquidator) Corit S.p.A. (Liquidator)	

Dr. Joseph Del Raso

Present	Past
New Square Investment Management (Advisory Board Member)	
Freeh Group International Solutions	

Mr. Reuben Zammit

Present	Past
Procom Limited	

Mr. Joseph Schembri

Present

SMDL Limited
Dizz Finance Plc

Past

KPMG Advisory Services Limited
KPMG Holding Limited
KPMG Investments Limited
KPMG Property Limited
KPMG Corporate Services Limited Del Ponte Limited

Mr. Christopher J. Pace

Present

Pace Investments Limited
Natinia Properties Ltd
Shana Developments Limited
Boutique Properties Ltd

Past

Zaharakaya Limited (formerly Natinia Company Ltd)

Current and Past Directorships of Group Executive Management**Mr. Shawn Bezzina**

Present

Centre Isle Ltd

Past**Mr. Paul Said**

Present

Past

GlobalCapital plc

FINANCIAL ANALYSIS SUMMARY GlobalCapital plc

12th May 2016



The Directors
GlobalCapital plc
Testaferrata Street
Ta' Xbiex
XBX 1403
Malta

12th May 2016

Dear Sirs

GlobalCapital plc - Financial Analysis Summary

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

The purpose of the financial analysis is that of summarising key financial data appertaining to Global Capital p.l.c ("the issuer"). The data is derived from various sources or is based on our own computations as follows:

- (a) The forecast data for the financial year ending 2016, 2017 has been extracted from the forecast financial information as provided by Management.
- (b) Our commentary on the results of the Issuer and on its financial position is based on the explanations set out by the Issuer in the Prospectus.
- (c) The ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions set out in Part 4 of the Analysis.
- (d) The principal relevant market players listed in Part 3 of the document have been identified by management. Relevant financial data in respect of competitors has been extracted from public sources such as the web sites of the companies concerned or financial statements filed with the Registrar of Companies.

The Analysis is meant to assist potential investors by summarising the more important financial data set out in the Prospectus. The Analysis does not contain all data that is relevant to potential investors and is meant to complement, and not replace, the contents of the full Prospectus. The Analysis does not constitute an endorsement by our firm of the proposed Bond Issue and should not

be interpreted as a recommendation to invest in the Bonds. We shall not accept any liability for any loss or damage arising out of the use of the Analysis and no representation or warranty is provided in respect of the reliability of the information contained in the Prospectus. Potential investors are encouraged to seek professional advice before investing in the bonds.

Yours sincerely



Nick Calamatta
Director

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Information about the Issuer

1. Issuer's key activities

The principal object of the Issuer is to carry on the business of a holding and investment company. The Issuer does not itself undertake any trading activities. Accordingly, the Issuer is economically dependent on the financial and operating performance of the business of its Subsidiaries. The Issuer operates exclusively in and from Malta. The Subsidiaries operate primarily in the following business sectors:

- i. Business of insurance;
- ii. Investment and advisory services;
- iii. Insurance intermediation activities; and
- iv. Property holding and management

The table below sets out the analysis of Group consolidated revenue from external customers by business segment as presented in the consolidated annual report and audited financial statements for each of the financial years ended 31 December 2012, 2013, 2014 and 2015.

	FY2012 €'000s	FY2013 €'000s	FY2014 €'000s	FY2015 €'000s
Business of insurance	7,142	6,794	8,219	9,346
Investment and advisory services	962	799	886	851
Agency and brokerage services	2,144	2,000	1,551	1,650
Property services	228	112	95	-
Total revenue from external customers	10,476	9,705	10,751	11,847

Source: Management Information

Business of insurance

GCLI (formerly, British American Insurance Co. (Malta) Ltd) was incorporated on 21 December 2001, with registration number C 29086. It has an issued and fully paid up share capital of €9,969,870. Its registered office is situated at Testaferrata Street, Ta' Xbiex Malta. The following table represents the total equity of GCLI:

GCLI

as at 31 December	FY2012 €'000s	FY2013 €'000s	FY2014 €'000s	FY2015 €'000s
Share capital	9,970	9,970	9,970	9,970
Other reserves	3,552	4,320	4,644	5,277
Retained earnings	(1,793)	(2,299)	781	5,520
Total equity	11,729	11,991	15,395	20,767

Source: Management Information

GCLI was authorised by the MFSA on 15 January 2003 to carry on long-term business of insurance in Malta as principal under Class I (Life and Annuity) and on 6 July 2007 under Class III (Linked Long Term), in terms of the Insurance Business Act, 1998, Cap. 403, laws of Malta. In January 2003, GCLI

took over the Maltese insurance business portfolio of BAI which had been carrying on life assurance business in Malta since 1965.

GCLI is engaged principally in ordinary life assurance business (interest sensitive and term) and industrial life assurance business (home service). It provides both single premium and regular premium saving products and a range of life assurance products, including term, interest-sensitive endowment, life assurance and group life policies.

Investment and advisory services

GCFM (formerly, Globe Financial Management Limited) was incorporated on 1 August 2002 with registration number C 30053 and was authorised by the MFSA on 23 March 2006. It has a subscribed and fully paid up share capital of €6,171,673.76. Its registered office is situated at Testaferrata Street, Ta' Xbiex, Malta. The following table represents the total equity of GCFM:

GCFM

as at 31 December	FY2012 €'000s	FY2013 €'000s	FY2014 €'000s	FY2015 €'000s
Share capital	6,172	6,172	6,172	6,172
Share premium account	506	506	506	506
Other reserves	8	8	8	8
Retained earnings	(3,822)	(4,931)	(5,395)	(5,299)
Total equity	2,864	1,755	1,291	1,387

Source: Management Information

GCFM is licensed to provide investment services under a Category 2 licence issued by the MFSA in terms of the Investment Services Act. It is also licensed to provide money broking and trading in foreign exchange in terms of the Financial Institutions Act.

GCFM provides a range of investment services including dealing as agent, arranging deals, the provision of investment advice, nominee services, foreign exchange and stockbroking services. GCFM promotes a diversified range of investment products, including retail and professional investment funds. It also provides local and international stockbroking services on recognised investment exchanges and investment advice to clients.

Insurance intermediation activities

GCHIA, (formerly BUPA Agencies Limited) was incorporated on 7 June 1983 with registration number C 6393 and was authorised by the MFSA on 4 August 2000 in terms of the Insurance Intermediaries Act. GCHIA was previously authorised in terms of the Insurance Business Act, 1981 (repealed by the Insurance Business Act). GCHIA was acquired by British American Insurance Co. (Mtius) Ltd on 7 January 1998 and later acquired by the Group by virtue a Merger. GCHIA has a fully paid up share capital of €174,703 divided into 70,000 ordinary "A" shares of €2.329373 each held by GCLI and 5,000 non-profit participating "B" shares of €2.329373 each held by BUPA Investments Limited of BUPA House, 15 – 19 Bloomsbury Way, London WC1A 2BA, United Kingdom. The "A" ordinary shares

are designated as profit participating shares while the “B” ordinary shares are designated as non-profit participating shares. All of the ordinary shares carry voting rights. GCHIA’s registered office is situated at Testaferrata Street, Ta’ Xbiex, Malta. The following table represents the total equity of GCHIA:

GCHI

as at 31 December	FY2012 €'000s	FY2013 €'000s	FY2014 €'000s	FY2015 €'000s
Share capital	175	175	175	175
Other reserves	163	163	163	163
Retained earnings	1,692	2,623	2,197	2,937
Total equity	2,030	2,961	2,535	3,275

Source: Management Information

GCHIA is the exclusive agent in Malta for BUPA Insurance Limited (“**BUPA**”) and is duly licensed by the MFSA to act as insurance agent for Sickness Insurance (General Business). Statistics published by the Malta Insurance Association, in its Annual Report 2014-2015 (the “**MIA Annual Report**”), indicate that BUPA maintains a strong position within the ambit of private medical insurance in Malta. GCHIA acts as a branch of BUPA which has passported its services under the EU provisions of Freedom of Establishment. GCHIA is registered as an insurance agent and is regulated by the MFSA. BUPA is a leading international health insurance service provider established in 1971. The agency activity conducted in Malta by GCHIA constituted the first BUPA agency of its sort outside the United Kingdom. As the exclusive agent in Malta for BUPA, GCHIA is engaged in the promotion, administration and provision of health insurance cover for individuals and groups in Malta. GCHIA also provides BUPA with client and back office support services in respect of its local business in Malta. Accordingly, the economic viability of GCHIA depends on its business arrangement with BUPA, the termination or modification of which could have a significant and adverse effect on the business of GCHIA and consequently on the Issuer.

Until 2013 one of the Issuer’s Subsidiaries, GlobalCapital Insurance Brokers Limited (“**GCIB**”) (formerly, MY Insurance Brokers Limited) was enrolled in the Brokers List and was authorised to carry on the business of insurance broker by the MFSA in terms of the Insurance Intermediaries Act, on 25 November 2003. GCIB was incorporated on 14 November 2003 with registration number C 32451. GCIB has a subscribed and fully paid up share capital of €487,759. Its registered office is situated at Testaferrata Street, Ta’ Xbiex, Malta. In view of the Issuer’s objective to focus on the life and health insurance business segments of the Group, the business activities of GCIB were discontinued in October 2013. GlobalCapital Insurance Brokers Ltd ceased operations in 2013 and is in the process of being amalgamated into GlobalCapital Holdings Ltd.

The following table represents the total equity of GCIB:

GCIB

as at 31 December	2012 €'000s	2013 €'000s	2014 €'000s
Share capital	488	488	n/a
Accumulated losses	(385)	(331)	n/a
Total equity	103	157	n/a

Source: Management Information

Property holding and management

The Group holds immovable property both locally and overseas through its Subsidiaries. The immovable property interests of the Group are managed through its wholly owned subsidiary Central Landmark Development Limited ("**CLD**"). CLD was incorporated on 25 October 2004, with registration number C 34858. It has a subscribed and fully paid up share capital of €1,164 and its registered address is located at Testaferrata Street, Ta' Xbiex, Malta.

The Issuer's investment strategy is to divest of a significant portion of the Group's investment property, with a targeted reduction of up to ten per centum (10%) of the overall investment portfolio. As at 30 June 2015, total property assets comprised approximately 31% of the Group's total investment portfolio.

CLD continues to provide property management services to tenants of immovable property owned by the Group.

2. Directors and Executive Management

The Directors are appointed by election at the annual general meeting of the Issuer. In accordance with the Issuer's articles of association ("**Articles**"), a Shareholder holding 14% or more of the voting rights, or a number of Shareholders who between them hold 14% or more, of the issued share capital of the Issuer are entitled to appoint one Director for every such 14% holding by letter addressed to the Issuer. All shares not utilised to make appointments as aforesaid are entitled to vote in the election of Directors at the annual general meeting of the Issuer.

The Chairman of the Board of Directors, is, in terms of the Articles of the Issuer, appointed from amongst the appointed Directors by any member holding in the aggregate at least 40% of all voting rights of the Issuer. In the absence of any member having the required holding of voting rights, the Chairman will be appointed by the Board of Directors.

The Directors are responsible for the general governance of the Issuer, its proper administration and management and for the general supervision of its affairs. The day-to-day management of the Issuer is delegated by the Directors to an executive committee (the "**Executive Committee**") consisting of the Issuer's senior executives.

BOARD OF DIRECTORS

The Board

The Board of Directors of the Issuer is composed of the following persons:

Name	Designation	Date of Appointment
Prof. Paolo Catalfamo	Non-Executive Director and Chairman	16.09.2015
Prof. Andrea Gemma	Non-Executive Director	16.09.2015
Dr. Joseph Del Raso	Non-Executive Director	16.09.2015
Mr. Reuben Zammit	Executive Director	16.09.2015
Mr. Joseph Schembri	Non-Executive Director	16.09.2015
Mr. Christopher J. Pace	Non-Executive Director	16.09.2015

The current term of office of the Directors listed above has commenced on 16 September 2015 and shall end at the closure of the next AGM in accordance with the provisions of the Articles of the Issuer.

Curriculum Vitae of the Directors

Prof. Paolo Catalfamo

Prof. Catalfamo is the founder and chairman of the merchant banking group 'Investar', based in Italy, US and India and Professor at the Villanova School of Business in Philadelphia. He serves as managing director of IKF Spa, a holding company listed on the Italian Stock Exchange, as managing director and CEO of Milliora Finanzia Spa, a corporate lending company regulated by the Banca d'Italia, as managing director of Investar Plc, a financial services group in Malta and as an advisor to Equinox Partners, a private equity fund in Luxembourg. He was deputy chairman and CEO of the investment management group Franklin Templeton in Italy. Prof. Catalfamo serves as chairman of the Company and sits on the Investment, the Remuneration, the Nominations and the Risk Committees of the Board of Directors of the Company.

Prof. Andrea Gemma

Prof. Gemma was admitted to the Supreme Court of Italy and is partner of the legal and tax consultancy firm Gemma & Partners. He is a member of the Arbitro Bancario Finanziario (ABF) appointed by Banca d'Italia. Prof. Gemma is director of Eni S.p.A. He is also a member of the Board of Cinecitta' Centro Commercial SRL (Rome), deputy chairman of the Board of Serenissima SGR S.p.A. (Verona), chairman of the Board of Directors of Immobiliare Strasburgo S.r.L, member of the Board of Vega Management S.p.A. (Torino), an extraordinary commissioner of Valtur S.p.A., an extraordinary commissioner of Novit Assicurazioni S.p.A. and Sequoia Partecipazioni S.p.A., an extraordinary commissioner of Suditalia Compagnia di Assicurazioni and Riassicurazione S.p.A., President of the Supervisory Body of Sorgente S.p.A. and Extraordinary Commissioner of Alpi Assicurazioni S.p.A. Prof. Gemma also serves as legal counsel to leading insurance companies

(Società Cattolica di Ass.ne coop. a r.l., Carige Assicurazioni S.p.A., Faro Ass.ni in A.S.). Prof. Gemma sits on the Audit, the Risk and the Ethics Committees of the Board of Directors of the Company.

Dr. Joseph Del Raso

Dr. Del Raso is a partner in the Commercial Department of Pepper Hamilton LLP. He is experienced in assisting businesses with a variety of international and domestic transactions, and advises on government relations on the federal, state and international level. Dr. Del Raso leads the firm's Investment Management Practice Group and is co-chair of the firm's Italian Desk and a practice leader for mutual funds of the firm's Funds Services Practice Group. He is a past member of Pepper Hamilton's Executive Committee and currently serves as a director of Freeh Group International Solutions, a Pepper Hamilton subsidiary. Dr. Del Raso sits on the Audit, the Nominations and the Ethics Committees of the Board of Directors of the Company.

Mr. Reuben Zammit

Mr. Zammit is the chief executive officer of the Group. Prior to his current role as chief executive officer, Mr. Zammit was the chief financial officer of the Group. Mr. Zammit sits on the Investment and the Risk Committees of the Board of Directors of the Company.

Mr. Joseph Schembri

Mr. Schembri is a consultant with Baker Tilly Sant. Mr Schembri is a certified public accountant and auditor. He was an audit partner of Joseph Tabone & Co and Senior Partner of KPMG Malta, as well as a board member of the KPMG regional practice specialising in Financial Services. Mr Schembri has also acted for a three-year period as director of EneMalta Corporation and as a member on the Disciplinary Committee of the Accountancy Board and the Malta Institute of Accountants. Mr Schembri was actively involved in the setting up of a KPMG member firm in Libya, acting as risk management principal as well as audit principal for foreign owned oil and gas clients operating in Libya. Mr. Schembri sits on the Audit and the Remuneration Committees of the Board of Directors of the Company.

Mr. Christopher J. Pace

Mr. Pace is the Managing Director of the Malta office of Chesterton, an international real estate agency. Mr Pace founded Globe Financial Investments Limited, the Issuer's predecessor in 1987. He was a founder member of the Malta Stock Exchange which commenced trading operations in 1992. Mr Pace served as director of the Company until 2011 and was re-appointed director in 2015. He also served as chairman of the Company since its inception until 2008. Mr. Pace sits on the Nominations Committee of the Board of Directors of the Company.

GROUP EXECUTIVE MANAGEMENT

The Executive Committee is vested with responsibility for the Group's day-to-day business and the implementation of the strategy set out by the Directors. The members of the Executive Committee are employed on an indefinite basis with the Company. The Executive Committee is chaired by the Group's CEO and is composed of the executive heads of the Group as follows:

Name	Designation
Mr. Reuben Zammit	Chief Executive Officer
Mr. Shawn Bezzina	Group Financial Controller
Mr. Paul Said	Group Operations Manager

The business address of the members of the Executive Committee is that of the Issuer.

Curriculum Vitae of the Executive Management Team

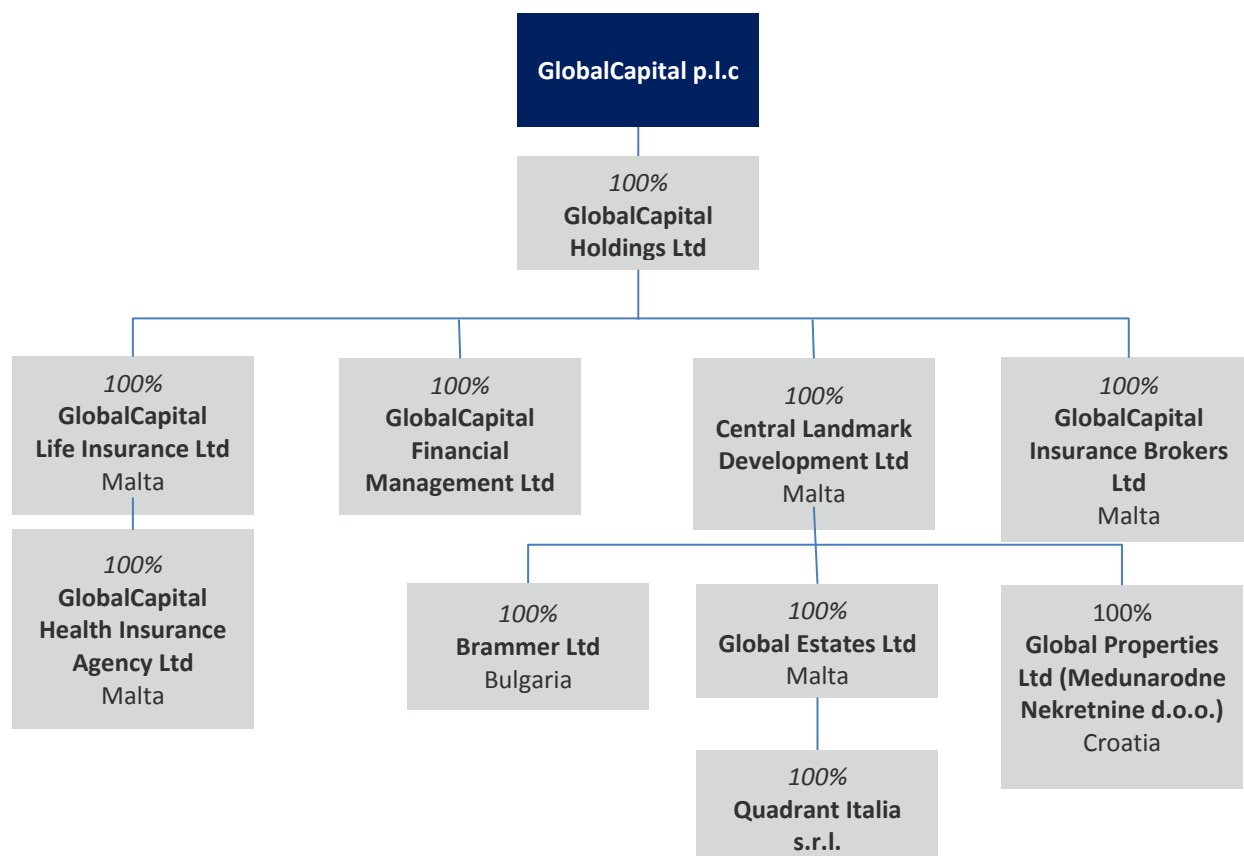
Mr. Paul Said

Mr Said is the Group Operations Manager. Having more than ten years of industry experience, particularly in financial services, Mr Said previously held the role of Group IT Manager and Group IT Project Manager. Prior to this, Mr Said was a software developer for GO plc.

Mr. Shawn Bezzina

Mr Bezzina is the Group Financial Controller. Mr Bezzina is a certified public accountant and auditor. Previously Mr Bezzina was the Financial Controller and Fund Accountant of the Group. Prior to his employment with the Company, Mr. Bezzina was the financial controller of Citadel Insurance plc as well as the coordinator direct operating costs of Air Malta plc.

3. Group Structure and major assets owned by the group.



GlobalCapital Life Insurance Ltd

GCLI is a Company that is principally engaged in the ordinary life insurance business, industrial life assurance business and linked long-term contracts of insurance.

It provides both regular premium and single premium saving products and a range of life assurance products, including term, interest-sensitive endowment and group life policies. These products are also referred to as non-linked contracts. Earned premiums stem from interest sensitive and conventional insurance contracts.

All premiums earned relate to commitments where Malta is the country of commitment.

GlobalCapital Health Insurance Agency Limited

The principle activity of the Company is to carry on business as an agent in all classes of health insurance, in terms of the Insurance Intermediaries Act (Cap. 487).

GlobalCapital Fund Management Limited

The Company's principal activities are to provide investment, fund advisory and fund administration services in terms of the Investment Services Act (Cap. 370) as well as to execute money broking and foreign exchange trading in terms of the Financial Institutions Act (Cap. 376).

GlobaCapital Insurance Brokers Ltd

The principal activity of the Company was to carry on business of insurance broking in terms of the Insurance Intermediaries Act (Cap. 487).

The Company sold its business portfolio to a third party during 2013 and ceased all insurance intermediary business except to the extent required to run-off previous outstanding claims. .

GlobalCapital Holdings plc

The Company's principal activity is to act as a holding company.

Central Landmark Developments

The Company's principal activity is to hold property-related investments.

Brammer Ltd

The Company's principal activity is to hold property-related investments in Bulgaria.

Global Estates Ltd

The Company's scope is to serve as a holding company.

Quadrant Croatia (Globe Properties Ltd)

The Company's principal activity is to hold property-related investments in Croatia.

Quadrant Italia s.r.l.

The Company's principal activity is to hold property-related investments in Italy. The main property of which relates to a castle held in the Italian capital of Rome.

4. Important events in the development of the company

The Company was registered in Malta on the 21 December 1995 as a private limited liability company under registration number C 19526 and is domiciled in Malta.

The status of the Company was changed to that of a public limited liability company on 27 July 2000 and its ordinary shares were listed on the Official List of the Malta Stock Exchange on 6 March 2001.

On 12 June 2002 the Company changed its name from "Globe Financial Management p.l.c." to "GloBAI Financial Services Group p.l.c." and completed the acquisition of the local operations of British American Insurance Co. (Mtius) Ltd. on 16 January 2003. As a result of the Merger British American Insurance Co. (Mtius) Ltd came to hold approximately 48% shareholding interest in the Company, while the Company acquired a 100% interest in GCLI, formerly British American Insurance Co. (Malta) Ltd, which carries on life assurance business and GCHIA, formerly BUPA Agencies Limited, which acts as an insurance agent.

In May 2006, the Company issued €17,000,000, 5.6% Bonds maturing on 2 June 2016, subject to an early redemption at the option of the Company on 2 June 2014 and 2 June 2015. The proceeds from the Bonds were used in part to finance group operations and in part to acquire investment property.

On 30 June 2006, the Company changed its name from “GloBAI Financial Services Group p.l.c.” to “GlobalCapital p.l.c.”

In the period between 01 January 2008 and 31 December 2013, the Group registered a loss after taxation of €26,159,730. During 2010, the Company announced a change in strategy to significantly reduce its exposure to the real estate sector and appointed a new chief executive officer to remodel and refocus the senior management team. As part of the Company’s change in operational strategy, in early 2011 the Group moved into its present head office premises at Testaferrata Street, Ta’ Xbiex Malta, providing a centralised operational base from which to carry out its core activities. Since 2013, the Issuer’s attention has been increasingly focused on the Group’s insurance business activities and the reduction of the Group’s expense base.

In June 2014 the Company appointed Mr. Reuben Zammit, formerly the Company’s chief financial officer, as the Group’s chief executive officer. For the financial year ended 31 December 2014, the Issuer reported a profit after taxation of €222,671 compared to a loss after taxation in the prior financial year of €3,661,194. On 03 April 2015, the Financial Services Commission (“FSC”) of Mauritius, in exercise of its powers pursuant to section 106 of the Insurance Act 2005 of Mauritius, appointed conservators for BAI Co (Mtius) Ltd, formerly British American Insurance Co. (Mtius) Ltd, (“BAI”) which holds approximately 48% of the Ordinary Shares of the Company. Subsequently on 30 April 2015 the FSC appointed special administrators in BAI and any of its related companies under section 110A (2) of the Insurance Act 2005 of Mauritius.

On 16 September 2015 the Company resolved in general meeting to issue up to a maximum amount of new Ordinary Shares not exceeding the authorised share capital of the Company and that such authorisation be valid for a maximum period of 12 months from the date of approval of the said resolution. The approval of the increase in issued share capital of the Company pursuant to the aforementioned resolution serves to facilitate the Rights Issue contemplated by this Prospectus.

On 15 October 2015, Investar acquired 1,180,000 Ordinary Shares from Aberdeen Asset Management p.l.c, which represented 8.93% of the issued Ordinary Shares of the Company.

On 1 April, GlobalCapital plc announced the results of the Rights Issue. The Company revealed that a total of 1,618,396 Rights, offered at the nominal price of €0.291172 per share, were taken up. The remaining 15,174,056 Rights that were not taken up (i.e. the Lapsed Rights) were subsequently all taken up by Eligible Shareholders at prices ranging between a high of €0.35 and a low of €0.2915 per share for a total value of €4,424,257.81.

All of the new shares were admitted to listing on 11 April 2016, with trading expected to commence on 12 April. Following the Rights Issue, the Company’s issued share capital increased by 127% to 30,000,000 shares.

Performance Review

1. Business strategy and objectives

The strategic objectives of the Group are to:

- strengthen its operational efficiencies;
- enhance the financial strength and resilience of its business model;
- focus on profitable and flexible products and solutions;
- improve its position in the local insurance market;
- passport insurance products in other EU jurisdictions;
- invest in the Group's brand whilst building on its reputation;
- attract and retain qualified human resources;
- create a dynamic organisation encouraging personal and career development;
- align the goals of Management and employees with those of the Company's shareholders;
- maintain the highest standards of corporate governance; and
- provide customers with security and peace of mind in both their insurance and investment needs.

While retaining its primary focus on its existing insurance business, the Issuer's growth strategy for the future includes a re-focus on asset Management and unit-linked life insurance business. The Group will continue its efforts to divest itself of its portfolio of investment properties.

2. Capital structure of the group

The group's activities are financed through a mix of debt and equity. The only debt currently on the balance sheet is the bond which is due for redemption in June 2016. The company's intention is to refinance this with another bond issue, maturing in five years' time.

In 2014, the group executed a partial buy back of the bond. This had a positive impact on the Group's gearing as is shown in the table below.

Capital structure

€000	Dec 13	Dec 14	Dec 15	Dec 16P	Dec 17P
Other investments	48,329	51,937	55,581	77,499	102,967
Investment property	20,320	20,395	15,237	15,337	14,847
Intangible assets	5,033	6,234	7,163	10,254	14,749
Other assets	8,770	7,864	17,033	8,367	8,777
Taxation receivable	556	495	581	528	528
Cash and cash equivalents	7,574	2,571	5,441	3,448	9,392
Technical provisions	(65,349)	(66,065)	(71,510)	(83,743)	(109,939)
Deferred tax	(1,616)	(2,080)	(3,105)	(3,237)	(3,237)
Other liabilities	(3,651)	(4,161)	(5,259)	(4,859)	(4,970)
Capital employed	19,967	17,190	21,161	23,593	33,114

<i>Financed by:</i>					
Debt	16,888	14,028	13,801	10,000	10,000
Equity	3,079	3,163	7,360	13,593	23,114
Total funds invested	19,967	17,190	21,161	23,593	33,114
Debt-to-capital	84.6%	81.6%	65.2%	42.4%	30.2%
Debt-to-equity	5.5x	4.4x	1.9x	0.7x	0.4x

Source: Audited financial statements/Management Information

We note a significant improvement in the gearing ratio for the year ending Dec 2015. This is mainly attributed to a significant improvement in profitability.

3. Income Statement Review

Technical Account

The technical account represents the operations of GCLI, which is licensed to carry out the long-term business of insurance. GCLI is licenced under the Insurance Business Act.

€000	FY13	FY14	FY15	FY16P	FY17P
<u>Technical account</u>					
Earned premiums, net of reinsurance	6,105	7,586	8,477	7,880	9,361
Investment income including FV gains on investments	2,724	3,513	5,978	2,605	2,680
Investment contract fee income	174	318	741	1,272	2,074
Total technical income	9,004	11,417	15,195	11,757	14,114
Claims incurred, net of reinsurance	(5,274)	(8,349)	(9,171)	(7,533)	(6,517)
Change in provisions for claims	(10)	126	(155)	-	-
Change in other technical provisions, net of reinsurance	(2,868)	214	(2,966)	(1,835)	(4,896)
Net operating expenses	(1,914)	(2,091)	(1,961)	(2,633)	(3,263)
Total technical charges	(10,067)	(10,100)	(14,254)	(12,001)	(14,676)
Balance on the long term business of insurance technical account before tax	(1,063)	1,317	942	(245)	(561)
% change:					
Earned premiums, net of reinsurance	n/a	24.2%	11.8%	(7.0%)	18.8%
Investment income including FV gains	n/a	28.9%	70.2%	(56.4%)	2.9%
Investment contract fee income	n/a	82.7%	132.6%	71.7%	63.1%
Total	n/a	26.8%	33.1%	(22.6%)	20.1%
Claims incurred, net of reinsurance	n/a	58.3%	9.8%	(17.9%)	(13.5%)
Loss ratio, net of reinsurance	86.4%	110.1%	108.2%	95.6%	69.6%

Technical account - long-term business of insurance

FY 2014 was the first profitable year for GCLI since FY07. As the table above indicates, during FY2014, the company reported a positive result on the long term business of insurance account of €1.3m compared to a negative €1m in FY13. The increase in FY2014 was mainly attributable to unrealized fair value gains on investments. For the year ending 31st December 2015, GCLI's total technical income increased by 57.7% due to growth across all revenue lines.

Non-technical account

The non-technical account includes all other income and expenditure derived from the Group companies excluding GCLI.

Group consolidated income statement: Non-technical account

€000	FY13	FY14	FY15	FY16P	FY17P
<u>Non-technical account</u>					
Balance on the long term business of insurance technical account before tax	(1,063)	1,317	942	(245)	(561)
Commission and fees receivable	2,932	2,724	2,568	2,749	3,091
Commissions payable and direct marketing costs	(172)	(145)	(147)	(139)	(151)
Increment in the value of in-force business	735	611	1,355	3,086	4,610
Staff costs	(1,367)	(1,171)	(949)	(1,183)	(1,269)
Other expenses	(1,840)	(1,858)	(1,711)	(1,339)	(1,177)
Net investment return	1,108	540	4,732	674	670
Finance costs	(1,013)	(984)	(806)	(608)	(571)
(Loss) / Profit for the year before impairment charges and fair value movements on investment properties	(679)	1,034	5,984	2,995	4,641
Other provisions	(358)	(276)	(117)	-	-
(Loss) / Profit before tax	(4,183)	811	5,607	2,995	4,862
% change					
Commissions and fees receivable	(7.4%)	(7.1%)	(5.7%)	7.0%	12.4%
Commissions payable and direct marketing costs	(2.7%)	(15.5%)	1.2%	(5.3%)	8.8%
Staff costs	(8.5%)	(14.4%)	(18.9%)	24.7%	7.2%
Other expenses	7.3%	1.0%	(7.9%)	(21.7%)	(12.1%)

Source: Audited financial statements / Management information

Income recognised in the non-technical account consists of three types:

- Commissions and fees receivable
- Increment in the value of in-force business ("VOIFB"). VOIFB represents the value of the Group's insurance portfolio
- Net investment return – this relates to investment returns that are allocated to shareholders (net of losses/expenses) and are not included in the technical account of GCLI.

A further breakdown is given below:

Total commission and fee income

Commission income and other fees receivable			
€000	FY13	FY14	FY15
Commission income			
GCHIA	1,918	1,551	1,650
GCFM	819	957	859
	2,737	2,507	2,509
Income from other subsidiaries	214	217	60
Less: Consolidation adjustments	(19)	-	-
Total commission and other fees receivable	2,932	2,724	2,568

Source: Management information

As can be shown in the table above, the bulk of commissions are generated through Global Capital Health Insurance Agency (GCHIA). During the financial year end 31st December 2015, 65.76% of the commissions were indeed achieved through GCHIA.

GCHIA

GCHIA is the sole representative of BUPA in Malta and is licenced to act as an agent of insurance products under the Insurance Intermediary Act.

The company offers two type of products to the market.

- Bupa Insurance Products – targeted to persons domiciled in Malta for at least 6 months
- Bupa International Products – targeted to foreign individuals and to Maltese persons who have been domiciled outside of Malta for the last six months

GCHIA earns sales commissions on premium written for BUPA Insurance Limited and BUPA International on both ordinary policies and group policies, for both new and renewal contracts.

Furthermore, there is agreed upon range for the loss ratio to determine what commission percentage is to be applied.

GCFM

During FY 15 there was a decrease of 10.2% mainly due to a decline in initial fees. Initial fees declined by 32.2%. The strategy was to divest from the investment business and therefore, there was no investment in new Financial Planning Managers. This decision has now been reversed and the board are committed to revive this area of operation.

GCFM's primary income stems from acting as an investment manager on behalf of investors. Initial fees are earned at the outset of the transaction with trailer fees being earned as per agreements signed with the various principles.

Furthermore, the company earns management, registrar and advisory fees for as acting as the investment manager on behalf of Global Funds SICAV plc. The company acts as the advisor and manager for the following funds: Global Bond Fund Plus (GBFP), Malta Privatisation and Equity Fund (MPEF), Melita International Equity Fund (MIEF)

As per the prospectus, fees are received based on a percentage of the total net assets of the fund as on the last valuation day of the month, adjusted by the amount of subscriptions or redemptions from the day that will be recorded in the next NAV.

Investment Income

Investment return

€000	FY13	FY14	FY15
Investment income			
Rental income from investment property	501	492	829
Dividends from investments	590	360	687
Dividends received from investments at FV through P/L	506	304	645
Dividends received from available-for-sale investments	85	56	42
Interest receivable	1,687	1,696	1,581
investments at FV through P/L	1,302	1,318	1,202
held-to-maturity investments	278	296	356
group undertakings	-	-	-
other loans and receivables	107	82	23
Net exchange gains	-	84	51
Net gains on investment property	-	53	3,194
Gain on sale of property held for development	-	-	16
Net gains on financial investments at FV through P/L	1,153	1,491	4,083
Gain on buy-back of interest-bearing borrowings	128	94	-
Other income	12	10	55
	4,071	4,280	10,496

Investment charges and finance costs

Net losses on financial investments at FV through P/L	-	-	-
Net loss on investment property	(107)	(13)	-
Net FV losses on investment property	(3,174)	-	-
Loss on sale of property held for development	(3)	-	-
Net FV losses on stock property	-	(69)	-
Investment management charges	(31)	(73)	(30)
Net exchange losses	(52)	-	-
<i>Interest payable on:</i>			
group undertakings	-	-	-
Interest on bond	(963)	(934)	(757)

Amortisation charge on held-to-maturity investments	(19)	(19)	(17)
Amortisation of bond issue costs	(49)	(49)	(49)
	(4,397)	(1,157)	(853)
Total investment (loss) / return	(326)	3,123	9,643

Source: Audited financial statements

Allocation of investment return

€000	FY13	FY14	FY15
Long term business technical account	2,724	3,513	5,978
Statement of comprehensive income	(3,051)	(390)	3,665
	(326)	3,123	9,643

Source: Management Information

Investment income

Total investment income increased by 3.4% in FY14 and 79.1% in FY15.

Rental income overview

Rental income is mainly generated through investment property held by GCLI. Occupancy levels improved during the period under review achieving near full capacity in FY15.

The yield on investment property increased by 2.4 percentage points in FY15 as a result of higher rent received on the Gzira property and the head office (HO) which reflects full year occupancy.

Rental income at GCLI

€536k of the rental income generated by GCLI is attributed to the technical account. The largest increases stem from the property in Gzira. During FY14, a number of levels were rented out for a full year compared to the prior year. The increase for the property held in Testaferrata Street was the result of a significant increase in the recharges to related companies. In FY14, parts of the Head Office, were leased out to third parties. During FY15 these floors were occupied throughout the whole year.

Rental income at CLD

In FY13 and FY14, rental income generated in CLD, arises from the subleasing of a property in Ta' Xbiex. During FY14 the lease was transferred to GCLI. As a result, rental charge or rental income arose in connection with this property in FY15.

During FY14, part of the decrease arose as a consequence of the ground floor not being subleased. On 24 July 2015, a promise of sale was entered into for all the investment property held at year end by CLD, apart from land held as a carpark used by employees.

Dividends

Dividend income is earned on equity investments.

In FY14 income from dividends decreased by 39.1% mainly due to a decline in the amount of equity investments as a result of disposal of equity investments with a balance as at Dec FY13 of €2,003.5k by GC p.l.c. As per Management the decrease in the dividend declared by Lombard Bank Malta p.l.c. also contributed to lower dividend income in FY14. The Group's investment in Lombard represented approximately 5% shareholding in FY14. (The gross dividend declared for the financial year ended 31 December 2012 was €0.12c while that for the year ended 31 December 2013 was €0.04c.)

In FY15 dividend income increased almost two fold compared to FY14 mainly as a result of significant dividends received from a new investment in a local listed entity. Dividends from Lombard Bank also increase by 50% compared to FY14.

Interest

Interest receivable is income from investments in government and corporate bonds.

Interest represents interest earned on bond holdings and it has remained stable between FY13 and FY14.

Fair value movement

92.9% of all FV movements in FY15 are unrealised gains on investments. These gains are mainly attributable to the local portfolio of equity investments. Fair value gains were also registered in local government bonds and funds, however of smaller scale compared to equities.

During FY15 GCLI fully wrote-off its investment in Bramer Banking Corporation amounting to €915.5k. The full amount was recognized in the P&L of GCLI.

Total investment return

Total return represents the percentage of total investment income and fair value gains as a proportion of average assets held during the period.

Total return was stable between FY13 and FY14 and increase by 500 basis points in FY15 primarily due to high fair value gains registered by equities during the year. The return on government and corporate bonds during FY15 was lower compared to FY14 mainly due to macro-economic factors.

Net gains on investment property arose as a result of increases in the fair value of the property on 114 The Strand, and the Swieqi property.

During FY14, GCPLC recognised a gain on the buy-back of Eur2.4 million worth of bonds of the GCPLC EUR Bond issue. These were originally sold at par of €100, and bought back at a discount, resulting in a net gain being recognised.

Investment management charges relate to fees incurred on the purchase and sale of investments. In FY14, these fees were higher compared to FY13 and FY15 as a result of the increase in trading in investments as well as the acquisition of all investments held by GCPLC and GCFM by GCLI.

Operating expenditure

Operating expenditure is split between the technical and the non-technical account. Expenses allocated to the technical account are directly attributable to GCLI.

Analysis

In line with Management's cost cutting strategy, operating expenditure before depreciation, amortisation and other provisions decreased by 11.2% in FY15. The largest decrease was in staff costs.

Commission and direct marketing costs increased by 55.6% in FY15. Commissions are paid to agents and brokers on the sale of the insurance products offered by the Group, primarily GCLI. In FY15, an increase was reported as a result of the increase in sales of the VUL product. Direct marketing costs are mainly recognised in GCL and represent advertising and other promotional activities used in marketing the Companies products.

Other expenses decreased by 29.1%.

Operational efficiency

Legal and professional fees increased by 41.2% in FY15 primarily as a result of an increase in professional fees for services commissioned in relation to the restructuring of the Group.

Staff training and welfare includes staff allowances which are provided to TIIs. In FY14, overall staff allowances increased significantly due to a change in the structure in the way bonuses are distributed. As per Management, the structure was amended in a way that more weighting is given to allowances rather than fixed income, hence resulting in an overall decrease in salaries (for TIIs) and an increase in staff allowances.

Other expenses relate to general expenses. These include sundry expenses, interest payable and similar charges, gains on assets written off and other operating income netted off against OPEX.

Director's fees decreased by 44.3% in FY15. As per Management, the decrease was the result of a change in the composition of the BOD. At the beginning of 2015, the BOD included two Mauritian Directors who resigned from the Board in April 2015. As per Management, one of these directors who acted as Chairman was paid a higher amount than other directors.

The increase in the shareholder relation expenses in FY15 were due to expenses incurred as a result of the rights issue, most notably commissions to brokers. They also include other costs incurred in relation to two AGMs held during the year. Board expenses include flights, accommodation and entertainment expenses, amongst others. According to Management, the number of board meetings held in FY15 was half those held in FY14. The decrease mainly arises from the fact that the directors from the Mauritius only visited a few times during FY15, thus resulting in less expenditure with regards to flights and accommodation.

Reinsurance commissions include reinsurance profits which arise as a result of transactions (both for individual and group life insurance) entered into between the reinsurer and GCLI. Reinsurance profits are recognised one year in arrears. In FY15, an increase was recognised as a result of an adjustment carried out in respect of FY13 and as a consequence of the increase in reinsurance business entered into during FY14.

Staff Costs

Following a restructuring exercised in FY14 staff costs decreased by 27.8%. This decrease primarily stems from the reduction of staff costs in GCIB. This subsidiary ceased operations in late 2013. CLD also reduced its staff complement as a result of its winding down of its primary operations.

The overall workforce of the Group decreased to 67 from 74 in FY13. As a result, the average cost per staff member decreased by 13.6%. This is in line with the Group's current cost cutting strategy.

4. Balance Sheet Review

Group consolidated statement of financial position

€000	Dec 13	Dec 14	Dec 15	Dec 16P	Dec 17P
ASSETS					
Intangible assets	5,033	6,234	7,163	10,254	14,749
Property, plant and equipment	3,116	2,709	2,450	2,470	2,440
Investment property	20,320	20,395	15,237	15,337	14,847
Investment in group undertakings	-	-	-	-	-
Deferred tax asset	68	-	19	-	-
Other investments	48,329	51,937	55,581	77,499	102,967
Reinsurers' share of technical provisions	2,079	2,327	3,612	3,909	4,283
Taxation receivable	556	495	581	528	528
Property held for development	749	680	-	-	-
Trade and other receivables	2,578	1,991	2,555	1,987	2,053
Cash and cash equivalents	7,574	2,571	5,441	3,448	9,392
Non-current assets held-for-sale	180	156	8,415	-	-
Total assets	90,582	89,496	101,035	115,432	151,260
EQUITY AND LIABILITIES					
Capital and reserves attributable to the company's shareholders					
Share capital	3,846	3,846	3,846	8,735	13,735
Share premium account	16,971	16,971	16,971	16,971	16,971
Other reserves	3,086	3,344	4,298	7,194	11,803
Investment reserve	-	-	-	268	255
Profit and loss account	(20,823)	(20,998)	(17,754)	(19,575)	(19,650)
Total equity	3,079	3,163	7,360	13,593	23,114
Technical provisions	65,349	66,065	71,510	83,743	109,939
Interest bearing borrowings	16,888	14,028	13,801	10,000	10,000
Deferred tax liability	1,616	2,080	3,105	3,237	3,237
Trade and other payables	3,411	3,921	5,211	4,342	4,453
Current tax liabilities	240	240	48	517	517
Total liabilities	87,503	86,334	93,675	101,839	128,146
Total equity and liabilities	90,582	89,496	101,035	115,432	151,260

Source: Audited financial statements and Management information

Below is a breakdown and in-depth explanation of the main line items on the balance sheet.

Intangible Assets

Intangible assets are composed of goodwill, Value of in-force business and Computer Software.

Goodwill relates to the Group's health insurance agency, i.e. GCHIA that was acquired as a result of the merger by acquisition of the local operations of BAI Co (Mitus) Ltd in 2004. On an annual basis, the Company carries out an impairment assessment.

Furthermore, a valuation of GCHIA was performed by EY in July 2011. The valuation given was greater than the NAV of the Company. As per Management, although this valuation is outdated, performance of GCHIA has been favourable, having generated consistent profits in recent years.

Other components of Goodwill acquired during the abovementioned transaction have been fully impaired.

The Value of in-force business (VOIFB) arose on the acquisition of BAI in 2004. The VOIFB represents the net present value of projected future transfers to Shareholders from policies in force at the year-end, after making provision for taxation. The VOIFB is determined by the Directors on an annual basis, based on the advice of the approved actuary.

The assumption parameters of the valuation are based on a combination of the Group's experience and market data. Due to the long-term nature of the underlying business, the cash flow projection period for each policy is set to its maturity date. The valuation is based on a growth rate of 4.15% to 4.50% depending on the policy type. The valuation assumes a margin of 1.15% between the weighted average projected investment return and the discount factor applied. The calculation also assumes lapse rates varying from 1% to 7.5%, and expenses are implicitly inflated.

According to Management the key factors affecting the VOIFB are policy maintenance expenses, investment return and the discount factor.

The improvement in FY15 was mainly attributable to an increase in business from unit linked products on profitable terms.

The movement of €881k is grossed by 35% (the applicable corporate tax rate) when recognised in the statement of comprehensive income.

In 2012 GCLI acquired the SOLIFE system computer software. The purpose of this investment was to automate various process and procedures, provide Management with the ability to monitor performance of policies, allow Tied Insurance Intermediaries to better manage their workflow and monitor their key performance indicators. Furthermore, the system is intended to act as a platform for brokers through whom they will be able to access and manage their accounts directly.

The system was launched on 1 January 2016 and management are currently assessing the impact the system had on operational efficiency.

Property, plant and equipment

€000	Dec 13	Dec 14	Dec 15
Cost or valuation			
Land and buildings	2,723	2,725	2,727
Furniture, fittings and equipment	2,303	2,196	2,220
Motor vehicles	193	193	193
	5,219	5,113	5,140
Carrying amount			
Land and buildings	2,434	2,409	2,384
Furniture, fittings and equipment	682	300	66
Motor vehicles	-	-	-
	3,116	2,709	2,450

Source: Management information

Land and buildings

Land and buildings are accounted for in the books of GCLI. These represent the head office of the Group, situated at Testaferrata Street, Ta'Xbiex. The head offices occupies three floors, while a further two floors are leased out to third parties.

In FY13, property with a carrying value of €330k was transferred to Investment property. This relates to a property in Fgura which was previously used by GCIB. Once vacated, this property was subsequently leased out to third parties.

During FY15 the Group signed a number of promise of sale contracts for investment properties in line with Management's strategy to reduce real estate holdings. These assets were transferred to assets held for sale.

As per Management information, seven promises of sale were entered into for a total consideration of €9.5million. The agreements entered into also include the sale of property held in Bulgaria.

The properties are held in the books of various subsidiaries and include both Investment property and Property held for development. The agreements entered into also include the sale of property held in Bulgaria.

The majority of the FV increase is attributable to increase in value of the property located on 114 the Strand based on an Architect's valuation.

Other Investments

Other investments as shown on the balance sheet relate mainly to the assets of the life fund of GCLI. For the financial year ending 31st December 2015, equity holdings comprised 27.3% of total Other investments. 98% (2014: 90.6%) of these equity investments are Malta domiciled. The remainder of the portfolio is composed of debt securities, government bonds and collective investment schemes.

Technical provisions

Technical provisions are recognised at GCLI level and represent the amount of capital that an insurance company must hold in order to reduce the risk of insolvency. Technical provisions comprise two components: the best estimate of the liabilities (i.e. the central actuarial estimate) plus a risk margin. Technical provisions are intended to represent the current amount the (re)insurance company would have to pay for an immediate transfer of its obligations to a third party.

GCLI has appointed Lux Actuaries and Consultants as an independent actuary to assist Management in arriving at the best estimate of the liabilities for the financial year. The Actuary provides GCLI with a report addressed to the Directors, the purpose of which is to provide a financial assessment of GCLI's ability to meet its liabilities as they fall due.

Reserves analysis

The largest reserves are for long term contracts (Insurance contracts and Investment contracts with DPF). Long term provisions are calculated by the external actuary on a monthly basis. The calculation uses a prospective valuation method, unless a retrospective calculation results in a higher liability, and makes explicit provision for vested reversionary bonuses. Provision is also made, explicitly or implicitly, for future reversionary bonuses. The liability is based on assumptions as to mortality, maintenance expenses and investment income that are established at the time the contract is issued, subject to solvency restrictions set out in the Insurance Business Act (Chap. 403).

The policyholder reserve is a separate reserve that was created by the Company when it was performing well. It was created as a buffer for poor performance in future years. In 2008, the provision was completely utilized and a new reserve was created in 2010.

In FY14 provision for claims outstanding decreased. This provision is dependent on the number of claims reported but not yet paid. Management explained that if a claim is made on the death of a policy holder, the provision for claims outstanding would increase as the liability is higher for such claims.

Debt level

In May 2006, the Company issued €17,000,000, 5.6% Bonds maturing on 2 June 2016 (the "Maturity Date"), subject to an early redemption at the option of the Company on 2 June 2014 and 2 June 2015. The proceeds from the Bonds were used in part to finance Group operations and in part to acquire investment property.

The Issuer envisages a shortfall in working capital of [€14,597,300] in view of the €13,823,200 Bond redemption obligation together with the payment of interest at 5.6% falling due on the outstanding Bonds on the Maturity Date.

The company intends to finance this shortfall and the redemption of the existing bond issue by way of a new bond issue.

5. Cash Flow Statement Review

Summary group consolidated statement of cash flows

€000	FY13	FY14	FY15
Cash generated from / (used in) from operations	907	(1,395)	1,196
Dividends received	590	360	687
Interest received	1,248	1,479	1,151
Interest paid	(963)	(934)	(757)
Tax paid	(276)	(94)	(774)
Tax refund	87	-	-
Net cash generated from / (used in) operating activities	1,593	(586)	1,504
Net cash generated from /(used in) investing activities	2,150	(1,600)	1,642
Net cash (used in) from financing activities	(375)	(2,387)	(276)
Movement in cash and cash equivalents	3,368	(4,572)	2,869
Cash and cash equivalents at the beginning of the year	3,775	7,143	2,571
Cash and cash equivalents at the end of the year	7,143	2,571	5,441

Source: Audited financial statements

The decline in Cash balances during FY14 was primarily due to:

- negative cash from operating activities;
- negative cash from investing activities due to significant investments in intangible assets through the purchase of the SOLIFE system; and
- Cash outflow as a result of repurchasing of own securities amounting to €2,387k.

During 2015, Cashflow from operating activities increased significantly from the previous year from an outflow of €1.4m to an inflow of €1.0m. This was mainly attributed to a significant improvement in profit before tax of €7.0m (€0.8 in 2014) and a an increase in technical provisions as a result of higher fund values in interest sensitive products and a decrease in provisions for claims outstanding. Operating cash positions was also positively impacted by an increase in payables, up to €1.1m from €0.5m in FY 2014.

Cashflow from investing activities was positively impacted by realised fair value gains from the disposal of financial assets. Management reports that the proceeds from investments sold and cash received on maturity were then reinvested, partly in a number of new MGSS.

Projected Financials and Ratio Analysis

Interest Cover and Solvency Ratio

Income statement summary and projections

€000	FY13	FY14	FY15	FY16P	FY17P
EBIT (before FV movements)	(5,425)	(1,291)	1,199	440	753
Bond interest	(934)	(912)	(741)	(531)	(500)
Realised (loss) / profit before tax	(6,360)	(2,203)	458	(91)	253
Tax credit / (charge)	522	(588)	(776)	(434)	(328)
Realised loss after tax	(5,838)	(2,792)	(318)	(525)	(75)
Add: Unrealised FV gains	1,442	2,404	3,793	-	-
Add: Increment in VOIFB	735	611	1,355	3,086	4,610
(Loss) / Profit after tax	(3,661)	223	4,830	2,561	4,534
% Interest cover	(5.8x)	(1.4x)	1.6x	0.8x	1.5x

Source: Audited financial statements / Management information

The interest cover is a ratio that highlights the company's ability to meet its debt servicing obligations. The company has 0.8x ratio projected for the year ending 2015 and then the ratio improves to 1.5x for the year ending 2017.

Management's financial projections illustrate the Group's strategy to continue to grow its insurance and asset management business through product development, growth in the sales force and by entering new markets (Italy and France).

This strategy is however not expected to generate significant increases in short term profitability and liquidity compared to the levels reported in FY15.

Given the rights issue in March 2016 and the current debt restructuring, the Group's finance costs are projected to decrease to approximately 70% of FY15.

Given the nature of the business, the projected consolidated cash position does not necessarily reflect liquidity as:

- Excess liquidity is typically included in the life portfolio and invested in financial instruments
- The ability to distribute cash upwards to GC plc is limited by regulatory capital requirements and the availability of realised retained profits at each subsidiary level

The Group's liquidity position is based primarily on realised retained earnings and regulatory capital requirements at each subsidiary level.

GCLI: Retained earnings roll-forward

€000	Dec 16P	Dec 17P
Opening retained earnings	5,334	5,546
Profit for the period	213	18
Dividends	-	-
Closing retained earnings	5,546	5,565
Solvency ratio	204.0%	231.0%

Source: Management information

The solvency ratio as projected by management for GCLI is highlighted above.

Gearing Ratio

Capital structure

€000	Dec 13	Dec 14	Dec 15	Dec 16P	Dec 17P
Other investments	48,329	51,937	55,581	77,499	102,967
Investment property	20,320	20,395	15,237	15,337	14,847
Intangible assets	5,033	6,234	7,163	10,254	14,749
Other assets	8,770	7,864	17,033	8,367	8,777
Taxation receivable	556	495	581	528	528
Cash and cash equivalents	7,574	2,571	5,441	3,448	9,392
Technical provisions	(65,349)	(66,065)	(71,510)	(83,743)	(109,939)
Deferred tax	(1,616)	(2,080)	(3,105)	(3,237)	(3,237)
Other liabilities	(3,651)	(4,161)	(5,259)	(4,859)	(4,970)
Capital employed	19,967	17,190	21,161	23,593	33,114
Financed by:					
Debt	16,888	14,028	13,801	10,000	10,000
Equity	3,079	3,163	7,360	13,593	23,114
Total funds invested	19,967	17,190	21,161	23,593	33,114
Debt-to-capital	84.6%	81.6%	65.2%	42.4%	30.2%
Debt-to-equity	5.5x	4.4x	1.9x	0.7x	0.4x

Source: Audited financial statements/Management Information

The gearing ratio indicates the debt ratio compared to equity. Companies with a high gearing ratio tend to struggle more during an economic downturn. GlobalCapital plc has a projected gearing ratio of 42.4% for the year ending 31st December 2016 and this should then continue to improve to 30.2% if the projected targets are met.

Listed Debt and other securities of the issuer

Issuer/Related Company	List of securities	ISIN
GlobalCapital plc	30,000,000 shares of Global Capital plc Ordinary Shares nominal €0.291172	MT0000170101
GlobalCapital plc	13,823,200 nominal bonds - 5.6% GlobalCapital plc €2014/2016 (issued in 2006)	MT0000073412

Comparables

The profile of Global Capital plc is very particular when compared to other listed issuers on the Malta Stock Exchange and therefore cannot be compared on a like with like basis. The purpose of the table below compares the proposed debt issuance of the group to other debt instruments with similar duration. One must note that that given the material differences in profiles and industries, the risks associated with the Group's business and that of other issuers is therefore also different.

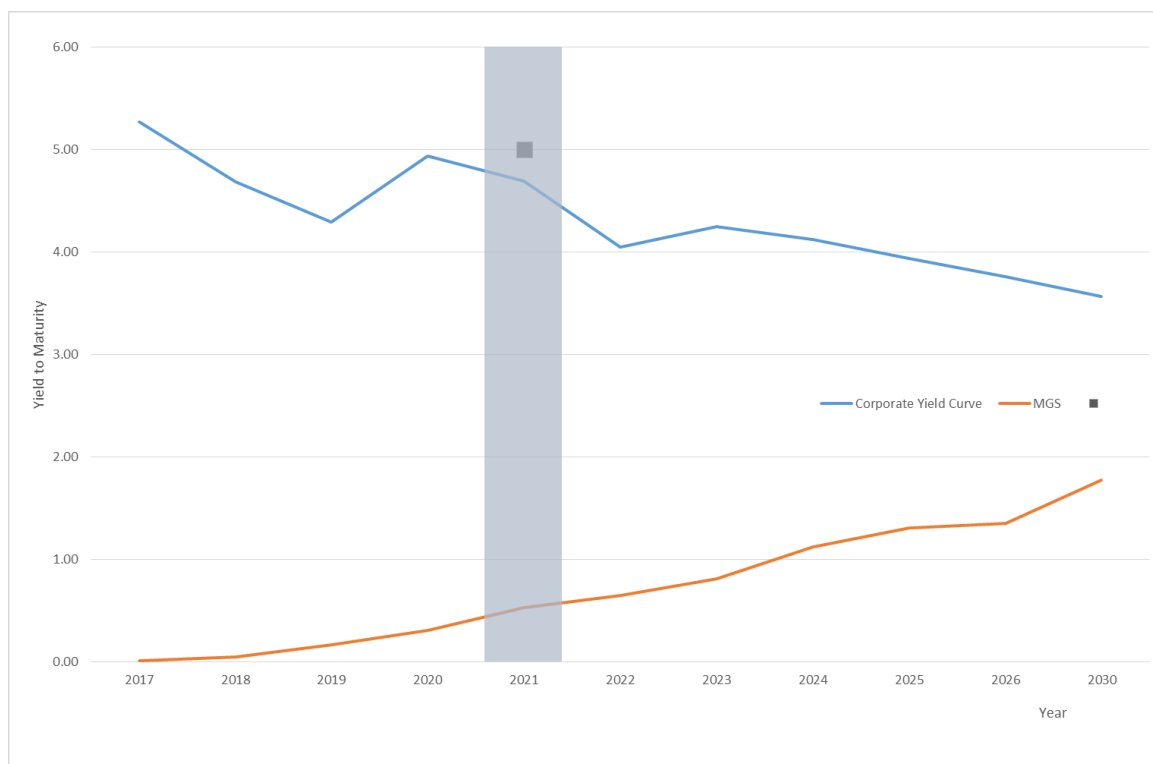
Comparative Analysis	Nominal Value (€)	Yield to Maturity (%)	Interest Cover (times)	Total Assets (€'million)	Net Asset Value (€'million)	Gearing Ratio (%)
6% Simonds Farsons Cisk plc € 2017 - 2020	15,000,000	4.37	10.80	148.8	100.2	16.5
6.25% IHI plc € 2017 -2020	24,831,700	5.67	2.00	1160.0	608.3	47.5
5.8% IHI plc € 2021	20,000,000	4.06	2.00	1160.0	608.3	47.5
6.6% Eden Finance plc € 2017 - 2020	13,984,000	5.69	3.11	145.4	76.7	47.3
6.2% Tumas Investments plc € 2017 -2020*	25,000,000	5.53	3.76	274.9	98.8	64.0
6% MIH plc € 2021	12,000,000	5.99	0.88	283.8	138.5	48.2
5.5% MIH plc € 2020	20,000,000	3.81	0.88	283.8	138.5	48.2
6.8% Premier Capital plc € 2017 - 20208	24,641,000	6.49	4.16	70.0	17.0	75.7
5.5% Pendergardens Dec plc € 2020 S1*	15,000,000	3.37	N/A	61.8	10.5	65.6
6% Pendergardens Dev plc € 2022 S2*	27,000,000	3.47	N/A	61.8	10.5	65.6
5.75% Central Business Centres plc € 2021	3,000,000	5.23	0.36	16.2	10.3	36.4
5% Global Capital plc € 2021	10,000,000	5.00	0.8	115.4	13.6	42.4

Source: Audited Annual Reports FY2015

* indicates FY2014

The debt to equity ratio or gearing ratio demonstrates the degree to which the capital employed in a business is funded by external borrowings as compared to shareholders' funds. A company with high leverage tends to be more vulnerable when its business goes through a slowdown. Globalcapital plc has a projected gearing ratio of 42.4% for the current year. The company's plan is to come out with

other right issues in due course in order to beef up the equity of the company and therefore this should result in an improvement in the gearing ratio.



As at 28th April 2016, the spread over the Malta Government Stock (MGS) for corporates with maturity of five years was 416 basis points. The Global Capital new bond is being priced at 5% coupon, meaning a spread of 447 basis points over the equivalent MGS and therefore at a slight premium to the market.

Issuer

GlobalCapital plc

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