

GlobalCapital plc

SUMMARY NOTE

Prospectus dated 4 March 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:

1.27 for 1 Rights Issue of 16,792,452 New Ordinary Shares of a nominal value of €0.291172 per New Ordinary Share, issued at par and in the event of Lapsed Rights: 1) an offer to Eligible Shareholders for Excess Shares and 2) an Intermediaries Offer, in this order of preference.

ISIN: MT0000170101

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 New Ordinary Shares 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

 **RIZZO FARRUGIA**
YOUR INVESTMENT CONSULTANTS



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.

SUMMARY NOTE

This document is dated 4 March 2016

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

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

A Rights Issue of 16,792,452 New Ordinary Shares of a nominal value of €0.291172 per New Ordinary Share, at par, on the basis of 1.27 New Ordinary Shares for every 1 Ordinary Share

And in the event of Lapsed Rights: 1) an offer to Eligible Shareholders for Excess Shares and 2) an Intermediaries Offer, in this order of preference.

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: MT0000170101

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 SUMMARY NOTE INCLUDES INFORMATION GIVEN IN COMPLIANCE WITH: 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 AND COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7 MARCH 2014), 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 ADVISERS ENGAGED BY THE ISSUER FOR THE PURPOSE OF THIS COMBINED OFFERING ARE ACTING EXCLUSIVELY FOR THE ISSUER.

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 WHATSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.

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

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 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 RIGHTS WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED. SUBJECT TO CERTAIN EXCEPTIONS, THE RIGHTS MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO U.S. PERSONS. FURTHERMORE, IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA), THE RIGHTS MAY ONLY BE OFFERED, SOLD OR DELIVERED TO, SUBJECT TO CERTAIN EXCEPTIONS, AND ACCEPTED BY “QUALIFIED INVESTORS” (AS DEFINED IN THE PROSPECTUS DIRECTIVE) OR IN OTHER CIRCUMSTANCES FALLING WITHIN ARTICLE 3(2) OF THE PROSPECTUS DIRECTIVE. IN ALL CASES THE MAKING OF THE OFFER OF RIGHTS IN SUCH CIRCUMSTANCES SHALL NOT REQUIRE THE PUBLICATION BY THE ISSUER OR ANY OTHER PERSON OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE. THE SHARES ISSUED AS A RESULT OF THE EXERCISE OF THE RIGHTS UNDER THIS RIGHTS ISSUE MAY BE LISTED AND TRADED ON THE REGULATED MARKET OF THE MSE. THE MSE'S REGULATED MARKET IS A REGULATED MARKET FOR THE PURPOSES 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.

THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. IF YOU NEED ADVICE WITH RESPECT TO THE COMBINED OFFERING, YOU SHOULD CONSULT A LICENSED STOCKBROKER OR AN INVESTMENT ADVISER LICENSED UNDER THE INVESTMENT SERVICES ACT, CAP. 370 OF THE LAWS OF MALTA.

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

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 MSE AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES. APPLICATION HAS BEEN MADE TO THE LISTING AUTHORITY FOR THE APPROVAL OF THE PROSPECTUS AND FOR THE ADMISSION OF THE ISSUER'S ORDINARY SHARES ON A REGULATED MARKET. APPLICATION HAS ALSO BEEN MADE TO THE MSE, FOR THE ORDINARY SHARES TO BE ADMITTED TO THE OFFICIAL LIST OF THE MSE.

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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 and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014.

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	an applicant for the subscription of Shares;
Bonds	the outstanding €13,823,200 5.6% bonds due 02 June 2016 of a nominal value of €100 per bond issued by the Company;
Collecting Agents	the Financial Intermediaries and the Issuer, as listed in Annex A of the Securities Note;
CSD	the central registration system for dematerialised financial instruments operated by the MSE and authorised in terms of the Financial Markets Act;
Directors or Board	the directors of the Issuer whose names are set out in section 11 of the Registration Document;
Eligible Shareholders	the Issuer's Shareholders on the register of the CSD as at close of trading on the Record Date and their transferee(s);
Euro or €	the lawful currency of the Republic of Malta;
Excluded Territories and each an Excluded Territory	any jurisdiction which is not a Member State of the European Union (as defined in the European Union Act, Cap. 460 of the laws of Malta), including for the avoidance of doubt the United States of America and Canada, and any other jurisdiction where the extension into or availability of the Rights Issue would breach any applicable law;
Financial Intermediaries	the licenced members of the MSE authorised to conduct investment services business by the MFSA, as listed in Annex A;
Financial Markets Act	the Financial Markets Act, Cap. 345 of the laws of Malta;
Group	the Issuer (as parent company) and its Subsidiaries;

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Intermediaries Offer	in the event of Lapsed Rights, and where the Eligible Shareholders have not taken up the Excess Shares, the invitation made by the Issuer to Financial Intermediaries to make an offer for such Lapsed Rights for their own account or for the account of their clients, provided that such offers may only be made through and by Financial Intermediaries during the Intermediaries Offer Period;
Intermediaries Offer Period	the period between 08:30 on 6 April 2016 and 10:00 on 8 April 2016;
Issuer or Company	GlobalCapital p.l.c., a public limited liability company registered in Malta with company registration number C19526;
Lapsed Rights	rights to New Ordinary Shares not validly taken up by the Shareholders by the expiry of the Offer Period;
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, 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;
Manager or Registrar	Rizzo, Farrugia & Co. (Stockbrokers) Ltd. Airways House, Third Floor High Street, Sliema SLM 1549, Malta;
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);
New Ordinary Shares	16,792,452 New Ordinary Shares to be issued pursuant to the Share Issue;
Offer	the invitation to subscribe for Rights to the New Ordinary Shares as contained in this Prospectus;
Offer Period	the period between 08:30 on 16 March 2016 and 12:00 on 30 March 2016 (both dates inclusive) during which the rights to the New Ordinary Shares are on offer for subscription;
Ordinary Shares	the 30,000,000 ordinary shares of a nominal value of €0.291172 each of the Issuer;
Overseas Shareholders	Shareholders with registered address in, or who are citizens in, or residents of, countries other than Malta;
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;
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;
Provisional Allotment Letter or PAL	the document of title issued to Eligible Shareholders by the Issuer in respect of the Rights to New Ordinary Shares, pursuant to the Rights Issue;
Record Date	the 4 March 2016, meaning trading up to and including 2 March 2016;
Registration Document	the registration document issued by the Issuer dated 4 March 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;

Rights	the entitlements in nil paid form to acquire the New Ordinary Shares subject to the payment of the Share Offer Price;
Rights Issue or Issue	the proposed issue by way of New Ordinary Shares to Eligible Shareholders as described in this Prospectus;
Securities Note	the securities note issued by the Issuer dated 4 March 2016, forming part of the Prospectus;
Shareholders or Ordinary Shareholders	holders of Ordinary Shares of the Issuer;
Share Offer Price	the price of €0.291172 per Share;
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	Rizzo, Farrugia & Co. (Stockbrokers) Ltd. Airways House, Third Floor High Street, Sliema SLM 1549, Malta;
Subsidiaries	any company the ultimate holding company of which, as at the date of this Summary Note is the Company, including without limitation each of the following companies: a. GlobalCapital Holdings Ltd, a private limited liability company registered in Malta with company registration number C 29873; b. GlobalCapital Financial Management Ltd, a private limited liability company registered in Malta with company registration number C 30053; c. GlobalCapital Insurance Brokers Ltd, a private limited liability company registered in Malta with company registration number C 32451; d. GlobalCapital Life Insurance Ltd, a private limited liability company registered in Malta with company registration number C 29086; 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. (Medunardodue 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 set out under the heading “ <i>Terms and Conditions of the Rights Issue and the Intermediaries Offer</i> ” in section 8 of the Securities Note.

Section A: Introduction and Warnings

A.1 Introduction and Warning

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 New Ordinary Shares being issued 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 acquire the New Ordinary Shares.

A.2 Consent by the Issuer to the use of the prospectus in subsequent resale of the securities

Not applicable. No consent has been given by the Company or any person responsible for drawing up this Prospectus to use this Prospectus for subsequent sale or final placement of securities by financial intermediaries.

Section B: The Issuer

B.1 Legal and commercial name of the issuer

GlobalCapital p.l.c.

B.2 Domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation

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.3 Nature of the issuer's current operations and its principal activities

The Issuer's principal activity is to carry on the business of a holding and investment company. The Issuer operates exclusively in and from Malta. The Issuer itself does not undertake any trading activities, however its Subsidiaries operate primarily in (i) the business of insurance; (ii) investment and advisory services; (iii) insurance intermediation activities; and (iv) the business of property holding and management.

B.4a Significant recent trends

The Issuer is a holding company having investments in a number of Subsidiaries, which operate the business of the Group.

Since the publication of its unaudited interim financial report for the period from 1 January to 30 June 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, except for the working capital deficiency referred to in section B.11 below.

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 first half of 2015.

GCLI's life insurance business registered growth during the first nine months of 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 16% 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's results remained in positive territory, with both revenues and costs 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.

Trends in the Insurance Business

According to the Malta Insurance Association, in its Annual Report 2014-2015 (the "MIA Annual Report"), insurance penetration in Malta grew by 5.09% in 2014. 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.

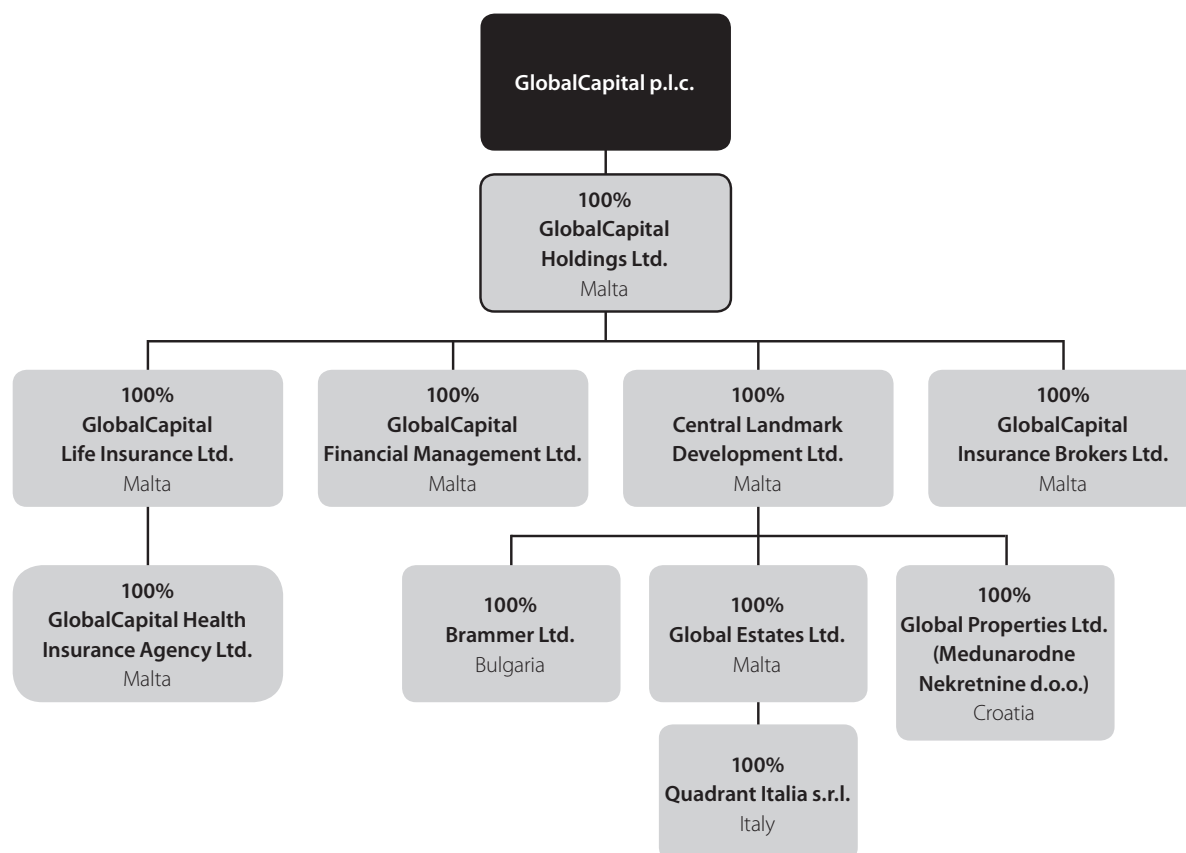
2014 witnessed an increase of 16.92% in total insurance premiums, with premiums reaching €385.8 million compared to €330 million generated in 2013. The latter figure reflected, in turn, an increase of 8.41% on 2012 figures, which stood at €304.4 million.

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 18.90% 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 Group description

The Issuer is the parent company of the Group. The diagram below summarises the Issuer's group structure:



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

B.6 Major shareholders

As at the Record Date, the Issuer had been notified that the following persons held directly or indirectly 5% or more of the voting rights of the Company:

Name	Number of Shares	%
BAI Co. (Mtius) Ltd	6,399,092	48.45
Christopher J. Pace	2,013,032	15.25
Investar p.l.c.	1,180,000	8.93
Provident Real Estate Fund Ltd	750,534	5.68

None of the Shareholders referred to above has different voting rights from any other holder of Ordinary Shares.

B.7 Key financial information and narrative description of significant changes to financial condition and operating results of the Group during or subsequent to the period covered by the historical financial information

The following information is extracted from the statement of comprehensive income and the technical account – long term business of insurance in the Company's consolidated annual report and audited financial statements for the financial years ended 31 December 2012, 2013 and 2014, and the unaudited consolidated interim financial statements of the Group for the six-month periods ended 30 June 2014 and 2015.

	FY2012	FY2013	FY2014	Jan-Jun 2014	Jan-Jun 2015
	€'000s	€'000s	€'000s	€'000s	€'000s
Commission and fees receivable	3,165	2,932	2,724	1,332	1,358
Commission payable and direct marketing costs	(177)	(172)	(145)	(70)	(88)
Balance on long term business insurance technical account	(1,040)	(1,063)	1,317	248	416
Increment / (Decline) in value of in-force business	626	735	611	178	535
Administrative expenses	(3,208)	(3,256)	(3,079)	(2,034)	(1,281)
Net investment (charges)/ return net of allocation to the insurance technical account	(1,041)	(3,001)	(341)	(644)	198
Impairment of goodwill	(108)	-	-	-	-
Other (provisions) / operating income	(446)	(358)	(276)	23	38
(Loss)/Profit before tax	(2,228)	(4,183)	811	(967)	1,176
Tax (expense) / income	(179)	522	(588)	(62)	(701)
(Loss)/Profit for the financial year	(2,407)	(3,661)	223	(1,029)	475
Earnings per share	(0.18)	(0.28)	0.02	(0.08)	0.04

The following information is extracted from the statement of financial position in the Company's consolidated annual report and audited financial statements as at 31 December 2012, 2013 and 2014 and the unaudited consolidated interim financial statements of the Group as at 30 June 2014 and 2015.

	FY2012	FY2013	FY2014	30 June 2014	30 June 2015
	€'000s	€'000s	€'000s	€'000s	€'000s
Investments	49,658	48,329	51,937	51,105	52,276
Investment property	23,833	20,320	20,395	20,361	19,491
Total assets	91,707	90,582	89,496	89,127	92,218
Technical provisions	61,974	65,349	66,065	65,333	68,250
Interest bearing borrowings	17,186	16,888	14,028	16,491	13,823
Total Liabilities	85,257	87,503	86,334	87,163	88,569
Share capital	3,846	3,846	3,846	3,846	3,846
Total equity	6,450	3,079	3,163	1,964	3,649
Net Asset value per share	0.49	0.23	0.24	0.24	0.28

Annual Results 2012 - 2014

The Issuer registered a loss after taxation for the year ended 31 December 2012 of €2,406,685 (2011: loss of €4,193,670). The improvement in operational performance was due to better quality revenues, reduced operating costs and more favourable financial markets. However, certain investment holdings underperformed the market and the results were also impacted by non-recurring provisions. The Group registered net unrealised fair value gains on its investment portfolio of €285,079 compared to net unrealised fair value losses of €780,893 in the prior year. The Group also registered impairment charges on its property holdings of €352,680 (2011: €736,070). The 2012 reported loss is also inclusive of other non-cash items, including goodwill impairment and depreciation and amortisation charges, totalling €602,483 (2011: €703,268). Although the life insurance business registered sustained growth in new regular premium, overall life insurance premium income was lower than in 2011 due to reduced levels of single premium business. The health insurance income grew by 10% over the prior year in a very competitive market while revenues from other lines of business were flat. During the period the Group achieved operational cost savings of some €0.8 million. Within the Group's core segments of activity, GCLI registered a loss for 2012 of €276,272 (2011: loss of €1,146,135), with the bottom line being impacted by new business strain as GCLI continued to build its life portfolio. The net increment in the value of in-force business in 2012 was €626,154 (2011: €15,385). During the same period the Group's investment and advisory services segment registered a profit of €90,596 (2011: loss of €449,981) while the Group's agency and brokerage segment generated a combined profit of €735,199 (2011: €320,494).

In the financial year ended 31 December 2013, the Issuer registered a loss for the year, before impairment charges and fair value movements on investment properties, of €679,378 (2012: loss of €1,365,200). During this period the Group registered an improvement in operational performance which was driven, primarily, by a reduction in operating costs and favourable financial markets. The Group also achieved additional operational cost savings of €500,000 (2012: €800,000). The Group registered net unrealised fair value gains on its investment portfolio of €1,210,507 (2012: €285,079). In 2013 GCLI's life insurance business continued registering growth in unit linked business whilst retaining a level of periodic premium comparable to the previous year. Overall life insurance premium income was marginally lower than in 2012 due to a decrease in the single premium business. GCLI registered a loss for 2013 of €505,614 (2012: loss of €662,261). GCLI's bottom line continued to be impacted by new business strain as it continued to build up its life portfolio. GCLI's net increment in the value of in-force business was €735,186 (2012: €626,154), an increase of €109,032, which was the net contribution of new profitable business and the reduction in the operational cost base of running the business. During the same period GCHIA registered a 4% decrease in its health insurance agency income over the previous year due to increased competition and price sensitivity in the market. The Group's agency and brokerage segment generated a combined profit of €999,736 (2012: €735,199). During this period GCIB divested of its insurance brokerage activity in keeping with the Company's strategy to focus on the Group's core life and health insurance businesses. Overall the results for 2013 were negatively impacted by fair value movements on the Group's property portfolio of €3,174,376 (2012: €352,680) resulting in a total loss for the year after taxation of €3,661,194 (2012: loss of €2,406,685).

During the financial year ending 31 December 2014, the Issuer registered a profit after taxation of €222,671 (2013: loss of €3,661,194). The turnaround in the Group's operational performance was the result of the execution of an aggressive transformation strategy that started to take material effect in early June 2014. This included the generation of a sustainable level of revenue growth together with a reduction in overall operational costs to ensure long-term financial stability and profitability. The transformation helped improve the results of all the regulated businesses forming part of the Group.

GCLI's life insurance business registered significant growth in both the interest sensitive and unit linked business, while retaining the prior year's levels of conventional business. The continued efforts to enhance the profitable product suite offered by GCLI facilitated improved competitiveness and marketability, generating positive results. During this period GCLI reported profits after taxation of €2,047,024 (2013: loss of €505,614). The increment in the value of in-force business for the year under review amounted to €610,968 (2013: €735,186), this being the contribution of the new business volumes generated by GCLI. GCHIA's profit after taxation for 2014 amounted to €581,329 (2013: €930,974). The reduction in profitability in 2014 was the result of an increase in the tax charge between the two financial years totalling €139,098 coupled with the increase in the level of claims and reduction in premiums which adversely impacted the profit commission recognised by GCHIA. During the same period GCFM reported a loss for the year of €464,218 (2013: loss of €1,110,700). GCFM's revenue year on year improved by 14% which was in part offset by an increase in costs, mostly one-offs incurred to reduce the operational cost base going forward. Moreover, GCFM recognised an increase in other provisions and no impairment of intercompany receivables. The Group's property portfolio registered substantially smaller impairments in 2014 amounting to €323,090 (2013: €3,174,376) arising on properties that were sold after year end and which adversely impacted profitability for 2014.

Interim Financial Performance 2015

The Issuer registered a profit before taxation of €1,176,197 for the first six months of 2015 compared to a loss of €966,897 for the same period in 2014.

GCLI registered a profit before taxation of €1,000,961 compared to a profit of €651,624 for the same period in 2014. The improved results are reflective of the increase in premium income between the two reporting periods, the cost cutting measures implemented in the latter part of 2014 which are fully manifested in the 2015 interim financials and fair value gains which in part were offset by the investment write-down of the equity value of GCLI's investment in Bramer Banking Corporation Limited following the revocation of the latter's banking licence by the Financial Services Commission in Mauritius. The net impairment amounted to €940,976.

GCFM registered marginal growth in revenue compared to the first six months of 2014. This coupled with the significant reduction in its cost base resulted in GCFM returning to profit territory with a profit before taxation of €128,760 compared to the loss reported for the period ended 30 June 2014 amounting to €460,969.

Revenues from GCHIA also registered marginal growth. The profit before taxation for the first six months of 2015 remained consistent with the prior period's profit totalling €477,777 compared to €476,117.

The Group's rental property portfolio experienced an increase in revenue which is the net result of full occupancy and higher rental rates.

The financial statements of the Group for the periods referred to above have been prepared on a going concern basis.

Reference is also made to section B. 11 hereunder on the shortfall in working capital available to the Issuer for it to meet its present requirements, that is, for at least the next 12 months from the date of this Prospectus.

B.8 Key pro-forma financial information

Not applicable: No key pro-forma financial information has been published in this Prospectus.

B.9 Profit forecast or estimate

Not applicable: The issuer has chosen not to include a profit forecast or estimate.

B.10 Description of the nature of any qualifications in the audit report on the historical financial information

The independent auditor's reports on the historical financial information of the Issuer for each of the financial years ended 31 December 2012, 31 December 2013 and 31 December 2014 do not contain qualifications and disclaimers. The independent auditor's report on the Issuer's financial statements for the year ended 31 December 2015 however include an emphasis of matter, which draws attention to note 1 to the said financial statements, which details the Company's financing plans, in particular those relating to the payment of the Company's Bond obligations.

B.11 Issuer's working capital

The Group does not have sufficient working capital available to it for its present requirements, that is, for at least the next 12 months from the date of this Prospectus.

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 2 June 2016 (the "**Maturity Date**").

In view of the Group's working capital deficiency set out above, the Issuer intends to rectify the current shortfall by virtue of a two-phase action plan which is to be implemented during the course of 2016. Firstly, the Rights Issue contemplated by this Prospectus is to take place, during the first half of 2016, whereby the New Ordinary Shares are to be issued up to the authorised share capital of the Company ("**Phase I Funding**"). The Rights Issue is expected to raise net proceeds of €4,880,000.

Following the Phase I Funding, it is intended that the Company raises further funding of up to €9,717,300 to fulfil its payment obligations in relation to the Bonds by the Maturity Date ("**Phase II Funding**"). It is envisaged that the Phase II Funding to address the outstanding shortfall in the working capital will be raised by the Company issuing a debt instrument on the capital market during the first half of 2016. The Phase II Funding is likely to comprise the issuance of debt securities to particular investor groups or a combination thereof. The Issuer considers that borrowing from institutional and, or professional investors would provide the optimum funding base for the Group to meet its Phase II Funding requirement and consequently is exploring the possibility of a private placement of debt securities to one or more institutional and, or professional investors. The Issuer may also consider supplementing such proposed institutional and, or professional funding with a public offering of debt securities to investors meeting the relevant criteria under the terms of any offer that may eventually be made by the Issuer. Any securities offering in respect of which the Issuer proposed to apply for authorisation for admissibility to listing on a regulated market in terms of the Financial Markets Act will also require the prior approval of the MFSA. The Issuer does not exclude seeking bridging credit facilities to address any shortfall that results from the Phase II Funding. Following the successful conclusion of the Phase II Funding, the Issuer may conduct a further rights issue. In the event of such a further rights issue, the Issuer will also be required to seek the necessary shareholder approvals in general meeting by means of an extraordinary resolution in order to increase the authorised share capital of the Company, for the Issuer to be able to increase its issued share capital.

While there can be no guarantee that the support of Eligible Shareholders and, or Intermediaries to raise the Phase I Funding will be forthcoming, the Issuer is reasonably confident that in view of the declared intent of Investar to participate in the Rights Issue, as set out in section E.4 of this Summary Note, the Issuer will receive subscriptions, at least, for the minimum number of New Ordinary Shares required to be subscribed in the Rights Issue in terms of section E.3 of this Summary Note.

Nor can there be any assurance that the prevailing market and economic conditions will be conducive to the Phase II Funding being raised successfully, in part or at all. The Issuer is cautiously confident, however, that in the event that the Phase I Funding is successful the Issuer will be in a position to meet its Phase II Funding requirement through one, or a combination of, the proposed actions described above to raise the Phase II Funding.

Failure to obtain the Phase I Funding and the Phase II Funding, or any of them, may result in the Company being unable to meet its Bond obligations by the Maturity Date. Consequently, this could have a material adverse effect on the business, prospects, financial condition, results and operations of the Group. Failure to obtain such funding could, ultimately, lead to the Company being unable to meet its obligations as these fall due thereby triggering one or more events of default under the Bonds and the insolvency of the Company.

Section C- SECURITIES

C.1 Type and class of securities

The New Ordinary Shares are ordinary shares in the Company having a nominal value of €0.291172 each. The Shares form part of one class of ordinary Shares in the Company and shall accordingly have the same rights and entitlements. When admitted to trading on the Official List of the MSE, the New Ordinary Shares will be registered with the Issuer's existing ISIN number being MT0000170101.

C.2 Currency

Euro €

C.3 Number of shares issued

On the Record Date, the Company had thirteen million two hundred and seven thousand five hundred and forty eight (13,207,548) Ordinary Shares of €0.291172 each (fully paid) amounting to three million eight hundred and forty-five thousand six hundred and sixty-eight Euro (€3,845,668).

C.4 Description of the rights attached to the shares

The New Ordinary Shares will, when issued and fully paid, rank equally in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions made, paid or declared after the date of issue of the New Ordinary Shares.

C.5 Description of any restrictions on the free transferability of the securities

There are no restrictions on the free transferability of the Ordinary Shares.

C.6 Admission

Application will be made to the MSE for the New Ordinary Shares issued as a result of the exercise of any Rights under the Rights Issue to be listed and traded on the Official List of the Malta Stock Exchange and for dealings to commence once the New Ordinary Shares are authorised as Admissible to Listing by the Listing Authority, which is anticipated to be on or around the 14 April 2016.

C.7 Dividend policy

Dividends may be declared by the Company in General Meeting. The amount declared shall not exceed the amount recommended by the Directors. All dividends or other sums payable that remain unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. All dividends unclaimed for a period of twelve (12) years after having been declared shall be forfeited and shall revert to the Company. The M&As of the Issuer do not provide for any dividend restrictions and procedures vis-à-vis non-resident holders of New Ordinary Shares

As at 31 December 2014 the Company did not have any distributable reserves. No dividend was paid in the financial years 2007 to date. As at 31 December 2014 the Company had accumulated losses of €27,502,395 (Group accumulated losses: €20,997,931). Under the Act a distribution of dividends may only be made out of profits available for the purpose.

Section D- RISKS

D.1 Key information on the key risks that are specific to the issuer

The Issuer is subject to a number of risks which could have an adverse effect on its business, the value of its assets and results of operations. These risks include but are not limited to those risks identified below:

- 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.
- 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 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. 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 various detrimental effects.
- 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. More specifically, reputational harm may result in the loss of market share and revenue, increased compliance costs and higher financing costs, reflecting the perceived risks related to the Group.
- 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. In particular, any change of control in the Issuer resulting as a consequence of the Rights Issue may trigger any "change of control" or other termination provisions in the Subsidiaries' business agreements thereby having a significant adverse effect on the business of the Subsidiaries and consequently of the Group.
- 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 on-going 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 facing 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.
- xvi. Future funding risk: In addition to the net proceeds from the Rights Issue, further funding of circa €10,100,000 will be required by the Issuer to satisfy its working capital shortfall of €14,597,300 which includes its Bond obligation of €13,823,200 together with one year of interest thereon at 5.6% and its working capital requirements. In this regard, there is no guarantee that the prevailing market conditions will be conducive to such financing, or that shareholder support to raise any additional funding will be forthcoming.

D.3 Key information on the key risks that are specific to the securities

The Ordinary Shares may be subject to a number of risks, which include but are not limited to the risks discussed below:

- i. Trading and liquidity: Stock markets may from time to time experienced substantial fluctuations, which could adversely affect the market price of the Ordinary Shares of the Issuer.
- ii. Ranking on winding-up: The Shares represent equity interests in the Company that entitle the holder to rank *pari passu* with all other holders of Ordinary Shares upon any distribution of assets in a winding up. The Ordinary Shares are subordinated to any preference shares that may be issued by the Company from time to time and the Bonds and other debt instruments that may be issued from time to time in the Company's capital structure.
- iii. Dividend risk: the Issuer's ability to pay dividends and its ability to receive distributions from its investments in other entities is subject to applicable local laws. In addition, other restrictions, including regulatory requirements, capital and leverage requirements, statutory reserves, financial and operating performance and applicable tax laws may restrict its ability to pay dividends.
- iv. Share price fluctuation risk: The market price of the Ordinary Shares could be subject to significant fluctuations due to a change in sentiment in the market regarding the Ordinary Shares and/or securities of other financial institutions.
- v. Dilution risk: Eligible Shareholders who do not (or who are not permitted to) subscribe for their full entitlement to New Ordinary Shares in the Rights Issue will experience dilution in their ownership of the Issuer.

- vi. **Risks relating to voting majorities:** The Company's Memorandum and Articles of Association provisions permit defined majorities to bind all Shareholders including Shareholders who did not attend and vote at the relevant meeting and Shareholders who voted in a manner contrary to the majority.
- vii. **Legal risk:** The terms and conditions of the admission to trading of the Shares 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.
- viii. **Securities law risk:** Securities laws of certain jurisdictions may restrict Shareholders in exercising the rights attaching to their Ordinary Shares and participating in the Rights Issue.
- ix. **Requirement of further funding:** In addition to the net proceeds from the Rights Issue, further funding of circa €10,100,000 will be required by the Issuer to satisfy its working capital shortfall of €14,597,300 which includes its Bond obligation of €13,823,200 together with one year's accrued interest thereon at 5.6% and its working capital requirements. In this regard, there is no guarantee that the prevailing market conditions will be conducive to such financing, or that shareholder support to raise any additional funding will be forthcoming.
- x. **Subscription risk:** There is no assurance that the New Ordinary Shares on offer will be subscribed to any extent, if at all.
- xi. **Shares in public hands:** In terms of the Listing Rules, the Issuer must have at least twenty-five per centum (25%) of its listed share capital in the hands of the public. Should the number of shares in public hands following the Rights Issue fall below this threshold, the Issuer would no longer be meeting the relevant requirement under the Listing Rules and this may in turn lead to the delisting of the Company from the Official List of the MSE, which would have adverse effects on the marketability and transferability of the Shares and on the fiscal impacts on Share transfers.

Section E- OFFER

E.1 Total net proceeds and an estimate of total expenses of the issue

The net proceeds from the Rights Issuer will amount to €4,740,000. The expenses of the Rights Issue are estimated not to exceed approximately €150,000, which amount shall be deducted from the proceeds of the Rights Issue.

E.2a Reasons for the offer, use of proceeds, estimated net amount of proceeds

The net proceeds from the Issue of New Ordinary Shares of approximately €4,740,000 will be used by the Issuer to partly finance the redemption of the Bonds.

E.3 Terms and conditions of the Offer

The following is a synopsis of the general terms and conditions applicable to the Offer.

• General

The Company is proposing to raise capital by way of a Rights Issue of 16,792,452 New Ordinary Shares and in the event of any Lapsed Rights, an Intermediaries Offer, of 16,792,452 New Ordinary Shares in aggregate.

The New Ordinary Shares will be offered to Eligible Shareholder by way of nil-paid rights on the basis of 1.27 New Ordinary Shares for every 1 existing Ordinary Share held on the Record Date on the terms and conditions as set out in the Securities Note and the PALs in direct proportion to their existing shareholding as at the Record Date.

The New Ordinary Shares will, when issued and fully-paid, rank equally in all respects with the existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared after the date of this Prospectus.

The allotment of New Ordinary Shares pursuant to this Issue is conditional upon a minimum of ten million (10,000,000) New Ordinary Shares being subscribed for.

Eligible Shareholders have the option to

- accept in full by submitting PAL A;
- accept in part and transfer or lapse the remaining Rights by submitting PAL B;
- transfer part or all of the Rights by submitting PAL C.

i. Lapsed Rights – Excess Shares Application

Eligible Shareholders accepting their proportionate entitlement of New Ordinary Shares in full, shall be entitled to apply for New Ordinary Shares in excess of their proportionate entitlement (the “**Excess Shares**”), on a pre-emptive basis, by indicating their interest in PAL A for Lapsed Rights.

An Excess Shares application form (the "**Excess Shares Application Form**") is to be submitted to an Intermediary in sealed format, indicating the number of Excess Shares the Eligible Shareholders are willing to acquire and the price for each Excess Share, which should not be lower than the Share Offer Price.

ii. Lapsed Rights Intermediaries Offer

In the event that any New Ordinary Shares remain unallocated following the close of the Offer Period and, if applicable, after the allotment of Excess Shares provided for in (i) has been made, the Lapsed Rights will be offered to Intermediaries via an Intermediaries Offer.

Offers will be accepted by the Issuer on behalf and for account of the Lapsed Rights Holders strictly on the basis of best price, which price cannot be lower than the Share Offer Price, and Lapsed Rights will be allocated accordingly. The Issuer, however, reserves the right not to accept any offer if, in its sole discretion, it considers such offer not to be in the interest of Lapsed Rights Holders. In the event that there are offers at the same price for more than there are Lapsed Rights available, these will be allocated pro rata to the respective Financial Intermediary, as the case may be. In respect of the Intermediaries Offer, a determination by the Registrar as to the acceptance or otherwise by the Issuer of an offer shall be conclusive and binding on all Intermediaries.

The minimum number of Lapsed Rights for which the Intermediary may submit one or more offers shall be 20,000 New Ordinary Shares in the aggregate.

The minimum price for which an offer may be submitted shall be the Share Offer Price of €0.291172 per share.

Acceptance and allocation of offers will be communicated to the Intermediaries as soon as practicable but in any event not later than 8 April 2016.

• Overseas Shareholders And Excluded Territories

The offer of New Ordinary Shares to persons resident in, or who are citizens of, or who have a registered address in, countries other than Malta may be affected by the law of the relevant jurisdiction. Those persons should consult their professional advisers (including tax consultants) as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up the New Ordinary Shares.

The offer of New Ordinary Shares will not be made in the Excluded Territories, that is any jurisdiction which is not a Member State of the European Union (as defined in the European Union Act, Cap. 460 of the laws of Malta), including for the avoidance of doubt the United States of America and Canada, and any other jurisdiction where the extension into or availability of the Rights Issue would breach any applicable law.

E.4 Conflicts of interest

• The interest of members of the Board of Directors of the Issuer and that of senior management:

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 eight point ninety-three per centum (8.93%) of the Ordinary Shares. In addition, Mr Christopher Pace is also a Director and holds fifteen point twenty-four per centum (15.24%) 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.

• The interest of the Shareholders of the Issuer:

Investar p.l.c. which holds an 8.93% equity interest in the Company has issued a prospectus dated 12 January 2016 wherein it has declared that it intends to acquire a majority and controlling interest in the Issuer as a result of its participation in the Rights Issue.

E.5 Name of the person or entity offering to sell the security

Not applicable. The Rights Issue comprises an offer of New Ordinary Shares to be issued by the Company.

E.6 Dilution

Subject to Admission, pursuant to the Rights Issue and the Intermediaries Offer, 16,792,452 New Ordinary Shares will be issued at the Share Offer Price. This will result in the issued share capital of the Company increasing by approximately 127%. Eligible Shareholders who take up their pro rata entitlement in full will suffer no dilution to their interests in the Company. Eligible Shareholders who do not take up any of their rights to subscribe for the New Ordinary Shares will suffer an immediate dilution of up to 56% in their interests in the Company.

E.7 Estimated expenses charged to the investor by the Issuer

Not applicable. No expenses will be charged to the investor by the Issuer.

ISSUER:

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