

Bortex Group Finance plc

**Unaudited Financial Statements
31 October 2017**

Bortex Group Finance plc

Unaudited Financial Statements – 31 October 2017

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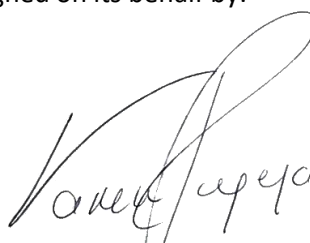
Statement of financial position

	Notes	As at 31 October 2017 Euro
ASSETS		
Current Assets		
Cash and Cash Equivalents	2	<u>237,500</u>
Total Assets		<u>237,500</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	3	250,000
Accumulated losses		<u>-13,510</u>
Total Equity		<u>236,490</u>
Current Liabilities		
Trade and other payables	4	<u>1,010</u>
Total Liabilities		<u>1,010</u>
Total Equity and Liabilities		<u>237,500</u>

The financial statements on pages 2 to 10 were authorised for issue by the board on 23rd February 2017 and were signed on its behalf by:



Peter Borg
Director



Karen Bugeja
Director

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Income Statement

**Period from
30 August
2017 to
31 October
2017
Euro**

Administrative Expenses
Loss for the period

-13,510
-13,510

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Statement of changes in equity

		Share Capital	Accumulated Losses	Total
	Note	Euro	Euro	Euro
Issue of share capital	3	250,000	-	250,000
Loss for the period		-	-13,510	-13,510
Balance at 31 October 2017		250,000	-13,510	236,490

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Statement of Cash flows

		Period from 30 August 2017 to 31 October 2017
	Notes	Euro
Cash flows from operating activities		
Cash used in operations		<u>-12,500</u>
Cash flows from financing activities		
Share Capital		<u>250,000</u>
Net Movement in Cash and Cash equivalents		237,500
Cash and Cash equivalents at beginning of period		0
Cash and Cash equivalents at end of period	2	<u>237,500</u>

Notes to the financial statements

1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1. Basis of preparation

The financial statements have been prepared in accordance with the accounting policies noted hereunder and they have been prepared under the historical cost convention. These financial statements have not been audited nor reviewed by the company's independent auditors.

The company was incorporated on 30 August 2017 in terms of Maltese Companies Act (Cap 386). Accordingly, these financial statement have been prepared from the date of incorporation to 31 October 2017.

1.2 Foreign currency translation

a. Functional and presentation currency

Items included in the financial statement are measure using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro, which is the company's functional and presentation currency.

b. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit and loss.

1.3 Financial assets

1.3.1 Classification

The company classifies its financial assets in the loans and receivables category. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides money, goods or services directly to a debtor with no intention of trading the asset. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period. These are classified as non-current assets. The company's

loans and receivables comprise cash and cash equivalents in the statement of financial position (note 2).

1.3.2 Recognition and measurement

The company recognises a financial asset in its statement of financial position when it becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on settlement date, which is the date on which an asset is delivered to or by the company.

Financial assets are initially recognised at fair value plus transaction costs. These are subsequently carried at amortised cost using the effective interest method. Amortised cost is the initial measurement amount adjusted for the amortisation of any difference between the initial and maturity amounts using the effective interest method.

Financial assets are derecognised when the rights to receive cash flows for the financial assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership or has not retained control of the asset.

1.3.3 Impairment

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The company first assesses whether objective evidence of impairment exists. The criteria that the company uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation.

Assets carried at amortised cost

For financial assets carried at amortised cost, the amount of the loss is measure as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised in profit and loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit and loss.

1.4 Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. Cash and cash equivalents include deposits held at call with banks.

1.5 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

1.6 Financial Liabilities

The company recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. The company's financial liabilities are classified as financial liabilities which are not a fair value through profit or loss (classified as 'other liabilities') under IAS 39. Financial liabilities not at fair value through profit or loss are recognised initially at fair value, being the fair value of consideration received, net of transaction costs that are directly attributable to the acquisition of the issue of the financial liability. These liabilities are subsequently measured at amortised cost. The company derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, is cancelled or expires.

1.7 Trade and other payable

Trade and other payable comprise amounts owed to fellow subsidiaries to pay for goods or services that have been acquired in the ordinary course of business. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2. Cash and Cash Equivalents

2017

Euro

For the purposes of statement of cash flows cash and cash equivalents
comprise the following:

Bank account	<u>237,500</u>
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3. Share Capital

2017

Euro

Authorised 250,000 ordinary shares of Euro1 each	<u>250,000</u>
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Issued and fully paid 250,000 ordinary shares of Euro1 each	<u>250,000</u>
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4. Trade and Other Payables

2017

Euro

Amounts owed to fellow subsidiary	<u>1,010</u>
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5. Expenses by nature

**Period
from
30 August
2017 to
31
October
2017**

Registry of Company Fees	<u>13,510</u>
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6. Events after reporting period

On 1 December 2017, the company issued an aggregate of Euro 12,750,000 in bonds having a face value of Euro 100 per bond, subject to a minimum subscription of Euro 2,000 in Bonds and multiples of Euro 100 thereafter. The bonds have a coupon interest rate of 3.75% per annum as stated in the prospectus dated 30 October 2017. These bonds were eventually admitted for listing on the Malta Stock Exchange on 4 December 2017.

In accordance with the provisions of the above noted prospectus, the proceeds from the bond issue have been advanced by the company to fellow subsidiaries forming part of the Bortex Group for the purpose of financing specific projects, refinancing existing banking facilities within the group, and for the general corporate funding purposes of the group. These bonds are guaranteed by Bortex Group Holdings Company Limited who is the ultimate parent of the Bortex Group.

7. Statutory Information

Bortex Group Finance plc is a public liability company and was incorporated in Malta on 30 August 2017, with its registered address at 32, Hughes Hallet Street, Sliema, Malta.

The immediate and ultimate parent company of Bortex Group Finance plc is Bortex Group Holdings Company Limited, a company registered in Malta, with its registered address at St. Therese, Hughes Hallet Street, Sliema.