

BASE PROSPECTUS

Dated 18 May 2017

MATA FINANCE P.L.C.

a public limited liability company registered under the laws of Malta with company registration number C 78087 and having its registered office at 171, Old Bakery Street, Valletta VLT 1455, Malta

€10,000,000 6% Asset Backed Note Programme

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THE NOTES TO LISTING ON THE EUROPEAN WHOLESALE SECURITIES MARKET, WHICH MEANS THAT THIS BASE PROSPECTUS HAS BEEN APPROVED BY THE LISTING AUTHORITY AS A BASE PROSPECTUS IN TERMS OF THE PROSPECTUS DIRECTIVE AND THAT THE NOTES ARE IN COMPLIANCE WITH THE LISTING RULES FOR THE EUROPEAN WHOLESALE SECURITIES MARKET.

APPLICATION WILL ALSO BE MADE TO THE EUROPEAN WHOLESALE SECURITIES MARKET FOR EACH SERIES OF NOTES ISSUED UNDER THE PROGRAMME TO BE ADMITTED TO LISTING AND TRADING ON THE EUROPEAN WHOLESALE SECURITIES MARKET.

THE ISSUER IS A SPECIAL PURPOSE VEHICLE AND IS NOT LICENSED OR AUTHORISED BY THE MFSA OR ANY OTHER REGULATORY AUTHORITY.

Important Information

This Base Prospectus (together with any Supplement published from time to time) constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive in respect of all Notes issued under the Programme.

This Base Prospectus has been filed with the Listing Authority and will be published in electronic form on the website of the Listing Authority and is also available, in printed form, free of charge, from the registered office of the Issuer and the Agent.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS 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 HEREOF.

This Base Prospectus is to be read and construed in conjunction with any Supplement hereto.

The Issuer confirms that (i) this Base Prospectus contains all information with respect to the Issuer and the Notes that is material in the context of the Programme and the issue and offering of the Notes; (ii) the information contained herein in respect of the Issuer and the Notes is accurate in all material respects and is not misleading; (iii) any opinions and intentions expressed herein are honestly held and based on reasonable assumptions; (iv) there are no other facts, the omission of which would make any statement, whether fact or opinion, in this Base Prospectus misleading in any material respect; and (v) all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained herein.

No person has been authorised to give any information, issue any advertisement or make any representation which is not contained or consistent with this Base Prospectus or any other document produced in relation to the Programme and, if given or made, such information, advertisement or representation must not be relied upon as having been authorised by the Issuer.

All of the Directors whose names appear under Section 4.3.1 of this Base Prospectus are the persons responsible for the information contained in this Base Prospectus. To the best of the knowledge and belief of the Directors the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect its import, and the Directors have taken all reasonable care to ensure that this is the case. The Directors accept responsibility accordingly.

None of the advisers or any person mentioned in this Base Prospectus, other than the Issuer and its directors, shall be responsible for the information contained in this Base Prospectus and any Supplement, or in any Final Terms, and accordingly, to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility as to the accuracy and completeness of the information contained in any of these documents.

All the advisers to the Issuer have acted and are acting exclusively for the Issuer in relation to this Base Prospectus and have no contractual, fiduciary or other obligation or responsibility towards any other person and will accordingly not be responsible to any investor or any other person whomsoever in relation to the contents of and any information contained in the Base Prospectus, its completeness or accuracy or any other statement made in connection therewith. Each person receiving this Base Prospectus acknowledges that such person has not relied on any of the advisers in connection with its investigation of the accuracy of such information or its investment decision and each person must rely on its own evaluation of the Programme and the merits and risks involved in the Programme.

The Issuer confirms that information included in this Base Prospectus in respect of undertakings or obligors that are not involved in the issue has been accurately reproduced from information published by or sourced from the relevant undertaking/obligor. The Issuer further confirms that such information has been accurately reproduced, and as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

It is the responsibility of any person in possession of this document to inform themselves of and to observe and comply with, all applicable law and regulations of any relevant jurisdiction. Prospective Applicants for any Notes that may be issued under the Programme should inform themselves as to the legal, tax and investment requirements of applying for any such Notes and any applicable exchange control requirements and taxes in the countries of their nationality, residence or domicile. Applicants must rely on their own legal advisers, accountants and other financial advisers as to legal, tax, investment or any other related matters concerning the Programme.

This Base Prospectus, together with all Supplements, and the relevant Final Terms, should be read in their entirety before deciding whether to acquire any Notes. This Base Prospectus is valid for twelve (12) months from the date of publication. This Base Prospectus, any Supplement and any Final Terms reflect their status as at their respective dates of issue.

The Base Prospectus, the Final Terms and/or the offering, sale or delivery of any Notes may not be taken as an implication that (i) the information contained in such documents is accurate and complete subsequent to their respective dates of issue, (ii) there has been no adverse change in the financial condition of the Issuer since such dates or (iii) any other information supplied in connection with the Programme 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.

This Base Prospectus and/or the Final Terms do not constitute, and may not be used for the purposes of an offer, invitation or solicitation to any person (i) in any jurisdiction in which such offer, invitation or solicitation is not authorised, (ii) in any jurisdiction in which any person making such offer, invitation or solicitation is not qualified to do so or (iii) to whom it is unlawful to make such offer, invitation or solicitation. The distribution of this Base Prospectus and/or the Final Terms 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 Notes will not be registered under the United States Securities Act of 1933, as amended. The Notes may not be offered, sold or delivered within the United States or to U.S. persons (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended). The Notes may only be offered, sold or delivered to, and accepted by, 'qualified investors' (as such term is defined in the Prospectus Directive).

The Notes issued under the Programme will be listed and admitted to trading on European Wholesale Securities Market. The European Wholesale Securities Market is a 'regulated market' for the purposes of MiFID that is authorised by the MFSA.

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 Programme, you should consult a licensed investment adviser.

The Notes, all the rights and obligations of the Noteholders and the Issuer, and any non-contractual obligations arising out of or in connection with the Notes, shall be governed by and construed in accordance with Maltese law. The Courts of Malta shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes, all the rights and obligations of the Noteholders and/or the Issuer, and any non-contractual obligations arising out of or in connection with the Notes. 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.

This Prospectus can only be used for the purposes for which it has been published.

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Definitions

The following words and expressions shall bear the following meanings, except where the context otherwise requires:

Account Bank	SATABANK P.L.C., an MFSA licensed credit institution in terms of the Banking Act, Chapter 371 of the laws of Malta;
Agency Agreement	the agreement between the Issuer and the Agent dated on or around the date of this Base Prospectus pursuant to which the Agent is appointed as the Issuer's subscription agent and paying agent in respect of the Notes;
Agent	Alter Domus (Services) Malta Limited with registration number C50530 of Vision Exchange Building, Territorials Street, Mriehel, Birkirkara, Malta, in its capacity as the Issuer's subscription agent and paying agent pursuant to the terms of the Agency Agreement;
Applicant	a person whose name, or persons whose names in the case of joint applicants, appear in the registration details of an Application Form;
Approved Investors	Applicants whose Application Forms have been accepted and approved by the Issuer or the Agent on behalf of the Issuer;
Application Form	the application for subscription of the Notes, copies of which are available from the Issuer or the Agent upon request;
Asset Pool	the Issuer's pool of assets that backs the issue of the Notes, which pool is comprised of the Eligible Assets and all payments due to the Issuer in respect of the Eligible Assets;
Base Prospectus	this document in its entirety;
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;
Board	the board of directors of the Issuer;
Companies Act	the Companies Act, Chapter 386 of the laws of Malta;
Directors	the directors of the Issuer;
Eligible Assets	the Italian Notes;
Eligible Investors	persons who are 'qualified investors' (as that term is defined in Article 2 of the Prospectus Directive) and that are not 'U.S. persons' (as that term is defined in Regulation S of the U.S. Securities Act of 1933, as amended);
EUR, Euro or €	the lawful currency of the Eurozone, being the region comprised

	of Member States of the European Union that have and continue to adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union and by the Treaty of Amsterdam;
Event of Default	each event specified as an event of default in Section 10.12.1;
EWSM	the European Wholesale Securities Market, a ‘regulated market’ for the purposes of MiFID that is authorised by the MFSA;
Final Terms	the final terms applicable to a Series that will published by the Issuer from time to time in the form set out in Section 11 to this Base Prospectus;
Financial Markets Act	the Financial Markets Act, Chapter 345 of the laws of Malta;
Income Tax Act	the Income Tax Act, Chapter 123 of the laws of Malta;
Interest Payment Date	in respect of a Series, the semi-annual interest payment dates (and the maturity date if different from either of the semi-annual interest payment dates) in which interest payable on the Notes shall be paid, which date/s shall be indicated in the Final Terms for that Series;
Interest/Interest Rate	the percentage interest rate per annum of a Series, which shall be indicated in the Final Terms for that Series and which shall be 6% in the case of all Series as may be issued by the Company from time to time;
Investment Services Act	the Investment Services Act, Chapter 370 of the laws of Malta;
Interest Commencement Date	the Issue Date;
Issue Date	the issue date of a Series, which shall be indicated in the Final Terms for that Series;
Issue Price	the issue price of a Series, which shall be indicated in the Final Terms for that Series;
Issuer	MATA FINANCE P.L.C., a public limited liability company registered under the laws of Malta with company registration number C 78087 and having its registered office at 171, Old Bakery Street, Valletta VLT 1455, Malta;
Italian Banks	Banca Nazionale del Lavoro, Banca Popolare di Bari, Banca Popolare Emilio Romagna, Banca Intesa San Paolo and other banks ‘di credito cooperativo’ as may be indicated in the Final Terms for a Series;
Italian Notes	senior asset backed notes issued by the Italian SPV in respect of the relevant Italian Notes Segregated Patrimony, which notes will be backed by the respective Underlying Claims that are transferred or assigned to the Italian SPV in respect of the

	relevant Italian Notes Segregated Patrimony;
Italian Notes Segregated Patrimony	each segregated patrimony of the Italian SPV comprised of specific Underlying Claims and the proceeds of the relevant Underlying Claims;
Italian Securitisation Law	Italian Law No. 130 of 30 April 1999, as amended and supplemented from time to time;
Italian SPV	Mata Finance 130 S.r.l., a private limited liability company incorporated in Italy on the 9 th March 2017 as a special purpose vehicle subject to the provisions of the Italian Securitisation Law with tax registration number 09838440965 and with its registered address at Via Pestalozza no.4, Milano, Italy;
Italian SPV Arranger	Milliora Finanza srl with tax registration number 01586430702 and its registered office at Via Stresa no.16, Milano, Italy;
Italian SPV Servicer	Zenith Service spa, registration number 32590.2, an Italian company which is a financial intermediary enrolled under art. 106 of the Banking Act of Italy with offices in Milan, Via Alessandro Pestalozza 12/14 and in Rome at Via G.A. Guattani 4;
Laws of Malta	the laws of Malta;
Listing Agent	ISE Listing Services of 28 Anglesea Street, Dublin 2, Ireland;
Listing Authority	the MFSA, appointed as Listing Authority for the EWSM for the purposes of the Financial Markets Act;
Listing Rules	the Listing Rules for Wholesale Securities Markets issued by the Listing Authority and the Guidelines for Listing and Trading on the European Wholesale Securities Market issued by the EWSM;
Maturity Date	the maturity date of a Series, which maturity date shall be indicated in the Final Terms for that Series;
Memorandum and/or Articles of Association	the memorandum and articles of association of the Issuer in force at the time of publication of this Base Prospectus;
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;
MFSA	Malta Financial Services Authority as established under the Malta Financial Services Authority Act (Chapter 330 of the Laws of Malta;
Nominal Value	in respect of each Note, EUR 100,000;
Non-Performing Loans	a portfolio of loans secured by hypothecs over immovable property situated in Italy, originated by the Italian Banks and

	acquired by the Italian SPV;
Noteholder/s	any holder/s of the Notes from time to time, as evidenced by a entry in the register of Notes;
Noteholder Agreement	the agreement in respect of the Notes entered into by the Issuer and the Noteholder Representative on or prior to the Issue Date of the first Series which will also contain the Terms and Conditions;
Noteholder Representative	Alter Domus Trustee Services (Malta) Limited, a private limited liability company, with company registration number C 63887 and its registered office at Vision Exchange Building, Territorials Street, Mriehel, Birkirkara;
Operating Account	the Issuer's operating account with the Account Bank;
Programme	the €1,000,000 6% asset backed note programme to which this Base Prospectus relates and under which the Notes will be issued on a continuous basis in multiple Series subject to a minimum issuance of €1,000,000 (in principal amount of Notes issued) for each Series;
Prospectus	this Base Prospectus in its entirety, together with any Supplements and the relevant Final Terms for each issue of Notes;
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, and as amended by Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010;
Prospectus Regulation	Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive as amended by Commission Delegated Regulation (EU) No 486/2012 of 30 March 2012 and as further amended by Commission Regulation (EU) No 862/2012;
Series	each series of Notes backed by the respective Series of Italian Notes to be issued by the Issuer under the Programme in accordance with the provisions of this Base Prospectus (as may be amended, supplemented and updated from time to time) and the applicable Final Terms;
Series of Italian Notes	each series of senior asset backed notes issued by the Italian SPV in respect of the relevant Italian Notes Segregated Patrimony, which notes will be backed by the respective Underlying Claims that are transferred or assigned to the Italian SPV in respect of the relevant Italian Notes Segregated Patrimony;
Subscription Account	the Issuer's subscription account with the Account Bank;
Supplement	any supplement to this Base Prospectus which may be issued from time to time by the Issuer;

Supplemental Noteholder Agreement	the supplemental agreement in respect of each Series that shall incorporate the Terms and Conditions of the Notes set out in the Noteholder Agreement as well as those Terms and Conditions set out in the Final Terms for that Series;
Terms and Conditions	the terms and conditions applicable to each Series that are described in Section 10, as completed or supplemented by the Final Terms for the relevant Series;
Underlying Claims	a pool of monetary claims comprised of the Non-Performing Loans and other rights arising therefrom;
Underlying Debtors	the debtors of the Italian SPV in respect of the Underlying Claims, namely the borrowers in respect of the Non-Performing Loans.

1. Risk Factors

1.1 General

An investment in the Notes issued by the Issuer involves certain risks, including but not limited to those risks described in this Section. The following risks are those identified by the Issuer as at the date of this Base Prospectus. Prospective investors should carefully consider, together with their independent financial and other professional advisers, the following risk factors (not listed in order of priority) and other investment considerations as well as all the other information contained in the Prospectus before deciding to make an investment in the Issuer and the Notes.

Some of these risks are subject to contingencies that may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingencies occurring. The sequence in which the risks below are listed is not intended to be indicative of any order of probability of a particular cause of loss arising or of the extent of that loss should it arise.

Should any of the risks described below materialise, they could have a serious adverse effect on the Issuer's financial results and trading prospects and the ability of the Issuer to fulfil its obligations under the Notes.

The risks and uncertainties discussed below may not be the only ones that the Issuer faces. Additional risks and uncertainties, including those the Directors of the Issuer may not currently be aware of, could well result in a material impact on the financial condition and operational performance of the Issuer. Accordingly, prospective investors should make their own independent evaluation of all risk factors, and should carefully read, consider and understand the Prospectus as a whole before investing in the Notes. In addition, prospective investors ought to be aware that risk may be amplified due to a combination of risk factors.

1.2 Forward Looking Statements

This document includes statements that are or may be deemed to be "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements are based purely on the intentions, beliefs or current expectations of the Issuer and/or the Directors. There can be no assurance that the results and events contemplated by the forward-looking statements contained in this Base Prospectus will occur.

Forward-looking statements, by their very nature, involve substantial uncertainties because they relate to events and depend on circumstances that may or may not occur in the future, many of which are beyond the Issuer's control. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer's actual results of operations and financial condition may, as a result of many different factors, differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the results of operations and financial condition of the Issuer are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Subject to its legal and regulatory obligations (including those under the Listing Rules), the Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

1.3 Risks Relating to the Issuer

1.3.1 Limited Source of Funds for Payments to Noteholders

The Issuer will have no assets other than the Eligible Assets and any payments received by the Issuer in respect of the Eligible Assets. While the expected returns on the Eligible Assets are discussed herein, there can be no assurance that there will be sufficient funds in the Asset Pool to enable the Issuer to pay interest when due on the Notes and/or to repay the principal on the Notes on the Maturity Date, in whole or in part.

1.3.2 No Current Income

The Issuer's investment policies should be considered speculative as there can be no assurance that the assessment of the prospectus of the Issuer's investments, will generate a return sufficient for the Issuer to meet its obligations to Noteholders.

1.3.3 Credit Risk

The Issuer is subject to the credit risk of the Italian SPV since the Asset Pool will consist of the Italian Notes and payments due to the issuer in respect thereof. Any default or inability of the Italian SPV to pay the Issuer amounts due in respect of the Eligible Assets may result in the inability of the Issuer to meet its obligations, in whole or in part, to Noteholders under the Notes.

1.3.4 Liquidity Risk

The Issuer is also subject to liquidity risk, which is the risk that the Issuer may be unable to meet its obligations as they become due. The ability of the Issuer to meet its obligations in respect of the Notes is dependent on, *inter alia*, the timely payment of any amounts due by the Italian SPV under the Eligible Assets. The Issuer is subject to the risk of delay arising between the scheduled payment dates for interest, dividends or other distributions owed to the Issuer in respect of the Eligible Assets and the date of actual receipt of those payments, dividends or other distributions. Any delay in payments due to the Issuer in respect of the Eligible Assets could result in a delay in payments due by the Issuer to Noteholders under the Notes.

1.3.5 Special Purpose Vehicle / Limited Operating History

The Issuer is a special purpose vehicle established for the purpose of issuing asset backed securities such as the Notes. The Issuer was incorporated on the 14th November 2016 and therefore has a limited operating history that can be evaluated as a basis for the Issuer's potential performance.

1.3.6 Market Risk

The Eligible Assets are subject to normal market fluctuations and the risks inherent in investment in the international securities markets. There can be no assurance that the Eligible Assets will appreciate in value or will not depreciate in value or produce the expected returns necessary for the Issuer to meet its obligations to the Noteholders.

1.3.7 Concentration Risk

Concentration risk may arise because of lack of diversification in the Issuer's business that may lead to excessive exposure or concentration in one counterparty or group of connected counterparties. The Issuer is a special purpose vehicle and the Issuer's business is therefore, by definition, not diversified. Moreover, the Eligible Assets consist of the Italian Notes, which means that the Issuer's financial position and its ability to meet its obligations to Noteholders is and will be solely dependent on the Italian SPV's ability to meet its obligations to the Issuer under the Italian Notes.

1.3.8 Currency Risk

The investments of the Issuer are denominated in the same currency as the Notes i.e. in Euro. Should the Issuer invest in Eligible Assets that are denominated in a currency other than Euro, the Issuer may be subject to, and its ability to meet its obligations in respect of the Notes affected adversely by, exchange rate movements.

1.4 Risks Relating to the Italian SPV

1.4.1 The Italian Securitisation Law

The Italian SPV was established to undertake securitisation transactions in accordance with the Italian Securitisation Law. As at the date of this Prospectus, limited interpretation of the application of the Securitisation Law has been issued by any Italian governmental or regulatory authority. Consequently, it is possible that such authorities may issue further regulations relating to the Securitisation Law or to the interpretation thereof, the impact of which cannot be predicted by the Issuer or any other party as at the date of this Prospectus.

1.4.2 Credit Risk

The Italian SPV is subject to the risk of default in payment by the Underlying Debtors, including any failure by the Italian SPV Servicer to collect or recover sufficient funds in respect of the Underlying Claims for the Italian SPV to discharge all amounts payable under the Italian Notes. The Issuer is therefore, albeit indirectly, also subject to the credit risk of the Underlying Debtors defaulting on their obligations in respect of the Underlying Claims.

1.4.3 Liquidity Risk

Liquidity risk is the risk that the Issuer may be unable to meet its obligations as they become due. The Italian SPV is subject to the risk of delay arising between the scheduled payment dates for the Underlying Claims and actual receipt of payments due from Underlying Debtors. As the Italian Notes and the proceeds therefrom constitute the Asset Pool, any delay in payments due by the Underlying Debtors to the Italian SPV in respect of the Underlying Claims could result in a delay in payments due by the Italian SPV to the Issuer under the Italian Notes, which could in turn result in a delay in payments due by the Issuer to Noteholders under the Notes.

1.4.4 Concentration and Counterparty Risk

The Italian SPV's obligations to the Issuer under the Italian Notes are backed and funded by a large portfolio of Underlying Claims. However, the Underlying Claims are concentrated in a very narrow market segment, namely the Non-Performing Loans, which are further concentrated by geography. The lack of diversification in terms of the type of Underlying Claims means that the materialisation of any number of risks adversely affecting those markets as a whole (including but not limited to a severe or extended economic downturn of Italy's economy) will impact the financial condition of both the Underlying Debtors and the Italian SPV and the ability of the Italian SPV to meet its obligations to the Issuer in respect of the Italian Notes.

1.4.5 No Independent Investigation of the Underlying Claims

The ability of the Italian SPV to satisfy its obligations to the Issuer is dependent on the proceeds received by the Italian SPV in respect of the Underlying Claims. None of the Issuer, the Directors, the Noteholder Representative and the Agent, will carry out or is obliged to carry out any due diligence in respect of any of the Underlying Claims assigned and transferred to the Italian SPV that will back the issue of the Italian Notes, nor will any of them undertake any investigation, search or other action to verify the details of the Underlying Claims or to establish the creditworthiness of the Underlying Debtors. There can be no assurance that the assumptions used by the Italian SPV and/or its service providers in modelling the cash flows of the Underlying Claims will accurately reflect the status of the Underlying Claims.

1.4.6 Non-Performing Loans

The Underlying Claims backing the issue of the Italian Notes relate to the Non-Performing Loans. Investing in Non-performing loans is inherently risky. Non-performing loans are, by definition, loans that are in default or at least close to default. There can be no guarantee that the Underlying Debtors will not default under the Non-Performing Loans and/or that they will continue to perform thereunder. In fact, it is highly likely that one or more Underlying Debtors could fail to make payments in respect of the Non-Performing Loans. Adverse changes in economic conditions, in particular, may affect the ability of the Underlying Debtors to repay the Non-Performing Loans.

The recovery of overdue amounts in respect of the Non-Performing Loans will be affected by the length of enforcement proceedings in respect of the Non-Performing Loans, which in the Republic of Italy can take a considerable amount of time depending on the type of action required and where such action is taken. Certain courts may take longer than the national average to enforce the Non-Performing Loans and more proceedings may be further protracted if a payment injunction is required or if the Underlying Debtor raises a defence or counterclaim to the proceedings.

1.4.7 Competition

The Italian SPV may encounter competition in the market for purchasing the Underlying Claims. This competition may influence the price paid by the Italian SPV for the Underlying Claims and may also impact the Italian SPV's ability to acquire enough policies to meet its investment objective, and in turn, its obligations to the Issuer in respect of the Italian Notes.

1.4.8 Changes in Applicable Law and Regulation

The Italian SPV is subject to the Italian Securitisation Law and all other applicable Italian laws. Any change in Italian law or regulation may make it more difficult to purchase and/or make collections on the Underlying Claims, which adverse change could cause the Italian SPV severe problems in its attempt to implement its investment objectives, including impairment of its expected recoveries and its ability to meet its obligations to the Issuer in respect of the Italian Notes. Any adverse change in Italian law or regulation may also have a material and adverse effect on the Italian SPV's ability to sell the Underlying Claims in the secondary market should it need to do so.

1.4.9 Failure of Service Providers

The Italian SPV is entirely reliant on its service providers (including the Italian SPV Arranger and the Italian SPV Servicer). Failure of any service provider to carry out its obligations to the Italian SPV could have a materially detrimental effect on the operations of the Italian SPV and potentially its ability to meet its obligations to the Issuer in respect of the Italian Notes.

1.4.10 Italian Withholding and Other Taxes

No disclosure is made in this Base Prospectus in respect of taxation in Italy, whether in relation to payments made in respect of the Italian Notes, in respect of the Underlying Claims or in respect of the Italian SPV generally. There can be no assurance that the Italian SPV and/or payments to the Issuer in respect of the Italian Notes will not be subject to withholding or other taxes, which could materially affect the ability of the Italian SPV to meet its obligations to the Issuer in respect of the Italian Notes.

1.5 Risks Relating to the Notes

1.5.1 No Assurance of Active Secondary Market for the Notes

As of the date of this Base Prospectus, no securities of the Issuer have been listed on any stock or other recognised or regulated investment exchange. The existence of an orderly and liquid market for the Notes will depend on a number of factors, including the presence of willing buyers and sellers of the Notes at any given time and over whom the Issuer has no control. Accordingly, it is impossible to guarantee a liquid or any secondary market for the Notes or that such a market, should it develop, will subsist. Illiquidity can have a severe adverse effect on the market value of the Notes and the price quoted by Noteholders for Notes already admitted to trading on the EWSM may be at a significant discount to the original purchase price of those Notes. There can be no assurance that Noteholders will be able to sell the Notes at or above the price at which the Issuer issued the Notes or at all.

1.5.2 No Rating

The Issuer does not intend to request any rating of the Notes, whether by an internationally recognised rating agency or otherwise. The lack of a rating may adversely affect the transfer of the Notes by the Noteholders.

1.5.3 Risks Relating to Fixed Rate Debt Securities

The Notes are fixed rate notes. Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the market value of the Notes. Investors should be aware that because of the way yield is typically calculated by market participants, the price of fixed income securities tends to move in a way that is inversely proportional to changes in interest rates. Accordingly, when prevailing market interest rates are rising, the prices that market participants will generally be willing to pay for the Notes can be expected to decline. Conversely, if market interest rates are declining, secondary market prices for the Notes will tend to rise. Moreover, fixed rate debt securities with a longer period to maturity will tend to reflect a greater degree of secondary market price volatility relative to movements in market interest rates when compared to fixed rate debt securities with a shorter remaining life.

1.5.4 Discontinuation of Listing

Even after the Notes are admitted to trading on the EWSM, the Issuer is required to remain in compliance with certain requirements relating, *inter alia*, to the free transferability, clearance and settlement of the Notes in order to remain a listed company in good standing. Moreover, the Listing Authority has the authority to suspend trading or listing of the Notes if, *inter alia*, it determines that such action is required for the protection of investors or of the integrity or reputation of the market. The Listing Authority may also discontinue the listing of the Notes on the EWSM. Any trading suspension or listing discontinuation described above could have a material adverse effect on the liquidity and value of the Notes.

1.5.5 Change of Law

The Terms and Conditions of Notes offered pursuant to this Base Prospectus are based on Maltese law in effect as at the date hereof. 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.

1.5.6 Liability for the Notes and Limited Enforcement Rights

The Notes are an obligation of the Issuer only and do not establish any liability or other obligation of any other person mentioned in this Base Prospectus including but not limited to the Noteholder Representative, the Agent, the Account Bank and/or any of the Issuer's other service providers. Moreover, the protection and exercise of the Noteholders' rights against the Issuer and the enforcement of any claims under the Notes must be exercised through the Noteholder Representative as specified in the Noteholder Agreement, which therefore limits the Noteholders from enforcing their rights against the Issuer through individual actions (or even collectively without the involvement of the Noteholder Representative).

1.5.7 Limited Recourse Obligations

The sole purpose of the issue of the Notes is to provide the funds for the Issuer to acquire the Italian Notes. The Notes constitute unsecured limited recourse obligations of the Issuer and the Issuer will not have any obligation to the Noteholders other than the obligation to account to the Noteholders for any amounts due and payable by the Issuer under the Notes from payments and proceeds received and retained (net of tax and expenses) by, or for the account of, the Issuer in respect of the relevant Eligible Asset forming part of the Asset Pool that have been acquired by the Issuer from the proceeds of the issuance of the respective Notes on which any payment is due formed part, and this pursuant to the contractual segregation of assets described in paragraph 5.2 below.

In the event that the amount due and payable by the Issuer under the Notes exceeds the sums so received or recovered and retained (net of tax and expenses), by, or for the account of, the Issuer in respect of the relevant Eligible Asset, the right of any Noteholder to claim payment of any amount exceeding such sums from the Issuer shall be extinguished, and the Noteholders may not take any further action against the Issuer (including in respect of the Asset Pool) to recover such amounts. It is therefore possible that the Noteholders may not receive some or all payments due under the Notes to the extent that the proceeds received by the Issuer in respect of the Eligible Assets forming part of the Asset Pool that have been acquired by the Issuer from the proceeds of the issuance of the respective Series of which the Notes formed part, are insufficient to enable the Issuer to meet those payment obligations to Noteholders.

Notwithstanding the above, since there is no guarantee that, in the event that the Issuer is wound up, the contractual segregation of Eligible Assets within the Asset Pool in terms of paragraph 5.2 below will be enforced by a Court of law, the obligation of the Issuer to account to the Noteholders any amount due and payable on any Notes, may, in the event of a winding up of the Issuer, extend to the Asset Pool.

THE FOREGOING RISK FACTORS ARE NOT EXHAUSTIVE AND DO NOT PURPORT TO BE A COMPLETE LIST OF ALL OF THE RISKS AND CONSIDERATIONS INVOLVED IN INVESTING IN THE NOTES. IN PARTICULAR, THE ISSUER'S PERFORMANCE MAY BE AFFECTED BY CHANGES IN MARKET OR ECONOMIC CONDITIONS AS WELL AS LEGAL, REGULATORY AND TAX REQUIREMENTS APPLICABLE TO THE ISSUER, THE ITALIAN SPV AND/OR THE NOTES.

2. PERSONS RESPONSIBLE

All of the Directors whose names appear under Section 4.3.1 of this Base Prospectus are the persons responsible for the information contained in this Base Prospectus. To the best of the knowledge and belief of the Directors the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect its import, and the Directors have taken all reasonable care to ensure that this is the case. The Directors accept responsibility accordingly.

3. ADVISORS AND STATUTORY AUDITORS

3.1 Advisors

Legal Counsel	GANADO Advocates 171, Old Bakery Street Valletta, VLT 1455 Malta
Tax Advisors	RSM Malta Mdina Road Zebbug, ZBG9015, Malta
Listing Agent	ISE Listing Services 28 Anglesea Street Dublin 2 Ireland

The services of the Issuer's legal counsel in respect of this Base Prospectus are limited to those specific matters upon which it has been consulted. There may be other matters that would have a bearing on the Issuer or an investment in the Notes upon which the Issuer's legal counsel has not been consulted. The Issuer's legal counsel does not undertake to monitor the compliance by the Issuer with its obligations as described in this Base Prospectus, nor does it monitor the Issuer's activities for compliance with applicable laws. Additionally the Issuer's legal counsel has relied and continues to rely upon information furnished to it by the Issuer and the Directors, and has not investigated or verified nor will it investigate or verify the accuracy and completeness of information set out herein concerning the Issuer, the Agent, the Noteholder Representative, the Italian SPV, the Italian SPV Arranger, the Italian SPV Servicer or any other service providers to the Issuer or the Italian SPV or any other parties involved in the issue of the Notes (including all of their respective affiliates, directors, officers, employees and agents). Moreover, the Issuer's legal counsel accepts no responsibility for any description of matters in this Base Prospectus that relate to (and any issues arising from) any applicable law that is not Maltese law.

3.2 Statutory Auditors

RSM MALTA of Mdina Road, Zebbug, ZBG9015, Malta, have been appointed as the Issuer's statutory auditors until the next general meeting of the Issuer. RSM MALTA, 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 (Chapter 281 of the laws of Malta). RSM Malta is a registered audit firm with the Accountancy Board of Malta with registration number AB/26/84/53.

4. THE ISSUER

4.1 Information about the Issuer

Legal & Commercial Name: MATA FINANCE P.L.C.

Company Registration Number: C 78087

Legal Form: public limited company established under the Companies Act

Place of Registration & Domicile: Malta

Date of Registration: 14 November 2016

Registered Office Address: 171, Old Bakery Street, Valletta, VLT 1455, Malta

Telephone Number: [•]

E-mail Address: matafinanceplc1@gmail.com

4.2 Business Overview

The Issuer was established as special purpose vehicle for the purpose of issuing asset backed securities such as the Notes.

The Issuer's business is limited to the acquisition of the Eligible Assets, the management of the Asset Pool and the financing of its activities through the issuance of asset backed securities. The Issuer does not carry on any other business.

4.3 Administrative, Management and Supervisory Bodies

4.3.1 The Board

As at the date of this Base Prospectus, the Board is composed of the following persons, whose *curricula vitae* can be found in Section 4.3.2 below:

Mr. Luca Galli

Mr. Carlo Vimercati

The Chairman of the Board is Mr. Carlo Vimercati. The Managing Director is Mr. Luca Galli. The business address of the Directors is that of the Issuer.

4.3.2 Curriculum Vitae of the Directors

Mr. Luca Galli is an electrical engineer by qualification from the Politecnico di Milano and acts as management consultant. He was born in Italy on the 16th June 1969. He is the owner and founder of LG Real Estate & Consulting a company which Luca developed around his professional practice as a financial consultant to companies in particular those requiring extraordinary restructuring of their affairs. He is also the chief executive and shareholder of Valle Oolona Costruzioni srl which operates in construction and real estate. He acts as president and is also a shareholder of ENIAC TLC srl a company operating in the transportation of energy and data. Luca is involved in the management bodies of a number of high profile institutions such as the Fondazione Minoprio where he acts as director general of its professional agricultural school since 2012, Serenissima sgr spa where he is the president of the board of directors since 2014 of the company which manages closed-ended funds investing in real estate with assets under management of euro1.4 billion, he is the president of the Fondazione Comunitaria del Varesotto which he has founded and set up with the province of Varese in Italy, he sits on the board of directors of A4 Holding spa which is the holding company which manages the A4 Serenissima autostrada. He has occupied a number of posts in several enterprises during his career involved in a number of areas principally in the management of real estate, closed-ended real estate funds, banks (such as Banca IMI spa, Mediocredito Italiano spa, Cassa di Risparmio di Foligno spa, San Paolo IMI Fondi Chiusi sgr spa, Cassa di Risparmio di Viterbo spa, Cassa di Risparmio di Ascoli Piceno spa).

Mr. Carlo Vimercati is an Italian national born on the 10th November 1956. He graduated in philosophy and literature from the Università Cattolica di Milano in 1982. Carlo acts as director on a number of companies and he is also heavily involved in various commercial and non-commercial enterprises in a leadership capacity. He is currently one of the administrators on the Fondazione Cassa di Risparmio delle Province Lombarde with main offices in Milan. Since 1996 he has acted as a member on the executive committee of Fondazione Cariplo. Mr. Vimercati is also the president of the Fondazione della Comunità Bergamasca since 2001 and is also the president of the management committee of the Fondo Speciale per il Volontariato within the region of Lombardy, Italy. Carlo sits on various boards, committees, administrative, management and executive bodies and has extensive experience in corporate governance matters as well as corporate management and responsibility.

4.3.3 No Audit Committee

The primary purpose of an audit committee is to protect the interests of the company's shareholders and assist the Directors in conducting their role effectively. As the Issuer's shareholders are private stakeholders (and not investors in the Notes being offered pursuant to the Prospectus) and also given the size, nature and (lack of) complexity of the Issuer's business, the Directors have determined that it is not necessary, appropriate or feasible to establish an audit committee.

4.4 Capital Structure and Major Shareholder

As at the date of this Prospectus, the Issuer's authorised share capital is EUR50,000, divided into 49,999 Ordinary A Shares and 1 Ordinary B Share, all having a nominal value of EUR 1 each. The Issuer's issued share capital is EUR 46,612, divided into 46,611 Ordinary A Shares and 1 Ordinary B Share, all 25% paid-up.

The holders of the Ordinary A Shares have the right to vote, appoint directors, participate in any dividend distributions, and to any surplus profits and a return of capital upon the Issuer's winding up. The holder of the Ordinary B Share do not have the right to vote, appoint directors or participate in any dividend distributions of the Issuer and shall only be entitled to a return of the nominal value of the Ordinary B Share upon the Issuer's winding up.

All of the Ordinary A Shares in issue are held by MATA Foundation, a Maltese purpose foundation (i.e. with no beneficiaries) registered with Registrar for Legal Persons registration number LPF-217 of 176, Old Bakery Street, Valletta, VLT 1455. The Ordinary B Share is held by MATA SPA an Italian limited liability company with registration number MI-2075743 of Via Freguglia Carlo 10, Milano (MI) CAP 20122, Italy.

4.5 Interests of Persons Involved in the Issue

As at the date of this Base Prospectus none of the Directors hold any shares or share options in the Issuer, directly or indirectly.

The Directors have no understanding or arrangement with the Issuer or the Italian SPV, whether related to the issue of the Notes or otherwise.

There are no potential conflicts of interest between the duties to the Issuer of its directors and their private interests and/or other duties. Potential conflicts of interest situations regarding Board members are specifically regulated by the Companies Act and by Article 107 of the Articles of Association, pursuant to which a Director is required to declare his interest in any contract or arrangement which is being discussed by the Board, even though he shall not be precluded from voting on that contract or arrangement at the meeting. Moreover, the minutes of Board meetings will invariably include a suitable record of such declaration and of the action taken by the individual Director concerned. There are no other measures in place to manage conflicts of interest (at board level or otherwise) or to ensure that the control of the Issuer's majority shareholder is not abused, as none have been deemed necessary by the Issuer.

4.6 Financial Information

As at the date of this Base Prospectus, the Issuer has not yet made up financial statements (audited or unaudited) for its first accounting reference period.

4.7 Legal and arbitration proceedings

There have not been any governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Issuer is aware) during the period since the Issuer's incorporation in November 2016, which may have or have had significant effects on the Issuer's financial position or profitability.

5. THE ASSET POOL

5.1 Eligible Assets

The Notes are backed by the Asset Pool which consists of Eligible Assets and the proceeds therefrom. The Issuer is permitted to acquire only Eligible Assets, i.e. the Italian Notes. Moreover, the Board will ensure that all Eligible Assets acquired by the Issuer will (unless acquired for cash management purposes) have characteristics that demonstrate the capacity to produce funds to service any payments due and payable on the Notes.

The Issuer may, solely for liquidity and cash management purposes, also acquire certain Eligible Assets that (when considered on their own and not as part of the Asset Pool) do not necessarily have the capacity to produce funds to service payments due and payable on the Notes.

The Issuer has the right to substitute Eligible Assets within the Asset Pool with other Eligible Assets, provided that in the Board's opinion, it is expected that the new Eligible Assets substituting the existing Eligible Assets will provide the Issuer with a return at least equivalent to the existing Eligible Assets being substituted (always with a view to ensuring that the Asset Pool has the ability to produce sufficient funds to service all payments due and payable on the Notes). The Issuer shall not substitute any Eligible Assets with assets that are not Eligible Assets.

5.2 No Segregation of Eligible Assets

Applicants should understand that further Eligible Assets may be added to the Asset Pool from time to time using the proceeds of each Series.

The proceeds from the issue of a Series will be used as follows:

Eighty per cent (80%) to acquire the respective Eligible Assets; and

Twenty per cent (20%) will be retained for cash management and liquidity purposes.

Although there will be no legal segregation of the Eligible Assets within the Asset Pool, Eligible Assets, once acquired by the Issuer, will be contractually segregated from other Eligible Assets within the Asset Pool since each tranche of Italian Notes, which will be subscribed for by the Company from the proceeds of the issuance of each respective Series, will be contractually constituted as a segregated patrimony in terms of Italian law at the level of the Italian SPV. The payment of interest and repayment of principal on each Series will be backed by the relevant Eligible Assets that have been acquired by the Issuer from the proceeds of the issuance of the respective Series, and contractually segregated from the rest, for this purpose. In other words there will be segregation of Assets on a Series by Series basis. The payment of interest and repayment of principal on that Series will be funded by the returns from those Eligible Assets that have been acquired by the Issuer from the proceeds of the issuance of the respective Series. Conversely, funds produced by those particular Eligible Assets acquired from the proceeds of that Series will be available for the payment of interest and repayment of principal of that Series only and not of other Series.

5.3 The Italian Notes

The Asset Pool and Eligible Assets shall consist solely of the Italian Notes and proceeds issued thereunder.

The Italian Notes are denominated in Euro and with a denomination per unit of EUR 100,000. The Italian Notes pay a fixed rate of interest of seven percent (7%) per annum, payable semi-annually. The Italian Notes are governed by Italian law and will be in fully certificated form and will not be dematerialised.

The Italian Notes have short to medium term maturities and will not be redeemable prior to their maturity date. The specific maturity of the Italian Notes acquired by the Issuer from time to time will vary but will in no event be more than five (5) years.

The Italian Notes are debt instruments that constitute limited recourse obligations of the Italian SPV. Each Series of Italian Notes are backed by certain Underlying Claims which, for various reasons, the Italian SPV is able to acquire at a significant discount to the actual value of the Underlying Claims. Pursuant to the Italian Securitisation Law the Underlying Claims that have been acquired by the Italian SPV from the proceeds of the issuance of the respective Series of Italian Notes, and any proceeds collected from the relevant Underlying Claims constitute a segregated patrimony of the Italian SPV and the obligations of the Italian SPV to the Issuer in respect of the Series of Italian Notes are secured by the assets of this Italian Notes Segregated Patrimony. Each Italian Notes Segregated Patrimony is segregated from all other assets (and liabilities) of the Italian SPV, including any other Italian Notes Segregated Patrimony consisting of other Underlying Claims backing any other Series of Italian Notes and any cash-flow deriving from the Underlying Claims in respect of each Italian Notes Segregated Patrimony will only be available, both prior to and following a winding up of the Italian SPV, to satisfy the obligations of the Italian SPV to the creditors of the respective Italian Notes Segregated Patrimony, i.e. the Issuer, and other creditors in respect of any costs, fees and expenses of the Italian SPV's securitisation operations in respect of Italian Notes Segregated Patrimony.

Since commencing operations the Italian SPV has not issued any debt instruments (other than the Italian Notes). The Italian SPV is not expected to issue any debt instruments to any person other than to the Issuer. The Italian SPV was incorporated by the Issuer as its fully owned subsidiary in order to comply with Italian law on the securitisation of non-performing loans acquired from the Italian Banks and for no other reason. In any event when the Italian SPV will issue further Italian Notes in future it will do so in respect of different portfolios of securitisation assets, with each securitisation transaction (each issue of debt instruments backed by a specific portfolio of assets and/or receivables) undertaken through its own segregated patrimony. The creditors of these segregated patrimonies (i.e. the Issuer relating to such other securitisation transactions of the Italian SPV) will not have any claim against assets or cash-flow of each of the other Italian Notes Segregated Patrimony.

6. THE ITALIAN SPV

6.1 General Information about the Italian SPV

The legal and commercial name of the Italian SPV is '*Mata Finance 130 S.r.l.*'. The Italian SPV was incorporated in Italy on 9th March 2017 as a special purpose vehicle subject to the provisions of the Italian Securitisation Law and established solely for the purpose of carrying on securitisation activities. The Italian SPV will commence its activities simultaneously with the Issuer. The Italian SPV is established for an unlimited duration. The Italian SPV's registered office address is in Via Pestalozza no.4, Milano, Italy. There are no recent events particular to the Italian SPV that are relevant to a material extent for an evaluation of the Italian SPV's solvency.

6.2 Business Overview of the Italian SPV

As indicated above, the Italian SPV was established solely for the purpose of carrying on, and does not carry on any activities other than, securitisation activities. See also Section 5.3 above in relation to the securitisation activities undertaken by the Italian SPV in respect of segregated patrimonies other than the Italian Notes Segregated Patrimony.

The Italian SPV is registered with the Bank of Italy and is required to inform the Bank of Italy within seven (7) days from the acquisition of each portfolio of assets it securitises. The Italian SPV is subject to the supervision of the Bank of Italy to whom it must send periodic statistical information on its assets and liabilities in respect of each securitisation transaction it undertakes, including in respect of the assets and liabilities comprising the Italian Segregated Notes Patrimony, which reports are based on the unaudited financial information of the Italian SPV (the “Italian SPV Reports”).

6.3 Management of the Italian SPV

The sole director of the Italian SPV is Carlo Vimercati who is also a director of the Issuer. Accordingly it cannot be stated that the Italian SPV acts independently from the Issuer and it is in fact fully owned and controlled by the Issuer.

Although Mr. Vimercati is the sole director of the Italian SPV, the management and administration of all of the Italian SPV’s activities is outsourced to the Italian SPV’s service providers, as described in the following Section 6.4. The Italian SPV depends extensively on its service providers which have been engaged to provide it with a number of different services as outlined below, reflecting market practice in this industry.

6.4 Service Providers of the Italian SPV

The promotion and setting up of the Italian SPV’s securitisation operations are undertaken by the Italian SPV Arranger, whose functions include locating the originators of the Underlying Claims, locating potential investors such as the Issuer and negotiating contracts with the Italian SPV’s other service providers. The Italian SPV Arranger is a company experienced in the issuance and management of asset backed securities guaranteed by receivables and/or other movable and property assets.

The Italian SPV has appointed the Italian SPV Servicer to make payments and calculations in relation to the Italian Notes as well as administer and service the Underlying Claims (which includes the collection of all payments on the Underlying Claims) on its behalf. The Italian SPV Servicer is authorised by and subject to the supervision of the Bank of Italy and is required to provide periodic statistical and other reports to the Bank of Italy in relation the Italian SPV’s portfolio of securitised assets.

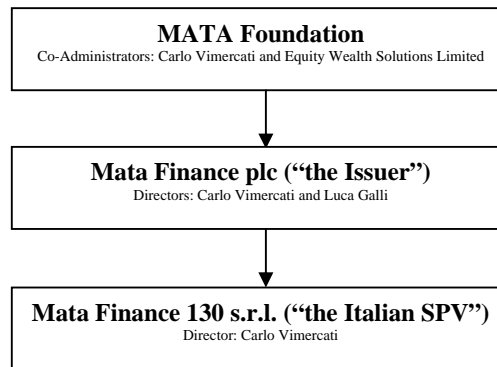
6.5 Major Shareholders of the Italian SPV

The Italian SPV is wholly owned by the Issuer and is not a part of any group. There are presently no arrangements known to the Issuer or the Italian SPV, the operation of which may result in a change of

ownership or control of the Italian SPV. See also Section 6.3 above. As a special purpose vehicle, the Italian SPV relies on the Italian SPV Arranger to perform the functions described in Section 6.4 above, which effectively give the Italian SPV Arranger a certain level of control over the Italian SPV's activities.

6.6 Corporate Structure of the Italian SPV

The Italian SPV is fully owned by the Issuer which is in turn fully owned by the Mata Foundation, a purpose foundation within the meaning of article 32 of the Second Schedule to the Civil Code (Chapter 16 of the Laws of Malta). The said structure can be graphically represented as follows:



6.7 No Statutory Auditors or Audited Financial Information

The Italian SPV is not required to appoint an auditor under Italian law nor are its financial statements required to be reviewed by an auditor. Accordingly, the Italian SPV has no statutory auditor and has no historical audited financial information.

The investors should note that the Italian SPV was established exclusively for the purpose of carrying on securitisation activities and each future securitisation transaction to be undertaken by the Italian SPV will be undertaken through a distinct segregated patrimony of the Italian SPV. In accordance with the Italian Securitisation Law, the assets or cash-flow of a segregated patrimony of the Italian SPV will only be available to satisfy the obligations of the creditors of that segregated patrimony and conversely, those creditors will not have any claim against the assets or cash-flow of the Italian SPV's other segregated patrimonies. As described in Section 5.4 above, each set of Underlying Claims backing a Series of Italian Notes, that have been acquired by the Italian SPV from the proceeds of the issuance of the respective Series of Italian Notes constitute their own segregated patrimony of the Italian SPV, the Italian Notes Segregated Patrimony.

As the Italian SPV has no published historical audited financial information, the Italian SPV (and the Issuer) cannot provide any trend information, including any statement regarding the Italian SPV's financial position, trading position or prospects on the basis of (or in relation to) any historical audited financial information.

Although the Italian SPV does not publish any audited financial information, the Italian SPV Servicer provides the Italian SPV Reports to the Bank of Italy. The Issuer procures the Italian SPV Reports

from the Italian SPV Servicer on an ongoing basis and these are available to prospective Applicants and Noteholders upon request.

6.8 Miscellaneous

So far as the Issuer is aware or able to ascertain, there have not been any governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Issuer is aware) during the period since the Italian SPV's incorporation, which may have or have had significant effects on the Italian SPV's financial position or profitability.

To the best of the Issuer's knowledge, the Italian SPV has not entered into any material contract other than contracts that were entered into in the ordinary course of the Italian SPV's business.

7. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for physical inspection at the Issuer's registered office for the duration of the validity of the Base Prospectus:

- a. The Memorandum and Articles of Association of the Issuer;
- b. The Statute of the Italian SPV;
- c. The Agency Agreement;
- d. The Noteholder Agreement;
- e. The Supplemental Noteholder Agreement; and
- f. The Italian SPV Reports.

8. STRUCTURE OF THE TRANSACTION

8.1 Overview of the Parties to the Transaction

The main parties to the transaction are the Issuer, the Italian SPV, the Agent, the Account Bank and the Noteholder Representative. Substantial detail on the Issuer and the Italian SPV is set out elsewhere in this Base Prospectus.

8.1.1 The Agent

The Agent is an MFSA authorised company service provider in terms of the Company Service Providers Act (Chapter 529 of the Laws of Malta). The Agent's primary business is the provision of corporate services in support of the accounting, tax, regulatory and compliance obligations. The Agent has no relationship with the Italian SPV nor will it have any relationship with any of the other Eligible Asset Obligors. The Agent has been appointed as the Issuer's subscription agent and paying agent pursuant to the Agency Agreement. The main responsibilities of the Agent are (as the

Issuer's agent) the collection and processing of Application Forms and subscription monies from Applicants, ensuring that the Notes are constituted and certificated, and payment of all amounts due and payable to Noteholders in accordance with the Terms and Conditions of the Notes.

The Agency Agreement (and the Agent's appointment pursuant to the Agency Agreement) shall terminate automatically on the date following the Maturity Date on which the Agent has fully performed its duties under the Agency Agreement in respect of the final and full redemption of the Notes. The Agency Agreement may also be terminated at any time by notice in writing by either the Issuer or the Agent upon the occurrence of certain specified events (as set out in further detail in the Agency Agreement) including a material breach of the other party's obligations under the Agency Agreement. If the Agent's appointment is terminated prior to the Maturity Date, the Issuer will, as soon as reasonably practicable appoint a replacement agent to perform the functions of the Agent on substantially the same terms of the Agency Agreement other than those relating to remuneration.

8.1.2 The Noteholder Representative

The Noteholder Representative is an MFSA authorised fiduciary in terms of the Trusts and Trustees Act (Chapter 331 of the Laws of Malta). The Noteholder Representative shall act as the mandatory of each of the Noteholders in accordance with the terms of the Noteholder Agreement and shall have right of access to appropriate and relevant information relating to the Eligible Assets comprising the Asset Pool from time to time. Specifically, the Noteholder Representative will (always pursuant to and subject to the terms of the Noteholder Agreement), act as representative and mandatory of the Noteholders, and hold certain covenants of the Issuer for and on behalf of the Noteholders.

The Issuer is not entitled to remove the Noteholder Representative. The Noteholder Representative may be removed by means of a resolution passed by a resolution in writing of Noteholders holding not less than fifty-one percent (51%) of the outstanding Notes, provided a replacement has also been identified and approved by the Noteholders, also by means of resolution in writing of Noteholders holding not less than fifty-one percent (51%) of the outstanding Notes. The replacement representative selected by the Noteholders will be appointed by the Issuer as soon as reasonably practicable following the removal of the Noteholder Representative at the aforementioned meeting.

8.1.3 The Account Bank

The Account Bank provides the Issuer with the Subscription Account and the Operating Account. SATABANK P.L.C. is a public limited liability company registered under the laws of Malta, with registration number C 66993 and with registered office at Aragon Business Center, Dragonara Road, St.Julians, STJ3140, Malta. SATABANK P.L.C. forms part of a larger group specialised in financial services, which is headquartered in Zurich Switzerland and licensed as a Financial Institution and Information Technology Company. The Account Bank is licensed to carry on the business of banking as a credit institution in terms of the Banking Act (Chapter 371 of the Laws of Malta). The Account Bank assumes no responsibility for the contents of this Base Prospectus. The Account Bank has no duty to monitor or oversee the operations of the Issuer or any of the service providers to, or counterparties of, the Issuer.

8.2 Transaction Structure and Cash Flow

8.2.1 Subscription

Subscription monies from Applicants shall be paid to into the Subscription Account and shall be held in the Subscription Account under the control of the Agent for the Applicants' benefit until the Notes are constituted and registered in the Applicants' names, at which point the subscription monies will be transferred to the Operating Account. The Issuer expects that eighty percent (80%) of the proceeds from the issue of each Series will be invested in Eligible Assets within two (2) to four (4) weeks from the date those proceeds are received in the Operating Account.

The Issuer expects to keep approximately twenty percent (20%) of the proceeds from issue of each Series in the Operating Account for liquidity and cash management purposes and to pay the Issuer's ongoing costs and expenses (including in respect of the issue of each Series). Accordingly, the level of collateralisation in respect of the Notes is expected to be approximately eighty percent (80%).

8.2.2 Payments to Noteholders

Payments to the Issuer in respect of the Eligible Assets are used to fund the Issuer's obligations to the Noteholders in respect of those Notes the proceeds from the issuance of which have been used by the Issuer to purchase the relevant Eligible Assets. There are no other arrangements upon which payment of interest and the repayment of principal to the Noteholders will be dependent.

The Issuer shall not procure any insurance in connection with the Eligible Assets. There is and will be no credit enhancement, liquidity support, or subordinate debt finance (in relation to the issue of Notes or otherwise) nor will the Issuer make any provision to cover principal shortfall risks.

As the Asset Pool is and will continue to be composed of the Italian Notes with a coupon of 7% per annum, the Issuer expects that there will be sufficient funds to service all payments due and payable on the Notes (on which the interest rate is six percent (6%) per annum) and meet all of the Issuer's ongoing costs and expenses.

All amounts due and payable to the Issuer in respect of the Eligible Assets are paid to and received by the Issuer in its Operating Account. All payments of interest and the repayment of principal on the Notes will be effected by the Agent on behalf of the Issuer (as the Issuer's paying agent) from the Operating Account. The Agent will, on behalf of the Issuer, discharge these payment obligations under the Notes by making payments to the accounts of the respective Noteholders indicated in the register of Noteholders.

Both in the event that the Issuer is unable to make payments to all of its creditors and on an ongoing basis prior to any Event of Default, the Agent shall cause the Account Bank to make payments (of any amounts that are due and payable) from the Operating Account in accordance with the following order of priority of:

1. All taxes owed by the Issuer, whether to the Maltese tax authorities or otherwise;
2. Fees and expenses of the Noteholder Representative;
3. Fees and expenses of the Agent;

4. Fees and expenses of the Account Bank;
5. Fees and expenses of the Issuer's other service providers;
6. Payment of accrued and unpaid interest on the Notes; and
7. Repayment of principal of the Notes.

8.2.3 No Post-Issuance Reporting

The Issuer does not nor does it intend to provide post-issuance transaction reporting regarding the Notes and/or the performance of the Asset Pool.

9. THE OFFERING PROGRAMME

9.1 General Description of the Programme

The following general description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and the Final Terms applicable to the relevant Series. This information constitutes a general description of the Programme for the purposes of Article 22(5)(3) of the Prospectus Regulation. The Programme was authorised by the Issuer's board of directors at a meeting of the board held on the 17 May 2017. This Base Prospectus was authorised by a written resolution of the board dated 17 May 2017.

Under this EUR 10,000,000 Asset Backed Note Programme, the Issuer may from time to time issue Notes. The maximum aggregate principal amount of the Notes from time to time outstanding under the Programme will not exceed EUR 10,000,000 (or its equivalent in any other currency). Notes will be issued on a continuous basis in Series. All Notes will have a minimum denomination of EUR 100,000 and accordingly, no Series issued under the Programme shall constitute an 'offer of securities to the public' within the meaning of the Companies Act. Application will be made for each Series of the Notes to be admitted to listing and trading on the EWSM. Notes may be issued at an Issue Price which is at par or at a discount to or a premium over par.

Each Series will consist of Notes that are identical in all respects except for the Issue Date, Issue Price, Maturity Date, and/or Interest Commencement Date. Each Series issued under the Programme will be consolidated and will be fungible with all other Series issued.

The specific terms governing each Series will be set forth in the applicable Final Terms, which shall be published by the Issuer in the form set out in Section 11. The Issuer shall make the Final Terms available to the public by means of electronic publication on the website of the Listing Authority (www.mfsa.com.mt). Any notice so given will be deemed to have been validly given on the date of such publication. The Final Terms for each Series may also be obtained free of charge from the registered office of the Issuer or the Agent.

9.2 Application for and Issue of the Notes

Notes are offered and issued from time to time (each as a separate Series) when the Board, in its sole discretion, has identified for acquisition a sufficient amount of Eligible Assets of the quality described in Section 5.1 above. The issue of each Series will be authorised by a separate written resolution of the Board.

The allotment of each Series will be conditional upon the admission to trading of the Notes to the EWSM. In the event that such condition is not met, the issue of a Series will be revoked unilaterally by the Issuer and, within five (5) Business Days of the revocation taking effect, the Application monies will be returned by the Issuer, without interest, by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form. The Issuer has not established an aggregate minimum subscription level as a condition for the issue of each Series and, subject to the admission to trading of a Series on the EWSM (and the aggregate maximum amount of Notes that may be issued under the Programme), the Issuer shall issue Notes to each Applicant in the respective amount subscribed to by each of them.

Application Forms for each Series will be available from the Issuer or the Agent upon request following the publication of the relevant Final Terms. Unless an exception is made by the Issuer, all Application Forms must be received by the Agent by no later than two (2) Business Days prior to the Issue Date.

The Agent shall verify on behalf of the Issuer that all Applicants qualify as Eligible Investors. In addition to any information or documentation required pursuant to the Application Form, the Agent and the Issuer reserve the right to request any further documentation from an Applicant that may be required in order to verify that such investor qualifies as an Eligible Investor or generally to complete or approve an Application Form.

The Agent shall direct Approved Investors to deposit in cleared funds subscription monies in the Subscription Account. The Issuer agrees that it will, through the Agent, issue Notes to Approved Investors who have provided proof of payment in respect of all of the Notes that are the subject of the relevant Application Form by no later than 10:00 am on the relevant Issue Date for those Notes.

The Issuer reserves the right to withdraw any offer of Notes prior to the Issue Date for reasons beyond its control, such as extraordinary events, substantial change of the political, financial, economic, legal, monetary or market conditions at national or international level and/or adverse events regarding the financial or commercial position of the Issuer or the Italian SPV and/or other relevant events that in the reasonable discretion of the Issuer may be prejudicial to the offer. In such case, Approved Investors who have already paid or delivered subscription monies for Notes will be entitled to reimbursement (without any interest) of such amounts.

9.3 Expenses of Issue and Admission to Trading; Introducer Fees

An estimate of the total expenses relating to the issue of each Series and its admission to trading on the EWSM (including the Issuer's *pro rata* initial and ongoing fees and expenses payable to the Agent, the Noteholder Representative and the Issuer's advisers and other service providers) will be indicated in the relevant Final Terms for each Series.

The Issuer also expects to pay introducer fees (to introducers of Eligible Investors to the Issuer) of up to five percent (5%) of the subscription amount of each Approved Investor upon subscription although the fees could be substantially less than 5% depending on the arrangements with the particular introducer.

All of the Issuer's fees and expenses, including any introducer fees, will be payable out of the proceeds of the issue of each Series. No fees or expenses will be charged directly to Investors.

10. TERMS AND CONDITIONS OF THE NOTES

10.1 General

The Terms and Conditions set out in this Section 10 must be read together with the provisions of the Final Terms of a Series for a full description of the Terms and Conditions of that Series. These Terms and Conditions will therefore apply to the Notes as completed or supplemented by the applicable Final Terms. Any blanks in the provisions of these Terms and Conditions (or in the definitions of any terms used in these Terms and Conditions) that are applicable to the Notes shall be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the blanks of such provisions.

References in these Terms and Conditions to Notes or Noteholder are to the Notes or Noteholder of all Notes that may be issued under the Programme. References to Final Terms are to the Final Terms published by the Issuer in respect of the Series to be issued pursuant to those Final Terms.

10.2 Constitution, Currency and Denomination, Form and Title

10.2.1 Constitution of Notes

The Notes shall be constituted by the Noteholder Agreement, which shall contain all of the Terms and Conditions of the Notes. Each Series shall be constituted by the execution of a Supplemental Noteholder Agreement that shall incorporate the Terms and Conditions of the Notes set out in the Noteholder Agreement as well as those Terms and Conditions set out in the Final Terms for that Series.

The provisions of this Section 10 are merely a description of the Terms and Conditions of the Notes and should be read together with the Noteholder Agreement constituting the Notes and the relevant Supplemental Noteholder Agreement, as it is the Noteholder Agreement and the relevant Supplemental Noteholder Agreement that will define the rights of the Noteholders and the obligations of the Issuer with respect to any given Series. The Noteholder Agreements, and the Supplemental Noteholder Agreement constituting each Series will be, available for inspection in the manner described under Section 7.

Upon a confirmation in writing to the Agent that a Supplemental Noteholder Agreement has been executed by the Noteholder Representative and the Issuer, the Agent will make the appropriate entries in the register Noteholders and issue the corresponding certificates to the Noteholder.

10.2.2 Currency and Denomination

The Notes will be issued in EURO. The Nominal Value of each Note (or denomination per unit) will be EUR 100,000. The aggregate principal amount of Notes that the Issuer may issue under the Programme is EUR 10,000,000, divided into 100 Notes of EUR 100,000 each.

10.2.3 Form and Title

The Notes are issued in fully registered and certificated form without coupons and are represented by the appropriate entry in the register of Noteholders maintained by the Agent on behalf of the Issuer. There will be entered in such register, the names, addresses, identity card numbers (or details of some other official document in the case of natural persons), registration numbers (or details of some other official document in the case of companies) and account details of the Noteholders and the particulars of the Notes held by them respectively. Noteholders will also have, at all reasonable times during business hours, access to the register of Noteholders held at the Agent for purposes of inspecting information held on their respective accounts.

Title to the Notes shall be evidenced by a certificate representing the ownership of the Noteholder to the Notes. Except as ordered by a court of competent jurisdiction or as required by law, the Issuer shall be entitled to treat the person in whose name a Note is issued as the absolute owner thereof for the purpose of making payment and for all other purposes, regardless of any notice of any nominee relationship or trust.

10.3 Status

Repayment of the Notes and the payment of interest thereon shall at all times constitute the direct, unconditional and unsecured payment obligations of the Issuer. The Noteholders shall rank *pari passu* (without any priority or preference) with other unsecured creditors of the Issuer in relation to all assets of the Issuer.

10.4 Interest

10.4.1 Interest Rate and Interest Payment Dates

Each Note bears interest on its outstanding principal amount at the Interest Rate from (and including) the Interest Commencement Date up to (but excluding) the Maturity Date. Interest shall be payable in arrear in EURO on each Interest Payment Date. The first payment of interest shall be made on the first Interest Payment Date. In the event that any Interest Payment Date falls on a day other than a Business Day, the relevant Interest Payment Date will be the first following day which is a Business Day.

10.4.2 Accrual of Interest

Interest on the Notes will accrue on a daily basis from the date of issue on the basis of a three hundred and sixty (360) day year divided into twelve (12) months of thirty (30) days each, and in the case of an incomplete month, the number of days elapsed. Interest shall cease to accrue on each Note on the day preceding the Maturity Date unless payment of principal is improperly withheld or refused or unless the Issuer defaults in respect of payment, in which event, interest shall continue to accrue at the Interest Rate until the date of payment thereof.

10.5 Payments

- 10.5.1 Noteholders must rely on the procedures of the Agent to receive payments under the Notes. The Issuer will discharge all of its payment obligations under the Notes by making payments to the Agent for onward distribution to the accounts of the respective Noteholders indicated in the register of Noteholders.
- 10.5.2 Repayment of the principal amount of the Notes will be made in EURO on the Maturity Date by the Issuer to the person in whose name such Notes are registered as at the close of business on the Maturity Date, together with interest accrued up to (but excluding) the Maturity Date. The Issuer shall not be responsible for any loss or delay in transmission. Upon repayment of the principal the Notes shall be redeemed and the appropriate entry made in the register of the Notes.
- 10.5.3 In the case of Notes held subject to usufruct, payment will be made against the joint instructions of all bare owners and usufructuaries. Before effecting payment, the Agent 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 Notes.
- 10.5.4 Payment of any instalment of interest on a Note will be made to the person in whose name such Note is registered at the close of business fifteen (15) days prior to the relevant Interest Payment Date.
- 10.5.5 All payments with respect to the Notes are subject in all cases to any pledge (duly constituted) of the Notes and to any applicable fiscal or other laws and regulations. In particular, but without limitation, all payments by the Issuer in respect of the Notes may be made gross of any amount to be deducted or withheld for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed or levied by or on behalf of the Government of Malta or any other authority thereof or therein having power to tax.
- 10.5.6 No commissions or expenses shall be charged by the Issuer to Noteholder in respect of such payments. The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer.
- 10.5.7 Any claim against the Issuer by Noteholders in connection with all payments due to them in respect of the Notes shall be prescribed (time-barred) upon the lapse of five (5) years from the day on which an action in relation to the same can be exercised.

10.6 Redemption

- 10.6.1 Unless previously redeemed or purchased and cancelled, the Notes shall be redeemed at their Nominal Value on the Maturity Date.
- 10.6.2 The Issuer reserves the right to redeem all or some of the Notes on any day between the first anniversary from the date of their issuance and the Maturity Date on giving not less than thirty (30) Business Days prior written notice to the relevant Noteholders specifying the date when such redemption shall be effected. Any partial redemption of the Notes held by a

Noteholder shall only be made in multiples of EUR 100,000. Any early redemption of the Notes shall take place by payment of all principal together with interest accrued on the Notes being redeemed until the date of redemption. The notice of redemption shall be effective only on actual receipt by the relevant Noteholder, shall be irrevocable and oblige the Issuer to make, and the Noteholder to accept, such redemption on the date specified in the notice.

10.7 Purchase and Cancellation

To the extent allowed by law, the Issuer may at any time purchase Notes in the open market or otherwise and at any price. All Notes purchased by or on behalf of the Issuer may, at the option of the Issuer, be surrendered for cancellation. Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

10.8 Transferability of the Notes

10.8.1 The Notes are freely transferable in accordance with applicable laws and the rules and regulations of the EWSM.

10.8.2 Any person becoming entitled to a Note in consequence of the death or bankruptcy of a Noteholder may, upon such evidence being produced as may from time to time properly be required by the Agent, elect either to be registered himself as holder of the Note 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 Agent 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 executing to that person a transfer of the Note.

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

10.8.4 The cost and expenses of effecting any trading or transfer in the Notes on the EWSM shall be at the charge of the Noteholder or at the charge of such person as the rules and regulations of the EWSM may from time to time determine.

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

10.9 Further Issues

The Issuer may from time to time, without the consent of any existing Noteholders, constitute and issue further Series identical to earlier issued Series in all respects (provided that the Issuer may only issue up to EUR 10,000,000 of Notes under the Programme) except for the Issue Date, Issue Price, Maturity Date, Interest Rate and/or Interest Commencement Date. Each Series issued under the Programme will be consolidated and will be fungible with all other outstanding Series. Although the amount of Notes that may be issued under the Programme is limited to EUR 10,000,000, there is no other restriction on the amount of debt which the Issuer may issue. Accordingly, the Issuer may incur

additional indebtedness (other than the indebtedness incurred in relation to the issue of the Notes) without the consent of the Noteholders.

10.10 Meetings of the Noteholders

For all intents and purposes any meeting of Noteholders, including but not limited to meetings held for the purposes set out in Section 10.11 below, shall be held in accordance with the provisions of the Noteholder Agreement and the procedure set out therein.

10.11 Amendments to Terms and Conditions

10.11.1 The provisions of the Terms and Conditions of the Notes (by means of an amendment to the Noteholder Agreement and any Supplemental Noteholder Agreement) may be amended with the approval of the Note Holders at a meeting called for that purpose by the Noteholder Representative in accordance with the terms of the Noteholder Agreement or by written instructions of Noteholders holding not less than fifty-one percent (51%) of the outstanding Notes.

10.11.2 In the event that the Issuer wishes to amend any of the provisions set out in the Terms and Conditions, it must send a request to the Noteholder Representative in writing seeking its consent to such amendment or amendments. The Noteholder Representative, prior to granting or refusing such consent, shall call a meeting of Noteholders, by giving such Noteholders not less than fourteen (14) days notice in writing, setting out in the notice the time, place and date set for the meeting and the matters to be discussed thereat, including sufficient information on any amendment of the Terms and Conditions that is proposed to be voted upon at the meeting and seeking the approval of the Noteholders as aforesaid. Following a meeting of Noteholders held in accordance with the provisions contained in the Noteholder Agreement, the Noteholder Representative shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Issuer whether its consent to a request of the Issuer is granted or withheld. Subject to having obtained the necessary approval by the said Noteholders in accordance with the terms set out in the Noteholder Agreement at a meeting called for that purpose as aforesaid, any such proposed amendment or amendments to the provisions set out in the Terms and Conditions shall subsequently be given effect to by the Issuer in and the Noteholder Representative.

10.12 Events of Default and Enforcement

10.12.1 The Noteholder Representative shall, upon the request in writing by Noteholders holding not less than fifty-one percent (51%) of the outstanding Notes, give notice to the Issuer that the Notes are, and shall accordingly immediately become, due and payable at their Nominal Value together with interest accrued on the occurrence of any of the following events (each an Event of Default) and without the need of any authorisation and/or confirmation from a competent court:

- a) the Issuer fails to pay any interest on any Note when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by the Noteholder Representative; or

- b) the Issuer fails to repay any principal on any Note when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by the Noteholder Representative; or
- c) the Issuer fails to perform or observe any material covenant, material condition or material provision contained in these Terms and Conditions, the Noteholder Agreement, any Supplemental Noteholder Agreement, or the Prospectus (other than any obligation for the payment of principal or interest in respect of the Notes) and such failure is incapable of remedy or is not remedied within forty-five (45) days after notice of such default shall have been given to the Issuer by the Noteholder Representative; or
- d) the Issuer is deemed unable or admits its inability to pay its debts as they fall due within the meaning of Article 214(5) of the Companies Act; or
- e) the Issuer stops or suspends payments (whether of principal or interest) with respect to the Notes or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; or
- f) the Issuer is adjudicated or found bankrupt or insolvent, or an order is made by any competent court, or a resolution is passed by the Issuer or any other action is taken for the dissolution, liquidation, or winding-up of the Issuer.

10.12.2 Any notice, including any notice declaring Notes due shall be made by means of a written declaration delivered by hand or registered mail to the registered office of the Issuer.

10.12.3 At any time after notice has been given to the Issuer by the Noteholder Representative that the Notes shall have become immediately due and payable in accordance with Section 10.12.1 above, upon:

- a) having been so requested in writing by Noteholders holding not less than fifty-one percent (51%) of the outstanding Notes; and
- b) having been indemnified by the Noteholders to its satisfaction,

the Noteholder Representative shall institute proceedings against the Issuer to enforce repayment of the principal together with accrued but unpaid interest,.

10.12.4 Only the Noteholder Representative may enforce the provisions of the Noteholder Agreement and any Supplemental Noteholder Agreement (constituting the Notes and their Terms and Conditions as described in the Prospectus) as well as the obligations of the Issuer to pay principal and interest due in respect of the Notes, and no Noteholder shall be entitled to enforce performance of any such provisions unless the Noteholder Representative, having become bound to proceed as described in Section 10.12.3 above, fails to do so within a period of sixty (60) days after becoming so bound.

10.13 Covenants of the Issuer

10.13.1 The Issuer covenants in favour of the Noteholder Representative, for and on behalf of the Noteholders, that at all times during which any of the Notes shall remain outstanding, it shall:

- a) pay interest to the Noteholders at the Interest Rate on each Interest Payment Date and the principal amount of the Notes on the Maturity Date;
- b) maintain its corporate existence as a public limited liability company duly organised, existing and in good standing under Maltese law;
- c) promptly notify the Noteholder Representative upon the occurrence of an Event of Default;
- d) duly and punctually pay, perform and observe all rents, rates, taxes, stamp duties, covenants and other obligations whatsoever which ought properly to be paid or to be observed or to be performed by it;
- e) permit the Noteholder Representative or any person or persons authorised by it, at any time and from time to time during the usual times of business so long as the Notes shall remain outstanding, to inspect and examine all of the Issuer's books and records, including all information on the Eligible Assets comprising the Asset Pool from time to time; PROVIDED THAT the aforementioned inspection may only be made by the Noteholder Representative after having notified the Issuer in writing of its intention, that the aforementioned inspection is made during reasonable business hours, and that the Noteholder Representative shall only be bound to undertake any such inspection if instructed to do so by a resolution in writing of Noteholders holding not less than fifty-one percent (51%) of the outstanding Notes instructing it to do so and such inspection shall be solely for the purpose of the Noteholder Representative to pass on any information to the Noteholder that is specifically requested by them;
- f) keep proper books of account (including copies of its balance sheet and profit and loss account certified by its auditors and copies of its auditors' and directors' reports thereon, together with copies of any other documents required by law to be attached thereto) which shall at all reasonable times be open to inspection by the Noteholder Representative or any person appointed by the Noteholder Representative for that purpose, and will furnish to the Noteholder Representative or any such agent all such information relating to its business or affairs as the Noteholder Representative shall require; PROVIDED THAT the aforementioned inspection may only be made by the Noteholder Representative after having notified the Issuer in writing of its intention, that the aforementioned inspection is made during reasonable business hours, and that the Noteholder Representative shall only be bound to undertake any such inspection if instructed to do so by a resolution in writing of Noteholders holding not less than fifty-one percent (51%) of the outstanding Notes instructing it to do so and such inspection shall be solely for the purpose of the Noteholder Representative to pass on any information to the Noteholder that is specifically requested by them;

- g) carry on and conduct its business in a proper and efficient manner; and
- h) comply with the requirements of all applicable laws in force in Malta from time to time.

10.13.2 The Noteholder Representative shall, when requested to do so in writing by a resolution in writing of Noteholders holding not less than fifty-one percent (51%) of the outstanding Notes, enforce or take any step to enforce the covenants in Section 10.13.1 and (subject to any such request as aforesaid) may waive, on such terms and conditions as it shall deem expedient, any of the covenants and provisions hereinabove contained and on the part of the Issuer to be performed and observed.

10.14 Noteholder Representative Functions and Liability

10.14.1 In its role as representative of the Noteholders, the Noteholder Representative shall upon being instructed to do so by a resolution in writing of Noteholders holding not less than fifty-one percent (51%) of the outstanding Notes take any and all action necessary or appropriate, to protect the interest of the Noteholders.

10.14.2 The Noteholder Representative may, but shall not be bound to, monitor or review any financial information or other information relating to Issuer and its activities, whether any such information was delivered to the Noteholder Representative by the Issuer for the Noteholders, collected by the Noteholder Representative upon a request by the Noteholders in writing (in accordance with the provisions of these Terms and Conditions) or otherwise.

10.15 Notes held Jointly

In respect of a Note held jointly by several persons, the joint holders shall nominate one of their number as their representative and his/her name will be entered in the register with such designation. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Note so held. In the absence of such nomination and until such nomination is made, the person first named on the register in respect of such Note shall, for all intents and purposes, be deemed to be the registered holder of the Note so held.

10.16 Notes held subject to Usufruct

In respect of a Note held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register of Noteholders. The usufructuary shall, for all intents and purposes, be deemed vis-à-vis the Issuer to be the holder of the Note so held and shall have the right to receive interest on the Note and to vote at meetings of the Noteholder, but shall not, during the continuance of the Note, have the right to dispose of the Note so held without the consent of the bare owner.

10.17 Notices to Noteholder

Notices to the Noteholder shall be mailed to them at their respective addresses contained in the register of Noteholders and shall be deemed to have been served at the expiration of three (3) calendar days after the date of mailing. In proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Noteholder at the address contained in the register of Noteholders. All notices concerning the Notes shall also be available on the website of the EWSM (www.ewsm.eu).

10.18 Governing Law and Jurisdiction

10.18.1 Governing Law

The Notes, all the rights and obligations of the Noteholder and the Issuer, and any non-contractual obligations arising out of or in connection with the Notes, shall be governed by and construed in accordance with Maltese law.

10.18.2 Jurisdiction

The Courts of Malta shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes, all the rights and obligations of the Noteholder and/or the Issuer, and any non-contractual obligations arising out of or in connection with the Notes. Each of the Issuer, the Noteholder Representative and the Noteholders hereby irrevocably submits to the exclusive jurisdiction of the Courts of Malta to hear and determine any proceedings and to settle any dispute which may arise out of, or in connection with the Notes.

Each of the Issuer and the Noteholder waives any objection to the Maltese Courts on grounds of inconvenient forum or otherwise as regards proceedings in connection herewith and agrees that a judgement or order of such a Court shall be conclusive and binding on it and may be enforced against it in the Courts of any other jurisdiction.

11. Form of Final Terms

The Final Terms for each Tranche shall be published by the Issuer in the following form:

These are the Final Terms for the issue of a Series of Notes under the €10,000,000 6% Asset Backed Note Programme of MATA FINANCE P.L.C. (the “Programme”) and comprise the final terms required for the issue and admission to trading on the European Wholesale Securities Market of the Notes described herein pursuant to the Programme, as authorised by the Issuer’s board of directors at a meeting of the board held on [•]. These Final Terms have been prepared for the purpose of Article 5(4) of Prospectus Directive and must be read in conjunction with the Base Prospectus dated 18th May 2017 and any Supplement(s) thereto from time to time (collectively, the “Base Prospectus”). Full information on the Issuer and the issue of the Notes is only available if these Final Terms are read in conjunction with the Base Prospectus. The Base Prospectus shall be made available to the public by means of electronic publication on the website of the Listing Authority (www.mfsa.com.mt). Capitalised terms used but not defined in these Final Terms shall have the same meanings specified in the Base Prospectus.

FINAL TERMS

Dated [-]

Series [Year]/[Tranche No.]

issued pursuant to the

€10,000,000 6% Asset Backed Note Programme

Dated [Date of Base Prospectus Approval]

of

MATA FINANCE P.L.C.

Issue Price: [-]

Issue Date: [-]

PART I: TERMS AND CONDITIONS

This part of the Final Terms is to be read in conjunction with the Terms and Conditions of the Notes set out in the Base Prospectus.

1. Currency, Denomination, Minimum Subscription

Specified Currency:	EURO
Aggregate Principal Amount to be issued:	[]
Specified Denomination:	EUR 100,000
Number of Notes to be issued:	[]
Minimum Subscription:	EUR 100,000

2. Interest

Fixed Rate of Interest (% per annum):	6%
Interest Commencement Date:	[Issue Date]
Interest Payment Dates:	[-] and [-]
First Interest Payment Date:	[]

3. Maturity Date []

PART II: TIMETABLE / ADMISSION TO LISTING AND TRADING

4. Timetable / Admission to Listing and Trading

Application Forms Available from the Agent:	[]
Application Deadline:	[]
Issue Date:	[]
Date of Admission to Listing and Trading on EWSM:	[]
Commencement of Dealing:	[]

PART III: ADDITIONAL DISCLOSURE REQUIREMENTS

5.	Amount of Eligible Assets to be Acquired	[]
6.	Additional Information on the Italian Notes	
	Legal Jurisdiction Governing the Italian Notes	[]
	Global Statistical Data Referred to Securitised Italian Notes	[]
	Legal Nature of the Italian Notes	[]
	Yield of the Italian Notes	[]
	Maturity Date of the Italian Notes	[]
	Additional Representations and Collateral relating to the Italian Notes	[]
	Relationship Material to Issue between Issuer and the Italian Notes	[]
7.	Estimated Expenses of Issue and Admission to Trading	[]

12. TAXATION

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

The information below is based on an interpretation of tax law and practice relative to the applicable legislation in Malta, as known to the Issuer at the date of the Base Prospectus. 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 and may vary depending on the jurisdiction of the investor.

The information is being given solely for the general information of investors. The precise implications for investors will depend on their particular circumstances and professional advice in this respect should be sought accordingly.

12.1 Taxation of Interest Paid to Noteholders

As a general rule, Noteholders who are resident in Malta are subject to tax on interest at the income tax rates applicable to that person at that time. Interest shall be paid gross and such person will be obliged to declare the interest so received in the relative income tax return.

However, pursuant to Article 33 of the Income Tax Act, interest shall be paid net of a final withholding tax, currently at the rate of fifteen percent (15%), of the gross amount of the interest. The withholding tax applies insofar as the interest is payable in respect of a “public issue by a company”, in terms of Article 41(a)(iv)(1). Accordingly, should the Notes issue be deemed, for Maltese income tax purposes, to fall within the ambit of a “public issue”, Noteholders should qualify for the fifteen percent (15%) withholding tax, unless, the Issuer is otherwise instructed by a Noteholder, or if the Noteholder does not fall within the definition of “recipient” in terms of Article 41(c) of the Income Tax Act. The withholding tax is considered as a final tax and a Maltese resident individual Noteholder need not declare the interest so received in his income tax return. No person shall be charged to further Maltese tax in respect of such income.

In the case of a valid election made by an eligible Noteholder resident in Malta to receive the interest due without the deduction of a final tax, interest shall 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 income tax 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 Noteholder 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.

12.2 European Union Savings Directive

Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member States is reported on an annual basis to the Malta Commissioner for Revenue who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the EU Savings Directive 2003/48/EC.

12.3 Capital Gains on the Transfer of the Notes

On the assumption that the Notes would not fall within the definition of “securities” in terms of Article 5(1)(b) of the Income Tax Act, which defines “securities” as, “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”, no income tax should be due on any capital gains resulting from the transfer of Notes by a Noteholder.

12.4 Duty on Documents and Transfers on Transfer of the Notes

In terms of Article 50 of the Financial Markets Act, any transfer of the Notes (being securities listed on a regulated market) should be exempt from stamp duty in Malta.

THE ABOVE INFORMATION IS BASED ON TAX LAW AND PRACTICE APPLICABLE AS AT THE DATE OF THIS BASE PROSPECTUS. PROSPECTIVE INVESTORS ARE CAUTIONED THAT TAX LAW AND PRACTICE AND THE LEVELS OF TAX RELATING TO THE NOTEHOLDERS MAY CHANGE FROM TIME TO TIME. PROSPECTIVE INVESTORS ARE THEREFORE URGED TO SEEK PEROFSSIONAL ADVICE AS REGARDS BOTH MALTESE AND FOREIGN TAX LEGISLATION APPLICABLE TO THE ACQUISITION, HOLDING AND DISPOSAL OF THE NOTES. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO INVESTORS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF A TRADING ACTIVITY.

13. SELLING RESTRICTIONS

13.1 Qualified Investors

The Notes may only be offered, sold or delivered to, and accepted by, ‘qualified investors’ (as such term is defined in the Prospectus Directive).

13.2 United States of America

The Notes have not been and will not be registered under the Securities Act of 1933 of the United States of America and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended).

13.3 General

The Issuer represents and agrees that the last date of the offer of Notes in relation to this Base Prospectus shall be no later than twelve (12) months after the date of approval of this Base Prospectus.

DIRECTORY

ISSUER

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