PTL Holdings p.l.c.

Financial Analysis Summary

19 August 2015

The Directors
PTL Holdings p.l.c.
Nineteen Twenty Three
Valletta Road
Marsa MRS 3000

19 August 2015

Dear Sirs

PTL Holdings p.l.c. Financial Analysis Summary

In accordance with your instructions, and in line with the requirements of the Listing Authority Policies, we have compiled the 2015 Financial Analysis Summary set out on the following pages and which is being forwarded to you together with this letter.

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

(a) Historical financial data for the period 23 December 2013 to 31 December 2014 has been extracted from the audited consolidated financial statements of PTL Holdings p.l.c.

(b) Historical financial data for the latest four years has been extracted from the audited financial statements of each of the operating companies forming part of the Group (PTL, SAD and APCO).

(c) The forecast data of the Group for the years ending 31 December 2015 and 31 December 2016 has been provided by management of the Company.

(d) Our commentary on the results of the Group and on its financial position is based on the explanations provided by the Company.

(e) The ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions set out in Part 4 of the Analysis.

CHARTS
WEALTH MANAGEMENT ▪ CORPORATE BROKING

(f) Relevant financial data in respect of the companies included in Part 3 has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Registrar of Companies or websites providing financial data.

The Analysis is meant to assist investors in the Company's securities and potential investors by summarising the more important financial data of the Group. The Analysis does not contain all data that is relevant to investors or potential investors. The Analysis does not constitute an endorsement by our firm of any securities of the Company and should not be interpreted as a recommendation to invest in any of the Company's securities. We shall not accept any liability for any loss or damage arising out of the use of the Analysis. As with all investments, potential investors are encouraged to seek professional advice before investing in the Company's securities.

Yours faithfully,

Wilfred Mallia
Director

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PART 1

PART 1

1. COMPANY'S KEY ACTIVITIES

The principal activity of PTL Holdings p.l.c. (the "**Company**", "**Issuer**" or the "**Group**") is to carry on the business of a holding and finance company.

The Company was registered on 23 December 2013 as a private limited liability company for the purpose of developing and managing the technology business of Hili Ventures Limited (C 57902), the parent company of the Issuer. Upon incorporation, the Company acquired a 100% shareholding in PTL International Limited (C 63276) which was set up on the same day. Subsequently, by virtue of a number of share transfer instruments the latter company acquired the Group companies highlighted in section 3.1 of this document, other than (i) PTL Company B.V. (28889541) and Ipsyon Limited (C 65394) which were incorporated after the said transactions; and (ii) SAD (collectively, PTL Poland Sp. z o.o. and SAD Sp. z o.o.) and APCO (collectively, APCO Limited and APCO Systems Limited) which were acquired from third parties in 2014. On the 4 October 2014, The Company changed its status from a private limited company to a public limited liability company. In December 2014, the Company issued 360,000 5.1% unsecured bonds of a nominal value of €100 per bond, redeemable at their nominal value on 4 December 2014. These bonds are listed on the Official List of the Malta Stock Exchange.

PTL Limited ("**PTL**"), a company incorporated on 16 November 1976 under the name 'Philip Toledo Limited' and registered in Malta with registration number C 3545, was acquired by the Hili group on 9 February 2012 pursuant to the subscription of all of PTL's ordinary shares by Motherwell Bridge Limited (C 49248) and Motherwell Bridge Estates Limited (C 54894), as to 49,999 ordinary shares and 1 ordinary share respectively of €2.329373 each share. The shares held by Motherwell Bridge Limited were subsequently transferred to Hili Company Limited (C 57955) on 28 July 2013, and the 1 ordinary share held by Motherwell Bridge Estates Limited was transferred to Hili Ventures Limited on 25 October 2013. PTL issued a further 150,255 ordinary shares on 11 December 2013 to Hili Company Limited, and on 30 December 2013 transferred its shareholding in PTL to PTL International Limited (C 63276).

On 30 June 2014 and 1 August 2014, the Group acquired SAD and APCO respectively.

2. DIRECTORS AND KEY EMPLOYEES

The Company is managed by a Board consisting of five directors entrusted with its overall direction and management.

Board of Directors

Carmelo *sive* Melo Hili	Chairman
Richard Abdilla Castillo	Executive Director
Stephen Kenneth Tarr	Non-Executive Director
John Trefor Price Roberts	Independent Non-Executive Director
Karl Fritz	Independent Non-Executive Director

The Company is an investment company which does not require an elaborate management structure. Richard Abdilla Castillo has been appointed Executive Director of the Company. In the execution of the strategic direction, investment and management oversight of the Group, he is assisted by the following members of senior management of the PTL Group.

PTL International Limited

Kenneth Spiteri	Chief Executive Officer
Marina Carabott	Chief Financial Officer

PTL

Tony Muscat	General Manager (Malta)
Ambrose Muscat	General Manager (Middle East)
Adrian Mifsud	Head of Operations

SAD

Tomasz Nawrocki	Managing Director
Jolanta Ulinska	Director of Finance
Marcin Kotas	Head of Logistics

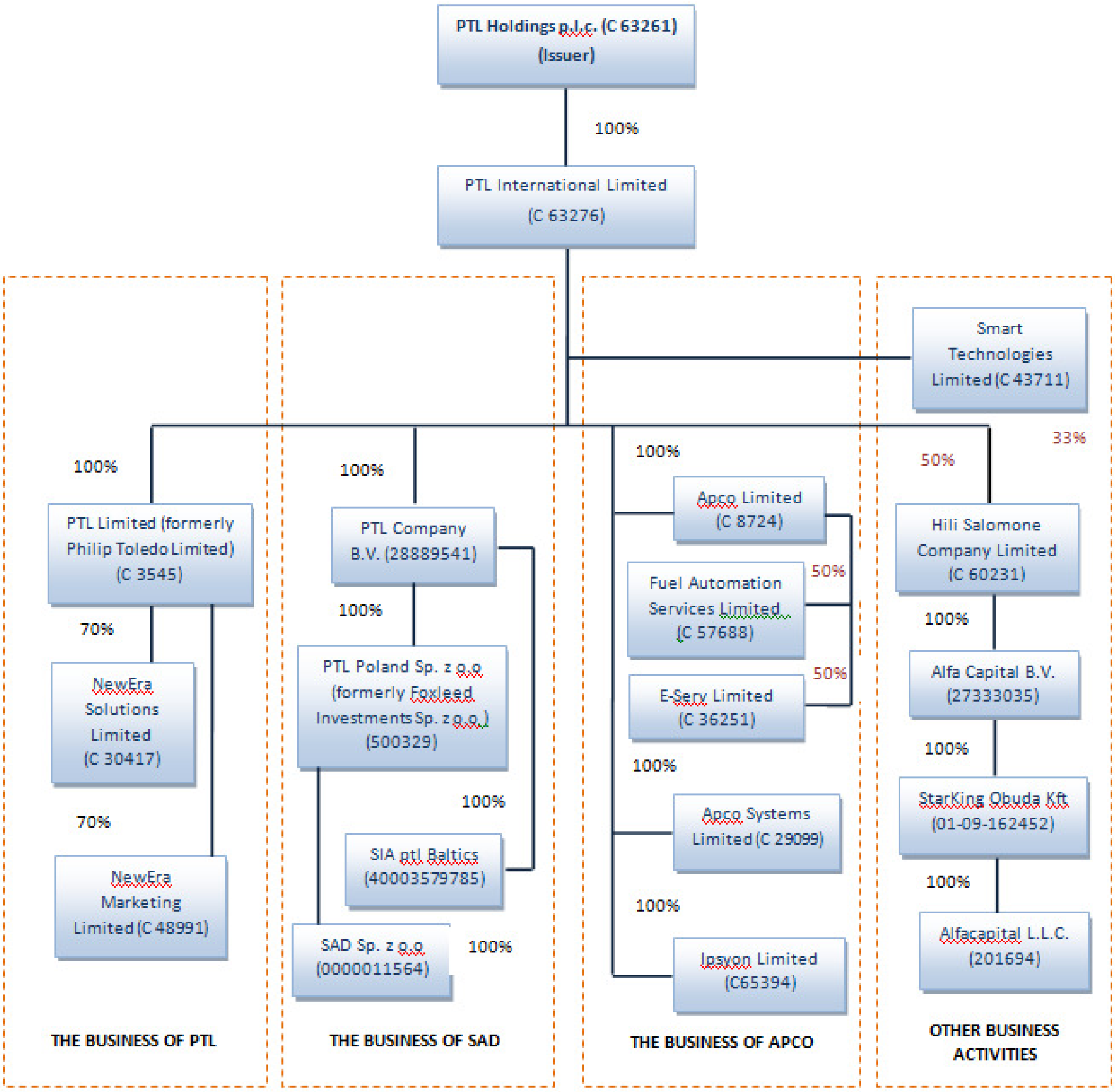
APCO

Ian Pellicano	Managing Director
Darren Zerafa	Senior Finance Manager

3. PTL GROUP

3.1 ORGANISATIONAL STRUCTURE

As the holding company of the Group, the Company is ultimately dependent upon the operations and performance of the Group's operating companies. The organisational structure of the Group is illustrated in the diagram hereunder:



The Group's businesses (PTL, SAD and APCO) are described in more detail in section 4 below. With respect to other business activities, the Group has shareholdings of 50% and 33.3% in Hili Salomone Company Limited and Smart Technologies Limited respectively. The Group also holds 50% of the issued share capital of each of Fuel Automation Services Limited and E-Serv Limited, both of which are non-operating companies.

Hili Salomone Company Limited was incorporated to operate Apple stores, as an Apple Premium Reseller, in Hungary and Romania. Under the brand name 'iCentre', the company operates 3 stores in Hungary and 1 outlet in Romania. Subsequently Hili Salomone Company Limited was placed into liquidation and the shareholding in Starking Obuda Kft and Alfacapital L.L.C. will in due course be transferred to PTL Company B.V. and VJ Salomone Limited in equal portions.

Smart Technologies Limited is principally engaged in information technology outsourcing services and rental of equipment including desktops, laptops and netbooks. The company also manages and supports portfolios of IT assets for corporate clients through leasing packages.

4. GROUP OPERATING BUSINESSES

4.1 PTL

4.1.1 Business Overview

PTL is a multi-brand information technology solutions provider to businesses and the public sector primarily in Malta and to a lesser extent in the Middle East. PTL provides comprehensive and integrated solutions for its customers' technology needs through the company's extensive hardware, software and value-added service offerings. The breadth of offerings allows customers to streamline their procurement processes by partnering with PTL as a complete technology solutions provider. The company's hardware offerings include products with leading brands across multiple categories such as network communications, notebooks/mobile devices, data storage, video monitors, printers, desktops, servers, ATMs and security systems among others. Software offerings include licensing, licensing management and software solutions and services that help customers to optimise their software investments. PTL offers a full suite of value-added services, which typically are delivered as part of a technology solution, to help customers meet their specific needs.

Solutions range from configuration services for computer devices to fully integrated solutions such as virtualisation, collaboration, security, application integration and migration, mobility and cloud computing. With broad technical scope and capabilities, PTL offers a single source for its clients' diverse IT requirements, which involves assessing, designing, deploying and managing IT solutions to help customers enable, manage and secure their IT environments.

PTL's business is well-diversified across customers, products and service offerings and vendors from whom it purchases products and software for resale. The company has aligned its sales and marketing functions around customer channels to retain and increase sales to existing customers and to acquire new customers. The direct selling personnel are supported by a team of technology specialists who design solutions and provide recommendations in the selection and procurement processes. Products are purchased for resale from original equipment manufacturers (OEMs) and distributors. Management maintains that effective purchasing from a diverse vendor base is a key element of the company's business strategy. PTL is authorised by OEMs to sell all or selected products offered by the manufacturer, and operate as a reseller for major software publishers that allows the end-user customer to acquire packaged software or licensed products and services.

PTL offers its end-to-end services to entities from various industry sectors, but predominantly operates within a set of industry vertical markets where the Group has developed extensive knowledge and expertise. Such vertical markets include the following:

- **Retail and Distribution** – PTL provides a variety of solutions to businesses in Malta and the Middle East ranging from point-of-sale devices, merchandising infrastructure and supply chain systems to customer loyalty programmes, security products and services.
- **Banking** – PTL primarily supplies the banking industry in Malta with NCR deposit ATMs and also offers ancillary support services.
- **Public sector** – PTL supplies IT products (hardware and software) and provides support services to a number of government entities and public sector organisations in Malta.

4.1.2 The Information Technology (IT) Sector

IT sector worldwide

According to research, global IT spending will shrink by 5.5% to $3.5 trillion in 2015, as a strong U.S. dollar pressures vendors, CIOs delay hardware upgrades and companies embrace more software-as-a-service offerings. In constant-currency terms, the IT market is projected to grow 2.5% this year.

The strong dollar may cause some vendors to raise prices in order to protect their margins. While CIOs are not noticeably cutting budgets, higher prices might lead companies to buy from local vendors or purchase cheaper hardware.

Global spending on devices is expected to bring in $654 billion this year (2015), down from $693 billion last year (2014). Mobile phones lead the pack, boosted by Apple Inc. smartphone sales in China. Going forward, it is predicted that smartphone unit growth will start to flatten.

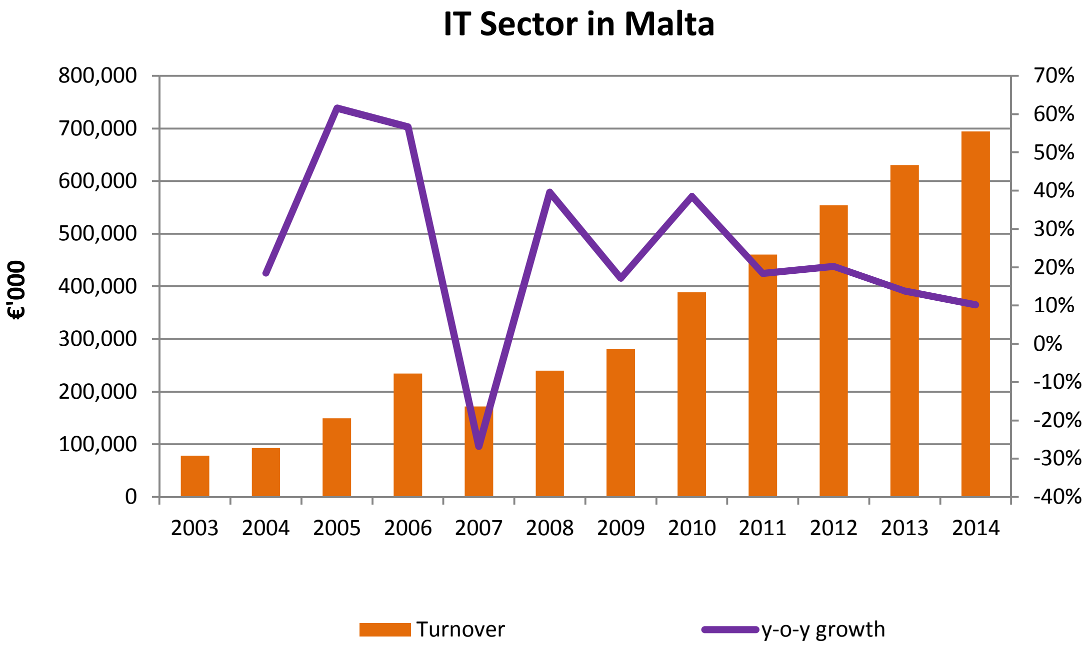
PC and tablet sales continue to weaken, and companies in areas hit by currency moves and higher PC prices have delayed purchases more than expected. Western Europe, for example, still has extra PC inventory to clear, which could delay Windows 10 inventory.

Enterprise software spending is expected to fall 1.2% to $310 billion this year, from $314 billion in 2014. Software-as-a-Service providers may opt not to raise prices in order to retain market share in a competitive environment.

The data centre systems market, which includes storage and network markets among others, is expected to dip 3.8% this year. One bright spot is the server market, where companies are spending more on mainframe updates and hyperscale servers used to support large data centres.

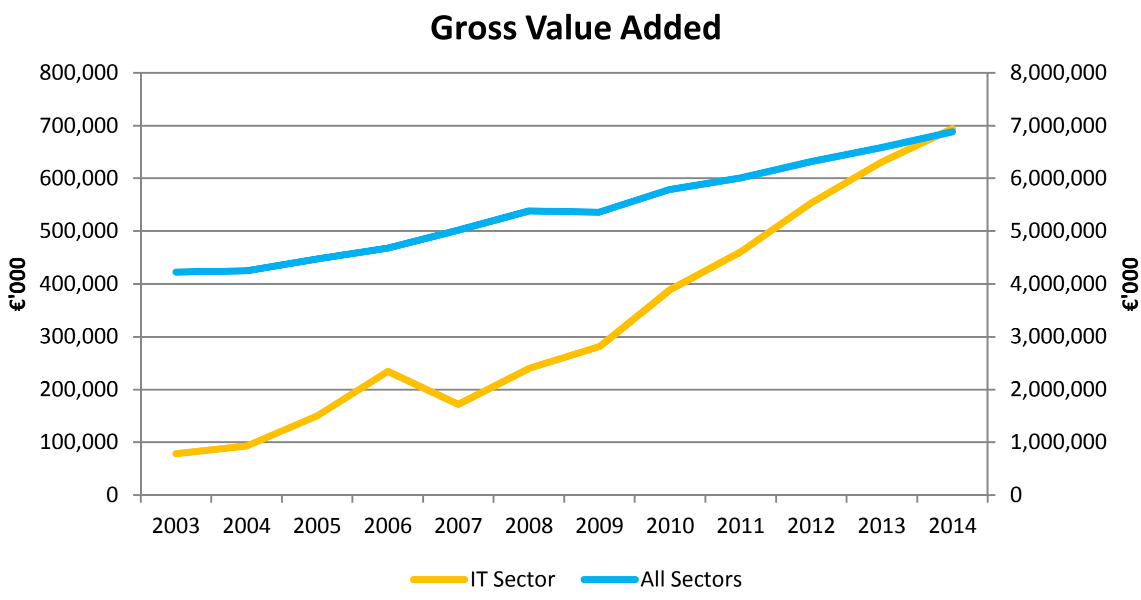
IT sector in Malta

The IT sector is divided into three closely connected segments: hardware, software and IT services (implementations, integrations, technical service, consultancy, training and outsourcing). In 2014, the total income from this sector in Malta amounted to €694 million, an increase of 10.17% over the previous year. The chart below illustrates the output from the IT sector in Malta in the last 11 years. As highlighted, the IT market recovered quickly in 2008 after the economic downturn in 2007, and stabilised thereafter. However, further analysis of the last two years shows a y-o-y decline in percentage growth (2013: 13.82%; 2014: 10.17%). Since 2008, the IT sector grew at an annual compound rate of 19%.



Source: National Statistics Office Malta (NACE 62 & NACE 63 data)

Activity in the IT sector has, in the last decade, increased considerably in relation to the local economy and in 2014 represented 10.09% of Malta's gross value added (2004: 2.18%). The chart hereunder highlights the growth in the country's gross value added as compared to the growth in IT.



Source: National Statistics Office Malta (NACE 62 & NACE 63 data)

4.1.3 Competition and Trends

The IT hardware, software and services industry is very fragmented and highly competitive. PTL competes with a large number and wide variety of marketers and resellers of IT hardware, software and services. The competitive landscape in the industry is continually changing as various competitors expand their product and service offerings. In addition, emerging models such as cloud computing are creating new competitors and opportunities in messaging, infrastructure, security, collaboration and other services offerings, and, as with other areas, PTL both resells and competes directly with many of these offerings.

4.1.4 Operational Performance

The following table sets out the highlights of PTL's operating performance for the years indicated therein.

Income Statement For the year ended 31 December Amounts in €'000s	2014 (12 months) Actual	2013 (12 months) Actual	2012 (13 months) Actual	2011 (12 months) Actual
Revenue	7,758	9,604	8,802	6,546
Operating expenses	(8,166)	(8,674)	(8,472)	(6,185)
EBITDA	**(408)**	**931**	**330**	**361**
Depreciation and amortisation	(184)	(122)	(202)	(103)
Other net income	332	5	2,205	-
Net interest expense	(58)	(67)	(77)	(31)
Profit before tax	**(319)**	**746**	**2,256**	**227**
Taxation	196	(195)	(296)	(85)
Profit for the year	**(122)**	**551**	**1,960**	**142**

The key accounting ratios are set out below:

	FY 2014	FY 2013	FY 2012	FY 2011
Revenue growth *(Revenue FY1/Revenue FY0)*	-19%	9%	34%	
EBITDA margin *(EBITDA/revenue)*	-5%	10%	4%	6%
Net profit margin *(Profit after tax/revenue)*	-2%	6%	22%	2%

Source: Charts Investment Management Service Limited

The revenue of the company can be categorised into three main revenue streams as follows:

- **Products** – relates to the sale of hardware and licences.
- **Maintenance and support** – relates to ongoing agreements with customers for servicing and maintenance of products sold. Agreements are typically renewed on an annual basis and the value is determined on a pre-set minimum number of hours at pre-agreed rates.

- **Services** – this revenue stream encompasses all other services provided outside of the standard service and maintenance agreements.

A segmental analysis of revenue for the four financial years ended 31 December 2011 to 31 December 2014 is provided below:

Revenue by segment Amounts in €'000s	2014 (12 months) Actual	2013 (12 months) Actual	2012 (13 months) Actual	2011 (12 months) Actual
Products	3,707	4,397	3,947	1,876
Maintenance and support	2,637	3,219	2,973	2,569
Services	1,413	1,989	1,882	2,101
Total revenue	**7,758**	**9,604**	**8,802**	**6,546**

The company was acquired in FY2012 by the Hili group by way of the transfer of PTL's issued ordinary shares. As a result the financial year end was changed to match that of the Group from 30 November to 31 December. During the year ended 31 December 2012, the company disposed of immovable property and recorded a gain of €2.2 million.

Revenue for the year ended 31 December 2013 amounted to €9.6 million, an increase of 9% from the previous year and which followed an increase of 34% from FY2011. In FY2013, 18% of revenue was generated from clients located in the Middle East which operate in the retail sector. In addition, 5% of turnover was derived from the sale of ATMs to banks in Libya. In relation to the business in Malta, PTL has in the last years experienced a general decline in large scale IT projects locally, which are normally driven by the public sector and the banking industry.

For the year ended 31 December 2014, PTL generated €7.8 million in revenue, a decrease of *circa* 19% over the preceding year. This is mainly due to a reduction in revenue from the Middle East and Libya. In 2014, PTL discontinued its relationship with a solutions supplier for the retail sector in the Middle East which has adversely impacted revenue. Compared to FY2013, the revenue generated from the services segment registered a decline of -29% (-€575,000), a reduction of -18% in the maintenance and support segment (-€581,000) and a decrease of -16% in the products market (-€690,000). In 2014, PTL managed to reduce its operating expenses over the previous year by €507,000 to *circa* €8.2 million. This situation resulted PTL to report a negative EBITDA of €408,000, resulting in a -5% EBITDA margin.

In 2014, other income increased by *circa* €327,000, from €5,000 in 2013 to €332,000 in 2014. This substantial increase was mainly due to sale of intangible assets to a related party in the form of intellectual property rights and trademarks.

After taking into account a tax credit of €196,000, PTL registered a total loss for the year being reviewed of *circa* €122,000.

4.2 SAD

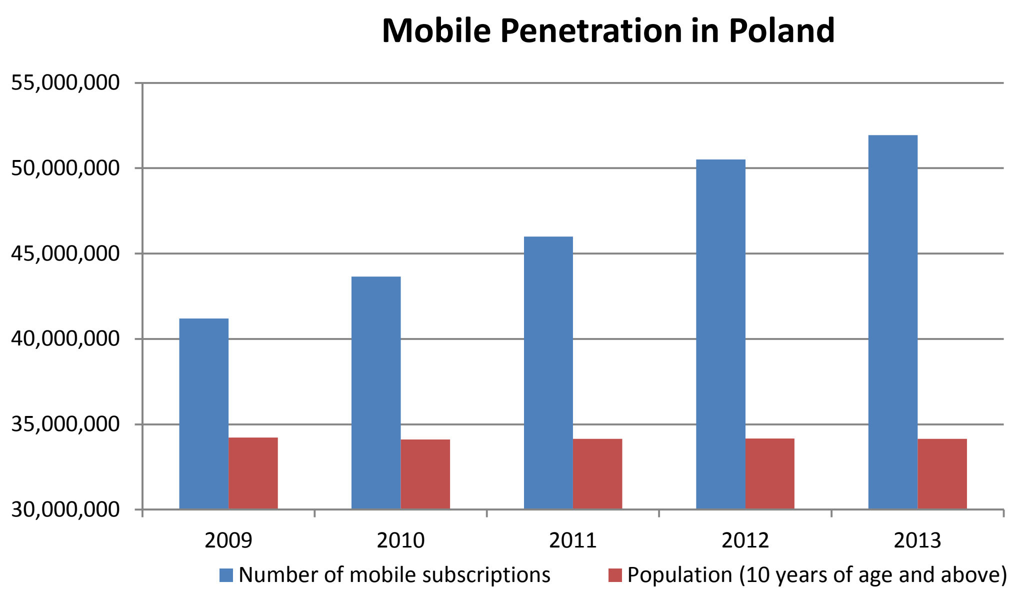
4.2.1 Business Overview

SAD is Poland's largest Apple retailer and operates 23 stores under the iSpot brand, together with a well-developed online proposition. As an Apple Premium Reseller and Apple Authorised Service Provider, SAD outlets carry a full range of Apple products, including software and accessories, and through its trained staff also offer support and repair services to customers regardless of where they originally purchased the Apple product. In addition to Apple solutions, iSpot stores offer an extensive range of third-party products and software.

SAD is also involved in turnkey solutions for government agencies and business customers, and its services comprise the design and construction of networks, data security, and the supply of hardware and software. Moreover, as a certified Apple Authorised Training Centre, SAD has since incorporation participated in numerous projects relating to the implementation of Apple technology in higher education, has equipped more than 2,000 school technology labs and provided training to circa 8,500 teachers on information technology.

An important part of SAD's business is its involvement in the audio-video market, streaming and TV broadcasting. In this niche market, SAD provides TV stations, production companies, content owners and broadcasters with innovative technology and integration solutions to enable the production of live, enriched video programming. SAD's clients comprise most of the major TV stations in Poland, including TVN, TVP and Polsat.

4.2.2 The Market for Mobiles in Poland



Source: EUROSTAT (latest available data relates to 2013)

Poland's mobile market is benefitting from continued investments in LTE (Long Term Evolution – 4G) networks. By the beginning of 2015, mobile penetration was about 152%, among the highest levels in the region and reflecting the popularity among consumers for keeping two or more SIM cards. With about 58 million subscribers, the market has room for 26 licensed operators, including 19 MVNOs (Mobile Virtual Network operators). The relatively high number of network operators is indicative of market consolidation in coming years, as has been seen in other European markets. ARPU (Average Revenue per User) has stabilised after falling in recent years as a result of retail tariff competition, regulatory mandated reductions in mobile termination rates and the take-up of mobile services by lower spending consumer segments of the market. 4G networks have been launched and coverage is expected to improve markedly following the anticipated multi-spectrum auction, delivering improved mobile broadband services nationally within three years.

2014 was the second year in which sales of smartphones outperformed sales of feature phones. In 2014, the disproportion between these two was even bigger than in 2013 - smartphones accounted for 70% share of all mobile phones' volume sales. Penetration rate (percentage of households) of smartphones rose to 60% and is now higher than the penetration rate of feature phones which dropped to 50%. Smartphones has become a mainstream device, available in all price ranges offered by both international and local manufacturers. Mobile marketing, mobile banking and even mobile payments are increasingly common phenomenon in Poland with smartphones becoming an inherent device for the vast proportion of Polish consumers.

Samsung led volume sales of smartphones in Poland with 44% retail volume share in 2013 *(latest data available)*. Due to globally acclaimed models like Galaxy and Note, aggressive marketing in Poland and wide portfolio of products (which is especially important in Poland where cheaper smartphones are fairly popular) Samsung became the leading smartphone brand in Poland in 2012. Samsung is also quite popular in feature phones holding 31% retail volume share in 2013. However, Nokia continued to be the most popular brand in feature phones with 47% retail volume share. Feature phones can be widely identified with the Nokia brand which for years was the uncontested leader of mobile phone sales in Poland. With respect to Apple, an estimated 4% of smart phone users were on the iOS platform in Poland in 2013, though that number has been steadily growing. Such results re-confirm the fact that Poles are very price conscious when it comes to choosing smart phones and tablets, and thus prefer lower-end Android phones.

Retail volume sales of mobile phones are expected to experience moderate growth with a CAGR of 2% over the forecast period. The main factors fuelling sales of mobile phones will be the general increase in the number of mobile phones per capita in Poland and rapid hike in penetration rate of smartphones. The number of landlines is diminishing quickly since more and more of Poles are choosing mobile phones over traditional lines. An increasing number of elderly people and small children will be using mobile phones in the future.

4.2.3 Competition and Trends

The market in Poland for Apple products and services is highly competitive. As with other developed markets, the market is characterised by frequent product introductions and rapid technological advances that have substantially increased the capabilities and use of mobile communication and media devices, personal computers, and other digital electronic devices. SAD competes with other resellers of Apple products and services, and therefore the main competing factors are not price or quality of products, but location of stores, quality of service provided and share of the business-to-business market. SAD's other competitors, who sell mobile devices and personal computers based on other operating systems, typically undertake aggressive price cuts and lower their product margins to gain or maintain market share.

SAD is highly dependent on Apple to continuously introduce new and improved products and services ahead of competitors so as to maintain high demand for Apple offerings. Principal competitive factors important to SAD include price, product features, relative price/performance, product quality and reliability, design innovation, a strong third-party software and peripherals ecosystem, marketing and reselling capability, service and support, and corporate reputation.

4.2.4 Operational Performance

The following table sets out the highlights of SAD's operating performance for the years indicated therein. The reporting currency of the company is the Polish Zloty. For comparative purposes, the financial information below has been translated into Euro, being the functional currency of the Group, at an average conversion rate of 1 Polish Zloty: €0.24.

Income Statement **For the year ended 31 December** **Amounts in €'000s**	**2014** **Actual**	**2013** **Actual**	**2012** **Actual**	**2011** **Actual**
Revenue	106,523	77,342	56,561	38,622
Operating expenses	(102,064)	(73,879)	(54,441)	(37,374)
EBITDA	**4,460**	**3,463**	**2,120**	**1,248**
Depreciation and amortisation	(902)	(800)	(553)	(344)
Other net income	418	170	(187)	(77)
Net interest expense	(255)	(88)	(26)	(87)
Profit before tax	**3,721**	**2,746**	**1,354**	**740**
Taxation	(826)	(495)	(257)	(30)
Profit for the year	**2,895**	**2,251**	**1,097**	**710**

The key accounting ratios are set out below:

	FY 2014	FY 2013	FY 2012	FY 2011
Revenue growth *(Revenue FY1/Revenue FY0)*	38%	37%	46%	
EBITDA margin *(EBITDA/revenue)*	4%	4%	4%	3%
Net profit margin *(Profit after tax/revenue)*	3%	3%	2%	2%

Source: Charts Investment Management Service Limited

A segmental analysis of revenue for the four financial years ended 31 December 2011 to 31 December 2014 is provided below:

Revenue by segment **Amounts in €'000s**	**2014** **Actual**	**2013** **Actual**	**2012** **Actual**	**2011** **Actual**
Retail	61,946	43,404	38,850	30,059
Corporate	42,046	31,596	16,136	6,855
Services	2,531	2,342	1,575	1,708
Total revenue	**106,523**	**77,342**	**56,561**	**38,622**

SAD's principal business activity is that of a reseller of Apple products, primarily through its 23 retail outlets which operate as Authorised Premium Resellers under the proprietary iSpot brand. During the four years under review retail sales increased by 106% from €30.06 million in FY2011 to €61.95 million in FY2014, primarily as a result of new openings in FY2012 (2 new stores), FY2013 (5 new stores) and one store in FY2014.

In addition to its retail operation, SAD generates business from the corporate sector which has been growing significantly in recent years mainly driven by B2B sales. In fact this sector expanded from 22% of aggregate turnover in FY2011 to 39% in FY2014.

SAD's EBITDA increased year on year from *circa* €1.3 million in FY2011 to €4.5 million in FY2014. Net profit also increased from €0.7 million in 2011 to €2.9 million in 2014, registering an average net profit margin of 2.5% over the same period. Management believe that in FY2015 and FY2016, such growth will be sustained through new openings and the relocation of a number of Apple Premium Reseller stores operating under the iSpot brand.

4.3 APCO

4.3.1 Business Overview

APCO is a provider of electronic payments transaction processing services for retailers and internet-based merchants and operates under the brand name 'APCOPAY'. In addition, APCO is a supplier of ATMs (Wincor Nixdorf), point-of-sale terminals, plastic cards, deposit machines, currency exchanges, automotive fuel payment systems and other cash-handling equipment.

The primary business model of APCO is to enable merchants that are APCO clients to accept a variety of card and electronic-based payments at the point of sale. The term "merchant" generally refers to any entity that accepts credit or debit cards for the payment of goods and services. APCO sells its products and services through multiple sales channels in Malta and internationally, and targets customers in many vertical markets.

Card-based payment forms consist of credit, debit, vouchers and prepaid cards. Credit and debit card transaction processing includes the processing of major international card brands such as MasterCard and Visa, as well as other debit networks. Electronic payment processing involves a consumer or cardholder acquiring goods or services from a merchant and using a credit or debit card or other electronic method as the form of payment. APCO is the processing intermediary between the merchant, the credit and debit networks and the financial institutions that issue cards. APCO's offerings include terminal sales and deployment, front-end authorisation processing, settlement and funding processing, full customer support, industry compliance with PCI-DSS (Payment Card Industry Data Security Standards), consolidated billing and statements, and online reporting. APCO's value proposition is to provide high quality, responsive, secure and full end-to-end service to all its customers.

The majority of merchant services revenue is generated on services priced as a percentage of transaction value or a specified fee per transaction, depending on card type. APCO also charges fees based on specific services that are unrelated to the number of transactions or the transaction value.

4.3.2 The E-payments and M-payments Market

E-payments are defined as digital payments that are made over the internet for e-commerce activities. The largest segment of e-payments is the consumer-to-business (C2B) payments, which are used mainly for goods purchased in online stores, and are being driven by the fast growing global e-commerce market. Consumers are likely to increasingly opt for online stores that provide more convenience and a broader selection of products at prices regarded as competitive. Moreover, in order to drive sales, e-commerce businesses are increasingly offering personalised services and loyalty programs to frequent customers.

M-payments are defined as a form of payment where the mobile phone is used as a payment method – not just as an alternative channel to send the payment instruction – and the payment information flow takes place in real time. Such payments occur across applications such as: (i) Peer-to-peer (P2P) – as domestic money transfers or international remittances; and (ii) Consumer-to-business (C2B) – as retail payments at stores, mobile online payments such as those made on eBay or to purchase ringtones. It should be noted that these payments are not made using the browser on the mobile, but by using the payment application built for the mobile.

It is estimated that there were 345.7 billion non-cash transactions in 2013, and the number is expected to rise to 411.2 billion by 2017. Cheques continue their downward cycle, and debit cards are consolidating their position as second only to cash. Debit cards are by far the most popular payment type and their numbers are increasing. The increased popularity of e-commerce is a factor pushing up these figures. This growth is also being driven by competitor products, such as Apple Pay or PayPal, since such transactions are actually initiated through debit card transactions.

Furthermore, non-cash transactions in emerging markets are growing at an exceptional pace. For example, the BRIC countries alone accounted for nearly 15% of all growth in volume between 2012 and 2013.

Three forces are helping drive growth in mobile and electronic payments transactions – increased penetration of smart phones and internet usage, advances in technology, and innovative products and services. Industry expectations are that m-payment transactions will have grown 58.5% annually to 28.9 billion transactions in 2014; and e-payments, as demonstrated by trends in e-commerce, are expected to have grown by 18.1% yearly in the same period to a total of 34.8 billion transactions. This growth is making the area an attractive one for banks and non-banks.

4.3.3 Competition and Trends

APCO believes that electronic transactions will expand further in the future and that an increasing percentage of these transactions will be processed through emerging technologies. Competitors are continually offering innovative products and enhanced services, such as products that support smart phones that contain mobile wallet software. As mobile payments continue to evolve and are desired by merchants and consumers, APCO will continue to develop new products and services that will leverage the benefits that these new technologies can offer customers. In addition, it is expected that new markets will develop in areas that have been previously dominated by paper-based transactions. Industries such as e-commerce, government, recurring payments and business-to-business should continue to see transaction volumes migrate to more electronic-based settlement solutions. As a result, the continued development of new products and services and the emergence of new vertical markets will provide opportunities for APCO to expand its business in the years to come.

4.3.4 Operational Performance

APCO Limited

APCO Limited is engaged in the importation of office and banking equipment and the provision of payment services. The following table sets out the operating performance highlights of APCO Limited for the years indicated therein.

Income Statement					
For the period/year ended	**2014**	**2014**	**2013**	**2012**	**2011**
Amounts in € '000s	July'14 - Dec'14	July'13 - June'14	July'12 - June'13	July'11 - June'12	July'10 - June'11
	(6 months)	**(12 months)**	**(12 months)**	**(12 months)**	**(12 months)**
	Actual	**Actual (Restated)**	**Actual**	**Actual**	**Actual**
Revenue	1,131	3,260	3,618	4,251	2,350
Operating expenses	(1,056)	(3,197)	(3,344)	(3,726)	(2,023)
EBITDA	**75**	**63**	**274**	**525**	**327**
Depreciation and amortisation	(15)	(11)	(21)	(20)	(15)
Other net income	467	139	117	160	27
Net interest expense	(6)	(3)	-	-	(3)
Profit before tax	**521**	**187**	**370**	**665**	**336**
Taxation	(95)	(107)	(137)	(209)	(125)
Profit for the year	**426**	**81**	**233**	**456**	**211**

The key accounting ratios are set out below:

	FP2014	**FY2014**	**FY2013**	**FY2012**	**FY2011**
	July'14 - Dec'14	July'13 - June'14	July'12 - June'13	July'11 - June'12	July'10 - June'11
	(6 months)	**(12 months)**	**(12 months)**	**(12 months)**	**(12 months)**
Revenue growth *(Revenue FY1/Revenue FY0)*		-10%	-15%	81%	
EBITDA margin *(EBITDA/revenue)*	7%	2%	8%	12%	14%
Net profit margin *(Profit after tax/revenue)*	38%	2%	6%	11%	9%

Source: Charts Investment Management Service Limited

A segmental analysis of revenue for the four financial years FY2011 to FY2014, including revenue for the 6-month period 1 July 2014 to 31 December 2014, is provided below:

Revenue by segment	**2014**	**2014**	**2013**	**2012**	**2011**
Amounts in € '000s	July '14 - Dec '14	July '13 - June '14	July '12 - June '13	July '11 - June '12	July '10 - June '11
	(6 months)	**(12 months)**	**(12 months)**	**(12 months)**	**(12 months)**
	Actual	**Actual**	**Actual**	**Actual**	**Actual**
Hardware revenue	149	1,851	1,456	1,432	946
Payment Service Provider (PSP)	807	1,372	2,119	2,721	1,284
Other revenue	175	37	43	98	120
Total revenue	**1,131**	**3,260**	**3,618**	**4,251**	**2,350**

Revenue primarily comprises of: (i) hardware sales mainly to the banking and finance sector, and include sales of automation equipment such as ATMs, point-of-sale terminals and foreign exchange machines; and (ii) the provision of online payment solutions to web merchants. As a payment service provider the company offers a single payment gateway that provides the merchant's customers access to multiple payment methods via various banks, cards and payment networks. The platform is developed and owned by its sister company, APCO Systems Limited.

Income increased significantly in FY2012 by €1.90 million (FY2011: €2.35 million) mainly due to growth in the payment solutions sector. During the said year, the company experienced an increase in the number of new merchants and a corresponding increase in the processing of payments. However, most of these merchants terminated the service in FY2013 and as a result revenue in FY2013 was lower than the preceding financial year. Further to the above event, management resolved to better evaluate prospective merchants and initiate business relationships only with more established and stable merchants.

Revenue registered in June 2014 was 10% lower than in the preceding year, principally as a result of a 35% decrease in the revenue generated through the provision of online services (FY2014: €1.37 million). This decrease was partly offset with an increase of 27% in hardware sales and a 4% reduction in operating expense. As a result, EBITDA margin decreased from 8% in FY2013 to 2% in FY2014. Profit for the financial year ended 30 June 2014 declined by €152,000 from €233,000 (in FY2013) to €81,000.

Revenue generated from the provision of payment services is highly volatile partly due to seasonality factors that affect the business activities of APCO's clients. A portion of its customer base operates in the gaming industry and as a result the number of major sports events has a material impact on the volume of transactions and achieved revenue. In FY2013, apart from the exceptional movement in merchant accounts described above, the lack of major sports events in the summer months also contributed to lower income for the year. As for FY2014, the company experienced a general decrease in transactions volume during the year which adversely impacted revenue from services.

During FY2015, part of APCO's business has been integrated with PTL to create synergies, industry focus and cost efficiencies. In fact, through this integration, PTL and APCO were awarded a number of projects in the public and private sector, some of which are considered by management to be of a complex nature.

Change in accounting year end

In September 2014, the company changed its financial year end from 30 June to 31 December. Consequently, the Income Statement being presented in this Financial Analysis Summary includes the financial results for a period of 6 months ending 31 December 2014. The profit before tax increased from *circa* €81,000 on 30 June 2014 to *circa* €426,000 on 31 December 2014. This substantial increase resulted from the gain on disposal made from the sale of immovable property amounting to *circa* €325,000.

APCO Systems Limited

APCO Systems Limited is engaged in the provision of bespoke computer software and payment gateway solutions under the 'APCOPAY' brand. The following table sets out the operating performance highlights of APCO Systems Limited for the years indicated therein.

Income Statement For the year ended 31 December Amounts in €'000s	2014 Actual	2013 Actual	2012 Actual	2011 Actual
Revenue	1,766	1,728	1,419	1,233
Operating expenses	(1,172)	(953)	(520)	(416)
EBITDA	**595**	**775**	**899**	**817**
Depreciation and amortisation	(9)	(7)	(8)	(8)
Other net income	1,000	6	194	45
Finance costs	(21)	-	-	-
Profit before tax	**1,565**	**774**	**1,085**	**854**
Taxation	(208)	(268)	(312)	(283)
Profit for the year	**1,357**	**506**	**773**	**571**

The key accounting ratios are set out below:

	FY2014	FY2013	FY2012	FY2011
Revenue growth *(Revenue FY1/Revenue FY0)*	2%	22%	15%	
EBITDA margin *(EBITDA/revenue)*	34%	45%	63%	66%
Net profit margin *(Profit after tax/revenue)*	77%	29%	54%	46%

Source: Charts Investment Management Service Limited

APCO Systems Limited has developed a single payment gateway under the brand 'APCOPAY'. In this respect, revenue is generated from annual fees, fees charged on transaction volumes and support services. Such revenue is charged to its sister company, APCO Limited.

During the year ended 31 December 2014, APCO Systems Limited generated *circa* €1.77 million in revenue. This was marginally higher by €38,000 (+2%) when compared to the prior year. EBITDA margin decreased from 45% in FY2013 to 34% in FY2014, due to an increase of operating expenses of circa €219,000. In FY2014, profits before taxation increased by *circa* €851,000 from *circa* €0.5 million in FY2013 to *circa* €1.4 million in FY2014. APCO Systems Limited generated this increase mainly from a €1 million sale of internally generated intellectual property to another group company.

For FY2015 and FY2016, management believes that the e-commerce business will continue to grow globally, thereby leading to an increase in demand for the platform being operated by APCO System Limited. Management acknowledges that whilst the demand is increasing, the financial industry is imposing stricter regulations and imposing due diligences, thereby reducing the risk appetite to operate in certain industries which are considered to have higher risk when it comes to charge backs and/or reputational risks. In this respect, in FY2015, management has embarked on a number of initiatives that balance between the level of volatility within the markets and industries that use APCO's platform. This was felt necessary by management to build stronger foundations and thereby increasing the level of stability of future growth.

5. BUSINESS DEVELOPMENT STRATEGY

The key elements of the Group's strategy are:

The Group's vision is to be the trusted advisor to its clients, helping them enhance their business performance through innovative technology solutions. The Group's value is its ability to guide, advise, implement and manage IT solutions for its clients, and the strategy is to grow profitable market share by delivering relevant IT solutions to customers on a scalable support and delivery platform. With the continual emergence of new technologies and technology solutions in the IT industry, management believes businesses continue to seek technology providers to supply value-added advice to help them identify and deploy IT solutions, rather than to just supply product selection, price and availability. The Group believes that it is well positioned in the market and can gain profitable market share and provide enhanced value to clients.

The Group's strategy is based on the following objectives:

- Growing the traditional core business faster than market through innovation and additional products;
- Strengthening the core business through targeted expansion of its range of software solutions and support services;
- Focusing on increasing penetration of Apple products and services in Poland through the expansion of Apple stores and further developing business-to-business propositions; and
- Pursue potential acquisitions or investments that have high growth potential.

PART 2

6. COMPANY PERFORMANCE REVIEW

The projected financial statements detailed below relate to events in the future and are based on assumptions which the Company believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecast and actual results may be material.

The Company was registered on 23 December 2013 as a private limited liability company for the purpose of developing and managing the technology business of Hili Ventures Limited (C 57902), the parent company of the Issuer. Upon incorporation, the Company acquired a 100% shareholding in PTL International Limited (C 63276) which was set up on the same day. Subsequently, by virtue of a number of share transfer instruments the latter company acquired the Group companies highlighted in section 3.1 of this report, other than (i) PTL Company B.V. (28889541) and Ipsyon Limited (C 65394) which were incorporated after the said transactions; and (ii) SAD and APCO which were acquired from third parties in 2014. As at 31 December 2013, the principal operating company of the Group was PTL. On 30 June 2014 and 1 August 2014, PTL International Limited acquired SAD and APCO respectively.

6.1 FINANCIAL INFORMATION

The following financial information is extracted from the audited consolidated financial statements of PTL Holdings p.l.c. (the "**Company**") for the financial years ended 31 December 2013 and 2014. The financial information for the years ending 31 December 2015 and 31 December 2016 has been provided by Group management.

6.1.1 Group Income Statement

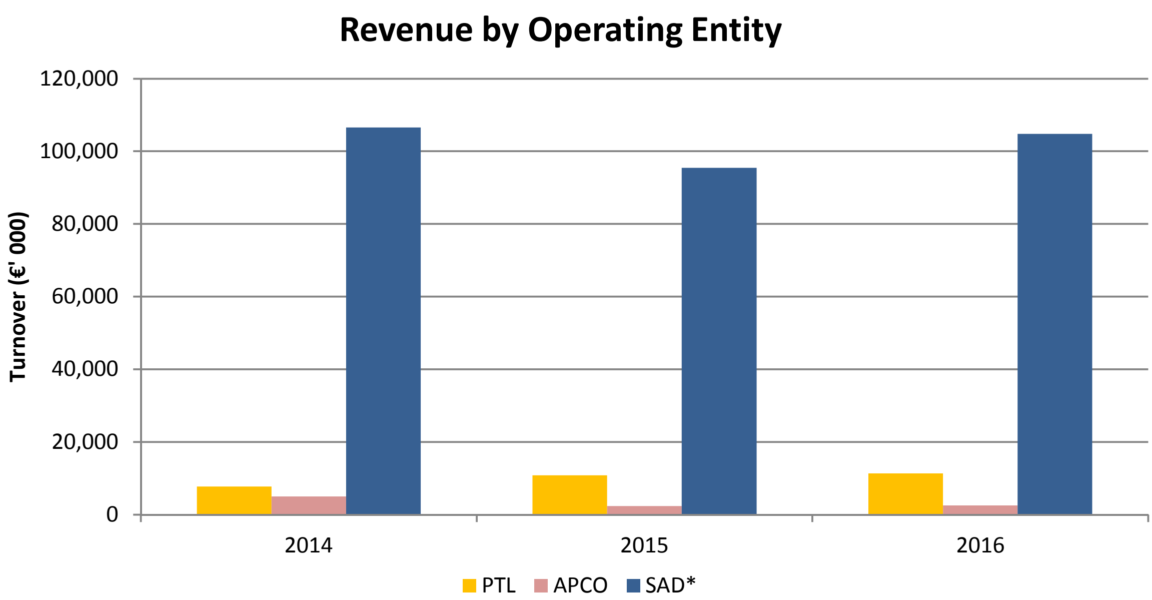
Income Statement For the year ended 31 December Amounts in € '000s	2016 Projections	2015 Projections	2014 Actual	2013 Actual
Revenue	118,582	143,369	66,669	9,639
Operating expenses	(112,249)	(137,353)	(65,334)	(8,707)
EBITDA	**6,332**	**6,016**	**1,335**	**931**
Depreciation and amortisation	(1,140)	(921)	(800)	(123)
Share of profits/(losses) of associates and jointly controlled entities	-	(34)	(104)	-
Net interest expense	(2,491)	(2,647)	(1,321)	(67)
Profit before tax	**2,701**	**2,414**	**(890)**	**741**
Taxation	(718)	(508)	(108)	(198)
Profit for the year	**1,983**	**1,906**	**(998)**	**544**

Note: The consolidated figures for 2014 include the results for SAD and APCO from 1 July 2014 and 1 August 2014 respectively.

The key accounting ratios are set out below:

	FY2016	FY2015	FY2014	FY2013
Operating Profit Margin *(EBITDA/revenue)*	5%	4%	2%	10%
Interest Cover (times) *(EBITDA/net finance cost)*	2.5	2.3	1.0	13.9
Net profit margin *(Profit after tax/revenue)*	2%	1%	-1%	6%
Return on equity *(Profit after tax/shareholders' equity)*	31%	26%	-16%	17%
Return on capital employed *(Operating profit/total assets less current liabilities)*	13%	12%	3%	23%
Return on assets *(Profit after tax/total assets)*	3%	3%	-1%	7%

Source: Charts Investment Management Service Limited



*The SAD revenue figures for FY2015 excludes €34.8 million of exports (discontinued operations)

PTL Group Segmental Analysis (€'000)	FY2016 Projection	FY2015 Projection
Revenue		
PTL	11,314	10,776
SAD	104,769	95,417
SAD Exports (Discontinued Operations)	-	34,798
APCO	2,497	2,378
Total revenue	**118,581**	**143,369**
EBITDA		
PTL	1,400	410
SAD	4,363	3,767
SAD Exports (Discontinued Operations)	-	1,918
APCO Systems	934	272
Non-operating entities	(365)	(350)
Total EBITDA	**6,332**	**6,017**
EBITDA Margin		
PTL	12%	4%
SAD	4%	4%
SAD Exports (Discontinued Operations)		
APCO Systems	37%	11%

The figures relating to FY2013 in the Income Statement, Balance Sheet and Statement of Cash Flow do not take into account the acquisition of the two major businesses, these being SAD (acquired in July 2014) and APCO (acquired in August 2014). FY2015 will be the first year that reflects the annual results of operations of PTL, SAD and APCO.

In FY2013, the Group generated total revenue of *circa* €9.6 million, primarily from PTL Limited by providing IT solutions and security systems. In FY2014, the Group's revenue increased by €57.1 million to €66.7 million, mainly due to the SAD acquisition. Management believes that revenue growth at SAD will be sustained over the coming years through the opening of new iSpot stores, relocating a number of existing stores to more prominent locations, and selling newly launched Apple products. Up to the second quarter of 2015, SAD sold electronic goods across a number of European Countries, generating an additional income of *circa* €34.8 million. However, due to the recent change in VAT regulations as well as the risks associated with cross border sales of technology items, management decided not to pursue any further such opportunities. Therefore, as from Q2 FY2015 till the end of FY2016, the projected numbers only take into account transactions in Poland through iSpot chain and with other business customers. In FY2016, it is projected that SAD will generate *circa* €104.8 million in revenues, an increase of 9.8% over the previous year (€95.4 million sales generated in Poland). With respect to Group EBITDA, SAD is expected to generate €5.7 million (including discontinued operations) of the projected figure of €6.0 million in FY2015.

As to PTL, revenue decreased from €9.6 million in FY2013 to €7.8 million in FY2014 (-€1.8 million). This is mainly due to a reduction in revenue from the Middle East and Libya. In the former market, PTL discontinued its relationship with a solutions supplier for the retail sector in FY2014 which has adversely impacted revenue in FY2014. PTL however plans to remain active in the Middle East through the launch of alternative products for its retail clients and moreover plans to widen its offerings to win new customers operating in other sectors. In Libya, PTL sold a number of ATMs to Libyan banks in FY2013 and in the initial six months of FY2014. Such business operation has however ceased in the latter half of FY2014 and management is not projecting any further sales from Libya. During FY2015, part of APCO's business has been integrated with PTL Limited to create synergies, industry focus and cost efficiencies. Through this integration, PTL and APCO were awarded a number of projects in the public and private sector. In FY2015, PTL is projected to generate revenue amounting to €10.8 million increasing to €11.3 million in FY2016. Management expects growth to be driven through new areas of and from synergies with APCO.

Regarding the operations of APCO, during FY2015 the company will be investing in a more robust payment system infrastructure and will be embarking on a number of initiatives that balance the level of volatility within high-risk markets and industries using APCO's platform. As a result, APCO is projecting to have less high return transactions, resulting in €2.4 million in revenue in FY2015 and a marginal increase of €0.1 million to €2.5 million in FY2016.

On a consolidated basis, the Group registered an interest cover ratio of 1.0x for FY2014, principally due to exceptional interest costs incurred by the Group in respect of the acquisition of SAD and APCO. Such ratio is expected to improve to 2.3x in FY2015 and 2.5x in FY2016 due to a substantial improvement in projected EBITDA. As to the net result for FY2014, the Group incurred a loss after tax of *circa* €1 million as a consequence of the inclusion of the aforesaid acquisition costs. The net profit margin is expected to recover to 1% and 2% in FY2015 and FY2016 respectively.

6.1.2 Group Balance Sheet

Statement of Financial Position Amounts in € '000s	31 Dec'16 Projections	31 Dec'15 Projections	31 Dec'14 Actual	31 Dec'13 Actual
ASSETS				
Non-current assets				
Goodwill and other intangibles	40,107	41,357	41,196	1,553
Property, plant and equipment	5,242	4,395	3,634	385
Investments in associates and joint ventures	321	308	308	270
Loans and receivables	132	305	228	-
Deferred tax asset	1,399	984	484	25
Total non-current assets	**47,202**	**47,349**	**45,849**	**2,233**
Current assets				
Inventory	7,348	8,757	7,567	656
Trade and other receivables	9,146	8,935	9,484	3,563
Short to medium term investments	-	-	693	1,168
Loans and receivables	1,527	1,446	-	-
Taxation	404	254	197	18
Cash and cash equivalents	1,177	(122)	8,685	273
Total current assets	**19,602**	**19,270**	**26,626**	**5,677**
Total assets	**66,803**	**66,619**	**72,475**	**7,911**

Total assets of the Group primarily include tangible assets (furniture, fittings and equipment) and goodwill and intangibles arising on the acquisition of SAD and APCO of *circa* €41 million. The Group does not own any immovable property. Current assets mainly comprise inventory, trade and other receivables, and cash balances.

Statement of Financial Position Amounts in € '000s	31 Dec'16 Projections	31 Dec'15 Projections	31 Dec'14 Actual	31 Dec'13 Actual
EQUITY AND LIABILITIES				
Equity	**7,069**	**7,233**	**6,133**	**3,285**
LIABILITIES				
Non-current liabilities				
Loans from credit institutions	6,660	8,210	9,687	797
Bonds	35,435	35,230	35,263	-
Related party balances	-	-	139	-
Other financial liabilities – third party debt	592	-	608	-
Provisions and other financial liabilities	98	88	185	-
Total non-current liabilities	**42,784**	**43,528**	**45,881**	**797**
Current liabilities				
Loans from credit institutions	1,500	1,482	2,588	496
Other financial liabilities	375	-	4,099	399
Trade and other payables	15,418	13,873	13,486	2,922
Provisions and deferred consideration	-	-	-	-
Taxation	(343)	503	289	13
Total current liabilities	**16,950**	**15,858**	**20,461**	**3,830**
Total liabilities	**59,734**	**59,386**	**66,343**	**4,626**
Total equity and liabilities	**66,803**	**66,619**	**72,475**	**7,911**

The key accounting ratios are set out below:

	FY2016	FY2015	FY2014	FY2013
Gearing ratio (%) *(Net debt/net debt + shareholders' equity)*	85.72%	86.16%	86.37%	23.70%
Liquidity ratio (times) *(Current assets/current liabilities)*	1.16	1.22	1.30	1.48

Source: Charts Investment Management Service Limited

The gearing ratio (net debt/net debt + equity) demonstrates the degree to which capital employed in a business is funded by external borrowings as compared to shareholders' funds. A company with high leverage tends to be more vulnerable when its business goes through a slowdown. At a leverage of 86% in FY2014, the Company's capital is funded to a higher degree from external debt as opposed to shareholders' funds. The Directors believe that the high leverage is appropriate for the Group in view of the substantial cash flows that are expected to be generated by SAD in the foreseeable future.

Other than equity, the Group is principally financed through bank loans and debt securities, analysed as follows:

PTL Group Borrowings & Bonds (€'000)	FY2016 Projection	FY2015 Projection	FY2014 Actual	FY2013 Actual
For funding the acquisitions				
Loan – HSBC Bank Malta p.l.c.				20,970
Loan – HSBC Bank Polska S.A.	8,160	9,692	11,595	12,707
Related party loan				8,287
Total	**8,160**	**9,692**	**11,595**	**41,964**
For operational purposes				
Loan & overdraft – HSBC Bank Malta p.l.c.		122	679	1,195
Loan – Banif Bank (Malta) p.l.c.				97
Total		**122**	**679**	**1,292**
Debt securities				
Bonds	35,435	35,230	35,263	
Total debt	**43,595**	**45,044**	**47,537**	**43,256**

The Group's bank borrowings are secured by general hypothecs, pledges and guarantees provided by Group companies, by companies forming part of the Hili Ventures Group and by the Company's ultimate shareholders. The related party loan of the Group is unsecured and interest free.

The Bonds constitute unsecured obligations of the Issuer, and rank equally without priority or preference with all other present and future unsecured and unsubordinated obligations of the Issuer.

6.1.3 Group Cash Flow Statement

Cash Flow Statement Amounts in € '000s	FY2016 Projection	FY2015 Projection	FY2014 Actual	FY2013 Actual
Cash flows from operating activities	5,801	2,513	2,093	512
Cash flows from investing activities	(1,240)	(5,512)	(41,870)	158
Cash flows from financing activities	(3,262)	(5,129)	47,607	(494)
Net movement in cash and cash equivalents	**1,299**	**(8,128)**	**7,830**	**176**
Opening cash balance	(122)	8,006	176	-
Closing cash balance	**1,177**	**(122)**	**8,006**	**176**
Headroom[1]	**4,277**	**2,978**	**8,876**	**1,046**

[1] The Group has credit bank facilities of €3.10 million issued by reputable commercial banking institutions. As at 31 December 2015, the Group is expected to have a net unutilised balance of available credit of €2.98 million.

Net cash flows from operating activities in FY2013 and the initial six months of FY2014 relate to the operations of PTL. As a result of the acquisition of SAD and APCO in June 2014 and August 2014 respectively, the Group's cash flows for the latter six months of FY2014 and for FY2015 and FY2016 comprise the results of operations of PTL, SAD and APCO. The operational activities of PTL, SAD and APCO are analysed in further detail in section 4 of this report.

The significant movements in investing and financing activities in FY2014 principally relate to the acquisition of SAD and APCO, as follows:

- In June 2014, the Group concluded an agreement to acquire 100% of the shares in SAD for a consideration of €40.35 million. The transaction was financed by *circa* €32 million of bank funding, an injection of €7.7 million by Hili Ventures Limited (the parent of the Company) and the remaining balance by own funds. With respect to the cash balance received from Hili Ventures Limited, an amount of €4 million was capitalised through the issuance of new ordinary shares of the Company, whilst the remaining balance of €3.7 million is accounted for as a loan advanced by the parent company.
- In August 2014, the Group entered into an agreement to acquire 100% of APCO for a consideration of €8.8 million. An amount of €4.8 million was settled through a loan received from Hili Ventures Limited of same amount. The remaining balance of consideration was paid from the net proceeds of the Bond Issue.

As for investing activities in FY2015 and FY2016, the Group will settle the deferred consideration relating to the acquisition of APCO in FY2015 of €3.8 million, and is expected to spend an aggregate amount of €2.6 million in capital expenditure. Financing activities in FY2015 and FY2016 will principally include bond interest payments of €3.6 million, dividends payable amounting to €1.7 million (in

FY2015), and the remaining balance of *circa* €1.6 million will relate to net movement in bank and related party borrowings.

6.2 RELATED PARTY DEBT SECURITIES

PTL Holdings p.l.c. is a member of the Hili Ventures Group. Within the same group, Premier Capital p.l.c., a sister company of PTL Holdings p.l.c., has the following outstanding debt securities:

Security ISIN	Amount Listed	Security Name	Currency
MT0000511205	24,655,800	6.80% Premier Capital plc Bonds 2017-2020[1]	EUR

[1]*Debt securities listed on the Malta Stock Exchange.*

PART 3

7. COMPARABLES

The table below compares the Company and its proposed bond issue to other debt issuers listed on the Malta Stock Exchange and their respective debt securities. The list includes all issuers (excluding financial institutions) that have listed bonds maturing in the medium term (within eight to ten years), similar to the duration of the Company's bonds. Although there are significant variances between the activities of the Company and other issuers (including different industries, principal markets, competition, capital requirements etc), and material differences between the risks associated with the Company's business and that of other issuers, the comparative analysis provides an indication of the financial performance and strength of the Company.

Comparative Analysis	Nominal Value (€'000)	Yield to Maturity (%)	Interest Cover (times)	Total Assets (€'million)	Net Asset Value (€'million)	Gearing Ratio (%)
5.8% IHI plc 2023	10,000	3.99	2.21	1,012.04	594.81	50.31
5.3% United Finance plc 2023	8,500	4.47	1.14	21.69	2.69	79.86
6.0% AXI plc 2024	40,000	4.10	2.80	188.38	102.17	65.05
6.0% IHG Holdings plc 2024	35,000	4.45	2.65	149.76	40.37	201.23
5.3% Mariner Finance plc 2024	35,000	3.81	4.23	60.03	20.91	62.25
5.0% Tumas Investments plc 2024	25,000	3.61	3.34	281.07	95.10	137.46
5.0% Hal Mann Vella plc 2024	30,000	3.52	0.51	77.29	30.14	55.04
5.1% PTL Holdings plc 2024	**36,000**	**3.60**	**1.00**	**72.48**	**6.13**	**86.37**
5.1% 6PM Holdings plc 2025	13,000	5.10	10.3	9.12	4.12	36.63
						7 August 2015

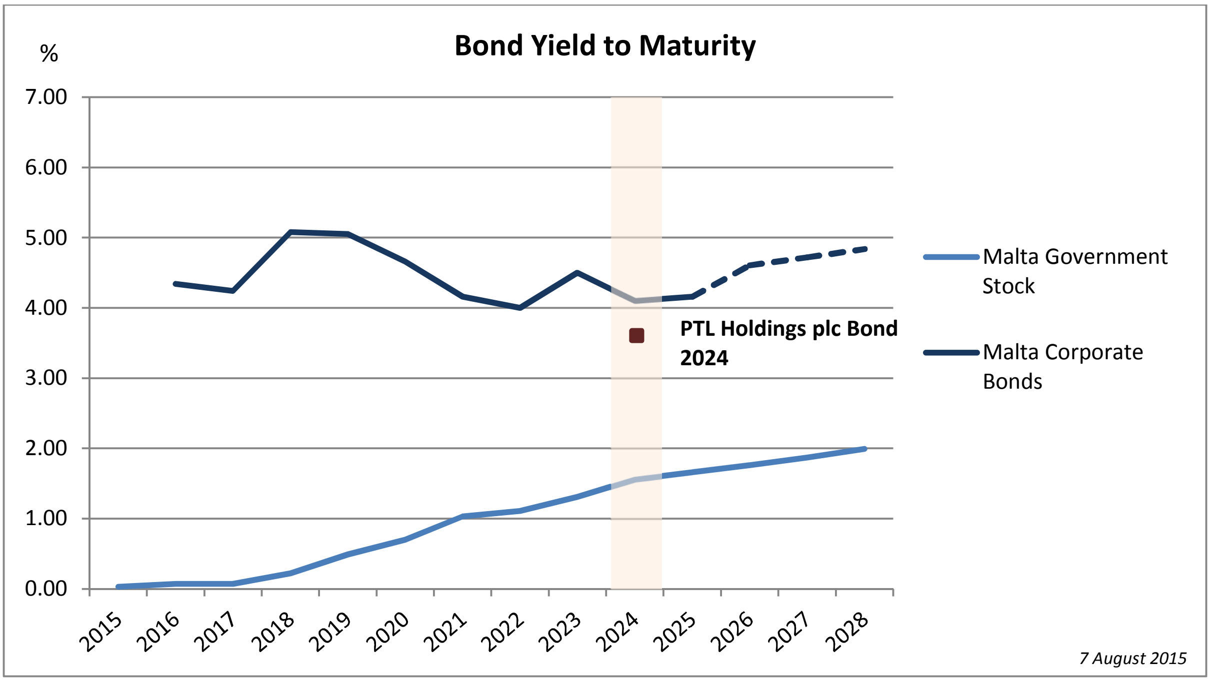
Source: Malta Stock Exchange, Charts Investment Management Service Limited

Annual Accounts: Tumas Group Company Ltd (YE 31/12/2013), International Hotel Investments plc (YE 31/12/2014), Island Hotels Group Holdings plc (YE 31/10/2014), AX Holdings Ltd (YE 31/10/2014), Mariner Finance plc (YE 31/12/2014), PTL Holdings plc (YE 31/12/14), Hal Mann Vella Group plc (YE 31/12/14), 6PM Holdings plc (YE 31/12/14), United Finance plc (YE 31/12/2014)

The interest cover ratio determines the ability of a company to pay interest on its outstanding borrowings. For the financial year ended 31 December 2014, the Group's earnings before depreciation, interest and taxes was equal to interest expense for the year, principally due to exceptional interest costs incurred by the Group in respect of the acquisition of SAD and APCO. Such ratio is expected to improve to 2.3x in FY2015 and 2.5x in FY2016 due to a substantial improvement in projected EBITDA.

The debt to equity ratio or gearing ratio demonstrates the degree to which the capital employed in a business is funded by external borrowings as compared to shareholders' funds. A company with high leverage tends to be more vulnerable when its business goes through a slowdown. The gearing ratio of the Group is at 86%, which is relatively high. Notwithstanding, management is comfortable with such leverage given that the operating entities of the Group, in particular SAD, are expected to achieve substantial growth in revenue and operating cash flows in the short to medium term which will enable the Group to reduce significantly its gearing level by the redemption date of the Bonds.

The chart below shows the yield to maturity of the proposed bond as compared to other corporate bonds listed on the Malta Stock Exchange. The Malta Government Stock yield curve has also been included as the benchmark risk-free rate for Malta.



To date, there are no corporate bonds which have a redemption date beyond 2025 and therefore a trend line has been plotted (denoted in the above chart by the dashed line). The Malta Government Stock yield curve has also been included since it is the benchmark risk-free rate for Malta. The premium over Malta Government Stock has been assumed at 285 basis points, which is the average premium for medium term corporate bonds. The PTL Holdings Bond is currently trading at 204 basis points above Malta Government Stock.

PART 4

8. EXPLANATORY DEFINITIONS

Income Statement	
Revenue	Total revenue generated by the Group from its business activities during the financial year, including IT hardware, software, consultancy and related services.
Net operating expenses	Net operating expenses include the cost of products, labour expenses, and all other direct expenses.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. EBITDA can be used to analyse and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions.
Share of results of joint ventures	The PTL Group owns minority stakes in a number of companies (less than 50% plus one share of a company's share capital). The results of such companies are not consolidated with the subsidiaries of the Group, but the Group's share of profit is shown in the profit and loss account under the heading 'share of results of associates and jointly controlled entities'.
Profit after tax	Profit after tax is the profit made by the Group during the financial year both from its operating as well as non-operating activities.
Profitability Ratios	
Operating profit margin	Operating profit margin is operating income or EBITDA as a percentage of total revenue.
Net profit margin	Net profit margin is profit after tax achieved during the financial year expressed as a percentage of total revenue.
Efficiency Ratios	
Return on equity	Return on equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing profit after tax by shareholders' equity.
Return on capital employed	Return on capital employed (ROCE) indicates the efficiency and profitability of a company's capital investments, estimated by dividing operating profit by capital employed.
Return on Assets	Return on assets (ROA) is computed by dividing profit after tax by total assets.

Equity Ratios	
Earnings per share	Earnings per share (EPS) is the amount of earnings per outstanding share of a company's share capital. It is computed by dividing net income available to equity shareholders by total shares outstanding as at balance sheet date.
Cash Flow Statement	
Cash flow from operating activities	Cash generated from the principal revenue-producing activities of the Company.
Cash flow from investing activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Company.
Cash flow from financing activities	Cash generated from the activities that result in change in share capital and borrowings of the Company.
Balance Sheet	
Non-current assets	Non-current asset are the Group's long-term investments, which full value will not be realised within the accounting year. Non-current assets are capitalised rather than expensed, meaning that the Group allocates the cost of the asset over the number of years for which the asset will be in use, instead of allocating the entire cost to the accounting year in which the asset was purchased. Such assets include goodwill and other intangible assets, property, plant & equipment and investments accounted for using the equity method.
Current assets	Current assets are all assets of the Group, which are realisable within one year from the balance sheet date. Such amounts include inventory, accounts receivable, cash and bank balances.
Current liabilities	All liabilities payable by the Group within a period of one year from the balance sheet date, and include accounts payable and short-term debt.
Net debt	Borrowings before unamortised issue costs less cash and cash equivalents.
Non-current liabilities	The Group's long-term financial obligations that are not due within the present accounting year. The Group's non-current liabilities include bank borrowings and bonds.
Total equity	Total equity includes share capital, reserves & other equity components, and retained earnings.
Financial Strength Ratios	
Liquidity ratio	The liquidity ratio (also known as current ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares a company's current assets to its current liabilities.

Interest cover	The interest coverage ratio is calculated by dividing a company's EBITDA of one period by the company's interest expense of the same period.
Gearing ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance a company's assets, and is calculated by dividing a company's net debt by net debt plus shareholders' equity.