Premier Capital p.l.c.

Financial Analysis Summary

21 October 2016

CHARTS
WEALTH MANAGEMENT • CORPORATE BROKING

The Directors
Premier Capital p.l.c.
Nineteen Twenty Three
Valletta Road
Marsa MRS 3000

21 October 2016

Dear Sirs

Premier Capital 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 2016 Financial Analysis Summary (the "Analysis") 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 Premier Capital 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 years ended 31 December 2013 to 31 December 2015 has been extracted from the audited consolidated financial statements of Premier Capital p.l.c.

(b) The forecast data of the Group for the years ending 31 December 2016 to 2018 has been provided by management of the Company.

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

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

(e) 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

TABLE OF CONTENTS

PART 1 – INFORMATION ABOUT THE COMPANY

1. KEY ACTIVITIES

Premier Capital p.l.c. (the "**Company**", "**Issuer**" or the "**Group**") was incorporated on 30 June 2005 as a private limited liability company, subsequently (on 26 February 2010) converted into a public limited liability company and thereafter renamed Premier Capital p.l.c. The Issuer is a holding company, having no trading or operating activities of its own. Accordingly, the operating and financial performance of the Group is directly related to the financial and operating performance of the Issuer's subsidiary companies. The Group is engaged in the operations of McDonald's restaurants in Estonia, Greece, Latvia, Lithuania, Malta and Romania.

The McDonald's franchise for Malta was awarded to the group company Premier Restaurants Malta Limited (formerly First Foods Franchise Limited), in 1995, pursuant to the terms of an operating license agreement entered into with, inter alia, McDonald's Corporation.

In 2007, the Premier Group was awarded the McDonald's franchise in respect of each of Latvia, Lithuania and Estonia (the "Baltic countries"), pursuant to which it was charged with the responsibility of developing the brand in those territories by: taking over from the McDonald's Corporation the operation of the then existing 19 McDonald's restaurants in the Baltic countries (7 restaurants in Estonia and 6 restaurants in each of Latvia and Lithuania); and by acquiring the right, and taking on the responsibility, to open new restaurants in the Baltic countries. The majority of these restaurants are located in the Baltic countries' respective capital cities, Tallinn, Riga and Vilnius.

In 2011, Premier Capital p.l.c. was awarded the developmental license for McDonald's in Greece, taking over 19 restaurants. As at 31 December 2015, the total number of restaurants operated by the Group amounted to 63, as follows: 8 in Malta and Gozo; 10, 12 and 11 in Estonia, Latvia and Lithuania respectively; and 22 in Greece.

On 22 January 2016, the Group acquired 90% shareholding in Premier Capital Romania SRL, an SPV company purposely set up to acquire Premier Capital Delaware Inc. (formerly, McDonald's Systems of Romania Inc.), a non-trading holding company registered in Delaware US, and Premier Restaurants Romania SRL (formerly, McDonald's Romania SRL) ("McD Romania") which operates the McDonald's restaurants in Romania. McD Romania is headquartered in Bucharest and as at date of acquisition operated 67 restaurants across the country.

Details of the purchase consideration are as follows:

Premier Capital p.l.c. **Purchase Consideration of McDonald's Romania**	**€'000**
Cash consideration paid	56,292
Deferred consideration (included in 'other financial liabilities')	5,520
	61,812

The purchase consideration (including acquisition related costs amounting to €0.8 million) has been partly financed by a bank loan from BRD – Groupe Société Générale in Romania of €36.6 million, a cash injection of €17.2 million by the parent, Hili Ventures Limited and €3.3 million from group operating cash flows (in aggregate: €57.1 million). The deferred consideration of €5.5 million included in other financial liabilities is payable on 22 January 2017 and bears interest currently of 3.54%.

In addition to the above-mentioned acquisition, during the initial six months of 2016 the Group opened the 23rd restaurant in Greece, a seasonal restaurant located in the island of Santorini, and another in Bugibba, Malta following its relocation to a prime area. As at 30 June 2016, the Group operated a total of 132 restaurants across six territories.

An analysis of restaurant sales by country is provided hereunder:

Premier Capital p.l.c Revenue by Territory	2013 Actual (€'000)	2014 Actual (€'000)	2015 Actual (€'000)	2016 Projection (€'000)	2017 Projection (€'000)	2018 Projection (€'000)	CAGR FY 13-15	CAGR FY 13-18
Estonia	17,180	17,387	17,659	18,663	19,130	19,608	1.4%	2.7%
Greece	18,602	20,940	24,127	25,096	31,348	33,669	13.9%	12.6%
Latvia	17,457	18,092	18,744	19,599	20,480	22,202	3.6%	4.9%
Lithuania	15,258	16,418	18,260	19,537	21,980	26,220	9.4%	11.4%
Malta	20,447	21,775	21,148	20,798	23,686	23,994	1.7%	3.3%
Romania				124,631	138,488	148,983		9.3%
	88,944	**94,612**	**99,938**	**228,324**	**255,112**	**274,676**	**6.0%**	**25.3%**

2. DIRECTORS AND SENIOR MANAGEMENT

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

Board of Directors

Carmelo *sive* Melo Hili	Chairman and Non-Executive Director
Victor Tedesco	Executive Director
Tomasz Nawrocki	Non-executive Director
Charles J. Farrugia	Independent non-executive Director
Ann Fenech	Independent non-executive Director
Massimiliano Lupica	Independent non-executive Director

Senior Management of the Group

The Board of Directors establishes policy for the Group and is responsible for appointing all executive officers and other key members of the Group's management team.

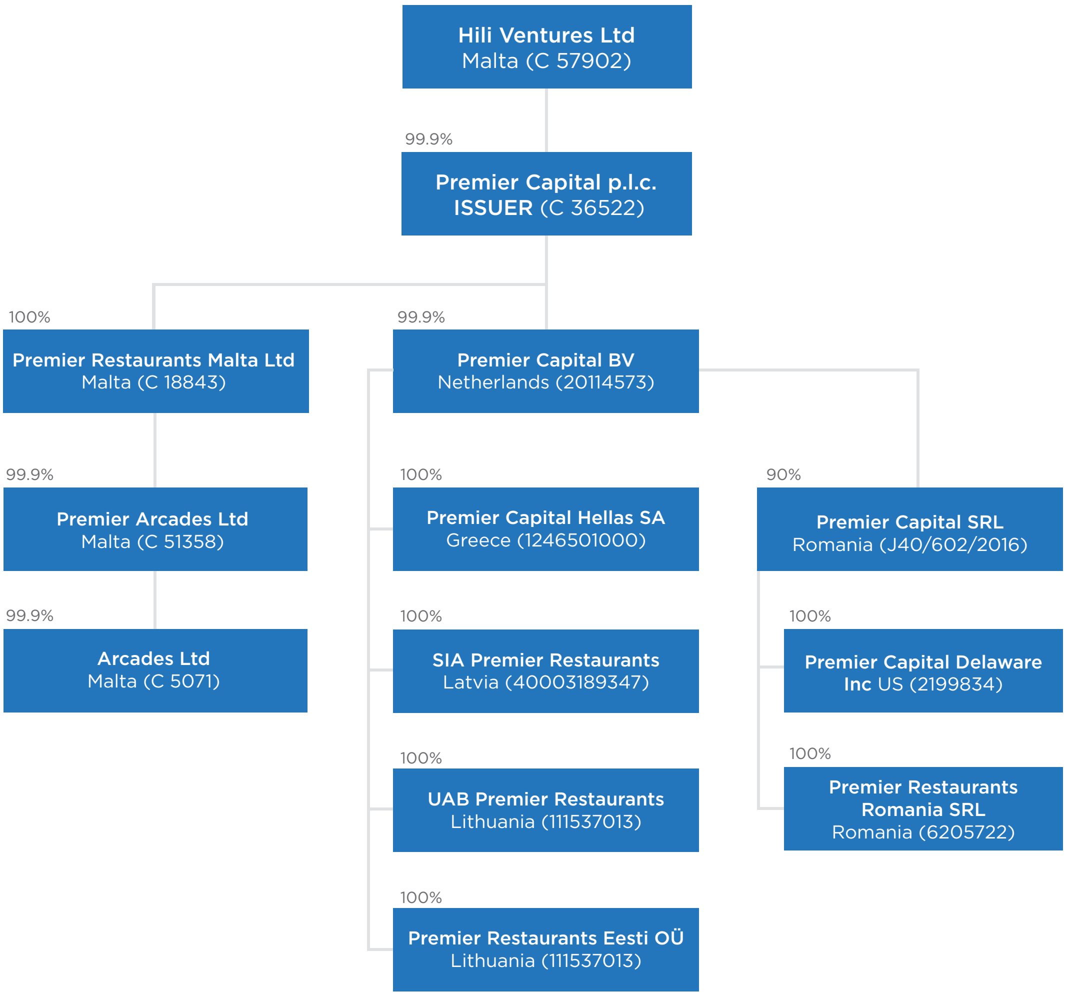
The Group has appointed executives in each of the core area of its business – finance, quality & supply chain, human resources (post is currently vacant) and development – all of whom report directly to the Managing Director. In addition, the Group has appointed a general manager for each of the four regions in which it operates.

The members of Senior Management are the following:

Victor Tedesco	Managing Director
Dorian Desira	Chief Financial Officer
Hector Naudi	Director of Quality and Supply Chain
Vladimir Adamovich	Director of Development
Daniel Boaje	Managing Director for Romania
Vlademir Janevski	General Manager for Baltics
Lee Warren	General Manager for Malta
Simona Mancinelli	General Manager for Greece

3. GROUP 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 business is described in section 4 hereunder.

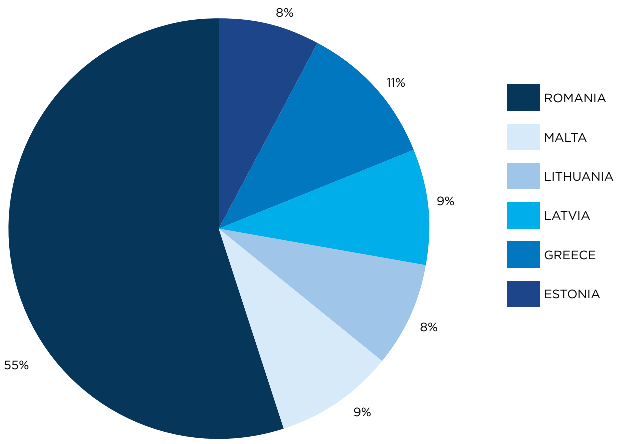
4. GROUP OPERATIONAL DEVELOPMENT

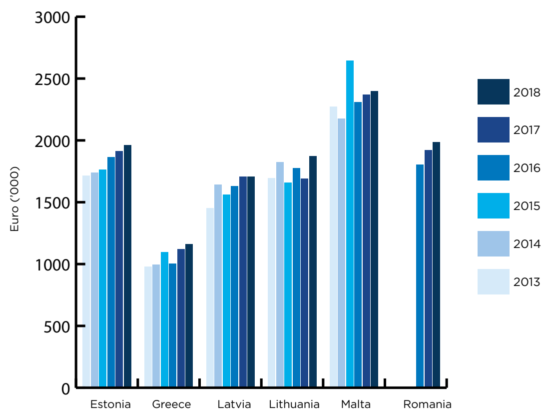
As at 30 June 2016, the Group operated 132 restaurants in Estonia, Greece, Latvia, Lithuania, Malta and Romania. The table below provides an analysis of performance by country for the financial years FY2013 to FY2018:

Premier Capital p.l.c Segment Information	2013 Actual	2014 Actual	2015 Actual	2016 Projection	2017 Projection	2018 Projection	CAGR FY 13-15	CAGR FY 13-18
ESTONIA								
Revenue (€'000)	17,180	17,387	17,659	18,663	19,130	19,608	1.4%	2.7%
Profit (loss) before tax (€'000)	1,419	1,682	2,012	2,235	2,240	2,161	19.1%	8.8%
Average number of restaurants	10	10	10	10	10	10		
Average revenue per restaurant (€'000)	1,718	1,739	1,766	1,866	1,913	1,961	1.4%	2.7%
Growth in average revenue per restaurant	n/a	1.2%	1.6%	5.7%	2.5%	2.5%		
Pre-tax profit margin	8%	10%	11%	12%	12%	11%	1.7%	3.3%
GREECE								
Revenue (€'000)	18,602	20,940	24,127	25,096	31,348	33,669	13.9%	12.6%
Profit (loss) before tax (€'000)	(1,476)	(863)	(560)	(704)	(649)	(567)	n/a	n/a
Average number of restaurants	19	21	22	25	28	29		
Average revenue per restaurant (€'000)	979	997	1,097	1,004	1,120	1,161	5.8%	3.5%
Growth in average revenue per restaurant	n/a	1.8%	10.0%	-8.5%	11.5%	3.7%		
Pre-tax profit margin	-8%	-4%	-2%	-3%	-2%	-2%		
LATVIA								
Revenue (€'000)	17,457	18,092	18,744	19,599	20,480	22,202	3.6%	4.9%
Profit (loss) before tax (€'000)	748	541	492	1,457	1,262	1,205	-18.9%	10.0%
Average number of restaurants	12	11	12	12	12	13		
Average revenue per restaurant (€'000)	1,455	1,645	1,562	1,633	1,707	1,708	3.6%	3.3%
Growth in average revenue per restaurant	n/a	13.1%	-5.0%	4.6%	4.5%	0.1%		
Pre-tax profit margin	4%	3%	3%	7%	6%	5%		

Premier Capital p.l.c Segment Information (cont.)	2013 Actual	2014 Actual	2015 Actual	2016 Projection	2017 Projection	2018 Projection	CAGR FY 13-15	CAGR FY 13-18
LITHUANIA								
Revenue (€'000)	15,258	16,418	18,260	19,537	21,980	26,220	9.4%	9.4%
Profit (loss) before tax (€'000)	1,352	1,972	2,197	2,256	2,401	2,778	27.5%	27.5%
Average number of restaurants	9	9	11	11	13	14		
Average revenue per restaurant (€'000)	1,695	1,824	1,660	1,776	1,691	1,873	-1.0%	-1.0%
Growth in average revenue per restaurant	n/a	7.6%	-9.0%	7.0%	-4.8%	10.8%		
Pre-tax profit margin	9%	12%	12%	12%	11%	11%		
MALTA								
Revenue (€'000)	20,447	21,775	21,148	20,798	23,686	23,994	1.7%	3.3%
Profit (loss) before tax (€'000)	965	452	494	683	1,165	1,084	-28.5%	2.4%
Average number of restaurants	9	10	8	9	10	10		
Average revenue per restaurant (€'000)	2,272	2,178	2,644	2,311	2,369	2,399	7.9%	1.1%
Growth in average revenue per restaurant	n/a	-4.2%	21.4%	-12.6%	2.5%	1.3%		
Pre-tax profit margin	5%	2%	2%	3%	5%	5%		
ROMANIA								
Revenue (€'000)				124,631	138,488	148,983		9.3%
Profit (loss) before tax (€'000)				13,488	15,580	17,660		14.4%
Average number of restaurants				69	72	75		
Average revenue per restaurant (€'000)				1,806	1,923	1,986		4.9%
Growth in average revenue per restaurant				n/a	6.5%	3.3%		
Pre-tax profit margin				11%	11%	12%		
TOTAL								
Revenue (€'000)	88,944	94,612	99,938	228,324	255,112	274,676	6.0%	25.3%
Profit (loss) before tax[1] (€'000)	3,008	3,784	4,635	19,415	21,999	24,321	24.1%	51.9%
Average number of restaurants	59	61	63	136	145	151		
Average revenue per restaurant (€'000)	1,508	1,551	1,586	1,679	1,759	1,819	2.6%	3.8%
Growth in average revenue per restaurant	n/a	2.9%	2.3%	5.8%	4.8%	3.4%		
Total revenue growth	n/a	6.4%	5.6%	128.5%	11.7%	7.7%		
Pre-tax profit margin	3.4%	4.0%	4.6%	8.5%	8.6%	8.9%		

[1]*The profit figure as reported excludes results of the holding company.*





During the three historical financial years (FY2013 to FY2015), revenue generated by the Group increased at a compound annual growth rate **(CAGR)** of *circa* 6%, from €88.9 million in FY2013 to €99.9 million in FY2015 (an increase of €11.0 million). Such growth was achieved as a result of an increase in average revenue per restaurant, from €1.51 million in FY2013 to €1.59 million in FY2015 (CAGR: 2.6%), and through net restaurant openings of 2 outlets in each of FY2014 and FY2015 (from 59 outlets in FY2013 to 63 in FY2015). Profit before tax increased in the period under review from €3.0 million in FY2013 to €4.6 million in FY2015 and pre-tax profit margin improved from 3.4% to 4.6% in the respective aforementioned years.

Group revenue for the year ending 31 December 2016 is forecasted to amount to €228.3 million, an increase of €128.4 million from a year earlier as a consequence of the Romanian acquisition. Excluding said acquisition, Group revenue is expected to increase by 3.8% from €99.9 million in FY2015 to €103.7 million in FY2016. With respect to profitability, the Group is projected to generate a profit before tax of €19.4 million in FY2016, an increase of €14.8 million when compared to FY2015. Excluding the Romanian territory, profit before tax is forecasted to increase by €1.3 million, from €4.6 million in FY2015 to €5.9 million in FY2016. In the following two financial year, Group revenue is expected to increase by €26.8 million (+12%) in FY2017 and €19.6 million (+8%) in FY2018 to €274.7 million. Profit before tax is projected to increase by €2.6 million in FY2017 and €2.3 million in FY2018 to €24.3 million (in FY2018). More notably is the anticipated improvement in pre-tax profit margin from 4.6% in FY2015 to *circa* 8.5% in FY2016 and FY2017, and 8.9% in FY2018.

Total outlets are expected to increase from 63 restaurants in FY2015 to 136 in FY2016 (mainly as a result of the Romanian acquisition), and 145 and 151 in FY2017 and FY2018 respectively. Average revenue per restaurant is projected to improve from €1.59 million in FY2015 to €1.68 million and €1.76 million in FY2016 and FY2017 respectively. As for FY2018, average revenue per restaurant is projected at €1.82 million.

On a per country basis, revenue generated in Estonia, Latvia and Malta increased marginally from FY2013 to FY2015 at a CAGR of 1.4%, 3.6% and 1.7% respectively. On the other hand, revenue from the Lithuanian operation increased at a CAGR of 9.4%, principally due to a net increase of 2 restaurants in FY2015. Revenue generated in Greece increased at a CAGR of 13.9% during the same period, from €18.6 million in FY2013 to €24.1 million in FY2015, and as such performed significantly better when compared to the other countries. Although the increase in revenue was mainly the result of a net amount of 3 new outlet openings, average revenue per restaurant also improved from €1.0 million in FY2013 to €1.1 million in FY2015.

It is observed that average revenue per restaurant is relatively consistent amongst the Baltic restaurants (FY2015 average: €1.7 million), but varies quite significantly in Greece (FY2015: €1.1 million) and Malta (FY2015: €2.6 million). The primary reason for this difference is that in Greece the Group operates outlets that are relatively smaller in size and a number of them are seasonal restaurants (in touristic destinations). In comparison to Malta, the Group operates a small number of relatively large outlets in high traffic destinations (such as, the Malta International Airport, St Julians and Valletta) and furthermore, 2 of the 8 restaurants are drive thru outlets which typically attract a higher spend per customer.

In FY2016, average revenue per restaurant is expected to increase in each of Estonia (+5.7%), Latvia (+4.6%) and Lithuania (+7.0%). On the other hand, average revenue in Greece is projected to decrease from €1.1 million to €1.0 million, principally due to a net addition of 3 new outlets during the year (new outlets are not operational for a full year and consequently lower average yearly performance by territory). Average revenue per restaurant in Malta is also expected to decline from €2.6 million in FY2015 to €2.3 million in FY2016.

In FY2017, all territories (other than Lithuania) are projected to register gains in average revenue per restaurant, particularly Greece which is expected to increase average revenue by 11.5% from €1.0 million in FY2016 to €1.1 million in FY2017. Lithuania is projected to generate marginally lower average revenue per outlet of €85,000 to €1.7 million. As for FY2018, management is projecting broadly stable average revenue per restaurant in each of the territories, except for Lithuania which is expected to recover from the decline projected for FY2017 and achieve a 10.8% y-o-y revenue growth to €1.9 million per outlet.

As to profitability, the top performers included: Estonia - an increase of €0.6 million (+42%) in profit before tax from €1.4 million in FY2013 to €2.0 million in FY2015; Lithuania – an increase of €0.8 million (+63%) in profit before tax from €1.4 million in FY2013 to €2.2 million in FY2015; and Greece - whereby pre-tax losses decreased from €1.5 million in FY2013 to €0.9 million and €0.6 million in FY2014 and FY2015 respectively. In contrast, profit before tax generated from the Latvian and Maltese operations declined by 34% (from €0.7 million in FY2013 to €0.5 million in FY2015) and 49% (from €1.0 million in FY2013 to €0.5 million) respectively. In both cases, higher labour costs and non-controllable expenses (such as rent payable) were not mitigated by increases in prices and sales volume.

In FY2016, the Latvian operation is forecasted to generate a substantial increase in profit before tax from €0.5 million in FY2015 to €1.5 million, whilst profitability in each of Latvia, Lithuania and Malta is expected to be broadly in line with the prior year's results. In Greece, the loss before tax is expected to increase marginally from -€0.6 million in FY2015 to -€0.7 million in FY2016. The projected profit before tax for FY2017 in each territory is set to be similar to that of FY2016, except for Malta which should register a 71% increase in profit before tax from €0.7 million in FY2016 to €1.2 million in FY2017. With respect to FY2018, pre-tax profit for each territory is forecasted at broadly the same level as in FY2017 (except for Romania as disclosed hereunder).

In January 2016, the Issuer acquired the operation of McDonald's restaurants in Romania and thereby increased the number of restaurants operated by the Group from 63 to 130 outlets. Revenue from Romania is expected to reach €124.6 million in FY2016 and profit before tax is estimated at €13.5 million. For FY2017, revenue is projected to increase by a further €13.9 million to €138.5 million principally due to a net increase of 3 outlets and growth of 6.5% in average revenue per restaurant from €1.8 million in FY2016 to €1.9 million. As for FY2018, the Romanian operation is projected to generate revenue amounting to €149.0 million, an increase of €10.5 million (+8%) when compared to FY2017 primarily as a result of a net increase of 3 outlets (to 75 restaurants). Pre-tax profit is projected to increase by €2.1 million from €15.6 million in FY2017 to €17.7 million in FY2018 (+13%).

5. BUSINESS DEVELOPMENT STRATEGY AND MARKET ANALYSIS

5.1 Strategy

(a) Expand penetration within existing and new geographical territories

The Premier Group's principal objective following the Bond Issue will be to focus on the expansion of the McDonald's restaurant network within existing and new markets, given the belief of the Group's management that there is significant market potential (as described in section 5.2 below) to continue to develop the McDonald's concept in Malta, the Baltic countries, Romania and Greece and, possibly, other territories (subject to franchisor's approval and granting of the associated licenses).

Indeed the expansion strategy reveals an increase in store openings in excess of 50% by the year of 2026. The growth is spread across all markets, with 5 new restaurants in Malta, 8 in Greece, 4 in each of Estonia and Latvia, 8 in Lithuania and another 37 in Romania. Furthermore a total of 58 restaurants will be subject to remodeling.

(b) Continue to improve revenue and profitability

During the past three financial years (FY2013 – FY2015), the Premier Group has consistently expanded the number of its McDonald's restaurants and McCafe's, and remodeled and upgraded the ambience and technology of a number of its existing restaurants. The Group intends to pursue this growth strategy to sustain and improve its revenues and profitability.

(c) Commitment to customer satisfaction

The Premier Group is committed to provide an efficient and attentive customer service and consistent food quality. The Group plans to do so by investing in new technologies and service platforms, providing ongoing training for its personnel, improving the quality of store ambience, maintaining high health and safety standards, improving the quality of store furnishings and others.

5.2 The Informal Eating-Out ("IEO") market in Malta, Estonia, Latvia, Lithuania, Romania and Greece

IEO is a term used to categorise sectors of the food industry where customers can buy food commodities without the need to book a table.

The opportunities for further expansion in the regions in which the Group operates will depend on a number of factors that could have a material impact on the Group's strategy to increase its operational presence in these territories. These factors are driven principally by the level of penetration that management reckons is sustainable in each of these territories to conduct profitable operations.

In devising future strategy, the Group's management takes an ad hoc regional view of: general macro-economic conditions; the social development of the population; competition; regulation; affluence; political and economic stability within each territory. Moreover, the Group commissions regular market studies in each of the territories in which it operates restaurants in order to keep under review all the relevant market conditions that could have an impact on its development strategy and to enable it to react in a timely manner as and when market conditions so dictate.

On the basis of data available to the Group's management, it transpires that the Maltese market, the Baltic countries market, as well as the Romanian and the Greek markets, can sustain further expansion, albeit not necessarily with the same potential.

In the case of Malta and the Baltic countries, the Group already has a high penetration rate, comparable to that prevailing in the more developed city centres in Western Europe. The Group's management believes that growth in these regions remains sustainable, with plans for relocations and renovations of its existing restaurants.

In the case of Romania and Greece, the Group's management believes that there is further room for higher penetration rates. The relatively low penetration rate of restaurants per capita, combined with the high level of brand recognition enjoyed and the Group's pricing strategy for the region, is believed to postulate the right platform for expansion in these regions.

5.3 Restaurant development

The Group's management believes that the ability to select attractive locations and develop new restaurants is important in ensuring its continued growth. Accordingly, the Premier Group undergoes a detailed and comprehensive process to:

(a) Determine key development markets

Target markets and the pace and level of development in those markets are determined by a detailed review of many factors, including the potential of individual markets, existing and expected competition, any current penetration and historical performance of Premier Group restaurants in those markets and any key challenges facing development. The Premier Group believes that by focusing on further penetration of its existing markets it is able to increase brand awareness and improve operating and marketing efficiencies. Subject to obtaining the approval of its franchisor, the Group may also expand geographically to other countries where suitable opportunities occur.

(b) Select and approve new locations

The Group's management believes that its site selection strategy is critical to its success and it devotes substantial effort to evaluating each potential site. Each city is divided into trade zones based on criteria such as pedestrian and automotive traffic levels, population, traffic generators, including shopping centres or petrol stations, household income levels and unemployment. Sites are principally sourced by the Group's internal development team with the support of local real estate agents.

(c) Negotiate attractive lease terms

The Premier Group leases sites for terms usually of a minimum of 20 years with, where possible, a provision to extend the term by an agreed period. A minority of the Group's lease agreements provide for financial penalties on early termination and a small number do not provide for early terminations. Since McDonald's has developed significant brand identity in Malta, Estonia, Latvia, Lithuania, Romania and Greece, the Group has been able to negotiate more favourable leases for the placement of restaurants in premium locations, such as new shopping centre developments, as operators of these centres often seek to secure McDonald's as "flagship" tenants.

(d) Design, construct and manage restaurants

Upon securing a site, the Premier Group engages an approved architect to prepare the design of the restaurant based on a master design prepared in accordance with established brand standards to support the process of obtaining appropriate permits, and to oversee the construction process. Upon completion of all construction works, the Group's design team manages the fitting out of the restaurant, which typically takes from 12 to 14 weeks.

PART 2 – GROUP PERFORMANCE REVIEW

6. FINANCIAL INFORMATION

The projected financial statements detailed below relate to events in the future and are based on assumptions which the Group 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 financial information below is extracted from the audited consolidated financial statements of Premier Capital p.l.c. for the financial years ended 31 December 2013 to 2015. The projected financial information for the years ending 31 December 2016 to 2018 has been provided by Group management.

The key performance drivers of the Group's business are: (i) restaurant sales; (ii) cost of food and packaging material; (iii) cost of labour; and (iv) occupancy and other related expenses.

Restaurant sales are influenced by a number of factors including, in particular, the opening of new restaurants, pricing and the product mix, the introduction of new products, successful advertising campaigns and, to a limited extent, seasonality.

The cost of food and packaging material is a significant performance driver with meat, paper and packaging, cold beverages, vegetables, cheese, buns and french fries representing the largest components of this category. The European supply chain group works closely with the system suppliers in order to source high quality products and services at competitive prices.

Restaurant staffing consists mainly of hourly paid employees. Staffing levels vary depending on transaction volume and are primarily driven by the time of the day. Hourly pay rates are adjusted periodically.

Occupancy and other related expenses include restaurant rental or concession payments and all associated utility costs. The Group's leases and/or concessions provide either for fixed rents or for rents calculated by reference to restaurant sales.

Premier Capital p.l.c. Consolidated Income Statement for the year ended 31 December	2013 Audited €'000	2014 Audited €'000	2015 Audited €'000	2016 Projection €'000	2017 Projection €'000	2018 Projection €'000
Revenue	88,944	94,612	99,938	228,324	255,112	274,676
Net operating expenses	(81,306)	(84,915)	(89,577)	(198,718)	(219,440)	(235,773)
EBITDA[1]	**7,638**	**9,697**	**10,361**	**29,606**	**35,672**	**38,903**
Depreciation	(5,325)	(5,880)	(6,403)	(11,099)	(12,485)	(13,860)
Net finance costs	(2,337)	(2,331)	(2,261)	(3,733)	(3,938)	(3,442)
Profit (loss) before tax	**(24)**	**1,486**	**1,697**	**14,774**	**19,249**	**21,601**
Taxation	(100)	(338)	(371)	(4,811)	(2,939)	(3,320)
Profit (loss) after tax	**(124)**	**1,148**	**1,326**	**9,963**	**16,310**	**18,281**
Other comprehensive income						
Gain on available-for-sale investments	3	191	134	-	-	-
Total comprehensive income (expense)	**(121)**	**1,339**	**1,460**	**9,963**	**16,310**	**18,281**

[1]EBITDA - Earnings before Interest, Tax, Depreciation and Amortisation.

Premier Capital p.l.c. Consolidated Cash Flow Statement for the year ended 31 December	2013 Audited €'000	2014 Audited €'000	2015 Audited €'000	2016 Projection €'000	2017 Projection €'000	2018 Projection €'000
Net cash from operating activities	7,599	8,335	7,780	27,794	30,535	32,827
Net cash from investing activities	(2,484)	(8,039)	(7,679)	(48,313)	(16,960)	(16,058)
Net cash from financing activities	(2,806)	(1,901)	(266)	63,607	(23,923)	(11,333)
Net movement in cash and cash equivalents	**2,309**	**(1,605)**	**(165)**	**43,088**	**(10,348)**	**5,436**
Cash and cash equivalents at beginning of year	2,127	4,436	2,831	2,666	45,754	35,406
Cash and cash equivalents at end of year	**4,436**	**2,831**	**2,666**	**45,754**	**35,406**	**40,842**

Premier Capital p.l.c. Consolidated Balance Sheet as at 31 December	2013 Audited €'000	2014 Audited €'000	2015 Audited €'000	2016 Projection €'000	2017 Projection €'000	2018 Projection €'000
ASSETS						
Non-current assets						
Goodwill and other intangibles	25,955	25,416	25,084	40,152	39,533	38,922
Property, plant and equipment	28,331	29,406	30,682	76,789	81,346	83,642
Financial assets	672	1,849	3,039	11,588	3,172	3,176
Deferred tax asset	1,939	2,015	2,495	1,268	1,709	2,146
Prepayments	1,788	1,523	1,440	-	-	-
	58,685	**60,209**	**62,740**	**129,797**	**125,760**	**127,886**
Current assets						
Inventory	2,263	2,939	3,011	4,130	4,564	4,671
Trade and other receivables	1,723	1,383	1,389	4,484	4,483	4,477
Other current assets	2,206	1,646	705	71	-	-
Cash and cash equivalents	4,704	3,801	4,363	46,588	35,406	40,842
	10,896	**9,769**	**9,468**	**55,273**	**44,453**	**49,990**
Total assets	**69,581**	**69,978**	**72,208**	**185,070**	**170,213**	**177,876**
EQUITY						
Equity and reserves	**16,170**	**17,009**	**17,739**	**43,401**	**55,371**	**68,096**
LIABILITIES						
Non-current liabilities						
Borrowings and bonds	35,192	32,958	32,777	102,656	77,230	71,654
Other non-current liabilities	3,503	3,282	3,015	2,732	2,264	1,801
	38,695	**36,240**	**35,792**	**105,388**	**79,494**	**73,455**
Current liabilities						
Bank overdrafts	268	970	1,697	834	-	-
Borrowings	2,650	2,535	3,438	2,670	5,676	5,676
Other current liabilities	11,798	13,224	13,542	32,777	29,672	30,649
	14,716	**16,729**	**18,677**	**36,281**	**35,348**	**36,325**
	53,411	**52,969**	**54,469**	**141,669**	**114,842**	**109,780**
Total equity and liabilities	**69,581**	**69,978**	**72,208**	**185,070**	**170,213**	**177,876**

Key Accounting Ratios	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
EBITDA margin *(EBITDA/revenue)*	9%	10%	10%	13%	14%	14%
Interest cover (times) *(EBITDA/net finance cost)*	3.27	4.16	4.58	7.93	9.06	11.30
Net profit margin *(Profit after tax/revenue)*	0%	1%	1%	4%	6%	7%
Earnings per share (€) *(Profit after tax/number of shares)*	-0.91	8.46	9.77	29.59	48.43	54.29
Return on equity *(Profit after tax/shareholders' equity)*	-1%	7%	7%	23%	29%	27%
Return on capital employed *(EBITDA/total assets less current liabilities)*	14%	18%	19%	20%	26%	27%
Return on assets *(Profit after tax/total assets)*	0%	2%	2%	5%	10%	10%

Source: Charts Investment Management Service Limited

In **FY2013**, the Group registered an EBITDA of €7.6 million (FY2012: €6.2 million) on revenue of €88.9 million (FY2012: €83.1 million). After accounting for depreciation and net finance costs, the Group registered a pre-tax loss of €23,703 (FY2012: pre-tax profit of €1.9 million which included a one-time investment income of €4.1 million). The Group reported total comprehensive expense of €0.1 million for FY2013 (FY2012: total comprehensive income of €2.2 million).

All markets except for Greece registered increases in revenues in FY2013 when compared to FY2012. Malta recorded the highest growth of 12% against the prior year, whilst Estonia, Latvia and Lithuania registered growth of 9.5%, 8.4% and 9.6% respectively over FY2012.

In Greece, notwithstanding the challenges experienced by the market and after a very slow start to the year, operational results recovered somewhat in Q3 and Q4 2013. Overall, revenue for FY2013 contracted by 2% when compared to the previous financial year.

A key achievement for the Group in FY2013 was its ability to serve more customers since commencement of operations. In the reviewed year, the Group served a total of 35.0 million customers and registered year-on-year guest count growth in all the five territories.

In FY2013, the Group continued to grow its portfolio, bringing the total number of restaurants it operates up to 59 by year end. Development activity included the opening of one new restaurant on the island of Crete and the takeover of 3 existing restaurants on mainland Greece. The Group also opened one new restaurant respectively in Riga, Latvia and Sliema, Malta and remodeled a further 2 restaurants. The total investment undertaken on new openings was of €2.1 million, whilst the Group invested a further €1.5 million to fund the remodeling of 2 restaurants in the Baltics and the takeover of 2 restaurants in Greece. The Group also invested in equipment replacements and upgrades in existing restaurants amounting to €1.8 million.

FY2013 was the first full year during which the Group operated the Baltic Distribution Centre which is tasked with the handling of all the logistics requirements for the Group's restaurants in the region. This takeover enabled the Group to deliver greater efficiency and cost savings to its restaurants in the region.

During **FY2014**, the Group registered an EBITDA of €9.7 million (FY2013: €7.6 million) on revenue of €94.6 million (FY2013: €88.9 million). After accounting for depreciation and net finance costs, the Group registered a pre-tax profit of €1.5 million (FY2013: pre-tax loss of €23,703). The Group reported total comprehensive income of €1.3 million (FY2013: total comprehensive expense of €0.1 million).

All markets registered increases in revenue when compared to FY2013, Greece being the highest growth region at +12.6% over FY2013. In comparison to the prior year, Lithuania, Malta, Latvia and Estonia reported increases of 7.6%, 6.5%, 3.6% and 1.2% respectively.

In terms of guest count, the Group served a total of 35.5 million customers in FY2014, an increase of 446,000 customers (+1.3%) over FY2013 (35.0 million customers). Furthermore, the Group registered year-on-year guest count growth in all five markets where it operates.

In FY2014, the Group increased the total number of restaurants it operates to 61 as at year end. Development activity included the opening of 2 new restaurants in Athens, Greece and remodeled a further 2 restaurants. The Group also opened its second drive thru restaurant in Malta (Naxxar). The total investment undertaken on new openings amounted to €3.7 million, whilst a further €0.5 million was utilised to fund the remodeling of restaurants in Greece. The Group also invested €0.9 million in upgrading its IT systems, and equipment replacements and upgrades in existing restaurants amounted to €1.6 million.

In **FY2015**, the Group registered an EBITDA of €10.4 million (FY2014: €9.7 million) on revenue of €99.9 million (FY2014: €94.6 million). After accounting for depreciation and net finance costs, the Group registered a pre-tax profit of €1.7 million (FY2014: €1.5 million). The Group reported total comprehensive income of €1.5 million (FY2014: €1.3 million).

All markets except for Malta registered increases in revenue when compared to the prior year. The market reporting the highest growth was Greece for the second consecutive year, with an overall growth of 15.2% on FY2014. Lithuania, Latvia and Estonia registered growth of 11.2%, 3.6% and 1.6% respectively, whilst Malta retracted by 2.9% as a result of closing one restaurant in the reviewed year.

In terms of guest count, the Group served a total of 36.5 million customers in FY2015, an increase of 988,000 customers (+2.8%) over FY2014 (35.5 million customers).

During FY2015, the Group increased its number of restaurants it operates to 63 as at year end (2014: 61). Development activity included the opening of 2 new restaurants in Greece and the remodelling of another restaurant. The Group also opened 3 new restaurants and remodeled one in the Baltics. The total investment undertaken on new openings was of €3.6 million, whilst €1.0 million was used to fund the remodeling of restaurants in Greece and the Baltics. In addition, an amount of €0.8 million was invested in the upgrade of the Group's IT systems, and €2.2 million was spent on equipment replacements and upgrades in existing restaurants.

In **FY2016**, the Group's revenue is projected to increase by €128.4 million (+128%) from €99.9 million in FY2015 to €228.3 million in FY2016, mainly as a consequence of the acquisition in January 2016 of the business operating McDonald's restaurants in Romania. Excluding the Romanian business, revenue generated by the Group is expected to increase by 3.8% or €3.8 million to €103.7 million, primarily due to an increase of 4 restaurants to 67 outlets. Overall, the Group anticipates that it will be operating a total of 136 restaurants by year end.

EBITDA for the year ending 31 December 2016 is forecasted to increase by €19.2 million (+186%) when compared to the prior year to €29.6 million. As explained hereinabove, the new acquisition more than doubled the number of restaurants under operation and will therefore be the principal reason for the y-o-y increase in EBITDA. Total comprehensive income is projected at €10.0 million in FY2016, an increase of €8.5 million when compared to FY2015.

During **FY2017**, the Group is expected to generate revenue amounting to €255.1 million, an increase of €26.8 million (+12%) from €228.3 million in FY2016 to €255.1 million in FY2017. In the reviewed financial year, the Group plans to increase its portfolio of restaurants by 9 outlets to 145 restaurants. EBITDA is projected to increase from 29.6 million in FY2016 to €35.7 million (+20%) and the Group expects to achieve comprehensive income of €16.3 million (FY2016: €10.0 million).

With respect to **FY2018**, the Group's revenue is projected to grow by 8% from €255.1 million in FY2017 to €274.7 million, the principal factors being an increase in the number of restaurants in operation of 6 outlets to a total of 151. EBITDA is anticipated to improve by €3.2 million (+9%) to €38.9 million (FY2017: €35.7 million). Comprehensive income for the financial year ending 31 December 2018 is projected at €18.3 million (FY2017: €16.3 million).

The financial information below provides an analysis of capital expenditure incurred by the Group during the historical financial years FY2013 to FY2015 and the projected expenditure for the forward years FY2016 to FY2018. As detailed hereunder, such expenditure is expected to increase substantially as from FY2016 as a consequence of the acquisition of the Romanian operation, which more than doubled the restaurants in operation from 63 outlets in FY2015 to an estimated 136 outlets by end 2016.

Premier Capital p.l.c. Analysis of Capital Expenditure by Territory	**2013 Actual €'000**	**2014 Actual €'000**	**2015 Actual €'000**	**2016 Projection €'000**	**2017 Projection €'000**	**2018 Projection €'000**
New stores	2,144	3,690	3,650	7,072	9,547	9,236
Re-modeling	1,520	541	1,047	4,474	3,258	2,601
General capital expenditure	1,847	2,587	3,037	3,769	5,332	5,660
	5,511	**6,818**	**7,734**	**15,315**	**18,137**	**17,497**
Number of new stores	3	3	5	7	9	10
Capex per new store (€'000)	715	1,230	730	1,010	1,061	924
Number of re-modeled stores	5	2	2	9	6	5
Capex per re-modeled store (€'000)	304	271	524	497	543	520

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

Premier Capital p.l.c. Consolidated Borrowings as at 31 December	**2013 Actual €'000**	**2014 Actual €'000**	**2015 Actual €'000**	**2016 Projection €'000**	**2017 Projection €'000**	**2018 Projection €'000**
Bank loans	13,060	10,704	10,631	41,418	18,710	13,034
Bank overdrafts	268	970	1,697	834	-	-
Other financial liabilities	463	452	1,189	96	96	96
6.8% Bonds 2017-2020	24,319	24,337	24,395	-	-	-
3.75% Bonds 2026				63,812	64,100	64,200
Total borrowings and bonds	**38,110**	**36,463**	**37,912**	**106,160**	**82,906**	**77,330**

Key Accounting Ratios	**31 Dec'13**	**31 Dec'14**	**31 Dec'15**	**31 Dec'16**	**31 Dec'17**	**31 Dec'18**
Net assets per share (€)	119.12	125.30	130.68	128.88	164.43	202.22
(Net asset value/number of shares)						
Liquidity ratio (times)	0.74	0.58	0.51	1.52	1.26	1.38
(Current assets/current liabilities)						
Gearing ratio	67%	66%	65%	58%	46%	35%
(Net debt/net debt and shareholders' equity)						

Source: Charts Investment Management Service Limited

Sinking Fund

In terms of the 2010 prospectus, the Issuer is required to build a sinking fund for the below indicated bond, the value of which will by the redemption date of the bond be equivalent to 50% of the outstanding value of the bond. Below is a table outlining the balance held in the sinking fund:

Premier Capital p.l.c. Sinking Fund Balance	31 Dec'13 Actual €'000	31 Dec'14 Actual €'000	31 Dec'15 Actual €'000	31 Dec'16 Projection €'000	31 Dec'17 Projection €'000	31 Dec'18 Projection €'000
€25 million 6.80% Bonds 2017 - 2020	672	1,849	3,039	3,412		
	672	**1,849**	**3,039**	**3,412**	**-**	**-**

Related Party Debt Securities

Premier Capital p.l.c. is a member of the Hili Ventures Group. Within the same group, PTL Holdings p.l.c. and Hili Properties p.l.c., both sister companies of Premier Capital p.l.c., have the following outstanding debt securities:

Security ISIN	Security Name	Amount Listed	Currency
MT0000841206	5.1% PTL Holdings plc Unsecured € 2024	36,000,000	EUR
MT0000941204	4.5% Hili Properties plc 2025	37,000,000	EUR

PART 3 – COMPARABLES

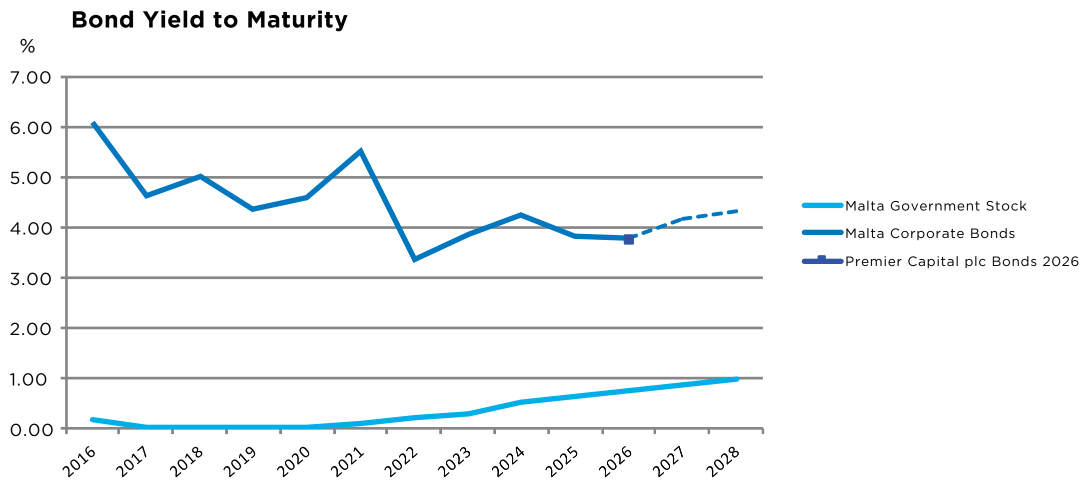
The table below compares the Company and its proposed bond issue to other debt issuers listed on the Malta Stock Exchange and their respective debt securities. Although there are significant variances between the activities of the Company and other issuers (including different industries, principal markets, 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 (€)	Yield to Maturity (%)	Interest Cover (times)	Total Assets (€'000)	Net Asset Value (€'000)	Gearing Ratio (%)
6.6% Eden Finance plc 2017-2020	13,984,000	5.74	3.10	145,427	76,648	38.42
6% Pendergardens Dev. plc Secured € 2022 Series II	27,000,000	3.36	n/a	58,098	11,734	61.87
4.25% Gap Group plc Secured € 2023	40,000,000	4.25	n/a	61,002	7,541	81.51
6% AX Investments Plc € 2024	40,000,000	3.76	2.88	206,038	111,482	36.65
6% Island Hotels Group Holdings plc € 2024	35,000,000	4.42	0.58	145,140	54,053	53.19
5.3% Mariner Finance plc Unsecured € 2024	35,000,000	4.65	3.49	67,669	25,823	57.66
5% Hal Mann Vella Group plc Secured Bonds € 2024	30,000,000	4.26	0.05	81,842	31,150	55.46
5.1% PTL Holdings plc Unsecured € 2024	36,000,000	4.80	2.32	70,543	6,592	86.78
4.5% Hili Properties plc Unsecured € 2025	37,000,000	3.77	1.50	90,867	26,315	71.30
4.0% International Hotel Invest. plc Secured € 2026	55,000,000	3.69	1.45	1,159,643	608,288	36.49
4.0% MIDI plc Secured € 2026	50,000,000	3.54	2.64	187,462	71,248	37.55
3.75% Premier Capital plc € Unsecured Bonds 2026	**65,000,000**	**3.75**	**7.93**	**185,070**	**43,401**	**57.85**

30 September'16

Source: Malta Stock Exchange, Audited Accounts of Listed Companies, Charts Investment Management Service Limited

Note: The financial information relating to Premier Capital plc has been extracted from the forecast for the year ending 31 December 2016



To date, there are no corporate bonds which have a redemption date beyond 2026 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.

PART 4 – EXPLANATORY DEFINITIONS

Income Statement	
Revenue	Total revenue (primarily food and beverage sales) generated by the Group from the operation of McDonald's restaurants in Estonia, Greece, Latvia, Lithuania, Malta and Romania (as from FY2016).
Net operating expenses	Net operating expenses include the cost of food, beverages, packaging material, labour expenses, other direct expenses, selling & marketing expenses, general & administration expenses and royalty fees payable under the franchise agreements.
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.
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	
EBITDA margin	EBITDA 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 Group.
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 Group.
Cash flow from financing activities	Cash generated from the activities that result in change in share capital and borrowings of the Group.
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, financial assets and deferred tax assets.
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 and 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, bonds and deferred tax liabilities.
Total equity	Total equity includes share capital, reserves & other equity components, and retained earnings.

CHARTS
WEALTH MANAGEMENT • CORPORATE BROKING

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.