



19-25, Conservatory Street, Floriana, Malta
Company Registration Number C89431
(the “Company”)

Company Announcement

The following is a company announcement issued by FES Finance p.l.c. (“FES” or the “Company”) pursuant to Rule 4.11.30 of the Prospectus Rules (Class 1 transaction).

Quote

Promise of Sale Agreement

By virtue of an agreement dated 30 September 2019, FES Projects Ltd, a limited liability company registered under the laws of Malta with company registration number C 83872, having its registered office situated at 19-25, Conservatory Street, Floriana, Malta (“FES Projects”), the parent company of FES and Guarantor for the purposes of the Secured Bonds issued by FES on Prospectus MTF, entered into a promise of sale agreement with Golco Limited, a limited liability company registered under the laws of Malta with company registration number C 8770, having its registered office situated at ‘Standard Buildings’ C. De Brockdorf Street, Msida, Malta (the “Vendor”), whereby the Vendor promised to sell and transfer to FES Projects the house tale quale with the external official number ten (10) named “ANTVIRG” in Ponsomby Street, Gzira, including the back garden, subsoil and overlying airspace (the “Property”) Notary Anne-Marie Cuschieri was appointed by the parties to register the promise of sale agreement in accordance with legal notice number seven of the year two thousand and four (L.N 7/2004).

The Property is currently rented to third parties and the final deed of sale is contingent on FES Projects reaching an agreement with the said third parties. FES Projects has declared that they are aware of existing servitudes encumbering the Property as are apparent today namely (i) mechanical equipment which is serving property number nine (9) and (ii) a window situated at the back of the property number eleven (11) on the same street. Except for the foregoing, the Vendor has declared that it shall transfer the Property free and unencumbered.

The final deed of sale is also conditional, among other things, on FES Projects managing to acquire, at their expense, by no later than the final deed of sale, the development permit to be applied for by FES Projects.

The consideration for the sale and acquisition of the Property is one million, and two hundred thousand Euro (€1,200,000), payable in the following manner:

- (i) the sum of one hundred and twenty thousand Euro (€120,000) as part of the price on the signing of the Promise of Sale deposited with Notary Cuschieri, and out of which sum, one hundred thousand Euro (€100,000) shall remain deposited with the said Notary until the final deed of sale and shall be released in favour of the Vendor upon the final deed of sale;
- (ii) out of the sum of €120,000 mentioned above only the sum of twenty thousand Euro (€20,000) is non-refundable after 31 December 2019;
- (iii) the final settlement of the balance shall be paid on the notarial deed of sale and purchase of the Property.

The Property includes movables, as seen and accepted by FES Projects, for a further sum of one hundred thousand Euro (€100,000).

The promise of sale agreement shall remain valid and effective up to the 30 June 2020.

The Property is adjoined to the Euro Guesthouse (referred to as the “Gzira boutique hotel” in the Company Admission Document issued by the Company on 6 March 2019) and FES Projects intends to develop the Property such that it is amalgamated with, and thereby serve as an upgrade to, the Euro Guesthouse.

Unquote



Dr Reuben Debono

Company Secretary

15 October 2019