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The Directors
Dizz Finance plc
Dizz Buildings
Triq il-Harruba
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Malta

7th September 2017

Dear Sirs

Addendum to Financial Analysis Summary dated 19 June 2017 in relation to Dizz Finance plc ("2017 FAS")

This addendum to the 2017 FAS is designed to provide further explanations with respect to variances that arose between the cash flow forecasts and projections summarised in the Financial Analysis Summaries issued in 2016 and 2017.

A. The Issuer's Projected Cash Flows

With respect to the Issuer, the table below compares the following:

1) FY16 actual cash flow statement to the forecast included in the 2016 FAS;
2) FY17 forecast cash flow statement included in the 2017 FAS to the FY17 projection issued in the 2016 FAS; and
3) FY18 projected cash flow statement in the 2017 FAS to the FY18 projection included in the 2016 FAS.

Issuer's statement of cash flows

€000	FY16 Actual	FY16 Forecast	FY16 Variance	FY17 Projection '17	FY17 Projection '16	FY17 Variance	FY18 Projection '17	FY18 Projection '16	FY18 Variance
Cash flows from operating activities	192	333	(141)	76	601	(525)	224	616	(392)
Cash flows from investing activities	(1,926)	(6,493)	4,567	(791)	(1,221)	430	(480)	(449)	(31)
Cash flows from financing activities	1,974	9,397	(7,423)	2,521	(400)	2,921	(1,108)	(400)	(708)
Movement in cash and cash equivalents	240	3,237	(2,997)	1,806	(1,020)	2,826	(1,364)	(233)	(1,131)
Opening balance	(19)	(19)	(0)	221	3,218	(2,997)	2,027	2,198	(171)
Closing balance	**221**	**3,218**	**(2,997)**	**2,027**	**2,198**	**(171)**	**663**	**1,965**	**(1,302)**

The Issuer's FY16 cash flow variances are due to three major factors – one of which is only material to disclosure whereas the other two have an adverse effect on the final FY16 cash balance.

The following is a detailed explanation of the variances:

1) The Issuer's lending on of Bond Issue proceeds to Group entities was in the 2016 FAS classified with Investing Activities. On the contrary, this cash outflow is disclosed with Financing Activities in the 2017 FAS. Whereas this has no bearing on the final cash balance it is showing as a material variance on the different components of the forecast cash flow statement.

2) The Issuer has paid deposits in relation to the acquisition of additional properties amounting to €661k as listed below:
    - €78k was paid on the Gzira property pursuant to the terms of the Promise of Sale agreement entered into in 2015. On completion, this property is earmarked to host a Café Pascucci outlet;
    - Two new Promise of Sale agreements were entered into in 2016:
        - A property in Portomaso Laguna where a €240k deposit was paid against an agreed purchase price of €1.2 million; and
        - A property in Sliema acquired for €343k and fully paid up. The company announcement issued on 19 June 2017 further refers to this property's impending sale.

3) The 2016 Cash Flow forecast of the Issuer was based on the expectation that the Issuer will be able to extract €2.3 million of extra cashflow from other companies within the Group. This cash sweep has in actual fact not occurred and was principally responsible for the drop in the year end cash flow balances.

The Issuer's FY18 cash flow variances principally arise from:

1) The final payment on Portomaso Laguna property amounting to €480k due in March 2018.

2) The Issuer originally planned that intra-group loans were to be repaid via annual instalments. On the contrary, the actual agreement governing these loans stipulates that the balance due is repayable in full at end of term. The forecasted €659k loan repayment from related companies originally scheduled for receipt in FY18 is therefore no longer provided for in the cashflow forecast.

B. The Guarantor's Projected Cash Flows

With respect to the Guarantor, the table below compares the following:

1) FY16 actual cash flow statement to the forecast included in the 2016 FAS;
2) FY17 forecast cash flow statement included in the 2017 FAS to the FY17 projection issued in the 2016 FAS; and
3) FY18 projected cash flow statement in the 2017 FAS to the FY18 projection included in the 2016 FAS.

Guarantor's statement of cash flows

€000	FY16 Actual	FY16 Forecast	FY16 Variance	FY17 Projection '17	FY17 Projection '16	FY17 Variance	FY18 Projection '17	FY18 Projection '16	FY17 Variance
Cash flows from operating activities	474	374	100	2,062	2,037	25	1,464	1,864	(400)
Cash flows from investing activities	(8,109)	(4,915)	(3,194)	(2,722)	(2,657)	(65)	(2,148)	(1,697)	(451)
Cash flows from financing activities	7,813	8,410	(597)	652	(400)	1,052	402	(400)	802
Movement in cash and cash equivalents	178	3,869	(3,691)	(8)	(1,020)	1,012	(281)	(233)	(48)
Opening balance	(651)	(651)	0	(473)	3,218	(3,691)	(480)	2,198	(2,678)
Closing balance	**(473)**	**3,218**	**(3,691)**	**(480)**	**2,198**	**(2,678)**	**(762)**	**1,965**	**(2,727)**

The €3.7 million reduction in Guarantor's cash flows for year ending December 2016 resulted from the following unanticipated outflows:

1) €476k in higher investments in the improvements to premises and fit-outs of new outlets;

2) €1.8 million invested as follows:
   - The Issuer acquired two adjacent apartments on plan in Qui Si Sana, Sliema for a total consideration of €1m, €890k of which has already been paid; and
   - The Issuer acquired a maisonette and garage in Swieqi for a consideration of €200k with additional works totaling €75k with the objective of renting out to third parties.
   - As explained in Section A of this Addendum, the Group made €661k in deposits on POS agreements.

3) €890k were paid in goodwill/key money on the introduction of new brands to its product portfolio; and

4) €600k originally planned to be injected in FY16 by means of a shareholders' loan was postponed to FY17.

The reductions in year-end cash balances in 2017 and 2018 largely result from those recorded in FY16. The shareholder's loan in FY17 is expected to reduce the adverse cashflow variance recorded by end of year 2016.

Matthew Bonello
Director