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## **COMPANY ADMISSION DOCUMENT**



Issued by Hart Capital Partners (Europe) p.l.c., a public limited liability company registered under the laws of Malta  
with company registration number C100619 and with its registered office at  
55D, Birbal Street, Balzan, BZN 9017, Malta

### **In respect of an issuance of €3,000,000 7.25% Secured Callable Bonds 2025 – 2027**

**(or up to €5,000,000 in the event of exercise of the Over-Allotment Option)**

with a nominal value of €100 and due 28 November 2027,  
subject to early redemption at the option of the Issuer

ISIN: MT0002681204

jointly and severally guaranteed by Hart Capital Partners (UK) Limited,  
a private limited liability company registered under the laws of England and Wales with company  
registration number 13528148 and with its registered office at  
47a Broadgates, Market Place, Henley-On-Thames, England, RG9 2AD

20 October 2022

**THE MSE HAS AUTHORISED THE ISSUE OF THIS COMPANY ADMISSION DOCUMENT. THE MSE DOES NOT GIVE ANY CERTIFICATION, REPRESENTATION, WARRANTY OR GUARANTEE REGARDING THE POTENTIAL RISKS INVOLVED IN INVESTING IN THE BONDS OR THE SAFETY OF INVESTING IN SUCH BONDS. THE MSE ACCEPTS NO RESPONSIBILITY FOR ACCURACY OR COMPLETENESS OF THIS COMPANY ADMISSION DOCUMENT AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS COMPANY ADMISSION DOCUMENT. THE DIRECTORS OF THE ISSUER ARE THE PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS COMPANY ADMISSION DOCUMENT. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS (WHO HAVE ALL TAKEN REASONABLE CARE TO ENSURE SUCH IS THE CASE), THE INFORMATION CONTAINED IN THIS COMPANY ADMISSION DOCUMENT IS IN ACCORDANCE WITH FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORTANCE OF SUCH INFORMATION. THE DIRECTORS ASSUME FULL RESPONSIBILITY FOR ITS CONTENTS ACCORDINGLY.**

**THE MSE HAS AUTHORISED THE ADMISSION OF THESE BONDS TO PROSPECTS MTF, A MARKET REGULATED AS A MULTILATERAL TRADING FACILITY, OPERATED BY THE MALTA STOCK EXCHANGE. THIS MEANS THAT THE BONDS ARE IN COMPLIANCE WITH THE ADMISSION REQUIREMENTS SET OUT IN THE PROSPECTS MTF RULES. IN PROVIDING THIS AUTHORISATION, THE MSE DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE BONDS AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENTS.**

**INVESTING IN COMPANIES ADMITTED TO PROSPECTS MTF MAY PUT AN INVESTOR'S CASH PARTLY OR WHOLLY AT RISK. SECURITIES ISSUED BY SMALL AND MEDIUM SIZED ENTERPRISES TEND TO BE ILLIQUID AND CARRY HIGHER RISKS. INVESTORS SHOULD THUS SEEK APPROPRIATE ADVICE AND READ THE WHOLE COMPANY ADMISSION DOCUMENT BEFORE MAKING ANY INVESTMENT DECISIONS. THE VALUE OF INVESTMENTS CAN RISE, OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. IF YOU NEED ADVICE OR ARE REQUIRED UNDER APPLICABLE LEGISLATION TO SEEK ADVICE WITH RESPECT TO THIS BOND ISSUE, YOU SHOULD CONSULT A DULY LICENSED INVESTMENT ADVISOR.**

**Approved by the Directors:**



Mr. Christon Burrows



Mr. Alexander Tanti



Mr. Victor Spiteri



Mr. Joseph Galea

## **Important Information**

THE INFORMATION CONTAINED IN THIS COMPANY ADMISSION DOCUMENT IN RESPECT OF THE ISSUER, THE GUARANTOR AND THE GROUP'S BUSINESS, IS IN COMPLIANCE WITH THE RULES OF PROSPECTS MTF. THIS COMPANY ADMISSION DOCUMENT CONTAINS ALL RELEVANT MATERIAL INFORMATION WITH RESPECT TO THE ISSUER AND THE GUARANTOR AND ALL INFORMATION CONTAINED IN THE COMPANY ADMISSION DOCUMENT IS IN EVERY MATERIAL RESPECT TRUE AND ACCURATE AND NOT MISLEADING, AND THERE ARE NO OTHER FACTS IN RELATION TO THE ISSUER AND/OR GUARANTOR, THEIR RESPECTIVE BUSINESS AND/OR FINANCIAL POSITION, THE OMISSION OF WHICH WOULD, IN THE CONTEXT OF ISSUE OF THE BONDS, MAKE ANY STATEMENT IN THE COMPANY ADMISSION DOCUMENT MISLEADING OR INACCURATE IN ANY MATERIAL RESPECT.

ALL OF THE DIRECTORS WHOSE NAMES APPEAR UNDER SECTION 5 OF THIS COMPANY ADMISSION DOCUMENT ARE THE PERSONS RESPONSIBLE FOR ALL OF THE INFORMATION CONTAINED IN THIS COMPANY ADMISSION DOCUMENT. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS, THE INFORMATION CONTAINED IN THIS COMPANY ADMISSION DOCUMENT IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT ITS IMPORT, AND THE DIRECTORS HAVE TAKEN ALL REASONABLE CARE TO ENSURE THAT THIS IS THE CASE. THE DIRECTORS ACCEPT RESPONSIBILITY ACCORDINGLY. THE DIRECTORS FURTHER CONFIRM THAT, TO THE BEST OF THEIR KNOWLEDGE, THE COMPANY ADMISSION DOCUMENT IS IN FULL COMPLIANCE WITH THE PROSPECTS MTF RULES.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE ISSUER OTHER THAN THOSE CONTAINED IN THIS COMPANY ADMISSION DOCUMENT AND OTHER DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, ITS DIRECTORS, OR ADVISERS. THE ADVISERS ENGAGED BY THE ISSUER FOR THE PURPOSE OF THIS BOND ISSUE ARE ACTING EXCLUSIVELY FOR THE ISSUER.

THE MSE ACCEPTS NO RESPONSIBILITY FOR THE COMPLETENESS OR ACCURACY OF THE COMPANY ADMISSION DOCUMENT AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ADMISSION DOCUMENT.

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INVESTING IN COMPANIES ADMITTED TO PROSPECTS MTF MAY PUT AN INVESTOR'S INVESTMENT PARTLY OR WHOLLY AT RISK. SECURITIES ISSUED BY SMALL AND MEDIUM SIZED ENTERPRISES TEND TO BE ILLIQUID AND CARRY HIGHER RISKS. INVESTORS SHOULD THUS SEEK APPROPRIATE ADVICE AND READ THE WHOLE

**DOCUMENT BEFORE MAKING ANY INVESTMENT DECISION. A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY FINANCIAL INSTRUMENT. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT LEGAL ADVISORS, ACCOUNTANTS AND/OR OTHER FINANCIAL ADVISORS AS TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE BONDS AND THE COMPANY ADMISSION DOCUMENT.**

**IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS COMPANY ADMISSION DOCUMENT TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE APPLICANTS FOR ANY BONDS THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH BONDS AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.**

**THE SECURED BONDS HAVE NOT BEEN NOR WILL THEY BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933 AS AMENDED, OR UNDER ANY FEDERAL OR STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, OR ANY AREA SUBJECT TO ITS JURISDICTION (THE "U.S.") OR TO OR FOR THE BENEFIT OF, DIRECTLY OR INDIRECTLY, ANY U.S. PERSON (AS DEFINED IN REGULATION "S" OF THE SAID ACT). FURTHERMORE, THE ISSUER WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT, 1940 AS AMENDED, AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS SET OUT THEREIN.**

**THIS COMPANY ADMISSION DOCUMENT HAS BEEN SUBMITTED TO THE MSE IN THE CONTEXT OF AN APPLICATION FOR ADMISSION OF THE COMPANY'S SECURITIES TO PROSPECTS MTF. BY DOING SO, THE MSE DOES NOT GIVE ANY CERTIFICATION, REPRESENTATION, WARRANTY OR GUARANTEE REGARDING THE POTENTIAL RISKS INVOLVED IN INVESTING IN THE SAID SECURED BONDS OR THE SAFETY OF INVESTING IN SUCH SECURED BONDS.**

**THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THIS DOCUMENT. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE COMPANY ADMISSION ISSUED BY THE ISSUER.**

**ALL ADVISERS TO THE ISSUER HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS COMPANY ADMISSION DOCUMENT AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON. NONE OF THE ADVISERS ACCEPT ANY RESPONSIBILITY TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE CONTENTS OF, AND ANY INFORMATION CONTAINED IN, THE COMPANY ADMISSION DOCUMENT, ITS COMPLETENESS OR ACCURACY OR ANY OTHER STATEMENT MADE IN CONNECTION THEREWITH.**

**THE ISSUER DISCLAIMS ANY AND ALL RESPONSIBILITY FOR ANY DEALINGS MADE, REPRESENTATIONS GIVEN, PROCESSES ADOPTED, FUNDS COLLECTED OR**

**APPLICATIONS ISSUED BY AUTHORISED INTERMEDIARIES IN THEIR EFFORT TO PLACE OR RE-SELL THE BONDS SUBSCRIBED BY THEM.**

**THE DIRECTORS OF THE ISSUER CONFIRM THAT WHERE INFORMATION INCLUDED IN THIS DOCUMENT HAS BEEN SOURCED FROM A THIRD PARTY, SUCH INFORMATION HAS BEEN ACCURATELY REPRODUCED, AND AS FAR AS THE DIRECTORS OF THE ISSUER ARE AWARE AND ARE ABLE TO ASCERTAIN FROM INFORMATION PUBLISHED BY THAT THIRD PARTY, NO FACTS HAVE BEEN OMITTED WHICH WOULD RENDER THE REPRODUCED INFORMATION INACCURATE OR MISLEADING.**

**THIS DOCUMENT AND ALL AGREEMENTS, ACCEPTANCES AND CONTRACTS RESULTING THEREFROM SHALL BE GOVERNED BY AND CONSTRUED UNDER APPLICABLE LAW, AND IN CASE OF ANY PERSON ACQUIRING ANY SECURITIES PURSUANT TO THIS DOCUMENT, SUCH A PERSON SHALL SUBMIT TO THE JURISDICTION OF THE RELEVANT COURTS AS DETERMINED BY THE APPLICABLE LAW, WITHOUT LIMITING IN ANY MANNER THE RIGHT OF THE ISSUER TO BRING ANY ACTION, SUIT OR PROCEEDING, IN ANY OTHER COMPETENT JURISDICTION, ARISING OUT OF OR IN CONNECTION WITH ANY PURCHASE OF THE SECURITIES, OR AGREEMENT, ACCEPTANCE OR CONTRACT RESULTING HEREFROM, OR THE ADMISSION DOCUMENT AS A WHOLE.**

**STATEMENTS MADE IN THIS COMPANY ADMISSION DOCUMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON APPLICABLE LAW AND ARE SUBJECT TO CHANGES THERETO.**

**THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE ADMISSION DOCUMENT AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS.**

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## Definitions

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

<b>Account</b>	the Guarantor's cash account with the Account Bank;
<b>Account Bank</b>	Citibank N.A, London Branch (UK establishment number BR001018) of Citigroup Centre, Canary Wharf, Canada Square, E14 5LB, United Kingdom;
<b>Account Charge</b>	the account charge constituted in favour of the Security Trustee pursuant to the Account Charge Deed;
<b>Account Charge Deed</b>	an English law governed account charge deed to be entered into on the Issue Date, pursuant to which the Guarantor will grant a first fixed charge of all monies from time to time standing to the credit of the Account, together with all other rights and benefits accruing to or arising in connection with the Account, in favour of the Security Trustee for the benefit of Bondholders as security for the performance of the Issuer's payment obligations under the Terms and Conditions;
<b>Accountants' Report</b>	the accountants' report in respect of the Prospective Financial Information dated 30 June 2022 and prepared by the Reporting Accountants in terms of the Prospects MTF Rules, a copy of which is set out as Annex B to this Admission Document;
<b>Admission Document and/or Company Admission Document</b>	this company admission document in its entirety;
<b>ALT Holdings</b>	ALT Holdings Limited, a private limited liability company registered under the laws of Malta with company registration number C 77659 and with its registered office at Aspen Lodge, Notabile Road, Mriehel, Birkirkara, BKR 1870, Malta;
<b>Appropriateness Test</b>	the test or assessment to be conducted by an Authorised Financial Intermediary, when providing an investment service (other than investment advice or portfolio management) in relation to a proposed subscription for the Bonds, as set out in further detail in Section 7.4 below;

<b>Applicant/s</b>	a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;
<b>Application</b>	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form and delivering same to an Authorised Financial Intermediary in accordance with the terms of this Company Admission Document;
<b>Application Form</b>	the form of Application for subscription of Bonds, a copy of which is contained in Annex A of this Admission Document;
<b>Assignment Deed</b>	each English law governed assignment deed pursuant to which an Original Lender assigns to the Guarantor all of the Original Lender's legal and beneficial rights, title, interest, and benefit in and to all rights, agreements, contracts and other documents pertaining to, or entered into by, the Original Lender in respect of a Loan (or Loans) and the corresponding Loan Security Interests;
<b>Authorised Financial Intermediary</b>	each of the licensed stockbrokers and financial intermediaries listed in Annex E to this Company Admission Document;
<b>Board</b>	the Board of Directors of the Issuer;
<b>Bond/s</b>	the 7.25% secured callable bonds (ISIN MT0002681204) to be issued by the Issuer in terms of this Admission Document;
<b>Bond Issue</b>	the issue of the Bonds pursuant to this Admission Document;
<b>Bondholder/s</b>	any holder/s of the Bonds from time to time, as evidenced by an electronic entry in the CSD Register;
<b>Borrower</b>	any third party to whom a Loan is granted, each being a special purpose vehicle established in England and Wales for the purpose of acquiring and/or developing a Development Property;
<b>Borrower Guarantee Deed</b>	an English law governed guarantee deed pursuant to which the shareholder/s of a Borrower jointly and severally guarantee/s the Borrower's payment obligations to the Guarantor or Original Lender under the relevant Loan;
<b>Business Day</b>	any day from Monday to Friday, on which commercial banks in Malta settle payments and

	are open for normal banking business (with the exclusion of Saturdays);
<b>Capital Markets Rules</b>	the capital markets rules issued by the MFSA in terms of the Financial Markets Act, as may be amended from time to time;
<b>Civil Code</b>	the Civil Code, Chapter 16 of the laws of Malta;
<b>Companies Act</b>	the Companies Act, Chapter 386 of the laws of Malta;
<b>Conduct of Business Rulebook</b>	the Conduct of Business Rulebook issued by the MFSA in terms of article 16 of the MFSA Act;
<b>Corporate Advisor</b>	Grant Thornton Limited a private limited liability company registered under the laws of Malta with company registration number C 80426 and with its registered office at Fort Business Centre, Level 2, Triq l-Intornjatur, Zone 1, Central Business District, Birkirkara, CBD 1050, Malta, and/or any related entity, and/or affiliate, as duly authorised to act as Corporate Advisor by the MSE, in terms of the Prospects MTF Rules;
<b>Corporate Governance Code</b>	the Code of Principles of Good Corporate Governance set out as Appendix 5.1 to Chapter 5 of the Capital Markets Rules;
<b>CSD</b>	the central registration system for dematerialised financial instruments in Malta operated by the MSE and authorised in terms of the Financial Markets Act;
<b>CSD Register</b>	the register of Bonds held and maintained by the CSD on behalf of the Issuer;
<b>Data Protection Act</b>	the Data Protection Act, Chapter 586 of the laws of Malta;
<b>Debenture</b>	an English law governed fixed and floating charge over the assets and undertaking of a Borrower;
<b>Deed of Priority</b>	an English law governed deed of priority to regulate the priority of security granted to the Guarantor and any other senior ranking creditors of the Guarantor over the same assets;
<b>Development Property</b>	a property to be acquired and/or developed by a Borrower and in respect of which a Loan is granted;
<b>Directors</b>	the directors of the Issuer;

<b>Due Diligence Policy</b>	the due diligence policy to be followed by the Guarantor in respect of each Loan (whether to be acquired from an Original Lender or to be granted to a Borrower) as set out in Section 3.3.5;
<b>Duty on Documents and Transfers Act</b>	the Duty on Documents and Transfers Act, Chapter 364 of the laws of Malta;
<b>Early Redemption Date</b>	any date falling on or after the third anniversary of the Issue date (but prior to the Maturity Date), on which the Issuer may, in its sole discretion opt to redeem all of the Bonds upon at least 30 calendar days' notice in writing, at the relevant early redemption amount (expressed as a percentage of the principal amount) set out in Section 8.9.5 (plus any accrued and unpaid interest);
<b>Eight Oaks Capital</b>	Eight Oaks Capital Limited, a private limited liability company registered under the laws of Malta with company registration number C 78738 and with its registered office at Aspen Lodge, Notabile Road, Mriehel, Birkirkara, BKR 1870, Malta;
<b>Eight Oaks Capital Holding</b>	Eight Oaks Capital Holding Limited, a private limited liability company registered under the laws of Malta with company registration number C 78737 and with its registered office at Aspen Lodge, Notabile Road, Mriehel, Birkirkara, BKR 1870, Malta;
<b>Euro or € or EUR</b>	the lawful currency of the Eurozone, being the region comprised of Member States of the European Union that have and continue to adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union and by the Treaty of Amsterdam;
<b>Event of Default</b>	each event specified as an event of default in Section 8.15;
<b>Facility Agreement</b>	an English law governed facility agreement entered into between an Original Lender or the Guarantor and a Borrower, pursuant to which the Original Lender or the Guarantor has provided or will provide short-term financing to a Borrower;
<b>Financial Markets Act</b>	the Financial Markets Act, Chapter 345 of the laws of Malta;

<b>GDPR</b>	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC;
<b>Guarantee</b>	a guarantee granted by the Guarantor to the Security Trustee (for the benefit of the Bondholders), pursuant to which the Guarantor shall unconditionally and irrevocably guarantee to the Security Trustee (for the benefit of the Bondholders) the due and punctual payment of the Indebtedness;
<b>Guarantee Deed</b>	an English law governed guarantee deed to be entered into on the Issue Date, pursuant to which the Guarantor will grant the Guarantee to the Security Trustee (for the benefit of Bondholders);
<b>Guarantor</b>	Hart Capital Partners (UK) Limited, a private limited liability company registered under the laws of England and Wales with company registration number 13528148 and with its registered office at 47a Broadgates, Market Place, Henley-On-Thames, England, RG9 2AD;
<b>Group</b>	the Issuer, the Guarantor and any other subsidiaries of the Issuer which may be incorporated in any jurisdiction from time to time;
<b>Indebtedness</b>	any and all monies, obligations and liabilities now or hereafter due, owing or incurred by the Issuer under the Bonds to the Bondholders (whether alone and/or with others) pursuant to the Terms and Conditions and in any and all cases whether for principal, interest, capitalised interest, charges, disbursements or otherwise and whether for actual or contingent liability, as well as any fees and/or expenses which the Bondholders may incur in the protection, preservation, collection or enforcement of the their rights against the Issuer and/or Guarantor;
<b>Income Tax Act</b>	the Income Tax Act, Chapter 123 of the laws of Malta;
<b>Interest Commencement Date</b>	28 November 2022;
<b>Interest Payment Date</b>	28 November of each year (including 28 November 2023, being the first interest payment date) and any Redemption Date (or if any such

	date is not a Business Day, the next following day that is a Business Day));
<b>Intermediaries' Offer</b>	the offer of Bonds, pursuant to this Company Admission Document, by the Issuer to the Authorised Intermediaries, for their own account and/or for the purposes of allocating the Bonds to their own clients;
<b>Investment Services Act</b>	the Investment Services Act, Chapter 370 of the laws of Malta;
<b>Issue Date</b>	28 November 2022;
<b>Issue Price</b>	€100 per Bond;
<b>Issuer</b>	Hart Capital Partners (Europe) p.l.c., a public limited liability company registered under the laws of Malta with company registration number C 100619 and with its registered office at 55D, Birbal Street, Balzan, BZN 9017, Malta;
<b>Issuer Loan</b>	the loan to be granted to the Guarantor by the Issuer pursuant to the Issuer Loan Agreement;
<b>Issuer Loan Agreement</b>	a Maltese law governed loan facility agreement to be entered into on or around the date of this Admission Document, pursuant to which the Issuer has agreed to grant a loan of an amount equal to the net proceeds of the Bond Issue, and up to a maximum of €3 million (or €5 million in the event that the Issuer exercises the Over-Allotment Option), to the Guarantor;
<b>John Howard Investments</b>	John Howard Investments Limited, a private limited liability company registered under the laws of England and Wales with company registration number 12882199 and with its registered office at 47a Broadgates, Market Place, Henley-On-Thames, England, RG9 2AD;
<b>Loan</b>	each loan (that meets the Loan Criteria) that is (1) granted by the Guarantor to a Borrower pursuant to a Facility Agreement and/or (2) originally granted by an Original Lender to a Borrower pursuant to a Facility Agreement but where the Original Lender's legal and beneficial rights, title, interest, and benefit in and to such loan and arising under the relevant loan documentation are subsequently acquired by the Guarantor pursuant to an Assignment Deed;

<b>Loan Criteria</b>	the criteria that a Loan must satisfy in order for it to be acquired or granted by the Guarantor as specified in Section 3.3.5;
<b>Loan Receivables</b>	all of the Guarantor's legal and beneficial rights, title, interest, and benefit in and to any and all present or future liability (actual or contingent) payable or owing by a Borrower to the Guarantor under or in connection with any Loans and arising under the relevant loan documentation in relation to the Loans;
<b>Loan Security Interests</b>	any and all English law governed security interests granted by a Borrower and/or its shareholders (to an Original Lender or to the Guarantor, as applicable) in connection with a Loan pursuant to a Share Charge Deed, a Property Charge Deed, a Borrower Guarantee Deed, a Debenture and/or pursuant to any other similar security documents;
<b>Maturity Date</b>	28 November 2027;
<b>Memorandum and Articles of Association</b>	the memorandum and articles of association of the Issuer or of the Guarantor, as applicable, in force at the time of publication of this Admission Document, and the terms 'Memorandum of Association' and/or 'Articles of Association' shall be construed accordingly;
<b>MFSA</b>	the Malta Financial Services Authority as established under the MFSA Act;
<b>MFSA Act</b>	the Malta Financial Services Authority Act, Chapter 330 of the laws of Malta;
<b>MiFIR</b>	Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012;
<b>MSE</b>	Malta Stock Exchange plc, as originally constituted by the Financial Markets Act, bearing company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
<b>Nominal Value</b>	€100 (in respect of each Bond);
<b>Offer Period</b>	the period between 09:00 hours CET on 24 October 2022 and 17:00 hours CET on 18 November 2022 during which the Bonds are available for subscription;



<b>Original Lender</b>	Any one of P1 Capital; P1 Capital Partners, P1 Investments; John Howard Investments Limited; or any other company in which Mr Christon Burrows holds a direct/indirect ownership interest of at least 50%;
<b>Over-Allotment Option</b>	the option of the Issuer, at its sole discretion, to increase the aggregate amount (in Nominal Value) of Bonds issued by (and up to) an additional €2 million, up to a maximum aggregate amount of €5 million, in the event of an over-subscription by Applicants;
<b>Payment Direction Agreement</b>	a Maltese law governed payment direction agreement to be entered into on or around the date of this Admission Document by the Issuer, the Placement Agent and Manager, the Guarantor and the Security Trustee which regulates the flow of subscription monies from the Authorised Financial Intermediaries to the Guarantor in accordance with the terms and conditions of the Issuer Loan Agreement, and the Company Admission Document;
<b>P1 Capital</b>	P1 Capital Limited, a private limited liability company registered under the laws of England and Wales with company registration number 10893482 and with its registered office at 47a Broadgates, Market Place, Henley-On-Thames, England, RG9 2AD;
<b>P1 Capital Partners</b>	P1 Capital Partners Limited, a private limited liability company registered under the laws of England and Wales with company registration number 11250944 and with its registered office at 47a Broadgates, Market Place, Henley-On-Thames, England, RG9 2AD;
<b>P1 Group</b>	P1 Capital, P1 Capital Partners, P1 Investments and John Howard Investments Limited;
<b>P1 Investments</b>	P1 Investments Limited, a private limited liability company registered under the laws of England and Wales with company registration number 12198622 and with its registered office at 47a Broadgates, Market Place, Henley-On-Thames, England, RG9 2AD;
<b>Prospective Financial Information</b>	the prospective financial information prepared by the Issuer pursuant to the Prospects MTF Rules, a copy of which is set out as Annex B to this Admission Document;

<b>Pound Sterling or £ or GBP</b>	the lawful currency of the United Kingdom;
<b>PMLA</b>	Prevention of Money Laundering Act (Chapter 373 of the laws of Malta) and all regulations issued thereunder;
<b>Prospects MTF</b>	a multilateral trading facility operated by the MSE;
<b>Prospects List</b>	the list prepared and published by the MSE as its recognised list in accordance with the Prospects MTF Rules;
<b>Prospects MTF Rules</b>	the rules issued by the board of directors of the MSE regulating the Prospects MTF market;
<b>Prospectus Regulation</b>	Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;
<b>Property Charge Deed</b>	an English law governed property charge deed pursuant to which a Borrower grants (at least) a second ranking legal charge over the Development Property to the Guarantor or an Original Lender as security for the performance of the Borrower's obligations under the relevant Loan;
<b>Redemption Date</b>	an Early Redemption Date and/or the Maturity Date;
<b>Reporting Accountants</b>	Grant Thornton, a civil partnership registered under the laws of Malta, holder of warrant number AB/26/84/22, warranted to act as a certified public accountant, and having its registered address situated at Fort Business Centre, Level 2, Triq l-Intornjatur, Zone 1, Central Business District, Birkirkara, CBD 1050, Malta, in its capacity as reporting accountants of the Issuer in respect of this Admission Document;
<b>RICS</b>	the Royal Institution of Chartered Surveyors of Parliament Square, London, SW1P 3AD, United Kingdom;
<b>RICS Valuation – Global Standards</b>	the valuation – global standards published by the RICS (also known as the RICS 'Red Book Global');

<b>RICS Valuation</b>	a valuation based on the most recent version of the RICS Valuation – Global Standards conducted by an independent RICS-accredited surveyor;
<b>Security</b>	any and all security interests granted by the Guarantor in favour of the Security Trustee for the benefit of the Bondholders pursuant to the Security Documents;
<b>Security Assignment</b>	the security assignment granted to the Security Trustee pursuant to the Security Assignment Deed;
<b>Security Assignment Deed</b>	an English law governed security assignment deed to be entered into on the Issue Date, pursuant to which the Guarantor will assign, by way of first fixed security, all of its legal and beneficial rights, title, benefit and interest, in and to (and arising under the relevant documentation in relation to) the Loan Receivables and the Loan Security Interests (both present and future), to the Security Trustee (for the benefit of the Bondholders) as security for the performance of the Issuer's payment obligations under the Terms and Conditions;
<b>Security Documents</b>	means each document constituting Security, namely: the Guarantee Deed, the Account Charge Deed and the Security Assignment Deed;
<b>Security Trust Deed</b>	the security trust deed to be entered into on or around the date of this Admission Document by the Issuer, the Guarantor and the Security Trustee in connection with the granting of the Security, a copy of which is set out in Annex D to this Admission Document;
<b>Security Trustee</b>	Equity Wealth Solutions Limited, an MFSA authorised trustee (in terms of the Trusts and Trustees Act) registered under the laws of Malta with company registration number C 31987 and having its registered office at 176, Old Bakery Street, Valletta, VLT 1455, Malta;
<b>Share Charge Deed</b>	an English law governed share charge deed pursuant to which the shareholder/s of a Borrower grant/s a charge over all of the shares in the Borrower to the Guarantor or an Original Lender as security for the performance of the Borrower's obligations under the relevant Loan;

<b>Shareholder Loan</b>	the €1 million loan granted by Eight Oaks Capital to the Guarantor pursuant to the Shareholder Loan Agreement;
<b>Shareholder Loan Agreement</b>	an English law governed loan agreement entered into on 19 October 2022, pursuant to which Eight Oaks Capital has granted a loan of €1 million to the Guarantor;
<b>Suitability Test</b>	the test or assessment to be conducted by an Authorised Financial Intermediary providing investment advice or portfolio management services in relation to a proposed subscription for the Bonds, at set out in further detail in Section 7.4;
<b>Placement Agent and Manager</b>	Curmi & Partners Ltd, an MFSA authorised investment services firm (in terms of the Investment Services Act) registered under the laws of Malta with company registration number C 3909 and having its registered office at Finance House, Princess Elizabeth Street, Ta' Xbiex, XBX 1102, Malta, acting in its capacity as placement agent and manager in respect of the Bond Issue;
<b>Terms and Conditions</b>	the terms and conditions of the Bonds set out in Section 8;
<b>Trusts and Trustees Act</b>	the Trusts and Trustees Act, Chapter 331 of the laws of Malta; and
<b>United Kingdom (UK)</b>	the United Kingdom of Great Britain and Northern Ireland.

Any reference in the Admission Document to “Malta” is to the “Republic of Malta”.

Unless it otherwise required by the context:

- (a) words in this Admission Document importing the singular shall include the plural and vice versa;
- (b) words in this Admission Document importing the masculine gender shall include the feminine gender and vice versa;
- (c) the word “may” in this Admission Document shall be construed as permissive and the word “shall” in this Admission Document shall be construed as imperative; and
- (d) the word “person” shall refer to both natural and legal persons.

## Summary

Capitalised terms used but not otherwise defined in this Summary shall have the meanings assigned to them in the 'Definitions' section of the Company Admission Document.

### 1. INTRODUCTION AND WARNINGS

Prospective investors are hereby warned that:

- a. this summary should be read as an introduction to the Company Admission Document;
- b. any decision to invest in the Bonds should be based on consideration of the Company Admission Document as a whole by the prospective investor;
- c. a prospective investor may lose all or part of the capital invested in subscribing for Bonds;
- d. where a claim relating to the information contained in the Company Admission Document is brought before a court, the plaintiff investor might, under Maltese law, have to bear the costs of translating the Company Admission Document before the legal proceedings are initiated; and
- e. civil liability attaches only to those persons who have tabled the summary including any translation thereof and who applied for its notification, but only if the summary, when read together with the other parts of the Company Admission Document, is misleading, inaccurate or inconsistent or does not provide key information in order to aid investors when considering whether to invest in the Bonds.

International Securities Identification Number (ISIN) of the Bonds: MT0002681204

#### *Identity and Contact Details of the Issuer:*

Legal & Commercial Name:	Hart Capital Partners (Europe) p.l.c.
Company Registration Number:	C 100619
Legal Form:	Public limited liability company in terms of the Companies Act
Place of Registration & Domicile:	Malta
Date of Registration:	18 January 2022
Registered Office Address:	55D, Birbal Street, Balzan, BZN 9017, Malta
Telephone Number:	+356 7970 7852
E-mail Address:	info@hartcapitaleurope.com
Website:	<a href="https://www.hartcapitalpartners.co.uk/">https://www.hartcapitalpartners.co.uk/</a>

### 2. KEY INFORMATION ON THE ISSUER

#### **Who is the issuer of the securities?**

##### *Identity of the Issuer*

The issuer of the Bonds is Hart Capital Partners (Europe) p.l.c., a public limited liability company registered in Malta in terms of the Companies Act.

##### *Principal Activities of the Issuer*

The Issuer is a holding and finance company that does not carry on any trading activities apart from the raising of capital for the Group. Accordingly, the Issuer is economically dependent on the income it derives from the Group and, specifically, on the operating and financial performance of the Guarantor.

##### *Major Shareholders*

The Issuer's issued share capital is €50,000 held by ALT Holdings and Eight Oaks Capital, which hold 25,000 ordinary shares each. Eight Oaks Capital is beneficially owned by Mr. Christon Burrows (a Director of the Issuer) and his spouse Ms. Joanne Burrows, each holding an equal beneficial ownership interest through Eight Oaks Capital Holding. The shareholders of ALT Holdings are Mr. Alexander Tanti (a Director of the Issuer) and his spouse Ms. Louise Tanti, each holding an equal number of shares in ALT Holdings.

### ***Directors of the Issuer***

As at the date of this Company Admission Document, the Board is composed of the following four (4) Directors:

Mr. Victor Spiteri	Chairman, Independent, Non-Executive Director
Mr. Joseph Galea	Independent, Non-Executive Director
Mr. Christon Burrows	Executive Director
Mr. Alexander Tanti	Executive Director

### ***Statutory Auditors of the Issuer***

Horwath Malta of La Provvida, Karm Zerafa Street, Birkirkara, Malta, have been appointed as the Issuer's and the Guarantor's statutory auditors until the end of the next annual general meeting of the Issuer and the Guarantor, respectively. Horwath Malta is a registered audit firm with the Accountancy Board of Malta in terms of the Accountancy Profession Act (Chapter 281 of the laws of Malta) with registration number AB/26/84/27.

### **What is the key financial information regarding the issuer?**

The Issuer was recently incorporated on 18 January 2022 and has no historical financial information. The following financial information represents the key pro forma financial information of the Group, consisting of the Guarantor and the Issuer for financial years ending 31 December 2022, 2023 and 2024, in the case of a €3 million subscription. Further detail is set out in Section 4.2.1. Financial information with respect to the Group exercising the Over-Allotment Option is set out in Section 4.2.2.

#### **Income statement**

€000	FY2022	FY2023	FY2024
Interest income	317	569	612
Interest expense	(109)	(218)	(218)
Net finance income	208	352	395
Administrative expenses	(61)	(124)	(126)
Provision on loans receivable	(116)	(113)	(73)
Issue costs amortisation	(17)	(34)	(34)
Net profit before tax	14	81	162
Tax	(9)	(29)	(44)
<b>Net profit</b>	<b>4</b>	<b>53</b>	<b>118</b>

#### **Statement of financial position as at**

€000	31 Dec 2022	31 Dec 2023	31 Dec 2024
<b>ASSETS</b>			
Total assets	4,019	4,117	4,264
<b>EQUITY AND LIABILITIES</b>			
Total equity	1,054	1,107	1,225
Total liabilities	2,965	3,010	3,039
Total equity and liabilities	4,019	4,117	4,264

#### **Statement of cash flow**

€000	FY2022	FY2023	FY2024
Net cash flows from operating activities	(61)	387	721
Net cash flows from financing activities	242	(218)	919
Net change in cash and cash equivalents	180	170	1,640
Cash and cash equivalents, beginning of year	-	180	350
<b>Cash and cash equivalents, end of year</b>	<b>180</b>	<b>350</b>	<b>1,990</b>

## What are the key risks that are specific to the issuer?

The most material risk factors specific to the Issuer are the following:

### Special Purpose Vehicle / No Operating History

The Issuer is a newly formed entity, established as a holding and finance company, for the purpose of raising capital for the Group. The Issuer has no operating history that can be evaluated as a basis for the Issuer's potential performance.

### Risks Relating to the Issuer's Dependence on the Guarantor

The Issuer is a holding and finance company that does not carry on any trading activities apart from the raising of capital and advancing of the same to the Group. Accordingly, the Issuer is economically dependent on the income it derives from the Group and, specifically, on the operating and financial performance of the Guarantor. Therefore, the risks relating to the Guarantor are relevant to the Issuer.

## c. KEY INFORMATION ON THE BONDS

### What are the main features of the Bonds?

Securities:	Secured bonds
Amount:	€3,000,000 (with an Over-Allotment Option of an additional €2,000,000 at the Issuer's sole discretion)
Nominal Value:	€100 per Bond
Denomination:	Euro (€)
ISIN:	MT0002681204
Issue Price:	At Nominal Value (€100 per Bond)
Interest:	7.25% per annum
Issue Date:	28 November 2022
Interest Payment Dates:	28 November of each year (including 28 November 2023, being the first interest payment date) and any Redemption Date (or if any such date is not a Business Day, the next following day that is a Business Day);
Maturity Date:	28 November 2027 or any date falling on or after the third anniversary of the Issue date (but prior to the Maturity Date), on which the Issuer may, in its sole discretion opt to redeem all of the Bonds upon at least 30 calendar days' notice in writing;
Security & Guarantee	<p>The obligations of the Issuer to the Bondholders under the Bonds will be secured by:</p> <ol style="list-style-type: none"><li>an English law governed guarantee deed to be entered into on the Issue Date, pursuant to which the Guarantor shall unconditionally and irrevocably guarantee to the Security Trustee (for the benefit of the Bondholders), the due and punctual payment of the Indebtedness;</li><li>an English law governed account charge deed to be entered into on the Issue Date, pursuant to which the Guarantor will grant a first fixed charge of all monies from time to time standing to the credit of the Account, together with all other rights and benefits accruing to or arising in connection with the Account, in favour of the Security Trustee for the benefit of Bondholders as security for the performance of the Issuer's payment obligations under the Terms and Conditions;; and</li><li>an English law governed security assignment deed to be entered into on the Issue Date, pursuant to which the Guarantor will assign, by way of first fixed security, all of its legal and beneficial rights, title, benefit and interest, in and to (and arising under the relevant documentation in relation to) the Loan Receivables and the Loan Security Interests (both present and future), to the Security Trustee (for the benefit of the Bondholders) as security for the performance of the Issuer's payment obligations under the Terms and Conditions;</li></ol>

Rights:	The only rights attached to the Bonds are the right to (i) attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions; (ii) receive payment of capital and interest in accordance with the ranking as provided in the Terms and Conditions; and (iii) enjoy such other rights attached to the Bonds emanating from the Company Admission Document (iv) benefit from the enforcement of the Security; and (v) seek recourse from the Guarantor pursuant to the Guarantee, in the case of failure by the Issuer to pay any Indebtedness.
Status:	The Bonds (their repayment and the payment of interest thereon) shall constitute the general, direct, and unconditional obligations of the Issuer to the Bondholders, and shall at all times rank <i>pari passu</i> , without any priority or preference among themselves. The Bonds shall rank subsequent to any other prior ranking indebtedness of the Issuer.
Transferability:	The Bonds shall be freely transferable.

### **Where will be Bonds be traded?**

Application has been made to the MSE for the Bonds to be admitted and traded on the Prospects MTF, a market regulated as an MTF and operated by the MSE.

### **Is there a guarantee attached to the securities?**

The Guarantor, as primary obligor, jointly and severally with the Issuer, unconditionally and irrevocably guarantees to the Security Trustee (for the benefit of the Bondholders) that if for any reason the Issuer fails to pay any Indebtedness as and when due, the Guarantor will, on first demand in writing made by the Security Trustee to the Guarantor, pay that sum to the Bondholders or to the Security Trustee for (the benefit of the Bondholders). The Guarantee constitutes the direct, general and unconditional obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by applicable law.

### ***Brief description of the Guarantor***

Legal & Commercial Name:	Hart Capital Partners (UK) Limited
Company Registration Number:	13528148
Legal Form:	Limited liability company
Place of Registration & Domicile:	England & Wales
Date of Registration:	23 July 2021
Registered Office Address:	47a Broadgates, Market Place, Henley-On-Thames, England, RG9 2AD
Telephone Number:	+356 7970 7852
E-mail Address:	<a href="mailto:info@hartcapitalpartners.co.uk">info@hartcapitalpartners.co.uk</a>
Website:	<a href="http://www.hartcapitalpartners.co.uk">www.hartcapitalpartners.co.uk</a>

The Guarantor's principal business is to provide short-term financing to Borrowers in search of commercial loans for property development, whether directly through the making of Loans and/or indirectly through the acquisition of Loans from Original Lenders. Borrowers are typically special purpose vehicles incorporated by business owners and professional property developers. All Loans made and/or acquired by the Guarantor will (i) meet the Loan Criteria; (ii) satisfy the Due Diligence Policy; and (iii) be secured by the relevant Loan Security Interests.

### **What is the key financial information regarding the Guarantor?**

The Guarantor was recently incorporated on 23 July 2021 and has not traded since. As a result it does not have any historical financial information. Financial projections for the Group for financial years ending 31 December 2022, 2023 and 2024 are set out in Section 4.2.

### **What are the key risks that are specific to the guarantor?**



The most material risk factors specific to the Guarantor are the following:

### **Risks Associated with the Group's Indebtedness**

The Issuer and the Group may continue to fund their operations and future growth by incurring additional debt, including via bank facilities or via the issuance of debt in the capital markets. Borrowings of any kind may be at variable interest rates, which may expose the Group to the risk of increases in interest rates. The agreements regulating different types of borrowings may impose certain operating restrictions and financial covenants on the Group. These restrictions and covenants could limit the Group's ability to obtain future financing, implement capital expenditures, withstand a future downturn in business or economic conditions generally or otherwise inhibit the ability to conduct necessary corporate activities. A portion of the cash flow generated from operations is utilised to repay the Group's debt obligations (including the coupon under the Bonds). This gives rise to a reduction in the amount of cash flows which would otherwise be available for funding of the Group's working capital, capital expenditure, development costs, and other general corporate purposes. The use of borrowings also presents the risk that the Group may be unable to service interest payments and principal repayments or comply with other requirements of its facility agreements. A substantial deterioration in operating cash flows and profitability could make it difficult for the Group to service interest payments and principal repayments on its borrowings. The Group could be at risk of default on the occurrence of certain unexpected events. Any failure to satisfy debt obligations could result in a default under the terms of current and future financing arrangements, which could in turn have a materially adverse effect on the Group's financial profile and the Issuer's ability to meet its payment obligations to Bondholders.

### **Business Risk**

The performance and future developments of the property market in the United Kingdom and other markets in which the Guarantor may engage in can be affected by; changes in political, economic, legal and social conditions in the United Kingdom and other markets including the specific policies of central and local governments affecting the regions where the Guarantor operates, which affect land supply, availability and cost of financing, and pre-sale, pricing and volume of Borrowers' property development projects; the prospective financial information regarding the Guarantor's business; target projects under development or held for future development; changes in competitive conditions and the Guarantor's ability to compete under these conditions; changes in currency exchange rates; and other factors beyond the Guarantor's control.

### **Brexit Risk**

The Guarantor's business model is dependent on the development of property. Whilst general economic conditions in the United Kingdom, general global macro-economic conditions, consumer confidence, employment levels, the availability of disposable income and/or credit to consumers, fluctuations in interest rates, the rate of inflation and tax rates, fuel and other energy costs could all be affected as a result of Brexit. These are uncertain factors that can potentially pose an effect on the Guarantor's business.

### **Risks inherent in forecasts**

The Company Admission Document features projected revenues of the Group. Forecasts are inherently subject to the risks of adverse unexpected events which may affect the revenue streams and profitability of the Group or the Issuer. The forecasts set out in this Admission Document are dependent on a number of assumptions and future expectations that may or may not occur. The non-occurrence of those future expectations could have a material adverse effect on the financial position and results of the Group and the Issuer. Forecasts are merely an illustration of a possible future outcome which may or may not occur and the Issuer, its directors, officers and advisers make no representation as to their accuracy or likelihood of occurrence.

### **Credit Risk**

Credit risk is the possibility that a borrower or counterparty fails to meet its obligations in accordance with agreed terms, causing a financial loss. The Guarantor will use the proceeds from the Issuer Loan (as well as the Shareholder Loan) to acquire Loans from one or more Original Lenders and/or make Loans directly to third party Borrowers. There is credit risk inherent in such lending activities and the Guarantor is subject

to risks concerning the credit quality of Borrowers. Any adverse change in credit quality of its Borrowers and/or any failure by the Guarantor to assess or manage the credit quality of its Borrowers could have a material adverse effect on the financial position of the Guarantor and the Group. Furthermore, the Guarantor's right of repayment in respect of the Loans may in many cases be subordinated to the right of repayment of a third-party senior lender, and the Guarantor's rights in this regard would therefore rank subsequent to any other such prior ranking indebtedness.

#### **Risk associated with the due diligence process in originating or acquiring of Loans**

The Guarantor shall conduct a due diligence exercise in respect of all Loans made by it or acquired from an Original Lender to ensure that they satisfy the Loan Criteria set out in Section 3.3.5 of the Company Admission Document. Any errors on the part of the Guarantor, or of third-party service providers engaged by the Guarantor, in the due diligence and loan assessment process could result in Borrower defaults or delayed payments in respect of the relevant Loans, which could in turn have a material adverse effect on the financial position of the Guarantor and the Group.

#### **Key Person Risk**

The Guarantor and the Group's success will depend to a significant degree on the skills, experience and efforts of certain individuals, including Mr. Christon Burrows, and the loss of their services may compromise the Group's ability to effectively conduct business. The Group does not maintain "key person" insurance in relation to any of its directors, officers or employees.

Furthermore, the Guarantor has entered into an agreement with P1 Capital, pursuant to which, P1 Capital will provide administrative services to the Guarantor at a pre-determined fee. Accordingly, the Guarantor is reliant on the resources which are made available to it by P1 Capital.

#### **What are the key risks that are specific to the Bonds?**

The most material risk factors specific to the Bonds are the following:

##### **Complex Financial Instrument and Suitability Risk**

The Bonds are complex financial instruments and may not be suitable for all prospective investors. As such, prospective investors are urged to consult a suitably licensed independent investment advisor as to the suitability or otherwise of an investment in the Bonds before making an investment decision. In particular, such advice should be sought with a view to ascertaining that each prospective investor: (a) has sufficient knowledge and experience to make a meaningful evaluation of the merits and risks of investing in the Bonds and the information contained, or incorporated by reference, in the Admission Document; (b) has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's base currency; (c) understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets; and (d) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect the investment and the prospective investor's ability to bear the applicable risks. In the event that the prospective investor does not seek independent financial advice and/or does not read and fully understand the provisions of this Admission Document, there is a risk that such investor may acquire an investment which is not suitable for his or her risk profile.

##### **Bonds are Redeemable at the Option of the Issuer**

The Bonds may be redeemed in whole by the Issuer on any Early Redemption Date at the relevant redemption amount set out in Section 8.9.5 of the Company Admission Document on at least 30 days' prior written notice to the relevant Bondholders. Bondholders will be entitled to, in respect of the Bonds being redeemed, repayment of all principal amounts together with interest accrued until the date of redemption but once the Bonds are redeemed the relevant Bondholders will no longer be entitled to any interest or other rights in relation to those Bonds. If Bonds are redeemed on an Early Redemption Date (i.e. prior to the Maturity Date) a Bondholder would not receive the same return on its investment that it would have received if those Bonds were redeemed on the Maturity Date. In addition, the Bondholder may not be able to re-invest the proceeds from the early redemption at yields that would have been received on the Bonds

had they not been redeemed. This optional redemption feature may also have a negative impact on the market value of the Bonds. During a period when the Issuer may opt to redeem the Bonds, it is unlikely that the market value will rise above the price at which the Bond will be redeemed.

### **Interest Rate Risk of the Bonds**

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

### **No Assurance of Active Secondary Market or of Future Price Level for the Bonds**

Only upon successful admission, may the Bonds be traded on Prospects MTF but will not be traded on any regulated market. Hence, the market for the Bonds may be less liquid than a regulated market and a Bondholder may find it more difficult to identify willing buyers for their Bonds. The existence of an orderly and liquid market for the Bonds will depend on a number of factors, including the presence of willing buyers and sellers of the Bonds at any given time and over whom the Issuer has no control. Accordingly, it is impossible to guarantee a liquid or any secondary market for the Bonds after their admission to trading or that such a market, should it develop, will subsist. Illiquidity can have a severe adverse effect on the market value of the Bonds and the price quoted by Bondholders for Bonds already admitted to trading on the Prospects MTF may be at a significant discount to the original purchase price of those Bonds. There can be no assurance that Bondholders will be able to sell the Bonds at or above the price at which the Issuer issued the Bonds or at all. Furthermore, the future impact of the COVID-19 outbreak, the war in Ukraine as well as any other diseases and/or wars are highly uncertain and cannot be predicted and there is no assurance that these occurrences will not continue to have a material adverse impact on the financial markets, including the secondary market for the Bonds.

### **What are the key risks that are specific to the Special Hypothec and the Guarantee?**

#### **Ranking**

The Bonds (their repayment and the payment of interest thereon) shall constitute the general, direct and unconditional obligations of the Issuer to the Bondholders, secured in the manner described in Section 8.4 of the Company Admission Document, and shall at all times rank *pari passu*, without any priority or preference among themselves. The Bonds shall rank subsequent to any other prior ranking indebtedness of the Issuer and/or Guarantor. Although the obligations of the Issuer to the Bondholders in respect of the Bonds will be secured by means of the Security granted in favour of the Security Trustee for the benefit of the Bondholders, there can be no guarantee that any other prior ranking privileges or security in specific situations will not arise by operation of law during the course of the Issuer's and/or Guarantor's business which may rank with priority or preference to the Security. Moreover, it is possible that additional third-party security interests may be registered over the unencumbered assets of the Issuer and/or Guarantor that will rank in priority to the claims of Bondholders for so long as such security interests remain in effect.

#### **Value of the Assets over which Security is Granted**

Whilst the Account Charge and Security Assignment that are to be granted in favour of the Security Trustee for the benefit and in the interest of Bondholders grant the Security Trustee a right of preference and priority for repayment from the assets over which the Account Charge and Security Assignment are granted, there can be no guarantee that the value of those assets over the term of the Bonds will be sufficient to cover the full amount of interest and principal outstanding under the Bonds. This may be caused by a number of factors, not least of which general economic factors that could have an adverse impact on the value of those assets. If such circumstances were to arise or subsist at the time that either of the Account Charge and

Security Assignment are to be enforced by the Security Trustee, it could have a material adverse effect on the recoverability of all the amounts that may be outstanding under the Bonds.

Moreover, in the event of a default under a Loan by a Borrower there is no guarantee that the value of the assets over which the relevant Loan Security Interests are granted will be sufficient to cover the full amount of interest and principal outstanding under the relevant Loan, particularly in the case of a second ranking legal charge over the Development Property granted pursuant to a Property Charge Deed, where the enforcement by the Guarantor might not result in the collection of all amounts due to it if the value of the Development Property is not sufficient at the time to satisfy the claims of all secured creditors, including those holding a first ranking charge over the same property and whose claims will therefore be paid prior to those of the Guarantor. This could impact the ability of the Guarantor to meet its obligations to the Issuer in terms of the Issuer Loan and which could, in turn, adversely affect the Issuer's ability to meet its obligations to Bondholders.

### **Enforcement of Loan Security Interests**

The Guarantor will assign, pursuant to the Security Assignment Deed, all of its legal and beneficial rights, title, benefit and interest, in and to the Loan Receivables and the relevant Loan Security Interests (both present and future), to the Security Trustee for the benefit of the Bondholders as security for the performance of the Issuer's payment obligations under the Terms and Conditions. However, it is an express term of the Security Assignment Deed that the Security Trustee shall only be entitled to exercise its rights in respect of the Loan Receivables and the Loan Security Interests upon the occurrence of an Event of Default as set out in Section 8.15 of the Company Admission Document. Accordingly, the Guarantor shall retain all rights under the Loan Receivables and the Loan Security Interests until the occurrence of an Event of Default and any enforcement of Loan Security Interests prior to such an Event of Default can only be undertaken by the Guarantor.

### **Guarantee**

As the Bonds are being guaranteed by the Guarantor on a joint and several basis, the Security Trustee (for the benefit of Bondholders) shall be entitled to request the Guarantor to pay both the interest due and the principal amount under the Bonds and to take action against the Guarantor without first having to take action against the Issuer, if the Issuer fails to pay the Indebtedness. The strength of this undertaking on the part of the Guarantor and, therefore, the level of recoverability by the Bondholders from the Guarantor of any amounts due under any of the Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantor.

### **General Enforcement Rights**

The Security is granted to the Security Trustee (for the benefit of the Bondholders) pursuant to the terms of the Security Trust Deed and each of the Security Documents. By acquiring Bonds, each Bondholder is considered to be bound by the terms of the Security Trust Deed as if such Bondholder had been a party to it. The protection and exercise of the Bondholders' rights against the Issuer and/or the Guarantor and the enforcement of the Security or other claims under the Bonds must be exercised exclusively through the Security Trustee as specified in the Security Trust Deed, which therefore limits the Bondholders from enforcing their rights against the Issuer and/or the Guarantor, as applicable, directly, whether through individual or collective action, without the involvement of the Security Trustee.

The Security Trust Deed contains a number of provisions that prospective investors should be aware of prior to acquiring any Bonds. Accordingly, investors should read the entirety of the Security Trust Deed prior to acquiring any Bonds. For instance, in terms of the Security Trust Deed:

(a) The Security Trustee shall not be bound to take any steps to ascertain whether any Event of Default or other condition, event or circumstance has occurred or may occur, and, until it shall have actual knowledge or express notice to the contrary, the Security Trustee shall be entitled to assume that no such Event of Default or condition, event or circumstance has happened and that the Issuer and/or the Guarantor are observing and performing all applicable obligations, conditions and provisions contained in the Security Trust Deed, the Security Documents and the Admission Document; provided that, in the event that the

Security Trustee becomes aware of the fact that an Event of Default has occurred or is likely to occur, it shall notify in writing the MSE, the Corporate Advisor and the Bondholders of such fact without delay;

(b) The Security Trustee is not bound to declare the Bonds to have become immediately due and repayable in the case of an Event of Default nor shall the Security Trustee be bound to take any proceedings and/or any other action to enforce the Security unless it has been (i) directed to do so by Bondholders holding not less than 60% in Nominal Value of the Bonds held by those Bondholders present at a meeting of the Bondholders called for that purpose or at any adjourned meeting thereof, and (ii) indemnified and, if it so requires, secured to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may incur by so doing; and

(c) no Bondholder shall be entitled to enforce performance of any of the provisions of the Security Trust Deed, the Terms and Conditions and the Security Documents unless the Security Trustee, having become bound to proceed as described above, fails to do so within a period of 60 days after becoming so bound.

#### **d. KEY INFORMATION ON THE OFFER OF BONDS TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET**

##### **Under which conditions and timetable can I invest in the Bonds?**

Expected Timetable of the Bond Issue:

Opening of Offer Period (Intermediaries' Offer)	24 October 2022
Closing of Offer Period (Intermediaries' Offer)	18 November 2022
Announcement of Intermediaries' Offer results and basis of acceptance	23 November 2022
Expected dispatch of allotment advices and refunds of unallocated monies, if any	23 November 2022
Issue Date of the Bonds	28 November 2022
Commencement of interest on the Bonds	28 November 2022
Expected date of admission of the Bonds to Prospects MTF	29 November 2022
Expected date of commencement of trading in the Bonds	30 November 2022

Subject to the Issuer's right to trigger the Over-Allotment Option, the Issuer reserves the right, at its sole discretion, to either (a) lengthen the Offer Period or (b) close the offer of Bonds prior to the end of the Offer Period in the event that the Bonds are fully subscribed prior to such date and time, in which case the events set out in steps 2 to 7 above shall be adjusted accordingly. (although the number of Business Days between each of these events is not expected to be varied).

##### ***Plan of Distribution***

The Bond Issue is open for subscription by all categories of investors and will be distributed by the Authorised Financial Intermediaries participating in the Intermediaries' Offer. Interested investors, may contact any of the Authorised Financial Intermediaries for the purposes of subscribing to the Bond Issue.

##### ***General Terms and Conditions***

Applications for subscriptions to the Bonds may be made during the Offer Period through the submission of Application Forms to an Authorised Financial Intermediary. The Offer Period shall close immediately upon attaining full subscription or at the end of the Offer Period, whichever is the earliest.

The Bonds are being issued at their Nominal Value (€100 per Bond) subject to a maximum aggregate principal amount of the Bonds that may be issued not exceeding €5,000,000, if the Issuer exercises the Over-Allotment Option in full.

Application has been made to the MSE for the Bonds to be admitted and traded on the Prospects MTF.

The issue and allotment of the Bonds is conditional upon: (a) a minimum aggregate subscription amount of €3 million and (b) the Security being properly constituted in favour of the Security Trustee as at the Issue

Date. In the event that any of these conditions is not satisfied by the close of the Offer Period, the Bond Issue will be withdrawn or revoked unilaterally by the Issuer.

***Estimated Expenses of the Bond Issue***

The Bond Issue will involve expenses, including professional fees and costs related to publicity, advertising, printing, listing, registration, Sponsor, management, selling commission and other miscellaneous costs incurred in connection with this Bond Issue. Such expenses are estimated not to exceed €200,000 and shall be borne by the Issuer and deducted from the proceeds of the Bond Issue.

***Why is this Company Admission Document being produced?***

The net proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €2,830,000 (or €4,800,000 if the Issuer exercises the Over-Allotment Option in full) will be utilised for the purposes of granting the Issuer Loan to the Guarantor. The purpose of the Issuer Loan will be to fund the Guarantor's acquisition or granting of Loans.

The Bond Issue is not underwritten.

# **1. RISK FACTORS**

## **1.1 General**

**AN INVESTMENT IN THE BONDS ISSUED BY THE ISSUER INVOLVES CERTAIN RISKS, INCLUDING BUT NOT LIMITED TO THOSE RISKS DESCRIBED IN THIS SECTION. THE FOLLOWING RISKS ARE THOSE IDENTIFIED BY THE ISSUER AS AT THE DATE OF THIS COMPANY ADMISSION DOCUMENT. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, TOGETHER WITH THEIR INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE COMPANY ADMISSION DOCUMENT BEFORE DECIDING TO MAKE AN INVESTMENT IN THE ISSUER AND THE BONDS.**

**THE RISK FACTORS BELOW HAVE BEEN CATEGORISED UNDER FOUR (4) MAIN CATEGORIES, ACCORDING TO WHETHER THE RISKS UNDER REVIEW RELATE TO: (I) THE ISSUER; (II) THE GUARANTOR AND ITS BUSINESS; (III) THE BONDS; AND (IV) THE SECURITY.**

**SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES THAT MAY OR MAY NOT OCCUR AND NEITHER THE ISSUER NOR THE GUARANTOR ARE IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.**

**SHOULD ANY OF THE RISKS DESCRIBED BELOW MATERIALISE, THEY COULD HAVE A SERIOUS ADVERSE EFFECT ON THE ISSUER'S AND/OR GUARANTOR'S FINANCIAL RESULTS AND TRADING PROSPECTS AND THE ABILITY OF THE ISSUER AND/OR THE GUARANTOR TO FULFIL ITS OBLIGATIONS UNDER THE BONDS.**

**THE RISKS AND UNCERTAINTIES DISCUSSED BELOW MAY NOT BE THE ONLY ONES THAT THE ISSUER AND/OR THE GUARANTOR FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE THE DIRECTORS OF THE ISSUER AND/OR OF THE GUARANTOR MAY NOT CURRENTLY BE AWARE OF, COULD WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER AND/OR THE GUARANTOR. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CAREFULLY READ, CONSIDER AND UNDERSTAND THE COMPANY ADMISSION DOCUMENT AS A WHOLE BEFORE INVESTING IN THE BONDS. IN ADDITION, PROSPECTIVE INVESTORS OUGHT TO BE AWARE THAT RISK MAY BE AMPLIFIED DUE TO A COMBINATION OF RISK FACTORS.**

## **1.2 Forward-Looking Statements**

**This document includes statements that are or may be deemed to be “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including but not limited to the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements are based purely on the intentions, beliefs or current expectations of the Issuer, Guarantor and/or the Directors of the Issuer and/or Guarantor. There can be no assurance that the results and events contemplated by the forward-looking statements contained in this Admission Document will occur.**

**Forward-looking statements, by their very nature, involve substantial uncertainties because they relate to events and depend on circumstances that may or may not occur in the future, many of which are beyond the Issuer's and/or Guarantor's control. Forward-looking statements are not guarantees**

of future performance and should therefore not be construed as such. The Issuer's and/or Guarantor's actual results of operations and financial condition may, as a result of many different factors, differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the results of operations and financial condition of the Issuer and/or the Guarantor are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Subject to its legal and regulatory obligations, the Issuer and/or the Guarantor and their Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

## **1.3 Risks Relating to the Issuer**

### **1.3.1 Special Purpose Vehicle / No Operating History**

The Issuer is a newly formed entity, established as a holding and finance company, for the purpose of raising capital for the Group. The Issuer was incorporated on 18 January 2022. The Issuer has no operating history that can be evaluated as a basis for the Issuer's potential performance.

### **1.3.2 Dependence on the Guarantor**

The Issuer is a holding and finance company that does not carry on any trading activities apart from the raising of capital and advancing the same to the Guarantor. The Issuer will have no assets other than its shareholding in the Guarantor and the Issuer Loan (and any payments received by the Issuer in respect of the Issuer Loan). The Issuer's financial position and its ability to meet its obligations to Bondholders will therefore be completely dependent on the general financial performance of the Guarantor and the performance of its payment obligations in respect of the Issuer Loan. Accordingly, the risks associated with the Guarantor as described in Section 1.4 below, are relevant to the Issuer and, the occurrence of any of these risks will have a direct impact on the performance and financial position of the Issuer as well as its ability to meet its obligations to Bondholders. Although the Issuer Loan is expected to generate sufficient returns to fund the Issuer's obligations to the Bondholders, the Issuer has no other source of income (save for possible dividend distributions by the Guarantor) that would enable it to meet these obligations should this turn out not to be the case. In the event that the Guarantor does not repay the Issuer Loan, no assurance can be given that the Issuer will have the ability to meet its obligations to Bondholders.

### **1.3.3 Change in control risk**

A potential change in ownership or control of the Issuer may potentially have a negative impact on the Group's strategy, operations and financial performance. Any new shareholders, particularly if a majority shareholder, may result in a change in the business or the financial performance of the Group, which may have a materially adverse effect on the Issuer's ability to meet its payment obligations to Bondholders. This is particularly the case due to the fact that the Guarantor in particular operates in a specialised sector.

## **1.4 Risks Relating to the Group, the Guarantor and its Business**

### **1.4.1 Risks Associated with the Group's Indebtedness**

The Issuer and the Group may continue to fund their operations and future growth by incurring additional debt, including via bank facilities or via the issuance of debt in the capital markets. Borrowings of any kind may be at variable interest rates, which may expose the Group to the risk of increases in interest rates. The agreements regulating different types of borrowings may impose certain operating restrictions and financial covenants on the Group. These restrictions and covenants could limit the Group's ability to obtain future financing, implement capital expenditures, withstand a future downturn in business or economic conditions



generally or otherwise inhibit the ability to conduct necessary corporate activities. A portion of the cash flow generated from operations is utilised to repay the Group's debt obligations (including the coupon under the Bonds). This gives rise to a reduction in the amount of cash flows which would otherwise be available for funding of the Group's working capital, capital expenditure, development costs, and other general corporate purposes. The use of borrowings also presents the risk that the Group may be unable to service interest payments and principal repayments or comply with other requirements of its facility agreements. A substantial deterioration in operating cash flows and profitability could make it difficult for the Group to service interest payments and principal repayments on its borrowings. The Group could be at risk of default on the occurrence of certain unexpected events. Any failure to satisfy debt obligations could result in a default under the terms of current and future financing arrangements, which could in turn have a materially adverse effect on the Group's financial profile and the Issuer's ability to meet its payment obligations to Bondholders.

#### **1.4.2 Business Risk**

The performance and future developments of the property market in the United Kingdom and other markets in which the Guarantor may engage in can be affected by; changes in political, economic, legal and social conditions in the United Kingdom and other markets including the specific policies of central and local governments affecting the regions where the Guarantor operates, which affect land supply, availability and cost of financing, and pre-sale, pricing and volume of Borrowers' property development projects; the prospective financial information regarding the Guarantor's business; target projects under development or held for future development; changes in competitive conditions and the Guarantor's ability to compete under these conditions; changes in currency exchange rates; and other factors beyond the Guarantor's control.

#### **1.4.3 Brexit Risk**

The Guarantor's business model is dependent on the development of property. Whilst general economic conditions in the United Kingdom, general global macro-economic conditions, consumer confidence, employment levels, the availability of disposable income and/or credit to consumers, fluctuations in interest rates, the rate of inflation and tax rates, fuel and other energy costs could all be affected as a result of Brexit. These are uncertain factors that can potentially pose an effect on the Guarantor's business.

#### **1.4.4 Risks inherent in forecasts**

This Admission Document features projected revenues of the Group. Forecasts are inherently subject to the risks of adverse unexpected events which may affect the revenue streams and profitability of the Group or the Issuer. The forecasts set out in this Admission Document are dependent on a number of assumptions and future expectations that may or may not occur. The non-occurrence of those future expectations could have a material adverse effect on the financial position and results of the Group and the Issuer. Forecasts are merely an illustration of a possible future outcome which may or may not occur and the Issuer, its directors, officers and advisers make no representation as to their accuracy or likelihood of occurrence.

#### **1.4.5 Credit Risk**

Credit risk is the possibility that a borrower or counterparty fails to meet its obligations in accordance with agreed terms, causing a financial loss. The Guarantor will use the proceeds from the Issuer Loan (as well as the Shareholder Loan) to acquire Loans from one or more Original Lenders and/or make Loans directly to third party Borrowers. There is credit risk inherent in such lending activities and the Guarantor is subject to risks concerning the credit quality of Borrowers. Any adverse change in credit quality of its Borrowers and/or any failure by the Guarantor to assess or manage the credit quality of its Borrowers could have a material adverse effect on the financial position of the Guarantor and the Group. Furthermore, the Guarantor's right of repayment in respect of the Loans may in many cases be subordinated to the right of repayment of a third-party senior lender, and the Guarantor's rights in this regard would therefore rank subsequent to any other such prior ranking indebtedness.

#### **1.4.6 Risk associated with the due diligence process in originating or acquiring of Loans**

The Guarantor shall conduct a due diligence exercise in respect of all Loans made by it or acquired from an Original Lender to ensure that they satisfy the Loan Criteria set out in Section 3.3.5. Any errors on the part of the Guarantor, or of third-party service providers engaged by the Guarantor, in the due diligence and loan assessment process could result in Borrower defaults or delayed payments in respect of the relevant Loans, which could in turn have a material adverse effect on the financial position of the Guarantor and the Group.

#### **1.4.7 Key Person Risk**

The Guarantor and the Group's success will depend to a significant degree on the skills, experience and efforts of certain individuals, including Mr. Christon Burrows, and the loss of their services may compromise the Group's ability to effectively conduct business. The Group does not maintain "key person" insurance in relation to any of its directors, officers or employees.

Furthermore, the Guarantor has entered into an agreement with P1 Capital, pursuant to which, P1 Capital will provide administrative services to the Guarantor at a pre-determined fee. Accordingly, the Guarantor is reliant on the resources which are made available to it by P1 Capital.

#### **1.4.8 Valuation Risk**

The Guarantor will rely on valuations setting out the value of each Development Property and any other assets in respect of which the relevant Loan Security Interests will be granted, whether such valuations are procured by the Guarantor or any other Group company. There is always a possibility that such independent valuations by third party valuers are incorrect. Valuation of property is inherently subjective due to the individual nature of each property and the assumptions upon which valuations are carried out. Valuations are generally provided based on certain assumptions. The actual value of a particular Development Property may be materially different from any future values that may be expressed or implied in any forward-looking statements or anticipated on the basis of historical trends, as reality may not match the assumptions. There can therefore be no assurance that such valuations reflect what the actual market values will be at the time of enforcement of the relevant Loan Security Interests (whether by the Guarantor or the Security Trustee for the benefit of Bondholders). The Guarantor intends to mitigate this risk by only using reputable firms for such purposes, obtaining second opinions from independent sources where this is deemed necessary, and by conducting its own research. Valuations are typically undertaken on the basis of comparable information on similar properties to support the underlying valuation, which is again cross checked by the Guarantor.

#### **1.4.9 Illiquidity of Real Estate**

Real estate is generally a relatively illiquid asset, and such illiquidity may affect the Guarantor's ability, following the enforcement of the relevant Loan Security Interests, to dispose of and liquidate a Development Property in a timely fashion and at a satisfactory price, which could have an adverse effect on the Group's financial condition and results. There can therefore be no assurance that valuations of the Development Properties will reflect actual market values that could be achieved upon an eventual sale.

#### **1.4.10 Concentration Risk**

Concentration risk may arise because of lack of diversification in the Group's business that may lead to excessive concentration in a single activity or exposure to one counterparty or group of connected or similar counterparties. Furthermore, concentration risk may also arise in terms of geographies, regions, countries, industries, products, counterparties or for connectivity or inter-relationships that may exist between them. In this regard, prospective investors should be aware that the Guarantor's main area of business will be concentrated in the UK real estate sector, specifically in real estate located in the south eastern part of the UK (South East of England). As a result, the Guarantor's business is particularly sensitive to adverse

changes in the UK economy and the UK real estate sector. The negative effects on the Guarantor of a downturn in the UK economy or of a market downturn in the UK real estate sector (or of any other events that could negatively affect the Guarantor's performance and financial position) would likely be exacerbated by the concentration of its business in this sector and geographical area.

#### **1.4.11 Real Estate Market Risks**

The Guarantor and in turn, the Issuer, are exposed to the real estate and property market, particularly that of the South East UK. This market is, among other things, affected by shifts in demand and supply, changes in general economic conditions, changing supply within a particular area of competing space and attractiveness of real estate relative to other investment choices. Changes in regulatory requirements and applicable laws (such as taxation and planning permits), political conditions, conditions of the financial markets, inflation, interest rate fluctuations, the availability of financing, yields of alternative investments and other factors may also have an adverse effect on the property market and the Guarantor's business generally.

Furthermore, since the Guarantor's principle business is to provide short-term financing to Borrowers primarily for the scope of property development, it is also specifically exposed to development related risks including the inability of Borrowers to complete development projects on schedule or within budget, delays in obtaining or refusals of all or any applications for necessary planning permits, possible structural and environmental issues, construction cost over-runs, disputes with counterparties including contractors, suppliers, architects, and claims by third parties for personal injury owing to design and, or construction defects.

#### **1.4.12 COVID-19 Outbreak**

The ongoing COVID-19 pandemic and any possible future outbreaks of viruses may have a significant adverse effect on the Group. Although the Issuer does not expect that COVID-19 will have a significant impact on the Guarantor's performance, the Group is closely monitoring the potential impact on the UK economy and the Guarantor's operations. While the UK government and other governments around the world are seeking to mitigate the economic effects of the pandemic with fiscal and monetary stimulus as well as wage protections whilst embarking on nationwide vaccination programs and the continued adherence to strict social restrictions, there can be no certainty that these measures will be successful in averting a long-term economic contraction, potential economic recession and loss of investor confidence, all of which could have a material adverse effect on the Group's financial position.

#### **1.4.13 Regulatory Risk**

Borrowers may be subject to environmental regulation pursuant to a variety of government laws and regulations, a breach of which may result in the imposition of fines and penalties, which may be material. Legislation and regulation are evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. Any breach of legislation by any Borrower, could have a material impact on the viability of the relevant Development Property and impair the revenue derived therefrom which could have a material adverse effect on the Group's operations and financial condition. Failure to comply with applicable laws, regulations or permit requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Furthermore, future changes to existing regulatory frameworks to which the Guarantor is subject may be significant, and may even increase the Guarantor's cost of capital due to stricter compliance requirements and additional administrative costs.

#### **1.4.14 Foreign Exchange Risk**

The Guarantor will transact almost exclusively in Pound Sterling, while the Bonds and the Issuer Loan will be denominated in Euro. Even though most of the operating costs incurred by the Group are incurred in Pound Sterling, the Group will be exposed to foreign exchange risk, in particular the GBP-EUR exchange rate, and any significant fluctuations in such exchange rate could have a material adverse effect on the Guarantor's ability to repay the Issuer Loan, which in turn will have a material adverse effect on the ability of the Issuer to repay the Bond.

In order to mitigate foreign exchange risk, the Issuer will enter into a forward contract for 60 months, as described in further detail in Section 3.3.5.

#### **1.4.15 Litigation risk**

All industries, including the real estate development industry, are subject to legal claims, with or without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute to which the Guarantor is a party will not have a material adverse effect on the Group's future cash flow, results of operations or financial condition.

### **1.5 Risks Relating to the Bonds**

#### **1.5.1 Complex Financial Instrument and Suitability Risk**

The Bonds are complex financial instruments and may not be suitable for all prospective investors. As such, prospective investors are urged to consult a suitably licensed independent investment advisor as to the suitability or otherwise of an investment in the Bonds before making an investment decision. In particular, such advice should be sought with a view to ascertaining that each prospective investor: (a) has sufficient knowledge and experience to make a meaningful evaluation of the merits and risks of investing in the Bonds and the information contained, or incorporated by reference, in the Admission Document; (b) has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's base currency; (c) understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets; and (d) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect the investment and the prospective investor's ability to bear the applicable risks. In the event that the prospective investor does not seek independent financial advice and/or does not read and fully understand the provisions of this Admission Document, there is a risk that such investor may acquire an investment which is not suitable for his or her risk profile.

#### **1.5.2 Bonds are Redeemable at the Option of the Issuer**

The Bonds may be redeemed in whole by the Issuer on any Early Redemption Date at the relevant redemption amount set out in Section 8.9.5 on at least 30 days' prior written notice to the relevant Bondholders. Bondholders will be entitled to, in respect of the Bonds being redeemed, repayment of all principal amounts together with interest accrued until the date of redemption but once the Bonds are redeemed the relevant Bondholders will no longer be entitled to any interest or other rights in relation to those Bonds. If Bonds are redeemed on an Early Redemption Date (i.e. prior to the Maturity Date) a Bondholder would not receive the same return on its investment that it would have received if those Bonds were redeemed on the Maturity Date. In addition, the Bondholder may not be able to re-invest the proceeds from the early redemption at yields that would have been received on the Bonds had they not been redeemed. This optional redemption feature may also have a negative impact on the market value of the Bonds. During a period when the Issuer may opt to redeem the Bonds, it is unlikely that the market value will rise above the price at which the Bond will be redeemed.

### **1.5.3 Interest Rate Risk of the Bonds**

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

### **1.5.4 No Assurance of Active Secondary Market or of Future Price Level for the Bonds**

Only upon successful admission, may the Bonds be traded on Prospects MTF but will not be traded on any regulated market. Hence, the market for the Bonds may be less liquid than a regulated market and a Bondholder may find it more difficult to identify willing buyers for their Bonds. The existence of an orderly and liquid market for the Bonds will depend on a number of factors, including the presence of willing buyers and sellers of the Bonds at any given time and over whom the Issuer has no control. Accordingly, it is impossible to guarantee a liquid or any secondary market for the Bonds after their admission to trading or that such a market, should it develop, will subsist. Illiquidity can have a severe adverse effect on the market value of the Bonds and the price quoted by Bondholders for Bonds already admitted to trading on the Prospects MTF may be at a significant discount to the original purchase price of those Bonds. There can be no assurance that Bondholders will be able to sell the Bonds at or above the price at which the Issuer issued the Bonds or at all. Furthermore, the future impact of the COVID-19 outbreak, the war in Ukraine as well as any other diseases and/or wars are highly uncertain and cannot be predicted and there is no assurance that these occurrences will not continue to have a material adverse impact on the financial markets, including the secondary market for the Bonds.

### **1.5.5 Suspension of Trading or Discontinuation of Admission to Trading**

Even after the Bonds are admitted to trading on the Prospects MTF List, the Issuer is required to remain in compliance with certain requirements relating, *inter alia*, to the free transferability, clearance and settlement of the Bonds in order to remain a company whose securities are admitted to trading on Prospects MTF in good standing. Moreover, the MSE has the authority to suspend trading and admission of the Bonds if, among other things, it determines that such action is required for the protection of investors or of the integrity or reputation of the market. The MSE may also discontinue the admission to trading of the Bonds on the Prospects MTF List. Any trading suspension and admission discontinuation described above could have a material adverse effect on the liquidity and value of the Bonds.

### **1.5.6 Changes to the Terms and Conditions**

In the event that the Issuer wishes to amend any of the Terms and Conditions it shall call a meeting of Bondholders in accordance with the provisions of Section 8.13 below. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

### **1.5.7 Change of Law**

The Terms and Conditions of the Bonds offered pursuant to this Admission Document are based on Maltese law in effect as at the date hereof. Any disclosure or information included in this Admission Document relating to English law is also based on English law in effect as of the date hereof. No assurance can be given as to the impact of any possible judicial decision or change in Maltese or English law (as applicable) or administrative practice after the date of this Admission Document or that such judicial decision or change will not result in any adverse effects on the rights of the Bondholders.



## **1.6 Risks Relating to the Security**

### **1.6.1 Ranking**

The Bonds (their repayment and the payment of interest thereon) shall constitute the general, direct and unconditional obligations of the Issuer to the Bondholders, secured in the manner described in Section 8.4 below, and shall at all times rank *pari passu*, without any priority or preference among themselves. The Bonds shall rank subsequent to any other prior ranking indebtedness of the Issuer and/or Guarantor. Although the obligations of the Issuer to the Bondholders in respect of the Bonds will be secured by means of the Security granted in favour of the Security Trustee for the benefit of the Bondholders, there can be no guarantee that any other prior ranking privileges or security in specific situations will not arise by operation of law during the course of the Issuer's and/or Guarantor's business which may rank with priority or preference to the Security. Moreover, it is possible that additional third-party security interests may be registered over the unencumbered assets of the Issuer and/or Guarantor that will rank in priority to the claims of Bondholders for so long as such security interests remain in effect.

### **1.6.2 Value of the Assets over which Security is Granted**

Whilst the Account Charge and Security Assignment that are to be granted in favour of the Security Trustee for the benefit and in the interest of Bondholders grant the Security Trustee a right of preference and priority for repayment from the assets over which the Account Charge and Security Assignment are granted, there can be no guarantee that the value of those assets over the term of the Bonds will be sufficient to cover the full amount of interest and principal outstanding under the Bonds. This may be caused by a number of factors, not least of which general economic factors that could have an adverse impact on the value of those assets. If such circumstances were to arise or subsist at the time that either of the Account Charge and Security Assignment are to be enforced by the Security Trustee, it could have a material adverse effect on the recoverability of all the amounts that may be outstanding under the Bonds.

Moreover, in the event of a default under a Loan by a Borrower there is no guarantee that the value of the assets over which the relevant Loan Security Interests are granted will be sufficient to cover the full amount of interest and principal outstanding under the relevant Loan, particularly in the case of a second ranking legal charge over the Development Property granted pursuant to a Property Charge Deed, where the enforcement by the Guarantor might not result in the collection of all amounts due to it if the value of the Development Property is not sufficient at the time to satisfy the claims of all secured creditors, including those holding a first ranking charge over the same property and whose claims will therefore be paid prior to those of the Guarantor. This could impact the ability of the Guarantor to meet its obligations to the Issuer in terms of the Issuer Loan and which could, in turn, adversely affect the Issuer's ability to meet its obligations to Bondholders.

### **1.6.3 Enforcement of Loan Security Interests**

The Guarantor will assign, pursuant to the Security Assignment Deed, all of its legal and beneficial rights, title, benefit and interest, in and to the Loan Receivables and the relevant Loan Security Interests (both present and future), to the Security Trustee for the benefit of the Bondholders as security for the performance of the Issuer's payment obligations under the Terms and Conditions. However, it is an express term of the Security Assignment Deed that the Security Trustee shall only be entitled to exercise its rights in respect of the Loan Receivables and the Loan Security Interests upon the occurrence of an Event of Default as set out in Section 8.15. Accordingly, the Guarantor shall retain all rights under the Loan Receivables and the Loan Security Interests until the occurrence of an Event of Default and any enforcement of Loan Security Interests prior to such an Event of Default can only be undertaken by the Guarantor.

#### 1.6.4 Guarantee

As the Bonds are being guaranteed by the Guarantor on a joint and several basis, the Security Trustee (for the benefit of Bondholders) shall be entitled to request the Guarantor to pay both the interest due and the principal amount under the Bonds and to take action against the Guarantor without first having to take action against the Issuer, if the Issuer fails to pay the Indebtedness. The strength of this undertaking on the part of the Guarantor and, therefore, the level of recoverability by the Bondholders from the Guarantor of any amounts due under any of the Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantor.

#### 1.6.5 General Enforcement Rights

The Security is granted to the Security Trustee (for the benefit of the Bondholders) pursuant to the terms of the Security Trust Deed and each of the Security Documents. By acquiring Bonds, each Bondholder is considered to be bound by the terms of the Security Trust Deed as if such Bondholder had been a party to it. The protection and exercise of the Bondholders' rights against the Issuer and/or the Guarantor and the enforcement of the Security or other claims under the Bonds must be exercised exclusively through the Security Trustee as specified in the Security Trust Deed, which therefore limits the Bondholders from enforcing their rights against the Issuer and/or the Guarantor, as applicable, directly, whether through individual or collective action, without the involvement of the Security Trustee.

The Security Trust Deed contains a number of provisions that prospective investors should be aware of prior to acquiring any Bonds. Accordingly, investors should read the entirety of the Security Trust Deed prior to acquiring any Bonds. For instance, in terms of the Security Trust Deed:

(a) The Security Trustee shall not be bound to take any steps to ascertain whether any Event of Default or other condition, event or circumstance has occurred or may occur, and, until it shall have actual knowledge or express notice to the contrary, the Security Trustee shall be entitled to assume that no such Event of Default or condition, event or circumstance has happened and that the Issuer and/or the Guarantor are observing and performing all applicable obligations, conditions and provisions contained in the Security Trust Deed, the Security Documents and the Admission Document; provided that, in the event that the Security Trustee becomes aware of the fact that an Event of Default has occurred or is likely to occur, it shall notify in writing the MSE, the Corporate Advisor and the Bondholders of such fact without delay;

(b) The Security Trustee is not bound to declare the Bonds to have become immediately due and repayable in the case of an Event of Default nor shall the Security Trustee be bound to take any proceedings and/or any other action to enforce the Security unless it has been (i) directed to do so by Bondholders holding not less than 60% in Nominal Value of the Bonds held by those Bondholders present at a meeting of the Bondholders called for that purpose or at any adjourned meeting thereof, and (ii) indemnified and, if it so requires, secured to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may incur by so doing; and

(c) no Bondholder shall be entitled to enforce performance of any of the provisions of the Security Trust Deed, the Terms and Conditions and the Security Documents unless the Security Trustee, having become bound to proceed as described above, fails to do so within a period of 60 days after becoming so bound.

Moreover, prospective investors should note that the Security Documents are all governed by English law. Accordingly, any enforcement will need to take place in the United Kingdom, and the Security Trustee will need to engage English counsel in order to assist it with the enforcement of same.

**THE FOREGOING RISK FACTORS ARE NOT EXHAUSTIVE AND DO NOT PURPORT TO BE A COMPLETE LIST OF ALL OF THE RISKS AND CONSIDERATIONS INVOLVED IN INVESTING IN THE BONDS. IN PARTICULAR, THE ISSUER'S AND/OR THE GUARANTOR'S PERFORMANCE MAY BE AFFECTED BY CHANGES IN MARKET OR**

**ECONOMIC CONDITIONS AS WELL AS LEGAL, REGULATORY AND TAX REQUIREMENTS APPLICABLE TO THE ISSUER, THE GUARANTOR AND/OR THE BONDS.**



## 2. ADVISORS, STATUTORY AUDITORS AND SECURITY TRUSTEE

### 2.1 Advisors

Corporate Advisor

**Grant Thornton Limited**  
Fort Business Centre, Level 2,  
Triq l-Intornjatur, Zone 1  
Central Business District  
Birkirkara, CBD 1050  
Malta

Legal Counsel (Maltese Law)

**Ganado Advocates**  
171, Old Bakery Street  
Valletta, VLT 1455  
Malta

Legal Counsel (English Law)

**Isadore Goldman Limited**  
54 Fenchurch Street  
London, EC3M 3JY  
United Kingdom

Placement Agent and Manager

**Curmi & Partners Ltd**  
Finance House  
Princess Elizabeth Street  
Ta' Xbiex, XBX 1102  
Malta

Reporting Accountants

**Grant Thornton**  
Fort Business Centre, Level 2  
Triq l-Intornjatur, Zone 1  
Central Business District  
Birkirkara, CBD 1050  
Malta

The services of the Issuer's and Guarantor's legal counsel and other advisors in respect of this Admission Document are limited to the specific matters upon which they have been consulted. There may be other matters that would have a bearing on the Issuer, the Guarantor or an investment in the Bonds upon which the Issuer's legal counsel and other advisors have not been consulted. Without prejudice to the Corporate Advisor's continuing obligations as stipulated in the Prospects MTF Rules, the Issuer's and the Guarantor's legal counsel and the other advisors do not undertake to monitor the compliance by the Issuer and/or the Guarantor with their obligations as described in this Admission Document, nor do they monitor the Issuer's and/or Guarantor's activities for compliance with applicable laws. Additionally, the Issuer's and the Guarantor's legal counsel and other advisors have relied and continue to rely upon information furnished to them by the Issuer, the Guarantor and their Directors, and have not investigated or verified, nor will they investigate or verify the accuracy and completeness of information set out herein concerning the Issuer, the Guarantor, the Issuer's service providers or any other parties involved in the Bond Issue (including all of their respective affiliates, directors, officers, employees and agents). Moreover, the Issuer's Maltese legal counsel (Ganado Advocates) and the other Maltese advisors accept no responsibility for any description of matters in this Admission Document that relate to (and any issues arising from) any applicable law that is not Maltese law.

## **2.2 Statutory Auditors**

Horwath Malta of La Provvida, Karm Zerafa Street, Birkirkara, Malta, have been appointed as the Issuer's and the Guarantor's statutory auditors until the end of the next annual general meeting of the Issuer and the Guarantor, respectively. Horwath Malta is a registered audit firm with the Accountancy Board of Malta in terms of the Accountancy Profession Act (Chapter 281 of the laws of Malta) with registration number AB/26/84/27.

## **2.3 Security Trustee**

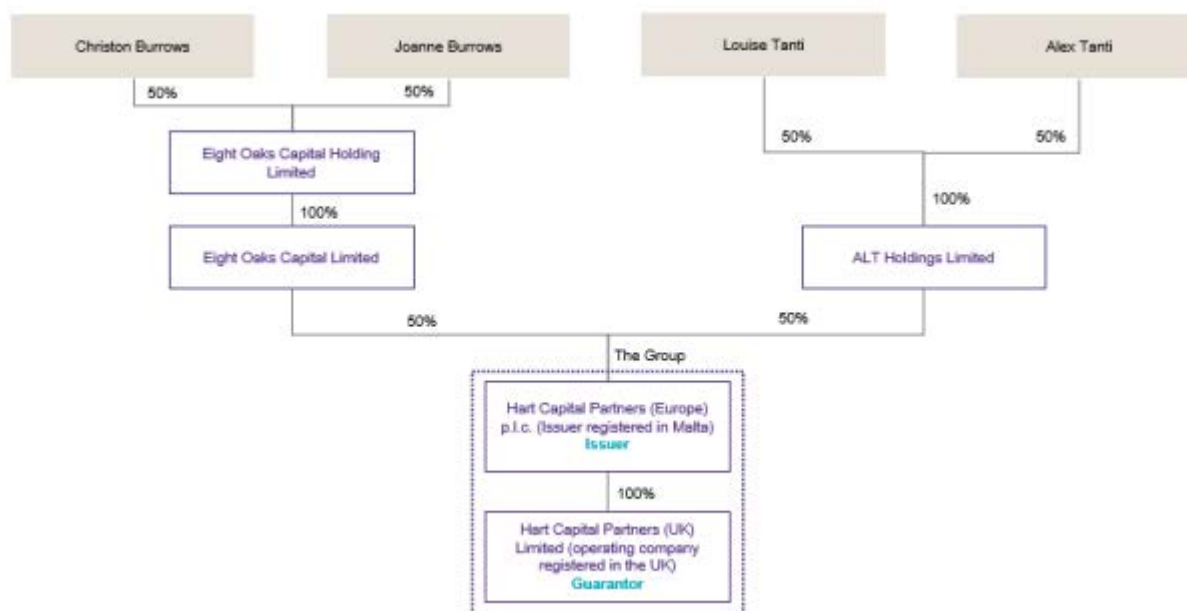
Equity Wealth Solutions Limited, an MFSA authorised trustee (in terms of the Trusts and Trustees Act) registered under the laws of Malta with company registration number C 31987 and having its registered office at 176, Old Bakery Street, Valletta, VLT 1455, Malta has been appointed as the Security Trustee pursuant to the Security Trust Deed.

In order to properly discharge its obligations under the Security Trust Deed, the Security Trustee has received and relied on the advice of Isadore Goldman Limited in its review of the Security Documents.

### 3. THE ISSUER AND THE GUARANTOR

#### 3.1 Group Organisational Structure

The following diagram illustrates the corporate structure of the Group as at the date of this Admission Document:



Detailed information on the Issuer and the Guarantor are set out in the following Sections.

#### 3.2 The Issuer

##### 3.2.1 General Information

<b>Legal &amp; Commercial Name:</b>	Hart Capital Partners (Europe) p.l.c.
<b>Company Registration Number:</b>	C 100619
<b>Legal Form:</b>	Public limited liability company in terms of the Companies Act
<b>Place of Registration &amp; Domicile:</b>	Malta
<b>Date of Registration:</b>	18 January 2022
<b>Registered Office Address:</b>	55D, Birbal Street, Balzan, BZN 9017, Malta
<b>Telephone Number:</b>	+356 7970 7852
<b>E-mail Address:</b>	<a href="mailto:info@hartcapitaleurope.com">info@hartcapitaleurope.com</a>
<b>Website:</b>	<a href="https://www.hartcapitalpartners.co.uk/">https://www.hartcapitalpartners.co.uk/</a>

Unless it is specifically stated herein that particular information is incorporated by reference into this Admission Document, the contents of the Issuer's website, any other website directly or indirectly linked to the Issuer's website, or any other website referred to herein, do not form part of the Admission Document. Accordingly, no reliance ought to be made by any investor on any information or other data contained in such website as a basis for a decision to invest in the Bonds.

The Issuer's website includes an "Investor Information" section from which investors can obtain current information on the Issuer. All electronic communications of information required to be disclosed via company announcements under the Prospects MTF Rules and/or applicable law to all Bondholders shall be made publicly available in this section of the Issuer's website.

### 3.2.2 Principal Activities of the Issuer

The Issuer is a holding and finance company that does not carry on any trading activities apart from the raising of capital for the Group. Accordingly, and given that the Issuer owns 100% of the Guarantor's shares, the Issuer is economically dependent on the Guarantor and its operations. The principal activities of the Guarantor are comprised of the activities of the Guarantor as described in further detail in Section 3.3.2 below.

As set out in clause 4 of the Issuer's Memorandum of Association, the Issuer's main objects are to carry on the business of a holding and finance company. A copy of the Memorandum of Association of the Issuer is available for inspection as set out in Section 11.

## 3.3 The Guarantor

### 3.3.1 General Information

<b>Legal &amp; Commercial Name:</b>	Hart Capital Partners (UK) Limited
<b>Company Registration Number:</b>	13528148
<b>Legal Form:</b>	Limited liability company
<b>Place of Registration &amp; Domicile:</b>	England & Wales
<b>Date of Registration:</b>	23 July 2021
<b>Registered Office Address:</b>	47a Broadgates, Market Place, Henley-On-Thames, England, RG9 2AD
<b>Telephone Number:</b>	+356 7970 7852
<b>E-mail Address:</b>	<a href="mailto:info@hartcapitalpartners.co.uk">info@hartcapitalpartners.co.uk</a>
<b>Website:</b>	<a href="http://www.hartcapitalpartners.co.uk">www.hartcapitalpartners.co.uk</a>

Unless it is specifically stated herein that particular information is incorporated by reference into this Admission Document, the contents of the Guarantor's website, any other website directly or indirectly linked to the Guarantor's website, or any other website referred to herein, do not form part of the Admission Document. Accordingly, no reliance ought to be made by any investor on any information or other data contained in such website as a basis for a decision to invest in the Bonds.

### 3.3.2 Principal Activities and Markets

The Guarantor's principal business is to provide short-term financing to Borrowers in search of commercial loans for property development, whether directly through the making of Loans and/or indirectly through the acquisition of Loans from Original Lenders. Borrowers are typically special purpose vehicles incorporated by business owners and professional property developers. All Loans made and/or acquired by the Guarantor will (i) meet the Loan Criteria; (ii) satisfy the Due Diligence Policy; and (iii) be secured by the relevant Loan Security Interests.

Loans are typically repaid using the proceeds of the sale of the relevant Development Property (following completion of the property development project) and repayment of principal and interest under Loans is generally made in a single bullet payment on the relevant repayment date. In certain instances, the Guarantor may also be entitled to participate in any profit generated by the Borrower in excess of the contractual interest set out in the relevant Loan.

The Guarantor intends to focus its activities in areas with a sustainable property market (South-East, Midlands or areas close to other major UK cities). In this regard, property prices in the South East England are predicted to grow and the outlook seems positive.<sup>1</sup> In the current economic climate the Guarantor adopts a highly cautious approach in relation to £1 million plus trophy homes or property 'hotspots' like Sandbanks that, in the Guarantor's opinion, are not supported by fundamental qualitative and quantitative information

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<sup>1</sup> <https://www.savills.co.uk/insight-and-opinion/savills-news/311749-0/savills-upgrades-uk-house-price-forecasts>

that contribute to the financial or economic well-being and the subsequent financial valuation of a Borrower and/or any accompanying relevant Loan Security Interest. However, as market conditions do change over time, the Guarantor will remain flexible to opportunities that offer a good risk-adjusted return; provided that all Loans will in any case meet the Loan Criteria and satisfy the Due Diligence Policy.

The Guarantor intends to work primarily with other lenders (more often than not as second lender together with a bank acting as first lender) on £3 million to £5 million residential development transactions that are in the South East of England. Developments are expected to be for multiple houses and apartments with each property on the site selling for under £700,000. There are multiple reasons behind working with other lenders investing primarily in the lower end of the market. Working with other experienced lenders will, for example, help provide the Guarantor with access to higher quality developers that the Guarantor would not be able to fund on its own due to size and working capital limitations. In addition, developers in the £3 million to £5 million transactions tend to be highly professional with significant assets and experience, but their liquid funds typically tied up in other projects. Projects of this size also tend to involve the best professional advisers. Furthermore, margins for the developers in the £3 million to £5 million transactions are high and there is therefore less competition for those sites. Such developments are too big for small developers and local builders and too small for the national housebuilders.

By lending to Borrowers that develop individual Development Properties valued on the site at under £700,000, the Guarantor expects to benefit from increased liquidity, since such properties sell quicker. In addition, properties valued at under £700,000 also benefit from the UK Government's 'Help to Buy' scheme (<https://www.helptobuy.gov.uk/>), which will improve the saleability of a Development Property. Finally, development projects for properties valued under £700,000 are often of standard construction and design and, therefore, if a Borrower needs to be replaced, it is much easier to find an alternative building contractor. In addition, building and development times for such properties are shorter.

### 3.3.3 Trend Information

#### *The Lending Market*

Demand for non-bank short-term lending in property in the UK has grown from around £0.9 billion in September 2012 to an estimated £4.3 billion in June 2017 in the UK and now accounts for 25% of all lending.<sup>2</sup> This market offers an alternative to property professionals which are on the lookout for financing opportunities which traditional banks cannot satisfy due to stringent capital adequacy rules.

Despite all the market uncertainties surrounding Brexit, asset finance figures have been achieving ever-higher levels of new business overall. With £20 billion of new commercial asset finance to SMEs in 2019 alone, the market shows it still remains buoyant. Historically, the demand was met primarily by traditional banks supported by alternative lenders. Over the last few years, many traditional banks have tightened their underwriting requirements for short-term lending and are focused on building capital reserves. The approval process and lending criteria of the banks that remain in this market is generally slow and bureaucratic, thus creating a demand for specialist alternative lenders like the Guarantor with a streamlined, yet robust, lending process. The lending market is a sector that has grown following the 2008 global crisis, due to increase of regulation on banks and tightening of credit policies. 25% of all UK property lending is now undertaken by non-bank lenders, and this sector has increased fivefold since 2008 – a trend that is continuing. There is an increasing portion of the demand for funding in the UK property sector that was primarily met by traditional banks.

The Guarantor is able to work closely with the borrowers to understand and monitor the project closely in a more efficient way than traditional banks.

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<sup>2</sup> <https://maslowcapital.com/insights/research/cass-uk-lending-survey-our-thoughts/>

## Impact of COVID-19 on the Lending Market

A report by the Cass Business School reports that the coronavirus pandemic has increased the number of loan write-offs and debt losses for the retail sector to approximately £9 billion in 2020. In addition to this, a further £22 billion of development loans are affected by construction delays and defaults of construction contracts, with £14 billion of residential development loans also being partially written off.

However, the diversification in today's lending markets mitigates the impact of the crisis in comparison to the impact of previous crises on the market. This is because the lending market is highly diversified and there is a balanced pool of lenders, which helps to maintain liquidity and therefore will result in a better functioning credit market than in previous economic downturns.

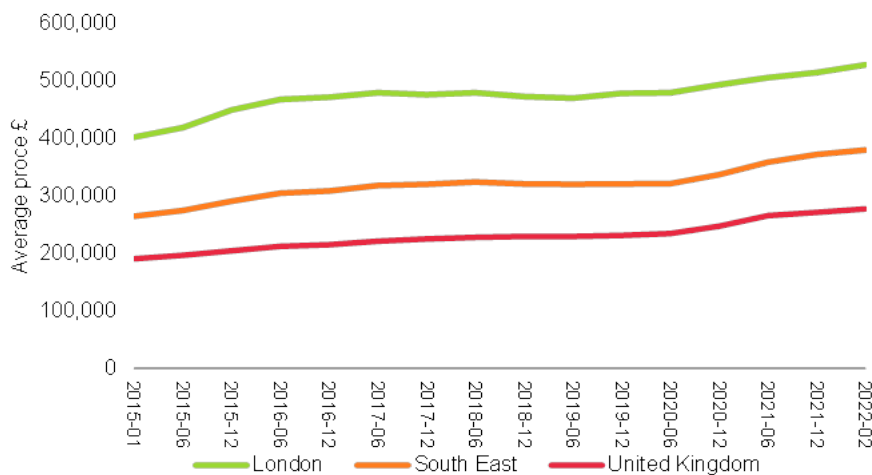
## The Housing Market

### Housing prices

House prices in the South East are the second highest in the UK, following London. As detailed by the graph below, between January 2015 and February 2022, housing prices in the South East UK increased from £265,000 in January 2015 to £381,000 in February 2022, representing a CAGR of 6.1%. London housing prices increased from £403,000 in January 2015 to £528,000 in February 2022, a CAGR of 4.5%.<sup>3</sup>

This illustrates the significant disparity that exists between on London, South East housing prices and UK housing prices. On average, South East housing prices are £100,000 higher relative to prices in all of the UK.

### Average House Price January 2015 to February 2022



### Housing transactions

Despite this disparity, the South East and the UK housing market tend to move in tandem. As shown in the graph above, any increases or decreases in the South East housing market is instantly reflected in the UK housing market through very similar increases or decreases.

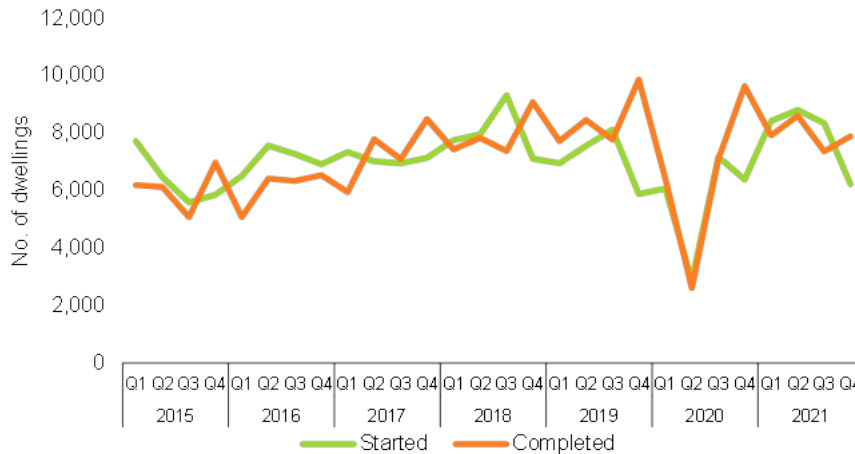
In 2019, 139,746 and 815,964 housing transactions were conducted in the South East region and in the UK, respectively. However, the growth rate of the transaction levels was significantly different: 5.8% in the

<sup>3</sup> <https://landregistry.data.gov.uk/app/ukhpi/browse?from=2015-01-01&location=http%3A%2F%2Flandregistry.data.gov.uk%2Fid%2Fregion%2Fsouth-east&to=2021-01-01&lang=en>.

South East and 1.1% in the UK, revealing that sales growth in the South East is significantly higher than that in the UK.

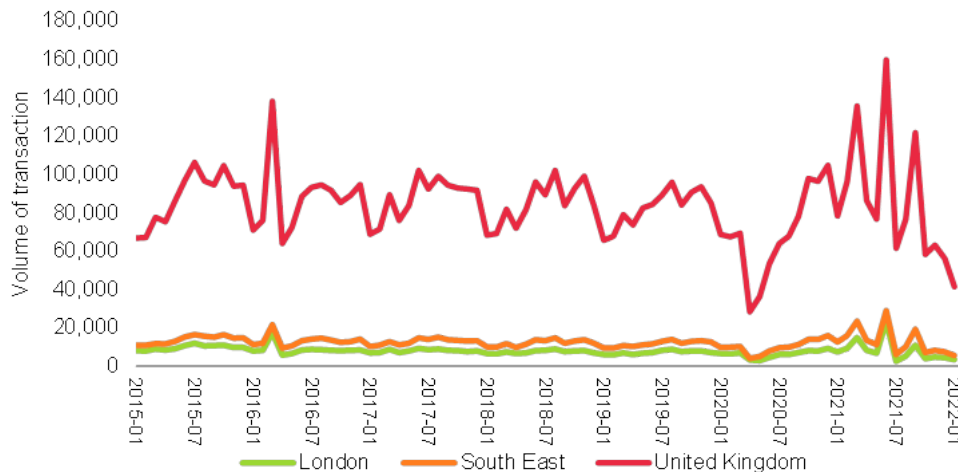
### ***Housing starts and completions***

As a result of the COVID-19 pandemic, and as demonstrated by the graph below, new housing construction projects significantly declined in 2020 since developers were suspending constructions on their sites. This resulted in a fall of 21% of annual development starts in the South East from its 2019 figure. However, despite this, the number of development commencements and completions as recovered in 2021.<sup>4</sup>



### ***Regional and national sales volume***

The graph below offers a comparative view of the volume of sales of houses in the UK compared to that in the South East of England between January 2015 and January 2022.<sup>5</sup>



<sup>4</sup> <https://www.gov.uk/government/statistical-data-sets/live-tables-on-house-building>

<sup>5</sup> <https://landregistry.data.gov.uk/app/ukhpi/browse?from=2015-01-01&location=http%3A%2F%2Flandregistry.data.gov.uk%2Fid%2Fregion%2Fsouth-east&to=2021-01-01&lang=en>



## Impact of COVID-19 on the Housing Market

Despite the deepest recession for centuries, house prices have risen over the past year at their fastest rate since 2016, with mortgage approvals also at their highest level for over a decade. This growth has been driven by a shift in demand from buyers as a result of increased home working and a desire for more space, while the stamp-duty holiday brought forward many transactions that might otherwise have been planned for 2021. However, this trend has continued in 2021, illustrating the resilience of this market.

### *Housing shortage*

It is estimated the UK needs to build 340,000 new homes per annum until 2031 to meet the current housing shortage.<sup>6</sup> The UK Government is attempting to encourage developers to build more homes by improving the planning process and introducing incentives such as the Help to Buy scheme which offers an equity loan where the UK government lends first-time buyers and existing homeowners' money to buy a newly-built home. Therefore, the outlook is positive, despite the recent hit on the property market due to the pandemic.

#### 3.3.4 Competitive Advantages of the Guarantor

The Guarantor contends that its main competitive advantages are the following.

- a. A proven history of success. Its experienced management team includes Mr. Christon Burrows, and Mr. Shane Pereira. The *curriculum vitae* of the members of the Guarantor's management team is set out in Section 5.2.4 below. The Guarantor's management team has 30 years of proven success in property and finance transactions. P1 Capital (of which Mr. Christon Burrows is the founder) has invested in over 25 deals in the last 2 years (having an aggregate value of GBP 40 million) with 5 fully successfully completed projects;
- b. Its robust processes and procedures. The Guarantor will establish internal operating procedures congruent with those described elsewhere in this Admission Document. For transactions the Guarantor will use external lawyers, valuers and advisors of repute familiar with these types of transactions and who fully understand any associated risks to the business and to investors, in accordance with its due diligence policy (as described below); and
- c. The Guarantor only makes Loans, or acquires Loans made, to experienced developers with a proven track record.

#### 3.3.5 Guarantor's Business Practices

The Guarantor's principal business is to provide short-term financing to Borrowers in search of commercial loans for property development, whether directly through the provision of Loans and/or indirectly through the acquisition of Loans from Original Lenders. The Audit Committee and the Board of the Issuer, through its oversight of the Group, will monitor the financial activities of Guarantor on an ongoing basis. To this end, Henry Thomas Advisory, a chartered certified accountants and tax advisory firm, registered in England and Wales, with company registration number 12043230T, were appointed to determine the good standing of P1 Group. As set out in the report, a copy of which is available for inspection (refer to Section 11 below), on the basis of the work performed, Henry Thomas Advisory are of the opinion, that P1 Group is of a good financial standing as at 30 November 2021.

The Guarantor will adopt a disciplined approach to due diligence, monitoring and structuring of Loan transactions and will also collaborate with other lenders in this regard. Below is a description of certain key features of the Guarantor's business practices.

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<sup>6</sup> <https://commonslibrary.parliament.uk/research-briefings/cbp-7671/#:~:text=This%20is%20echoed%20in%20research,%E2%80%9Cmust%20be%20affordable%20homes%E2%80%9D>.



### ***Risk Assessment***

The Guarantor will maintain a disciplined approach to risk management with a strong emphasis on preserving capital. The Guarantor will make its investment decision based on an ongoing analysis of the wider UK property and property lending market as well as on the specifics of each development project and Borrower on a deal-by-deal basis. The property market (like most other markets) is cyclical and therefore a cautious approach is always required to protect capital against market downturns.

In this regard, the Guarantor will predominately look at lending opportunities (and Development Properties) in the South East England since it believes that the South East England (ex-Prime London) will continue to offer excellent risk adjusted returns in the long term due to: (i) a fundamental demand for housing; (ii) the UK government's Help to Buy scheme, which means that it is more cost effective for first time buyers to purchase a property than rent one; and (iii) a low interest rate environment.

In addition, the Guarantor intends to only make Loans to (or acquire Loans in respect of) Borrowers that are experienced developers with a proven track record on delivering projects on time and on budget.

### ***Due Diligence Policy***

The Guarantor will follow a strict due diligence policy in respect of each Loan (whether acquired from an Original Lender or to be granted by the Guarantor). The broader parameters of the due diligence policy will be determined from time to time by the Guarantor's board of directors but the policy will, as a minimum, require each Loan to be contingent on:

- a. In the case of Loans to be acquired from an Original Lender, the Guarantor shall procure an independent operational report carried out by a surveyor and/or project manager to ensure that (i) all Loans to be acquired are in line with the original timeframe which was set for the project or, if not, that the new timeframe fits in with the Guarantor's cash flow timelines, and (ii) the costs to completion of each project are in line with the original plan and, if not, that the Borrower's plans to finance the project, until completion, are clearly defined;
- b. a complete review of the Borrower, as well as its assets and liabilities. This review will include independent checks on Borrowers' credit rating, potential involvement in money laundering and financing of terrorism, as well as other independent legal, operational checks on the Borrower. Furthermore, the policy shall require the Borrower's assets and liabilities to be assessed to ensure that the Borrower has sufficient assets to repay the Loan. To this end, a financial review (including cash flow projections) shall be carried out for each individual project to ensure that it is commercially viable;
- c. a review of the Borrower's and/or the relevant contractor's (or contractors') property development experience;
- d. an independent RICS Valuation of the Development Property and an additional stress test based on the 2008 property crisis;
- e. in the case of a Loan, which involves commercial assets as part of the Loan Security Interests, a detailed review of the assets, business case, and independent valuation of the business;
- f. an assessment of the possible exit/repayment strategy; and
- g. the satisfaction of the Loan Criteria, provided that in the case of Loans to be acquired from an Original Lender, confirmation that the Loans to be acquired meet the Loan Criteria shall be given by an independent accountant.

### ***Credit Assessment***

Each potential new transaction will be reviewed by the Guarantor's credit committee and will be assessed on its own merits. In particular, the credit committee will assess whether the transaction (and the Loan in question) satisfies the Due Diligence Policy set out above and the credit committee will make its recommendations to the Guarantor's board of directors as to whether the Guarantor should acquire and/or grant the Loan, or otherwise. The ultimate decision to acquire and/or grant a Loan vests solely in the board

of directors of the Guarantor. In assessing the credit risk of a particular transaction, the credit committee will take into account the Guarantor's Loan book at the time as well as the general market outlook. The market outlook will be based on external data, such as prices and respected commentators, as well as on the Guarantor's own contacts and research.

Once the Guarantor's board of directors approves the acquisition and/or granting of a Loan, the credit committee will be required to approve all transaction documents related to the Loan including, for example, the Loan agreement. Such documents shall be made available to the Audit Committee for their review, upon request.

As of the date of this Admission Document, the Guarantor's credit committee is made up of the following members: (i) Mr Shane Pereira; (ii) Mr Mark Lomas; (iii) Mr Peter Easterbrook; and (ii) any other consultant/s and/or expert/s that may be engaged for each transaction.

### ***Stress Testing***

As the Guarantor understands that the property market can decline during certain periods, the Guarantor will continually assess the Loans and stress test them against a potential property crash. In this respect, the Guarantor will, on an ongoing basis, carry out research on historic market crashes and follow leading commentators on the subject, which will contribute to its continued understanding of property market risks.

### ***Monitoring***

The Guarantor will monitor all Loans throughout their term and will collaborate with other lenders in undertaking such monitoring. In particular, the Guarantor's board of directors shall review monthly management accounts and key performance indicators to monitor all Loans, which such reports will be made available to the Audit Committee for their review, upon request.

As the Loans will be fully secured (see 'Loan Security Interests' below), the Guarantor has the right to enforce the relevant Loan Security Interests in the event of a default under a Loan.

### ***Exit Strategy***

As described above, part of the due diligence to be carried out prior to the granting, or the acquisition, of a Loan is a thorough assessment of the Guarantor's exit strategies. The Guarantor expects Borrowers to repay Loans by selling the Development Property or by refinancing the Loan with an alternative lender or liquidity event.

### ***Loan Criteria***

All Loans to be granted and/or acquired by the Guarantor will meet all of the following criteria:

- a. The minimum value of each Loan shall be £100,000 while the maximum value of each Loan shall be £500,000;
- b. All Loans shall be secured by the relevant Loan Security Interests;
- c. An independent RICS Valuation must be obtained on all Development Properties in respect of which a Loan is made and a stress test based on the 2008 financial crisis shall be carried out;
- d. The value of each Loan (excluding accrued interest) cannot exceed 75% of the post-completion market value of the Development Property;
- e. Where the value of a Loan exceeds 50% of the value of the Development Property (as determined by the RICS Valuation), a personal or corporate guarantee pursuant to a Borrower Guarantee Deed must be obtained, which guarantee must cover both the principal, as well as the interest, of the Loan. In cases where the value of the Loan does not exceed 50% of the value of the Development Property (as determined by the RICS Valuation), the Guarantor must apply its judgement as to whether or not a personal or corporate guarantee pursuant to a Borrower Guarantee Deed is required. In such cases,

- the Guarantor's judgement is to be based on factors such as the type of project for which the Loan is being sought, the Loan to value and the Borrower;
- f. The maximum term of each Loan shall be 24 months;
  - g. The Guarantor's exposure in any one Development Property shall not exceed 10% of the aggregate value of the Guarantor's outstanding Loan Receivables and the cash balance of the Account;
  - h. The Guarantor's exposure to any one Borrower (and/or any guarantor providing a guarantee pursuant to a Borrower Guarantee Deed) shall not exceed 20% of the aggregate value of the Guarantor's outstanding Loan Receivables and the cash balance of the Account;
  - i. All Loans must relate to projects in which experienced contractors, with a proven track record, are involved in the development of the relevant Development Property; and
  - j. The interest rate on each Loan shall be at least 18%.

The Guarantor has undertaken to the Issuer (in the Issuer Loan) and to the Security Trustee for the benefit of the Bondholders (in the Security Trust Deed) that it will only grant or acquire Loans that meet the above Loan Criteria and fully satisfy the Due Diligence Policy.

### ***Loan Security Interests***

Each Loan (whether acquired from an Original Lender or granted by the Guarantor) will be secured against tangible property and enforceable under English law through the relevant Loan Security Interests.

Prior to granting or acquiring a Loan, the Guarantor will procure independent assessments and valuations on the Development Property (as set out in the Loan Criteria above) and the other assets over which security will be taken. The Guarantor may also rely on independent assessments and valuations procured by Original Lenders, but in such cases, the Guarantor shall be duty bound to review these assessments and valuations. The purpose of these assessments and valuations is to ensure that the value of the relevant Loan Security Interests is sufficient to cover or exceeds the Guarantor's exposure under the relevant Loan.

Each Loan will only be granted or acquired by the Guarantor if it is fully secured by one or more of the following Loan Security Interests and/or any other agreement, contract or arrangement entered into for the purpose of securing the Borrower's obligations under a Loan:

- a. a first or second legal charge over the Development Property pursuant to a Property Charge Deed; and/or
- b. a share charge over the shares of the Borrower pursuant to a Share Charge Deed; and/or
- c. a Debenture; and/or
- d. a guarantee to be given by the shareholder/s and/or the directors of the Borrower pursuant to a Borrower Guarantee Deed.

### ***Foreign exchange hedge***

In order to mitigate foreign exchange risk, the Issuer will enter into a forward contract for 60 months. A forward contract is an agreement to exchange currency, in this case GBP for EUR, at a fixed rate in the future, in this case 60 months' time. It is executed to mitigate GBP/EUR volatility and provides certainty on the underlying asset value back to the EUR investors. The contract can be released early and likewise extended where necessary

## 4. FINANCIAL INFORMATION

### 4.1 Historical Financial Information

The Issuer and the Guarantor were incorporated on 18 January 2022 and 23 July 2021, respectively, and accordingly neither has any operating history or trading record. Since incorporation to the date of this Admission Document, no financial statements have been prepared in respect of the Issuer and/or the Guarantor. There have not been any significant changes in the financial or trading positions of the Issuer and/or of the Guarantor since the Issuer's and the Guarantor's respective dates of incorporation.

### 4.2 Prospective Financial Information

Set out below are projections for the financial years ending 31 December 2022, 2023 and 2024, based on the consolidated position of the Group, which includes the projected financial statements of the Issuer and the Guarantor.

The projections based on a minimum aggregate subscription of €3 million (in Nominal Value) of Bonds without the exercise of the Over-Allotment Option are set out in Section 4.2.1 below, while projections based on an exercise of the Over-Allotment Option are presented in Section 4.2.2.

As the Issuer is registered and domiciled in Malta, its functional currency is the Euro. Conversely, as the Guarantor is registered and domiciled in England & Wales, its functional currency is the Pound Sterling. A fixed GBP to EUR exchange rate of GBP 1.15 to EUR 1.00 was assumed throughout the projections. Both the Issuer and Guarantor shall report their financial statements in Malta under International Financial Reporting Standards (IFRS), expressed in Euro, both on a stand-alone basis and on a consolidated level.

#### 4.2.1 Projections without Over-Allotment Option

##### *Income Statement*

Income statement			
€000	FY2022	FY2023	FY2024
Interest income	317	569	612
Interest expense	(109)	(218)	(218)
Net finance income	208	352	395
Administrative expenses	(61)	(124)	(126)
Provision on loans receivable	(116)	(113)	(73)
Issue costs amortisation	(17)	(34)	(34)
Net profit before tax	14	81	162
Taxation	(9)	(29)	(44)
Net profit	4	53	118

The projections assume that the Guarantor shall utilise 95% of available funds to provide short-term financing to Borrowers in search of Loans for property development, since Loans granted may not equal available funds. Consequently, the projections assume that the Guarantor shall acquire €3.6 million of Loans from Original Lenders on 1 July 2022, paid through the net proceeds of the Bonds which is expected to amount to €2.83 million, and via the funds from the equity contribution from Eight Oaks Capital via the Shareholder Loan, net of a 5% allowance. Whilst it is management's intention to utilise all available cash, the Group is mindful that a minimum cash balance equivalent to 6 months' interest (amount to approximately €0.1 million) due to Bondholders in respect of the Bonds will be retained in its Account at all times, as per covenant (b) set out in Section 8.5.3.

The Loans acquired on 1 July 2022 are expected to have outstanding terms of 10 months when acquired, and shall exclude accrued interest, upon acquisition with the face value thereof being equivalent to the

amount of proceeds being disbursed. Interest income is assumed at 18% per annum, which shall accrue on a monthly basis in the income statement, but paid by the Borrowers upon Loan maturity. It is the Group's intention that the Loans acquired from the Original Lenders on 1 July 2022, would have initially been granted by the Original Lenders at an average term of 18 months, with an average outstanding term of 10 month on acquisition.

Upon maturity, on 30 April 2023, the projections assume that the Guarantor shall acquire further Loans totalling €3.5 million over a three-month period, either from the Original Lenders or other lenders. These Loans are expected to generate a return of 18% per annum and have an average term of eighteen months each. The projections assume that upon maturity of these Loans, the Guarantor will continue acquiring further Loans until the Redemption Date with an average term of eighteen months and a return of 18% per annum, in order to utilise 95% of all available funds and generate the maximum return for the Group. As a result, the Loan portfolio is expected to be churned four times by the Group until the Redemption Date. In any case, the Company will ensure that towards the maturity of the Bonds, or towards the target Early Redemption Date if the Company opts to exercise the Early Redemption option, any expected mismatch between the amount required for the due redemption of the Bonds and the amount receivable on maturity of outstanding Loans, will be met by (i) matching the maturity of the Loans acquired for the last cycle, or (ii) the sale of Loans, or (iii) refinancing and/or raising additional capital or borrowings.

Although the Group may enter into profit-sharing agreements with Borrowers to participate in the profits made by the Borrower following the sale of the developed property, this upside is excluded from the projections.

Interest expense relates to the interest on the Bond, which is expected to be issued in July 2022, and assumed at 7.25% per annum. The interest on the Bond is assumed to commence on 1 January 2022, with the final payment being made on 30 June 2027, unless redeemed earlier by the Issuer.

Administrative expenses shall primarily comprise professional fees, security trustee costs, hedging costs to mitigate against currency fluctuations, insurance costs, ongoing bond issue costs and amortisation of bond issue costs. Such costs are expected to stabilise at approximately €0.1 million per year from FY2022 and increase in line with inflation. Given that a hedging instrument was not yet finalised as at the date of the Company Admission Document, no gain or loss from the hedging instrument has been recognized in the projections. However, an annual cost of €50k has been included in the projections.

In line with IFRS 9, an expected credit loss of 3.2%, being Standard & Poor's 2019 default risk for homebuilder/real estate sector, is assumed on all Loans and accounted for upon loan origination.

As the Issuer and the Guarantor are registered in different countries, they are taxed at different rates. Current taxation is calculated at a tax rate of 35% on profits generated by the Issuer in Malta, at a tax rate of 19% on profits earned by the Guarantor in the UK, whilst interest earned by the Issuer on the Issuer Loan Agreement is taxed at an effective tax rate of 6.5%, as the Group is expected to avail of FRFTC (Flat Rate Foreign Tax Credit).

## Statement of Financial Position

### Statement of financial position as at

€000	31 Dec 2022	31 Dec 2023	31 Dec 2024
<b>Assets</b>			
<b>Current assets</b>			
Loans receivable	3,522	3,409	2,200
Accrued income	317	358	73
Cash and cash equivalents	180	350	1,990
<b>Total current assets</b>	<b>4,019</b>	<b>4,117</b>	<b>4,264</b>
<b>Total assets</b>	<b>4,019</b>	<b>4,117</b>	<b>4,264</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	50	50	50
Shareholders' loan	1,000	1,000	1,000
Retained earnings	4	57	175
<b>Total equity</b>	<b>1,054</b>	<b>1,107</b>	<b>1,225</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Bond borrowings	2,847	2,881	2,915
<b>Total non-current liabilities</b>	<b>2,847</b>	<b>2,881</b>	<b>2,915</b>
<b>Current liabilities</b>			
Accrued interest on Bond	109	109	109
Current tax liabilities	9	20	15
<b>Total current liabilities</b>	<b>118</b>	<b>129</b>	<b>124</b>
<b>Total liabilities</b>	<b>2,965</b>	<b>3,010</b>	<b>3,039</b>
<b>Total equity and liabilities</b>	<b>4,019</b>	<b>4,117</b>	<b>4,264</b>

The Group's asset base is primarily composed of its loan portfolio, which is expected to average c. €3.5 million on an ongoing basis. This is based on the assumption that the Guarantor shall utilise the available funds to provide Loans to Borrowers, which funds consist of the net bond proceeds of €2.7 million plus €1 million Shareholder Loan, net of a 5% allowance, since Loans granted may not equal available funds and an expected credit loss provision of 3.2%. Following maturity of the said Loans on 30 April 2023 (being 10 months from date of origination), the Guarantor will continue acquiring further Loans until Redemption Date with an average term of 18 months. It is assumed that Loans are granted over a 3 month-period, and therefore as at 31 December 2024, a portion of such Loans would not yet have been acquired. Whilst it is the Guarantor's intention to acquire further Loans in the following month, as at 31 December 2024, Loan Receivables are expected to total €2.2 million whilst cash is expected to total €2.0 million.

Although interest income shall accrue on a monthly basis, it is paid by Borrowers upon maturity of the loan, together with the capital amount. Consequently, accrued income represents the interest earned on Loans, which has not yet been received.

As the Shareholder's Loan is interest free, unsecured and payable at the discretion of the borrower, it is classified as equity.

The Group's non-current liabilities consist solely of the Bond, net of issue costs. No further borrowings are assumed in the projected period.

## Statement of Cash Flow

### Statement of cash flow

€000	FY2022	FY2023	FY2024
<b>Operating activities</b>			
Interest receivable	-	528	897
Administrative expenses	(61)	(124)	(126)
Tax paid	-	(17)	(50)
<b>Net cash flows from operating activities</b>	<b>(61)</b>	<b>387</b>	<b>721</b>
<b>Financing activities</b>			
Movement in loans receivable	(3,639)	(0)	1,136
Movement in bond	3,000	-	-
Payment of issue costs	(170)	-	-
Bond interest repayment	-	(218)	(218)
Issue of share capital	50	-	-
Movement in shareholders' loan	1,000	-	-
<b>Net cash flows from financing activities</b>	<b>242</b>	<b>(218)</b>	<b>919</b>
<b>Net change in cash and cash equivalents</b>	<b>180</b>	<b>170</b>	<b>1,640</b>
Cash and cash equivalents, beginning of	-	180	350
<b>Cash and cash equivalents, end of</b>	<b>180</b>	<b>350</b>	<b>1,990</b>

The Group's operating activities consist of interest receivable on the Loans, net of administrative expenses and taxation paid. It is expected that the Group shall generate cash flows from operating activities of €1.0 million between FY2022 and FY2024.

The Group's financing activities are composed primarily from the movements on the Loan portfolio and movements on the Bond.

Resultant cash reserves are expected to reach €2.0 million by 31 December 2024.

No dividends have been assumed.

### 4.2.2 Projections with Over-Allotment Option

## Income Statement

### Income statement

€000	FY2022	FY2023	FY2024
Interest income	480	862	927
Interest expense	(181)	(363)	(363)
<b>Net finance income</b>	<b>299</b>	<b>500</b>	<b>564</b>
Administrative expenses	(105)	(211)	(216)
Provision on loans receivable	(176)	(171)	(110)
Issue costs amortisation	(20)	(40)	(40)
<b>Net profit before tax</b>	<b>(2)</b>	<b>77</b>	<b>198</b>
Taxation	(5)	(26)	(49)
<b>Net profit</b>	<b>(7)</b>	<b>52</b>	<b>150</b>

## Statement of Financial Position

### Statement of financial position as at

€000	31 Dec 2022	31 Dec 2023	31 Dec 2024
<b>Assets</b>			
<b>Non-current assets</b>			
Deferred tax asset	0	1	2
Total non-current assets	0	1	2
<b>Current assets</b>			
Loans receivable	5,334	5,163	3,332
Accrued income	480	542	110
Cash and cash equivalents	235	462	2,896
Total current assets	6,049	6,167	6,339
<b>Total assets</b>	<b>6,049</b>	<b>6,169</b>	<b>6,341</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	50	50	50
Shareholders' loan	1,000	1,000	1,000
Retained earnings	(7)	44	194
Total equity	1,043	1,094	1,244
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Bond borrowings	4,820	4,860	4,900
Total non-current liabilities	4,820	4,860	4,900
<b>Current liabilities</b>			
Accrued interest on Bond	181	181	181
Current tax liabilities	6	32	14
Total current liabilities	187	214	195
Total liabilities	5,007	5,074	5,095
<b>Total equity and liabilities</b>	<b>6,049</b>	<b>6,168</b>	<b>6,339</b>

## Statement of Cash Flow

### Statement of cash flow

€000	FY2022	FY2023	FY2024
<b>Operating activities</b>			
Interest receivable	-	800	1,358
Administrative expenses	(105)	(211)	(216)
Tax paid	-	1	(67)
<b>Net cash flows from operating activities</b>	<b>(105)</b>	<b>589</b>	<b>1,076</b>
<b>Financing activities</b>			
Movement in loans receivable	(5,510)	0	1,721
Movement in bond	5,000	-	-
Payment of issue costs	(200)	-	-
Bond interest repayment	-	(363)	(363)
Issue of share capital	50	-	-
Movement in shareholders' loan	1,000	-	-
<b>Net cash flows from financing activities</b>	<b>340</b>	<b>(362)</b>	<b>1,359</b>
<b>Net change in cash and cash equivalents</b>	<b>235</b>	<b>227</b>	<b>2,434</b>
Cash and cash equivalents, beginning of	-	235	462
<b>Cash and cash equivalents, end of</b>	<b>235</b>	<b>462</b>	<b>2,896</b>



### **4.3 Working capital**

As at the date of the Admission Document, the Directors of the Issuer and the directors of the Guarantor are of the opinion that the working capital available to the Issuer and the Guarantor respectively, is sufficient for the attainment of their objects and the carrying out of their respective business for the next 12 months of operations.

### **4.4 Statement on the current indebtedness**

As at the date of the Admission Document, the Directors of the Issuer and the directors of the Guarantor confirm that the Issuer and Guarantor do not have any indebtedness.

### **4.5 Legal and arbitration proceedings**

There have not been any governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Issuer and/or Guarantor are aware) since the Issuer's and the Guarantor's respective dates of incorporation up to the date of this Admission Document, which may have or have had significant effects on the Issuer's and/or the Group's financial position or profitability.

### **4.6 Material Contracts**

Neither the Issuer nor the Guarantor have entered into any material contracts that were not entered into in the ordinary course of the Issuer's and/or the Guarantor's business, and which could result in any member of the Group being under an obligation or an entitlement that is material to the Issuer's and/or Guarantor's ability to meet its obligations to Bondholders in respect of the Bonds.

### **4.7 Share Capital Structure and Major Shareholders**

#### **4.7.1 Share Capital Structure of the Issuer**

As at the date of this Admission Document, the Issuer's authorised share capital is €50,000, divided into 50,000 ordinary shares of €1 each. The Issuer's issued share capital is €50,000, divided into 50,000 ordinary shares of €1 each, all fully paid up and held by ALT Holdings and Eight Oaks Capital, which hold 25,000 ordinary shares each.

Eight Oaks Capital is beneficially owned by Mr. Christon Burrows (a Director of the Issuer) and his spouse Ms. Joanne Burrows, each holding an equal beneficial ownership interest through Eight Oaks Capital Holding. The shareholders of ALT Holdings are Mr. Alexander Tanti (a Director of the Issuer) and his spouse Ms. Louise Tanti, each holding an equal number of shares in ALT Holdings.

#### **4.7.2 Share Capital Structure of the Guarantor**

As at the date of this Admission Document, the Guarantor's issued share capital is £1 divided into 1 ordinary shares of £1 each. The ordinary shares are the only class of shares in the Guarantor.

## **5. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF THE ISSUER AND THE GUARANTOR**

### **5.1 The Issuer**

#### **5.1.1 Board of Directors of the Issuer**

The Memorandum of Association of the Issuer provides that the business and affairs of the Issuer shall be managed and administered by a Board of not less than 2 and not more than 9 Directors. Directors of the Issuer are appointed by means of an ordinary resolution taken in a general meeting.

As at the date of this Admission Document, the Board is composed of 4 Directors who are responsible for the overall direction, management and strategy of the Issuer, each of whom is listed below:

Mr. Victor Spiteri	Chairman, Independent, Non-Executive Director
Mr. Joseph Galea	Independent, Non-Executive Director
Mr. Christon Burrows	Executive Director
Mr. Alexander Tanti	Executive Director

The business address of the Directors is that of the Issuer. The *curriculum vitae* of each the Directors is set out in Section 5.1.8 below.

The compliance officer and company secretary of the Issuer is Mr. Alexander Tanti.

A list of all current and past directorships of Board members and senior managers over the past 5 years is set out at Annex C of this Admission Documents.

None of the Directors have been: (a) convicted in relation to fraud or fraudulent conduct; (b) made bankrupt or associated with any liquidation or insolvency caused by action of creditors; (c) the subject of any official public incrimination or sanction by any statutory or regulatory authority; or (d) disqualified by a court from acting as director or manager.

#### **5.1.2 Loans to Directors**

There are no loans outstanding by the Issuer to any of its Directors, nor any guarantees issued for their benefit by the Issuer.

#### **5.1.3 Removal of Directors**

In terms of the Issuer's Articles of Association, unless appointed or elected for a longer or shorter period, Directors appointed and/or elected pursuant to the Articles of Association shall hold office until the conclusion of the next following annual general meeting and shall be automatically eligible for re-election by the Issuer in general meeting, without the need for nomination. No Director may be appointed or elected for a period exceeding 3 years but will be eligible for re-election.

The present Directors have been appointed until the Issuer's first annual general meeting.

#### **5.1.4 Powers of Directors**

By virtue of the provisions of the Articles of Association of the Issuer, the Directors are empowered to transact all business which is not by the Articles expressly reserved for the shareholders in general meeting. Specifically, the Directors are vested with the management of the Issuer and their powers of management and administration emanate directly from the Memorandum and Articles of Association and the law. The

Directors are empowered to act on behalf of the Issuer and, in this respect, have the authority to enter into contracts, sue and be sued in representation of the Issuer.

Directors may not vote on any contract, arrangement or investment in which they have a personal material interest, whether direct or indirect.

In terms of the Memorandum and Articles of Association, the Board of Directors may exercise all the powers of the Issuer to borrow money and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligations of the Issuer or of any third party as it thinks fit, subject to any limit as may be established in the Articles of Association and the overriding authority of the shareholders in general meeting to change, amend, restrict and/or otherwise modify such limit and the Directors' borrowing powers.

The Non-Executive directors' main functions are to monitor the Issuer's operations as well as ensure that the interests of the Bondholders are safeguarded at all times.

#### **5.1.5 Proceedings of Directors**

The Articles of Association provide that the Directors shall meet together for the dispatch of business, adjourn and otherwise regulate their meetings, as they deem fit. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman of the Issuer shall have a second or casting vote. A Director may, and the company secretary on the requisition of a Director shall, at any time summon a meeting of the Board of Directors.

#### **5.1.6 Aggregate emoluments of Directors**

In terms of the Articles of Association, the maximum annual aggregate emoluments that may be paid to the Directors are to be approved by the shareholders in general meeting. The remuneration of Directors is a fixed amount per annum and does not include any variable component relating to profit sharing, share options or pension benefits.

For the financial period ending on the 31 December 2022 it is expected that the Issuer will pay an aggregate of €48,000 to its Directors.

#### **5.1.7 Employees**

As the Issuer was set up as a finance company, the Issuer does not have any employees as it does not deem to require any further resources except for its Executive and Non-Executive Directors.

#### **5.1.8 Curriculum Vitae of the Directors of the Issuer**

##### ***Christon Burrows***

Mr. Christon Burrows is a lawyer by profession and holds a Masters degree in law (Banking & Finance) from University College London. He has spent the last twenty (20) years in the finance industry. His experience includes setting up Lucidus Capital Partners LLP, a credit hedge fund manager that raised over \$3 billion of assets from institutional investors. Lucidus Capital Partners LLP generated significant profits over the period managed by Mr. Burrows. Mr. Burrows is the founder and chief executive officer of P1 Group, a successful UK property lending companies which provide short-term financing to borrowers looking for commercial loans for property development and other commercial assets. P1 Capital, which forms part of the P1 Group, generated profits of £2.4 million during the financial year of 2020 and £2.9 million during the financial year of 2019.

### ***Alexander Tanti***

Mr. Alex Tanti is a qualified accountant, who qualified from the University of Malta in 2007. He spent six (6) years at PricewaterhouseCoopers in the external audit department, where he worked on audit assignments for several large conglomerates. He also spent three months in PwC Los Angeles. Since 2013 Mr. Tanti has operated as a self-employed accountant servicing several local and international clients with respect to accountancy, tax planning, and business development. Mr. Tanti is also involved in the running of the Balzan branch of the 'QuickLets' and 'Zanzi Homes', two local real estate agencies operated by Dowdall Holdings (QL) Limited (C 77820) and Dowdall (ZH) Limited (C71926) respectively.

### ***Joseph Galea***

Mr. Joseph Galea is a qualified accountant (FCCA, FIA, FMIT, CPA) and currently works as a free-lance Management and Financial consultant. Over the years, Mr. Galea held various managerial positions with top local companies. He spent the first twenty years of his career with the US Multinational Group Blue Bell/VF acting as Chief Accountant of the Maltese Operation, then moved on to Coopers & Lybrand (now PwC) where he became one of Malta's first leading VAT Specialists. After a brief spell with the FXB Group of Companies, in 1999 he joined the Corinthia Group as Chief Financial Officer where for twenty years he was primarily in charge of financial accounting and reporting, budgeting, forecasting, cash flow management, tax matters, and the group's relationships with auditors and banks. Mr. Galea was also heavily involved in the group's equity and bond issues on the Malta Stock Exchange and was also ever present for the audit committees of the group's listed companies, IHI plc, and Corinthia Finance Plc. He also formed part of the councils and sub-committees of the Malta Institute of Accountants and of the Malta Institute of Taxation. Mr. Galea is also an MFSA-licensed corporate service provider and sits as a non-executive director on a number of boards of local and foreign-owned companies.

### ***Victor Spiteri***

Victor Spiteri is an Associate of the London Institute of Banking and Finance and is a former senior banker with a 43-year career in Retail and Corporate Banking where he acquired a wealth of knowledge and extensive experience through various Managerial posts. He retired from HSBC Bank Malta plc in July 2016.

Victor is currently a non-executive director and member of the audit committee of Eden Leisure Group Ltd, Eden Finance plc., and Hudson Malta plc. He is active in a philanthropic organisation.

## **5.1.9 Senior Management of the Issuer**

As at the date of this Admission Document, the senior management team of the Issuer is comprised entirely of the Directors.

## **5.2 The Guarantor**

### **5.2.1 Board of Directors of the Guarantor**

As at the date of this Admission Document, the board of directors of the Guarantor is composed of two Directors who are responsible for the overall direction, management and strategy of the Guarantor, each of whom is listed below:

Mr. Christon Burrows  
Mr. Alexander Tanti

Executive Director  
Executive Director

The business address of the Guarantor's directors is the same as that of the Issuer. The *curriculum vitae* of each of the Guarantor's directors is set out in Section 5.2.2 below.

### 5.2.2 Curriculum Vitae of the Directors of the Guarantor

#### ***Christon Burrows***

Mr. Christon Burrows' curriculum vitae can be found in Section 5.1.8 above.

#### ***Alexander Tanti***

Mr. Alexander Tanti's curriculum vitae can be found in Section 5.1.8 above.

### 5.2.3 Senior Management of the Guarantor

As at the date of this Admission Document, the senior management team of the Guarantor is comprised primarily of the following:

Mr. Shane Pereira	Chief Analyst
Mr. Peter Easterbrook	Head of Operations
Mr. Mark Lomas	Credit Committee Member

Although the Guarantor will not have any employees of its own, the Guarantor has entered into service agreements with each of Mr Pereira, Mr Peter Easterbrook and Mr Mark Lomas, pursuant to which Mr Pereira, Mr Easterbrook and Mr Lomas will be offering their services to the Guarantor.

### 5.2.4 Curriculum Vitae of the Senior Management of the Guarantor

#### ***Shane Pereira***

Mr. Pereira graduated with an Honours Degree, Bachelor of Science in Biochemistry and started his career as a QC-Scientist testing complex biological pharmaceutical drugs and validating drug-manufacturing processes for Multi-Billion Pound Pharma & Biotech companies.

Mr. Pereira progressed into the Marketing and Commercialisation of Pharmaceutical drugs and Genetic Engineering Technologies and has over 20 years of experience in that area whereby he has worked on the Global launch of some of the 'blockbuster' anti-cancer drugs (OPDIVO™, YERVOY™ and SPRYCEL™), some of which currently generate a yearly revenue of over £10 billion.

Following a successful career in the pharmaceutical industry, Mr. Pereira decided he wanted a career-change to pursue his interest in property development. Mr. Pereira has held property investments for 15 years and has previously co-owned an Estate Agency business (both in South-East England). Mr. Pereira is also a qualified member of the London School of Economics 'REEF Society' (Real Estate, Economics & Finance Society) and holds a professional qualification and certification from the London School of Economics in Real Estate, Economics and Finance.

#### ***Peter Easterbrook***

Mr. Easterbrook is an Operations and Project Management strategist who partners with CEOs, executives, and solopreneurs to grow their personal and professional brands. After spending nearly two decades working in Operations and Project Management for multimillion pound brands and startups, Mr. Easterbrook knows what truly drives business success.

#### ***Mark Lomas***

Mr. Lomas began working in the property industry in 1984 and previously worked for a firm of Solicitors specialising in residential and commercial property transactions. Mr. Lomas has extensive knowledge and contacts within the industry. Mr. Lomas also owned a large residential property portfolio and has had

various interests and investments in businesses in the property renovation, development and lending markets over the past 30 years.

### **5.3 Conflicts of Interest**

As at the date of this Admission Document, the Issuer has identified the following potential conflicts of interest:

*Mr. Christon Burrows:* Mr. Burrows is a Director of the Issuer, a director of the Guarantor, and a director and major shareholder of P1 Capital and other Original Lenders from which the Guarantor may acquire Loans from time to time. Mr. Burrows (together with his wife) also indirectly owns 50% of the Issuer's (and the Guarantor's) shares through Eight Oaks Capital, and Eight Oaks Capital Holding (companies on which he is also a director).

Accordingly, Mr. Burrows may be subject to potential conflicts of interests between his position as a Director of the Issuer and his other involvements as described above. In particular, he is subject to a potential conflict of interest between his position as a director of the Guarantor and a director (and shareholder) of the Original Lenders from which the Guarantor may acquire Loans.

*Mr. Alexander Tanti:* Mr. Tanti is a Director of the Issuer and (together with his wife) indirectly owns 50% of the Issuer's (and the Guarantor's) shares through ALT Holdings (a company on which he is also a director). In this regard, ALT Holdings has entered into a rental agreement with the Issuer, pursuant to which ALT Holdings will be providing office space to the Issuer for a fixed annual fee.

Accordingly, Mr. Tanti may be subject to potential conflicts of interests between his position as a Director of the Issuer and his other involvements as described above.

Save for the above, there are no other identified potential conflicts of interest between the duties of the Directors or the members of the senior management team towards the Issuer and/or the Group and their private interests and/or other duties.

The Corporate Governance Code provides that Directors' primary responsibility is always to act in the best interest of the Issuer and its shareholders as a whole irrespective of which shareholder nominated him/her to the Board. Accordingly, a Director should avoid conflicts of interest at all times and the personal interests of a Director must never take precedence over those of the Issuer and its shareholders.

Actual or potential conflicts of interest that may arise from time to time will be managed in accordance with the procedures regulating conflicts of interest situations set out in the Issuer's Articles of Association. In this regard, Directors are required to inform the Board of any matter that may result or has already resulted in a conflict of interest. A record of such declaration is entered into the Issuer's minute book. Unless the other non-conflicted Directors of the Issuer otherwise resolve, the conflicted Director shall: (a) not be counted in the quorum present for the relevant meeting; (b) not participate in the discussion concerning a matter in respect of which he has declared a direct or indirect interest; and (c) withdraw from or, if applicable, not attend the meeting at which such matter is discussed. The conflicted Director shall in any case not vote in any resolution concerning a matter in respect of which he has declared a direct or indirect interest.

The Audit Committee of the Issuer has the task of ensuring that any potential conflicts of interest that might arise pursuant to these different roles held by the Directors are handled in the best interest of the Issuer and according to law. The fact that the majority of Audit Committee members are independent, non-executive Directors provides an effective measure to ensure that any related party transactions (that will be vetted by the Audit Committee) have been entered into on an arms-length basis.

## 5.4 Audit Committee

The Audit Committee assists the Board in fulfilling its supervisory and monitoring responsibilities, in relation to the Group according to detailed terms of reference that reflect the requirements of the Prospects MTF Rules as well as current good corporate governance best practices. The terms of reference of the Audit Committee established by the Board have been formally set out in a separate charter and establish its composition, role, and function, the parameters of its remit, as well as the basis for the processes that it is required to comply with. Briefly, the Audit Committee is expected to deal with and advise the Board on:

- a. its monitoring responsibility over the financial reporting processes, financial policies, internal control structures and audit of the annual and consolidated financial statements;
- b. monitoring the performance of the entity borrowing funds (the Guarantor) from the Issuer;
- c. maintaining communications on such matters between the Board, management and the independent auditors;
- d. facilitating the independence of the external audit process and addressing issues arising from the audit process; and
- e. preserving the Issuer's assets by understanding the Issuer's risk environment and determining how to deal with those risks.

Additionally, the Audit Committee has the role and function of considering and evaluating a priori the arm's length nature of any proposed transactions to be entered into by the Issuer/Guarantor and a related party, given the role and position of the Issuer/Guarantor within the Group, to ensure that the execution of any such transaction will, indeed be, at arm's length and on a sound commercial basis and, ultimately, in the best interests of the Issuer/Guarantor. In this regard, the Audit Committee has the task of ensuring that any potential abuse which may arise in consequence of the foregoing state of affairs is immediately identified and resolved.

The Audit Committee, which meets at least 4 times a year, is a sub-committee of the Board and is directly responsible and accountable to the Board.

The primary purpose of the audit committee is to assist the Directors in conducting their role effectively so that the Issuer's oversight responsibilities, decision-making capability and the accuracy of its reporting and financial results are maintained at a high level at all times.

The Audit Committee is composed of the following members:

Joseph Galea	Chairman, Independent, Non-Executive Director
Victor Spiteri	Independent, Non-Executive Director
Alexander Tanti	Executive Director

The Audit Committee shall at all times consist of at least 3 Directors, the majority of whom must be non-executive and independent, and at least one member shall be competent in accounting and/or auditing. Joseph Galea and Victor Spiteri are considered by the Board to be independent. In compliance with the Prospects MTF Rules Mr Joseph Galea is the member of the Audit Committee that is designated as competent in accounting and/or auditing.

Additionally, the Audit Committee has, pursuant to the relative terms of reference, been granted express powers to be given access to the financial position of the Issuer and the Guarantor. To this effect, the Issuer and the Guarantor are to submit to the Audit Committee quarterly accounts, as well as comparisons of actuals against projections. The Guarantor's management accounts will include key performance indicators of each Loan within the portfolio.

The Directors believe that the current set-up is sufficient to enable the Issuer to fulfil the objectives of the Prospects MTF Rules' terms of reference in this regard.



## 5.5 Compliance with Corporate Governance Requirements

As a result of the Bond Issue and pursuant to the terms of the Prospects MTF Rules, the Issuer is now required to comply with the provisions of the Corporate Governance Code. The Guarantor is not a public company and does not have any securities listed on a trading venue. Accordingly, the Guarantor is not bound by the provisions of the Corporate Governance Code.

The Issuer supports the Prospects MTF Rules in their entirety as well as the stipulations on dealing restrictions contained therein. The Issuer also declares its full support for the Corporate Governance Code and undertakes to fully comply with the Corporate Governance Code to the extent that this is considered complementary to the size, nature, and operations of the Issuer. The Issuer shall also, on an annual basis in its annual report, detail the level of the Issuer's compliance with the principles of the Corporate Governance Code, explaining the reasons for non-compliance, if any. As at the date of this Admission Document, the Board considers the Issuer to be in compliance with the Corporate Governance Code, save for the following exceptions:

**Principle 7 (*Evaluation of the Board's Performance*):** The Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board's performance is evaluated on an ongoing basis by, and is subject to the constant scrutiny of the Board itself (2 members of which are independent, non-executive Directors), the Issuer's shareholders, the market and all of the rules and regulations to which the Issuer is subject as a company with its securities admitted to trading on a multilateral trading facility.

**Principle 8 (*Committees*):** The Board considers that the size and operations of the Issuer do not warrant the setting up of remuneration and nomination committees. Given that the Issuer does not have any employees or officers other than the Directors and the company secretary, it is not considered necessary for the Issuer to maintain a remuneration committee. The Issuer does not believe it is necessary to establish a nomination committee as appointments to the Board are determined by the shareholders of the Issuer in accordance with nomination and appointment process set out in the Issuer's Memorandum and Articles of Association. The Issuer considers that the members of the Board possess the level of skill, knowledge and experience expected in terms of the Corporate Governance Code.



## 6. USE OF PROCEEDS, GUARANTEE, SECURITY AND OTHER KEY INFORMATION

### 6.1 Estimated Expenses and Net Proceeds of the Bond Issue

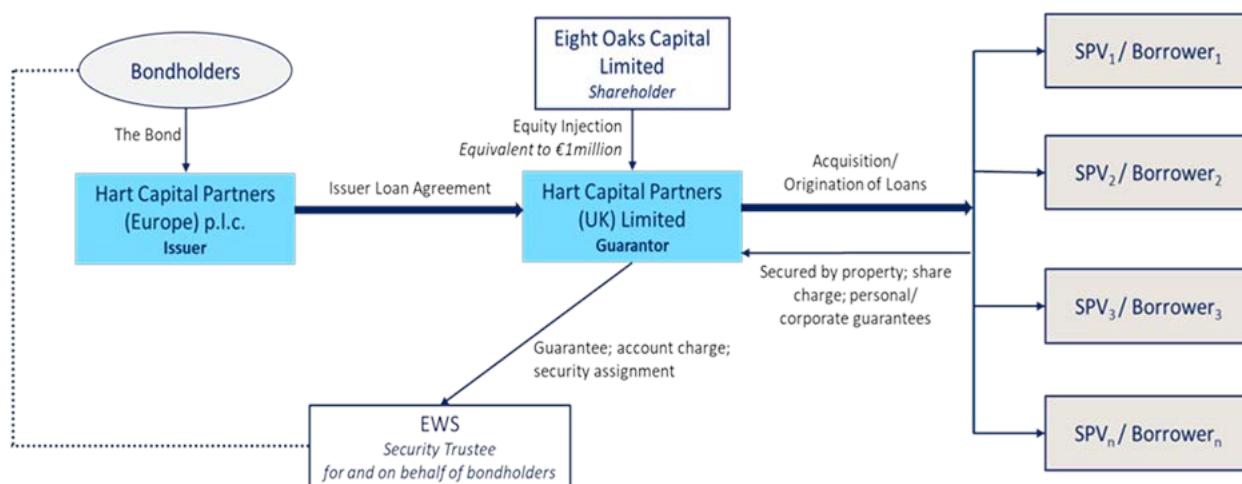
The Bond Issue will involve expenses, including professional fees and costs related to publicity, advertising, printing, admission, registration, management, selling commission and other miscellaneous costs incurred in connection with this Bond Issue. Such expenses are estimated not to exceed €170,000 (or €200,000 if the Issuer exercises the Over-Allotment Option in full) and shall be borne by the Issuer. The net proceeds of Bond Issue, after deduction of the foregoing expense, are therefore expected to be €2.83 million (or €4.8 million in the event of the exercise of the Over-Allotment Option in full by the Issuer).

### 6.2 Use of Proceeds

The net proceeds from the Bond Issue, which are expected to amount to approximately €2.83 million (or up to €4.8 million in the event of the exercise of the Over-Allotment Option in full by the Issuer) after payment of Bond Issue expenses, will be utilised for the purposes of granting the Issuer Loan to the Guarantor. The purpose of the Issuer Loan will be to fund the Guarantor's acquisition or granting of Loans as described in further detail in Section 6.3 below.

The Bond Issue is subject to a minimum aggregate subscription amount of €3 million. In the event that the minimum aggregate subscription amount is not met by the close of the Offer Period, the Bond Issue will be withdrawn or revoked unilaterally by the Issuer.

### 6.3 Structure of Transaction



#### ***Issuer Loan***

The net proceeds from the Bond Issue will be utilised to grant the Issuer Loan to the Guarantor for the purposes described further below. The Issuer Loan will bear interest at a rate of 8% per annum with interest payments to be made annually. In addition, the Issuer Loan includes a management fee payable by the Guarantor to the Issuer of €10,000 per annum, increasing by 2% annually, payable 6-monthly in advance. The Issuer Loan will be for a fixed term of 5 years, with full repayment due by no later than the 5<sup>th</sup> anniversary of the Issuer Loan Agreement and subject to the right of the Issuer to demand repayment (for any reason and without the need to justify such demand) at any time after the 3<sup>rd</sup> anniversary of the Issuer Loan Agreement. Without prejudice to this general right to demand prepayment, the Issuer presently expects that it will avail itself of this right in the event that it opts to redeem all of the Bonds on an Early Redemption Date.

A copy of the Issuer Loan Agreement is available for inspection as set out in Section 11 below.

#### ***Use of Issuer Loan by the Guarantor***

The Guarantor will utilise the proceeds of the Issuer Loan to establish an initial portfolio of Loans by acquiring Loans from 1 or more Original Lenders and/or by granting one or more Loans directly to Borrowers. The average term of each Loan is expected to be approximately 18 months, although the initial portfolio of Loans is expected to have an average outstanding term of 10 months. Accordingly, the Guarantor expects and intends to reinvest the proceeds generated from its initial portfolio of Loans (by granting and/or acquiring additional Loans) approximately 3 to 4 times during the term (and prior to the repayment) of the Issuer Loan, on the assumption that the Bonds are only redeemed on the Maturity Date (and that the Issuer Loan is not prepaid prior to such date). Such reinvestment shall be subject to any applicable covenants of the Guarantor to the Security Trustee as described in Section 8.5. The Guarantor will meet all of its payment obligations in respect of the Issuer Loan using the revenue generated from its portfolio of Loans from time to time.

As set out in Section 3.3.5, all Loans to be acquired and/or granted by the Guarantor, whether using the initial proceeds of the Issuer Loan or by subsequently reinvesting the proceeds from its portfolio of Loans, will need to meet the Loan Criteria (including the criterion that they be secured by the relevant Loan Security Interests).

#### ***Shareholder Loan and Over-Collateralisation***

The Guarantor has also been granted a loan equivalent to €1 million by Eight Oaks Capital pursuant to the Shareholder Loan Agreement. The Guarantor will use the proceeds of the Shareholder Loan to acquire Loans from one or more Original Lenders. The purpose of the Shareholder Loan is to provide the Guarantor with additional funds (over and above those received under the Issuer Loan) to establish a Loan portfolio the value of which is large enough to ensure that the Guarantor's payment obligations towards the Issuer in terms of the Issuer Loan (and, in turn, the Issuer's payment obligations to Bondholders) are over-collateralised.

The Shareholder Loan is interest free, repayable at the discretion of the Guarantor. Eight Oaks Capital has agreed with the Issuer and the Guarantor that its right of repayment under the Shareholder Loan Agreement shall be subordinated to the Issuer's claims against the Guarantor in terms of the Issuer Loan and that the Shareholder Loan will only be repaid once the Issuer Loan has been repaid in full. A copy of the Shareholder Loan Agreement is available for inspection as set out in Section 11.

#### ***Payment Direction Agreement***

The Payment Direction Agreement was entered into for the purposes of regulating the flow of subscription monies from the Authorised Financial Intermediaries to the Guarantor in accordance with the terms and conditions of the Issuer Loan Agreement, and the Company Admission Document. Accordingly, the Issuer has authorised the Placement Agent and Manager to collect all Applications, including subscription monies raised during the Offer Period, from the Authorised Financial Intermediaries, and to transfer such monies to an execution-only account to be opened in the name of the Security Trustee with the Placement Agent and Manager specifically for the purpose (the "Execution-Only Account"). In this connection, the Issuer has instructed the Security Trustee to submit written instructions to the Placement Agent and Manager to transfer the net proceeds from the Execution-Only Account to the Account after receiving satisfactory confirmation that the Security has been properly constituted in its favour.

A copy of the Payment Direction Agreement is available for inspection as set out in Section 11.

## 6.4 Loan and Loan Security Interest Documentation

The main contracts and documents to be entered into in relation to each Loan (whether by the Guarantor or by an Original Lender that subsequently assigns all of its rights thereunder to the Guarantor pursuant to an Assignment Deed) are the following, templates of which are all available for inspection as set out in Section 11 below:

- a. **Facility Agreement:** Each Loan will be granted pursuant to an English law governed Facility Agreement. The Loan will be a bilateral secured fixed term loan with repayment of capital and interest due in a single bullet payment on maturity of the Loan.
- b. **Property Charge Deed:** The relevant Borrower's obligations to the Guarantor in respect of each Loan may be secured by a (first or second ranking) legal charge granted pursuant to an English law governed Property Charge Deed. The Property Charge Deed will secure the Loan by way of a fixed charge over the Development Property.
- c. **Share Charge Deed:** The relevant Borrower's obligations to the Guarantor in respect of each Loan may be secured by a share charge granted by the Borrower's shareholders pursuant to an English law governed Share Charge Deed.
- d. **Debenture:** The relevant Borrower's obligations to the Guarantor in respect of each Loan may be secured by an English law governed Debenture which will include a fixed and floating charge over all the assets of the Borrower together an assignment of various rights.
- e. **Borrower Guarantee Deed:** The relevant Borrower's obligations to the Guarantor in respect of each Loan will be guaranteed by a joint and several guarantee granted pursuant to an English law governed Borrower Guarantee Deed. The Borrower Guarantee Deed is a guarantee and indemnity given by the shareholder/s and/or director/s of a Borrower in favour of the Guarantor for payment of all monies, debts and liabilities under the Facility Agreement.
- f. **Deed of Priority:** The Guarantor's Loan Security Interest may, pursuant to a Deed of Priority, be postponed and subordinated to the security interests held by any senior lender of the Guarantor.
- g. **Assignment Deed:** In respect of each Loan originally granted by an Original Lender and subsequently acquired by the Guarantor, the Guarantor will enter into an English law governed deed with the relevant Original Lender pursuant to which an Original Lender will assign to the Guarantor all of the Original Lender's legal and beneficial rights, title, interest, and benefit in and to each of the agreements relating to a Loan (or Loans) and the corresponding Loan Security Interests.

## 6.5 Guarantee

The Guarantor has, in the Guarantee Deed, unconditionally and irrevocably guaranteed to the Security Trustee (for the benefit of the Bondholders) the due and punctual payment of the Indebtedness. The Bonds will accordingly be issued with the benefit of the joint and several Guarantee of the Guarantor.

The Guarantee Deed constitutes the direct, general and unconditional obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by applicable law.

A copy of the Guarantee Deed, which includes the full terms and conditions of the Guarantee as described above, is available for inspection as set out in Section 11 below. The material terms and conditions of the Guarantee, as set out in the Guarantee Deed, are described below.

### ***Covenant to Pay***

The Guarantor has, pursuant to the Guarantee Deed, as primary obligor, jointly and severally with the Issuer, unconditionally and irrevocably guaranteed to the Security Trustee (for the benefit of the Bondholders) that if for any reason the Issuer fails to pay the Indebtedness, or any part thereof, as and when due, the Guarantor will, on first demand in writing made by the Security Trustee to the Guarantor, pay that sum to the Bondholders or to the Security Trustee for (the benefit of the Bondholders). Provided that the Security Trustee shall not be bound to take any such steps or proceedings unless requested to do so by Bondholders holding no less than 60% in Nominal Value of the Bonds held by those Bondholders present at the meeting called for the purpose.

### ***Maximum liability***

The Guarantee is a continuing guarantee for the whole amount due or owing to the Bondholders or which may hereafter at any time become due or owing to the Bondholders but the amount due by the Guarantor to the Bondholders under this Guarantee shall be up to and shall not be in excess of €3 million (or €5 million in the event that the Issuer exercises the Over-Allotment Option in full) apart from interest due up to the date of payment and costs and expenses relating to the protection, preservation, collection or enforcement of the Bondholders' rights against the Issuer and/or the Guarantor which shall be additional to this maximum sum stated.

### ***Continuing and Unconditional Liability***

The liability of the Guarantor under the Guarantee (and the Guarantee Deed) shall continue to subsist, and will remain in full force and effect by way of continuing security, until such time as the Indebtedness is repaid in full and such liability shall in no way be prejudiced or effected, nor shall it in any way be discharged or reduced by reason of: (a) the bankruptcy, insolvency or winding up of the Issuer; or (b) the incapacity or disability of the Issuer for any reason whatsoever; or (c) any change in the name, style, constitution, any amalgamation or reconstruction of either the Issuer or the Guarantor; or (d) the Bondholders conceding any time or indulgence, or compounding with, discharging, releasing or varying the liability of the Issuer or renewing, determining, reducing, varying or increasing any facility or accommodation or transaction or otherwise dealing with the same in any manner whatsoever or concurring in, accepting or in any way varying any compromise, composition, arrangement or settlement or omitting to claim or enforce or exact payment from the Issuer; or (e) any novation, set off or other event, act or omission that might operate to exonerate the Guarantor without settlement in full of the Indebtedness towards the Bondholders.

### ***Indemnity***

As a separate and independent stipulation, the Guarantor has unconditionally and irrevocably agreed (a) that any sum which, although expressed to be payable by the Issuer under the Bonds, is for any reason (whether or not now existing and whether or not now known or becoming known to the Issuer, the Guarantor, the Security Trustee or any Bondholder) not recoverable from the Guarantor will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid by it to the Security Trustee on demand and (b) as a primary obligation, to indemnify the Security Trustee and each Bondholder against any loss suffered by them as a result of any sum expressed to be payable by the Issuer under the Bonds not being paid on the date and otherwise in the manner specified in the Terms and Conditions or any payment obligation of the Issuer under the Bonds being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not now known or becoming known to the Security Trustee or any Bondholder), the amount of that loss being the amount expressed to be payable by the Issuer in respect of the relevant sum. This indemnity constitutes a separate and independent obligation from the other obligations in the Guarantee and gives rise to a separate and independent cause of action.

### ***Demands and Payments***

All sums due to the Security Trustee for the benefit of Bondholders under the Guarantee shall be due by the Guarantor under the Guarantee as a debt, certain, liquidated and due on the 7<sup>th</sup> day following the Security Trustee's first written demand to the Guarantor to pay.

### ***Application of Monies received by Security Trustee***

All moneys received by the Security Trustee from the Guarantor in respect of the Bonds or amounts payable under the Guarantee Deed will be held by the Security Trustee on trust to apply them: (1) first, in payment of all costs, fees, charges, expenses and liabilities properly incurred by the Security Trustee (including remuneration payable to it) in carrying out its functions under the Guarantee Deed and/or the Security Trust Deed; (2) secondly, in payment of any interest owing under the Bonds *pari passu* and without any preference or priority; (3) thirdly in payment of principal monies owing upon the Bonds *pari passu* and without any preference or priority; and (4) fourthly, in payment of any balance to the Issuer for itself or, if any moneys were received from the Guarantor and to the extent of such moneys, the Guarantor.

### ***No Subrogation***

Until the Indebtedness has been paid in full the Guarantor has agreed that (a) it will not, without the prior written consent of the Security Trustee exercise any rights of subrogation, reimbursement and indemnity against the Issuer or any other person liable for the Indebtedness (b) all rights of relief and subrogation arising in favour of the Guarantor upon a partial payment to the Bondholders (or the Security Trustee on their behalf) against the Issuer and any other person who may be liable for the Indebtedness, including any co-guarantors, shall be suspended and/or (c) it will not, without the prior written consent of the Security Trustee, claim any set-off or counter-claim against the Issuer or any other person liable for the Indebtedness nor shall the Guarantor claim or prove in competition with the Security Trustee and/or the Bondholders in the liquidation of the Issuer or any other person liable for the Indebtedness or benefit or share any payment from or in competition with the Issuer or any other person liable for the Indebtedness.

### ***Governing Law and Jurisdiction***

The Guarantee Deed, and the Guarantee included therein, are governed by and shall be construed in accordance with the law of England and Wales. Any dispute, controversy or claim arising out of or relating to the Guarantee or as to the interpretation, validity, performance or breach thereof shall be brought exclusively before the courts of England and Wales.

## **6.6 Account Charge and Security Assignment**

The obligations of the Issuer to the Bondholders under the Bonds will also be secured in favour of the Security Trustee for the benefit of the Bondholders, in accordance with the terms of the Security Trust Deed, the Account Charge and the Security Assignment Deed, by means of the security interests described below (all of which are governed by English law):

- a. **Account Charge:** The Guarantor will grant an English law charge on the Account in favour of the Security Trustee (for the benefit of the Bondholders) pursuant to the Account Charge Deed.

The Account Charge will vest the Security Trustee with the right, in the case of an Event of Default, to apply any balance held in Account (and to give instructions to the bank with which the Account is held) in satisfaction of the Issuer's and/or the Guarantor's obligations to Bondholders.

The Guarantor has also granted the Security Trustee co-signing authority over the Account, provided that, without prejudice to the covenant to retain a minimum cash balance equivalent to 6 months' interest due to Bondholders in the Account at all times as set out in Section 8.5.3(b) below, the Guarantor shall not require the signature or authorisation of the Security Trustee in respect of

individual payments of less than £50,000 and provided further that the aggregate amount of all such individual payments does not exceed £200,000 during a calendar year. Accordingly, all Loans to be granted by the Guarantor or payments to Original Lenders in consideration for the assignment of Loans will need to be authorised by the Security Trustee. Prior to the Security Trustee granting any such authorisation, the Guarantor has agreed to provide the Security Trustee with sufficient evidence to confirm that the Loans being acquired meet the Loan Criteria, consisting of: (1) a letter of comfort from the Guarantor's English counsel confirming that all relevant Loan Security Interests granted to secure the Borrower's obligations under the Loan have been duly constituted and assigned; (2) confirmation from external accountants that the Loans are being transferred at their principal amount, unless there is an indication of impairment; and (3) confirmation by the Guarantor's credit committee (in the case of Loans granted by the Guarantor) or an external accountant (in the case of Loans acquired from Original Lenders by the Guarantor) that (i) the Loan meets the Loan Criteria and (ii) it is not aware of any material matters that would result in non-payment of the Loan by the Borrower upon maturity; and (4) confirmation from the Guarantor's accountants that following any payment, withdrawal or transfer in respect of which consent is being sought from the Security Trustee, a cash balance equivalent to at least 6 months' interest due to Bondholders in respect of the Bonds will be retained in the Account.

- b. **Security Assignment:** The Guarantor will, pursuant to the Security Assignment Deed, assign to the Security Trustee (for the benefit of the Bondholders) by way of first fixed security of all of its legal and beneficial rights, title, benefit and interest, in and to (and arising under the relevant documentation in relation to) all Loan Receivables and the relevant Loan Security Interests held by the Guarantor (both present and future).

It is an express term of the Security Assignment Deed that the Security Trustee shall only be entitled to exercise its rights in respect of the Loan Receivables and the Loan Security Interests upon the occurrence of an Event of Default as set out in Section 8.15. In this respect, the Security Assignment Deed vests the Security Trustee with the right, in the case of an Event of Default, to exercise all rights of the Guarantor in respect of the Loan Receivables and/or the Loan Security Interests, in satisfaction of the Issuer's and/or the Guarantor's obligations to Bondholders.

Accordingly, the Guarantor shall retain all rights under the Loan Receivables and the Loan Security Interests until the occurrence of an Event of Default and any enforcement of Loan Security Interests prior to such an Event of Default may only be undertaken by the Guarantor. In this respect, the Security Assignment Deed contains an agreed form notice which will be populated and sent to the relevant counterparties relating to the Loan Receivables and the Loan Security Interests in order to complete the assignment of the same to the Security Trustee upon the occurrence of an Event of Default.

A copy of each of the Account Charge and the Security Assignment Deed is available for inspection as set out in Section 11 below.

## **7. TERMS AND CONDITIONS OF THE BOND ISSUE**

### **7.1 Expected Timetable of the Bond Issue**

Opening of Offer Period (Intermediaries' Offer)	24 October 2022
Closing of Offer Period (Intermediaries' Offer)	18 November 2022
Announcement of Intermediaries' Offer results and basis of acceptance	23 November 2022
Expected dispatch of allotment advices and refunds of unallocated monies, if any	23 November 2022
Issue Date of the Bonds	28 November 2022
Commencement of interest on the Bonds	28 November 2022
Expected date of admission of the Bonds to Prospects MTF	29 November 2022
Expected date of commencement of trading in the Bonds	30 November 2022

Subject to the Issuer's right to trigger the Over-Allotment Option, the Issuer reserves the right, at its sole discretion, to either (a) lengthen the Offer Period or (b) close the offer of Bonds prior to the end of the Offer Period in the event that the Bonds are fully subscribed prior to such date and time, in which case the events set out in steps 2 to 7 above shall be adjusted accordingly. (although the number of Business Days between each of these events is not expected to be varied).

### **7.2 General Terms and Conditions**

The Bond Issue, the admission to trading of the Bonds on the Prospects MTF and the publication of the Admission Document were authorised by a resolution of the Board passed on 27 May 2022.

The Bonds are being issued at their Nominal Value (€100 per Bond) subject to a maximum aggregate principal amount of the Bonds that may be issued not exceeding €3 million (or €5 million if the Issuer exercises the Over-Allotment Option in full). Application has been made to the MSE for the Bonds to be admitted and traded on the Prospects MTF.

Applications shall be subject to a minimum subscription amount of €1,000 in Nominal Value of Bonds (and in multiples of €100 thereafter).

The issue and allotment of the Bonds is conditional upon: (a) a minimum aggregate subscription amount of €3 million and (b) the Security being properly constituted in favour of the Security Trustee as at the Issue Date. In the event that any of these conditions is not satisfied, the Bond Issue will be withdrawn or revoked unilaterally by the Issuer.

The Placement Agent and Manager shall retain all of the proceeds of the Bond Issue until it is instructed to release the same by the Security Trustee. The Security Trustee shall instruct the Placement Agent and Manager to release the Bond Issue proceeds to the Issuer upon it being provided with satisfactory confirmations that the Security has been properly constituted in its favour as described above.

The Issuer also reserves the right to withdraw the offer of Bonds prior to the Issue Date for reasons beyond its control, such as extraordinary events, substantial change of the political, financial, economic, legal, monetary or market conditions at national or international level and/or adverse events regarding the financial or commercial position of the Issuer and/or other relevant events that in the reasonable discretion of the Issuer may be prejudicial to the offer.

In the event of a revocation of the Bond Issue or withdrawal of the offer of the Bonds as aforesaid, any application monies received by or on behalf of the Issuer will be returned without interest (through the Authorised Financial Intermediaries, as applicable) by direct credit into the Applicant's bank account indicated by the Applicant on the relative Application Form. If no such bank account number is provided, or in the event that bank account details on the Application Form are incorrect or inaccurate, such returns



will be made by means of a cheque mailed to the Applicant's address (or, in the case of joint Applications, the address of the first named Applicant) indicated in the Application Form.

The Bond Issue is not underwritten. In the event that the Bond Issue is not fully subscribed the Issuer will, subject to a minimum aggregate subscription amount of €3 million, proceed with the admission to trading of the amount of Bonds subscribed for.

Dealings in the Bonds shall not commence prior to the Bonds being admitted to the Prospects MTF.

### **7.3 Terms and Conditions of Application**

- 7.3.1 Applications for subscriptions to the Bonds may be made during the Offer Period through the submission of Application Forms to an Authorised Financial Intermediary (including the Placement Agent and Manager). The Offer Period shall close immediately upon attaining full subscription or at the end of the Offer Period, whichever is the earliest. Application Forms must be accompanied by the aggregate Issue Price of the Bonds applied for in Euro and in cleared funds. If the Application Form(s) and proof of payment of cleared funds do not reach the Authorised Financial Intermediary by the close of the Offer Period, the Application will be deemed to have been declined.
- 7.3.2 Applications shall be subject to a minimum subscription amount of €1,000 in Nominal Value of Bonds (and in multiples of €100 thereafter).
- 7.3.3 The contract created by the Issuer's acceptance of an Application shall be subject to the terms and conditions set out in this Admission Document as well as the Terms and Conditions of the Bonds.
- 7.3.4 If the subscription is made on behalf of another person, legal or natural, the person making such subscription will be deemed to have bound that person and will be deemed also to have given the confirmations, warranties, and undertakings contained in these terms and conditions on their behalf. Such Applicant may be requested to submit the relative power of attorney/resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Placement Agent and Manager and/or Authorised Financial Intermediaries and/or the Issuer.
- 7.3.5 In the case of joint Applicants, reference to the Bondholder in the Application and in this Admission Document is a reference to each Bondholder, and liability therefore is joint and several. In respect of a Bond held jointly by several persons, the joint holders shall nominate one of their numbers as their representative and his/her name will be entered in the CSD Register with such designation. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond so held. In the absence of such nomination and until such nomination is made, the person first named in the CSD Register in respect of such Bond shall, for all intents and purposes, be deemed to be the registered holder of the Bond so held.
- 7.3.6 In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the CSD Register. The usufructuary shall, for all intents and purposes, be deemed vis-à-vis the Issuer to be the holder of the Bond so held and shall have the right to receive interest on the Bond and to vote at meetings of the Bondholders, but shall not, during the continuance of the Bond, have the right to dispose of the Bond so held without the consent of the bare owner.
- 7.3.7 Any Bonds held by minors shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents/legal guardian/s until such time as the minor attains the age of 18 years, following which all interest and redemption monies shall be paid directly to the registered holder. This is provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of 18 years.
- 7.3.8 Legal entities, including corporates or corporate entities or association of persons, applying for the Bonds need to have a valid Legal Entity Identifier (LEI) which needs to be unexpired. Without a



valid LEI, the Application will be cancelled and subscription monies will be returned to the Applicant.

- 7.3.9 No person receiving a copy of the Admission Document in any territory other than Malta may treat the same as constituting an invitation or offer to such person, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person without contravention of any registration or other legal requirements. It is the responsibility of any person outside Malta wishing to subscribe for the Bonds to satisfy himself/herself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- 7.3.10 It shall be incumbent on any financial intermediaries acting for Applicants to ascertain that all other applicable regulatory requirements relating to the subscription of the Bonds by an Applicant are complied with, including without limitation, the obligation to comply with all anti-money laundering and counter-terrorist financing rules and regulations, all applicable MiFIR requirements as well as the applicable MFSA Conduct of Business Rules and MFSA Rules for investment services providers.
- 7.3.11 For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Subsidiary Legislation 373.01 of the laws of Malta), as amended from time to time, all financial intermediaries (including the Authorised Financial Intermediaries) are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the “*Members’ Code of Conduct*” appended as Appendix 3.6 to Chapter 3 of the MSE’s Bye-Laws. Furthermore, such information shall be held and controlled by the MSE in terms of the Data Protection Act and/or the GDPR, each as amended from time to time, for the purposes, and within the terms of the MSE’s Data Protection Policy as published from time to time.
- 7.3.12 Subject to all other terms and conditions set out in this Admission Document, the Issuer and/or the Placement Agent and Manager (acting on the Issuer’s behalf) reserves the right to reject, in whole or in part, or to scale down, any Application, for any reason whatsoever, including but not limited to multiple or suspected multiple Applications or any Application which in the opinion of the Issuer or the Placement Agent and Manager (acting on the Issuer’s behalf) is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents. Both original and electronic copies of Application Forms submitted to the Issuer and/or the Authorised Financial Intermediaries will be accepted.
- 7.3.13 By completing and signing an Application Form, any Applicant:
- (a) agrees and acknowledges to have had the opportunity to read the Admission Document and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;
  - (b) acknowledges the processing of any personal data for the purposes specified in the privacy notice published by the Issuer, which is available on the Issuer’s website at <https://www.hartcapitalpartners.co.uk/>. The Applicant hereby acknowledges that the processing of personal data may validly take place, even without the Applicant’s consent, in the circumstances set out in the GDPR and the Data Protection Act and any applicable subsidiary legislation, as may be amended from time to time. The Applicant hereby confirms that he/she/it has been provided with and read the privacy notice;
  - (c) warrants that the information submitted by the Applicant when subscribing for the Bonds is true and correct in all respects, and in the case where an MSE account number is indicated in the Application Form, such MSE account number is the correct account of the Applicant. All Applicants must have a valid MSE account number that will be used for the purposes of

registering the Bonds by the CSD. In the event of a discrepancy between the personal details (including name and surname and the Applicant's address) provided by the Applicant and those held by the MSE in relation to the MSE account number indicated by the Applicant, the details held by the MSE shall be deemed to be the correct details of the Applicant;

- (d) authorises the Issuer or its service providers (including the CSD and/or the Placement Agent and Manager and/or any Authorised Financial Intermediary), as applicable, to process the personal data provided by the Applicant, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act and the GDPR. The Applicant has the right to request access to and rectification of the personal data relating to him/her in relation to the Bond Issue. Any such requests must be made in writing and addressed to the Issuer and sent to the CSD at the MSE. The requests must be signed by the Applicant to whom the personal data relates;
- (e) confirms that in making such Application, no reliance was placed on any information or representation in relation to the Issuer or the Bond Issue other than what is contained in this Admission Document and accordingly agree/s that no person responsible solely or jointly for this Admission Document or any part thereof will have any liability for any such other information or representation;
- (f) agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her remittance and any verification of identity as required by the PMLA, and that such monies will not bear interest;
- (g) agrees to provide the Placement Agent and Manager and/or the Issuer and/or any Authorised Financial Intermediary, as the case may be, with any information which it/they may request in connection with the Application;
- (h) warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his/her Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Placement Agent and Manager and/or any Authorised Financial Intermediary, as applicable, acting in breach of the regulatory or legal requirements of any territory in connection with the Bond Issue and/or his/her Application;
- (i) warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- (j) represents that s/he is not a U.S. person (as such term is defined in 'Regulation S' under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in the Admission Document from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
- (k) agrees that the advisors to the Issuer in relation to the Bond Issue will owe the Applicant no duties or responsibilities concerning the Bonds or their suitability for the Applicant;
- (l) agrees that all documents in connection with the issue of the Bonds will be sent at the Applicant's own risk to the address indicated by the Applicant in its Application Form; and
- (m) renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of these Bonds.

## 7.4 Suitability and Appropriateness

The Bonds are complex instruments and are open for subscription to all categories of investors. Since the Bonds are complex instruments, Authorised Financial Intermediaries may be required to carry out an Appropriateness Test in respect of Applicants, particularly retail clients, for the purpose of assessing such Applicant's level of knowledge and experience prior to investing in the Bonds and, if this is not satisfied, providing relevant risk warnings. To the extent that an Authorised Financial Intermediary is providing advice in respect of a purchase of the Bonds by an Applicant, that Authorised Financial Intermediary shall, instead, be required to conduct a Suitability Test in respect of the Applicant and, based on the results of such test, be satisfied that an investment in the Bonds may be considered suitable for the Applicant, failing which the Authorised Financial Intermediaries will not be able to recommend or invest in such Bond on the client's behalf.

For the purpose of this Admission Document, the term “**Appropriateness Test**” means the test or assessment generally required to be conducted by a financial intermediary (including an Authorised Financial Intermediary), when providing an investment service (other than investment advice or portfolio management) in relation complex instruments (including the Bonds), for the purpose of determining (after collecting the necessary information) whether the investment service or the instrument is appropriate for the Applicant. In carrying out this assessment, the financial intermediary is required to collect information regarding the Applicant's knowledge and experience in order to assess whether the Applicant has the necessary experience and knowledge in order to understand the risks involved in relation to the instrument or investment service offered or demanded, in accordance with the Conduct of Business Rulebook. In the event that a financial intermediary considers, on the basis of the Appropriateness Test, that the subscription or transfer of Bonds is not appropriate for the Applicant or prospective transferee, the licensed financial intermediary is required to warn the Applicant that an investment in the Bonds is not appropriate for the Applicant or transferee.

For the purpose of this Admission Document, the term “**Suitability Test**” means the test or assessment which a financial intermediary (including an Authorised Financial Intermediary) providing investment advice or portfolio management services (including in relation to the subscription for the Bonds) is required to carry out (based on information collected in relation to the Applicant) in order to enable the financial intermediary to recommend to or, in the case of portfolio management, to effect for the Applicant the investment in the Bonds that are considered suitable for him/her, in accordance with the Conduct of Business Rulebook. The information obtained in relation to the Applicant must be such as to enable the financial intermediary to understand the essential facts about the Applicant and to have a reasonable basis for believing, giving due consideration to the nature and extent of the service provided, that the specific transaction to be recommended, or to be entered into in the course of providing a portfolio management service, satisfies the following criteria:

- (a) it meets the investment objectives (including risk tolerance and suitability preferences, if any) of the Applicant;
- (b) it is such that the Applicant is able to financially bear any related investment risks consistent with investment objectives of such Applicant; and
- (c) it is such that the Applicant has the necessary experience and knowledge to understand the risks involved in the transaction or in the management of his portfolio.

## 7.5 Plan of Distribution and Allotment

The Bond Issue is open for subscription by all categories of investors and will be distributed by the Authorised Financial Intermediaries participating in the Intermediaries' Offer. Accordingly, the Issuer has reserved the full amount of the Bond Issue for subscription by Authorised Financial Intermediaries for their own account or for the account of their underlying clients. Interested investors may contact any of the Authorised Financial Intermediaries for the purposes of subscribing to the Bond Issue.

In this regard, the Issuer shall enter into a conditional subscription agreement with each of the Authorised Financial Intermediaries for the subscription of Bonds, whereby it will bind itself to allocate the Bonds to the Authorised Financial Intermediaries in accordance with the terms of the respective subscription agreements. The subscription agreements shall become binding on the Issuer and each of the Authorised Financial Intermediaries upon signing.

In terms of each subscription agreement to be entered into with an Authorised Financial Intermediary, the Issuer will be conditionally bound to issue, and each Authorised Financial Intermediary will be conditionally bound to subscribe for, such number of Bonds specified in the relevant subscription agreement subject to approval by the MSE of the Issuer's application for the Bonds to be admitted and traded on the Prospects MTF. Each subscription agreement will become binding on each of the Issuer and the relevant Authorised Financial Intermediary upon signing, subject to receipt by the Placement Agent and Manager of all subscription proceeds in cleared funds on the date specified in the signed subscription agreement.

Authorised Financial Intermediaries subscribing for Bonds may do so for their own account or for the account of their underlying clients, and shall in addition, be entitled to distribute any portion of the Bonds subscribed to their underlying clients upon commencement of trading.

### ***Over-Allotment Option***

The Issuer may, at its sole discretion, elect to exercise the Over-Allotment Option in whole or in part and allocate, in accordance with an allocation policy to be determined by the Issuer, up to an additional €2 million (in Nominal Value) of Bonds to all Authorised Financial Intermediaries in respect of any excess amounts subscribed by (but not allocated to) them.

## **7.6 Allocation Policy**

The Issuer shall allocate the entirety of the Bonds, up to an aggregate amount of €3 million (or €5 million if the Over-Allotment Option is exercised in full), to Authorised Financial Intermediaries participating in the Intermediaries' Offer as described above, without priority or preference and in accordance with the allocation policy to be determined by the Issuer at its sole discretion.

In the event that Applications exceed the amount available for subscription (€3 million if the Issuer elects not to exercise the Over-Allotment Option or €5 million in the event that the Issuer exercises the Over-Allotment Option in full), the Issuer (and in turn, the Authorised Financial Intermediaries) may be required to scale down Applications. In this regard, the Issuer (and the Authorised Financial Intermediaries) undertake to scale down Applications *pro rata* without any priority or preference amongst Applicants. As a result, Applicants are not guaranteed that they will be allocated any Bonds.

Subscription monies of any unsatisfied Applications, or part thereof, shall be returned to the account number indicated in the relevant Application Form within 5 Business Days from the announcement of the basis of acceptance. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the PMLA. Such monies will not bear interest while retained as aforesaid.

## **8. TERMS AND CONDITIONS OF THE BONDS**

### **8.1 General**

The Bonds (ISIN: MT0002681204) will be issued on the Terms and Conditions as set out below, and all subscribers (or purchasers from time to time) of the Bonds are deemed to have knowledge, accept and be bound by the Terms and Conditions. By acquiring Bonds, whether on initial subscription or through subsequent purchase, Bondholders agree that they shall be bound by the terms and conditions of the Security Trust Deed as if the Bondholders had been a party thereto and as if each Bondholder covenanted under the Security Trust Deed to observe and be bound by all the provisions thereof.

### **8.2 Currency and Denomination, Form and Title**

#### **8.2.1 Currency and Denomination**

The Bonds will be issued in Euro. The Nominal Value of each Bond (denomination per unit) will be €100. The aggregate principal amount of Bonds that the Issuer may issue pursuant to this Admission Document is €3 million, divided into 30,000 Bonds (or €5 million, divided into 50,000 Bonds in the event that the Issuer exercises the Over-Allotment Option) of €100 each.

#### **8.2.2 Form and Title**

The Bonds are to be issued in fully registered and dematerialised form without coupons and are represented in uncertificated form by the appropriate entry in the CSD Register. There will be entered in the CSD Register, the names, addresses, identity card numbers (or details of some other official document, in the case of natural persons), registration numbers and “Legal Identifier Numbers” (in the case of companies), and account details of the Bondholders and the particulars of the Bonds held by them respectively. Bondholders will also have, at all reasonable times during business hours, access to the CSD Register for purposes of inspecting information held on their respective accounts. Each Bondholder consents to the Issuer having a right to obtain, from the CSD Register, any available information on the Bondholders including contact details and their holdings of Bonds.

Certificates will not be delivered to Bondholders and title to the Bonds shall be evidenced by an electronic entry in the CSD Register. The CSD will issue, upon a request by a Bondholder, a statement of holdings to a Bondholder evidencing that Bondholder’s entitlement to Bonds held in the CSD Register. Except as ordered by a court of competent jurisdiction or as required by law, the Issuer shall be entitled to treat the person in whose name a Bond shall be registered in the CSD Register as the absolute owner thereof for the purpose of making payment and for all other purposes, regardless of any notice of any nominee relationship or trust.

Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Bond.

### **8.3 Status**

The Bonds (their repayment and the payment of interest thereon) shall constitute the general, direct, and unconditional obligations of the Issuer to the Bondholders, secured and guaranteed in the manner described in Section 8.4 below, and shall at all times rank *pari passu*, without any priority or preference among themselves. The Bonds shall rank subsequent to any other prior ranking indebtedness of the Issuer, if any.

### **8.4 Security**

The Bonds will be jointly and severally guaranteed by the Guarantor in terms of the Guarantee Deed, pursuant to which the Guarantor will, as primary obligor, jointly and severally with the Issuer, irrevocably and unconditionally guarantee to the Security Trustee (for the benefit of the Bondholders) that if the Issuer fails to pay the Indebtedness, the Guarantor will on the written demand of the Security Trustee pay to the Security Trustee (or to the Bondholders) the relative amounts due and payable by the Issuer to the Bondholders under the Bonds.

The obligations of the Issuer to the Bondholders under the Bonds will also be secured by means of the Account Charge and Security Assignment in favour of the Security Trustee for the benefit of the Bondholders, in accordance with the terms of the Security Assignment Deed and the Account Charge Deed. The Security may be enforced by the Security Trustee upon the Bonds becoming immediately due and payable upon an Event of Default as described in Section 8.15 below.

## **8.5 Covenants of the Issuer and Guarantor**

### **8.5.1 Restricted Payments**

The Issuer has, pursuant to the Security Trust Deed, covenanted to the Security Trustee (for the benefit of the Bondholders) that the Issuer shall not declare or pay any dividend, purchase or redeem any of its own shares for as long as any of the Bonds remain outstanding.

### **8.5.2 Permitted Indebtedness**

The Issuer and the Guarantor have, pursuant to the Security Trust Deed, covenanted to the Security Trustee (for the benefit of the Bondholders) that neither the Issuer nor the Guarantor, shall for as long as any principal or interest under the Bonds remain outstanding, incur or guarantee any Financial Indebtedness (as defined below), unless the financial test ratio calculated on the basis of the Group's latest consolidated audited financial statements adjusted to take into consideration the proposed additional incurrence or guarantee of Financial Indebtedness, together with the proposed additional income, is satisfied first.

The financial test ratio shall be deemed to be satisfied if:

- (a) The Interest Cover Ratio is at least one point five (1.5x); and
- (b) The Net Gearing Ratio does not exceed 85%.

For the purposes of this Section:

**“Financial Indebtedness”** means amounts borrowed, any debenture, bond, note, loan stock or other security, any acceptance credit, the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment is arranged primarily as a method of raising finance for the acquisition of that asset, leases entered into primarily as a method of raising finance for the acquisition of the asset leased, amounts raised under any other transaction having the commercial effect of borrowing or raising of money, any guarantee, indemnity or similar agreement.

**“Interest Cover Ratio”** means the Group's pre-tax profits before interest expense and provision on Loans divided by the Group's interest expense.

**“Net Gearing Ratio”** means the Group's net interest bearing financial borrowings divided by the sum of the Group's net interest bearing financial borrowings plus total equity.

### **8.5.3 Guarantor Covenants**

The Guarantor has, pursuant to the Security Trust Deed, covenanted to the Security Trustee (for the benefit of the Bondholders) that:



- a. until the Maturity Date, its Net Gearing Ratio (as defined in Section 8.5.2) will not exceed 85%;
- b. Towards the Maturity Date, or towards the target Early Redemption Date if the Issuer opts to exercise its right to redeem the Bonds in whole on any Early Redemption Date, the Guarantor shall ensure that any expected mismatch between the amount required for the due redemption of the Bonds and the amount receivable on maturity of the outstanding Loans, shall be met by adjusting the maturity of the Loan acquired for the last cycle, or by the sale of Loans;
- c. a minimum cash balance equivalent to 6 months' interest due to Bondholders in respect of the Bonds will be retained in the Account at all times;
- d. the loan-to-value ratio of each Loan will be monitored on an ongoing basis by the Group and, if in the Guarantor's opinion supported by independent data provided by third parties, the loan-to-value ratio of any given Loan exceeds 90%, the Guarantor shall immediately notify the Issuer, and upon receipt of such notification, the Issuer shall have the right to request the Guarantor to exit the Loan(s) in question.

## **8.6 Interest**

### **8.6.1 Interest Rate and Interest Payment Dates**

Each Bond shall bear interest on its outstanding principal amount at a rate of 7.25% per annum from (and including) the Interest Commencement Date up to (but excluding) a Redemption Date. Interest shall be payable in arrears in Euro on each Interest Payment Date and on the Redemption Date. The first payment of interest shall be made on the first Interest Payment Date. In the event that any Interest Payment Date falls due on a day other than a Business Day, the relevant Interest Payment Date will be the 1<sup>st</sup> following day which is a Business Day.

### **8.6.2 Accrual of Interest**

When interest is required to be calculated for any period of less than a full year, it shall be calculated on the basis of a 360-day year, and in the case of an incomplete month, the number of days elapsed. Interest shall cease to accrue on each Bond on the day preceding the Redemption Date unless payment of principal is improperly withheld or refused or unless the Issuer defaults in respect of payment, in which event, interest shall continue to accrue at a rate of 7.25% per annum until the date of payment thereof.

## **8.7 Yield**

The gross yield, calculated on the basis of the interest rate of the Bonds, the Issue Price, and the redemption value (at Nominal Value) of the Bonds on a Redemption Date, is 7.25%.

## **8.8 Payments**

- 8.8.1 The Issuer will discharge all of its payment obligations under the Bonds by making payments to the bank accounts of the Bondholders indicated in the CSD Register. Payments will be made only by bank transfer into the bank accounts of Bondholders that are provided in the relevant Application Forms or as otherwise provided to the CSD. If no bank account number is provided, payments will be withheld (without interest) until a bank account number is provided. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, holdings of Bonds through the CSD. The Issuer shall not be responsible for any loss or delay in transmission or any charges in connection therewith.
- 8.8.2 Repayment of the principal amount of the Bonds will be made in Euro on the Redemption Date by the Issuer to the person in whose name such Bonds are registered as at the close of business on the Maturity Date, together with interest accrued up to (but excluding) the Maturity Date. The Issuer shall not be responsible for any loss or delay in transmission. Upon repayment of the principal the Bonds shall be redeemed and the appropriate entry made in the CSD Register.

- 8.8.3 In the case of Bonds held subject to usufruct, payment will be made against the joint instructions of all bare owners and usufructuaries. Before effecting payment, the Issuer or the CSD shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bare owner/s and the usufructuary/ies to payment of the Bonds.
- 8.8.4 Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business fifteen (15) calendar days prior to the relevant Interest Payment Date. Such payment shall be affected within seven (7) calendar days of the relevant Interest Payment Date. The Issuer shall not be responsible for any loss or delay in transmission.
- 8.8.5 All payments with respect to the Bonds are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable fiscal or other laws and regulations prevailing in Malta.
- 8.8.6 No commissions or expenses shall be charged by the Issuer to Bondholders in respect of such payments. The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer.
- 8.8.7 Any claim against the Issuer by Bondholders in connection with all payments due to them in respect of the Bonds shall be prescribed (time-barred) upon the lapse of 5 years from the day on which an action in relation to the same can be exercised.

## **8.9 Redemption**

- 8.9.1 Unless redeemed on an Early Redemption Date in accordance with the terms of this Section (or purchased and cancelled in accordance with Section 8.10 below), the Bonds shall be redeemed at their Nominal Value on the Maturity Date.
- 8.9.2 The Issuer reserves the right to redeem the Bonds in whole on any Early Redemption Date at prices according to the Early Repayment Prices Schedule set out in Section 8.9.5 by giving not less than 30 calendar days' prior written notice to the Bondholders. Such written notice shall be given in the manner set out in Section 8.16 below and by way of a company announcement published by the Issuer. The notice of redemption shall be effective upon the date of publication of the aforementioned company announcement, shall be irrevocable and shall oblige the Issuer to make, and the Bondholders to accept, such redemption on the Early Redemption Date specified in the notice.
- 8.9.3 Each Bond may be redeemed only in whole and not in part.
- 8.9.4 Any redemption of the Bonds shall take place by payment of all principal together with interest accrued and unpaid on the Bonds being redeemed until the relevant Redemption Date.
- 8.9.5 Without prejudice to the provisions of the preceding paragraph, in the event that the Issuer chooses to redeem the Bonds on an Early Redemption Date, the redemption price (expressed as a percentage of the principal amount) shall be equal to
- (a) 101%, plus any accrued and unpaid interest, should the Early Redemption Date fall on any date between the third anniversary from the Issue Date but prior to the fourth anniversary of the Issue Date; and
  - (b) 100%, plus any accrued and unpaid interest, should the Early Redemption Date fall on any date between the fourth anniversary of the Issue Date and the Maturity Date.

## **8.10 Purchase and Cancellation**

To the extent permitted by law, the Issuer may at any time purchase Bonds in the open market or otherwise and at any price. All Bonds purchased by or on behalf of the Issuer will be cancelled and may not be re-



issued or re-sold. Any Bonds so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Bonds shall be discharged.

## **8.11 Transferability**

- 8.11.1 The Bonds are freely transferable and, once admitted to the Prospects MTF, shall be transferable only in accordance with applicable laws and the rules and regulations of the MSE.
- 8.11.2 Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may from time to time properly be required by the Issuer or the CSD, elect either to be registered himself as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the Bond.
- 8.11.3 All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.
- 8.11.4 The cost and expenses of effecting any trading or transfer in the Bonds on the MSE shall be at the charge of the Bondholder or at the charge of such person as the rules and regulations of the MSE may from time to time determine.
- 8.11.5 As the Bonds will be held at the CSD, investors will have to rely on its procedures for transfers. The CSD will not register the transfer or transmission of Bonds for a period of 15 days preceding the due date for any payment of principal or interest on the Bonds.

## **8.12 Further Issues**

Subject to the provisions of Section 8.5.2, the Issuer may from time to time, without the consent of the Bondholders, incur further debt or issue further bonds or other securities, either having the same terms and conditions as (and/or fungible with) any outstanding debt securities or upon such other terms and conditions as the Issuer may determine at the time of their issue, including (but not limited to) bonds or other debt securities which are secured and/or have a prior ranking than the Bonds. Although the amount of Bonds that may be issued under this Admission Document is limited to €3 million (or €5 million if the Issuer exercises the Over-Allotment Option), there is no other restriction on the amount of debt that the Issuer may incur (whether through the issuance of debt securities or otherwise). Accordingly, the Issuer may incur additional indebtedness (other than the indebtedness incurred in relation to the issue of the Bonds), which indebtedness may be secured by the whole or any part of its present or future, undertaking, assets or revenues without, the consent of the Bondholders, and which could rank ahead of the Bonds in the event of a dissolution and winding up of the Issuer.

## **8.13 Meetings of the Bondholders**

For all intents and purposes any meeting of Bondholders, including but not limited to meetings held for the purposes set out in this Admission Document, shall be held in accordance with the provisions of the Security Trust Deed. In the event of any inconsistency between the provisions of these Terms and Conditions and the Security Trust Deed (whether in relation to meetings of Bondholders or otherwise), the provisions of the Security Trust Deed shall prevail.

- 8.13.1 The Security Trustee, in accordance with the provisions set out in the Security Trust Deed, may at any time and at the cost of the Issuer, prior to exercising any power or discretion hereunder:
- (a) call a meeting of the Bondholders; or
  - (b) write to all Bondholders requesting their instructions or directions;

Provided that the Security Trustee shall not be liable for any action it may deem necessary to take prior to acting in accordance with this paragraph and the Security Trustee shall not be bound to act on behalf of the Bondholders under the Security Trust Deed unless it receives duly authorised instructions or directions as stipulated in the Security Trust Deed.

- 8.13.2 A meeting of the bondholders may also be convened, at any time, by the Issuer.
- 8.13.3 A meeting of the Bondholders shall also be convened by the Security Trustee on the requisition of one or more Bondholders holding in aggregate, at the date of the deposit of the requisition, not less than 10% of the Nominal Value of Bonds, for the time being outstanding.
- 8.13.4 In case of a requisition of a meeting, the requisition shall state the objects of the meeting and shall be signed by the requisitionist/s and deposited at the registered office of the Security Trustee and may consist of several documents in like form each signed by the requisitionist, or if there is more than 1 requisitionist, in any one document by all of them.
- 8.13.5 If the Security Trustee does not, within 21 days from the date of the deposit of the requisition, proceed duly to convene a meeting, the requisitionist/s may convene a meeting in the same manner, as nearly as possible, as that in which meetings are to be convened by the Security Trustee, but a meeting so convened shall not be held after the expiration of 3 months from the date of the deposit of the requisition.
- 8.13.6 At least 14 days' notice (exclusive of the day on which the notice is given and of the day of the meeting) of the meeting shall be given to the Bondholders. The notice shall specify the date, time and place of the meeting as well as the general nature of the resolution/s being proposed and to be tabled at the meeting. The notice shall also explain how Bondholders may appoint proxies.
- 8.13.7 Notice of every meeting of the Bondholders shall be given to (a) every Bondholder; (b) the Issuer; (c) the Guarantor; (d) the Security Trustee; (e) the Corporate Advisor; and (f) the auditor/s for the time being of the Issuer.
- 8.13.8 No person other than those listed in paragraph 7.13.7 shall be entitled to receive notice of a meeting of Bondholders.
- 8.13.9 The accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting, by any person entitled to receive notice shall not invalidate the proceedings of a meeting.
- 8.13.10 No business shall be transacted at a meeting of the Bondholders unless a quorum is present, in person or by proxy, at the commencement of the meeting.
- 8.13.11 At any such meeting, 2 or more Bondholders present in person or by proxy and holding or representing not less than 50% of the aggregate principal amount of the Bonds outstanding at the time will form a quorum for the transaction of business. If within half an hour (30 minutes) from the time appointed for the commencement of the meeting, a quorum is not present, the meeting, howsoever called, shall stand adjourned to the same day in the next week, at the same time and place or to such other day and place as the chairman of the meeting may decide and if at the adjourned meeting a quorum is not yet present within half an hour (30 minutes) from the time appointed for the meeting, the Bondholders present shall constitute a quorum.
- 8.13.12 For the purpose of an adjourned meeting, it shall not be required to send notices anew, provided that all persons entitled to receive notice for the original meeting shall be informed of the adjournment and the time and place of the adjourned meeting.

8.13.13 A meeting of the Bondholders shall have power, with the approval of a majority of Bondholders, holding not less than 60% in Nominal Value of the Bonds held by those Bondholders present at the meeting or at any adjourned meeting thereof, as the case may be, to do any of the following:

- (a) to instruct or direct the Security Trustee in respect of proceedings or any other action to be taken to enforce the obligations of the Issuer and/or the Guarantor under the Security Trust Deed and/or the Terms and Conditions of the Bonds and/or any of the Security Documents and/or the Company Admission Document;
- (b) subject to the MSE's written approval, to assent to any proposal for modification of the Security Trust Deed and/or the Company Admission Document, as put forward by the Issuer and/or the Security Trustee,;
- (c) to authorise any person or persons to concur in and execute all such documents and do all such acts and things as may be necessary to carry out and give effect to any resolution passed with the approval of a majority of Bondholders holding not less than 60% in Nominal Value of the Bonds held by those Bondholders present at the meeting or at the adjourned meeting, as the case may be;
- (d) to give any authority, direction or sanction or approval which under the provisions of the Bonds is required to be given by approval of a majority of Bondholders holding not less than 60% in Nominal Value of the Bonds held by Bondholders present at the meeting or at the adjourned meeting, as the case may be;
- (e) to remove the Security Trustee or any subsequent trustee and to approve a person to be appointed as trustee in its stead;
- (f) to authorise the Security Trustee and/or any of its directors, officers, delegates or appointees to concur in and execute and do all such documents, instruments, acts and things as may be necessary to carry out and give effect to any resolution passed with the approval of a majority of Bondholders, holding not less than 60% in Nominal Value of the Bonds held by those Bondholders present at the meeting or at the adjourned meeting, as the case may be;
- (g) to discharge or exonerate the Security Trustee and/or any of its directors, officers, delegates or appointees from all liability in respect of any act or omission for which the Security Trustee and/or any of its directors, officers, delegate or appointees may have become responsible under the Security Trust Deed provided that it shall not be permissible for the Security Trustee and/or any of its directors, officers, delegates or appointees to be exonerated from the effects of their own fraud, wilful misconduct or gross negligence; and
- (h) to appoint any persons (whether or not Bondholders) as a committee/s to represent the interest of the Bondholders and to confer upon such committee/s any powers or discretions which the Bondholders could themselves exercise.

8.13.14 The chairman of a meeting of the Bondholders shall be a director of the Security Trustee or such other person as the Security Trustee may nominate in writing from time to time. The chairman of an adjourned meeting need not be the same person as the chairman of the original meeting. At the commencement of any meeting, the chairman may lay down the procedures which shall be adopted for the proceedings of that meeting. Such procedure shall be binding on the meeting.

8.13.15 Each matter submitted to a meeting shall be decided by a show of hands unless a poll is (before or following the result of the show of hands) demanded by the chairman or 3 Bondholders in person or by proxy. On a show of hands, every Bondholder shall have 1 vote and on a poll every Bondholder shall have one (1) vote for each Bond held and any fractional interests shall be

disregarded. Voting, whether on a show of hands or on a poll, shall be taken in such manner as the chairman of the meeting shall direct.

- 8.13.16 Unless a poll be so demanded, a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the minute book is made, it shall be conclusive evidence of the fact without need for the proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 8.13.17 Any vote to be taken at a meeting (except for choosing a chairman) shall only be decided upon by means of a resolution passed with the approval of a majority of Bondholders holding not less than 60% in Nominal Value of the Bonds held by those Bondholders present at the meeting or at any adjourned meeting thereof, as the case may be.
- 8.13.18 Any resolution passed with the required majority at any meeting shall be binding on all Bondholders, whether or not present at the meeting, and whether or not voting, and each of them shall be bound to give effect to it accordingly.
- 8.13.19 Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them.
- 8.13.20 A resolution in writing signed by or on behalf of all the Bondholders who for the time being are entitled to receive notice of a meeting, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Bondholders, shall be valid and effectual as if it had been passed at a meeting of the Bondholders duly convened and held.
- 8.13.21 The instrument appointing a proxy shall be deposited at least 72 hours before the time fixed for the meeting at such place as the Security Trustee shall designate or approve and, in default it shall not be valid unless the chairman of the meeting decides otherwise before the meeting proceeds to business. The instrument appointing a proxy must be in writing signed by the appointer or the appointer's attorney. A proxy holder need not be a Bondholder.

## **8.14 Amendments to Terms and Conditions**

- 8.14.1 The provisions of the Terms and Conditions of the Bonds may, subject to the written approval of the MSE, be amended by the Issuer with the approval of a majority of Bondholders, holding not less than 60% in Nominal Value of the Bonds held by those Bondholders present at a meeting of the Bondholders called for that purpose or at any adjourned meeting thereof, as the case may be.
- 8.14.2 In the event that the Issuer wishes to amend any of the provisions set out in these Terms and Conditions, it must call a meeting of the Bondholders for this purpose. Subject to having obtained the necessary approval by the said Bondholders at a meeting of the Bondholders as set out above, any such proposed amendment or amendments to the provisions of the Terms and Conditions shall subsequently be given effect to by the Issuer.

## **8.15 Events of Default and Enforcement**

- 8.15.1 The Security Trustee may, in its discretion, and shall, upon the request by Bondholders holding not less than 60% in Nominal Value of the Bonds held by those Bondholders present at a meeting of the Bondholders or at any adjourned meeting thereof, as the case may be, give notice to the Issuer that the Bonds are, and shall accordingly immediately become, due and payable at their Nominal Value together with interest accrued on the occurrence of any of the following events (each, an 'Event of Default') and without the need of any authorisation and/or confirmation from a competent court in the event that:

- a. the Issuer fails to pay any interest on any Bond when due and such failure shall continue for 30 days after written notice thereof shall have been given to the Issuer by any Bondholder or the Security Trustee, unless remedied by the Guarantor prior to the expiry of that 30 day period; or
- b. the Issuer fails to repay any principal on any Bond when due and such failure shall continue for 30 days after written notice thereof shall have been given to the Issuer by any Bondholder or the Security Trustee, unless remedied by the Guarantor prior to the expiry of that 30 day period; or
- c. the Issuer and/or the Guarantor, as applicable, fail to perform or observe any material covenant, material condition or material obligation contained in these Terms and Conditions, the Security Trust Deed (other than any obligation for the payment of principal or interest in respect of the Bonds) and/or the Security Documents and such failure is incapable of remedy or is not remedied within 30 days after notice of such default shall have been given to the Issuer by the Security Trustee; or
- d. the Issuer and/or the Guarantor is deemed unable or admits in writing its inability to pay its debts as they fall due or otherwise becomes insolvent; or
- e. the Issuer and/or the Guarantor stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; or the Issuer and/or the Guarantor is adjudicated or found bankrupt or insolvent, or an order is made by any competent court, or a resolution is passed by the Issuer or any other action is taken for the dissolution, liquidation, or winding-up of the Issuer; or
- f. a judicial or provisional administrator is appointed upon the whole or any part of the property of the Issuer or the Guarantor; and such appointment is prejudicial to the Bondholders;
- g. the Issuer or the Guarantor repudiates, or does or causes or permit to be done any act or thing evidencing an intention to repudiate the Bonds and/or the Trust Deed;
- h. there shall have been entered against the Issuer and/or the Guarantor a final judgment by a court of competent jurisdiction from which no appeal may be or is made for the payment of money in excess of €1,000,000 or its equivalent and 90 days shall have passed since the date of entry of such judgment without its having been satisfied or stayed; or
- i. any default occurs and continues for 90 days under any contract or document relating to any Financial Indebtedness of the Issuer and/or Guarantor in excess of €1,000,000 or its equivalent at any time.

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

8.15.3 The Security Trustee shall not be bound to take any steps to ascertain whether any Event of Default or other similar condition, event or circumstance has occurred or may occur, and, until it shall have actual knowledge or express notice to the contrary, the Security Trustee shall be entitled to assume that no such Event of Default or condition, event or other circumstance has happened and that each of the Issuer and the Guarantor is observing and performing all the obligations, conditions and provisions on its part contained under the Terms and Conditions, the Security Trust Deed, and/or the Security Documents, as applicable; provided that, in the event that the Security Trustee becomes aware of the fact that an Event of Default has occurred or is likely to occur, it shall notify in writing the MSE, the Corporate Advisor and the Bondholders of such fact without delay.

- 8.15.4 At any time after notice has been given to the Issuer by the Security Trustee that the Bonds shall have become immediately due and payable in accordance with Section 8.15.1 above, the Security Trustee may, in its sole discretion, institute such proceedings as it may think fit against the Issuer and/or Guarantor to enforce repayment of the principal together with accrued but unpaid interest, including the enforcement of any or all of the security over the Security, provided that the Security Trustee shall not be bound to do so unless it shall have been (a) so requested by Bondholders holding not less than 60% in Nominal Value of the Bonds held by those Bondholders present at a meeting of the Bondholders called for that purpose or at any adjourned meeting thereof, as the case may be, and (b) indemnified by the Bondholders to its satisfaction.
- 8.15.5 Only the Security Trustee may enforce the provisions of the Security Trust Deed, the Terms and Conditions and/or the Security Documents and no Bondholder shall be entitled to enforce performance of any such provisions unless the Security Trustee, having become bound to proceed as described in Section 8.15.4 above, fails to do so within a period of 60 days after becoming so bound.

## **8.16 Notices**

Notices to Bondholders shall be mailed to them at their respective addresses contained in the CSD Register and shall be deemed to have been served at the expiration of 3 calendar days after the date of mailing. In proving such service, it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholder at the address contained in the CSD Register.

## **8.17 Governing Law and Jurisdiction**

### **8.17.1 Governing Law**

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

### **8.17.2 Jurisdiction**

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

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



## **9. TAXATION**

### **9.1 General**

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Bonds, including their acquisition, holding and transfer as well as on any income derived therefrom or on any gains derived on the transfer of such Bonds. The following is a summary of the anticipated tax treatment applicable to Bondholders in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive.

The information below is based on an interpretation of tax law and practice relative to the applicable legislation, as known to the Issuer at the date of the Admission Document, in respect of a subject on which no official guidelines exist. Investors are reminded that tax law and practice and their interpretation as well as the levels of tax on the subject matter referred to in the preceding paragraph, may change from time to time.

This information is being given solely for the general information of investors. The precise implications for investors will depend, among other things, on their particular circumstances and on the classification of the Bonds from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

### **9.2 Malta Tax on Interest**

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is instructed by a Bondholder entitled to elect to receive the interest gross of any withholding tax, or if the Bondholder does not fall within the definition of “recipient” in terms of article 41(c) of the Income Tax Act, interest shall be paid to such person net of a final withholding tax, currently at the rate of 15% (10% in the case of certain types of collective investment schemes) of the gross amount of the interest, pursuant to article 33 of the Income Tax Act. Bondholders who do not fall within the definition of a “recipient” do not qualify for the said rate and should seek advice on the taxation of such income as other rules may apply.

This withholding tax is considered as a final tax and an individual “recipient” Bondholder is not obliged to declare the interest so received in his income tax return (to the extent that the interest is paid net of tax). No person, whether legal or natural, should be charged to further tax in respect of such income. Furthermore, such tax should not be available as a credit against the recipient’s tax liability or for a refund, as the case may be, for the relevant year of assessment in Malta. The Issuer will render an account to the Maltese Commissioner for Revenue of all amounts so deducted, including the identity of the recipient.

In the case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his Maltese income tax return and be subject to tax on such interest at the standard rates applicable to such Bondholder at that time.

Any such election made by a resident “recipient” Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act. Even in this latter case, the Issuer will advise the Maltese Commissioner for Revenue on an annual basis in respect of all interest paid and of the identity of all such recipients.

In terms of article 12(1)(c) of the Income Tax Act, Bondholders who are not resident in Malta satisfying the applicable conditions set out in the Income Tax Act are not taxable in Malta on the interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

### 9.3 Exchange of Information

In terms of applicable Maltese legislation, the Issuer and/or its agent are required to collect and forward certain information (including, but not limited to, information regarding payments made to Bondholders) to the Maltese Commissioner for Revenue. The Maltese Commissioner for Revenue will or may, in turn, automatically or on request, forward the information to other relevant tax authorities subject to certain conditions.

### 9.4 Maltese Taxation on Capital Gains on a Transfer of the Bonds

On the assumption that the Bonds would not fall within the definition of “securities” in terms of article 5(1)(b) of the Income Tax Act (that is, “shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return”), to the extent that the Bonds are held as capital assets by the Bondholder, no income tax on capital gains should be chargeable in respect of a transfer of the Bonds.

### 9.5 Duty on Documents and Transfers

In terms of the Duty on Documents and Transfers Act, duty is chargeable *inter alia* on the transfer or transmission *causa mortis* of marketable securities. A marketable security is defined in the said legislation as “a holding of share capital in any company and any document representing the same”.

Consequently, the Bonds should not be treated as constituting marketable securities within the meaning of the legislation and therefore, the transfer/transmission thereof should not be chargeable to duty.

Furthermore, even if the Bonds are considered marketable securities for the purposes of the Duty on Documents and Transfers Act, in terms of article 50 of the Financial Markets Act as the Bonds constitute financial instruments of a company quoted on a regulated market exchange, as is the MSE, redemptions and transfers of the Bonds should, in any case, be exempt from duty.

**INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND ANY FOREIGN TAX LEGISLATION APPLICABLE TO THE ACQUISITION, HOLDING AND DISPOSAL OF BONDS AS WELL AS INTEREST PAYMENTS MADE BY THE ISSUER. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE BONDS AND TO BONDHOLDERS. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO BONDHOLDERS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.**

## 10. THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND DECLARATIONS OF INTEREST

The Reporting Accountants have issued the Accountants’ Report dated 30 June 2022 in respect of the Prospective Financial Information.

Save for the Accountants’ Report in respect of the Prospective Financial Information, this Admission Document does not contain any statement or report attributed to any person as an expert.

The Accountants’ Report is included as Annex B to this Admission Document, in the form and context in which it appears, with the authorisation of Grant Thornton, which has given, and has not withdrawn, its consent to its inclusion herein.

Grant Thornton does not have any beneficial interest in the Issuer. The Issuer confirms that the Accountants’ Report and any other information sourced from third parties and contained and referred to in this Admission



Document has been accurately reproduced in this Admission Document and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

## **11. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents (or copies of the same) are available for physical inspection at the Issuer's registered office and on the Issuer's website (<https://www.hartcapitalpartners.co.uk/>) for the duration of the validity of the Admission Document:

- (a) Memorandum and Articles of Association of the Issuer and of the Guarantor;
- (b) Accountants' Report;
- (c) Issuer Loan Agreement;
- (d) Shareholder Loan Agreement;
- (e) Payment Direction Agreement;
- (f) Account Charge Deed;
- (g) Guarantee Deed;
- (h) Security Trust Deed;
- (i) Security Assignment Deed;
- (j) Template Facility Agreement;
- (k) Template Property Charge Deed;
- (l) Template Share Charge Deed;
- (m) Template Debenture;
- (n) Template Borrower Guarantee Deed;
- (o) Template Deed of Priority;
- (p) Template Assignment Deed;
- (q) Report on the good financial standing of P1 Group as at 30 November 2021 by Henry Thomas Advisory

## Annex A: Application Form

<b>Hart Capital Partners (Europe) p.l.c.,</b> <b>€3,000,000 7.25% Secured Callable Bonds 2025 – 2027</b> <b>(Over-allotment option of up to €5,000,000)</b>		<b>APPLICATION FORM</b> <b>Application No.</b> _____	
Please read the notes overleaf before completing this Application Form. Mark 'X' if applicable. Unless otherwise indicated, each of the panels below is to be completed.			
<b>APPLICANT</b>			
<b>A</b>	<input type="checkbox"/> Non-Resident	<input type="checkbox"/> Minor (Under 18)	<input type="checkbox"/> Body Corporate/ Body Of Persons
	<input type="checkbox"/> CIS – Prescribed Funds		
<b>B</b>	TITLE (Mr/Mrs/Ms/...)	FULL NAME & SURNAME / REGISTERED NAME	
	ADDRESS		POST CODE
	MSE A/C NO. (if applicable)	DATE OF BIRTH	NATIONALITY
	<div style="border-bottom: 1px solid black; width: 100px; height: 20px;"></div> <div style="border-bottom: 1px solid black; width: 100px; height: 20px;"></div> <div style="border-bottom: 1px solid black; width: 100px; height: 20px;"></div> <div style="border-bottom: 1px solid black; width: 100px; height: 20px;"></div> <div style="border-bottom: 1px solid black; width: 100px; height: 20px;"></div> <div style="border-bottom: 1px solid black; width: 100px; height: 20px;"></div> <div style="border-bottom: 1px solid black; width: 100px; height: 20px;"></div> <div style="border-bottom: 1px solid black; width: 100px; height: 20px;"></div>		
	ID CARD/ PASSPORT/ CO. REG. NO.	DOCUMENT NUMBER	COUNTRY OF ISSUANCE
	LEGAL ENTITY IDENTIFIER (LEI)		
	E-MAIL ADDRESS	TEL NO.	MOBILE NO.
	Already registered for e-Portfolio <input type="checkbox"/>	Please register me for e-Portfolio <input type="checkbox"/>	Please do NOT register me for e-Portfolio <input type="checkbox"/>
<b>C</b>	<b>ADDITIONAL (JOINT) APPLICANTS (please use additional application form if space is not sufficient)</b>		
	TITLE (Mr/Mrs/Ms/..)	FULL NAME & SURNAME	DATE OF BIRTH
	I.D. CARD / PASSPORT NO.	DOCUMENT NUMBER	COUNTRY OF ISSUANCE
	TITLE (Mr/Mrs/Ms/..)	FULL NAME & SURNAME	DATE OF BIRTH
	I.D. CARD / PASSPORT NO.	DOCUMENT NUMBER	COUNTRY OF ISSUANCE
<b>D</b>	<b>MINOR'S PARENTS/LEGAL GUARDIANS (See Note 4) (to be completed ONLY if the Applicant is a minor)</b>		
	TITLE (Mr/Mrs/Ms/..)	FULL NAME & SURNAME	DATE OF BIRTH
	I.D. CARD / PASSPORT NO.	DOCUMENT NUMBER	COUNTRY OF ISSUANCE
	TITLE (Mr/Mrs/Ms/..)	FULL NAME & SURNAME	DATE OF BIRTH
	I.D. CARD / PASSPORT NO.	DOCUMENT NUMBER	COUNTRY OF ISSUANCE
<b>E</b>	I/We apply to purchase and acquire the amount set out below		
	AMOUNT IN FIGURES	AMOUNT IN WORDS	

€		
<p>Hart Capital Partners (Europe) p.l.c. €3,000,000 Secured Callable 7.25% Bonds 2025-2027 at the Bond Issue Price (at par) pursuant to the Company Admission Document dated 20 October 2022 (minimum €1,000 and in multiples of €100 thereafter), payable in full upon application under the Terms and Conditions of the Bonds as set out in the Company Admission Document.</p>		
<b>RESIDENT - WITHHOLDING TAX DECLARATION (to be completed ONLY if the Applicant is a Resident of Malta)</b>		
<input type="checkbox"/> I/We elect to have Final Withholding Tax deducted from my/our interest.		
<input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without deduction of withholding tax).		
<b>F</b>	<b>NON-RESIDENT DECLARATION FOR TAX PURPOSES (to be completed ONLY if the Applicant is a Non-Resident)</b>	
TAX COUNTRY		TOWN/ CITY OF BIRTH
T.I.N. (Tax Identification Number)		COUNTRY OF BIRTH
<input type="checkbox"/> I/We am/are NOT Resident in Malta but I/we am/are Resident in the European Union.		
<input type="checkbox"/> I/We am/are NOT Resident in Malta and I/we am/are NOT Resident in the European Union.		
<b>INTEREST, REFUND AND REDEMPTION MANDATE (completion of this panel is mandatory)</b>		
BANK	IBAN	
<p><b>I/We have fully understood the instructions for completing this Application Form, and am/are making this Application on the basis of the Company Admission Document, and subject to its Terms and Conditions (as defined therein) which have been explained to me/us, and which I/we fully accept.</b></p> <p>I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the Bonds in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MIFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.</p> <p>The Bonds are complex instruments and are open for subscription to all categories of investors. Since the Bonds are complex instruments, Authorised Financial Intermediaries may be required to carry out an Appropriateness Test in respect of Applicants, particularly retail clients, for the purpose of assessing such Applicant's level of knowledge and experience prior to investing in the Bonds and, if this is not satisfied, providing relevant risk warnings. To the extent that an Authorised Financial Intermediary is providing advice in respect of a purchase of the Bonds by an Applicant, that Authorised Financial Intermediary shall, instead, be required to conduct a Suitability Test in respect of the Applicant and, based on the results of such test, be satisfied that an investment in the Bonds may be considered suitable for the Applicant, failing which the Authorised Financial Intermediaries will not be able to recommend or invest in such Bond on the client's behalf.</p> <div style="margin-top: 20px;"> <div style="border-bottom: 1px solid black; width: 200px; margin-bottom: 5px;"></div> <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> Signature/s of Applicant/s  (All parties are to sign in the case of a joint Application) </div> <div style="width: 30%;"> Authorised Financial Intermediary </div> <div style="width: 30%;"> Date </div> </div> </div>		
AUTHORISED FINANCIAL INTERMEDIARY'S STAMP		AUTHORISED FINANCIAL INTERMEDIARY'S CODE

G

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## Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Company Admission Document dated 20 October 2022.

1. This Application is governed by the Terms and Conditions of Application contained in the Company Admission Document. Capitalised terms not defined herein shall, unless the context otherwise requires, have the same meaning ascribed to them in the Company Admission Document.
2. The Application Form is to be completed in BLOCK LETTERS. Applicants who are non-residents in Malta for tax purposes, must indicate their passport number in Panel A and complete Panel F. The relative box in Panel A must also be marked appropriately.
3. Applicants are to insert full personal details in Panel B. In the case of an application by more than one person (including spouses) full details of all individuals – including I.D. Card Numbers – must be given in Panels B and C but the person whose name appears in Panel B shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 7 below).
4. Upon submission of an Application Form, Bondholders who do not have an online e-portfolio account will be registered by the CSD for the online e-portfolio facility and will receive by mail at their registered address a handle code to activate the new e-portfolio login. The Bondholder's statement of holdings evidencing entitlement to Secured Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Those Bondholders who opt not to avail themselves of this facility should indicate such on the Application Form. Further detail on the e-portfolio is found on <https://eportfolio.borzamalta.com.mt/Help>.
5. Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or by the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. The relative box in Panel A must also be marked appropriately. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.
6. Applicants who are Non-Resident in Malta for tax purposes must indicate their passport number in Panel B and complete Panel G. The relative box in Panel A must also be marked appropriately.
7. In the case of a body corporate, the name of the entity exactly as registered, the registration number and the legal entity identifier are to be inserted in Panel B. Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
8. APPLICANTS WHO ALREADY HOLD SECURITIES ON THE MSE ARE TO INDICATE THEIR MSE ACCOUNT NUMBER IN PANEL B.
9. The amount applied for must be in multiples of €100 subject to a minimum application of €1,000. The Applicant must ensure that the relative Application Form is accompanied by payment of the full price of the amount of Bonds applied for. Payment of the amount, must be made in Euro in cleared funds to the respective Authorised Financial Intermediary. In the event that the cheque accompanying the Application Form is not honoured on the first presentation the Issuer and the Registrar reserve the right to invalidate the relative Application.
10. Only Applicants who hold an official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have Final Withholding Tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of Final Withholding Tax), but he/she will be obliged to declare interest so received on his/her tax return. Authorised entities applying in the name of a Prescribed Fund (having indicated their status in the appropriate box in Panel A) will have Final Withholding Tax, currently 10%, deducted from interest payments.
11. In terms of Section 9.2 of the Company Admission Document, unless the Issuer is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of 'recipient' in terms of article 41(c) of the Income Tax Act (Cap. 123 of the Laws of Malta), Interest shall be paid to such a person net of final withholding tax (currently 15%) of the gross amount of interest, pursuant to Article 33 of the Tax Act (Cap. 123 of the Laws of Malta).
12. If any Application is not accepted, after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies of the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the bank account as indicated in the application form. Interest or redemption proceeds will be credited to the account designated or as otherwise amended by the Bondholder/s during the term of the Bond.
13. European Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments requires all payors established in the EU which pay interest to an individual resident in another EU Member State, to report the interest payment to the tax authorities of the Member State in which the payor is established. If the Applicant's permanent residential address is in an EU Member State or in another country to which the said Directive applies (called a "specified territory") then the interest paid will be reported.
14. Interest and redemption proceeds will be credited to the account indicated in Panel H or as otherwise amended by the Bondholder/s during the term of the Bond.
15. Completed Application Forms are to be delivered to an Authorised Financial Intermediary, during normal office hours by not later than 17:00 CET on the 18 November 2022. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not being received by the closing date indicated above. The Issuer reserves the right to refuse any Application, which appears to be in breach of the general terms and conditions of the Admissions Document. Any applications received by the Authorised Financial Intermediaries after 17:00 CET on the 18 November 2022 will be rejected.
16. By completing and delivering an Application Form you (as the Applicant(s)):
  - a. acknowledge that the Issuer may process the personal data that you provide in the Application Form in accordance with the GDPR and Data Protection Act (Cap. 586 of the Laws of Malta);
  - b. acknowledge that the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
  - c. acknowledge that you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer. Any such requests must be made in writing and addressed to the Issuer. The request must be signed by yourself as the Applicant to whom the personal data relates.

**The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds on offer will be repayable in full upon redemption. An investor should consult an independent financial advisor, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.**

## **Annex B: Accountants' Report**

### **Summary of significant assumptions and accounting policies**

#### **1. Introduction**

The consolidated projected statement of financial position, the consolidated projected income statement and the consolidated projected statement of cash flows of Hart Capital Partners (Europe) p.l.c. and Hart Capital Partners (UK) Limited (together “the Group”) for the three years from date of incorporation to 31 December 2024 (“the consolidated prospective financial information”) have been prepared to provide financial information for the purpose of inclusion in the Company Admission Document of Hart Capital Partners (Europe) p.l.c. dated 20 October 2022. The consolidated prospective financial information, set out on in Annex B and the assumptions below are the sole responsibility of the Directors of the Issuer.

The consolidated prospective financial information has been prepared on the basis of a bond issue of €3,000,000 at a nominal value of €100 per bond offered by Hart Capital Partners (Europe) p.l.c.. However, the tables set out in this Annex, also include a section to illustrate the prospective financial information on a € million Bond to reflect the exercise of the Over-Allotment.

The consolidated prospective financial information for the three years ending 31 December 2024 has been based on the projections of the Group covering the period between 18 January 2022 to 31 December 2024.

The consolidated prospective financial information is intended to show a possible outcome based on a mixture of best-estimate assumptions as to future events which the Directors expect to take place and actions the directors of the Guarantor expect to take and hypothetical assumptions about future events and management actions which might not necessarily occur. Events and circumstances frequently do not occur as expected and therefore actual results may differ materially from those included in the consolidated prospective financial information. Attention is drawn, in particular, to the risk factors set out in the Company Admission Document which describe the primary risks associated with the business and operations to which the consolidated prospective financial information relates.

The consolidated projected financial information is not intended to and does not, provide all the information and disclosures necessary to give a true and fair view of the financial results, financial position and cash flows of the Group in accordance with International Financial Reporting Standards as adopted by the EU.

The Directors have exercised due care and diligence in adopting the assumptions below. The consolidated prospective financial information was formally approved on 27 May 2022 by the Directors and the stated assumptions reflect the judgements made by the Directors as at that date. The assumptions that the Directors believe are significant to the consolidated prospective financial information are set out in section 2 of this Annex B.

#### **2. Basis of preparation and principal assumptions**

The principal assumptions relating to the environment in which the Group operates, and the factors which are exclusively outside the influence of the Directors and which underlie the consolidated prospective financial information are the following:

- there will be no material adverse events originating from the property market and economic conditions;
- the Group will enjoy the confidence of the Original Lenders and other lenders;
- interest rates and rates of exchange (GBP: EUR) will not change materially throughout the period covered by the projections;
- the basis and rates of taxation will not change materially throughout the period covered by the projections; and

- the rate of inflation will not exceed that experienced in the last few years.

The principal assumptions relating to the environment in which the Group operates and the factors which the Directors can influence and which underlie the prospective consolidated financial information, are the following:

## **2.1 Interest income**

The projections assume that the Guarantor shall utilise 95% of available funds to provide short-term financing to Borrowers in search of commercial loans for property development, since loans granted may not equal available funds. Consequently, the projections assume that the Guarantor shall acquire €3.6 million of Loans from Original Lenders on 1 July 2022, paid through net bond proceeds of €2.7 million plus €1 million Shareholder Loan, net of a 5% allowance.

The Loans acquired on 1 July 2022 are expected to have a ten-month term. Interest income is assumed at 18% per annum, which shall accrue on a monthly basis in the income statement, but paid by the Borrowers upon Loan maturity. It is the Group's intention that the Loans acquired from the Original Lenders on 1 July 2021, would have initially been granted by the Original Lenders and therefore have an average term of eighteen months.

The Loans acquired on 1 July 2022 are expected to have a ten-month term and generate an 18% return per annum. Upon maturity, on 30 April 2023, the projections assume that the Guarantor shall acquire further loans totalling €3.5 million over a three-month period, either from the Original Lenders or other lenders. These loans are expected to generate a return of 18% per annum and have an average term of eighteen months each. The projections assume that upon maturity, the Guarantor will continue acquiring further loans until Redemption Date with an average term of eighteen months and a return of 18% per annum, in order to utilise all available funds and generate the maximum return for the Group.

Although the Group may enter into profit-sharing agreements with Borrowers to participate in the profits made by the Borrower following the sale of the developed property, this upside is excluded from the projections.

## **2.2 Interest expense**

Interest expense relates to the interest on the Bond, which is expected to be issued in January 2022, and assumed at 7.25% per annum. The interest on the Bond is assumed to commence on 1 January 2022, with the final payment being made on 30 June 2027, unless redeemed earlier by the Issuer.

## **2.3 Administrative expenses**

Administrative expenses shall primarily comprise professional fees, Security Trustee costs, hedging costs to mitigate against currency fluctuations, insurance costs, ongoing bond issue costs and amortisation of bond issue costs. Such costs are expected to stabilise at c. €0.1 million per year from FY2022 and increase in line with inflation. Given that a hedging instrument was not yet finalised as at the date of the Company Admission Document, no gain or loss from the hedging instrument has been recognized in the projections. However, an annual cost of €50k has been included in the projections.

## **2.4 Provision on loans receivable**

In line with IFRS 9, an expected credit loss of 3.2%, being Standard & Poor's 2019 default risk for homebuilder/real estate sector, is assumed on all loans and accounted for upon loan origination.

## **2.5 Other assumptions**

As the Issuer is registered and domiciled in Malta, its functional currency is the Euro. Conversely, as the Guarantor is registered and domiciled in England, its functional currency is the pound sterling. A fixed GBP to Euro exchange rate of £1.00:€1.15 was assumed throughout the projections.

## 2.1 Taxation

As the Issuer and the Guarantor are registered in different countries, they are taxed at different rates. Current taxation is calculated at a tax rate of 35% on profits generated by the Issuer in Malta, at a tax rate of 19% on profits earned by the Guarantor in the UK, whilst interest earned by the Issuer on the Issuer Loan Agreement is taxed at an effective tax rate of 6.5%, as the Group is expected to avail of FRFTC (Flat Rate Foreign Tax Credit).

## 2.2 Capital and Reserves

The Group's capital and reserves are expected to increase over the projection period as a result of retention of profits. No dividends have been assumed in the consolidated prospective financial information.

The Group's capital reserves consist of a shareholder's loan amounting to €1.1 million, representing a capital contribution of €1 million assigned from Eight Oaks Capital.

## 3. Conclusion

The Directors believe that the assumptions on which the prospective financial information is based are reasonable.

Approved by the Directors on 27 May 2022 and signed on its behalf by:



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Mr Christon Burrows  
Director



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Mr Alexander Tanti  
Director



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Mr Joseph Galea  
Director



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Mr Victor Spiteri  
Director



## **Consolidated Prospective Information based on a €3 million issue**

### Income Statement

#### **Income statement**

€000	FY2022	FY2023	FY2024
Interest income	317	569	612
Interest expense	(109)	(218)	(218)
Net finance income	208	352	395
Administrative expenses	(61)	(124)	(126)
Provision on loans receivable	(116)	(113)	(73)
Issue costs amortisation	(17)	(34)	(34)
Net profit before tax	14	81	162
Taxation	(9)	(29)	(44)
<b>Net profit</b>	<b>4</b>	<b>53</b>	<b>118</b>

### Statement of Financial Position

#### **Statement of financial position as at**

€000	31 Dec 2022	31 Dec 2023	31 Dec 2024
<b>Assets</b>			
<b>Current assets</b>			
Loans receivable	3,522	3,409	2,200
Accrued income	317	358	73
Cash and cash equivalents	180	350	1,990
Total current assets	4,019	4,117	4,264
<b>Total assets</b>	<b>4,019</b>	<b>4,117</b>	<b>4,264</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	50	50	50
Shareholders' loan	1,000	1,000	1,000
Retained earnings	4	57	175
Total equity	1,054	1,107	1,225
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Bond borrowings	2,847	2,881	2,915
Total non-current liabilities	2,847	2,881	2,915
<b>Current liabilities</b>			
Accrued interest on Bond	109	109	109
Current tax liabilities	9	20	15
Total current liabilities	118	129	124
Total liabilities	2,965	3,010	3,039
<b>Total equity and liabilities</b>	<b>4,019</b>	<b>4,117</b>	<b>4,264</b>

## Statement of Cash Flow

### Statement of cash flow

€000	FY2022	FY2023	FY2024
<b>Operating activities</b>			
Interest receivable	-	528	897
Administrative expenses	(61)	(124)	(126)
Tax paid	-	(17)	(50)
<b>Net cash flows from operating activities</b>	<b>(61)</b>	<b>387</b>	<b>721</b>
<b>Financing activities</b>			
Movement in loans receivable	(3,639)	(0)	1,136
Movement in bond	3,000	-	-
Payment of issue costs	(170)	-	-
Bond interest repayment	-	(218)	(218)
Issue of share capital	50	-	-
Movement in shareholders' loan	1,000	-	-
<b>Net cash flows from financing activities</b>	<b>242</b>	<b>(218)</b>	<b>919</b>
<b>Net change in cash and cash equivalents</b>	<b>180</b>	<b>170</b>	<b>1,640</b>
Cash and cash equivalents, beginning of period	-	180	350
<b>Cash and cash equivalents, end of period</b>	<b>180</b>	<b>350</b>	<b>1,990</b>

### Projections based on exercise of the Over-Allotment (i.e. €5 million Bond)

## Income Statement

### Income statement

€000	FY2022	FY2023	FY2024
Interest income	480	862	927
Interest expense	(181)	(363)	(363)
<b>Net finance income</b>	<b>299</b>	<b>500</b>	<b>564</b>
Administrative expenses	(105)	(211)	(216)
Provision on loans receivable	(176)	(171)	(110)
Issue costs amortisation	(20)	(40)	(40)
<b>Net profit before tax</b>	<b>(2)</b>	<b>77</b>	<b>198</b>
Taxation	(5)	(26)	(49)
<b>Net profit</b>	<b>(7)</b>	<b>52</b>	<b>150</b>

## Statement of Financial Position

### Statement of financial position as at

€000	31 Dec 2022	31 Dec 2023	31 Dec 2024
<b>Assets</b>			
<b>Non-current assets</b>			
Deferred tax asset	0	1	2
<b>Total non-current assets</b>	<b>0</b>	<b>1</b>	<b>2</b>
<b>Current assets</b>			
Loans receivable	5,334	5,163	3,332
Accrued income	480	542	110
Cash and cash equivalents	235	462	2,896
<b>Total current assets</b>	<b>6,049</b>	<b>6,167</b>	<b>6,339</b>
<b>Total assets</b>	<b>6,049</b>	<b>6,169</b>	<b>6,341</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	50	50	50
Shareholders' loan	1,000	1,000	1,000
Retained earnings	(7)	44	194
<b>Total equity</b>	<b>1,043</b>	<b>1,094</b>	<b>1,244</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Bond borrowings	4,820	4,860	4,900
<b>Total non-current liabilities</b>	<b>4,820</b>	<b>4,860</b>	<b>4,900</b>
<b>Current liabilities</b>			
Accrued interest on Bond	181	181	181
Current tax liabilities	6	32	14
<b>Total current liabilities</b>	<b>187</b>	<b>214</b>	<b>195</b>
<b>Total liabilities</b>	<b>5,007</b>	<b>5,074</b>	<b>5,095</b>
<b>Total equity and liabilities</b>	<b>6,049</b>	<b>6,168</b>	<b>6,339</b>

## Statement of Cash Flow

### Statement of cash flow

€000	FY2022	FY2023	FY2024
<b>Operating activities</b>			
Interest receivable	-	800	1,358
Administrative expenses	(105)	(211)	(216)
Tax paid	-	1	(67)
<b>Net cash flows from operating activities</b>	<b>(105)</b>	<b>589</b>	<b>1,076</b>
<b>Financing activities</b>			
Movement in loans receivable	(5,510)	0	1,721
Movement in bond	5,000	-	-
Payment of issue costs	(200)	-	-
Bond interest repayment	-	(363)	(363)
Issue of share capital	50	-	-
Movement in shareholders' loan	1,000	-	-
<b>Net cash flows from financing activities</b>	<b>340</b>	<b>(362)</b>	<b>1,359</b>
<b>Net change in cash and cash equivalents</b>	<b>235</b>	<b>227</b>	<b>2,434</b>
Cash and cash equivalents, beginning of	-	235	462
<b>Cash and cash equivalents, end of</b>	<b>235</b>	<b>462</b>	<b>2,896</b>



# Grant Thornton

An instinct for growth™

The Directors  
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30 June 2022

Dear Sirs

**Independent Accountants' Report on the consolidated projected financial information of Hart Capital Partners (UK) Limited in its capacity as the Guarantor and Hart Capital Partners (Europe) p.l.c. in its capacity as the Issuer.**

We report on the consolidated projected financial position, income statement and statement of cash flows ("the consolidated projected financial information") of Hart Capital Partners (UK) Limited, which include the projected financial information of Hart Capital Partners (UK) Limited and its subsidiaries (together referred to as "the Hart Capital Group") for the three year period from 18 January 2022 to 31 December 2024. The consolidated projected financial information, the basis of preparation and the material assumptions upon which the projections are based, are set out in Annex B in sections 1 to 4 of the Company Admission Document issued by Hart Capital Partners (Europe) p.l.c. dated 26 August 2022.

This report is required in terms of Appendix 4.6 of the Prospects Rules issued by the Malta Stock Exchange and is given for the purpose of complying with that regulation and for no other purpose.

**Directors' responsibilities for the consolidated projected financial information**

It is the responsibility of the Directors of Hart Capital Partners (Europe) p.l.c. to prepare the consolidated projected financial information and the assumptions upon which it is based, as set out in sections 1 to 4 of Annex B, in accordance with the requirements of Prospects Rules issued by the Malta Stock Exchange.

**Accountants' responsibility**

It is our responsibility to form an opinion as required by Appendix 4.6 as issued by the Prospects Rules as to the proper compilation of the consolidated projected financial information, in so far as the application of the underlying accounting policies and accuracy of calculations are concerned, and to report that opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the Prospects Rules, consenting to its inclusion in the Company Admission Document.

#### Basis of preparation of the consolidated projected financial information

The financial information has been prepared on the basis stated in Annex B of the Company Admission Document and is based on a projection covering the three year period ending 31 December 2024. The consolidated projected financial information is required to be presented on a basis consistent with the accounting policies adopted by the Hart Capital Group.

#### Basis of Opinion

We have examined the basis of compilation and the accounting policies of the accompanying consolidated projected financial information of the Hart Capital Group for the three year period ending 31 December 2024 in accordance with ISAE 3400 – “The Examination of Prospective Financial Information”.

Our work included an evaluation of the basis on which the consolidated projected financial information included in the projection has been prepared. Moreover, we have assessed whether the consolidated projected financial information has been prepared and considering whether the consolidated projected financial information has been accurately computed in accordance with the disclosed assumptions and accounting policies of Hart Capital Group.

The assumptions upon which the consolidated projected financial information is based are solely the responsibility of the Directors of Hart Capital Partners (Europe) p.l.c. and accordingly we express no opinion on the validity of the assumptions.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the consolidated projected financial information has been properly compiled on the basis stated, in so far as the application of the underlying accounting policies and accuracy of calculations are concerned.

The consolidated projected financial information is not intended to, and does not, provide all the information and disclosures necessary to give a true and fair view of the results of the operations and the financial position of the Group in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs).

Since the consolidated projected financial information and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the consolidated projected financial information and differences may be material. Also, we have not, in the course of the engagement, performed an audit or a review of the actual financial information for the three-year period ending 31 December 2024 which was used in compiling the consolidated projected financial information.

### Opinion

In our opinion, the consolidated projected financial information has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies normally adopted by the Hart Capital Group.

Yours faithfully,



Oriana Abela  
Partner

## Annex C: List of Directorships

### *Mr. Christon Burrows*

The following companies are all registered in England & Wales

Company Name	Company Number	Date of appointment
Alpha Client Services Limited	13042952	25 November 2020
Alpha Financial Investments Limited	12532899	24 March 2020
Alpha Secured Investment Services Limited	12535147	26 March 2020
Alpha Secured Investments Limited	12535187	26 March 2020
Asi Secured 1 Year Growth Limited	12523625	18 March 2020
Asi Secured 1 Year Income Limited	12586868	5 May 2020
Asi Secured 3 Year Growth Limited	12523608	18 March 2020
Asi Secured 3 Year Income Limited	12587045	5 May 2020
Asi Secured 5 Year Growth Limited	12523597	18 March 2020
Asi Secured 5 Year Income Limited	12587052	5 May 2020
Chediston Partners llp	OC407350	18 March 2016
Holbrook & Partners Limited	10076598	7 December 2020
Holbrook (Hemel) Limited	13088569	17 December 2020
Jh Secured Growth Bond Limited	12572344	27 April 2020
John Howard (Collingbourne) Limited	12793671	5 August 2020
John Howard Investments Limited	12882199	16 September 2020
Keryx Limited	13287961	24 March 2021
Newgate (Henley) Limited	11294545	5 April 2018
P1 Asset Finance Limited	12575776	28 April 2020
P1 Capital	10893482	1 August 2017
P1 Capital Partners Limited	11250944	12 March 2018
P1 Capital Rock Limited	12055971	18 June 2019
P1 Capital Services Limited	11251241	13 March 2018
P1 Cp Secured August 2020 (Growth) Limited	12128763	30 July 2019
P1 Cp Secured August 2020 (Inc) Limited	12128719	30 July 2019
P1 Cp Secured September 2019 (Growth) Limited	11546749	1 September 2018
P1 Cp Secured September 2019 (Inc) Limited	11546929	1 September 2018
P1 Cp Secured September 2021 (Growth) Limited	11547032	1 September 2018
P1 Cp Secured September 2021 (Inc) Limited	11549668	3 September 2018
P1 Cp Secured September 2023 (Growth) Limited	11547014	1 September 2018
P1 Cp Secured September 2023 (Inc) Limited	11547001	1 September 2018

P1 Investments Limited	12198622	10 September 2019
P1 Worsfold Limited	13030798	19 November 2020
P1cor Secured March 2024 (Growth) Ltd	11817123	11 February 2019
P1cor Secured March 2024 (Inc) Ltd	11817053	11 February 2019
Prunus (Farnborough) Limited	11057862	10 November 2017
Prunus (Surbiton) Limited	10894083	1 August 2017
Regatta FS 1 Ltd	13717538	25 April 2022
Spinnaker Capital Management Limited	9184534	15 January 2017
Spinnaker Lomas & Partners Limited	11429242	22 June 2018

The following companies are all registered in the Isle of Man

<b>Company Name</b>	<b>Company Number</b>	<b>Date of appointment</b>
P1cp Int-Gro Ltd	017083V	3 May 2019
P1cp Int-Inc Ltd	017084V	3 May 2019
P1 Income 2000 Limited	017712V	23 December 2019
P1 Income 2020	017327V	30 July 2019
P1 Income 2023	017552V	23 October 2019
P1 Income 3000 Limited	017713V	23 December 2019

The following companies are registered in the Cayman Islands

<b>Company Name</b>	<b>Company Number</b>	<b>Date of appointment</b>
Petryszyn Capital Ltd	SG-350254	17 April 2019
P1 Capital Partners International Ltd	SG-350116	12 April 2019

*Mr. Alexander Tanti*

<b>Company Name</b>	<b>Company Number</b>	<b>Date of appointment</b>
Pjazza Merkanti Limited	C 70662	20 May 2015
ALT Holdings Limited	C 77659	17 October 2016
Agrostudio Group Limited	C 74669	1 July 2017
Transcargo International Limited	C 33668	31 October 2014
Continental Cargo Limited	C 34555	31 October 2014
Majstel Services Limited	C 44470	28 August 2015
Eight Oaks Capital Holdings Limited	C 78737	20 December 2016
Eight Oaks Capital Limited	C 78738	1 February 2017
FES Finance p.l.c.	C 89431	14 September 2021

*Mr. Victor Spiteri*

<b>Company Name</b>	<b>Company Number</b>	<b>Date of appointment</b>
Eden Leisure Group Limited	C 4529	5 January 2018



Eden Finance p.l.c.	C 26843	28 October 2016
Hudson Malta plc	C 83425	21 February 2018
Tilecraft Limited*	C 8722	2 May 2019

\* resigned on 8 August 2022

**Mr. Joseph Galea**

<b>Company Name</b>	<b>Company Number</b>	<b>Date of appointment</b>
Beachfront Ltd.	C 52036	17 February 2020
AOM Malta Holding Ltd	C102442	31 May 2022
Augustea Oceanbulk Maritime Malta Ltd	C 89759	1 February 2020
Iblea Ship Management Ltd	C 98389	11 March 2021
Sensata Malta Holdings Ltd	C 96839	6 October 2020
Sensata Technologies Malta Ltd	C 96840	6 October 2020
Dr Emil Ltd.	C 93624	16 September 2020
Levanta Ltd	C 76350	7 July 2016
RebelCode Ltd	C 76412	12 July 2016
QPM Ltd.*	C 26148	9 November 2011
Mizzi Organisation Finance p.l.c.	C 29506	19 August 2021
LexPractis Ltd	C 77594	21 January 2022

\* resigned on 30 January 2020

The following company is registered in Hungary

IHI Magyarország Zrt*	01-10-044660	1 <sup>st</sup> July 2005
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\*resigned on 30 June 2021

## **Annex D: Security Trust Deed**

**TRUST DEED**

**“HART CAPITAL PARTNERS (EUROPE) BOND 2027 TRUST”**

A Trust Deed dated 20 October 2022

Between

Hart Capital Partners (Europe) p.l.c.

(the “**Issuer**”)

And

Hart Capital Partners (UK) Limited

(the “**Guarantor**”)

And

Equity Wealth Solutions Limited

(the “**Trustee**”)

**THIS TRUST DEED IS MADE ON THIS THE 20<sup>th</sup> OCTOBER 2022 BETWEEN:**

1. **HART CAPITAL PARTNERS (EUROPE) P.L.C.** a public limited liability company, registered under the laws of Malta with company registration number C100619 and having its registered office situated at 55D, Birbal Street, Balzan, BZN 9017, Malta (the “**Issuer**”); and
2. **HART CAPITAL PARTNERS (UK) LIMITED**, a private limited liability company registered under the laws of England & Wales with company registration number 13528148 and with its registered office at 47a Broadgates, Market Place, Henley-On-Thames, England, RG9 2AD; (the “**Guarantor**”); and
3. **EQUITY WEALTH SOLUTIONS LIMITED** a private limited liability company registered under the laws of Malta with company registration number C31987 and with registered office situated at 176 Old Bakery Street, Valletta, VLT 1455, Malta, duly authorised to act as trustee pursuant to the Act (the “**Security Trustee**”)

The Issuer, the Guarantor and the Security are each referred to as “**Party**” and are collectively referred to as the “**Parties**”.

**WHEREAS:**

- A. Pursuant to the Company Admission Document (as defined below), the Issuer proposes to issue €3,000,000 (or up to €5,000,000 if the Over-Allotment Option (as defined below) is exercised in full) in aggregate nominal value of bonds which are to be admitted on the Prospects MTF operated by the Malta Stock Exchange (the “**Bonds**”);
- B. The Issuer wishes to issue the Bonds, each with a nominal value of €100 per Bond, subject to the Terms and Conditions (as defined below).
- C. The Issuer and the Guarantor wish to grant to the Security Trustee (for the benefit of the Bondholders) certain undertakings, the Security and certain other rights in connection with the issuance of the Bonds and as specified in more detail in this Deed; and
- D. The Security Trustee is authorised to act as trustee in terms of the Act and has agreed to act as trustee for the benefit of the Bondholders.

**IT IS THEREFORE AGREED AND DECLARED AS FOLLOWS:**

**1. DEFINITIONS**

- 1.1. Capitalised terms used but not otherwise defined herein have the meanings set forth in the Company Admission Document, as the same may be updated from time to time.
- 1.2. In this Deed:

“**Act**” means the Trusts and Trustees Act, Chapter 331 of the laws of Malta;

“**Account**” means the Guarantor’s cash account with the Account Bank;

“**Account Bank**” means Citibank N.A, London Branch (UK establishment number BR001018) of Citigroup Centre, Canary Wharf, Canada Square, E14 5LB, United Kingdom;

“**Account Charge**” means the account charge constituted in favour of the Security Trustee pursuant

to the Account Charge Deed;

**“Account Charge Deed”** means an English law governed account charge deed to be entered into on the Issue Date, pursuant to which the Guarantor will grant a first fixed charge of all monies from time to time standing to the credit of the Account, together with all other rights and benefits accruing to or arising in connection with the Account, in favour of the Security Trustee for the benefit of Bondholders as security for the performance of the Issuer’s payment obligations under the Terms and Conditions;

**“Bond/s”** means the bonds, with a maximum aggregate nominal value of €3,000,000 (or up to €5,000,000 if the Over-Allotment Option is exercised in full), to be issued by the Issuer pursuant to the Company Admission Document and which remain outstanding from time to time;

**“Bondholder”** means the holders of the Bonds from time to time, as evidenced by an electronic entry in the CSD Register and **“Bondholder”** also means any one such holder of Bonds;

**“Company Admission Document”** means the company admission document issued by the Issuer on 20 October 2022 for the issuance of the Bonds;

**“Corporate Advisor”** means Grant Thornton Limited a private limited liability company registered under the laws of Malta with company registration number C 80426 and with its registered office at Fort Business Centre, Level 2, Triq l-Intornjatur, Zone 1, Central Business District, Birkirkara, CBD 1050, Malta, and/or any related entity, and/or affiliate, as duly authorised to act as Corporate Advisor by the MSE, in terms of the Prospects MTF Rules (as this term is defined in the Company Admission Document);

**“CSD”** means the Central Securities Depository for dematerialised financial instruments in Malta operated by the MSE and authorised in terms of the Financial Markets Act;

**“CSD Register”** means the register of Bonds and Bondholders held and maintained by the CSD on behalf of the Issuer;

**“Deed”** means this trust deed, as the same may be amended, replaced or updated from time to time;

**“Deposited Monies”** means cash and balances held in the Account, which account shall be charged in favour of the Security Trustee pursuant to the Account Charge Deed;

**“Due Diligence Policy”** shall have the meaning ascribed to it in the Company Admission Document;

**“Event of Default”** shall have the meaning ascribed to this term in the Terms and Conditions;

**“Extraordinary Resolution”** means a resolution passed at a meeting of the Bondholders duly convened and held in accordance with this Deed by the holders of at least 60% in nominal value of the Bonds held by those Bondholders present at a meeting of the Bondholders or at any adjourned meeting thereof, as the case may be;

**“Financial Indebtedness”** means amounts borrowed, any debenture, bond, note, loan stock or other security, any acceptance credit, the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment is arranged primarily as a method of raising finance for the acquisition of that asset, leases entered into primarily as a method of raising finance for the acquisition of the asset leased, amounts

raised under any other transaction having the commercial effect of borrowing or raising of money, any guarantee, indemnity or similar agreement;

**“Group”** means the Issuer, the Guarantor and any other subsidiaries of the Issuer which may be incorporated in any jurisdiction from time to time;

**“Guarantee”** means the guarantee granted by the Guarantor to the Security Trustee (for the benefit of the Bondholders) pursuant to the Guarantee Deed;

**“Guarantee Deed”** an English law governed guarantee deed to be entered into on the Issue Date, pursuant to which the Guarantor will unconditionally and irrevocably guarantee to the Security Trustee (for the benefit of Bondholders) the due and punctual payment of the Indebtedness;

**“Indebtedness”** means any and all monies, obligations and liabilities now or hereafter due, owing or incurred by the Issuer under the Bonds to the Bondholders (whether alone and/or with others) pursuant to the Terms and Conditions and in any and all cases whether for principal, interest, capitalised interest, charges, disbursements or otherwise and whether for actual or contingent liability, as well as any fees and/or expenses which the Bondholders may incur in the protection, preservation, collection or enforcement of their rights against the Issuer and/or Guarantor;

**“Interest Cover Ratio”** means the Group’s pre-tax profits before interest expense and provision on loans divided by the Group’s interest expense;

**“Issue Date”** means the 28<sup>th</sup> November 2022;

**“Loan”** shall have the meaning ascribed to it in the Company Admission Document;

**“Loan Security Interests”** shall have the meaning ascribed to it in the Company Admission Document;

**“MSE”** means the Malta Stock Exchange p.l.c., as originally constituted by the Financial Markets Act, with company registration number C42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;

**“Maturity Date”** means the date of maturity of the Bonds as will be set out in the Terms and Conditions;

**“Net Gearing Ratio”** means the Group’s net interest bearing financial borrowings divided by the sum of the Group’s net interest bearing financial borrowings plus total equity;

**“Over-Allotment Option”** shall have the meaning ascribed to it in the Company Admission Document;

**“Payment Direction Agreement”** means the payment direction agreement to be entered into on or around the date of the Company Admission Document by the Issuer, the Security Trustee, the Guarantor and the Placement Agent and Manager which shall *inter alia* regulate the process in which the subscription monies raised during the Bond Issue shall pass from the Placement Agent and Manager to the Guarantor;

**“Placement Agent and Manager”** shall have the meaning ascribed to it in the Company Admission Document;

**“Secured Property”** means the movable and/or immovable property, whether tangible or intangible, which forms the subject of the Security;

**“Security”** means the Guarantee and any and all security interests granted by the Guarantor in favour of the Security Trustee for the benefit of the Bondholders pursuant to the Security Documents

**“Security Assignment”** means the security assignment granted to the Security Trustee pursuant to the Security Assignment Deed;

**“Security Assignment Deed”** an English law governed security assignment deed to be entered into on the Issue Date, pursuant to which the Guarantor will assign, by way of first fixed security, all of its legal and beneficial rights, title, benefit and interest, in and to (and arising under the relevant documentation in relation to) the Loan Receivables (as defined in the Company Admission Document) and the Loan Security Interests (as defined in the Company Admission Document), both present and future, to the Security Trustee (for the benefit of the Bondholders) as security for the performance of the Issuer’s payment obligations under the Terms and Conditions;

**“Security Document”** means each document constituting Security, namely:

- (i) the Guarantee Deed;
- (ii) the Account Charge Deed; and
- (iii) the Security Assignment Deed;

**“Terms and Conditions”** means the terms and conditions of the Bonds as will be set out in Section 8 of the Company Admission Document;

**“Trust Period”** means the period ending on the earlier of the:

- (i) expiration of the period of 100 years from the date of this Deed; or
- (ii) day on which the Trust Property has been distributed in its entirety;

**“Trust Property”** means the following:

- (i) initially the undertakings given by the Guarantor as stated in Clause 2 of this Deed in respect of the Bonds; and
- (ii) subsequently the rights and benefits of all the Security granted in favour of the Security Trustee, including for the avoidance of doubt any proceeds derived from the realization of any such Security.

- 1.3. Any reference to the Issuer, Guarantor, and/or the Security Trustee includes a reference to its/their duly authorised delegates.
- 1.4. References to Clauses are references to Clauses of this Deed.
- 1.5. Words in the singular shall include the plural and vice versa.
- 1.6. The headings to the Clauses of this Deed are for convenience only and shall not affect the construction or interpretation hereof.

- 1.7. In the event of any inconsistency between the provisions of this Deed and those of the Terms and Conditions, the provisions of this Deed shall prevail.

## **2. UNDERTAKINGS TO SECURITY TRUSTEE**

- 2.1. The Issuer hereby undertakes and binds itself in favour of the Security Trustee to issue the Bonds by the Issue Date.
- 2.2. The Guarantor hereby undertakes and binds itself in favour of the Security Trustee to execute each of the Security Documents on the Issue Date.
- 2.3. The Guarantor hereby undertakes and binds itself in favour of the Security Trustee to do all the following on the Issue Date:
- (i) perfect the Guarantee, the Account Charge and the Security Assignment in favour of the Security Trustee as required; and
  - (ii) do all that is otherwise necessary or desirable to properly constitute, register and perfect the Security in favour of the Security Trustee.
- 2.4. The Security Trustee accepts these undertakings and accepts to hold the Security on trust in terms of this Deed; and agrees and undertakes to receive the Security given by the Guarantor in terms of the above.
- 2.5. In the event that any of the undertakings set out in this Clause 2 are not observed by the Guarantor to the satisfaction of the Security Trustee and within the time-periods indicated in the same Clause 2, then the Trust (as defined below) shall terminate on the basis that the conditions for the issuance of the Bonds have not materialised. In such an event the Security Trustee shall, at the cost of the Issuer, do all that is necessary or desirable to terminate and return all and any applicable Security to the Guarantor.

## **3. TRUST**

- 3.1 For as long as no Bonds have been issued to the Bondholders, the Security Trustee shall hold on trust for the benefit of the Issuer and the Guarantor the Trust Property in the same proportion as this has been settled in trust by each of them.
- 3.2 Upon the issuance of the Bonds to the Bondholders, the Trust Property is held by the Security Trustee on trust for all the Bondholders *pari passu* according to the rights and interests held by each Bondholder in the Bonds.
- 3.3 The issuance of the Bonds shall be made subject to the provisions of this Deed.
- 3.4 Any sums received by the Security Trustee, whether of principal, interest or otherwise, from the Issuer, the Guarantor or any other person, shall be received by the Security Trustee on trust to apply them to indemnities, costs and charges in accordance with this Deed and thereafter to distribute and apply them in accordance with rights and interests of each Bondholder as set out in this Deed.

PROVIDED that any funds received by the Security Trustee in its account with the Placement



Agent and Manager in terms of the Payment Direction Agreement shall not be deemed to be held on trust by the Security Trustee in terms of this clause 3.4 and, for the avoidance of doubt, such funds shall be regulated solely by the terms of the Payment Direction Agreement.

3.5 This Deed constitutes *inter alia* a security trust for the purposes of Article 2095E of the Civil Code. Moreover, for the purposes of the Act, this trust shall be treated as constituted in the context of a commercial transaction.

3.6 The trust established under this Deed is to be known as the “**Hart Capital Partners (Europe) Bond 2027 Trust**” or the “**Trust**”.

#### **4. DEED BINDING ON ALL BONDHOLDERS**

4.1 The terms and conditions of this Deed shall, upon subscription and/or purchase of any Bonds, be binding upon any Bondholder as if he had been a party hereto and as if each Bondholder covenanted under this Deed to observe and be bound by all the provisions hereof, and the Security Trustee is hereby authorised and required by all of the Bondholders to do the things required of it by this Deed.

4.2 The Security Trustee acknowledges on behalf of the Bondholders that the Bonds may rank junior and subsequent to any prior ranking preference arising by operation of the law.

#### **5. EVIDENCE OF BENEFICIAL INTEREST AND BONDHOLDER INFORMATION**

5.1 The CSD Register shall be maintained by the CSD and shall serve as conclusive evidence of the entitlement of each Bondholder as a beneficiary under this Deed. The Issuer hereby agrees to provide the Security Trustee with full and unconditional access to the CSD Register and full and unrestricted information in respect thereof upon demand, but no later than the day after the request is made which information is to include the name and surname, date of birth, nationality, country of residence, official identification document type, official identification document number and/or country of issue of the identification document, or any other similar information, in respect of each Bondholder.

5.2 The Security Trustee shall, in the exercise of its powers and duties in terms of this Deed, rely on the information contained in the CSD Register without any obligation to verify or otherwise confirm its contents.

#### **6. COVENANTS BY THE ISSUER AND THE GUARANTOR**

6.1 Each of the Issuer and the Guarantor severally covenants in favour of the Security Trustee that, at all times during the continuance of this Deed, it shall:

- (i) maintain its corporate existence as a limited liability company duly organised and existing and in good standing under the laws of Malta and/or England & Wales, as the case may be;
- (ii) promptly upon becoming aware of the happening of an Event of Default notify the Security Trustee of such event;
- (iii) at all times and at its own cost and expense, use its best endeavours to, or to cause to, maintain, preserve and keep in good order the Secured Property granted by the Guarantor;

- (iv) duly observe all applicable laws and regulations related to the Secured Property;
  - (v) duly and punctually perform and observe all obligations whatsoever which ought properly to be performed and observed by the Guarantor in respect of the Secured Property;
  - (vi) permit the Security Trustee, at its sole discretion, or any person or persons authorised by it, at any time and from time to time during the usual times of business so long as the Bonds shall remain outstanding, to inspect and examine all of the Guarantor's records and information relating to the Security from time to time and the audited financial statements of the Guarantor and/or the Issuer; PROVIDED THAT the aforementioned inspection may only be made by the Security Trustee after having notified the Guarantor or the Issuer as the case may be in writing of its intention, that the aforementioned inspection is made during reasonable business hours, and that the Security Trustee shall only be bound to undertake any such inspection if instructed to do so by an Extraordinary Resolution instructing it to do so and such inspection shall be solely for the purpose of the Security Trustee to pass on any information to the Bondholders that is specifically requested by them relating to the Security;
  - (vii) keep proper books of account (including copies of its balance sheet and profit and loss account certified by its auditors and copies of its auditors' and directors' reports thereon, together with copies of any other documents required by law to be attached thereto);
  - (viii) at all reasonable times permit the Security Trustee, at its sole discretion, or any person appointed by the Security Trustee for that purpose, to inspect the audited financial statements of the Issuer and the Guarantor; PROVIDED THAT the aforementioned inspection may only be made by the Security Trustee after having notified the Issuer or the Guarantor (as the case may be) in writing of its intention, that the aforementioned inspection is made during reasonable business hours, and that the Security Trustee shall only be bound to undertake any such inspection if instructed to do so by an Extraordinary Resolution instructing it to do so and such inspection shall be solely for the purpose of the Security Trustee to pass on any information to the Bondholder that is specifically requested by them in relation to the audited financial statements;
  - (ix) carry on its business in a proper and efficient manner;
  - (x) forthwith on receipt of same, deliver to the Security Trustee all orders, directions, notices and other things whatsoever affecting or likely to adversely affect the Security; and
  - (xi) furnish the Security Trustee with the e-mail address of each Bondholder, in order for the Security Trustee to be able to discharge its obligations in terms of clause 10.4 below.
- 6.2 The Issuer further covenants not to declare or pay any dividend, purchase or redeem any of its own shares for as long as any of the Bonds remain outstanding.
- 6.3 Neither the Issuer nor the Guarantor, shall for as long as any principal or interest under the Bonds remain outstanding, incur or guarantee any Financial Indebtedness, unless the financial test ratio calculated on the basis of the Group's latest consolidated audited financial statements adjusted to take into consideration the proposed additional incurrence or guarantee of Financial Indebtedness, is satisfied first.

PROVIDED THAT the financial test ratio shall be deemed to be satisfied if:

- (i) the Interest Cover Ratio is at least one point five; and
- (ii) the Net Gearing Ratio does not exceed 85%.

6.4 The Guarantor hereby covenants to the Security Trustee that:

- (i) until the maturity date of the Bonds, its Net Gearing Ratio will not exceed 85%;
- (ii) Towards the Maturity Date, or towards the target Early Redemption Date if the Issuer opts to exercise its right to redeem the Bonds in whole on any Early Redemption Date, the Guarantor shall ensure that any expected mismatch between the amount required for the due redemption of the Bonds and the amount receivable on maturity of the outstanding Loans, shall be met by adjusting the maturity of the Loan acquired for the last cycle, or by the sale of Loans;
- (iii) a minimum cash balance equivalent to 6 months' interest due to Bondholders in respect of the Bonds will be retained in the Account at all times;
- (iv) the loan-to-value ratio of each Loan will be monitored on an ongoing basis by the Group and, if in the Guarantor's opinion supported by independent data provided by third parties, the loan-to-value ratio of any given Loan exceeds 90%, the Guarantor shall immediately notify the Issuer, and upon receipt of such notification, the Issuer shall have the right to request the Guarantor to exit the Loan(s) in question;

if on the 4<sup>th</sup> anniversary of the Issue Date (i) the cumulative total default rate across the Guarantor's Loan portfolio between date of admission of the Bonds to trading and the fourth 4<sup>th</sup> anniversary of the Issue Date is more than 5% and (ii) the Guarantor does not register a profit during any of the preceding financial years, the Guarantor shall.

## **7. REPRESENTATIONS AND WARRANTIES**

7.1 Each of the Issuer and the Guarantor severally represents and warrants in favour of the Security Trustee, who relies upon such representations and warranties, that, for the duration of this Deed:

- (i) it is duly incorporated and validly registered under the laws of Malta and/or England & Wales and has the power to carry on its business as it is now being conducted and to hold its property and other assets under legal title;
- (ii) it has the power to execute, deliver, and perform its obligations under this Deed and the Security Documents;
- (iii) all necessary corporate action has been duly taken to authorise the execution, delivery and performance of the same;
- (iv) this Deed constitutes its legally valid and binding obligations;
- (v) the execution of this Deed and the performance of its obligations hereunder do not (a) contravene any existing applicable law, statute, rule or regulation or any judgment, decree or permit to which it is subject, (b) conflict with, or result in any breach of any terms of, or constitute a default or acceleration event under any bond or other instrument to which it is a party or is subject or by which it or its property is bound, (c) contravene any provisions of its memorandum and articles of association;

- (vi) no litigation, arbitration or administrative proceedings are pending or, to its knowledge, threatened against it which could have a material adverse effect on its business, assets or financial condition;
- (vii) the Company Admission Document shall contain all material information with respect to it and that all information contained therein shall, in every material respect, be correct and true and not misleading and that there shall be no facts in relation to it, its respective businesses and financial position, the omission of which would, in the context of the bond issue make any statement made in the Company Admission Document misleading or inaccurate in any material respect. Provided that in respect of the Guarantor, this representation and warranty shall be limited to the material information which relates respectively to it and its assets; and
- (viii) every consent, authorisation, approval or registration with, or declaration to, governmental or public bodies or authorities or courts, required by it in connection with the execution, validity, enforceability of this Deed or the performance of its obligations hereunder, have been obtained or made and are in full force and effect and there has been no default in the observance of any of the conditions or restrictions, if any, imposed on, or in connection with, any of the same.

7.2 The Guarantor hereby represents and warrants that all Loans to be granted and/or acquired by it shall meet all of the following criteria:

- (i) the minimum value of each Loan shall be £100,000 while the maximum value of each Loan shall be £500,000;
- (ii) all Loans shall be secured by the relevant Loan Security Interests;
- (iii) an independent RICS Valuation (as defined in the Company Admission Document) must be obtained on all Development Properties (as defined in the Company Admission Document) in respect of which a Loan is made and a stress test based on the 2008 financial crisis shall be carried out;
- (iv) the value of each Loan (excluding accrued interest) cannot exceed 75% of the post-completion market value of the Development Property;
- (v) where the value of a Loan exceeds 50% of the value of the Development Property (as determined by the RICS Valuation), a personal or corporate guarantee pursuant to a Borrower Guarantee Deed (as defined in the Company Admission Document) must be obtained, which guarantee must cover both the principal, as well as the interest, of the Loan. In cases where the value of the Loan does not exceed 50% of the value of the Development Property (as determined by the RICS Valuation), the Guarantor must apply its judgement as to whether or not a personal or corporate guarantee pursuant to a Borrower Guarantee Deed is required. In such cases, the Guarantor's judgement is to be based on factors such as the type of project for which the Loan is being sought and the Borrower;
- (vi) the maximum term of each Loan shall be 24 months;
- (vii) the Guarantor's exposure in any one Development Property shall not exceed 10% of the aggregate value of the Guarantor's outstanding Loan Receivables (as defined in the Company Admission Document) and the cash balance of the Account;

- (viii) the Guarantor's exposure to any one Borrower (and/or any guarantor providing a guarantee pursuant to a Borrower Guarantee Deed) shall not exceed 20% of the aggregate value of the Guarantor's outstanding Loan Receivables and the cash balance of the Account;
  - (ix) all Loans must relate to projects in which experienced contractors, with a proven track record, are involved in the development of the relevant Development Property; and
  - (x) the interest rate of each Loan shall be at least 18%.
- 7.3 The Guarantor further represents and warrants that all Loans to be granted and/or acquired by it shall satisfy the Due Diligence Policy.
- 8. POWERS & FUNCTIONS OF THE SECURITY TRUSTEE**
- 8.1 The Security Trustee shall, in addition and without prejudice to all statutory powers, have the powers and immunities set out in this Deed. No power conferred on the Security Trustee shall be exercised so as to conflict with the beneficial provisions of this Deed.
- 8.2 Pursuant to article 21(7) of the Act, the Security Trustee shall only have those duties, obligations, responsibilities and liabilities expressly specified in this Deed and the duties, obligations, responsibilities and liabilities arising in terms of the Act shall be excluded to the extent permissible by law.
- 8.3 Except as provided in Clauses 3.1 and 11, the Security Trustee shall not distribute to or hold all or any of the Trust Property for the benefit of any person who is not a Bondholder.
- 8.4 Subject to clause 10.2 below, the Security Trustee may, in its absolute discretion and without further notice, enforce or take any step or proceedings to enforce the covenants and provisions in this Deed, and may in its absolute discretion waive on such terms and conditions as it shall deem expedient any of the covenants and provisions contained in this Deed and/or any of the Security Documents and/or the Company Admission Document and/or the Bonds. However, the Security Trustee shall not be bound to take any such steps or proceedings to enforce the said covenants and provisions unless requested to do so by an Extraordinary Resolution. In the absence of such instructions from the Bondholders, the Security Trustee may act (or refrain from taking action) as it considers to be in its sole and absolute discretion in the best interest of the Bondholders PROVIDED THAT, notwithstanding any other clause in this Deed, the Security Trustee shall, in the absence of an Extraordinary Resolution, not take any step or proceedings to enforce the covenants and provisions of this Deed when to do so would run contrary to the directions or instructions of the Bondholders representing at least fifty per cent (50%) of the voting rights attached to all the Bonds.
- 8.5 The Security Trustee shall not be liable for any act (or omission) performed (or not performed) pursuant to or in connection with this Deed, whether it acted (or omitted to act) in accordance with instruction/s from the Bondholders or in exercise of any discretion afforded to it by this Deed, provided that any action or inaction of the Security Trustee does not result from its fraud, wilful misconduct or gross negligence.
- 8.6 Subject to the provisions of Clause 6.1(vi), the Security Trustee shall have the power, but shall have no obligation, to request financial and other information relating to the Issuer, the Guarantor and the Bonds on behalf of the Bondholders. The Security Trustee shall have the powers and discretions

granted to it pursuant to this Deed and/or the Security Documents and/or the Company Admission Document and/or the Terms and Conditions. The Bondholders shall not have any independent power to exercise any rights, remedies, discretions or powers which are by this Deed or by any other document intended to be exercised by the Security Trustee.

8.7 Without prejudice to the powers and the reliefs conferred upon trustees under applicable law, the Security Trustee shall have the following powers, which may be exercised at its sole discretion:

- (i) The Security Trustee may employ and pay, at the expense of the Issuer, any agent in any part of world to transact any business in connection with this Trust without being responsible for the fraud, dishonesty or negligence of such agent if employed in good faith;
- (ii) The Security Trustee may hold all or any part of the Trust Property in the name of any person or partnership, as nominee, on such terms as the Security Trustee thinks fit;
- (iii) The Security Trustee may engage any person or partnership to manage the Trust Property without being liable for any consequent loss;
- (iv) The Security Trustee may, without being liable for any consequent loss, delegate to any person the operation of any bank or other account;
- (v) The Security Trustee may, by deed revocable or irrevocable, delegate to another trustee or any other person the exercise of all or any powers conferred on such trustee (other than the power of delegation conferred by this sub-Clause);
- (vi) Subject to applicable law, to delegate, whenever it thinks fit, any of its powers under this Deed to any person/s (including but without limitation, any officer/employee/agent of the Security Trustee) believed by it to be competent and responsible and to delegate all or any of the trust powers and duties vested in it under this Deed to such person/s (including any such officer/employee/agent as aforesaid) as it shall think fit and to confer power to sub-delegate without incurring any liability for the default of any person to whom such powers or duties are delegated or sub-delegated; and
- (vii) In carrying out its powers and functions in terms of this Deed, and/or the Security Documents and/or the Company Admission Document and/or the Terms and Conditions, the Security Trustee shall rely on the advice, opinion, direction, report, statement, certificate or other information by any advocate, broker, surveyor, valuer, accountant, auditor or other professional person without incurring any liability for so relying notwithstanding that such professional person may have been employed or engaged by the Issuer or may otherwise not be disinterested and without incurring liability for any error in the transmission of any such advise, opinion, direction, report, statement, certificate or other information, or by reason of the same not being authentic. The Security Trustee shall only be bound to make an investigation or inquiry into any matters stated in such advice, opinion, direction, report, statement, certificate or other information if instructed to do so by an Extraordinary Resolution.

8.8 The Security Trustee shall be under no obligation to insure any of the Trust Property or any deeds, documents of title, certificates, bonds or other evidence in respect thereof, or to require any other person to maintain any such insurance.

- 8.9 The Security Trustee shall be empowered to execute any document for the constitution of the Security for the benefit of the Bondholders. Until the end of the Trust Period, the Security Trustee shall be empowered to carry out any transaction and to execute any such document required pursuant to and/or conducive to the Security, including but not limited to, any amendment thereto and waiver to any terms thereof.
- 8.10 Notwithstanding any other provision of this Deed to the contrary, the Security Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.
- 8.11 The Security Trustee may rely on (i) any representation, notice or documents believed by it to be genuine, correct and appropriately authorised, and (ii) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within its knowledge or within its power to verify.
- 8.12 The Security Trustee shall not have any duty, responsibility or liability to any Bondholder, either initially or on a continuing basis: (a) except as otherwise provided in this Deed, to provide any of the Bondholders with any information with respect to the Issuer or the Guarantor or (b) for any failure of the Issuer and/or the Guarantor to perform any its obligations under and pursuant to this Deed, the Bonds, or any document in connection therewith.
- 8.13 The Security Trustee shall be empowered to comply with all its obligations in terms of applicable laws and regulation, including, *inter alia*, its obligations in terms of the Act and the Trusts and Trustees Act (Register of Beneficial Owners) Regulations (Subsidiary Legislation 331.10) and each of the Issuer, the Guarantor, and the Bondholders agree to hold the Security Trustee harmless for any action which the Security Trustee may take in the proper discharge of its obligations in terms of this Clause.
- 8.14 The Security Trustee shall administer the Trust Property in accordance with the terms of this Deed and its standard terms and conditions as applicable from time to time.
- 8.15 The Security Trustee shall be empowered to enter into, and comply with its obligations under, the Payment Direction Agreement including *inter alia* (i) to open an execution-only account with the Placement Agent and Manager (“**Execution-Only Account**”) for the purpose of receiving the subscription monies raised during the Bond Issue; and (ii) to provide written instructions to the Placement Agent and Manager to transfer the subscription monies from the Execution-Only Account to the Guarantor’s Account.

## **9. FINANCIAL TRANSACTIONS BY SECURITY TRUSTEE**

Subject to applicable law, neither the Security Trustee nor any director, officer or employee of the Security Trustee shall, by reason of the fiduciary position of such Security Trustee, be in any way precluded from making any commercial contracts or entering into any commercial transactions with the Issuer and/or the Guarantor, whether directly or through any subsidiary or associated company, or from accepting the trusteeship of any other debenture stock, debentures or securities of the Issuer and/or the Guarantor, and without prejudice to the generality of these provisions it is expressly declared that such contracts and transactions include any contract or transaction in relation to the placing, underwriting, purchasing, subscribing for or dealing with or lending money upon or making payments in respect of any stock, shares,

debenture stock, debentures or other securities of the Issuer and/or the Guarantor or any contract of banking or insurance with the Issuer and/or the Guarantor and neither the Security Trustee nor any such director, officer or employee shall be accountable to the Bondholders for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions, and the Security Trustee and any such director, officer or employee shall also be at liberty to retain the same without accounting thereof.

## **10. ENFORCEMENT**

- 10.1 Subject to Clause 10.2 below, the Security Trustee may at any time, in its sole discretion, take such proceedings and/or other action as it may think fit against the Issuer and/or the Guarantor to enforce the obligations of the Issuer and/or the Guarantor under this Deed and/or the Terms and Conditions of the Bonds and/or any of the Security Documents and/or the Company Admission Document.
- 10.2 The Security Trustee shall not be bound to take any proceedings and/or other action pursuant to Clause 10.1 unless directed to do so by an Extraordinary Resolution, and only if it is indemnified and, if it so requires, secured to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may incur by so doing.
- 10.3 Only the Security Trustee may enforce the provisions of the Deed and/or the Terms and Conditions of the Bonds and/or any of the Security Documents and/or the Company Admission Document and no Bondholder may take proceedings directly against the Issuer and/or the Guarantor; PROVIDED THAT Bondholders may be entitled to enforce the provisions of the Deed, the Terms and Conditions of the Bonds and/or the Security Documents and/or the Company Admission Document if the Security Trustee, having become bound to proceed as described above, fails to do so within a period of 60 days after becoming so bound.
- 10.4 The Security Trustee shall not be bound to take any steps to ascertain whether any Event of Default or other condition, event or circumstance has occurred or may occur, and, until it shall have actual knowledge or express notice to the contrary, the Security Trustee shall be entitled to assume that no such Event of Default or condition, event or circumstance has happened and that the Issuer and the Guarantor are observing and performing all the obligations, conditions and provisions on its part contained in the Company Admission Document, the Security Documents and this Deed. PROVIDED that, in the event that the Security Trustee becomes aware of the fact that an Event of Default has occurred or is likely to occur, it shall notify the MSE, the Corporate Advisor and the Bondholders of such fact without delay. Such notification shall be made via electronic mail at the last known e-mail address of each recipient, provided that the Issuer shall be bound to furnish the Security Trustee with the e-mail addresses of each Bondholder, failing which, the Security Trustee shall not be bound to make any such notification.
- 10.5 All monies received or recovered by any of the Bondholders after the occurrence and during the continuance of an Event of Default, other than monies received by all Bondholders (on a *pari passu* basis according to the rights and interests held by each Bondholder in the Trust Property as evidenced by the CSD Register) received as payment from the Issuer and/or the Guarantor in the proper satisfaction of their obligations under the Terms and Conditions and/or the Guarantee Deed, shall be held on trust for the Security Trustee and be applied by the Security Trustee in favour of the Bondholders *pari passu* according to the rights and interests held by each Bondholder in the



Trust Property as evidenced by the CSD Register in accordance with Clause 11.

- 10.6 The Security Trustee shall be entitled to make deductions and withholdings (on account of taxes or otherwise) from payments to the Bondholders hereunder which it is required by any applicable law to make, and to pay all taxes which may be assessed against it in respect of Bonds and/or the Security, in respect of anything done by it in its capacity as trustee or otherwise by virtue of its capacity as trustee. Neither the Issuer nor the Security Trustee shall be under any obligation to pay any additional amounts in the event of a withholding or deduction required by applicable law.

## **11. DISTRIBUTION BY SECURITY TRUSTEE**

Without prejudice to the proviso of clause 3.4, all monies or other assets received by the Security Trustee in connection with this Deed or following enforcement of the Security Trustee's rights under the Security Documents at any time shall be held by the Security Trustee (subject to any prior ranking claims thereon, if any) upon trust to apply the same for the following purposes and in the following order of priority in payment of:

- (i) all costs, charges, expenses and liabilities incurred and payments made in or about the exercise of the trust in relation to this Deed by the Security Trustee including all remuneration payable to the Security Trustee with interest thereon as hereinafter provided;
- (ii) the interest owing upon the Bonds *pari passu* and without any preference or priority;
- (iii) the principal monies owing upon the Bonds *pari passu* and without any preference or priority; and
- (iv) the balance, if any, to the Issuer and/or the Guarantor, as applicable.

## **12. INSTRUCTIONS BY BONDHOLDERS**

- 12.1 The Security Trustee, at any time and at the cost of the Issuer, prior to exercising any power or discretion hereunder, may:

- (i) call a meeting of the Bondholders; or
- (ii) write to all Bondholders requesting their instructions or directions;

PROVIDED THAT the Security Trustee shall not be liable for any action it may deem necessary to take prior to acting in accordance with paragraphs 12.1(i) or 12.1(ii) immediately above and the Security Trustee shall not be bound to act on behalf of the Bondholders under this Deed unless it receives duly authorised instructions or directions as stipulated in this Deed.

- 12.2 The Issuer may, at any time, convene a meeting of the Bondholders in accordance with this Clause 12.

- 12.3 A meeting of the Bondholders shall also be convened by the Security Trustee on the requisition of a Bondholder/s holding in aggregate, at the date of the deposit of the requisition, not less than 10% of the principal amount of Bonds, for the time being outstanding.

- 12.4 In case of a requisition of a meeting, the requisition shall state the objects of the meeting and shall

be signed by the requisitionist/s and deposited at the registered office of the Security Trustee and may consist of several documents in like form each signed by the requisitionist, or if there is more than 1 requisitionist, in any one document by all of them.

- 12.5 If the Security Trustee does not, within 21 days from the date of the deposit of the requisition, proceed duly to convene a meeting, the requisitionist/s may convene a meeting in the same manner, as nearly as possible, as that in which meetings are to be convened by the Security Trustee, but a meeting so convened shall not be held after the expiration of 3 months from the date of the deposit of the requisition.
- 12.6 At least 14 days' notice (exclusive of the day on which the notice is given and of the day of the meeting) of the meeting shall be given to the Bondholders. The notice shall specify the date, time and place of the meeting as well as the general nature of the resolution/s being proposed and to be tabled at the meeting. The notice shall also explain how Bondholders may appoint proxies.
- 12.7 Notice of every meeting of the Bondholders shall be given to:
- (a) every Bondholder;
  - (b) the Issuer;
  - (c) the Guarantor;
  - (d) the Security Trustee;
  - (e) the Corporate Advisor (as defined in the Company Admission Document); and
  - (f) the auditor/s for the time being of the Issuer.
- 12.8 No other person shall be entitled to receive notice.
- 12.9 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting, by any person entitled to receive notice shall not invalidate the proceedings of a meeting.
- 12.10 No business shall be transacted at a meeting of the Bondholders unless a quorum is present, in person or by proxy, at the commencement of the meeting.
- 12.11 At any such meeting, 2 or more Bondholders present in person or by proxy and holding or representing not less than 50% of the aggregate principal amount of the Bonds outstanding at the time will form a quorum for the transaction of business. If within half an hour from the time appointed for the commencement of the meeting, a quorum is not present, the meeting, howsoever called, shall stand adjourned to the same day in the next week, at the same time and place or to such other day and place as the Chairman may decide and if at the adjourned meeting a quorum is not yet present within half an hour from the time appointed for the meeting, the Bondholders present shall constitute a quorum.
- 12.12 For the purpose of an adjourned meeting, it shall not be required to send notices anew, provided that all persons entitled to receive Notice for the original meeting shall be informed of the adjournment and the time and place of the adjourned meeting.

12.13 A meeting of the Bondholders shall have power by Extraordinary Resolution to do any of the following:

- (a) instruct or direct the Security Trustee in respect of proceedings or any other action to be taken to enforce the obligations of the Issuer and/or the Guarantor under this Deed and/or the Terms and Conditions of the Bonds and/or any of the Security Documents and/or the Company Admission Document;
- (b) to assent to any proposal for modification of this Deed and/or any of the Security Documents and/or the Company Admission Document, as put forward by the Issuer and/or the Security Trustee;
- (c) to authorise any person or persons to concur in and execute all such documents and do all such acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution;
- (d) to give any authority, direction or sanction or approval which under the provisions of the Bonds is required to be given by Extraordinary Resolution;
- (e) to remove the Security Trustee or any subsequent trustee and to approve a person to be appointed as trustee in their stead;
- (f) to authorise the Security Trustee and/or any of its directors, officers, delegates or appointees to concur in and execute and do all such documents, instruments, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution;
- (g) to discharge or exonerate the Security Trustee and/or any of its directors, officers, delegates or appointees from all liability in respect of any act or omission for which the Security Trustee and/or any of its directors, officers, delegate or appointees may have become responsible under this Deed provided that it shall not be permissible for the Security Trustee and/or any of its directors, officers, delegates or appointees to be exonerated from the effects of their own fraud, wilful misconduct or gross negligence; and
- (h) to appoint any persons (whether or not Bondholders) as a committee/s to represent the interest of the Bondholders and to confer upon such committee/s any powers or discretions which the Bondholders could themselves exercise by Extraordinary Resolution.

12.14 The chairman of a meeting of the Bondholders shall be a director of the Security Trustee or such other person as the Security Trustee may nominate in writing from time to time. The chairman of an adjourned meeting need not be the same person as the chairman of the original meeting. At the commencement of any meeting, the chairman may lay down the procedures which shall be adopted for the proceedings of that meeting. Such procedure shall be binding on the meeting.

12.15 Each matter submitted to a meeting shall be decided by a show of hands unless a poll is (before or following the result of the show of hands) demanded by the chairman or 3 Bondholders in person or by proxy. On a show of hands, every Bondholder shall have 1 vote and on a poll every Bondholders shall have 1 vote for each Bond held and any fractional interests shall be disregarded. Voting, whether on a show of hands or on a poll, shall be taken in such manner as the chairman of the meeting shall direct.

- 12.16 Unless a poll be so demanded, a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the minute book is made, it shall be conclusive evidence of the fact without need for the proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 12.17 Any vote to be taken at a meeting (except for choosing a chairman) shall only be decided upon by means of an Extraordinary Resolution.
- 12.18 Any Extraordinary Resolution passed at any meeting shall be binding on all Bondholders, whether or not present at the meeting, and whether or not voting, and each of them shall be bound to give effect to it accordingly.
- 12.19 Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them.
- 12.20 A resolution in writing signed by or on behalf of all the Bondholders who for the time being are entitled to receive notice of a meeting, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of 1 or more of the Bondholders, shall be valid and effectual as if it had been passed at a meeting of the Bondholders duly convened and held.
- 12.21 The instrument appointing a proxy shall be deposited at least 72 hours before the time fixed for the meeting at such place as the Security Trustee shall designate or approve and, in default it shall not be valid unless the chairman of the meeting decides otherwise before the meeting proceeds to business. The instrument appointing a proxy must be in writing signed by the appointer or the appointer's attorney. A proxy holder need not be a Bondholder.

### **13. PROTECTION OF THE SECURITY TRUSTEE GENERALLY**

- 13.1 The Security Trustee shall not be liable for any default or breach of duty or trust committed by its act or omission or that of any of the former or current trustee or any of the Security Trustee's agents or advisers or for any loss or depreciation in value or loss of profits howsoever caused which may be suffered in respect of the capital or income of the Trust Property, unless such default or breach is, or such loss or depreciation in value or loss of profit is caused by:
- (i) fraud, wilful misconduct or gross negligence on the part of the Security Trustee which is sought to be made liable; and/or
  - (ii) some act or omission in respect of which that Security Trustee cannot under the proper law for the time being of this Deed lawfully be exonerated from personal liability by the terms of this Deed. The Security Trustee shall not be liable for any error of judgment committed in good faith unless it shall be proved that it was grossly negligent in ascertaining the pertinent facts.
- 13.2 The Security Trustee, (which shall include each director, employee, shareholder, delegate and agent thereof) shall be indemnified, jointly and severally, by the Issuer and the Guarantor, and in default of the Issuer and the Guarantor, the Security Trustee shall be indemnified out of the Trust Property:

- (i) against any liability incurred by it in defending any proceedings in connection with its duties as a Security Trustee, in which judgment is given in its favour or in which it is acquitted; and
  - (ii) against all claims, liabilities, costs, damages and expenses (including legal fees) to which it may be or become subject by reason of their activities as Security Trustee so long as the said activity or circumstance does not involve fraud or wilful misconduct or gross negligence on the part of the Security Trustee.
- 13.3 The Security Trustee may purchase and maintain insurance, to the extent and in such a manner in its absolute discretion deems appropriate, on behalf of itself, against any liability that may be asserted or expenses that may be incurred by any such person in connection with the activities of the Trust, regardless of whether the Security Trustee has the right to be indemnified out of the Trust Property under the provisions of the Trust or by law.
- 13.4 The Issuer and the Guarantor shall jointly and severally indemnify the Security Trustee against all stamp, issue, registration, documentary or other taxes, duties or fees paid by it in any jurisdiction in respect of any action taken by, or on behalf of, the Security Trustee to enforce the Issuer's and/or the Guarantor's obligations under this Deed, and/or any of the Security Documents and/or the Company Admission Document and/or the Bonds.

#### **14. RELEASE OF POWERS**

The Security Trustee may by deed (and so as to bind successive trustee of this Trust) release or restrict the future exercise of all or any of the powers conferred on it by this Deed.

#### **15. INFORMATION TO BONDHOLDERS**

The Security Trustee shall, so far as is reasonable and within a reasonable time of receiving a request in writing to that effect by any Bondholder, the Issuer or the Guarantor provide full and accurate information as to the state and amount of the Trust Property.

#### **16. REMUNERATION OF SECURITY TRUSTEE**

- 16.1 During the continuance of this Deed, the Security Trustee shall be entitled to receive and the Issuer shall be obliged to pay all professional and other proper fees and charges in connection with this Deed at its standard tariffs for such trusteeship as has been made available to the Issuer. The Security Trustee shall be entitled to be indemnified for all reasonable costs, disbursements and expenses incurred by it in carrying out the trust in respect of any matter in connection with this Deed.
- 16.2 The Issuer shall pay the Security Trustee such additional remuneration as they may agree if:
- (i) An Event of Default occurs; or
  - (ii) A meeting of the Bondholders is convened;
  - (iii) The Security Trustee considers it necessary, or is requested by the Issuer and/or the Guarantor to perform duties that the Security Trustee agrees are of an exceptional nature or outside the scope of the Security Trustee's usual obligations.

#### **17. RESIGNATION OF SECURITY TRUSTEE AND APPOINTMENT OF NEW OR ADDITIONAL SECURITY TRUSTEE**

- 17.1 Subject to the provisions of article 20(2) of the Act, the Security Trustee may resign as Security Trustee by giving not less than 60 days' notice in writing to the Issuer and the Guarantor without assigning any reason whatsoever and without being responsible for any costs occasioned by such retirement. The Security Trustee may appoint a substitute trustee, but in any case it shall use all reasonable endeavours to procure that a new trustee is appointed by the end of the notice period or as soon as practicable. In the event that no replacement trustee has been appointed within 15 days from the expiration of the notice period, a successor trustee may be appointed by an Extraordinary Resolution of the Bondholders.
- 17.2 The Bondholders shall have the power, exercisable by means of an Extraordinary Resolution of the Bondholders, to remove the Security Trustee provided a replacement trustee has also been identified and approved by the Bondholders by Extraordinary Resolution. The replacement trustee selected by the Bondholders will be appointed by the Issuer and the Guarantor as soon as reasonably practicable following the removal of the Security Trustee at the aforementioned meeting.
- 17.3 Upon the appointment of, and full transfer of the Security to, a successor Security Trustee, (a) the resigning Security Trustee shall be discharged from any further obligation under this Deed but shall remain entitled to the benefit of all the clauses under this Deed which exempt or limit its liability or otherwise protect it from law suit or constitute a vested right in its favour or which indemnify the Security Trustee; and (b) its successor and each of the other parties to this Deed shall have the same right and obligations amongst themselves as they would have had if that successor had been a party to this Deed.

## **18. TERM AND TERMINATION**

- 18.1 Subject to the provisions of Clause 18.2 the Trust constituted or evidenced by this Deed (including any addenda hereto) shall remain in full force and effect throughout the Trust Period, at the end of which the Trust shall terminate.
- 18.2 Subject to the provisions of Clause 2.5, the Security Trustee shall only be discharged from all liabilities and obligations which it has under this Deed upon the full redemption of all outstanding amounts due under the Bonds on the Redemption Date and re-imburement of all expenses incurred by, and payment of, remuneration due to the Security Trustee under this Deed.

## **19. EXCLUSION OF IMPLIED DUTIES**

The Security Trustee shall not have or incur any obligation, duty or responsibility, whether fiduciary or otherwise, to the Issuer, to the Guarantor or to any of the Bondholders, as the case may be, except those expressly specified in this Deed and the Terms and Conditions and to the effect that the Security Trustee has such a duty or responsibility.

## **20. NOTICE**

- 20.1 Notices to the Bondholders shall be mailed to them at their respective addresses contained in the CSD Register and shall be deemed to have been served at the expiration of 3 calendar days after the date of mailing. In proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholder at the address contained in the CSD Register.
- 20.2 Insofar as notices to the Issuer, Guarantor and Security Trustee are concerned, notices may be sent

by registered mail or electronic mail. Where notice is sent by registered mail, it shall be deemed to have been served 5 days following the date on which it was posted and in the case of notice sent by electronic mail, on the day of transmission. In providing such service it shall be sufficient to prove that the notice was addressed properly and posted or transmitted to such electronic mail address as may be notified to the other party for this purpose.

- 20.3 For the purposes of this Deed, the proper addresses (including electronic mail addresses) of the Parties are:

To the Issuer

Name: Hart Capital Partners (Europe) p.l.c.  
Attention: The Directors  
Address: 55D, Birbal Street, Balzan, BZN 9017, Malta  
Email address: [info@hartcapitaleurope.com](mailto:info@hartcapitaleurope.com)

To the Security Trustee

Name: Equity Wealth Solutions Limited  
Attention: Patrick Spiteri  
Address: Equity Wealth Solutions, 176, Old Bakery Street, Valletta, Malta  
Email address: [pspiteri@ewstrustees.com](mailto:pspiteri@ewstrustees.com) and [info@ewstrustees.com](mailto:info@ewstrustees.com)

To the Guarantor

Name: Hart Capital Partners (UK) Limited  
Attention: The Directors  
Address: 47a Broadgates, Market Place, Henley-On-Thames, England, RG9 2AD  
Email address: [info@hartcapitalpartners.co.uk](mailto:info@hartcapitalpartners.co.uk)

PROVIDED THAT each Party may at any time change such mail or electronic mail address by giving 5 days' prior written notice to the other Parties.

## **21. AMENDMENTS TO THIS DEED**

- 21.1 The Security Trustee may, at any time or times during the Trust Period by deed or deeds and, provided it has obtained the prior written consent of the Bondholders by means of an Extraordinary Resolution, vary, amend, add to or delete any or all of the provisions of this Deed (whether of a beneficial or administrative nature) including the trusts, powers and discretions and the administrative powers herein declared and contained provided that:

- (i) no such variation, amendment, addition or deletion shall run counter to the proper law of this Deed; and
- (ii) no such variation, amendment or addition shall be permitted to the provisions of this Clause 21, but it shall be permissible to delete this Clause in its entirety.

PROVIDED THAT any variation, amendment, addition or deletion of this Deed which affects the rights or obligations of the Issuer and/or the Guarantor shall require the prior consent of the Issuer and/or the Guarantor as the case may be.

## **22. PROPER LAW AND FORUM**

- 22.1 The proper law of this Deed shall be the law of Malta. All rights and obligations under this Deed and any dispute or claim arising out of, or in connection with, it or its subject matter (including any non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of Malta.
- 22.2 The courts of Malta shall be the forum for the administration of these trusts. The Parties irrevocably agree that the courts of Malta shall have exclusive jurisdiction to settle any dispute or claim arising out of, or in connection with, this Deed or its subject matter (including any non-contractual disputes or claims).

## **23. COUNTERPARTS**

This Deed may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**SIGNATURE PAGE TO FOLLOW**



**IN WITNESS WHEREOF THIS TRUST DEED** has been executed in triplicate by the duly authorised representatives of the Parties hereto as of the day and year first before written, and each Party has retained one original copy:



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Mr. Alexander Tanti  
Duly authorised for and on behalf of  
**Hart Capital Partners (Europe) p.l.c.**  
**ISSUER**



---

Mr. Christon Burrows  
Duly authorised for and on behalf of  
**Hart Capital Partners (UK) Limited**  
**GUARANTOR**



---

Mr. Patrick Spiteri  
Duly authorised for and on behalf of  
**Equity Wealth Solutions Limited**  
**SECURITY TRUSTEE**



---

Dr. Liana Micallef  
Duly authorised for and on behalf of  
**Equity Wealth Solutions Limited**  
**SECURITY TRUSTEE**

## **Annex E: Authorised Financial Intermediaries**

<b>Name</b>	<b>Address</b>	<b>Telephone number</b>
Curmi & Partners Ltd	Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	2134 7331
Michael Grech Financial Investment Services Ltd	The Brokerage, Level 0 A, St Marta Street, Victoria, Gozo VCT 2551	2258 7000

## Directory

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<https://www.hartcapitalpartners.co.uk/>

### GUARANTOR

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[www.hartcapitalpartners.co.uk](http://www.hartcapitalpartners.co.uk)

### CORPORATE ADVISOR

Grant Thornton Limited  
Fort Business Centre, Level 2  
Triq l-Intornjatur, Zone 1  
Central Business District  
Birkirkara CBD 1050  
Malta  
[www.grantthornton.com.mt](http://www.grantthornton.com.mt)

### REPORTING ACCOUNTANTS

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### LEGAL COUNSEL (MALTESE LAW)

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### LEGAL COUNSEL (ENGLISH LAW)

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54 Fenchurch Street  
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### PLACEMENT AGENT AND MANAGER

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### SECURITY TRUSTEE

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