SUMMARY
Dated 20 April 2023

This Summary is issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules issued by the Malta Financial Services Authority and of the Prospectus Regulation.

In respect of an issue of
€8,500,000 6.25% Secured Bonds 2033
of a nominal value of €100 per Bond issued at par by

AST Group p.l.c.
a public limited liability company registered in Malta with company registration number C 66811.

ISIN: MT0001701219

Legal Counsel

Sponsor, Manager & Registrar

THIS SUMMARY HAS BEEN APPROVED BY THE MFSA AS THE COMPETENT AUTHORITY IN MALTA UNDER THE PROSPECTUS REGULATION. THE MFSA ONLY APPROVES THIS SUMMARY AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER AND/OR THE SECURITIES THAT ARE THE SUBJECT OF THIS SUMMARY.

THIS SUMMARY IS VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE HEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO SUPPLEMENT THIS SUMMARY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.

APPROVED BY THE DIRECTORS

W. Wait

William Wait
in his capacity as Director of AST Group p.l.c. and for and on behalf of Austin Demajo, Giuseppe Muscat and Kristian Balzan.

This Summary is prepared in accordance with the requirements of the Prospectus Regulation and the delegated acts issued thereunder. This Summary contains key information which will enable investors to understand the nature and the risks associated with the Issuer and the Bonds.

Except where the context otherwise requires or where otherwise defined herein, the capitalised words and expressions used in this Summary shall bear the meanings assigned thereto in the Registration Document and the Securities Note, respectively, as the case may be.

1 INTRODUCTION AND WARNINGS

This Summary contains key information on the Issuer and the Bonds, summarised details of which are set out below:

Issuer	AST Group p.l.c., a public limited liability company registered and existing under the laws of Malta with company registration number C 66811 and having legal entity identifier number (LEI) 485100EV94B5FY2A0332
Address	31-33 Third Floor, Kingsway Palace, Republic Street, Valletta VLT 1115, Malta
Telephone number	+356 22230000
Website	www.astrgroupplc.com
Nature of the securities	Secured Bonds up to a maximum amount of €8,500,000, bearing an interest rate of 6.25% *per annum*, payable annually in arrears on 16 June of each year until 16 June 2033
ISIN of the Bonds	MT0001701219
Competent authority approving the Prospectus	The Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Chapter 330 of the laws of Malta). The MFSA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval shall not be considered as an endorsement of the Issuer
Address, telephone number and official website of the competent authority approving the Prospectus	Malta Financial Services Authority, Triq l-Imdina, Zone 1, Central Business District, Birkirkara CBD 1010, Malta. The telephone number of the competent authority is +356 21441155. The official website of the competent authority is https://www.mfsa.mt/
Prospectus approval date	20 April 2023

Prospective investors are hereby warned that:

i. this Summary should be read as an introduction to the Prospectus. It is being provided to convey the key characteristics and risks associated with the Issuer and the Bonds being offered pursuant to the Prospectus. It is not, and does not purport to be, exhaustive and investors are warned that they should not rely on the information contained in this Summary alone in making a decision as to whether to invest in the securities described in this document;
ii. any decision of the investor to invest in the securities should be based on consideration of the Prospectus as a whole by the investor;
iii. an investor may lose all or part of the capital invested by subscribing for Bonds;
iv. where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and
v. civil liability attaches only to those persons who have tabled this Summary, but only if this Summary, when read together with the other parts of the Prospectus, is misleading, inaccurate or inconsistent or does not provide key information in order to aid investors when considering whether to invest in such securities.

2 KEY INFORMATION ON THE ISSUER

2.1 Who is the Issuer of the Bonds?

2.1.1 Domicile and legal form, LEI and county of incorporation of the Issuer

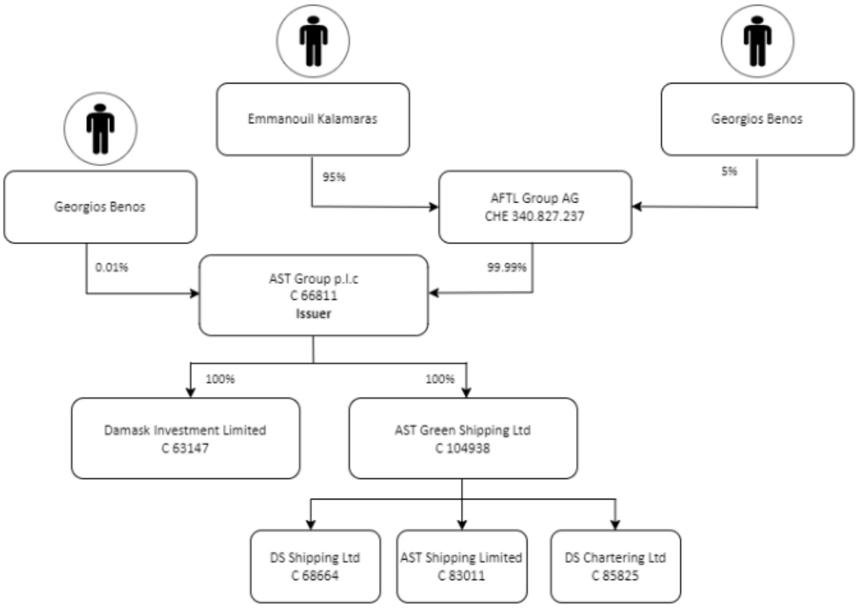
The Issuer is AST Group plc, a public limited liability company registered and existing under the laws of Malta with company registration number C 66811 and having its registered office at 31-33 Third Floor, Kingsway Palace, Republic Street, Valletta VLT 1115, Malta. The Issuer is incorporated and is domiciled in Malta. Its LEI number is 485100EV94B5FY2A0332.

2.1.2 Principal activities of the Issuer

The Issuer was registered as AST Group Limited on 22 September 2014 in terms of the Companies Act, with company registration number C 66811. Subsequently, on 13 October 2017, the Issuer was converted into a public limited liability company. The principal objects of the Issuer relate to carrying on the business of a finance company and holding company for the AST Group, which consists of AST Group p.l.c and its wholly-owned subsidiary companies. Its purpose is to carry on the business of a finance and holding company in connection with the ownership, development, operation and financing of the business activities of the Group, whether in Malta or overseas. The issue of bonds falls within the objects of the Issuer. The Issuer operates exclusively in and from Malta.

2.1.3 Major Shareholders

The authorised and issued share capital of the Issuer is €250,000 divided into 250,000 ordinary shares of a nominal value of €1 each, all being fully paid-up and subscribed for, allotted and taken up by AFTL Group AG (registration number CHE-340.827.237) as to 249,999 Ordinary shares of €1.00 each and by Georgios Benos as to 1 Ordinary share of €1.00.



2.1.4 Directors of the Issuer

As at the date of the Prospectus, the Board of Directors of the Issuer is composed of the following 4 individuals:
Mr Giuseppe Muscat (Executive Director and Chairman), Mr Austin Demajo (Independent, non-Executive Director), Mr William Wait (Independent, non-Executive Director), and Dr Kristian Balzan (Independent, non-Executive Director).

2.1.5 Statutory auditors

The annual statutory financial statements of the Issuer for the financial years ended 31 December 2019, 31 December 2020 and 31 December 2021 have been audited by Horwath Malta. Horwath Malta (accountancy board registration number AB/26/84/27) is a firm registered as a partnership of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Chapter 281 of the laws of Malta).

2.2 What is the key financial information regarding the Issuer?

Key figures extracted from the Issuer's consolidated financial statements are being represented below:

€'000s	31-Dec-21	31-Dec-20	31-Dec-19	30-Jun-22	30-Jun-21
Statement of Comprehensive Income					
Revenue	29,660	18,845	15,660	25,180	14,590
Profit / (loss) before taxation	446	(1,149)	(301)	207	130
Statement of Financial Position					
Total assets	7,417	5,205	6,968	8,037	
Statement of Cash Flows					
Net cash generated from/(used in) operating activities	667	(301)	309	129	(1,045)
Net cash generated from/(used in) investing activities	(252)	(2)	(1)	(2)	(1)
Net cash generated from/(used in) financing activities	(129)	(102)	(47)	(34)	57

2.3 What are the key risks specific to the Issuer?

The most material risk factors specific to the Issuer which may negatively impact the operations and financial position of the Issuer should the circumstances mentioned therein materialise are set out below:

2.3.1 Risks relating to Issuer's exposure to and dependence on the Group and its business

The Issuer itself does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company solely for the purpose of part-financing the needs of the Group and, as such, its assets consist primarily of loans issued to Group companies. The Issuer is dependent on the business prospects of the Group and, consequently, the operating results of the Group have a direct effect on the Issuer's financial position. Therefore, the risks intrinsic in the business and operations of Group companies have a direct effect on the ability of the Issuer to meet its Bond Obligations. Accordingly, the risks of the Issuer are indirectly those of the Group and, in turn, all risks relating to the Group are the risks relevant to the Issuer.

2.3.2 Dependence on the Mediterranean Region

The Group's business model is primarily reliant on the trading of animal feed products and the chartering and management of bulk carriers, operating principally in the Mediterranean region. Accordingly, the Group is highly susceptible to the macro-economic climate in Europe. Negative economic factors and trends in Europe, particularly those having an effect on consumer demand, may have a negative impact on the business of the Group. In recent years, the Cypriot, Greek and Turkish economies have declined. Although there are signs that the economic recession has abated, particularly in Cyprus and Greece, there is still considerable instability that could initiate a new economic downturn. This would lead to a decline in clients' operations or ability to pay for the Group's services, which could result in a decreased demand for the Group's operations and consequently, adversely affect the Group's operating results and financial performance.

2.3.3 Risks relating to the business of the Group, including animal feed and dependency on key customers and suppliers

The Group has established strong relationships with various parties, which has in turn resulted in a dependency on such parties. The Group is dependent upon five key suppliers, that account for *circa* 70% of the Group's requirements for animal feed materials. The Group's ability to source and purchase animal feed may be seriously affected if either of these suppliers is unable to supply the Group. Furthermore, the Group is dependent on five key customers that account for *circa* 90% of the Group's revenue. The Group therefore relies on the retention of these key business relationships and the loss of one or more of these key customers and/or suppliers, may have a material adverse effect on the Group's revenues, operations and financial condition.

2.3.4 Risks relative to chartering operations

The Group's charter operations depend on its ability to establish and maintain relationships with charterers, at attractive rates, in respect of which the Group will face substantial competition from its competitors and may be subject to factors beyond the control of the Group. Such current and potential competitors may have longer operating histories, greater name recognition, have larger revenues, volume and capacity, larger customer bases and greater financial and other resources and could thus offer more attractive services and rates than the Group. A decrease in charter rates could have a material adverse effect on the Group's business, results of operations and financial condition.

2.3.5 Fluctuations in the value of the Group's vessels

The fair market value of vessels increases or decreases depending on a number of factors, including general economic and market conditions affecting the shipping industry, competition from other shipping companies, the supply of similar vessels, supply and demand for container ships, alternative modes of transportation, cost of newly-built vessels, governmental or other regulations, prevailing level of charter rates and technological advancements. If the fair market value of the Vessels declines below their respective carrying value and such decline is other than temporary, the Group could be required to recognise an impairment charge or could incur a loss should any one or more of said vessels be sold.

3 KEY INFORMATION ON THE BONDS

3.1 What are the main features of the securities?

The key features of the Bonds are set out below:

Each Bond forms part of a duly authorised issue of 6.25% secured bonds 2033 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €8.5 million. The Issue Date of the Bonds is expected to be 16 June 2023. The Bonds are secured.

The currency of the Bonds is Euro (€).

Subject to admission to listing of the Bonds to the Official List, the Bonds are expected to be assigned ISIN: MT0001701219.

The Bonds are redeemable on 16 June 2033. The Bonds shall bear interest from and including 16 June 2023 at the rate of 6.25% *per annum* on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be affected on 16 June 2024, covering the period 16 June 2023 up to and including 15 June 2024.

The Bonds, as and when issued and allotted, shall constitute the general, direct and unconditional obligations of the Issuer and as secured by means of the Collateral granted in terms of the Security Trust Deed II. The Bonds shall, at all times, rank *pari passu*, without any priority or preference among themselves but, in view of the fact that the Bonds shall be secured by the Collateral, shall rank with priority and preference over other present and future unsecured obligations of AST Green Shipping Ltd., AST Shipping Limited, AST Shipping 2 Limited and the Additional new Shipping Company/ies, if any, save for such exceptions as may be provided by applicable law, and with ranking and priority over the Collateral.

The minimum subscription amount of Bonds that can be subscribed for by Applicants upon subscription is €1,000, and in multiples of €100 thereafter. There are no special rights attached to the Bonds other than the right of the Bondholders to payment of interest and capital, the benefit of the Collateral through the Security Trustee, and in accordance with the ranking specified in the Prospectus.

The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole (in multiples of €100) in accordance with the rules and regulations of the MSE applicable from time to time. The minimum subscription amount of €1,000 shall only apply during the Issue Period and the Intermediaries' Offer, if it takes place. No minimum holding requirement shall be applicable once the Bonds are admitted to listing on the Official List and commence trading thereafter, subject to trading in multiples of €100.

The Issuer shall be obtaining the approval of Existing AST Bondholders[1] for the early redemption of the 2018 AST Prospects MTF Bonds[2] pursuant to a meeting called for the purpose in terms of the Company Admission Document dated 4 December 2017. The proposal for the early redemption of the 2018 AST Prospects MTF Bonds placed before the Existing AST Bondholders' meeting shall only be considered approved if at least 60% in nominal value of the Existing AST Bondholders present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.

Upon redemption of the 2018 AST Prospects MTF Bonds, all Existing AST Bondholders will be afforded a premium in the form of payment of a redemption price of one Euro (€1) per 2018 AST Prospects MTF Bond held as at the Cut-Off Date (the "Redemption Premium"). Existing AST Bondholders will have the Redemption Premium settled in cash upon redemption of the 2018 AST Prospects MTF Bonds (by direct credit into the Existing AST Bondholder's bank account).

3.2 Where will the securities be traded?

Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on its Official List. The Bonds are expected to be admitted to the Official List with effect from 16 June 2023 and trading is expected to commence on 19 June 2023. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

3.3 Is there a guarantee attached to the securities?

The Bonds are not guaranteed.

3.4 What are the key risks that are specific to the Bonds?

The most material risk factors specific to the Bonds are set out below:

- There can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. There can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price, or at all.

[1] *'Existing AST Bondholders'* refers to holders of the 2018 Prospects MTF Bonds appearing on the applicable register held at the Central Securities Depository as at close of business on 25 April 2023, trading session of 21 April 2023.

[2] *'2018 AST Prospects MTF Bonds'* refers to the €2,000,000 5.5% unsecured bonds 2025-2028 (ISIN: MT0001701201) issued by the Issuer pursuant to a company admission document dated 4 December 2017, which are listed and trading on the Prospects MTF List of the Malta Stock Exchange.

- Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.
- The MFSA has the authority to suspend trading or listing of the Bonds or discontinue the listing of the Bonds on the Official List if, inter alia, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. Any such trading suspensions or listing revocations / discontinuations could have a material adverse effect on the liquidity and value of the Bonds.
- Whilst the Collateral that is to be granted in favour of the Security Trustee for the benefit and in the interest of Bondholders grants the Security Trustee a right of preference and priority for repayment over the Collateral, there can be no guarantee that the value of the Collateral 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 the relevant Collateral, specifically the value of the Vessels. If such circumstances were to arise or subsist at the time that the Collateral is 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.

4 KEY INFORMATION ON THE OFFER OF THE BONDS AND ADMISSION TO TRADING

4.1 UNDER WHICH CONDITIONS AND TIMETABLE CAN I INVEST IN THESE BONDS?

The issue and allotment of the Bonds is conditional upon: (i) the Minimum Amount of €7,500,000 being subscribed for; (ii) the Pledge of Bank Account Agreement and the Security Trust Deed II being duly executed; (iii) the Collateral being duly granted and registered with the appropriate authority/ies, as applicable; (iv) the Issuer obtaining the approval of the Existing AST Bondholders for the early redemption of the 2018 AST Prospects MTF Bonds pursuant to a meeting called for the purpose in terms of the 2017 AST Company Admission Document, as well as the written approval of the MSE; and (v) the Bonds being admitted to trading on the Official List. In the event that any one or more of the aforesaid conditions is not satisfied, any application monies received by the Issuer from all Applicants will be returned, without interest, by direct credit into the Applicant's bank account indicated by the Applicant / Authorised Intermediary on the relative Application / subscription agreement.

4.1.1 Expected Timetable of Principal Events

1	Meeting of Existing AST Bondholders	10 May 2023
2	Subscription by Existing AST Bondholders and Intermediaries' Offer*	15 May 2023 – 2 June 2023 at 12:00 CET
3	Announcement of basis of acceptance through a company announcement	9 June 2023
4	Refunds of unallocated monies, if any	9 June 2023
5	Dispatch of allotment letters	9 June 2023
6	Expected date of early redemption of the 2018 AST Prospects MTF Bonds	16 June 2023
7	Expected date of admission of the Bonds to listing	16 June 2023
8	Issue date of the Bonds	16 June 2023
9	Expected date of commencement of trading in the Bonds	19 June 2023
10	Commencement of interest	16 June 2023

**The Issuer reserves the right to close the period of subscription by Existing AST Bondholders and the Intermediaries' Offer before 2 June 2023 at 12:00 CET in the event that the Bonds are fully subscribed prior to said date and time. In the eventuality that the period of subscription by Existing AST Bondholders and the Intermediaries' Offer is closed early as aforesaid, some of the events set out above may be brought forward and the Issuer will issue a company announcement accordingly.*

4.1.2 Allocation Policy

The Issuer shall allocate the Bonds on the basis of the following policy and order of priority:

i. first to Existing AST Bondholders applying for Bonds by way of 2018 Bond Transfer, and subject to any Cash Top-Up as and if applicable, and subject to a minimum application of €1,000;
ii. the balance of the Bonds not subscribed for by Existing AST Bondholders limitedly by means of a 2018 Bond Transfer, and subject to any Cash Top-Up as and if applicable, shall be made available for subscription to Existing AST Bondholders in respect of any additional Bonds applied for other than by 2018 Bond Transfer exceeding in value the aggregate nominal value of 2018 AST Prospects MTF Bonds held by them as at the Cut-Off Date, without

priority or preference between them and together with subscriptions received from Authorised Intermediaries participating in the Intermediaries' Offer and in accordance with the allocation policy as determined by the Issuer. Accordingly, in the event that an Existing AST Bondholder applies for additional Bonds other than by way of 2018 Bond Transfer as specified in (i) above, no preference or guarantee shall be given with respect to the amount of Bonds to be allocated to the excess Bonds applied for by such Existing AST Bondholder; and

iii. the Issuer shall offer remaining Bonds not subscribed for by Existing AST Bondholders limitedly by means of a 2018 Bond Transfer (and subject to any Cash Top-Up, as and if applicable) to Authorised Intermediaries through an Intermediaries' Offer, to be allocated *pari passu* together with additional Bonds applied for by Existing AST Bondholders other than by 2018 Bond Transfer exceeding in value the aggregate nominal value of 2018 AST Prospects MTF Bonds held by them as at the Cut-Off Date, including Cash Top-Up, where applicable. Subscription agreements received from Authorised Intermediaries through an Intermediaries' Offer, if any, shall be allocated without priority or preference and in accordance with the allocation policy as determined by the Issuer, acting through the Registrar, which will be communicated by latest 9 June 2023. Any amounts unallocated in terms of the subscription agreements shall be returned to the respective Authorised Intermediary by direct credit to the account indicated in the respective subscription agreement by latest close of business on 9 June 2023.

The Issuer shall announce the result of the Bond Issue and the basis of acceptance and the allocation policy to be adopted through a company announcement.

4.2 WHY IS THIS PROSPECTUS BEING PRODUCED?

4.2.1 Use of Proceeds

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €8,200,000, will be on-lent by the Issuer to AST Green Shipping Ltd. pursuant to a loan agreement to be entered into between the Issuer and AST Green Shipping Ltd. for the purpose, and will be utilised for the following purposes, in the following amounts and order of priority:

1. an amount of *circa* €1,600,000 of the Bond Issue net proceeds will be used by the Issuer to part finance the redemption of the outstanding amount of 2018 AST Prospects MTF Bonds remaining in issue as at or about 16 June 2023 (including payment of interest thereon and of the Redemption Premium) being the expected date of redemption of the 2018 AST Prospects MTF Bonds as determined by the Issuer and duly notified to Existing AST Bondholders. The balance of the outstanding amount of 2018 AST Prospects MTF Bonds (including payment of interest thereon and of the Redemption Premium), in an amount of €300,000, will be paid out of the sinking fund constituted in terms of the 2017 AST Company Admission Document;
2. an amount of *circa* €6,500,000 of the Bond Issue net proceeds will be used for the purpose of financing the purchase of the New Vessel/s and any costs related to any upgrades related to the Vessels as may be necessary; and
3. the remaining balance of the Bond Issue net proceeds in an amount of *circa* €100,000 will be used for the general corporate funding purposes of the Group.

4.2.2 Underwriting

The Bond Issue is not underwritten. Should subscriptions for a total of at least €7,500,000 (the "Minimum Amount") not be received, no allotment of the Bonds shall be made, the Applications for Bonds shall be deemed not to have been accepted by the Issuer and all money received from Authorised Intermediaries shall be returned by the Issuer. In the event that the Minimum Amount is reached but the Bond Issue is not fully subscribed, the Issuer will proceed with the allotment and listing of the amount of Bonds subscribed for.

4.2.3 Conflicts of Interest

Save for the possible subscription for Bonds by Authorised Intermediaries, which include the Sponsor, Manager & Registrar, and any fees payable to Calamatta Cuschieri Investment Services Limited as Sponsor, Manager & Registrar in connection with the Bond Issue, so far as the Issuer is aware no person involved in the Issue has an interest material to the Bond Issue.

REGISTRATION DOCUMENT
Dated 20 April 2023

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In respect of an issue of
€8,500,000 6.25% Secured Bonds 2033
of a nominal value of €100 per Bond issued at par by

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Legal Counsel GVZH ADVOCATES

Sponsor, Manager & Registrar Calamatta Cuschieri

APPROVED BY THE DIRECTORS

W. Wait

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William Wait
in his capacity as Director of AST Group p.l.c. and for and on behalf of Austin Demajo, Giuseppe Muscat and Kristian Balzan.

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IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON AST GROUP P.L.C. IN ITS CAPACITY AS ISSUER, IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES ISSUED BY THE MFSA, THE COMPANIES ACT AND THE PROSPECTUS REGULATION.

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 SALE OF SECURITIES OF THE ISSUER, OTHER THAN THOSE CONTAINED IN THIS REGISTRATION DOCUMENT AND IN THE 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 OR ITS DIRECTORS OR ADVISERS.

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THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES BY ANY PERSON IN ANY JURISDICTION (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY SECURITIES ISSUED BY THE ISSUER MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS OF 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 PROFESSIONAL ADVISERS.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THE PROSPECTUS AND ANY PERSONS WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH SECURITIES AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

A COPY OF THE PROSPECTUS HAS BEEN SUBMITTED TO THE MFSA IN SATISFACTION OF THE CAPITAL MARKETS RULES, TO THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH THE COMPANIES ACT.

IN TERMS OF ARTICLE 12(1) OF THE PROSPECTUS REGULATION, THE PROSPECTUS SHALL REMAIN VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE OF THE APPROVAL OF THE PROSPECTUS BY THE MFSA. THE ISSUER IS OBLIGED TO PUBLISH A SUPPLEMENT ONLY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKE OR MATERIAL INACCURACY RELATING TO THE INFORMATION SET OUT IN THE PROSPECTUS WHICH MAY AFFECT THE ASSESSMENT OF THE SECURITIES AND WHICH ARISES OR IS NOTED BETWEEN THE TIME WHEN THE PROSPECTUS IS APPROVED AND THE CLOSING OF THE OFFER PERIOD OR THE TIME WHEN TRADING ON A REGULATED MARKET COMMENCES, WHICHEVER OCCURS LATER. THE OBLIGATION TO SUPPLEMENT THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES DOES NOT APPLY WHEN THE PROSPECTUS IS NO LONGER VALID.

STATEMENTS MADE IN THIS REGISTRATION DOCUMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN.

ALL THE ADVISERS TO THE ISSUER NAMED IN SUB-SECTION 4.3 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

UNLESS OTHERWISE STATED, THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITE AS THE BASIS FOR A DECISION TO INVEST IN ANY SECURITIES OF THE ISSUER.

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 PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISERS.

1 DEFINITIONS

In this Registration Document the following words and expressions shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

2018 AST Prospects MTF Bonds	the €2,000,000 5.5% unsecured bonds 2028 (ISIN: MT0001701201) issued by the Issuer and listed and trading on the Prospects MTF List of the Malta Stock Exchange pursuant to and in accordance with the terms and conditions set out in the 2017 AST Company Admission Document, as defined immediately below. Further details on the 2018 AST Prospects MTF Bonds are set out in sub-section 5.1 of this Registration Document;
2017 AST Company Admission Document	the company admission document dated 4 December 2017 published in connection with the issue by the Issuer of the 2018 AST Prospects MTF Bonds and setting out the terms and conditions thereof;
Additional Insurance Policy/ies	the insurance policy/ies providing for the replacement value of the New Vessel/s to be acquired by AST Shipping 2 Limited and any additional shipping company as may be required;
Additional New Shipping Company/ies	the new shipping company or companies to be incorporated by the Group and owned entirely by AST Green Shipping Ltd. for the purpose of acquiring and owning the New Vessel/s, as applicable;
AST Green Shipping Ltd.	AST Green Shipping Ltd., a company registered under the laws of Malta with company registration number (C 104938), having its registered office situated at 31-33 Third Floor, Kingsway Palace, Republic Street, Valletta VLT 1115, Malta;
AST Group or **Group**	the Issuer and its subsidiaries;
AST Shipping Limited	AST Shipping Limited, a company registered under the laws of Malta with company registration number (C 83011), having its registered office situated at 31-33 Third Floor, Kingsway Palace, Republic Street, Valletta VLT 1115, Malta;
AST Shipping 2 Limited	AST Shipping 2 Limited, a company to be registered under the laws of Malta and to be owned entirely by AST Green Shipping Ltd.;
AST Trust II	the trust established in virtue of the Security Trust Deed II (as defined below), which deed is available for inspection at the registered office of the Issuer as set out in section 15 of this Registration Document;
Act or **Companies Act**	the Companies Act (Chapter 386 of the laws of Malta);
Authorised Intermediaries	the licensed financial intermediaries whose details are listed in Annex I of the Securities Note forming part of the Prospectus;
Bond Issue or **Issue**	the issue of the Bonds;
Bond Obligations	the punctual performance by the Issuer of all of its obligations under the Bond Issue, including the repayment of principal and payment of interest thereon;
Bondholder	a holder of Bonds to be issued by the Issuer in terms of the Prospectus;
Bonds	a maximum of €8.5 million secured bonds due in 2033 of a nominal value of €100 per bond issued at par by the Issuer and redeemable on the Redemption Date at their nominal value, bearing interest at the rate of 6.25% *per annum*;
Capital Markets Rules	the capital markets rules issued by the Malta Financial Services Authority, as may be amended and/or supplemented from time to time;
Collateral	the following security rights granted by Issuer, AST Green Shipping Ltd., AST Shipping Limited and AST Shipping 2 Limited, as applicable, in favour of the Security Trustee for the benefit of the Bondholders: • a pledge by the Issuer over the proceeds from the issue of the Bonds to be used for the acquisition of the New Vessel/s held by the Issuer in a bank account designated for the purpose, in favour of the Security Trustee in its capacity as trustee of the

	AST Trust II pursuant to the terms of the Pledge of Bank Account Agreement and the Trust Deed II; • a first priority mortgage on Vessel 1 (as defined separately below), in favour of the Security Trustee in its capacity as trustee of the AST Trust II pursuant to the terms of the Trust Deed II; • a pledge by AST Green Shipping Ltd. of all of its shares held in AST Shipping Limited, in favour of the Security Trustee in its capacity as trustee of the AST Trust II pursuant to the terms of the Pledge Agreement I and the Trust Deed II; • a first priority mortgage on the New Vessel/s (as defined separately below), once acquired, in favour of the Security Trustee in its capacity as trustee of the AST Trust II pursuant to the terms of the Trust Deed II; • a pledge by the Issuer of all of its shares held in AST Green Shipping Ltd., in favour of the Security Trustee in its capacity as trustee of the AST Trust II pursuant to the terms of the Pledge Agreement II and the Trust Deed II; • a pledge by the AST Green Shipping Ltd. of all of its shares held in AST Shipping 2 Limited and the Additional New Shipping Company/ies, in favour of the Security Trustee in its capacity as trustee of the AST Trust II pursuant to the terms of the Pledge Agreement III and the Trust Deed II; and • a pledge over the proceeds of Insurance Policy I and the Additional Insurance Policy/ies, once the New Vessel/s is/are acquired and the relative insurance policy/ies is/are in place, in favour of the Security Trustee in its capacity as trustee of the AST Trust II pursuant to the terms of the Trust Deed II;
Damask Investment Limited	Damask Investment Limited, a company registered under the laws of Malta with company registration number (C 63147), having its registered office situated at Kingsway Palace, Republic Street, Valletta VLT 1115, Malta;
DS Shipping Limited	DS Shipping Limited, a company registered under the laws of Malta with company registration number (C 68664), having its registered office situated at Kingsway Palace, Republic Street, Valletta VLT 1115, Malta;
DS Chartering Limited	DS Chartering Limited, a company registered under the laws of Malta with company registration number (C 85825), having its registered office situated at 31-33 Third Floor, Kingsway Palace, Republic Street, Valletta VLT 1115, Malta;
Deadweight tonnage or **DWT**	the measurement of potential weight carried by a commercial vessel;
Directors or **Board**	the directors of the Issuer whose names are set out in sub-section 4.1 of this Registration Document;
EBITDA	earnings before interest, tax, depreciation and amortization;
Euro or **€**	the lawful currency of the Republic of Malta;
Exchange or **Malta Stock Exchange** or **MSE**	Malta Stock Exchange plc, as originally constituted in terms of the Financial Markets Act (Chapter 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Financial Analysis Summary	the financial analysis summary dated 20 April 2023 compiled by the Sponsor in line with the applicable requirements of the MFSA Listing Policies, a copy of which is set out in Annex II of the Securities Note forming part of the Prospectus;
Insurance Policy I	the insurance policy providing for the replacement value of Vessel 1 owned by AST Shipping Limited;
Issuer or **Company**	AST Group p.l.c., a public limited liability company registered and existing under the laws of Malta with company registration number C 66811 and

	having its registered office at 31-33 Third Floor, Kingsway Palace, Republic Street, Valletta VLT 1115, Malta;
Memorandum and Articles of Association or **M&As**	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus, and the terms "Memorandum of Association" and "Articles of Association" shall be construed accordingly;
MFSA	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Chapter 330 of the laws of Malta) in its capacity as the competent authority in terms of the Financial Markets Act (Chapter 345 of the laws of Malta) authorised to approve prospectuses and admissibility to listing and to monitor and supervise local regulated markets and participants thereof falling within the regulatory and supervisory remit of the MFSA;
MSE Bye-Laws	the MSE bye-laws issued by the authority of the board of directors of Malta Stock Exchange plc, as may be amended from time to time;
New Vessel/s	the vessel/s to be purchased by AST Shipping 2 Limited and / or the Additional New Shipping Company/ies, as applicable, by means of financing provided by the Issuer from the net proceeds of the Bond Issue, as set out in sub-section 5.1 of the Securities Note;
Official List	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the MSE Bye-Laws;
Pledge Agreement I	the pledge of shares agreement, to be dated on or around 15 June 2023, which will be entered into by and between AST Shipping Limited, AST Green Shipping Ltd. and the Security Trustee pursuant to which AST Green Shipping Ltd. shall grant a pledge over all of its shares held in AST Shipping Ltd., from time to time, in favour of the Security Trustee in its capacity as trustee of the AST Trust II pursuant to the terms of the Trust Deed II;
Pledge Agreement II	the pledge of shares agreement, to be dated on or around 15 June 2023, which will be entered into by and between the Issuer, AST Green Shipping Ltd. and the Security Trustee pursuant to which the Issuer shall grant a pledge over all of its shares held in AST Green Shipping Ltd., from time to time, in favour of the Security Trustee in its capacity as trustee of the AST Trust II pursuant to the terms of the Trust Deed II;
Pledge Agreement III	the pledge of shares agreement to be entered into by and between AST Green, AST Shipping 2 Limited or any additional shipping company as may be required and the Trustee pursuant to which AST Green shall grant a pledge over all of the shares which it holds in AST Shipping 2 Limited or the Additional New Shipping Company/ies, as applicable, from time to time, in favour of the Trustee in its capacity as trustee of the AST Trust II;
Pledge of Bank Account Agreement	the pledge of bank account agreement to be dated on or around 20 June 2023 and to be entered into by and between the Issuer and the Security Trustee pursuant to which the Issuer shall grant a pledge over all the net proceeds from the issue of the Bonds to be used for the acquisition of the New Vessel/s held by the Issuer in a bank account designated for the purpose, in favour of the Security Trustee in its capacity as trustee of the AST Trust II pursuant to the terms of the Trust Deed II;
Prospects MTF	the market regulated as a multilateral trading facility operated by the MSE providing a venue for start-up and growth of small to medium-sized enterprises to float their capital, including equity or debt, on the market;
Prospects MTF List	the list prepared and published by the MSE as its recognised list in accordance with the Prospects MTF Rules;
Prospects MTF Rules	the rules issued by the Board of Directors of the MSE regulating the Prospects MTF market;
Prospectus	collectively, the Summary, this Registration Document and the Securities Note published by the Issuer all dated 20 April 2023 as such documents

	may be amended, updated, replaced and supplemented from time to time;
Prospectus Regulation	Commission Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council 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, as may be amended and/or supplemented from time to time, and in accordance with the provisions of Commission Delegated Regulation No. 2019/979 and Commission Delegated Regulation No. 2019/980 issued thereunder;
Redemption Date	16 June 2033;
Registration Document	this document in its entirety issued by the Issuer dated 20 April 2023, forming part of the Prospectus;
Securities Note	the securities note issued by the Issuer dated 20 April 2023, forming part of the Prospectus;
Security Trust Deed II	the security trust deed to be entered into on or around 15 June 2023 by and between the Issuer, AST Green Shipping Ltd., AST Shipping Limited and AST Shipping 2 Limited and the Security Trustee in connection with the granting of the Collateral;
Security Trustee	GVZH Trustees Limited, a private limited liability company duly registered and validly existing under the laws of Malta, with company registration number C 23095 and having its registered office at 52, St. Christopher Street, Valletta VLT 1462, Malta, duly authorised and qualified to act as a trustee or co-trustee in terms of article 43(3) of the Trusts and Trustees Act (Chapter 331 of the laws of Malta), in its capacity as trustee of the AST Trust II pursuant to the terms of the Security Trust Deed II;
Sponsor, Manager & Registrar	Calamatta Cuschieri Investment Services Limited, a private limited liability company registered under the laws of Malta having its registered office at Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta and bearing company registration number C 13729. Calamatta Cuschieri Investment Services Limited is authorised to conduct investment services by the Malta Financial Services Authority in terms of the Investment Services Act (Chapter 370 of the laws of Malta) and is a member of the MSE;
Summary	the summary issued by the Issuer dated 20 April 2023, forming part of the Prospectus;
Vessel 1	M/V AST Malta; and
Vessels	collectively Vessel 1 and the New Vessel/s.

All references in the Prospectus to "Malta" are to the "Republic of Malta".

Unless it appears otherwise from the context:

a. words importing the singular shall include the plural and *vice-versa*;
b. words importing the masculine gender shall include the feminine gender and *vice-versa*;
c. the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;
d. any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations or trusts;
e. any reference to a person includes that person's legal personal representatives, successors and assigns;
f. any phrase introduced by the terms "including", "include", "in particular" or any similar expression is illustrative only and does not limit the sense of the words preceding those terms; and
g. any reference to a law, legislative act and/or other legislation shall mean that particular law, legislative act and/or legislation as in force at the time of publication of this Registration Document.

2 RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN PROFESSIONAL ADVISERS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER.

SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND NEITHER THE ISSUER IS IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

WHILE THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS INTENDED TO BE INDICATIVE OF THE ORDER OF PRIORITY AND OF THE EXTENT OF THEIR CONSEQUENCES, PROSPECTIVE INVESTORS ARE HEREBY CAUTIONED THAT THE OCCURRENCE OF ANY ONE OR MORE OF THE RISKS SET OUT BELOW COULD HAVE A MATERIAL ADVERSE EFFECT ON THE ISSUER'S, AND THE GROUP'S BUSINESS, TRADING PROSPECTS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION AND, CONSEQUENTLY, ON THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES TO BE ISSUED IN TERMS OF THE PROSPECTUS.

THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE ISSUER AS AT THE DATE OF THE PROSPECTUS, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER AND THE GROUP MAY FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER AND/OR THE GROUP.

NEITHER THE PROSPECTUS NOR ANY OTHER INFORMATION SUPPLIED HEREIN IN CONNECTION WITH SECURITIES ISSUED BY THE ISSUER:

(I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, NOR
(II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE SPONSOR, MANAGER & REGISTRAR OR AUTHORISED INTERMEDIARIES THAT ANY RECIPIENT OF THE PROSPECTUS, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE ISSUER.

PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS OF THIS DOCUMENT.

2.1 Forward-looking statements

The Prospectus and the documents incorporated therein by reference or annexed thereto contain forward-looking statements that include, among others, statements concerning the Issuer's strategies and plans relating to the attainment of its objectives, capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts and which may, accordingly, involve predictions of future circumstances.

Prospective investors can generally identify forward-looking statements by the use of terminology such as "may", "will", "should", "expect", "intend", "plan", "estimate", "anticipate", "believe", "forecast", "project" or similar phrases. Such forward-looking statements are inherently subject to a number of risks, uncertainties and assumptions, a few of which are beyond the Issuer's control. Important factors that could cause actual results to differ materially from the expectations of the Issuer's directors include those risks identified under the heading "Risk Factors" and elsewhere in the Prospectus.

The Issuer cautions prospective investors that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied by such statements, that such statements do not bind the Issuer with respect to future results and no assurance is given that the projected future results or expectations covered by such forward-looking statements will be achieved.

Prospective investors are advised to read the Prospectus in its entirety and, in particular, all the risk factors set out in the Prospectus for a further discussion of the factors that could affect the Issuer's and the Group's future performance. In the light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in the Prospectus may not occur. All forward-looking statements contained in the Prospectus are made only as at the date of the Prospectus. Subject to applicable legal and regulatory obligations, the Issuer and its directors expressly disclaim any obligations to update or revise any forward-looking statements 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.

2.2 Risks relating to the Issuer's reliance on the Group

The Issuer itself does not have any substantial assets, apart from the shares held in its subsidiaries, and is essentially a special purpose vehicle set up to act as a financing company solely for the purpose of part-financing the needs of the Group and, as such, its assets consist primarily of loans issued to Group companies.

The Issuer is dependent on the business prospects of the Group and, consequently, the operating results of the Group have a direct effect on the Issuer's financial position. Therefore, the risks intrinsic in the business and operations of Group companies have a direct effect on the ability of the Issuer to meet its Bond Obligations. Accordingly, the risks of the Issuer are indirectly those of the Group and, in turn, all risks relating to the Group are the risks relevant to the Issuer.

The interest and dividend payments and loan repayments to be affected by Group companies are subject to certain risks. More specifically, the ability of Group companies to affect payments to the Issuer will depend on the cash flows and earnings of such Group companies, which may be restricted by: changes in applicable laws and regulations; the terms of agreements to which they are or may become party; or other factors beyond the control of the Issuer. The occurrence of any such factor could, in turn, negatively affect the ability of the Issuer to meet its obligations in connection with the payment of interest on the Bonds and repayment of principal when due.

2.3 Risks relating to the Group and its business

2.3.1 Dependence on the Mediterranean region

The Group's business model is primarily reliant on the trading of animal feed products and the chartering and management of bulk carriers, operating principally in the Mediterranean region.

The AST Group's business activities, as described in section 5 below, are concentrated in the Mediterranean region. Accordingly, the Group is highly susceptible to the macro-economic climate in Europe. Negative economic factors and trends in Europe, particularly those having an effect on consumer demand, may have a negative impact on the business of the Group.

In recent years, the Cypriot, Greek and Turkish economies have declined. Although there are signs that the economic recession has abated, particularly in Cyprus and Greece, there is still considerable instability that could initiate a new economic downturn. This would lead to a decline in clients' operations or ability to pay for the Group's services, which could result in a decreased demand for the Group's operations and consequently, adversely affect the Group's operating results and financial performance.

2.3.2 Risks relating to the political, economic and social environment in which the Group operates

The Group's business activities are subject to general market and economic conditions, both locally and overseas. These conditions include, *inter alia*, consumer demand, financial market volatility, the international economy, political developments, government spending, direct and indirect taxation, the animal feed market, exchange rates, the vessel charter market, inflation and fluctuations in interest rates, energy and fuel costs, unemployment, wage rates, tightening of credit markets and other general market and economic conditions. Any further expansion of the Group's operations into other markets would further increase its susceptibility to adverse economic developments and trends affecting such other markets.

In the event that general economic conditions experience a downturn, these weakened conditions may have an adverse impact on the financial position and operational performance of the Group's business activities, potentially having a negative effect on the Issuer's financial position, cash flows, operational performance and its ability to meet its obligations under the Bonds.

The AST Group's international presence exposes its assets and earnings to geopolitical events. Political decision-making processes such as the introduction of trade barriers, taxes, expropriation and currency restrictions as well as pirate attacks, war or terrorist attacks could negatively impact the AST Group's activities and its financial performance.

2.3.3 Risks relating to the business of the Group, including animal feed and dependency on key customers and suppliers

The Group has established strong relationships with various parties, which has in turn resulted in a dependency on such parties. The Group is dependent upon five key suppliers, that account for *circa* 70% of the Group's requirements for animal feed materials. The Group's ability to source and purchase animal feed may be seriously affected if either of these suppliers is unable to supply the Group. Furthermore, the Group is dependent on five key customers that account for *circa* 90% of the Group's revenue. The Group therefore relies on the retention of these key business relationships and the loss of one or more of these key customers and/or suppliers, may have a material adverse effect on the Group's revenues, operations and financial condition.

The success of the Group depends upon the positive image that its customers have of its product offerings. A lack of consistency in the quality of, or contamination of the products sold whether occurring accidentally or through deliberate third party action, or a perceived issue with the quality of products purchased from its suppliers, could harm the integrity and reputation of both the Group and its customers, which would ultimately adversely affect the Group's sales, results of operations or cash flows. The amount of any costs, including fines or payment of damages, that the Group might incur in respect of any liability or perceived liability for contaminants in animal feed or incorrect labelling of animal feed, could substantially exceed any insurance coverage of the Group.

The Group may voluntarily recall or withhold from sale, or be required to recall or withhold from sale, products in the event of contamination or damage. If the Group's products do not comply with the legal, regulatory or customer requirements, the Group may have to recall its products. The event of litigation, a significant product liability judgement or a widespread product recall may negatively impact the reputation of the affected products of the Group for a period of time depending on product-availability, competitive reaction and customer and end-consumer attitudes. Even if a product liability claim is unsuccessful or is not fully pursued, resulting negative publicity could adversely affect the Group's reputation and image, which could have a material adverse effect on the Group's prospects, business results of operations and financial condition.

Furthermore, the Group does not have long-term or exclusive agreements with customers and therefore customers could, depending on overall supply available on the market, opt for the services of competitors. Likewise, the Group does not have any long-term contracts with its suppliers, but typically purchases animal feed based on back-to-back agreements.

2.3.4 The Group operates in a highly competitive industry and substantial competition could significantly harm its financial performance

The Group operates in a highly competitive market and this level of competition may increase, which may limit the future ability of the Group to maintain its market share and revenue level. The Group competes with international feed producers and distributors. Current and potential competitors may have longer operating histories, greater name recognition, and greater financial, research and development, sales and marketing, technical, personnel and other resources than the Group. As the industry operates on thin margins, the Group competes on the basis of product range, cross-selling, pricing, product quality, distribution capabilities, logistics, reputation, and responsiveness to changing customer and consumer preferences and demand, with varying emphasis on these factors depending on the market segment and the product. The Group's revenue and market share could suffer if competitors' products perform well, or if competing products are offered at lower prices. Moreover, increasing competitive pressures may cause the Group to make certain pricing, service or marketing decisions that could have a material adverse effect on its revenues, costs, financial conditions and results of operations.
Furthermore, a decline in consumer demand in the Group's geographic and product markets could intensify competition in the regions in which it operates. Increased competition could also lead to downward pressure

on prices, decrease in volume traded or a decline in the Group's market share. There can be no assurance that the Group will respond adequately to these multiple sources market forces and be able to compete effectively with current or future competitors or that the competitive pressures will not have a material adverse effect on its businesses, results of operations and financial condition and the Issuer's ability to fulfil its obligations under the Bonds.

2.3.5 Price developments and availability of raw materials may adversely affect purchase prices, sales prices and realisable gross margin

A significant amount of animal feed products traded by the Group are agricultural in origin, such as guar meal and sunflower meal. Consequently, agricultural market developments may in turn adversely affect the Group's business, results of operations and financial condition. The Group's operating results are ultimately dependent upon conditions in the agricultural industry, which the Group cannot control. The agricultural products business can be affected by a number of factors, the most important of which are weather patterns, field conditions, pests and diseases. Prices for these products may be volatile due to, amongst others, supply and demand balances, currency exchange rate developments, availability in general and harvest quantities. The competitive demand for more traditional raw materials for livestock feed such as soy and corn from the bio fuel industry influences the availability and prices of raw materials. Although the approach of the Group is to pass-through product price's volatility, price fluctuations may affect the Group's sales prices and gross margins, due to the fact that not all price fluctuations can always be immediately passed onto customers.

2.3.6 Risks relative to chartering operations

The Group's charter operations depend on its ability to establish and maintain relationships with charterers, at attractive rates, in respect of which the Group will face substantial competition from its competitors and may be subject to factors beyond the control of the Group. Such current and potential competitors may have longer operating histories, greater name recognition, have larger revenues, volume and capacity, larger customer bases and greater financial and other resources and could thus offer more attractive services and rates than the Group. In addition, charter rates, and short-term charter rates in particular, tend to fluctuate significantly in response to market participants' perceptions of supply and demand for the shipping markets. A decrease in charter rates could have a material adverse effect on the Group's business, results of operations and financial condition.

The Issuer makes reliance on the revenues that the Group companies expect to generate from the chartering of third party vessels and the Vessels – if AST Shipping 2 Limited and/or the Additional New Shipping Company/ies as may be required is/are unable to acquire the New Vessel/s within the anticipated timeframes this could itself have a material adverse impact on the Group's business, results of operations and financial condition.

2.3.7 Fluctuations in the value of the Group's vessels

The fair market value of vessels increases or decreases depending on a number of factors, including general economic and market conditions affecting the shipping industry, competition from other shipping companies, the supply of similar vessels, supply and demand for container ships, alternative modes of transportation, cost of newly-built vessels, governmental or other regulations, prevailing level of charter rates and technological advancements. If the fair market value of the Vessels declines below their respective carrying value and such decline is other than temporary, the Group could be required to recognise an impairment charge or could incur a loss should any one or more of said vessels be sold.

In view of the fact that the Group's operating performance could be adversely affected by a downturn in the value of any one or more of its Vessels as aforesaid, there can be no assurance that the valuations of the Vessels will reflect actual market values that could be achieved upon a sale, even where any such sale were to occur shortly after the valuation date. Actual values may be materially different from any future values that may be expressed or implied by forward-looking statements set out in the relative valuation or anticipated on the basis of historical trends, as reality may not match the assumptions made.

2.3.8 Repairs, maintenance, ageing and downtime of the AST Group's vessels

Repairs to, and maintenance of, the Vessels and any other unexpected issues which may arise in this regard may require significant capital expenditure and result in a loss of revenue while said vessels are in downtime, particularly given that, in general, the cost of maintaining a vessel in good operating condition increases with the age of the vessel. Older vessels are typically less fuel efficient and more costly to maintain than more recently constructed vessels due to improvements in engine technology. Insurance rates may increase with the age of a vessel, making older vessels more costly to operate and, therefore, less attractive to operators and charterers. Governmental regulations and safety and/or other equipment standards related to the age of vessels may also require expenditures on alterations or new equipment for Group-owned vessels and may restrict the type of activities in which the Group's vessels may engage. Each of these factors could have a material adverse effect on the business of the Group, its financial condition and the results of its future operations.

If any one or more of the Vessels is unable to generate revenues for any significant period of time, whether for early termination of charter agreements or any other cause, whether anticipated or unanticipated, Group's business, its financial condition and the results of its operations could be materially adversely affected.

The Group may evaluate its opportunities to acquire vessels, and/or to dispose of or retire existing ones, with replacement. The Group's ability to acquire new vessels and/or replace old vessels on favourable terms and in a timely manner could significantly impact the business of the Group, its financial condition and the results of its operations. Similarly, the risk of insufficient and unprofitable occupancy levels for the Vessels may materialise, having a material adverse effect on the AST Group's financial position and performance.

2.3.9 The Group may be subject to increases in operating, crude oil and bunker fuel costs and other expenses

A significant portion of the AST Group's costs are semi-fixed, and the AST Group's operating results are vulnerable to short-term changes in its revenues. The Group's inability to react swiftly to changes in its revenues by reducing its operating expenses could have a material effect on its business, financial condition and results of operations.

In addition, the Group's operating and other expenses could increase without a corresponding increase in turnover or revenue. The factors which could materially increase the Group's operating and other expenses include:

- increase in the rate of inflation;
- increase in payroll expenses;
- changes in laws, regulations or government policies;
- increases in insurance premiums;
- unforeseen increases in the costs of maintaining vessels; and
- unforeseen capital expenditure.

Crude oil prices have historically exhibited significant volatility in short periods of time and are influenced by a host of economic and geopolitical factors beyond the Group's control, such as political instability, tensions in the Middle East, global terrorism, a long-term increase in global demand for oil and the economic development of emerging markets. Given that the cost of marine or bunker fuel is one of the major operating costs in running a vessel, an increase in crude oil and bunker fuel could materially and adversely impact the Group's business, results of operations and financial condition.

Furthermore, upon receipt of the Bond proceeds, and the successful purchase of the New Vessel/s by AST Shipping 2 Limited and/or the Additional New Shipping Company/ies to be incorporated for the purpose, the Group shall ensure that the New Vessel/s is/are certified by an approved classification society. In order to maintain certification, Group-owned vessels must undergo periodic class-renewal surveys. Should Group-owned vessels not pass the necessary certification, they would not continue to operate as previously in operation and this could have a material adverse effect on the Group's business, results of operations and financial condition.

2.3.10 Changes in laws and regulatory risk

The Group's vessels shall be operated across different jurisdictions and, accordingly, will be subject to extensive and various international conventions, legislation, regulation and standards, including those concerning the protection of the marine environment and health and safety. These include, but are not limited to, rules concerning ship safety and design requirements, equipment and operations of ships, discharge of fuel or hazardous substances, marine pollution and spills, recycling of ships, emission control, ballast water handling and treatment, and other environmental protection requirements. The ability of the Group to comply with these requirements, and to adapt in a timely manner to changes in the applicable regulatory framework, including the ability to make modifications to the vessels as required, could impact the reputation of the Group and could have a materially adverse impact on its business, its financial condition and the results of its operations. In addition, regulatory requirements and changes thereto may impact the resale value or useful lives of the vessels, require a reduction or alteration to cargo type and capacity, or necessitate vessel modifications or operational changes, including denial of access to certain jurisdictional waters or ports. Delays in obtaining any governmental or other authoritative approval, or rejection thereof, could materially and adversely affect the business of the Group.

Furthermore, as with any business, the Group is at risk in relation to changes in laws and regulations and the timing and effects of changes in the laws and regulations to which it is subject, including changes in the interpretation thereof which cannot be predicted. The shipping industry is subject to a wide variety of international, national and local laws, regulations and agreements relating to shipping operations and changes to such laws and regulations could be enacted that may have an adverse impact on the Group's business, results of operations, financial condition or prospects. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of the Memorandum upon the business and operations of Group companies.

2.3.11 The Group may be exposed to risks relative to its insurance policies

Although the Group maintains insurance at levels determined to be appropriate in the light of the cost of cover and the risk profiles of the business in which the Group operates, there can be no assurance that its insurance coverage will be sufficient, or that insurance proceeds will be paid on a timely basis to the Group. In addition, the Group may not be able to recover the full amount from the insurer. No assurance can be given that the Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates. As a result, any loss or disruption to any of the Group's operations may have a material adverse effect on the Group's business, results of operations and financial condition.

2.3.12 Risks relative to priviliged maritime claims and possessory liens under the Merchant Shipping Act (Chapter 234 of the laws of Malta)

Under the provisions of the Merchant Shipping Act certain debts specified therein are secured by a special privilege upon the relevant vessel, including but not limited to:

- (i) wages and other sums due to the master, officers and other members of the vessel's compliment in respect of their employment on the vessel, including costs of repatriation and social insurance contributions payable on their behalf;
- (ii) expenses for assistance, recovery of salvage and for pilotage;
- (iii) tonnage dues;
- (iv) moneys due to creditors for labour, work and repairs;
- (v) damages and interest due to another vessel or to her cargo in cases of collisions of vessels; and
- (vi) damages and interest due to any seaman for death or personal injury and expenses attendant on the illness or injury of any seaman.

The potential risk associated with the privileged debts attaching to the Vessels arises out of the fact that the obligations under the Bonds in terms of the Prospectus are subordinated to such privileged debts. Consequently, in the event that there are insufficient funds to cover all the claims of the creditors of the Group, secured or otherwise, the Bondholders' claims would be subordinated to the claims over these privileged debts and the ability of the Issuer to fulfil its obligations under the Bonds may be materially adversely affected.

In addition, any ship repairer, shipbuilder or other creditor into whose care and authority a vessel has been placed for the execution of works or other purposes shall have a possessory lien over the vessel. This possessory lien entitles such creditor to retain possession over the vessel on which he has worked or carried out activity until such creditor has been paid the debts due to him for such building, repairs or activity. The risk associated with the exercise of this possessory lien includes the risk of suspension of operations, loss of revenue and profits, circumstances constituting an event of default under any agreement, risks which could materially adversely affect the business of the Group, its financial condition and the results of its operations.

Under the provisions of the Merchant Shipping Act, in the event of default of any term or condition of a registered mortgage, or cross-default referred to therein, the mortgagee has the option, upon giving notice in writing to the mortgagor, to exercise the following rights:

(i) to take possession of the vessel, or any share therein, in respect of which he is the mortgagee, or

(ii) to sell the ship, or any share therein, with respect to which he is registered as mortgagee; provided that where more than one person is registered as a mortgagee of the same vessel, this right of sale may only be exercised with the concurrency of every prior mortgagee or under the order of the competent court.

2.3.13 The Impact of COVID-19 and the Russia-Ukraine Conflict

The rapid spread of COVID-19 worldwide created an unprecedented environment for trade, disrupting economic activity and the overall flow of goods. It was expected that trade flows would decline due to the pandemic, whilst the recovery is expected to be gradual over the coming years. Vaccine roll-out in the US and EU has accelerated the recovery.

On February 24, 2022, Russia launched an invasion of Ukraine which has resulted in increased volatility in various financial markets and across various sectors. The United States and other countries, along with certain international organizations, have imposed economic sanctions on Russia and certain Russian individuals, banking entities and corporations as a response to the invasion. The extent and duration of the military action, resulting sanctions and future market disruptions in the region are impossible to predict. Moreover, the ongoing effects of the hostilities and sanctions may not be limited to Russia and Russian companies and may spill over to and negatively impact other regional and global economic markets of the world, including Europe and the United States. The ongoing military action along with the potential for a wider conflict could further increase financial market volatility and cause negative effects on regional and global economic markets, industries, and companies. It is not currently possible to determine the severity of any potential adverse impact of this event on the Issuer's business.

2.3.14 Risks related to environmental, social and governance matters

Shipping activities pose significant risks to human safety and the environment. The industry is well aware of the related risks, for example in relation to the safety and health of those onboard vessels, as well as risks related to the marine environment, such as oil pollution.

The shipping industry is experiencing an increased focus on environmental, social and governance ("**ESG**") matters from multiple stakeholders like regulators, financiers and cargo owners. Stakeholders are demanding transparency on corporate responsibility issues and are ensuring that policies, initiatives and strategies are put in place by the industry in order to manage the ESG risks and opportunities. Although the approach of the Group is to focus much of its efforts on ESG related matters, putting the environment at its forefront, if the Group fails to ensure that proper and correct measures are put in place in order to satisfy ESG requirements and any future reporting which it may be subject to by international and local regulators it may be exposed to sanctions and/or penalties, as applicable.

3 PERSONS RESPONSIBLE & AUTHORISATION STATEMENT

3.1 Persons responsible

This Registration Document includes information prepared in compliance with the Capital Markets Rules issued by the MFSA, the Companies Act and the Prospectus Regulation for the purpose of providing Bondholders with information with regard to the Issuer. Each and all of the Directors of the Issuer whose names appear in sub-section 4.1 of this Registration Document accept responsibility for all the information contained in the Prospectus.

To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors of the Issuer hereby accept responsibility accordingly.

3.2 Authorisation statement

This Registration Document has been approved by the MFSA as the competent authority in Malta for the purposes of the Prospectus Regulation. The MFSA has only approved this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Registration Document.

4 IDENTITY OF DIRECTORS, SENIOR MANAGEMENT, ADVISERS AND AUDITORS

4.1 Directors of the Issuer

As at the date of this Registration Document, the Board of Directors of the Issuer is constituted by the following four persons:

Mr Giuseppe Muscat	Executive Director and Chairman
Mr Austin Demajo	Independent, non-Executive Director
Mr William Wait	Independent, non-Executive Director
Dr Kristian Balzan	Independent, non-Executive Director

Mr Austin Demajo, Mr William Wait and Dr Kristian Balzan are considered as independent Directors since they are free of any business, family or other relationship with the Issuer, its controlling shareholder or the management of either, that could create a conflict of interest such as to impair their judgement. In assessing Mr Demajo's, Mr Wait's and Dr Balzan's independence due notice has been taken of Rule 5.119 of the Capital Markets Rules.

The business address of the Directors is 31-33 Third Floor, Kingsway Palace, Republic Street, Valletta VLT 1115, Malta.

The Company Secretary of the Issuer is Dr Katia Cachia, holder of identity card number 246889M.

The following are the respective *curriculum vitae* of the Directors:

Mr Giuseppe Muscat; Executive Director and Chairman

Mr Giuseppe Muscat is a certified public accountant and registered auditor. He is the managing director of the NM Group, a professional services firm founded in 1991. Mr Muscat presently serves as a director in a number of companies based in Malta. He is also authorised to act as a Key Official by the Malta Gaming Authority. He is also the founder and CEO of the PIPPO Foundation, a non-profit organisation.

Mr Austin Demajo; Independent, Non-Executive Director

Mr Austin Demajo was a partner at Grant Thornton Malta and served the role of Head of Tax Services and subsequently Tax Partner, until his retirement on 31 December 2021. Austin specialised in the local and international taxation and in the financial services sector. And has provided services to foreign owned companies setting up businesses in Malta, and tax advice to international clients involved in cross border business ventures. Austin is a Fellow of The Chartered Association of Certified Accountants, a Fellow of the Malta Institute of Accountants and holds a Practicing Certificate in Auditing. He regularly attends tax conferences and is a customary speaker at local conferences related to VAT and tax matters, including those organised by the Malta Institute of Management and the Malta Institute of Accountants.

Mr William Wait; Independent, Non-Executive Director

Mr William Wait is currently the non-executive Chairman of Malta Enterprise, a post to which he was appointed in July 2016. Prior to this appointment, he occupied senior management positions within other Government entities. Mr Wait is a director of the Toly Group, with whom he has been involved for the last 30 years in various positions, both executive and non-executive. He has served on the Councils of the Federation of Industry and the Malta Chamber of Commerce, Enterprise and Industry as Chairman of the Manufacturers and Other Industries Economic Board. Pre-2013, Mr Wait also served on various Maltese Government Boards and Councils, including the Employment Relations Board and the M.C.E.S.D. - Malta Council for Economic and Social

Development. During Malta's presidency of the Council of the European Union, between January and June 2017, William served as the President of the Working Party for Industry, within DG Grow. Today, he serves as a director on various Maltese and foreign companies operating in a wide spectrum of industries, including generation of alternative energy, hospitality, property development, international trading and manufacturing. Mr Wait has a B.A. (Hons.) Accountancy degree, is a Fellow of the Malta Institute of Accountants and holds a Certified Public Accountant (CPA) warrant.

Dr Kristian Balzan; Independent, Non-Executive Director

In 2000 Dr Kristian Balzan was conferred with a B.A. Legal & Humanistic Studies from the University of Malta and in 2001 obtained a Diploma of Notary Public. In 2003, he successfully completed his law course and was conferred with a Doctorate of Law. Simultaneously, in 2003 Dr Balzan pursued his studies further and graduated as a Master of Laws (LL.M) in International Maritime Law. In 2006 he continued to further his studies and obtained a Diploma in Canonical Marriage Cases, Jurisprudence and Procedure at the Metropolitan Tribunal of Malta. Throughout his sixteen-year legal practice, besides addressing maritime issues, Dr Balzan has extended his services to a wide variety of local and international clients operating in the commercial and civil sectors. His clients included, amongst others, a commercial bank.

4.2 Senior management

The key members of the Group's management team are the following:

Mr Emmanouil Kalamaras; Chief Executive Officer

Mr Emmanouil Kalamaras holds a bachelor's degree on Multinational Cooperation Study from Upsala College in USA and a diploma in shipping from BCA Greece. He has over 10 years' experience in the maritime industry, whereby he was president and manager of a shipping company owned by his family. The managed fleet held various types of vessels, including bulkers, reefer and multipurpose vessels ranging from 3,000 DWT to 15,000 DWT.

In 2011 Mr Kalamaras commenced trading guar meal through Damask Investment Inc, subsequently merged into Damask Investment Limited. Since then, the company has grown and various other companies have been incorporated within the AST Group. At present, the AST Group trades in various animal feed products and is also active in shipping operations, through the vessel it acquired following its admittance on Prospects MTF in 2018.

Mr Kyriakos Fotiadis; Technical and Operational Manager

Mr Kyriakos Fotiadis is a Marine Chief Engineer and graduate of Greenwich University with an MSc in Marine Engineering Management and a dissertation on Ballast Water Treatment Systems. Mr Fotiadis has sailed as Chief Engineer and worked as Superintendent Engineer and Troubleshooter in the Technical Department of Shipping Companies.

Mr Fotiadis has over six years of shore experience operating up to 40 tanker vessels to date. His experience required close monitoring of day to day performance of vessels and relevant technical records, frequent visits onboard, technical supervision, troubleshooting, proper and timely maintenance, repairs scheduling and upgrading vessel systems, and scheduling and attending / completing class surveys.

Ms Alexandra Politi; Marketing and Quality Assurance Manager

Ms Alexandra Politi has a degree in Marketing from Athens College with professional experience focused on sales, marketing and quality assurance**.** Ms Politi also took on various front and back-office positions in her professional career.
As the Marketing and Quality Assurance Manager, she oversees the initial certification as well as re-audits performed by the certification body (TUV Nord) for the GMP+ feed quality certifications. In addition, Ms Politi trains personnel regarding the GMP+ instructions/pre-requisites and prepares and updates the GMP+ booklet. On top of these, she also responsible for the Group's advertising, marketing, and public relations.

4.3 Advisers to the Issuer

Legal Counsel
Name: GVZH Advocates
Address: 192, Old Bakery Street, Valletta VLT 1455, Malta

Sponsoring Stockbroker
Name: Calamatta Cuschieri Investment Services Limited
Address: Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta

Reporting Accountant
Name: Grant Thornton Malta
Address: Fort Business Centre, Triq l-Intornjatur, Zone 1,
Central Business District, Birkirkara CBD 1050, Malta

Manager & Registrar
Name: Calamatta Cuschieri Investment Services Limited
Address: Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta

As at the date of the Prospectus none of the advisers named above have any beneficial interest in the share capital of the Issuer. Additionally, save for the terms of engagement relative to their respective services provided in connection with the application for admissibility to listing of the Bond Issue, no material transactions have been entered into by the Issuer with any of the advisers referred to above.

The organisations listed above have advised and assisted the Directors in the drafting and compilation of the Prospectus.

4.4 Auditors

Name: Horwath Malta
Address: La Provvida, Karm Zerafa Street, Birkirkara BKR 1713, Malta

The annual statutory financial statements of the Issuer for the financial years ended 31 December 2019, 31 December 2020 and 31 December 2021 have been audited by Horwath Malta. Horwath Malta (accountancy board registration number AB/26/84/27) is a firm registered as a partnership of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Chapter 281 of the laws of Malta).

4.5 Security Trustee

Name: GVZH Trustees Limited
Address: 52, St. Christopher Street, Valletta VLT 1462, Malta

GVZH Trustees Limited is duly authorised and qualified to act as a trustee or co-trustee in terms of the Trusts and Trustees Act (Chapter 331 of the laws of Malta).

5 INFORMATION ABOUT THE ISSUER

5.1 Historical development of the Issuer

Full legal and commercial name of the Issuer:	AST Group p.l.c.
Registered address:	31-33 Third Floor, Kingsway Palace, Republic Street, Valletta VLT 1115
Place of registration and domicile:	Malta
Registration number:	C 66811
Date of registration:	22 September 2014
Legal form:	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act
Legal Entity Identifier:	485100EV94B5FY2A0332
Telephone number:	+356 21242152
E-mail address:	info@astgroupplc.com
Website*:	www.astgroupplc.com

**The information on the Issuer's website does not form part of the Prospectus, unless that information is incorporated by reference into the Prospectus.*

The Issuer was registered as AST Group Limited on 22 September 2014 in terms of the Companies Act, with company registration number C 66811. Subsequently, on 13 October 2017, the Issuer was converted into a public limited liability company.

The principal objects of the Issuer relate to carrying on the business of a finance company and holding company for the AST Group, which consists of AST Group p.l.c and its wholly-owned subsidiary companies. Its purpose is to carry on the business of a finance and holding company in connection with the ownership, development, operation and financing of the business activities of the Group, whether in Malta or overseas.

As at the date of the Prospectus, the Issuer has an authorised and issued share capital of €250,000 divided into 250,000 Ordinary shares of one Euro (€1.00) each, fully paid up, which are subscribed and held by AFTL Group AG (registration number CHE-340.827.237) as to 249,999 Ordinary shares of €1.00 each and by Georgios Benos as to 1 Ordinary share of €1.00. Further details concerning the manner in which the shares in the Issuer are subscribed to are set out in sub-section 8.1 of this Registration Document.

The Issuer is not intended to undertake any trading activities itself apart from the raising of capital and the advancing thereof to members of the Group. Accordingly, the Issuer is economically dependent principally on the financial and operating performance of the businesses of Group entities, comprising the business of shipping and transportation and trading in animal feed products (further details of said entities and their respective businesses are set out in sub-section 5.2 of this Registration Document).

The Issuer is, therefore, intended to serve as a vehicle through which the Group will continue to finance its future projects, principally and in the immediate future the projects set out in detail in sub-section 5.2 of this Registration Document, as well as other projects that may be undertaken by its subsidiary companies; and/or enabling the Group to seize new opportunities arising in the market.

Since its incorporation, the Company issued one bond which is currently listed and trading on the Prospects MTF List of the Malta Stock Exchange.

Specifically, in 2018, the Company offered for subscription to the general public in Malta €2,000,000 5.5% unsecured bonds due in 2028 (ISIN: MT0001701201) of a nominal value of €100 per bond bearing an interest rate of 5.5% *per annum*, to be issued at par and listed and traded on the Prospects MTF List of the Malta Stock Exchange pursuant to a company admission document dated 4 December 2017. Subscriptions were received for an amount of €1,835,000. The 2018 AST Prospects MTF Bonds were admitted to Prospects MTF List with effect from 9 February 2018 and trading in the bonds commenced on 12 February 2018. Interest is payable in arrears on 31 January of each year, between and including each of the years 2019 and 2028.

The 2018 AST Prospects MTF Bonds are to be redeemed early upon the issue of the Bonds and admission to trading and listing of the Bonds on the Official List of the Malta Stock Exchange. Full details of the mechanics of the early redemption of the 2018 AST Prospects MTF Bonds and the rights of holders of the 2018 AST Prospects MTF Bonds upon such early redemption are set out in the Securities Note.

There are no recent events particular to the Issuer which are, to a material extent, relevant to the evaluation of the Issuer's solvency.

The Issuer operates exclusively in and from Malta.

5.2 Overview of the Group's business

In 2011, Damask Investment Inc., a company registered in Liberia with address at 80 Broad Street, Monrovia, Liberia commenced trading in roasted guar meal churi and roasted guar meal korma, through two branches set up in Greece and Cyprus. Subsequently, in May 2016, Damask Investment Inc was re-domiciled to Malta and continued its operations under Damask Investment Malta Limited (C 75659).

In December 2013, Damask Investment Limited, a company registered in Malta with company registration number C 63147, commenced trading in roasted guar meal korma and fish meal from Malta. In the following months Damask Investment Limited expanded its operations, both in terms of animal feed products traded as well as locations.

In September 2016, the process was initiated for Damask Investment Malta Limited to be merged into Damask Investment Limited, with the merger becoming effective as from 9 December 2016. Following the restructuring, all the branches trading in animal feed are owned and managed by Damask Investment Limited, and at present Damask Investment Limited operates branches in Greece, Cyprus, Hungary, Spain, France, Malta and Dubai. Over the years, the Group introduced other animal feed products to its product range, and now trades in roasted guar meal korma, fish meal, Distiller's dried grains with soluble ("DDGS") and HiPro Sunflower meal, corn, soya meal, feed wheat and barley. Hence, the animal feed products are sourced from suppliers based in India, Morocco, South Africa, Bulgaria, Ukraine, Moldova, Hungary, Slovakia, Serbia and Romania which products are then exported to customers in Greece, Spain, France, Cyprus, Malta, Turkey and Dubai. The Group has working relationships with its suppliers and customers spanning several years.

As the company carries out end-to-end supply chain management, from sourcing raw materials for high nutrient animal feed to the delivery of animal feed to producers, it was the Group's intention to vertically integrate the animal feed operations and expand into the logistics business, by transporting the Group's animal feed on vessels owned by the Group or time-chartered vessels from third parties. For this reason, the Group acquired a vessel in 2018 to carry its own cargo, time-chartered various vessels from third parties, or chartered third-party vessels for a specific voyage, to continue growing its fleet whilst expanding its animal feed operations and complementing both business lines given that the vessels provide security of supply to the Group's animal feed customers. Despite this, the Group continually assesses whether it is more feasible to transport cargo with containers rather than by vessel.

For this reason, between 2017 and 2018, the Company set up AST Shipping Limited, DS Shipping Limited (previously Damask Shipping Management Company Limited) and DS Chartering Limited (previously Damask Chartering Limited), all operating under the Merchant Shipping Act. Consequently, on 20 April 2018, AST Shipping Limited acquired a 5,000 DWT German-built multi-purpose vessel, bearing IMO number 9143398, for $1.7 million. In accordance with the provisions of the 2017 AST Company Admission Document, the proceeds from the 2018 AST Prospects MTF Bonds were advanced by way of loan to the AST Shipping Limited for the purposes of acquiring Vessel 1 and managed of said vessel shall be through DS Shipping Limited. Vessel 1 was subsequently re-named M/V AST Malta and registered in Malta with Transport Malta.

As the Group expanded its operations, combined with the onset of the pandemic and the Russian-Ukraine conflict, the Group encountered various transportation and logistical issues, combined with significant spikes in freight charges. As a result, the Group chartered M/V Forester on a one-year time-charter, from September 2021 (which was renewed for a further year) and M/V Admiral De Ribas between April to July 2022, M/V OCMIS Adventure between September 2022 and November 2022 and M/V Blue Tune between November 2022 and

January 2023. All three vessels were then used to distribute animal feed, which change in strategy allowed the Group to expand its animal feed business in terms of volume and generate higher margins. Furthermore, it gave the Group added control over its value chain.

As from 1 January 2020, all vessels were to be compliant with the International Maritime Organization's (IMO's) 2020 0.5% Sulphur limit (down from 3.5%), either by installing an exhaust gas cleaning system (scrubber) or else by switching to lower Sulphur fuels. Vessel 1 has been in compliance with the regulation by using lower Sulphur fuels since 2015 when the Baltic Sea became an Emission Control Area ("ECA"). Vessel 1 has passed all class inspections to date with no recommendations or conditions of class and has passed all port state controls including USA coast guard port control and Finland port control. Vessel 1 was acquired for €1.4 million ($1.7 million). Since 2018, the Group has continuously invested in upgrades to the vessel. In 2021, the vessel was reinstated to container/multipurpose vessel. Due to the upgrades and current market conditions, Vessel 1 had a net book value of *circa* €4.0 million as at 27 March 2023, as confirmed by the certificate of valuation referred to in section 13 below.

5.3 Principal investments of the Group

5.3.1 Purchase of the New Vessel/s and upgrades to the Vessels

Going forward, the Group intends to continue growing its fleet whilst expanding its animal feed operations and complementing both business lines given that the Vessels will provide security of supply to the Group's animal feed customers. To this end in, the Issuer has set AST Green Shipping Ltd. and intends on setting up AST Shipping 2 Limited and the Additional New Shipping Company/ies as may be required, in order to continue growing its shipping operations. AST Green Shipping Ltd., has been set up as the holding company of the shipping arm of the Group. As detailed in sub-section 5.1 of the Securities Note, an amount of *circa* €6,500,000 of the Bond Issue net proceeds will be used for the purpose of financing the acquisition of the New Vessel/s by AST Shipping 2 Limited and the Additional New Shipping Company/ies as may be required and any upgrades to the Vessels as may be necessary.

The number of vessels to be purchased will depend on the prevailing market trends at the time of purchase and the vessel availability at the time of purchase. The Group may opt to purchase more than one vessel and the ultimate beneficial owner may part finance any additional vessel which would require additional financing in excess of the €6,500,000 of the Bond Issue net proceeds earmarked for the purchase of the New Vessel/s.

The New Vessel/s shall be managed by DS Shipping Limited and chartered to Damask Investments by DS Chartering Limited. The Group intends to utilise its own vessels, time-chartered vessels and vessels chartered on a voyage basis, to carry its intended cargo, including grains and containers.

The Group is currently monitoring the market. The New Vessel/s will be acquired to support the volume increase in the existing trade routes. The Issuer and the Group aims to focus its investment decisions on the acquisition of a multipurpose vessel with the following characteristics:

- not more than 26 year old vessel/s
- Vessel size between 3000 –7000 dead weight tonnage
- Preferably European built
- Multipurpose vessel (with or without cranes equipped)
- Certified by a classification society

5.3.2 The Green Initiative

The Group has initiated projects for hull air lubrication and propeller cap installation combining with mewis duct in order to reduce fuel consumption and achieve less emissions. AST Green Shipping Ltd. is committed on achieving partial and full decarbonization of its fleet. The installation of water ballast treatment is another aspect of the Group's commitment to green shipping by selecting the system with the lesser environmental impact according to studies. The Group is committed to finding green alternatives to fuel its vessels. The technical team is constantly looking for new technologies and fuels that can be used in the Group's vessels. The Group also makes use of low sulphur fuels to power its vessel fleet in order to reduce as much as possible vessel emissions.

Finding green alternatives to fuel the Group's fleet is included in the plans for the future. The technical team is in close contact with new technologies such as Methanol and Ammonia in order to implement them in the Group's fleet.

Furthermore, the Group makes sure to adhere to technical requirements in relation to the maintenance and survey of its vessels established by the International Association of Classification Societies (IACS). The IACS establishes emission control requirements for every vessel class, in view of this the Group's technical team ensures that every vessel within its fleet is in compliance with all the necessary standards established by the IACS.

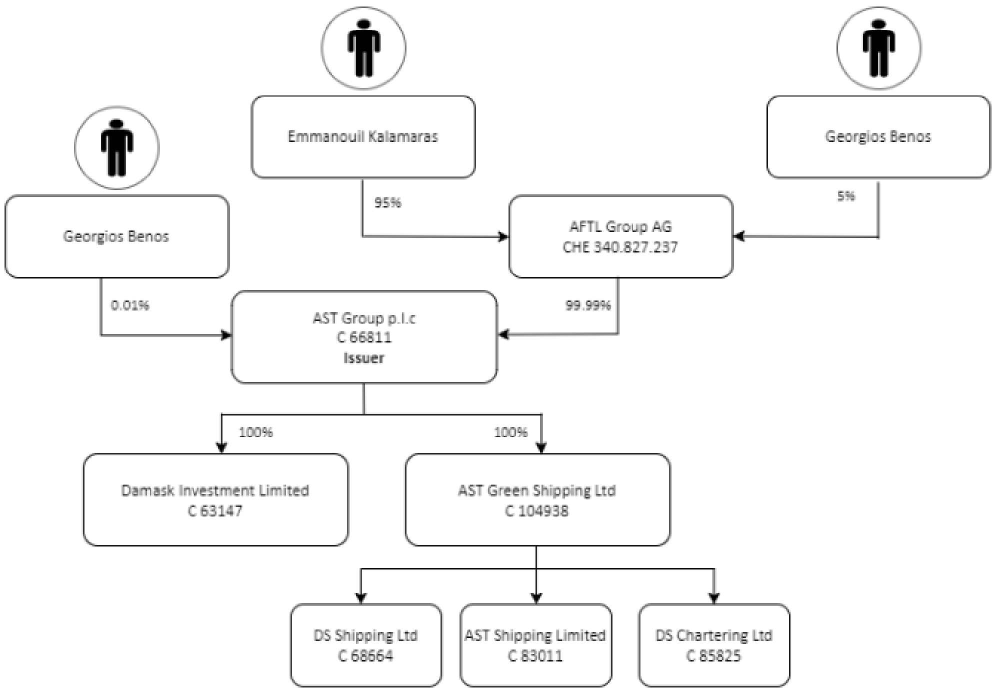
To ensure that the appropriate health and safety standards are in place, the Group adopted the occupational safety and health standards established by the International Labour Organization in the Promotional Framework for Occupational Safety and Health Convention (2006), the Occupational Safety and Health Convention (1981) and the Occupational Health Services Convention (1985).

Damask Investment Limited, also holds a process certificate in the trade of animal feed from TUV NOR D Czech, certifying that the process of Trade, Collection, Storage and Transhipment of Feeds complies with the applicable requirements and conditions of the standard GMP+ International.

5.4 Organisational structure

As previously stated, the Issuer is a special purpose vehicle set up to act as a financing company for the needs of the Group and, as such, it is dependent on the business prospects and operating results of Group entities. Mr Emmanouil Kalamaras owns 95% and Georgios Benos owns 5% of the Group, through AFTL Group AG.

The organisational structure of the Group as at the date of the Prospectus is illustrated in the diagram below:



5.5 The Collateral granted in favour of the Security Trustee

Security for the fulfilment of the Issuer's Bond Obligations in terms of the Bond Issue is to be granted in favour of the Security Trustee for the benefit of Bondholders, by way, inter alia, of the granting of the Collateral as described in further detail in sub-section 5.5 of the Securities Note. The security shall be constituted in favour of the Security Trustee for the benefit of all Bondholders from time to time registered in the Central Securities Depository of the Malta Stock Exchange. The Collateral will be vested in the Security Trustee for the benefit of the Bondholders in proportion to their respective holding of Bonds.

6 TREND INFORMATION AND FINANCIAL PERFORMANCE

6.1 Trend information

6.1.1 Trend information of the Issuer

There has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements dated 31 December 2021. Furthermore, there has been no material adverse change in the Issuer's borrowing and funding structure since said date.

There has been no significant change in the financial performance of the Issuer since the date of its last published audited financial statements dated 31 December 2021.

The Issuer is dependent on the business prospects of the Group and, therefore, the trend information relating to the Group has a material effect on its financial position and prospects.

6.1.2 Trend information of the Group

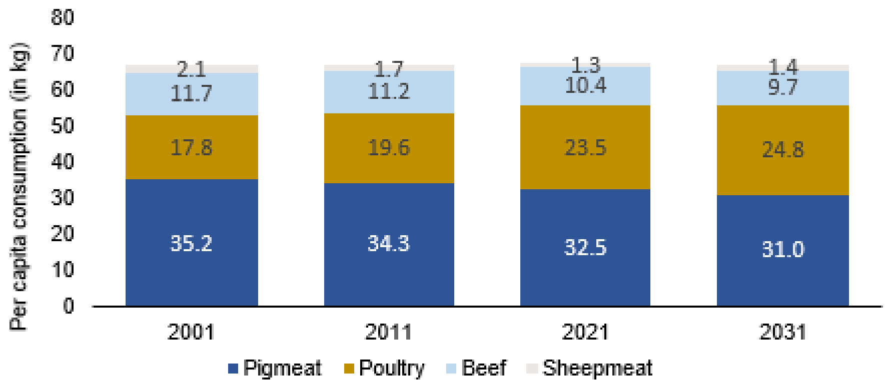
AST Group's demand for animal feed products relies significantly on worldwide consumption trends and animal feed production within European jurisdictions. As such, increased demand for meat, fish and other animal produce will result in an increase in overall demand for animal feed. Due to the recent strong demand experienced by the Group for its animal feed products, it will necessitate an increase in shipping and logistics arrangements required to meet customers' requirements.

EU meat consumption

According to the EU Agricultural Outlook for 2021-2031, by 2031, world meat consumption is expected to continue growing (+1.4% per year), driven by population increases and higher disposable income in developing countries. EU meat consumption, however, is set to decline from 69.8 kg in 2018 to 67 kg retail weight per capita by 2031 driven by consumer concerns about the environment and climate change which will result in greater attention being paid to the production process and to product origin (e.g. local markets, organic and other quality schemes, animal welfare and environmental footprint). Other drivers of changing consumer habits range from health considerations (lower or no intake of animal-based proteins) to convenience (with a shift from fresh meat towards more processed meat and preparations).

The figure below provides per capital consumption by meat type in the EU. The decline in pigmeat and beef will then be replaced by the increase consumption in poultry and sheepmeat. The increase in poultry is driven by continued changes in consumer preferences, stemming from a healthier image of poultry compared to other meats (especially pigmeat), the greater convenience to prepare it and the absence of religious constraints regarding its consumption.

EU Meat Consumption



Sources: EU Commission, EU Agricultural Outlook: Prospect for the EU agricultural markets and income 2021 to 2031, EU, 2021

Milk and dairy production
According to the EU Agricultural Outlook for 2021-2031, milk production will need to comply with higher environmental standards, leading to emissions' reduction, also via reduced replacement rates. In addition, benefits for biodiversity and soil health through the provision of valuable nutrients will lead to the growth of pasture-based (extensive) production systems which currently represent around 19% of EU milk production (based on 2019 FADN data). This will result in a slow down of EU milk production by 0.5% per year and reach around 162 million by 2031. Despite this, the EU will remain the largest dairy trade supplier (30% of global dairy trade in 2031) as the trade expansion of New Zealand, the EU's main competitor, will be limited with the reduced production growth.

Overall feed use is projected to fall to 39.1 million tonnes in protein equivalent in 2031 (down 4.1% compared to 2021, according to the EU Agricultural Outlook for 2021-2031). The use of low-protein feed (with less than 15% protein content excluding grass), is set to decline by 4.3% by 2031, driven by decreasing cereal use in feed (-7.8 million tonnes compared to 2021). Use of high-protein feed (over 30% protein content), which includes oilseed meals, fish meals and skimmed milk powder, is projected to decrease even more by 2031 (- 5.1%). The factors behind this decline include a reduction in crushing in the EU (lowering the availability of oilseed meals), environmental and climate concerns around imports of soya meals for use in feed rations, and high prices. By contrast, increased availability of protein crops in the EU could boost the use of medium-protein feed (between 15-30% protein content) by 4.2% compared to 2021.

Global fish production
During past years, aquaculture production (commonly referred to as fish farming) has become increasingly responsible for the continuous significant growth in the supply of fish for human consumption. In fact, according to the State of World Fisheries and Aquaculture 2022 report in 2020, fisheries and aquaculture production reached an all-time record of 214 million tonnes, worth about USD 424 billion, comprising 178 million tonnes of aquatic animals and 36 million tonnes of algae, largely due to the growth of aquaculture, particularly in Asia. Of the total production, 63% (112 million tonnes) was harvested in marine waters (70% from capture fisheries and 30% from aquaculture) and 37% (66 million tonnes) in inland waters (83% from aquaculture and 17% from capture fisheries).

Most fisheries and aquaculture production will be utilized for human consumption and this share is expected to continue to grow from 89 percent in 2020 to 90 percent by 2030. Overall, by 2030, the amount of aquatic food for human consumption is projected to increase by 24 million tonnes compared with 2020, reaching 182 million tonnes. This represents an overall increase of 15 percent, a slower pace when compared with the 23 percent growth experienced in 2010–2020. This slowdown mainly reflects the reduced amount of additional fisheries and aquaculture production available, higher prices of aquatic foods in nominal terms, a deceleration in population growth and saturated demand in some countries, particularly high-income countries, where aquatic food consumption is projected to show little growth (an average annual increase of 0.3 percent in 2020–2030).

Overall, the main factors behind the increase in global consumption of aquatic food will be a combination of high demand resulting from rising incomes and urbanization, linked with the expansion of fisheries and aquaculture production, improvements in post-harvest methods and distribution channels expanding the commercialization of aquatic products. Demand will also be stimulated by changes in dietary trends, pointing towards more variety in the typology of food consumed, and a greater focus on better health, nutrition and diet, with aquatic food playing a key role in this regard.

Cereal crops in Europe
In a report published by MarketLine in August 2021, European cereal crops industry which consists of the production of wheat, maize, rice and barley, has recorded a CAGR of 7.1% over the past five years. From 2016's €48.8 billion, the industry grew to €64.2 billion in 2020. The prolonged heatwave in 2018 led to extensive crop damage which caused the industry value to fell at 3%. This however was followed by a significant growth of 11% in 2019 despite the hot summer. In 2020, the industry is still forecasted to grow by 6% despite the impact of the COVID-19 lockdowns which disrupted the global supply chains. For instance, Russia and Ukraine took protective measures and set export quotas for wheat. The lockdown also made exports a challenging activity such as Bolivia which is a supplier of soybean and grains.

Despite the expected deceleration in the coming years, the industry is expected to grow steadily over the next five years. The chart below details the expected growth in the total market value of cereal crops in Europe with a CAGR of 4.9% from 2020 to 2025.

Shipping operations
The Shipping industry is an integral part of the European economy, comprising approximately 75% of external trading (EU's imports and exports) and 30% of internal trading. This makes shipping essential for the European economy's global competitiveness as well as an important contributor to the quality of life of EU citizens. Furthermore, according to Toepfer Transport GmbH, 60% of all cargo shipped from or to the EU in 2020 was short sea cargo. Hence short sea shipping is the back bone of the European economy. According to Eurostat, the gross weight of goods transported in the Mediterranean Sea amounted to 587 million tonnes in 2020, representing one third of the total short sea shipping cargo volumes transported between the main EU ports and ports located in this region in the past 10 years.

The total gross weight of goods transported as part of EU short sea shipping in 2019 reached a new high at almost 1.8 billion tonnes. In 2020, there was a 6.6% decrease from the previous year due to the COVID-19 pandemic, amounting to 1.7 billion tonnes. The majority of EU Member States witnessed a fall in short sea shipping between 2019 and 2020, except for Malta, Cyprus, Croatia and Sweden. For Malta, the increase is mostly due to higher levels of dry bulk goods handled in relation to the rapid development of construction and transportation. In fact, dry bulk goods reflected 63% of all short sea shipping cargo in 2020, this is a huge increase from just 27% in the previous year.

Overall, liquid bulk goods remain the dominant type of cargo in EU short sea shipping, followed by dry bulk goods. Moreover, liquid bulk goods is also dominant in all sea regions while the share of dry bulk goods of each sea region is more evenly distributed.

Second hand market
The table below sets out the average price of second hand vessels aged 10 years.

2nd Hand prices 10 years old in Euro million

DWT	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
4,500 - 6,500	3.00	3.50	3.50	3.00	3.50	3.00	3.80	4.50	4.50	5.50

Sources: 1. Toepfer Transport GmbH, 2022

According to Toepfer Transport GmbH the current high prices will be gently declining in the coming months. The increase in prices was also due to a reluctance to build small and/or niche market ships.

6.2 Historical Financial Information of the Issuer

The historical financial information about the Issuer is included in the audited consolidated financial statements for the financial years ended 31 December 2019, 31 December 2020 and 31 December 2021. The interim financial information about the Issuer is extracted from the unaudited condensed consolidated financial information for the six-month period beginning 1 January 2022 up to 30 June 2022.

Audited financial statements of the Issuer are available for inspection as set out in section 15 below, are incorporated by reference and may be accessed on the Issuer's website www.astgroupplc.com.

The tables and narrative included in this sub-section 6.2 contain certain alternative performance measures (as defined by the European Securities and Markets Authority (ESMA)), including EBITDA, that the Group' management and other competitors in the industry use. These non-International Financial Reporting Standards financial measures are presented as supplemental information as: (i) they represent measures that the Directors believe may be relevant for certain investors, securities analysts and other parties in assessing the Group's operating and financial performance and may contribute to a fuller understanding of the Group's cash generation capacity and the growth of the business; and (ii) they may be used by the Group's management as a basis for strategic planning and forecasting.

There have been no significant adverse changes to the financial or trading position of the Issuer since the end of the financial period to which their respective afore-mentioned last financial statements relate.

Furthermore, the Issuer hereby confirms that there has been no material change or recent development which could adversely affect potential investors' assessments in respect of the Bonds, other than the information contained and disclosed in the Prospectus.

Key References	Page number in annual report			Page number in interim financial statements
Information incorporated by reference in the Prospectus	Financial year ended 31 December 2019	Financial year ended 31 December 2020	Financial year ended 31 December 2021	Interim financial information for the six months ended 30 June 2022
Independent Auditors' Report	10 – 14	13 – 17	13 – 17	
Consolidated Statement of financial position	15	19	19	3
Consolidated Statement of comprehensive income	16	18	18	4
Consolidated Statement of cashflows	18	22	22	6
Notes to the Consolidated Financial Statements	19 - 37	23 - 49	23 - 50	7 – 9

Statement of Comprehensive Income

AST Group p.l.c.
Consolidated statement of comprehensive income

€000	FY2019 12 months	FY2020 12 months	FY2021 12 months	H12021 6 months	H12022 6 months
Revenue	15,660	18,845	29,660	14,590	25,180
Cost of sales	(14,949)	(19,060)	(27,965)	(13,936)	(23,815)
Gross profit / (loss)	712	(215)	1,695	655	1,365
Selling and distribution expenses	(75)	(138)	(167)	(87)	(212)
Administrative expenses	(462)	(413)	(498)	(229)	(295)
Other income	4	23	10	-	0
Other charges	(9)	-	(33)	-	(57)
EBITDA	170	(743)	1,008	338	801
Depreciation and amortisation	(255)	(224)	(373)	(124)	(396)
EBIT	(85)	(967)	636	214	404
Finance costs	(217)	(182)	(189)	(84)	(198)
(Loss) / profit before tax	(301)	(1,149)	446	130	207
Income taxation	(40)	40	19	70	21
(Loss) / profit after tax	**(341)**	**(1,109)**	**465**	**200**	**228**
Other comprehensive income					
Items that will not be re-classified to profit or loss					
Revaluation of property, plant and equipment	354	489	1,706	-	-
Other comprehensive income	**354**	**489**	**1,706**	**-**	**-**
Total comprehensive income / (loss) for the year	**13**	**(620)**	**2,171**	**200**	**228**

AST Group p.l.c.

Consolidated statement of financial position

€000	31-Dec-19	31-Dec-20	31-Dec-21	30-Jun-22
Assets				
Non-current assets				
Property, plant and equipment	1,838	2,132	3,771	3,391
Right-of-use asset	48	32	15	7
Sinking fund	-	-	-	100
Deferred tax asset	27	84	158	81
Total non-current assets	1,912	2,249	3,945	3,579
Current assets				
Inventories	1,219	1,207	1,572	726
Trade and other receivables	3,097	1,415	1,279	3,018
Cash and cash equivalents	739	334	621	714
Total current assets	5,055	2,956	3,473	4,458
Total assets	**6,968**	**5,205**	**7,417**	**8,037**
Equity and liabilities				
Equity				
Called up issued share capital	50	50	50	50
General reserve	312	312	312	312
Other reserve	160	160	160	160
Capital contribution	382	382	382	382
Revaluation reserve	354	843	2,549	2,549
Accumulated losses	447	(662)	(197)	31
Total equity	1,706	1,086	3,257	3,485
Non-current liabilities				
Borrowings	1,744	1,755	1,793	1,788
Lease liabilities	35	19	18	16
Other liabilities	5	159	159	159
Deferred tax liability	22	13	-	-
Total non-current liabilities	1,806	1,947	1,969	1,963
Current liabilities				
Escrow account	-	-	-	99
Trade and other payables	3,312	2,032	2,032	2,241
Lease liabilities	16	17	3	6
Current tax payables	127	124	156	243
Total current liabilities	3,456	2,172	2,191	2,589
Total liabilities	5,262	4,119	4,160	4,552
Total equity and liabilities	**6,968**	**5,205**	**7,417**	**8,037**

Note: The trade and other receivables and trade and other payables as at 30 June 2022 are net of an intercompany balance of €3 million, when compared to the management accounts published via company announcement AST41.

AST Group p.l.c.
Consolidated statement of cash flows

€000	FY2019 12 months	FY2020 12 months	FY2021 12 months	H12021 6 months	H12022 6 months
Net cash generated from / (used in) operating activities	309	(301)	667	(1,045)	129
Net cash generated from / (used in) investing activities	(1)	(2)	(252)	(1)	(2)
Net cash generated from / (used in) financing activities	(47)	(102)	(129)	57	(34)
Movement in cash and cash equivalents	261	(404)	287	(989)	93
Cash and cash equivalents at beginning of year	477	739	334	334	621
Cash and cash equivalents at the end of year	**739**	**334**	**621**	**(655)**	**714**

As set out in the table below, revenue was principally derived from the trading operations of the Group i.e. trading of animal feed, which represents *circa* 90% of total revenue generated in the period under review, whilst the remaining 10% represents revenues from shipping operations. During the period under review, animal feed was traded through five branches: Malta, Greece, Cyprus, France and Spain. Revenue from shipping operations is generated from freight services, which are invoiced either to third parties or to Damask Investment, since management fees between DS Shipping and AST Shipping are adjusted for upon consolidation.

Revenue breakdown

€000	FY2019 12 months	FY2020 12 months	FY2021 12 months	H12021 6 months	H12022 6 months
Trading operations	13,398	17,326	27,818	14,219	22,962
Shipping operations	2,853	2,587	4,491	2,556	4,208
Consolidation adjustments	(590)	(1,068)	(2,649)	(2,184)	(1,990)
Total	**15,660**	**18,845**	**29,660**	**14,590**	**25,180**

FY2020 was a challenging year given that the COVID-19 pandemic hit worldwide. Despite this, the Group traded new animal feed business (corn and barley), hence, generating total revenue from trading operations of €17.3 million in FY2020.

Until FY2020, the Group distributed animal feed either by land – in containers loaded on trucks –or by sea – through M/V AST Malta or third-party vessels chartered on a voyage basis. In FY2021 and H12022, the Group encountered various transportation and logistical issues, combined with significant spikes in freight charges. As a result, the Group chartered M/V Forester on a one-year time-charter, from September 2021 (which was renewed for a further year) and M/V Admiral De Ribas between April to July 2022. All three vessels were then used to distribute animal feed, which change in strategy allowed the Group to expand its animal feed business in terms of volume and generate higher margins. Furthermore, it gave the Group added control over its value chain.

By June 2022, the Group generated total revenue of €25.2 million, equivalent to 85% of FY2021 total revenue, however, in terms of volume, it was equivalent to 57.8% of FY2021 total volume traded. This illustrates that goods were sold at higher prices in January to June 2022 due to inflationary pressures and global disruptions in supply stemming from the pandemic and ongoing Russia-Ukraine conflict.

On average, 90% of the Group's revenue during the period under review was generated from five key customers. Likewise, c. 70% of the Group's costs of sales were acquired from five suppliers. Whilst this highlights dependency of both customers and suppliers, the relationship between the Group and its customers and suppliers spans several years.

Selling, distribution and administrative expenses increased from €537k in FY2019 to €665k in FY2021, following the expansion in operations. These primarily consist of marketing costs, wages and salaries, directors' remuneration and professional fees.

As the Group operates in a high volume, low profit sector, historically the Group generated a gross profit of c. 5%-6%, and an EBITDA of *circa* 1%-3%.

As an uplift of €2.5 million was recognised on M/V AST Malta from FY2019 to FY2021 in other comprehensive income, but the useful life of the vessel was not extended, depreciation and amortisation costs increased from €255k in FY2019 to €373k in FY2021.

Finance costs remained relatively stable at c. €200k per annum between FY2019 and FY2021 but increased to €198k between January and June 2022 due to the expansion of business operations. Finance costs consist of the bond interest of 5.5% on the 2018 Prospects MTF Bonds and interest on factoring agreements. The increase in interest in H12022 is due to interest on factoring agreements which increased proportionally to revenue.

As at 30 June 2022, total assets stood at €8.1 million. As at this date, the Group's major assets consist of:

- M/V AST Malta which is classified within property, plant and equipment, and has a net book value of €3.4 million;
- inventories of €0.7 million which comprise animal feed held for resale and fuel and oils in relation to M/V AST Malta;
- trade and other receivables of €3.0 million, which are accounted for net of factored receivables, given that the factoring is on a non-recourse basis.

The €100k sinking fund is in line with the sinking fund requirements as set out in the 2017 AST Company Admission Document.

As at 30 June 2022, the Group's equity totaled €3.5 million and comprised:

- €50k share capital consisting of 50,000 authorised shares issued and paid-up at €1 par;
- General reserve of €312k, being a non-distributable general reserve set up to finance the branches' capital expenditures;
- Other reserve of €160k;
- Capital contribution of €382k, which relates to contribution from the ultimate beneficial owner. These balances are unsecured, interest free and are repayable exclusively at the option of the Group; and
- Revaluation reserve of €2.5 million following revaluation uplifts carried out on M/V AST Malta.

Noncurrent liabilities totalled €2.0 million as at 30 June 2022, which mainly consist debt securities in issue (€1.8 million) and other liabilities (€159k). The debt securities in issue comprise the 2018 AST Prospects MTF Bonds in which the Group raised €1.835 million 5.5% unsecured maturing on 31 January 2028. The bonds were admitted and traded on Prospects MTF in February 2018. The bond is reported in the financial statements net of issue costs.

Current payables totalled €2.6 million as at 30 June 2022 and primarily relate to trade payables. The escrow account of €99k relates to the sinking fund balance of €100k.

The Group's net gearing, calculated as net debt (that is, interest-bearing liabilities less cash balances) over net debt plus total equity, stood at 35.6% as at 30 June 2022. Given that the factoring agreements are on a non-recourse basis, and hence trade receivables are net of the factored receivables, the net gearing calculation excludes balances factored by the Group.

The key movements in the Group's cash balance include:

- Movements in working capital, primarily resulting from the receivable and payable factoring agreements which were introduced in FY2019. This resulted in a positive net operating cash flow during the period under review except for FY2020 when the Group sustained a loss before tax of €1.1 million;
- Subsequent to the acquisition of the vessel in FY2018, the only key investing activity was the special survey and dry docking conducted on M/V AST Malta in FY2021 of €252k;
- Cash outflows from financing activities comprise advances made to the related parties and sinking fund contribution.

No dividends were declared and distributed during the period under review. As at 30 June 2022, the Group's cash balance stood at €714k.

7 MANAGEMENT AND ADMINISTRATION

7.1 The Issuer

7.1.1 The Board of Directors and M&As

The Board of Directors of the Issuer is to be composed of a minimum of three (3) and a maximum of six (6) Directors appointed by means of an ordinary resolution of the shareholders of the Company in general meeting. The Board meets regularly to establish and review the policies and strategies of the Issuer and to monitor the implementation thereof and the overall performance of the Issuer.

As at the date of the Prospectus, the Board of the Issuer is composed of the four (4) individuals listed in sub-section 4.1 of this Registration Document. Furthermore, in line with generally accepted principles of sound corporate governance, at least one (1) of the Directors shall be a person independent of the Issuer.

The Directors believe that the Issuer's current organisational structure is adequate for its present activities. The Directors will maintain this structure under continuous review to ensure that it meets the changing demands of the business and to strengthen the checks and balances necessary for better corporate governance.

None of the Directors have, in the last 5 years:

i. been the subject of any convictions in relation to fraudulent offences or fraudulent conduct;
ii. been associated with bankruptcies, receiverships or liquidations (other than voluntary) in respect of entities in respect of which they were members of administrative, management or supervisory bodies, partners with unlimited liability (in the case of a limited partnership with a share capital), founders or members of senior management;
iii. been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities, including designated professional bodies; or
iv. been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

The Memorandum and Articles of Association of the Issuer are registered with the Malta Business Registry. The main objects of the Issuer's activities are set out in clause 5 of the Memorandum of Association. The issue of bonds falls within the objects of the Issuer. The Memorandum and Articles of Association otherwise regulate matters customarily dealt with therein, including matters such as voting rights and restrictions thereof, and the appointment and powers of Directors.

A copy of the Memorandum and Articles of Association of the Issuer may be inspected during the lifetime of this Registration Document at the registered office of the Issuer as set out in section 16 of this Registration Document and at the Malta Business Registry during the lifetime of the Company.

7.1.2 Independent, non-executive Directors

The Independent, non-executive Directors constitute a majority on the Board of the Issuer and their main functions are to monitor the operations of the executive Directors and their performance, as well as to review any proposals tabled by the executive Directors.

The non-executive Directors are Austin Demajo, William Wait and Kristian Balzan, all of whom also being independent of the Issuer.

7.1.3 Aggregate emoluments of Directors

In terms of the Memorandum and Articles of Association of the Issuer, the aggregate emoluments of all Directors in any one financial year, and any increases thereto, shall be such amount as may from time to time be determined by the Issuer in general meeting, and any notice convening the general meeting during which an increase in the maximum limit of such aggregate emoluments shall be proposed, shall contain a reference to such fact.

For the financial year ended 31 December 2022 the Group paid an aggregate of €12,920 to its Directors.

7.1.4 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.

7.1.5 Removal of Directors

A Director may, unless he resigns, be removed by ordinary resolution of the shareholders as provided in Article 140 of the Act. The Directors currently in office are expected to remain in office at least until the next annual general meeting of the Company.

7.1.6 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.

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 proposal, issue, arrangement or contract in which they have a personal material interest.

In terms of the Memorandum and Articles of Association of the Issuer, the Board of Directors may exercise all the powers of the Issuer to borrow money and to hypothecate or charge its undertaking, property and uncalled capital or any part thereof, and to issue equity and debt securities on such terms, in such manner and for such consideration as they think fit. The shareholders in general meeting have the overriding authority to change, amend, restrict and/or otherwise modify such limit and the Directors' borrowing powers generally.

There are no provisions in the Issuer's Memorandum and Articles of Association regulating the retirement or non-retirement of Directors over an age limit.

7.2 Conflict of interest

Mr Giuseppe Muscat, in his role as managing director of the NM Group, provides accounting services to the AST Group. In addition to being Directors of the Issuer, Dr Kristian Balzan and Mr Giuseppe Muscat are also directors of AST Shipping Limited.

In light of the foregoing, Dr Kristian Balzan and Mr Giuseppe Muscat are susceptible to conflicts between the potentially diverging interests of the Issuer and such other companies forming part of the Group, as the case may be, and any of such other companies in transactions entered into, or proposed to be entered into, between them.

The Chairman of the Audit Committee has the task of ensuring that any potential conflicts of interest that may arise at any moment pursuant to these different roles held by the directors are handled in the best interest of the Issuer and the Group generally, as well as according to law.

As regards related party transactions generally, the Audit Committee operates within the remit of the applicable terms of Chapter 5 of the Capital Markets Rules regulating the role of the Audit Committee with respect to related party transactions. The Audit Committee ensures that transactions entered into between related parties are carried out on an arm's length basis and that the Issuer accurately reports all related party transactions in the notes to the Company's financial statements.

The fact that the Audit Committee is constituted solely of non-executive Directors, and that the Chairman of the Audit Committee does not hold any other directorships within the AST Group, provides an effective measure to ensure that transactions vetted by the Audit Committee are determined on an arm's length basis.

Other than as described above, no private interests or duties unrelated to the Issuer or the Group, as the case may be, have been disclosed by the Directors which may or are likely to place any of them in conflict with any interests in, or duties towards, the Issuer.

To the extent known or potentially known to the Issuer, as at the date of this Registration Document, other than the information contained and disclosed herein, there are no other potential conflicts of interest between any duties of the Directors and their respective private interests and/or their duties which require disclosure in terms of the Prospectus Regulation.

7.3 Working capital

As at the date of this Registration Document, the Directors of the Issuer are of the opinion that working capital available to the Issuer is sufficient for the attainment of its objects and the carrying out of its business for the next twelve (12) months of operations. In providing said working capital statement, the Issuer confirms that the proceeds of the Bond Issue have been included in the calculation of its working capital.

8 MAJOR SHAREHOLDERS AND SHARE CAPITAL

8.1 Shareholders of the Issuer

AFTL Group AG, the parent company of the Group, currently owns 99.99% of the share capital of the Issuer, with 1 Ordinary share being held by Mr Georgios Benos.

Specifically, in furtherance of a recent increase in share capital, the Issuer has an authorised share capital of €250,000 divided into 250,000 Ordinary shares of a nominal value of €1 each. The issued share capital of the Company is €250,000 divided into 250,000 Ordinary shares of €1 each, which are subscribed to and allotted as fully paid-up shares as follows:

Name of shareholder	***Number of shares held***
AFTL Group AG (CHE-340.827.237)	249,999 Ordinary shares of €1 each
Georgios Benos (ID AE024424)	1 Ordinary share of €1

The Issuer adopts measures in line with the Code of Principles of Good Corporate Governance forming part of the Capital Markets Rules (the "**Code**") with a view to ensuring that the relationship of the Issuer with the rest of the Group and with the shareholders are retained at arm's length, including adherence to rules on related party transactions set out in Chapter 5 of the Capital Markets Rules requiring the vetting and approval of any related party transaction by the Audit Committee, which is constituted in its entirety by non-executive Directors, all of whom are independent of the Issuer and of whom one, in the person of William Wait, also acts as Chairman. The Audit Committee has the task of ensuring that any potential abuse is managed, controlled and resolved according to law. The composition of the Board, including the presence of a majority of independent, non-executive Directors, effectively minimises the possibility of any abuse of control by the major shareholder.

The authorised share capital of the Issuer may be increased by an ordinary resolution of the shareholders in general meeting. Shares can be issued when and under those conditions decided by extraordinary resolution of the shareholders in general meeting.

Each Ordinary share confers the right to one (1) vote at general meetings of the Issuer. All Ordinary shares rank *pari passu* in all respects.

There is no capital of the Issuer which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Issuer is to be put under option.

To the best of the Issuer's knowledge, there are no arrangements in place as at the date of the Prospectus the operation of which may, at a subsequent date, result in a change in control of the Issuer.

The shares of the Issuer are not listed on the Exchange. Application has not been filed for the shares of the Issuer to be quoted on the Official List of the Exchange. There is no capital of the Issuer which has been issued to the public during the 2 years immediately preceding the publication of the Prospectus.

It is not expected that the Company issues, during the financial year ending 31 December 2023, any shares, whether fully or partly paid up, in consideration for cash or otherwise.

8.2 Commissions

There were no commissions, discounts, brokerages or other special terms granted during the 2 years immediately preceding the publication of the Prospectus in connection with the issue or sale of any capital of the Issuer or any other Group company.

9 AUDIT COMMITTEE

The Audit Committee's objective is to assist the Board in fulfilling its supervisory and monitoring responsibilities according to terms of reference that reflect the requirements of the Capital Markets Rules, as well as current good corporate governance best practices.

The terms of reference of the Audit Committee include support to the Board of Directors of the Issuer in its responsibilities in dealing with issues of risk, control and governance. The Board has set formal terms of establishment and the terms of reference of the Audit Committee which set out 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. The Board reserved the right to change the Audit Committee's terms of reference from time to time. The Audit Committee reports directly to the Board of Directors.

The primary purpose of the Audit Committee is to assist the Directors in conducting their role effectively so that the Issuer's decision-making capability and the accuracy of its reporting and financial results are maintained at a high level at all times. The main responsibilities of the Audit Committee include, but are not limited to, the following:

a) monitoring the financial reporting process and submitting recommendations or proposals to ensure its integrity;
b) monitoring of the effectiveness of the Issuer's internal quality control and risk management system;
c) making recommendations to the Board in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor, following appointment by the shareholders during the Issuer's Annual General Meeting;
d) reviewing and monitoring the external auditor's independence;
e) assessing any potential conflicts of interest between the duties of the Directors and their respective private interests or duties unrelated to the Issuer; and
f) evaluating the arm's length nature of any proposed transactions to be entered into by the Issuer and a related party, to ensure that the execution of such transaction is at arm's length, conducted on a sound commercial basis and in the best interests of the Issuer.

The Audit Committee has a crucial role in monitoring the activities and conduct of business of the Group's subsidiaries, limitedly insofar as these may affect the ability of the Issuer to fulfil its Bond Obligations. For this purpose, the Audit Committee's remit also extends to the operations of the Group and, accordingly, 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 all other entities comprising the Group on a quarterly basis. To this effect, the Issuer and all other entities comprising the Group are to submit to the Audit Committee quarterly unaudited management accounts, as well as at least quarterly comparisons of actuals against projections.

The Audit Committee is constituted by three independent non-executive Directors, all of whom satisfy the independence criteria set out in the Capital Markets Rules. The Audit Committee is presently composed of Austin Demajo, William Wait and Kristian Balzan. The Audit Committee is chaired by William Wait, whilst Austin Demajo and Kristian Balzan act as members. The Board of Directors, in terms of Capital Markets Rule 5.118, has indicated William Wait as the independent, non-executive member of the Audit Committee who is considered to be competent in accounting and/or auditing. The Issuer considers that the members of the Audit Committee have the necessary experience, independence and standing to hold office as members thereof. The *curriculum vitae* of the said Directors may be found in sub-section 4.1 above.

10 COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

The Issuer is subject to, and continues to support, the Code and the Board has taken such measures as were considered necessary in order for the Issuer to comply with the requirements of the Code to the extent that these were deemed appropriate and complementary to the size, nature and operations of the Issuer.

The Board of Directors sets the strategy and direction of the Issuer and retains direct responsibility for appraising and monitoring the Issuer's financial statements and annual report. The functions of the Board are exercised in a manner designed to ensure that it can effectively supervise the operations of the Issuer so as to protect the interests of the Company's bondholders, amongst other stakeholders. The Board is also responsible for making relevant public announcements and for the Issuer's compliance with its continuing listing obligations.

As required by the Act and the Capital Markets Rules, the Issuer's financial statements are to be subject to annual audit by the Issuer's external auditors. Moreover, the non-executive Directors have direct access to the external auditors of the Issuer who attend at Board meetings at which the Company's financial statements are approved. Directors are entitled to seek professional advice at any time on any aspect of their duties and responsibilities, at the Issuer's expense.

In view of the reporting structure adopted by the Code, the Issuer, on an annual basis in its annual report, details the level of the Issuer's compliance with the principles of the Code, explaining the reasons for non-compliance, if any.

Save for the instances of non-adherence to the Code which are explained immediately below, the Board is of the opinion that the Issuer is in compliance with the Code:

Principle 7: Under the present circumstances, 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 on-going basis by, and is subject to the constant scrutiny of, the Company's shareholders.

Principle 8: The Board of Directors considers that the size and operation of the Issuer does not warrant the setting up of nomination and remuneration committees. Given that the Issuer does not have any employees other than the Directors and the company secretary, it is not considered necessary for the Issuer to maintain a remuneration committee. Also, the Issuer has not set up a nomination committee. Appointments to the Board of Directors are determined by the shareholders of the Issuer in accordance with the Company'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 Code.

11 LITIGATION PROCEEDINGS

There have been no governmental, legal or arbitration proceedings involving the Issuer, including any such proceedings which are pending or threatened of which the Issuer is aware, during the period covering twelve (12) months prior to the date of the Prospectus which may have, or have had, in the recent past significant effects on the financial position or profitability of the Issuer, and/or the Group, taken as a whole.

12 MATERIAL CONTRACTS

Save for the security documents entered into in accordance with and pursuant to the 2017 AST Company Admission Document and the Pledge Agreement I, the Pledge Agreement II, the Pledge of Bank Account Agreement and the Security Trust Deed II, the Issuer has not entered into any material contracts which are not in the ordinary course of its business which could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to security holders in respect of the Bonds, as such securities are issued pursuant to, and described in, the Securities Note.

13 PRIVILEGED MARITIME CLAIMS IN TERMS OF THE MERCHANT SHIPPING ACT

In terms of Article 37A of the Merchant Shipping Act, ships and other vessels constitute a particular class of moveables whereby they form separate and distinct assets within the estate of their owners for the security of actions and claims to which the vessel is subject.

Maltese law, specifically the Merchant Shipping Act, recognizes possessory liens, the privilege which is granted by law to the unpaid seller of a vessel as a security for the balance of price, and special privileges on vessels.

Article 50 of the Merchant Shipping Act provides a list of the debts which are secured by a special privilege upon the vessel, as well as any proceeds from any indemnity arising from collisions and other mishaps as well as any insurance proceeds. The special privileges contemplated therein do not only attach to the 'vessel' but also to 'any proceeds from any indemnity arising from collisions and other mishaps as well as any insurance proceeds'.

The said article provides the following exhaustive list of debts which are afforded a special privilege at law:

a) judicial costs incurred in respect of the sale of the ship and the distribution of the proceeds thereof;
b) fees and other charges due to the registrar of Maltese ships arising under the Merchant Shipping Act;
c) tonnage dues;
d) wages and expenses for assistance, recovery of salvage, and for pilotage;
e) the wages of watchmen, and the expenses of watching the ship from the time of her entry into port up to the time of sale;
f) rent of the warehouses in which the ship's tackle and apparel are stored;
g) the expenses incurred for the preservation of the ship and of her tackle including supplies and provisions to her crew incurred after her last entry into port;
h) wages and other sums due to the master, officers and other members of the vessel's complement in respect of their employment on the vessel, including costs of repatriation and social insurance contributions payable on their behalf;
i) damages and interest due to any seaman for death or personal injury and expenses attendant on the illness, hurt or injury of any seaman;
j) moneys due to creditors for labour, work and repairs previously to the departure of the ship on her last voyage:
   Provided that such privilege shall not be competent where the debt has not been contracted directly by the owner of the ship, or by the master, or by an authorised agent of the owner;
k) ship agency fees due for the ship after her last entry into port, in accordance with port tariffs, and any disbursements incurred during such period not enjoying a privilege in paragraphs (a) to (i), though in any case for a sum in the aggregate not in excess of four thousand units;
l) moneys lent to the master for the necessary expenses of the vessel during her last voyage, and the reimbursement of the price of goods sold by him for the same purpose;
m) moneys due to creditors for provisions, victuals, outfit and apparel, previously to the departure of the ship on her last voyage:
   Provided that such privilege shall not be competent where the debt has not been contracted directly by the owner of the ship, or by the master, or by an authorised agent of the owner;
n) damages and interest due to the freighters for non-delivery of the goods shipped, and for injuries sustained by such goods through the fault of the master or the crew;
o) damages and interest due to another vessel or to her cargo in cases of collision of vessels;
p) the debt specified in article 2009(d) of the Civil Code for the balance of the price from the sale of a ship.

The Merchant Shipping Act also provides for possessory liens which may be enforced over a vessel by any ship repairer, shipbuilder or other creditors into whose care and authority a vessel has been placed for the execution of works or other purposes. Such possessory liens entitle the creditor to retain possession over the vessel on which he or she has worked or carried out activity until they are paid the debts due to him or her for such building, repairs or activity. The voluntary release of the vessel from the possession of the creditor serves to extinguish the lien.

14 VESSEL CERTIFICATE OF VALUATION

AST Shipping Limited commissioned Hanse Bereederung GmbH to provide the company with a certificate of valuation in relation to Vessel 1 owned by AST Shipping Limited. The following are the details of said independent valuer:

Name:	Hanse Bereederung GmbH
Business address:	Große Elbstraße 275, D-22767 Hamburg, Germany

The certificate of valuation is dated 24 March 2023.

A copy of said certificate dated 24 March 2023 in respect of Vessel 1 owned by AST Shipping Limited, the market value of which has been estimated at between €3,500,000 and €4,000,000 in its present state of repair, is incorporated by reference and is available for inspection as set out in section 14 of this Registration Document.

15 DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or certified copies thereof, where applicable, shall be available for inspection at the registered office of the Issuer at 31-33 Third Floor, Kingsway Palace, Republic Street, Valletta VLT 1115, Malta during the term of the Bond Issue during office hours:

i. the Memorandum and Articles of Association of the Issuer;
ii. the audited financial statements of the Issuer for the financial years ended 31 December 2019, 2020 and 2021;
iii. the unaudited half yearly financial statements of the Issuer for the financial period ended 30 June 2022;
iv. the certificate of valuation in respect of Vessel 1 dated 24 March 2023;
v. the Financial Analysis Summary; and
vi. the Security Trust Deed II.

Documents (i) to (iii) listed above, both included, are also available for inspection in electronic form on the Issuer's website www.astgroupplc.com.

SECURITIES NOTE
Dated 20 April 2023

This document is a Securities Note issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules published by the Malta Financial Services Authority and of the Prospectus Regulation. This Securities Note is issued pursuant to the requirements of Rule 4.14 of the Capital Markets Rules and contains information about the Bonds. Application has been made for the admission to listing of the Bonds on the Official List of the Malta Stock Exchange. This Securities Note should be read in conjunction with the most updated Registration Document issued from time to time containing information about the Issuer.

In respect of an issue of
€8,500,000 6.25% Secured Bonds 2033
of a nominal value of €100 per Bond issued at par by

AST Group p.l.c.
a public limited liability company registered in Malta with company registration number C 66811.

ISIN: MT0001701219

THIS SECURITIES NOTE HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MALTA FINANCIAL SERVICES AUTHORITY ONLY APPROVES THE PROSPECTUS AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHALL NOT BE CONSIDERED AS AN ENDORSEMENT OF THE QUALITY OF THE SECURITIES THAT ARE THE SUBJECT OF THIS SECURITIES NOTE. INVESTORS SHOULD MAKE THEIR OWN ASSESSMENT AS TO THE SUITABILITY OF INVESTING IN THE SECURITIES THAT ARE THE SUBJECT OF THIS SECURITIES NOTE.

THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS 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 THE PROSPECTUS, INCLUDING ANY LOSSES INCURRED BY INVESTING IN THE SECURITIES.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENTS. 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 FINANCIAL ADVISER.

Legal Counsel	Sponsor, Manager & Registrar
GVZH ADVOCATES	Calamatta Cuschieri

APPROVED BY THE DIRECTORS

W. Wait

William Wait
in his capacity as Director of AST Group p.l.c. and for and on behalf of Austin Demajo, Giuseppe Muscat and Kristian Balzan.

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IMPORTANT INFORMATION

THIS SECURITIES NOTE CONSTITUTES PART OF THE PROSPECTUS DATED 20 APRIL 2023 AND CONTAINS INFORMATION ABOUT AST GROUP PLC IN ITS CAPACITY AS ISSUER, AND ABOUT THE BONDS IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES ISSUED BY THE MALTA FINANCIAL SERVICES AUTHORITY, THE COMPANIES ACT AND THE PROSPECTUS REGULATION, AND SHOULD BE READ IN CONJUNCTION WITH THE REGISTRATION DOCUMENT ISSUED BY THE ISSUER.

THIS SECURITIES NOTE SETS OUT THE CONTRACTUAL TERMS UNDER WHICH THE BONDS ARE ISSUED BY THE ISSUER AND ACQUIRED BY A BONDHOLDER, WHICH TERMS SHALL REMAIN BINDING UNTIL THE REDEMPTION DATE OF THE BONDS, UNLESS THEY ARE OTHERWISE CHANGED IN ACCORDANCE WITH SUB-SECTION 6.17 OF THIS SECURITIES NOTE.

THE INFORMATION CONTAINED HEREIN IS BEING MADE AVAILABLE IN CONNECTION WITH AN ISSUE BY THE COMPANY OF A MAXIMUM OF €8,500,000 SECURED BONDS 2033 OF A NOMINAL VALUE OF €100 EACH. THE BONDS SHALL BE ISSUED AT PAR AND BEAR INTEREST AT THE RATE OF 6.25% *PER ANNUM* PAYABLE ANNUALLY IN ARREARS ON 16 JUNE OF EACH YEAR UNTIL THE REDEMPTION DATE, WITH THE FIRST INTEREST PAYMENT FALLING DUE ON 16 JUNE 2024. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON 16 JUNE 2033.

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 SALE OF SECURITIES OF THE ISSUER, OTHER THAN THOSE CONTAINED IN THIS SECURITIES NOTE AND IN THE 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 OR ITS DIRECTORS OR ADVISERS.

THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS 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 THE PROSPECTUS.

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER BY ANY PERSON IN ANY JURISDICTION: (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED; OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY BONDS MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS OF 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 PROFESSIONAL ADVISERS AS TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE BONDS AND THE PROSPECTUS.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THE PROSPECTUS AND ANY PERSONS WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF SO APPLYING FOR ANY SUCH SECURITIES AND OF ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE PUBLIC OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE SECURITIES DESCRIBED IN THIS SECURITIES NOTE OR THE DISTRIBUTION OF THE PROSPECTUS OR ANY PART THEREOF OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA, OTHER THAN MALTA, THE BONDS CAN ONLY BE OFFERED TO *"QUALIFIED INVESTORS"*, AS DEFINED IN THE PROSPECTUS REGULATION, AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS REGULATION.

THE 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.

A COPY OF THE PROSPECTUS HAS BEEN SUBMITTED TO THE MALTA FINANCIAL SERVICES AUTHORITY IN SATISFACTION OF THE CAPITAL MARKETS RULES, TO THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH THE COMPANIES ACT.

IN TERMS OF ARTICLE 12(1) OF THE PROSPECTUS REGULATION, THE PROSPECTUS SHALL REMAIN VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE OF THE APPROVAL OF THE PROSPECTUS BY THE MALTA FINANCIAL SERVICES AUTHORITY. THE ISSUER IS OBLIGED TO PUBLISH A SUPPLEMENT ONLY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKE OR MATERIAL INACCURACY RELATING TO THE INFORMATION SET OUT IN THE PROSPECTUS WHICH MAY AFFECT THE ASSESSMENT OF THE SECURITIES AND WHICH ARISES OR IS NOTED BETWEEN THE TIME WHEN THE PROSPECTUS IS APPROVED AND THE CLOSING OF THE ISSUE PERIOD OR THE TIME WHEN TRADING ON A REGULATED MARKET COMMENCES, WHICHEVER OCCURS LATER. THE OBLIGATION TO SUPPLEMENT THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES DOES NOT APPLY WHEN THE PROSPECTUS IS NO LONGER VALID.

STATEMENTS MADE IN THIS SECURITIES NOTE ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN.

UNLESS OTHERWISE STATED, THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITE AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

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.

ALL THE ADVISERS TO THE ISSUER NAMED IN SUB-SECTION 4.3 OF THE REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

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 WILL BE REPAYABLE IN FULL UPON MATURITY. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISERS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.

1 DEFINITIONS

Words and expressions and capitalized terms used in this Securities Note, shall, except where the context otherwise requires and except where otherwise defined herein, bear the same meaning as the meaning given to such words, expressions and capitalized terms as indicated in the Registration Document forming part of the Prospectus. In this Securities Note the following words and expressions shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

Applicant/s	any person or persons, natural or legal, who subscribes for the Bonds;
Application/s	the application to subscribe for Bonds made by an Applicant/s through any of the Authorised Intermediaries, which include the Sponsor, Manager & Registrar, in accordance with the terms of this Securities Note;
Bond Issue Price	the price of €100 per Bond;
Business Day	any day between Monday and Friday, both days included, on which commercial banks in Malta settle payments and are open for normal banking business;
CET	Central European Time;
CSD	the Central Securities Depository of the Malta Stock Exchange authorised in terms of Part IV of the Financial Markets Act (Chapter 345 of the laws of Malta), having its address at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Cut-Off Date	close of business on 25 April 2023, trading session of 21 April 2023;
Existing AST Bondholders	holders of the 2018 AST Prospects MTF Bonds, as defined in the Registration Document, appearing on the applicable register held at the CSD as at the Cut-Off Date;
GDPR	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;
Interest Payment Date	16 June of each year between and including each of the years 2024 and the year 2033, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
Intermediaries' Offer	an offer for subscription of Bonds made by the Issuer to the Authorised Intermediaries through subscription agreements as further detailed in sub-section 6.3 of this Securities Note;
Issue Date	expected on 16 June 2023;
Issue Period	the period between 08:30 hours CET on 15 May 2023 and 12:00 hours CET on 2 June 2023 during which the Bonds are available for subscription, or such earlier date as may be determined by the Issuer;
MiFIR	Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments;
Redemption Value	the nominal value of each Bond (€100 per Bond); and
Terms and Conditions	the terms and conditions of the Bonds, set out in sub-section 5.3 (*'Issue Statistics'*), section 6 (*'Information concerning the Bonds'*) and section 8 (*'Terms and Conditions of the Bond Issue'*) of this Securities Note.

All references in the Prospectus to "Malta" are to the "Republic of Malta".

Unless it appears otherwise from the context:

a. words importing the singular shall include the plural and *vice-versa*;
b. words importing the masculine gender shall include the feminine gender and *vice-versa*;
c. the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;
d. any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations or trusts;
e. any reference to a person includes that person's legal personal representatives, successors and assigns;
f. any phrase introduced by the terms "including", "include", "in particular" or any similar expression is illustrative only and does not limit the sense of the words preceding those terms; and
g. any reference to a law, legislative act and/or other legislation shall mean that particular law, legislative act and/or legislation as in force at the time of publication of this Securities Note.

2 RISK FACTORS

THE VALUE OF INVESTMENTS, INCLUDING THE BONDS, CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.

THE NOMINAL VALUE OF THE BONDS IS REPAYABLE IN FULL UPON MATURITY, UNLESS THE BONDS ARE PREVIOUSLY RE-PURCHASED AND CANCELLED. THE ISSUER SHALL REDEEM THE BONDS ON THE REDEMPTION DATE.

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS, INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN PROFESSIONAL ADVISERS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS INTENDED TO BE INDICATIVE OF THE ORDER OF PRIORITY AND OF THE EXTENT OF THEIR CONSEQUENCES. PROSPECTIVE INVESTORS ARE HEREBY CAUTIONED THAT THE OCCURRENCE OF ANY ONE OR MORE OF THE RISKS SET OUT BELOW COULD HAVE A MATERIAL ADVERSE EFFECT ON THE GROUP'S BUSINESS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION AND COULD, THEREBY, NEGATIVELY AFFECT THE ABILITY OF THE ISSUER TO MEET ITS OBLIGATIONS IN CONNECTION WITH THE PAYMENT OF INTEREST ON THE BONDS AND REPAYMENT OF PRINCIPAL WHEN DUE.

NEITHER THIS SECURITIES NOTE, NOR ANY OTHER PARTS OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE BONDS: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, NOR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE SPONSOR, MANAGER & REGISTRAR, THE SECURITY TRUSTEE OR AUTHORISED INTERMEDIARIES THAT ANY RECIPIENT OF THIS SECURITIES NOTE OR ANY OTHER PART OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS OR ANY BONDS, SHOULD PURCHASE ANY BONDS ISSUED BY THE ISSUER.

ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.

2.1 Forward-looking statements

This Securities Note contains forward-looking statements which include, among others, statements concerning matters that are not historical facts and which may involve projections of future circumstances. These statements by their nature involve a number of risks, uncertainties and assumptions, a few of which are beyond the Issuer's control, and important factors that could cause actual risks to differ materially from the expectations of the Issuer's Directors. Such forecasts and projections do not bind the Issuer with respect to future results and no assurance can be given that future results or expectations covered by such forward-looking statements will be achieved.

2.2 Suitability of the Bonds

An investment in the Issuer and the Bonds may not be suitable for all recipients of the Prospectus and prospective investors are urged to consult an independent investment adviser licensed under the Investment Services Act, Chapter 370 of the laws of Malta, 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:

i. has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference to the Prospectus or any applicable supplement;
ii. 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 currency;

iii. understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets;
iv. is able to evaluate possible scenarios for economic, interest rate and other factors that may affect his/her/its investment and his/her/its ability to bear the applicable risks; and
v. is able to assess as to whether an investment in the Bonds shall achieve his/her/its investment objective.

2.3 Risks relating to the Bonds

An investment in the Bonds involves certain risks including, but not limited to, those described below:

- The impact of COVID-19, and other infectious illness outbreaks that may arise in the future, could adversely affect the economies of many nations or the entire global economy, individual issuers and capital markets generally in ways that cannot necessarily be foreseen. The existence of an orderly and liquid market for the Bonds depends on a number of factors including, but not limited to, the presence of willing buyers and sellers of the Issuer's bonds at any given time. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market in which the Bonds are traded, over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price, or at all.

- Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. Investors should also be aware that the price of fixed rate bonds should theoretically move adversely to changes in interest rates. When prevailing market interest rates are rising their prices decline and, conversely, if market interest rates are declining, the prices of fixed rate bonds rise. This is called market risk since it arises only if a Bondholder decides to sell the Bonds before maturity on the secondary market.

- In view of the current inflationary environment, investment in the Bonds involves the risk that rising inflation on real rates of return in relation to coupon payments as well as secondary market prices may have an adverse impact on the value of the Bonds, such that increasing rates of inflation could have an adverse effect on the return on the Bonds in real terms.

- Even after the Bonds are admitted to trading on the Official List of the MSE, 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 listed company in good standing. Moreover, the Malta Financial Services Authority has the authority to suspend trading or listing of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The Malta Financial Services Authority may discontinue the listing of the Bonds on the Official List. Any such trading suspensions or listing revocations/discontinuations could have a material adverse effect on the liquidity and value of the Bonds.

- In the event that the Issuer wishes to amend any of the Terms and Conditions of the Bonds it shall call a meeting of Bondholders in accordance with the provisions of sub-section 6.17 of this Securities Note. These provisions permit defined majorities to bind all Bondholders, including Bondholders who do not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority.

- A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different. Any adverse fluctuations may impair the return of investment of the Bondholder in real terms after taking into account the relevant exchange rate.

- No prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time. If such changes take place, they could have an adverse effect on the market price for the Bonds.

- The Bonds and the Terms and Conditions of the Bond Issue are based on the requirements of the Capital Markets Rules, the Companies Act and the Prospectus Regulation in effect as at the date of the Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of the Prospectus.

2.4 Risks relating to the Collateral

- The Bonds, as and when issued and allotted, shall constitute the general, direct and unconditional obligations of the Issuer but shall be secured by means of the Collateral granted in terms of the Security Trust Deed II. In view of the fact that the Bonds shall be secured by the Collateral they shall rank with priority and preference over other present and future unsecured obligations the Issuer, AST Green Shipping Limited, AST Shipping Limited and AST Shipping 2 Limited. Notwithstanding that the Bonds constitute the general, direct and unconditional obligations of the Issuer, as secured by the Issuer, AST Green Shipping Limited, AST Shipping Limited and AST Shipping 2 Limited, they may rank after causes of preference which may arise by operation of law. There can be no guarantee that privileges accorded by law in specific situations will not arise during the course of the business of the Issuer and/or AST Green Shipping Limited and/or AST Shipping Limited and/or AST Shipping 2 Limited which may rank with priority or preference over the Collateral.

- Whilst the Collateral that is to be granted in favour of the Security Trustee for the benefit and in the interest of Bondholders grants the Security Trustee a right of preference and priority for repayment over the Collateral, there can be no guarantee that the value of the Collateral 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 the relevant Collateral, specifically the value of the Vessels. If such circumstances were to arise or subsist at the time that the Collateral is 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.

- By acquiring Bonds, a Bondholder is considered to be bound by the terms of the Security Trust Deed II as if he/she/it had been a party to it. The Security Trust Deed II contains a number of provisions which prospective investors ought to be aware of prior to acquiring the Bonds. For instance, in terms of the Security Trust Deed II: (i) the Security Trustee is not bound to take any such steps or proceedings or take any other action to enforce the security constituted by the Collateral unless the Security Trustee shall have been indemnified 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 (ii) the Security Trustee may pay itself out of the trust funds all sums owing to it in respect of the remuneration costs, charges, expenses or interest or by virtue of any indemnity from the Issuer and/or AST Green Shipping Limited and/or AST Shipping Limited and/or AST Shipping 2 Limited to which it is entitled under the Security Trust Deed II or by law or by virtue of any release or indemnity granted to it and all such sums as aforesaid shall be so retained and paid in priority to the claims of the Bondholders and shall constitute an additional charge upon the property charged with the Collateral.

3 PERSONS RESPONSIBLE

This Securities Note includes information given in compliance with the Capital Markets Rules for the purpose of providing prospective investors with information with regard to the Issuer. Giuseppe Muscat, Austin Demajo, William Wait and Kristian Balzan, being all of the Directors of the Issuer as further detailed in sub-section 4.1 of the Registration Document, accept responsibility for all the information contained in the Prospectus.

To the best of the knowledge and belief of the Directors of the Issuer, who have taken all reasonable care to ensure that such is the case, the information contained in this Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors hereby accept responsibility accordingly.

4 CONSENT FOR USE OF THE PROSPECTUS & AUTHORISATION STATEMENT

4.1 Consent required in connection with use of the Prospectus by Authorised Intermediaries:

For the purposes of any subscription for Bonds through any of the Authorised Intermediaries in terms of this Securities Note and any subsequent resale, placement or other offering of Bonds by such Authorised Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Regulation, the Issuer consents to the use of the Prospectus, and accepts responsibility for the information contained herein in accordance with the terms hereof, with respect to any such subsequent resale, placement or other offering of Bonds, provided this is limited only:

a) in respect of Bonds subscribed for through Authorised Intermediaries;
b) to any resale, placement or other offering of Bonds subscribed for as aforesaid, taking place in Malta; and
c) to any resale, placement or other offering of Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Prospectus.

There are no other conditions attached to the consent given by the Issuer hereby which are relevant for the use of the Prospectus.

All information on the Terms and Conditions of the Bonds which is offered to any prospective investor by Authorised Intermediaries is to be provided by such Authorised Intermediaries to the prospective investor prior to such investor subscribing to any Bonds. Any interested investor has the right to request that Authorised Intermediaries provide the investor with all and any information on the Prospectus, including the Terms and Conditions of the Bonds.

Neither the Issuer nor any of its advisers accept any responsibility for any actions of any Authorised Intermediary, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to a resale, placement or other offering of Bonds.

Other than as set out above, neither the Issuer nor the Sponsor, Manager & Registrar have authorized, nor do they authorise or consent to the use of the Prospectus in connection with, the making of any public offer of the Bonds by any person in any circumstances. Any such unauthorised offers are not made on behalf of the Issuer or the Sponsor, Manager & Registrar and neither the Issuer nor the Sponsor, Manager & Registrar have any responsibility or liability for the actions of any person making such offers.

Prospective investors should enquire whether an intermediary is considered to be an Authorised Intermediary in terms of the Prospectus. If the prospective investor is in doubt as to whether it can rely on the Prospectus and/or who is responsible for its contents, the investor should obtain legal advice in that regard.

No person has been authorised to give any information or to make any representation not contained in or inconsistent with the Prospectus. If given or made, such information and/or representation must not be relied upon as having been authorised by the Issuer. The Issuer does not accept responsibility for any information not contained in the Prospectus.

In the event of a resale, placement or other offering of Bonds by an Authorised Intermediary, said Authorised Intermediary shall be responsible to provide information to prospective investors on the terms and conditions of the resale, placement or other offering at the time such is made.

Any resale, placement or offering of Bonds to an investor by an Authorised Intermediary will be made in accordance with any terms and other arrangements in place between such Authorised Intermediary and such investor, including price, allocations and settlement arrangements. Where such information is not contained in the Prospectus, it will be the responsibility of the relative Authorised Intermediary at the time of such resale, placement or other offering to provide the prospective investor with that information and the Issuer does not have any responsibility or liability for such information.

Any Authorised Intermediary using the Prospectus in connection with a resale, placement or other offering of Bonds subsequent to the Bond Issue shall, limitedly for the period of 60 days from the date of the Prospectus, publish on its website a notice to the effect that it is using the Prospectus for such resale or placement in accordance with the consent of the Issuer and the conditions attached thereto. The consent provided herein shall no longer apply following the lapse of such period.

Any new information with respect to Authorised Intermediaries unknown at the time of the approval of this Securities Note will be made available through a company announcement which will also be made available on the Issuer's website: www.astgroupplc.com.

4.2 Statement of authorisation

This Securities Note has been approved by the Malta Financial Services Authority, as the competent authority under the Prospectus Regulation. The Malta Financial Services Authority only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Securities Note. Investors should make their own assessment as to the suitability of investing in the Bonds.

5 KEY INFORMATION

5.1 Reasons for the Bond Issue and use of proceeds

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €8,200,000, will be on-lent by the Issuer to AST Green Shipping Ltd. pursuant to a loan agreement to be entered into between the Issuer and AST Green Shipping Ltd. for the purpose, and will be utilised for the following purposes, in the following amounts and order of priority:

1. an amount of *circa* €1,600,000 of the Bond Issue net proceeds will be used by the Issuer to part finance the redemption of the outstanding amount of 2018 AST Prospects MTF Bonds remaining in issue as at or about 16 June 2023 (including payment of interest thereon and of the Redemption Premium detailed in sub-section 6.1.7 below) being the expected date of redemption of the 2018 AST Prospects MTF Bonds as determined by the Issuer and duly notified to Existing AST Bondholders. The balance of the outstanding amount of 2018 AST Prospects MTF Bonds (including payment of interest thereon and of the Redemption Premium), in an amount of €300,000, will be paid out of the sinking fund constituted in terms of the 2017 AST Company Admission Document;
2. an amount of *circa* €6,500,000 of the Bond Issue net proceeds will be used for the purpose of financing the purchase of the New Vessel/s and any costs related to any upgrades related to the Vessels as may be necessary, details of which are set out in sub-section 5.3.1 of the Registration Document; and
3. the remaining balance of the Bond Issue net proceeds in an amount of *circa* €100,000 will be used for the general corporate funding purposes of the Group.

In the event that the Bond Issue is subscribed for an amount of less than €7,500,000 (the "Minimum Amount"), no allotment of the Bonds shall be made, the subscription of Bonds shall be deemed not to have been accepted by the Issuer and all money received from Authorised Intermediaries shall be returned by the Issuer, acting through the Sponsor, Manager & Registrar, without interest, by direct credit transfer to the respective Authorised Intermediary to the account number indicated in the respective subscription agreement by latest 9 June 2023.

Neither the Issuer nor the Sponsor, Manager & Registrar will be responsible for any loss or delays in transmission of the refunds or any charges in connection therewith. In this regard, any monies returnable to Authorised Intermediaries may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act (Chapter 373 of the laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid. In the event that the Minimum Amount is not reached as aforesaid there shall be no redemption of the 2018 AST Prospects MTF Bonds, which 2018 AST Prospects MTF Bonds shall remain in full force and effect in accordance with the terms and conditions applicable thereto set out in the 2017 AST Company Admission Document.

In the event that the Minimum Amount is reached but the Bond Issue is not fully subscribed, the Issuer will proceed with the allotment and listing of the amount of Bonds subscribed for equal to or above the Minimum Amount and the proceeds from the Bond Issue shall be applied for the purpose and in the order of priority set out above. The residual amount required by the Issuer for the purpose of the uses specified in this sub-section 5.1 which shall not have been raised through the Bond Issue shall be financed from the Group's own funds, bank financing and/or shareholders' funding.

The issue and allotment of the Bonds is conditional upon: (i) the Minimum Amount of €7,500,000 being subscribed for; (ii) the Pledge of Bank Account Agreement and the Security Trust Deed II being duly executed; (iii) the Collateral being duly granted and registered with the appropriate authority/ies, as applicable; (iv) the Issuer obtaining the approval of the Existing AST Bondholders for the early redemption of the 2018 AST Prospects MTF Bonds pursuant to a meeting called for the purpose in terms of the 2017 AST Company Admission Document, as well as the written approval of the MSE (as detailed in sub-section 6.1.8 below); and (v) the Bonds being admitted to trading on the Official List. In the event that any one or more of the aforesaid conditions is not satisfied, any application monies received by the Issuer from all Applicants will be returned, without interest, by direct credit into the Applicant's bank account indicated by the Applicant / Authorised Intermediary on the relative Application / subscription agreement.

5.2 Estimated expenses and proceeds 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 the Bond Issue. Such expenses, which shall be borne by the Issuer, are estimated not to exceed approximately €300,000, with approximately €106,250 being attributed to selling commission fees and approximately €193,750 to professional, MSE, regulatory and ancillary fees. The amount of the expenses will be deducted from the proceeds of the Issue, which, accordingly, will bring the estimated net proceeds from the Bond Issue to approximately €8,200,000. There is no particular order of priority with respect to such expenses.

5.3 Issue statistics

Amount:	€8,500,000;
Bond Issue:	the issue of a maximum of €8,500,000 secured Bonds due in 2033 denominated in Euro having a nominal value of €100 each, which will be issued by the Issuer at par and shall bear interest at the rate of 6.25% *per annum*, redeemable on 16 June 2033;
Bond Issue Price:	at par (€100 per Bond);
Denomination:	Euro (€);
Events of Default:	the events listed in sub-section 6.14 of this Securities Note;
Form:	the Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD;
Governing law and jurisdiction:	the Prospectus and the Bonds are governed by and shall be construed in accordance with Maltese law. The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Prospectus and/or the Bonds;
Interest:	the Bonds shall bear interest from and including 16 June 2023 at the rate of six point two five per cent (6.25%) *per annum* payable annually in arrears on the Interest Payment Dates;

Interest Payment Date:	annually on 16 June of each year between and including each of the years 2024 and 2033, as from 16 June 2024 (the first interest payment date), provided that any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day;
Intermediaries' Offer:	the balance of the Bonds not subscribed to by Existing AST Bondholders by means of a 2018 Bond Transfer, subject to a Cash Top-Up, as and if applicable, as contemplated in sub-section 6.3 below shall be offered for subscription by Authorised Intermediaries participating in the Intermediaries' Offer as set out in sub-section 6.3 of this Securities Note. In the event that the aggregate of subscriptions received from Authorised Intermediaries pursuant to subscription agreements in terms of the Intermediaries' Offer is in excess of the amount of Bonds available for subscription, the Issuer, acting through the Registrar, shall scale down each subscription agreement received from Authorised Intermediaries in accordance with the allocation policy to be issued in terms of sub-section 6.5 of this Securities Note;
ISIN:	MT0001701219;
Issue Period:	the period between 08:30 hours CET on 15 May 2023 and 12:00 hours CET on 2 June 2023, or such earlier date as may be determined by the Issuer, during which the Bonds are available for subscription;
Listing:	the Malta Financial Services Authority has approved the Bonds for admissibility to listing and subsequent trading on the Official List. Application has been made to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List;
Minimum amount:	should subscriptions for a total of at least €7,500,000 (the "Minimum Amount") not be received, no allotment of the Bonds shall be made, the Applications for Bonds shall be deemed not to have been accepted by the Issuer and all money received from Applicants for Bonds shall be refunded accordingly;
Minimum amount per Application:	one thousand Euro (€1,000) in nominal value of Bonds and in multiples of one hundred Euro (€100) thereafter per individual Bondholder;
Plan of distribution:	the Bonds are open for subscription by: Existing AST Bondholders; and Authorised Intermediaries pursuant to the Intermediaries' Offer in respect of the balance of the Bonds not subscribed to by Existing AST Bondholders by means of a 2018 Bond Transfer, subject to a Cash Top-Up, as and if applicable;
Preferred allocations:	Existing AST Bondholders applying for Bonds may elect to settle all or part of the amount due on the Bonds applied for by the transfer to the Issuer of 2018 AST Prospects MTF Bonds at par value, subject to a minimum Application of €1,000 in Bonds. Any Existing AST Bondholders whose holding in 2018 AST Prospects MTF Bonds is less than €1,000 shall be required to pay the difference together with the submission of their Application ("**Cash Top-Up**"). Existing AST Bondholders electing to subscribe for Bonds through the transfer to the Issuer of all or part of the 2018 AST Prospects MTF Bonds held by them as at the Cut-Off Date, including any Cash Top-Up necessary as stated above ("**2018 Bond Transfer**"), shall be allocated Bonds for the corresponding nominal value of 2018 AST Prospects MTF Bonds transferred to the Issuer, including Cash Top-Up, where applicable. The transfer of 2018 AST Prospects MTF Bonds to the Issuer in consideration for the subscription for Bonds shall cause the obligations of the Issuer with respect to such 2018 AST Prospects MTF Bonds to be extinguished and shall give rise to obligations on the part of the Issuer under the Bonds.

	Bonds applied for by Existing AST Bondholders by way of 2018 Bond Transfer, as described above, shall be allocated prior to any other allocation of Bonds. An Existing AST Bondholder wishing to apply for a number of Bonds exceeding in value the aggregate nominal value of 2018 AST Prospects MTF Bonds held by him/her/it as at the Cut-Off Date, including Cash Top-Up, where applicable, may subscribe for such additional Bonds in terms of sub-section 6.3 below. The balance of the Bonds not subscribed for by Existing AST Bondholders limitedly by means of a 2018 Bond Transfer shall be made available for subscription: (i) to Existing AST Bondholders in respect of any number of additional Bonds applied for other than by 2018 Bond Transfer exceeding in value the aggregate nominal value of 2018 AST Prospects MTF Bonds held by them as at the Cut-Off Date, including Cash Top-Up, where applicable, without any priority or preference between them and together with subscriptions received through the Intermediaries' Offer; and (ii) through the Intermediaries' Offer;
Redemption Date:	16 June 2033;
Redemption Value:	at par (€100 per Bond);
Status of the Bonds:	the Bonds, as and when issued and allotted, shall constitute the general, direct and unconditional obligations of the Issuer and shall be secured by means of the Collateral granted in terms of the Security Trust Deed II. The Bonds shall at all times rank *pari passu*, without any priority or preference among themselves, but shall rank with priority and preference in relation to all other present and future unsecured obligations of the Issuer and/or AST Green Shipping Limited and/or AST Shipping Limited and/or AST Shipping 2 Limited, if any, save for such exceptions as may be provided by applicable law, and with ranking and priority over the Vessels and the Collateral generally;
Subscription:	multiples of one hundred Euro (€100); and
Underwriting:	the Bond Issue is not underwritten.

5.4 Interest of natural and legal persons involved in the Issue

Save for the possible subscription for Bonds by Authorised Intermediaries, which include the Sponsor, Manager & Registrar, and any fees payable to Calamatta Cuschieri Investment Services Limited as Sponsor, Manager & Registrar in connection with the Bond Issue, so far as the Issuer is aware no person involved in the Issue has an interest material to the Bond Issue.

5.5 Collateral

Security for the fulfilment of the Issuer's obligations in terms of the Bond Issue is to be granted in favour of the Security Trustee for the benefit of Bondholders, by way, *inter alia*, of the granting of the Collateral, as described hereunder.

Specifically, the Issuer, AST Green Shipping Ltd., AST Shipping Limited and AST Shipping 2 Limited, as applicable, have agreed to grant the Collateral in favour of the Security Trustee for the benefit of Bondholders, as Primary Beneficiaries, in terms of the Security Trust Deed II, the Pledge of Bank Account Agreement, the Pledge Agreement I, the Pledge Agreement II and the Pledge Agreement III and for such purpose have appointed the Security Trustee to hold and administer the Collateral under trust.

The Collateral will secure the claim of the Security Trustee, for the benefit of Bondholders, for the repayment of the amount of the principal and interest due under the Bonds by a preferred claim over the Collateral.

The initial Security Trustee is GVZH Trustees Limited.

The Bondholders shall have the benefit of the following security under the Bonds in terms of the Prospectus, the Security Trust Deed II, the Pledge of Bank Account Agreement, the Pledge Agreement I, the Pledge Agreement II and the Pledge Agreement III:

i. a pledge by the Issuer over the amount of *circa* €6,500,000 derived from the proceeds from the issue of the Bonds to be used for the acquisition of the New Vessel/s and any necessary upgrades to the Vessels, held by the Issuer in a bank account designated for the purpose, in favour of the Security Trustee in its capacity as trustee of the AST Trust II pursuant to the terms of the Pledge of Bank Account Agreement and the Security Trust Deed II;
ii. a first priority mortgage on Vessel 1, in favour of the Security Trustee in its capacity as trustee of the AST Trust II pursuant to the terms of the Security Trust Deed II;
iii. a pledge by the AST Green Shipping Limited of all of its shares held in AST Shipping Limited, in favour of the Security Trustee in its capacity as trustee of the AST Trust II pursuant to the terms the Pledge Agreement I and the Security Trust Deed II;
iv. a first priority mortgage on the New Vessel/s, once acquired, in favour of the Security Trustee in its capacity as trustee of the AST Trust II pursuant to the terms of the Security Trust Deed II;
v. a pledge by the Issuer of all of its shares held in AST Green Shipping Limited, in favour of the Security Trustee in its capacity as trustee of the AST Trust II pursuant to the terms of the Pledge Agreement II and the Security Trust Deed II;
vi. a pledge by the AST Green Shipping Limited of all of its shares held in AST Shipping 2 Limited and/or any additional shipping companies incorporated as may be required, in favour of the Security Trustee in its capacity as trustee of the AST Trust II pursuant to the terms of the Pledge Agreement III and the Security Trust Deed II; and
vii. a pledge over the proceeds of Insurance Policy I and the Additional Insurance Policy/ies, in the latter case once the New Vessel/s is/are acquired and the relative insurance policy/ies is in place, in favour of the Security Trustee in its capacity as trustee of the AST Trust II pursuant to the terms of the Security Trust Deed II.

The aforesaid security shall be constituted in favour of the Security Trustee for the benefit of all Bondholders from time to time.

The Security Trustee's role includes holding and administering the Collateral for the benefit of the Bondholders and the enforcement of the said Collateral upon the happening of an Event of Default. The Security Trustee shall have no payment obligations to Bondholders under the Bonds, which remain exclusively the obligations of the Issuer. The Security Trustee shall hold the said property under trust in relation to a commercial transaction, as defined in the Trust and Trustees Act, Chapter 331 of the laws of Malta, and transactions connected or ancillary thereto. Furthermore, the Security Trustee shall hold the said property under a security trust as provided in Article 2095E of the Civil Code (Chapter 16 of the laws of Malta). The security shall, therefore, be constituted in the name of the Security Trustee in the manner provided for by applicable law of Malta for the benefit of the Bondholders and this for amounts owing to the Bondholders by the Issuer in terms of the Prospectus, as may be amended from time to time, including amounts of interest or charges due in terms thereof, in relation to the Bonds.

In the event that the Issuer, AST Green Shipping Limited, AST Shipping Limited and/or AST Shipping 2 Limited commits any of the Events of Default, as applicable, including default of the Issuer's obligations to repay any Bonds (together with interest and charges thereon) in terms of the Prospectus, or any default under the Security Trust Deed II and/or under the Pledge of Bank Account Agreement and/or the Pledge Agreement I and/or the Pledge Agreement II and/or the Pledge Agreement III, the Security Trustee shall have the authority to enforce the Collateral as set out hereunder. 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 Events of Default or condition, event or other circumstance has happened and that each of the Issuer, AST Green Shipping Limited, AST Shipping Limited and AST Shipping 2 Limited is observing and performing all the obligations, conditions and provisions on its part pursuant to the Prospectus, the Pledge of

Bank Account Agreement, the Pledge Agreement I, the Pledge Agreement II, the Pledge Agreement III and the Security Trust Deed II, as applicable.

Following the Security Trustee's enforcement of the Collateral, the Security Trustee shall apply any available funds as follows: first to pay any sums due to the Security Trustee as trust administration costs or liabilities of the Security Trustee; and secondly to pay the Bondholders outstanding dues by the Issuer in terms of the Prospectus.

In terms of the Security Trust Deed II, the Security Trustee shall retain the discretion to substitute the security property held as collateral in terms of the Prospectus with alternative security from time to time, subject to an independent valuation report confirming to the satisfaction of the Security Trustee that the value of the security being substituted and added to the rights constituting the Collateral is at least equal to the value of the security to be removed as a security property at such date. In the event where the Security Trustee makes declarations of trust indicating additional property settled on trust, or releases part of the property settled on trust as contemplated above, the Issuer shall make the necessary company announcement in accordance with the Capital Markets Rules to that effect.

Without prejudice to other powers and discretions of the Security Trustee in terms of the Security Trust Deed II, the Pledge of Bank Account Agreement, the Pledge Agreement I, the Pledge Agreement II and the Pledge Agreement III, the Security Trustee shall have the discretion to enforce the Collateral on its own accord or upon receiving notice from the Bondholders that any of the Events of Default has occurred in accordance with the provisions hereof. The Security Trustee shall have the discretion to postpone any sale of the assets held on trust if the best value reasonably achievable for the said assets on the open market for the time being would not be considered a fair value in the opinion of the Security Trustee or in the opinion of any advisor appointed by the Security Trustee for the valuation of the said assets.

No provision contained in the Prospectus, the Pledge of Bank Account Agreement and/or the Pledge Agreement I and/or the Pledge Agreement II and/or the Pledge Agreement III and/or the Security Trust Deed II shall be construed as creating or otherwise acknowledging any obligation on the part of the Security Trustee in favour of the Bondholders for any payments that may fall due under the Bonds.

In terms of the Security Trust Deed II, the AST Trust II shall terminate in any of the following events, whichever is the earliest:

a) upon the Issuer repaying all amounts outstanding to the Bondholders in terms of the Prospectus and upon the Security Trustee receiving confirmation in writing to this effect from the Issuer; or
b) after one hundred and twenty-five (125) years from the date of the Security Trust Deed II; or
c) on such earlier date as the Security Trustee shall declare in writing to be the date on which the relative trust period shall end, provided that such action is in accordance with the terms of the Prospectus and the Pledge of Bank Account Agreement, the Pledge Agreement I, the Pledge Agreement II and the Pledge Agreement III.

Every Bondholder shall be entitled to be entered in the register of Bondholders maintained by the CSD and shall, thereupon, become a Primary Beneficiary under the Security Trust Deed II. The beneficial interest of a Primary Beneficiary in terms of the Security Trust Deed II shall terminate upon such time as a Bondholder is no longer registered in the register of Bondholders maintained by the CSD, or upon the redemption of the principal amount of the Bonds and payment of all interest thereunder, as the case may be. The Security Trustee shall, so far as is reasonable and within a reasonable time of receiving a request in writing to that effect, provide full and accurate information on the Security Trust Deed II to beneficiaries of the AST Trust II and to the MFSA. A copy of the Security Trust Deed II may be inspected during the lifetime of the Prospectus at the registered office of the Issuer as set out in section 15 of the Registration Document.

The terms and conditions of the Security Trust Deed II shall, upon admission to listing of the Bonds or subsequent purchase of any Bonds, be binding on such subscriber or purchaser as a beneficiary under the trust as if the Bondholders had been a party to the Security Trust Deed II and as if the Security Trust Deed II contained covenants on the part of each Bondholder to observe and be bound by all the provisions therein, and the Security Trustee is authorised and required to do the things required of it by the Security Trust Deed II.

As stated above in this sub-section with respect to the security property constituting the Collateral, the Security Trustee shall retain the discretion to substitute the security property held as Collateral in terms of this Securities Note with alternative security from time to time, subject to an independent valuation report confirming to the satisfaction of the Security Trustee that the value of the security being substituted and added to the rights constituting the Collateral is at least equal to the value of the security to be removed as a security property at such date.

No provision contained in the Prospectus and/or the Security Trust Deed II shall be construed as creating or otherwise acknowledging any obligation on the part of the Security Trustee in favour of the Bondholders for any payments that may fall due under the Bonds.

In view of the fact that the market value of the Vessels could fluctuate over the Vessels' useful life, the Issuer undertakes that, annually by 30 April of each year between and including each of the years 2024 to 2033 (each a "**Vessel Valuation Date**"), the Vessels will be valued by an independent third-party valuer (the "**Yearly Valuation**") as at 31 December of the previous year. In the event that the aggregate market value of the Vessels determined through each Yearly Valuation is less than the aggregate nominal value of Bonds then outstanding and interest thereon, the Issuer undertakes to deposit, or procure the deposit by a Group entity of, a cash amount into the AST Trust II, or grant or procure the granting by a Group entity of security over alternative assets in favour of the Security Trustee, so as to ensure that at all times throughout the term of the Bonds the Security Trustee holds security over assets and/or cash in the AST Trust II at least equivalent to the aggregate nominal value of Bonds then outstanding and interest thereon (the "**AST Trust Contribution**").

Thereafter, in the event that the aggregate market value of the Vessels determined through a subsequent Yearly Valuation is more than or equivalent to the aggregate nominal value of Bonds then outstanding and interest thereon, the Issuer shall be entitled to request the Security Trustee to release back to the Issuer, or to a Group entity, as applicable, any funds deposited into the AST Trust II, or security granted over alternative assets, prior to such date in accordance with the foregoing.

To the extent that AST Trust Contributions are necessary, the Issuer shall on an annual basis, in its audited year-end financial statements, explain the Issuer's compliance with the AST Trust Contributions requirements as detailed in this sub-section 5.5. The financial information will be available for inspection at the registered office of the Issuer throughout the lifetime of the Bonds and in electronic form on the Issuer's website.

<u>Process for creation of the Collateral and release of Bond Issue proceeds to the Issuer</u>

The Bond Issue proceeds shall be retained by the Sponsor, Manager & Registrar and be released to the Issuer or a designated Group entity on condition that: (i) the Pledge of Bank Account Agreement has been duly executed and the Security Trust Deed II has been duly executed; (ii) the mortgage over Vessel 1 has been duly registered with the appropriate authority; (iii) the Pledge Agreement I and Pledge Agreement II have been duly executed; and (iv) it receives confirmation that the Bonds will be admitted to the Official List.

Following the presentation of confirmation of the foregoing conditions to the Sponsor, Manager & Registrar, and upon the Bonds being admitted to the Official List, the Sponsor, Manager & Registrar shall release the Bond Issue proceeds to be applied for the purposes specified in sub-section 5.1 above.

5.6 Expected timetable of principal events

1	Meeting of Existing AST Bondholders	10 May 2023
2	Subscription by Existing AST Bondholders and Intermediaries' Offer*	15 May 2023 – 2 June 2023 at 12:00 CET
3	Announcement of basis of acceptance through a company announcement	9 June 2023
4	Refunds of unallocated monies, if any	9 June 2023
5	Dispatch of allotment letters	9 June 2023
6	Expected date of early redemption of the 2018 AST Prospects MTF Bonds	16 June 2023
7	Expected date of admission of the Bonds to listing	16 June 2023
8	Issue date of the Bonds	16 June 2023
9	Expected date of commencement of trading in the Bonds	19 June 2023
10	Commencement of interest	16 June 2023

*The Issuer reserves the right to close the period of subscription by Existing AST Bondholders and the Intermediaries' Offer before 2 June 2023 at 12:00 CET in the event that the Bonds are fully subscribed prior to said date and time.

In the eventuality that the period of subscription by Existing AST Bondholders and the Intermediaries' Offer is closed early as aforesaid, some of the events set out above may be brought forward and the Issuer will issue a company announcement accordingly.

6 INFORMATION CONCERNING THE BONDS

Each Bond shall be issued on the Terms and Conditions set out in this Securities Note and, by subscribing to or otherwise acquiring the Bonds, the Bondholders are deemed to have knowledge of all the Terms and Conditions of the Bonds hereafter described and to accept and be bound by the said Terms and Conditions.

6.1 General

6.1.1 Each Bond forms part of a duly authorised issue of 6.25% secured bonds 2033 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €8,500,000, except as otherwise provided under sub-section 6.16 *"Further Issues"* below. The Issue Date of the Bonds is expected to be 16 June 2023. The Bonds are secured by the granting of the Collateral in favour of the Security Trustee for the benefit of Bondholders, as primary beneficiaries, in terms of the Security Trust Deed II.

6.1.2 The currency of the Bonds is Euro (€).

6.1.3 The Bonds shall bear interest at the rate of 6.25% *per annum* payable annually in arrears on 16 June of each year, with the first interest payment falling due on 16 June 2024, covering the period between 16 June 2023 and 15 June 2024. Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day.

6.1.4 Subject to admission to listing of the Bonds to the Official List, the Bonds are expected to be assigned ISIN: MT0001701219.

6.1.5 The Bonds are expected to be listed on the Official List on or about 16 June 2023 and dealing can be expected to commence thereafter. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

6.1.6 All outstanding Bonds not previously purchased and cancelled shall be redeemed by the Issuer at par, together with accrued interest up to the date fixed for redemption, on the Redemption Date.

6.1.7 Upon redemption of the 2018 AST Prospects MTF Bonds, all Existing AST Bondholders will be afforded a premium in the form of payment of a redemption price of one Euro (€1) per 2018 AST Prospects MTF Bond held as at the Cut-Off Date (the "**Redemption Premium**"). Existing AST Bondholders will be entitled to have the Redemption Premium settled in cash upon redemption of the 2018 AST Prospects MTF Bonds, by direct credit into the Existing AST Bondholder's bank account.

6.1.8 The Issuer shall be obtaining the approval of the Existing AST Bondholders for the early redemption of the 2018 AST Prospects MTF Bonds pursuant to a meeting called for the purpose in terms of the 2017 AST Company Admission Document. In terms of the 2017 AST Company Admission Document, a meeting of the Existing AST Bondholders for the purpose of considering the early redemption of the 2018 AST Prospects MTF Bonds is called by the Directors of the Issuer by giving all Existing AST Bondholders listed on the register of bondholders as at a date being not more than 30 days preceding the date scheduled for the meeting, not less than 14 days' notice in writing. The quorum at the Existing AST Bondholders' meeting is at least 2 bondholders present, in person or by proxy, representing not less than 50% in nominal value of the 2018 AST Prospects MTF Bonds then outstanding. The proposal for the early redemption of the 2018 AST Prospects MTF Bonds placed before the Existing AST Bondholders' meeting shall only be considered approved if at least 60% in nominal value of the Existing AST Bondholders present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal. A circular shall be dispatched to all Existing AST Bondholders to enable them to understand the nature of the proposed early redemption of the 2018 AST Prospects MTF Bonds, the principal commercial terms thereof, and to provide other necessary information about the proposed early redemption of the 2018 AST Prospects MTF Bonds to the holders thereof. The Issuer will be providing further details in this regard via company announcement following the date of the Prospectus.

6.1.9 In the event that any of the Applicants applying for Bonds have not been allocated any Bonds or have been allocated a number of Bonds which is less than the number applied for, the Applicant shall receive a full refund or, as the case may be, the balance of the price of the Bonds applied for but not allocated, without interest, by direct credit into the Applicant's bank account as indicated by the Applicant at any time before the Bonds are admitted to listing on the Official List of the MSE. Neither the Issuer nor the Registrar will be responsible for any loss or delay in transmission of such refunds or any charges in connection therewith. In this regard, any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act (Chapter 373 of the laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

6.1.10 There are no special rights attached to the Bonds other than the right of the Bondholders to payment of interest and capital (as detailed in sub-section 6.12 below) and the benefit of the Collateral through the Security Trustee (as detailed in sub-section 5.5 above).

6.1.11 The minimum subscription amount of Bonds that can be subscribed for by Applicants upon subscription is €1,000, and in multiples of €100 thereafter.

6.1.12 The issue of the Bonds is made in accordance with the requirements of the Capital Markets Rules, the Act and the Prospectus Regulation.

6.1.13 The Bond Issue is not underwritten. Should subscriptions for a total of at least €7,500,000 (the "Minimum Amount") not be received, no allotment of the Bonds shall be made, the Applications for Bonds shall be deemed not to have been accepted by the Issuer and all money received from Authorised Intermediaries shall be returned by the Issuer, acting through the Registrar, without interest, by direct credit transfer to the respective Authorised Intermediary to the account number indicated on the respective subscription agreement by latest 9 June 2023. In the event that the Minimum Amount is reached but the Bond Issue is not fully subscribed, the Issuer will proceed with the allotment and listing of the amount of Bonds subscribed for.

6.1.14 All Applications shall be subject to the Terms and Conditions of the Bond Issue as set out in section 8 hereunder, the terms of which shall form an integral part hereof.

6.2 Applications by Existing AST Bondholders

6.2.1 The consideration payable by Existing AST Bondholders applying for Bonds may be settled by the transfer to the Issuer of all or part of the 2018 AST Prospects MTF Bonds held by such Applicant as at the Cut-Off Date, subject to a minimum application of €1,000, which transfer shall be affected at the par value of the 2018 AST Prospects MTF Bonds ("**2018 Bond Transfer**"). Any Existing AST Bondholders whose holding in 2018 AST Prospects MTF Bonds is less than €1,000 shall be required to pay the difference (the "**Cash Top-Up**").

Existing AST Bondholders electing to subscribe for Bonds through 2018 Bond Transfer shall be allocated Bonds for the corresponding nominal value of 2018 AST Prospects MTF Bonds transferred to the Issuer, including Cash Top-Up, where applicable. The transfer of 2018 AST Prospects MTF Bonds to the Issuer in consideration for the subscription for Bonds shall cause the obligations of the Issuer with respect to such 2018 AST Prospects MTF Bonds to be extinguished and shall give rise to obligations on the part of the Issuer under the Bonds.

Bonds applied for by Existing AST Bondholders by way of 2018 Bond Transfer, including Cash Top-Up, where applicable, shall be allocated prior to any other allocation of Bonds.

A 2018 Bond Transfer shall be without prejudice to the rights of Existing AST Bondholders to receive interest on the 2018 AST Prospects MTF Bonds up to but excluding 16 June 2023. The 2018 AST Prospects MTF Bonds shall be redeemed on 16 June 2023 as determined by the Issuer and duly notified to Existing AST Bondholders.

All Applications for the subscription of Bonds by Existing AST Bondholders by means of 2018 Bond Transfer must be submitted to any Authorised Intermediary, which include the Sponsor, Manager & Registrar, by 12:00 hours CET on 2 June 2023.

6.2.2 Payment by Existing AST Bondholders of the Cash Top-Up referred to in sub-section 6.2.1 above, and the full price of the additional Bonds applied for referred to in sub-section 6.2.5 below, shall be made in Euro and in cleared funds at the Bond Issue Price, either through a bank transfer, by cheque payable to the respective Authorised Intermediary or by any other method of payment as accepted by the respective Authorised Intermediary.

6.2.3 Existing AST Bondholders subscribing for Bonds by means of 2018 Bond Transfer are, in virtue of such subscription, confirming:

i. that all or part, as the case may be, of the 2018 AST Prospects MTF Bonds held by the Applicant on the Cut-Off Date are being transferred to the Issuer, together with the payment due in respect of any Cash Top-Up, as and if applicable;

ii. that the Application constitutes the Applicant's irrevocable mandate to the Issuer to:
   a. cause the transfer of the said 2018 AST Prospects MTF Bonds in the Issuer's name in consideration of the issue of Bonds; and
   b. engage, at the Issuer's cost, the services of such brokers or intermediaries as may be necessary to fully and effectively vest title in the said 2018 AST Prospects MTF Bonds in the Issuer and fully and effectively vest title in the appropriate number of Bonds in the Applicant; and

iii. that in respect of the payment of the Cash Top-Up in terms of sub-section 6.2.1 above and/or the exercise of the option to subscribe to additional Bonds set out in sub-section 6.2.5 below, the Applicant's remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer, acting through the Sponsor, Manager & Registrar, reserves the right to invalidate the relative Application, and furthermore the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders, unless the Applicant makes payment in cleared funds and such consideration is accepted by the Issuer, acting through the Sponsor, Manager & Registrar. Such acceptance shall be made in the Issuer's absolute discretion and may be on the basis that the Applicant indemnifies the Issuer against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation.

6.2.4 Where the Applicant is the holder of 2018 AST Prospects MTF Bonds which as at the Cut-Off Date are held subject to usufruct, the signatures of both the bare owner and the usufructuary will be required in the Application.

6.2.5 In addition to the aforesaid, Existing AST Bondholders transferring all of the 2018 AST Prospects MTF Bonds held by them as at the Cut-Off Date pursuant to sub-section 6.2.1 above may apply for an amount of Bonds in excess of the amount of 2018 AST Prospects MTF Bonds being transferred by 2018 Bond Transfer, including Cash Top-Up, where applicable. In such case Existing AST Bondholders may subscribe for additional Bonds, in multiples of €100, by indicating such matter in the relative Application.

Existing AST Bondholders shall have priority in the allocation of Bonds solely with respect to that number of Bonds for which payment is being made by means of a 2018 Bond Transfer, subject to a Cash Top-Up, as and if applicable.

In the event that Existing AST Bondholders apply for additional Bonds other than by 2018 Bond Transfer, no preference or guarantee of allocation shall arise with respect to the excess Bonds applied for but such excess Bonds shall, together with Applications for additional Bonds received from other Existing AST Bondholders and with subscriptions received pursuant to the Intermediaries' Offer as contemplated in sub-section 6.3 below, be subject to an allocation policy, without priority or preference between them, as shall be determined by the Issuer in accordance with sub-section 6.5 of this Securities Note.

6.2.6 Holders of 2018 AST Prospects MTF Bonds as at the Cut-Off Date who do not elect to avail themselves of the possibility to exchange their investment in terms of the procedure outlined in this sub-section 6.2 shall receive all capital and accrued interest to date, together with the Redemption Premium, on 16 June 2023.

6.2.7 The balance of the Bonds not subscribed for by Existing AST Bondholders limitedly by means of a 2018 Bond Transfer as contemplated in sub-section 6.2.1 above, shall be made available for subscription, together with subscriptions through Authorised Intermediaries pursuant to the Intermediaries' Offer, *pari passu* without priority or preference between them, to Existing AST Bondholders in respect of any number of additional Bonds applied for other than by 2018 Bond Transfer exceeding in value the aggregate nominal value of 2018 AST Prospects MTF Bonds held by them as at the Cut-Off Date, including Cash Top-Up (where applicable), as outlined in sub-section 6.2.5 above.

6.3 Intermediaries' Offer

The balance of the Bonds not subscribed to by Existing AST Bondholders by means of a 2018 Bond Transfer, subject to a Cash Top-Up, as and if applicable, as contemplated in sub-section 6.2 above, shall, together with subscriptions by Existing AST Bondholders in terms of sub-section 6.2.7 above be offered for subscription by Authorised Intermediaries participating in the Intermediaries' Offer. Any subscriptions received during the Intermediaries' Offer shall be subject to the same terms and conditions as those applicable to Applications by Existing AST Bondholders, but limited to the remaining balance of Bonds after fully allocating the Bonds applied for by Existing AST Bondholders by means of a 2018 Bond Transfer, subject to a Cash Top-Up, as and if applicable, as detailed in sub-section 6.2 above.

In this regard, the Issuer shall enter into conditional subscription agreements with a number of Authorised Intermediaries for the subscription of the resultant balance of Bonds, whereby it will bind itself to allocate Bonds thereto up to the total aggregate amount of €8,500,000 during the Intermediaries' Offer.

In terms of each subscription agreement entered into with an Authorised Intermediary, the Issuer will be conditionally bound to issue, and each Authorised Intermediary will bind itself to subscribe for, up to the total amount of Bonds as indicated therein, subject to the Bonds being admitted to trading on the Official List. The subscription agreements, which will be subject to the Terms and Conditions of the Prospectus, will become binding on each of the Issuer and the respective Authorised Intermediaries upon delivery, provided that these intermediaries would have paid to the Registrar all subscription proceeds in cleared funds on delivery of the subscription agreement.

In terms of the subscription agreements, Authorised Intermediaries may subscribe for the Bonds either for their own account or for the account of underlying customers, including retail customers. The minimum which each Authorised Intermediary may apply for in terms of the applicable subscription agreement is €1,000 and in multiples of €100 thereafter and such minimum and multiples shall also apply to each underlying Applicant.

Completed subscription agreements, together with evidence of payment, are to reach the Registrar by 12:00 hours CET on 2 June 2023. The Issuer, acting through the Registrar, will communicate the number of Bonds each Authorised Intermediary has been allocated in terms of the respective subscription agreement by latest 12:00 hours CET on 2 June 2023. Any amounts unallocated in terms of the subscription agreements shall be returned to the respective Authorised Intermediary by direct credit to the account indicated in the respective subscription agreement by latest close of business on 9 June 2023. The results of the Bond Issue will be announced through a company announcement.

6.4 Plan of distribution and allotment

Applications for subscription to the Bonds may be made through any of the Authorised Intermediaries, which include the Sponsor, Manager & Registrar. The Bonds are open for subscription by all categories of investors, as follows:

i. Existing AST Bondholders up to the amount of 2018 AST Prospects MTF Bonds held as at the Cut-Off Date and subject to any Cash Top-Up, as and if applicable;
ii. Existing AST Bondholders in respect of any number of additional Bonds applied for other than by 2018 Bond Transfer exceeding in value the aggregate nominal value of 2018 AST Prospects MTF Bonds held by them as at the Cut-Off Date (including Cash Top-Up, as and if applicable), without priority or preference between them and together with subscriptions received from Authorised Intermediaries participating in the Intermediaries' Offer; and
iii. Authorised Intermediaries through an Intermediaries' Offer in respect of the balance of the Bonds not subscribed to by Existing AST Bondholders by means of a 2018 Bond Transfer, subject to a Cash Top-Up, as and if applicable, as aforesaid.

Applications for subscriptions to the Bonds may be made through the Authorised Intermediaries, which include the Sponsor, Manager & Registrar, subject to a minimum Application of €1,000 and in multiples of €100 thereafter.

It is expected that an allotment letter will be issued by the Issuer to Applicants by latest 9 June 2023. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance or surrender of the 2018 AST Prospects MTF Bonds, as the case may be, and any verification of identity as required by the Prevention of Money Laundering Act (Chapter 373 of the laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

Dealings in the Bonds shall not commence prior to the Bonds being admitted to the Official List.

6.5 Allocation Policy

The Issuer shall allocate the Bonds on the basis of the following policy and order of priority:

i. first to Existing AST Bondholders applying for Bonds by way of 2018 Bond Transfer, and subject to any Cash Top-Up as and if applicable, in accordance with sub-section 6.2 above, and subject to a minimum application of €1,000;

ii. the balance of the Bonds not subscribed for by Existing AST Bondholders limitedly by means of a 2018 Bond Transfer, and subject to any Cash Top-Up as and if applicable, shall be made available for subscription to Existing AST Bondholders in respect of any additional Bonds applied for other than by 2018 Bond Transfer exceeding in value the aggregate nominal value of 2018 AST Prospects MTF Bonds held by them as at the Cut-Off Date, without priority or preference between them and together with subscriptions received from Authorised Intermediaries participating in the Intermediaries' Offer and in accordance with the allocation policy as determined by the Issuer. Accordingly, in the event that an Existing AST Bondholder applies for additional Bonds other than by way of 2018 Bond Transfer as specified in (i) above, no preference or guarantee shall be given with respect to the amount of Bonds to be allocated to the excess Bonds applied for by such Existing AST Bondholder; and

iii. the Issuer shall offer remaining Bonds not subscribed for by Existing AST Bondholders limitedly by means of a 2018 Bond Transfer, and subject to any Cash Top-Up, as and if applicable, to Authorised Intermediaries through an Intermediaries' Offer as detailed in sub-section 6.3 above, to be allocated *pari passu* together with additional Bonds applied for by Existing AST Bondholders other than by 2018 Bond Transfer exceeding in value the aggregate nominal value of 2018 AST Prospects MTF Bonds held by them as at the Cut-Off Date, including Cash Top-Up, where applicable. Subscription agreements received from Authorised Intermediaries through an Intermediaries' Offer, if any, shall be allocated without priority or preference and in accordance with the allocation policy as determined by the Issuer, acting through the Registrar, which will be communicated by latest 9 June 2023. Any amounts unallocated in terms of the subscription agreements shall be returned to the respective Authorised Intermediary by direct credit to the account indicated in the respective subscription agreement by latest close of business on 9 June 2023.

The Issuer shall announce the result of the Bond Issue and the basis of acceptance and the allocation policy to be adopted through a company announcement.

6.6 Status and ranking of the Bonds

The Bonds, as and when issued and allotted, shall constitute the general, direct and unconditional obligations of the Issuer, as secured by means of the Collateral granted in terms of the Security Trust Deed II. The Bonds shall at all times rank *pari passu*, without any priority or preference among themselves, but, in view of the fact that the Bonds shall be secured by the Collateral, shall rank with priority and preference over other present and future unsecured obligations of the Issuer, AST Green Shipping Limited, AST Shipping Limited and AST Shipping 2 Limited, if any, save for such exceptions as may be provided by applicable law, and with ranking and priority over the Collateral.

Pursuant to the terms of the Security Trust Deed II, the Issuer, AST Green Shipping Limited, AST Shipping Limited and AST Shipping 2 Limited have agreed to constitute in favour of the Security Trustee for the benefit of Bondholders, as primary beneficiaries, security over the Collateral and to appoint the Security Trustee to hold and administer the Collateral under trust. The Collateral will secure the claim of the Security Trustee, for the benefit and in the interest of Bondholders, for the repayment of the principal and interest under the Bonds by a preferred claim over the Vessels and the other security property generally from time to time.

The Collateral shall be held by the Security Trustee for the benefit of the Bondholders and, accordingly, the Bonds shall rank with priority and preference over other present and future unsecured obligations of the Issuer, AST Green Shipping Limited, AST Shipping Limited and AST Shipping 2 Limited. Notwithstanding the aforesaid, privileges or similar charges accorded by law in specific situations may arise during the course of the business of the Issuer and/or AST Green Shipping Limited and/or AST Shipping Limited and/or AST Shipping 2 Limited which may rank with priority or preference to the Bonds and/or the Collateral, as applicable. It is further noted that in terms of the Security Trust Deed II, the Security Trustee may pay itself out of the trust funds all sums owing to it in respect of the remuneration costs, charges, expenses or interest or by virtue of any indemnity from the Issuer and/or AST Green Shipping Limited and/or AST Shipping Limited and/or AST Shipping 2 Limited to which it is entitled under the Security Trust Deed II or by law or by virtue of any release or indemnity granted to it, and all such sums as aforesaid shall be so retained and paid in priority to the claims of the Bondholders and shall constitute an additional charge upon the property charged with the Collateral.

6.7 Rights attaching to the Bonds

This Securities Note incorporates the Terms and Conditions of the Bond Issue and, in its entirety, creates the contract between the Issuer and a Bondholder.

A Bondholder shall have such rights as are, pursuant to this Securities Note, attached to the Bonds, including:

i. the payment of interest;
ii. the repayment of capital;
iii. the benefit of the Collateral through the Security Trustee, in accordance with the provisions of sub-section 5.5 of this Securities Note;
iv. ranking with respect to other indebtedness of the Issuer, AST Green Shipping Limited, AST Shipping Limited and AST Shipping 2 Limited in accordance with the provisions of sub-section 6.6 above;
v. the right to attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and
vi. the right to enjoy all such other rights attached to the Bonds emanating from the Prospectus.

6.8 Interest

6.8.1 The Bonds shall bear interest from and including 16 June 2023 at the rate of 6.25% *per annum* on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 16 June 2024, covering the period 16 June 2023 up to and including 15 June 2024. Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. Each Bond will cease to bear interest from and including its due date for redemption, unless payment of the principal amount in respect of the Bond is improperly withheld or refused or unless default is otherwise made in respect of payment, in any of which events interest shall continue to accrue at the rate specified above plus one per cent (1%), but in any event not in excess of the maximum rate of interest allowed by Maltese law. In terms of article 2156 of the Civil Code (Chapter 16 of the laws of Malta), the right of Bondholders to bring claims for payment of interest and repayment of the principal on the Bonds is barred by the lapse of five (5) years.

6.8.2 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 three hundred and sixty (360) day year consisting of twelve (12) months of thirty (30) days each, and in the case of an incomplete month, the number of days elapsed.

6.9 Yield

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date is 6.25% *per annum*.

6.10 Registration, form, denomination and title

6.10.1 Certificates will not be delivered to Bondholders in respect of the Bonds in virtue of the fact that the entitlement to Bonds will be represented in an uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. There will be entered in such electronic register the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies) and MSE account numbers of the Bondholders and particulars of the Bonds held by them respectively, and the Bondholders shall have, at all reasonable times during business hours, access to the register of Bondholders held at the CSD for the purpose of inspecting information held on their respective account.

6.10.2 The CSD will issue, upon a request by a Bondholder, a statement of holdings to such Bondholder evidencing his/her/its entitlement to Bonds held in the register kept by the CSD.

6.10.3 Bondholders who opt to subscribe for the online e-portfolio account with the CSD 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. A Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept at 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/. Further detail on the e-portfolio is found on https://eportfolio.borzamalta.com.mt/Help.

6.10.4 The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100 provided that on subscription the Bonds will be issued for a minimum of €1,000 per individual Bondholder. Authorised Intermediaries subscribing for Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €1,000 to each underlying client.

6.10.5 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. Title to the Bonds may be transferred as provided below under the heading *"Transferability of the Bonds"* in sub-section 6.15 of this Securities Note.

6.11 Pricing

The Bonds are being issued at par, that is, at €100 per Bond, with the full amount payable upon subscription.

6.12 Payments

6.12.1 Payment of the principal amount of Bonds will be made in Euro by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account is denominated in Euro and held with any licensed bank in Malta. Such payment shall be effected within seven (7) days of the Redemption Date. The Issuer shall not be responsible for any loss or delay in transmission or any charges in connection therewith. Upon payment of the Redemption Value, the Bonds shall be redeemed and the appropriate entry made in the electronic register of the Bonds at the CSD.

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 and/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.

6.12.2 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) days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in Euro and held with any licensed bank in Malta. Such payment shall be effected within seven (7) days of the Interest Payment Date. The Issuer shall not be responsible for any loss or delay in transmission or any charges in connection therewith.

6.12.3 All payments with respect to the Bonds are subject in all cases to any pledge (duly constituted) and to any applicable fiscal or other laws and regulations prevailing in Malta from time to time. In particular, but without limitation, all payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is or may become compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Malta or any authority thereof or therein having power to tax.

6.12.4 No commissions or expenses shall be charged by the Issuer to the Bondholders in respect of payments made in accordance with this sub-section 6.12. The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer.

6.13 Redemption and purchase

6.13.1 The Issuer hereby irrevocably covenants in favour of each Bondholder that, unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value, together with accrued interest up to the date fixed for redemption, on 16 June 2033. In such a case the Issuer shall be discharged of any and all payment obligations under the Bonds upon payment made net of any withholding or other taxes due or which may be due under Maltese law and which are payable by the Bondholders.

6.13.2 Subject to the provisions of this sub-section 6.13, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike.

6.13.3 All Bonds so redeemed or re-purchased will be cancelled forthwith and may not be re-issued or re-sold.

6.14 Events of Default

Pursuant to the Security Trust Deed II, the Security Trustee may in its absolute and unfettered discretion, and shall upon the request in writing of not less than 60% of the Bondholders, by notice in writing to the Issuer declare the Bonds to have become immediately due and repayable at their principal amount, together with any accrued interest, upon the happening of any of the following events ("Events of Default"):

i. if the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder and/or by the Security Trustee; and/or

ii. if the Issuer shall fail to pay the principal amount of a Bond on the date fixed for its redemption and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder and/or by the Security Trustee; and/or

iii. if the Issuer shall fail to perform or shall otherwise be in breach of any other material obligation contained in the Terms and Conditions and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder and/or by the Security Trustee; and/or

iv. if the Issuer and/or AST Green Shipping Limited and/or AST Shipping Limited and/or AST Shipping 2 Limited commits a breach of any of the covenants or provisions contained in the Security Trust Deed II to be observed and performed on their respective parts and the said breach still subsists for thirty (30) days after having been notified by the Security Trustee; and/or

v. if any representation or warranty made or deemed to be made or repeated by or in respect of the Issuer is or proves to have been incorrect in any material respect in the sole opinion of the Security Trustee; and/or

vi. if an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer; and/or

vii. if the Issuer 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; and/or

viii. if the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; and/or

ix. if in terms of section 214(5) of the Act, a Court order or other judicial process is levied or enforced upon or sued out against any part of the property of the Issuer and is not paid out, withdrawn or discharged within one (1) month; and/or

x. if a judicial or provisional administrator is appointed upon the whole or any material part of the property of the Issuer and such appointment is determined by the Security Trustee to be prejudicial, in its opinion, to the Bondholders; and/or

xi. if security constituted by any hypothec, pledge or charge upon the whole or any part of the undertaking or assets of the Issuer shall become enforceable and steps are taken to enforce the same and the taking of such steps shall be determined in writing by the Security Trustee to be, in its opinion, prejudicial to the Bondholders; and/or

xii. if the Issuer and/or AST Green Shipping Limited and/or AST Shipping Limited and/or AST Shipping 2 Limited repudiate, or do or cause or permit to be done any act or thing evidencing an intention to repudiate, the Bonds and/or the Security Trust Deed II; and/or

xiii. if all, or in the sole opinion of the Security Trustee, a material part of the undertakings, assets, rights or revenues of or shares or other ownership interests in the Issuer are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government; and/or

xiv. there shall have been entered against the Issuer 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 three million Euro (€3,000,000) or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed.

Upon any such Event of Default occurring and not being remedied within the relevant cure period, as applicable, the principal monies and interest accrued under the Bonds shall be deemed to have become immediately payable at the time of the event which shall have happened as aforesaid.

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 Malta Financial Services Authority, the Sponsor, Manager & Registrar and the Bondholders of such fact without delay in writing;

Provided that in the event of any breach by the Issuer and/or AST Green Shipping Limited and/or AST Shipping Limited and/or AST Shipping 2 Limited of any of the covenants, obligations or provisions herein contained due to any fortuitous event of a calamitous nature beyond its control, then the Security Trustee may, but shall be under no obligation so to do, give said defaulting party such period of time to remedy the breach as in its sole opinion may be justified in the circumstances and if in its sole opinion the breach is remediable within the short term and without any adverse impact on the Bondholders. 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/or AST Green Shipping Limited and/or AST Shipping Limited and/or AST Shipping 2 Limited is observing and performing all the obligations, conditions and provisions on its part contained under the Prospectus and the Security Trust Deed II, as applicable.

6.15 Transferability of the Bonds

6.15.1 The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole (in multiples of €100) in accordance with the rules and regulations of the MSE applicable from time to time. The minimum subscription amount of €1,000 shall only apply during the Issue Period. As such, no minimum holding requirement shall be applicable once the Bonds are admitted to listing on the Official List and commence trading thereafter, subject to trading in multiples of €100.

6.15.2 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/herself/itself as holder of the Bond or to have some person nominated by him/her/it registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself/herself/itself, he/she/it shall deliver or send to the CSD a notice in writing signed by him/her/it stating that he/she/it so elects. If he/she/it shall elect to have another person registered he/she/it shall testify his/her/its election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person. Provided always that if a Bond is transmitted in furtherance of this paragraph 6.15.2, a person will not be registered as a Bondholder unless such transmission is made in multiples of €100.

6.15.3 All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.

6.15.4 The costs and expenses of affecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the person to whom the transfer / transmission has been made.

6.15.5 The Issuer will not register the transfer or transmission of Bonds for a period of fifteen (15) days preceding the due date for any payment of interest on the Bonds or the due date for redemption.

6.16 Further issues

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further debentures, debenture stock, bonds, loan notes or any other debt securities, either having the same terms and conditions as any outstanding debt securities of any series (including the Bonds) and so that such further issue shall be consolidated and form a single series with the outstanding debt securities of the relevant series (including the Bonds), or upon such terms as the Issuer may determine at the time of their issue.

6.17 Meetings of Bondholders

6.17.1 The Issuer may, from time to time, call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which in terms of the Prospectus require the approval of a Bondholders' meeting and to affect any change to the applicable Terms and Conditions of the Bonds.

6.17.2 A meeting of Bondholders shall be called by the Directors by giving (i) the Security Trustee and (ii) all Bondholders listed on the register of Bondholders as at a date being not more than thirty (30) days preceding the date scheduled for the meeting, not less than fourteen (14) days' notice in writing. Such notice shall set out the time, place (whether physical or virtual) and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the Prospectus that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders. Following a meeting of Bondholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Security Trustee and the Bondholders whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Bondholders in accordance with the provisions of this sub-section 6.17 at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.

6.17.3 No change or amendment to, or waiver of, any of the applicable Terms and Conditions of the Bonds may be made unless such decision is taken at a meeting of Bondholders duly convened and held for that purpose in accordance with the terms hereof.

6.17.4 A meeting of Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose, at least two (2) Bondholders present, in person or by proxy, representing not less than 50% in nominal value of the Bonds then outstanding, shall constitute a quorum. If a quorum is not present within thirty (30) minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Security Trustee and the Bondholders present at that meeting. The Issuer shall within two (2) days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven (7) days, and not later than fifteen (15) days, following the original meeting. At an adjourned meeting the number of Bondholders present at the commencement of the meeting, in person or by proxy, shall constitute a quorum; and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at and decided upon during, the adjourned meeting.

6.17.5 Any person who in accordance with the Memorandum and Articles of Association of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of Bondholders.

6.17.6 Once a quorum is declared present by the chairperson of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting the Directors or their representative shall present to the Security Trustee and the Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.

6.17.7 The voting process shall be managed by the Issuer's company secretary under the supervision and scrutiny of the auditors of the Issuer and the Security Trustee.

6.17.8 The proposal placed before a meeting of Bondholders shall only be considered approved if at least sixty per cent (60%) in nominal value of the Bondholders present at the meeting, or at any adjourned meeting, as the case may be, at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.

6.17.9 The meeting of Bondholders may be held by means of any telephone conference or other communication equipment which allows those participating to hear and speak to each other, and any Bondholder or Director and/or any officer of the Company participating in a meeting in this manner is deemed to be present in person at such meeting and will be counted when reckoning a quorum.

6.17.10 Save for the above, the rules generally applicable to proceedings at general meetings of shareholders of the Issuer shall *mutatis mutandis* apply to meetings of Bondholders.

6.18 Authorisations and approvals

The Directors of the Issuer authorised the Bond Issue and the publication of the Prospectus pursuant to a Board of Directors' resolution passed on 14 April 2023.

6.19 Admission to trading

6.19.1 The Malta Financial Services Authority has authorised the Bonds as admissible to listing pursuant to the Capital Markets Rules by virtue of a letter dated 20 April 2023.

6.19.2 Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on its Official List.

6.19.3 The Bonds are expected to be admitted to the Official List with effect from 16 June 2023 and trading is expected to commence on 19 June 2023. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

6.20 Representations and warranties

6.20.1 The Issuer represents and warrants to Bondholders and to the Security Trustee for the benefit of Bondholders, who shall be entitled to rely on such representations and warranties, that:

i. it is duly incorporated and validly existing under the laws of Malta 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; and

ii. it has the power to execute, deliver and perform its obligations under the Prospectus and that all necessary corporate, shareholder and other actions have been duly taken to authorise the execution, delivery and performance of the same, and further that no limitation on its power to borrow or guarantee shall be exceeded as a result of the Terms and Conditions of the Prospectus.

6.20.2 To the best of the Directors' knowledge, the Prospectus contains all relevant material information with respect to the Issuer and the Bonds and all information contained in the Prospectus is in every material respect true and accurate and not misleading, and there are no other facts in relation to the Issuer, its business and financial position, the omission of which would, in the context of issue of the Bonds, make any statement in the Prospectus misleading or inaccurate in any material respect.

6.21 Bonds held jointly

In respect of any Bonds held jointly by several persons (including spouses), the person first named in the register of Bondholders shall, for all intents and purposes, be deemed to be such nominated person by all those joint holders. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bonds so held.

6.22 Bonds held subject to usufruct

In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed *vis-a-vis* the Issuer to be the holder of the Bonds so held and shall have the right to receive interest on the Bonds and to vote at meetings of the Bondholders but shall not, during the existence of the Bonds, have the right to dispose of the Bonds so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Bonds, which shall be due to the bare owner.

6.23 Governing law and jurisdiction

6.23.1 The Bonds are governed by and shall be construed in accordance with Maltese law.

6.23.2 Any legal action, suit or proceedings against the Issuer arising out of or in connection with the Bonds and/or the Prospectus shall be brought exclusively before the Maltese courts.

6.24 Notices

Notices will be mailed to Bondholders and to the Security Trustee at their registered addresses and shall be deemed to have been served at the expiration of twenty-four (24) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholder and to the Security Trustee at his/her/its registered address and posted.

7 TAXATION

7.1 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 the acquisition, holding and disposal of Bonds, as well as any interest payments made by the Issuer. The following is a summary of the anticipated tax treatment applicable to the Bonds and to Bondholders in so far as taxation in Malta is concerned. This information, that does not constitute legal or tax advice and does not purport to be exhaustive, refers only to Bondholders who do not deal in securities in the course of their normal trading activity.

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 Prospectus, 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 who do not deal in the acquisition and disposal of securities in the course of their normal trading activities. 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.

7.2 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 otherwise instructed by a Bondholder 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 (Chapter 123 of the laws of Malta), 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 professional advice on the taxation of such income as special rules may apply.

This withholding tax is considered as a final tax and a Maltese resident individual Bondholder is not obliged to declare the interest so received in his/her income tax return, to the extent that the interest is paid net of tax. No person, whether corporate or non-corporate, shall be charged to further tax in respect of such income and the tax deducted shall not be available as a credit against the recipient's tax liability or available as a refund, as the case may be.

The Issuer will render an account to the Maltese Commissioner for Revenue of all amounts of interest paid and tax so deducted, including the identity of the recipient.

In the case of a valid election made in writing 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/her/its Maltese income tax return and be subject to tax on such interest at the standard rates applicable to that person at that time. Additionally, in this latter case the Issuer will advise the Malta Commissioner for Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients. Any such election made by a resident 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.

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 therein, including but not limited to the condition that the Bondholder is not owned and controlled by, whether directly or indirectly, nor acts on behalf of an individual/s who are ordinarily resident and domiciled in Malta, 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.

7.3 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 certain 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.

Relevant legislation includes, but is not limited to:

(i) the implementation of Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended) which provides for the implementation of the regime known as the Common Reporting Standard ("CRS") – incorporated into Maltese law through Legal Notice 384 of 2015 entitled the Cooperation with Other Jurisdiction on Tax Matters (Amendment) Regulations, 2015; and

(ii) the agreement between the Government of the United States of America and the Government of the Republic of Malta to Improve International Tax Compliance and to Implement FATCA – incorporated into Maltese law through Legal Notice 78 of 2014 ("FATCA Legislation").

The CRS has been proposed by the Organisation for Economic Co-operation and Development as a new global standard for the automatic exchange of financial account information between tax authorities in participating jurisdictions. The CRS requires Malta based financial institutions ("FIs") (defined as such for the purposes of CRS) to identify and report to the Maltese tax authorities financial accounts held by a "Reportable Person" (as defined under the CRS legislation), and certain entities with one or more controlling persons, as defined under the CRS legislation, which is classified as a reportable person. Financial information relating to Bonds and the holders of the Bonds may fall within the purview of CRS and may be subject to reporting and information exchange provisions.

In particular with respect to CRS, the following information will be reported annually by the FIs to the Commissioner for Revenue in respect of each reportable account maintained by the FIs: (i) the name, address, jurisdiction of tax residence, tax identification number (TIN) and date and place of birth (in the case of an individual); (ii) the account number (or functional equivalent in the absence of an account number); (iii) the account balance or value as of the end of the relevant calendar year or other appropriate reporting period or, if the account was closed during such year or period, the closure of the account; (iv) the total gross amount paid or credited to the account holder with respect to the account during the calendar year or other appropriate reporting period with respect to which the FI is the obligor or debtor, including the aggregate amount of any redemption payments made to the account holder during the calendar year or other appropriate reporting period.

Under the FATCA Legislation, FIs in Malta (defined as such for the purposes of FATCA) are obliged to identify and report financial accounts held by specified U.S. persons, as defined under the FATCA Legislation, and certain non-U.S. entities which are controlled by U.S. controlling persons, as defined under the FATCA Legislation, to the Commissioner for Revenue. The latter is, in turn, required to exchange such information to the US Internal Revenue Service. Financial account information in respect of holders of the Bonds could fall within the scope of FATCA and they may, therefore, be subject to reporting obligations.

Pursuant to obligations under FACTA Legislation, FIs reserve the right to store, use, process, disclose and report any required information including all current and historical data related to the past and/or present account/s held by reportable persons, including, but not limited to, the name, address, date of birth, place of birth and U.S. tax identification number, the details of any account transactions, the nature, balances and compositions of the assets held in the account, to the Commissioner for Revenue.

The Commissioner for Revenue shall by automatic exchange framework for reciprocal information exchange, communicate to the other competent authority on an annual basis, any relevant information that may fall to be classified as reportable, and vice-versa.

FIs reserve the right to request any information and/or documentation required, in respect of any financial account, in order to comply with the obligations imposed under FATCA and CRS and any referring legislation. In the case of failure to provide satisfactory documentation and/or information, an FI may take such action as it thinks fit, including without limitation, the closure of the financial account.

7.4 Maltese taxation on capital gains on 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.

7.5 Duty on documents and transfers

In terms of the Duty on Documents and Transfers Act (Chapter 364 of the laws of Malta), 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"*.

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

Furthermore, even if the Bonds are considered to be marketable securities for the purposes of the Duty on Documents and Transfers Act, in terms of article 50 of the Financial Markets Act (Chapter 345 of the laws of Malta), in view of the fact that the Bonds constitute financial instruments of a company quoted on a regulated market exchange, as is the Official List, redemptions and transfers of the Bonds should in any case be exempt from Maltese 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 TAX LEGISLATION OF THE INVESTOR'S MEMBER STATE AND OF THE ISSUER'S COUNTRY OF INCORPORATION MAY HAVE AN IMPACT ON THE INCOME RECEIVED FROM THE SECURITIES. 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.

8 TERMS AND CONDITIONS OF THE BOND ISSUE

8.1 The following Terms and Conditions shall be read in conjunction with all the other terms and conditions relative to and regulating the contractual relationship created between the Issuer on the one hand and the Bondholders on the other.

8.2 The issue and allotment of the Bonds is conditional upon: (i) the Minimum Amount of €7,500,000 being subscribed for; (ii) the Pledge of Bank Account Agreement and the Security Trust Deed II being duly executed; (iii) the Collateral being duly granted and registered with the appropriate authority/ies, as applicable; (iv) the Issuer obtaining the approval of the Existing AST Bondholders for the early redemption of the 2018 AST Prospects MTF Bonds pursuant to a meeting called for the purpose in terms of the 2017 AST Company Admission Document, as well as the written approval of the MSE; and (v) the Bonds being admitted to trading on the Official List. In the event that any one or more of the aforesaid conditions is not satisfied, any application monies received by the Issuer from all Applicants will be returned, without interest, by direct credit into the Applicant's bank account indicated by the Applicant / Authorised Intermediary on the relative Application / subscription agreement.

8.3 Applications for the Bonds may be lodged with any Authorised Intermediary, which include the Sponsor, Manager & Registrar, by not later than 12:00 hours (CET) on 2 June 2023. Applications must be accompanied by the full price of the Bonds applied for, in Euro. Payment may be made by credit transfer to the respective Authorised Intermediary, by cheque payable to the respective Authorised Intermediary or by any other method of payment as accepted by the respective Authorised Intermediary. In any case, acceptance of payment shall be made at the Authorised Intermediary's sole and absolute discretion and may be on the basis that the Applicant indemnifies the Authorised Intermediary against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation, and that, at any time prior to unconditional acceptance by the Authorised Intermediary of such late payment in respect of such Bonds, the Authorised Intermediary may (without prejudice to other rights) treat the agreement to allocate such Bonds as void, in which case the Applicant will not be entitled to any refund or payment in respect of such Bonds (other than return of such late payment).

8.4 It is the responsibility of investors wishing to apply for the Bonds to inform themselves as to the legal requirements of so applying, including any requirements relating to external transaction requirements in Malta and any exchange control in the countries of their nationality, residence or domicile.

8.5 The contract created by the Issuer's acceptance of an Application filed by a prospective bondholder shall be subject to all the Terms and Conditions set out in this Securities Note.

8.6 If Applications are signed/delivered on behalf of another party or on behalf of a corporation or corporate entity or association of persons, the person signing will be deemed to have duly bound his/her principal, or the relative corporation, corporate entity, or association of persons, and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions on their behalf. Such representative 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 Issuer acting through the Registrar, but it shall not be the duty or responsibility of the Registrar or the Issuer to ascertain that such representative is duly authorised to appear on the Application and bind the Applicant.

8.7 Applications in the name of a corporation or corporate entity or association of persons need to include a valid Legal Entity Identifier ("LEI") (which needs to be unexpired). Failure to include a valid LEI code will result in the Application being cancelled by the Issuer, acting through the Registrar, and subscription monies will be returned to the Applicant in accordance with the terms set out herein.

8.8 In the event that an Applicant fails to submit full information and/or documentation required with respect to an Application, the Applicant shall receive a full refund, without interest, by direct credit transfer to such account indicated by him/her/it at any time before the Bonds are admitted to listing on the Official List. Neither the Issuer nor the Registrar shall be responsible for any charges, loss or delay arising in connection with such credit transfer.

8.9 In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each of the joint Applicants, and liability therefor is joint and several.

8.10 Applications in the name and for the benefit of minors shall be allowed provided that the Applicant already holds an account with the MSE. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parent/s / legal guardian/s submitting the Application until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption monies shall be paid 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.

8.11 The Bonds have not been and will not be registered under the Securities Act of 1933 of the United States of America and, accordingly, may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.

8.12 No person receiving a copy of the Prospectus in any territory other than Malta may treat the same as constituting an invitation or offer to such person, nor should such person in any event use the Prospectus, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person without contravention of any regulation or other legal requirements.

8.13 It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself/herself/itself 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.

8.14 Subject to all other Terms and Conditions set out in the Prospectus, the Issuer reserves the right to reject, in whole or in part, or to scale down, any Application, and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application which in the opinion of the Issuer, acting through the Registrar, is not properly completed in all respects in accordance with the relative instructions or is not accompanied by the required documents.

8.15 Save where the context requires otherwise or where otherwise defined therein, terms defined in the Prospectus bear the same meaning when used in these Terms and Conditions, in any of the annexes and in any other document issued pursuant to the Prospectus.

8.16 The Issuer has not sought assessment of the Bonds by an independent credit rating agency.

8.17 Subject to all other Terms and Conditions set out in the Prospectus, the Issuer reserves the right to revoke the Bond Issue at any time before the closing of the Issue Period. The circumstances in which such revocation might occur are expected to be exceptional, for example where a significant change in market conditions occurs.

8.18 The Bonds will be issued in multiples of €100. The minimum subscription amount of Bonds that can be subscribed for by all Applicants is €1,000.

8.19 For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Subsidiary Legislation 373.01), as may be amended from time to time, all appointed Authorised 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 Bye-Laws, irrespective of whether the said appointed Authorised Intermediaries are Malta Stock Exchange members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the General Data Protection Regulation (EU) 2016/679 (GDPR) and the Data Protection Act (Chapter 586 of the laws of Malta) for the purposes and within the terms of the Malta Stock Exchange Data Protection Policy as published from time to time.

8.20 It shall be incumbent on the respective Authorised Intermediaries to ascertain that all other applicable regulatory requirements relating to subscription of Bonds by an Applicant are complied with, including without limitation the obligation to comply with all applicable MiFIR requirements as well as applicable MFSA Rules for investment services providers, all applicable Anti-Money Laundering and Counter Terrorist Financing rules and regulations, as well as the applicable MFSA Conduct of Business Rules.

8.21 By completing and delivering an Application for Bonds, the Applicant:

i. agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;

ii. warrants that the information submitted by the Applicant is true and correct in all respects. All Applications need to include a valid MSE account number in the name of the Applicant/s. Failure to include an MSE account number will result in the Application being cancelled by the Issuer (acting through the Registrar) and subscription monies will be returned to the Applicant. In the event of a discrepancy between the personal details (including name and surname and the Applicant's address) provided by an 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;

iii. authorises the Registrar and the MSE to include his/her/its name or, in the case of joint Applications the first named Applicant, in the register of securities of the Issuer in respect of the Bonds allocated to such Applicant and further authorises the Issuer, the Registrar, the respective Authorised Intermediary and the MSE to process the personal data that the Applicant provides in connection with an Application for Bonds, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the General Data Protection Regulation (EU) 2016/679 (GDPR) and the Data Protection Act (Chapter 586 of the laws of Malta). The Applicant has the right to request access to and rectification of the personal data relating to him/her/it as processed by the Issuer and/or the MSE. Any such requests must be made in writing and sent to the CSD. The requests must be signed by the Applicant to whom the personal data relates;

iv. confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer or the issue of the Bonds other than what is contained in the Prospectus and, accordingly, agree/s that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;

v. agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her/its remittance or surrender of the 2018 AST Prospects MTF Bonds, as the case may be, and any verification of identity as required by the Prevention of Money Laundering Act (Chapter 373 of the laws of Malta) and regulations made thereunder, and that such monies will not bear interest;

vi. agrees to provide the Issuer, acting through the Registrar, with any information which it/they may request in connection with the Application;

vii. 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/its Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bonds or his/her/its Application;

viii. warrants that all applicable exchange control or other regulations (including those relating to external transactions) have been duly and fully complied with;

ix. represents that the Applicant 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) and that he/she/it is not accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;

x. agrees that unless such Application is made with Calamatta Cuschieri Investment Services Limited as an Authorised Intermediary, Calamatta Cuschieri Investment Services Limited will not, in its capacity of Sponsor, treat the Applicant as its customer by virtue of such Applicant making an Application for the Bonds, and that Calamatta Cuschieri Investment Services Limited will owe the Applicant no duties or responsibilities concerning the price of the Bonds or their appropriateness and suitability for the Applicant;

xi. agrees that all documents in connection with the issue of the Bonds and any returned monies, including refunds of unapplied Application monies, if any, will be sent at the Applicant's own risk and may be sent, in the case of documents, by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as set out by the Applicant and in the case of monies by direct credit into the Applicant's bank account as indicated by the Applicant;

xii. 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;

xiii. irrevocably offers to purchase the number of Bonds specified in his/her/its Application, or any smaller number for which the Application is accepted, at the Bond Issue Price subject to the Prospectus and the Terms and Conditions thereof;

xiv. warrants that his/her/its remittance will be honoured on first presentation and agrees that if such remittance is not so honoured on its first presentation, the Issuer, acting through the Registrar, reserves the right to invalidate the relative Application. Furthermore, the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders or to enjoy or receive any rights in respect of such Bonds, unless the Applicant makes payment in cleared funds and such consideration is accepted by the respective Authorised Intermediary (which acceptance shall be made in the Authorised Intermediary's sole and absolute discretion and may be on the basis that the Applicant indemnifies the Authorised Intermediary against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation, and that, at any time prior to unconditional acceptance by the Authorised Intermediary of such late payment in respect of such Bonds, the Authorised Intermediary may (without prejudice to other rights) treat the agreement to allocate such Bonds as void and may allocate such Bonds to some other person, in which case the Applicant will not be entitled to any refund or payment in respect of such Bonds (other than return of such late payment));

xv. agrees that all Applications, acceptances of applications and contracts resulting therefrom will be governed by, and construed in accordance with, Maltese law and that he/she/it submits to the exclusive jurisdiction of the Maltese Courts and agrees that nothing shall limit the right of the Issuer to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of applications and contracts in any other manner permitted by law in any court of competent jurisdiction;

xvi. warrants that if he/she signs/delivers an Application on behalf of another party or on behalf of a corporation or corporate entity or association of persons, he/she has due authority to do so and such person, corporation, corporate entity or association of persons will also be bound accordingly, and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions;

xvii. warrants that he/she is not under the age of eighteen (18) years or if he/she is lodging an Application in the name and for the benefit of a minor, warrants that he/she is the parent or legal guardian of the minor;

xviii. confirms that, in the case of a joint Application entered into in joint names, the first named Applicant shall be deemed the holder of the Bonds; and

xix. agrees that, in all cases, any refund of unallocated Application monies, if any, will be sent to the Applicant by direct credit into the Applicant's bank account as indicated by the Applicant. No interest shall be due on refunds. The Issuer shall not be responsible for any loss or delay in transmission or any charges in connection therewith.

9 ADDITIONAL INFORMATION

Save for the certificate of valuation in respect of Vessel 1 referred to in section 13 of the Registration Document and the Financial Analysis Summary reproduced in Annex II of this Securities Note, the Prospectus does not contain any statement or report attributed to any person as an expert.

The Financial Analysis Summary dated 20 April 2023 has been included in Annex II of this Securities Note in the form and context in which it appears with the authorisation of Calamatta Cuschieri Investment Services Limited of Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta, which has given and has not withdrawn its consent to the inclusion of said report herein.

The Issuer has received confirmation from Calamatta Cuschieri Investment Services Limited that the Financial Analysis Summary has been accurately reproduced in the Prospectus 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.

Neither of Calamatta Cuschieri Investment Services Limited or Hanse Bereederung GmbH have any beneficial interest in the Issuer.

ANNEX I – AUTHORISED INTERMEDIARIES

Calamatta Cuschieri Investment Services Limited
Ewropa Business Centre
Triq Dun Karm
Birkirkara BKR 9034
25688688

FINCO Treasury Management Ltd
The Bastions, Office No 2
Emvin Cremona Street
Floriana FRN 1281
21220002

Michael Grech Financial Investment Services Limited
The Brokerage
St Marta Street
Victoria, Gozo VCT 2550
22587000

ANNEX II – FINANCIAL ANALYSIS SUMMARY

Calamatta Cuschieri

The Directors - AST Group p.l.c.
31-33, 3rd Floor, Kingsway Palace,
Republic Street,
Valletta, VLT 1115,
Malta

20 April 2023

Financial Analysis Summary

Dear Sirs,

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

The purpose of the financial analysis is that of summarising key financial data appertaining to AST Group p.l.c. (the "**Issuer**") as explained in part 1 of the Analysis. The data is derived from various sources or is based on our own computations as follows:

(a) Historical financial data for the 3 years ended 31 December 2019, 2020 and 2021 has been extracted from the Issuer's audited financial statements.

(b) The forecast data for the financial years ending 2022, 2023 and 2024 has been provided by management.

(c) Our commentary on the Issuer's results and financial position is based on the explanations set out by the Issuer in the Prospectus and on the MFSA Listing Policies.

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

(e) The principal relevant market players listed in Part 3 of the document have been identified by management. Relevant financial data in respect of competitors has been extracted from public sources such as the web sites of the companies concerned or financial statements filed with the Registrar of Companies or websites providing financial data.

The Analysis is meant to assist potential investors by summarising the more important financial data set out in the Prospectus. The Analysis does not contain all data that is relevant to potential investors and is meant to complement, and not replace, the contents of the full Prospectus. The Analysis does not constitute an endorsement by our firm of the proposed bond issue and should not be interpreted as a recommendation to invest in the Issuer's securities. We shall not accept any liability for any loss or damage arising out of the use of the Analysis and no representation or warranty is provided in respect of the reliability of the information contained in the Prospectus. Potential investors are encouraged to seek professional advice before investing in the Issuer's securities.

Yours sincerely,

Patrick Mangion
Head of Capital Markets

Calamatta Cuschieri Investment Services Ltd | Ewropa Business Centre, Triq Dun Karm, Birkirkara, BKR9034, Malta | P.O. Box 141, Il-Marsa, MRS 1001, Malta
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FINANCIAL ANALYSIS SUMMARY

AST Group p.l.c.

20 April 2023

Prepared by Calamatta Cuschieri Investment Services Limited

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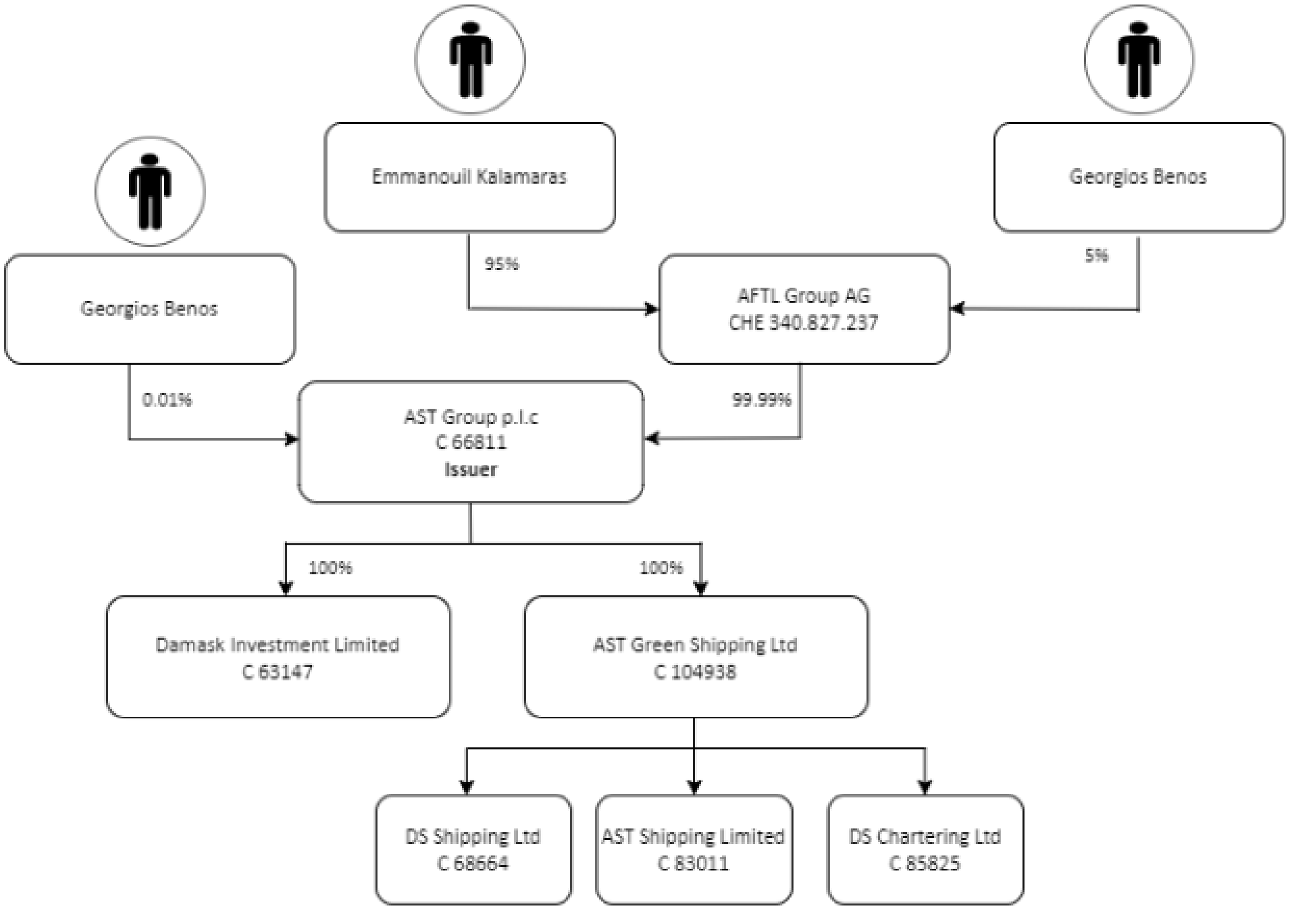
Part 1 - Information about the Group

AST Group p.l.c. is issuing €8.5m 6.25% Secured Bonds 2033 (the "**Bond**") pursuant to a prospectus dated 20 April 2023. This Financial Analysis Summary has been prepared in line with the MFSA Listing Policies

1.1. Issuer's Key Activities and Structure

The Group structure is as follows:



AST Group p.l.c. (the "**Issuer**" or "**AST**") was incorporated on 22 September 2016 and has at the date of this Analysis an authorised share capital of €250,000 divided into 250,000 Ordinary Shares of €1 each and has an issued share capital of €250,000 divided into 250,000 Ordinary Shares of €1 each, all fully paid up. The Issuer is, except for one ordinary share that is held by Mr Georgios Benos, a fully owned subsidiary company of AFTL Group AG ("the **Parent Company**" or "**AFTL**") which was incorporated in Switzerland. The ultimate beneficial owners ("**UBOs**") of AFTL Group AG are Mr Emmanouil Kalamaras holding 95% of the company's share capital, and Mr Georgios Benos holding the remaining 5% of the company's share capital. The "**Group**" consists of AST Group p.l.c along with all of its wholly owned subsidiary companies.

As per the company admission document dated 17 December 2017 issued by the Issuer, AST issued €2m unsecured bonds maturing in 2028 ("**2018 Prospects MTF Bonds**"). These bonds trade on the Prospects MTF List of the Malta Stock Exchange.

In 2011, Damask Investment Inc., a company registered in Liberia, commenced trading in roasted guar meal churi and roasted guar meal korma, through two branches set up in Greece and Cyprus. Subsequently, in May 2016, Damask Investment Inc Limited was re-domiciled to Malta and continued its operations under Damask Investment Malta Limited (C 75659). In December 2013, Damask Investment Limited ("**DIL**"), a company registered in Malta, commenced trading in roasted guar meal korma and fish meal from Malta. In the following months DIL expanded its operations, both in terms of animal feed products traded as well as locations. In September 2016, the process was initiated for Damask Investment Malta Limited to be merged into DIL, with the merger becoming effective as from 9 December 2016.

Following the restructuring, all the branches trading in animal feed are owned and managed by DIL, which operates branches in Malta, Greece, Cyprus, Hungary, Spain, France and Dubai. Animal feed products are sourced from suppliers based in India, Morocco, South Africa, Bulgaria, Ukraine, Moldova, Hungary, Slovakia, Serbia and Romania. Over the years, the Group introduced new animal feed products to its product range, and now trades in roasted guar meal korma, fish meal, Distiller's dried grains with soluble and HiPro Sunflower meal, corn, soya meal, feed wheat and barley. As at the date of this Analysis, DIL has an authorised share capital of €1,500 divided into 1,500 Ordinary Shares of €1 each and has an issued share capital of €1,165 divided into 1,165 Ordinary Shares of €1 each, all fully paid up.

Due to the Group's end-to-end supply chain management, from sourcing raw materials for high nutrient animal feed to the delivery of animal feed to producers, it was the Group's intention to vertically integrate the animal feed operations and expand into the logistics business, by transporting the Group's animal feed on vessels owned by the Group or time-chartered vessels from third parties. For this reason, the Group acquired a vessel in FY18 to carry its own cargo whilst expanding its animal feed operations. This complemented both business lines since the vessels provide security of supply to the Group's animal feed customers. Despite this, the Group continually assesses whether it is more feasible to transport cargo with containers rather than by vessel.

AST Green Shipping Ltd. ("**AGS**") was incorporated on 23 March 2023 to act as the holding company for the Group's shipping operations. As at the date of this Analysis, AGS has an authorised share capital of €2,198,700 divided into 2,198,700 Ordinary Shares of €1 each and has an issued share capital of €2,198,700 divided into 2,198,700 Ordinary Shares of €1 each, all fully paid up.

AGS will have three companies under its wing, namely, DS Shipping Ltd. ("**DSSL**"), AST Shipping Limited ("**AST Shipping**" or "**ASL**") and DS Chartering Ltd. ("**DSC**"). DSSL, previously named Damask Shipping Management Company Limited, was incorporated on 20 January 2015 and has an authorised and issued share capital of 1,200 shares of €1 each. DSSL manages, operates, and maintains M/V AST Malta (the "**Ship**") and incurs all the running and maintenance expenses. A management fee to DSC and ASL is issued annually.

ASL was incorporated on 16 October 2017 and has an authorised and issued share capital of 1,165 shares of €1 each. ASL is the owner of the M/V AST Malta, 5,000-deadweight ton ("**DWT**") German-built multi-purpose vessel, bearing International Maritime Organisation ("**IMO**") number 9143398..

Lastly, DSC was incorporated on 16 April 2018 and has an authorised and issued share capital of 1,165 shares of €1 each. DSC was previously named Damask Chartering Limited, and was set up as the commercial operations and management company of the Group. Hence, its main trading activity is chartering M/V AST Malta and third-party vessels to DIL. DSC is responsible for negotiating the terms and conditions of the charter as well as providing a communication channel between the owner and the charterer of the motor vessels. Whenever M/V AST Malta is chartered out to third parties directly through ASL, it is invoiced directly by ASL but whenever DSC uses M/V AST Malta, ASL invoices DSC for freight services on a tonnage basis.

1.2. Directors and Key Employees

Board of Directors - Issuer

As of the date of this Analysis, the board of directors of the Issuer is constituted by the following persons:

Name	Office Designation
Mr Giuseppe Muscat	Chairman and Executive Director
Mr Austin Demajo	Independent Non-executive Director
Mr William Wait	Independent Non-executive Director
Dr Kristian Balzan	Independent Non-executive Director

The business address of all of the directors is the registered office of the Issuer.

Dr Katia Cachia is the company secretary of the Issuer.

The board of the Issuer is composed of four directors who are entrusted with its overall direction and management. The non-executive directors, all of whom are independent of the Issuer, monitor the executive activity of the Issuer and contribute to the development of its corporate strategy, by providing objective and impartial scrutiny.

1.3. Major Assets owned by the Group

1.3.1. M/V AST Malta

The Group has continuously invested in its key asset which is the M/V AST Malta. The Ship was built in 1998 and purchased for €1.4m in FY18 with the proceeds raised from the 2018 Prospects MTF Bonds. Since then, the vessel has been reinstated to a container/multi-purpose vessel and was also subject to dry docking costs which were capitalised and which have pushed up the value at cost of the vessel to €4.6m as at 31 December 2021 with a net book value of €3.3m as at 30 June 2022. The vessel is being depreciated over its useful life, being ten years until 2028. Dry docking and special survey costs are capitalized and depreciated over 2.5 years and 5 years respectively. The Ship is currently held under a security trust, as a guarantee in favour of the 2018 Prospects MTF bondholders until such time that these are repaid in accordance with the Company Admission Document.

1.4. Operational Developments

1.4.1. New Vessel/s

The Group has commenced negotiations with prospective sellers in relation to acquiring one or more vessels ("**New Vessel/s**"). Considering the dynamics of this market, the Board of Directors aims to focus its investment decisions on the acquisition of a multipurpose vessel with the following characteristics:

- 15 year to 25-year-old vessel;
- Vessel size between 3000 – 7000 deadweight ton;
- Preferably European built;
- Multipurpose vessel (with or without cranes equipped);
- Certified by a classification society.

The Group may opt to purchase more than one vessel and this will depend on both the prevailing market trends and the vessel availability at the time of purchase.

The Group is currently envisaging that the New Vessel/s shall be acquired for €6.5m through the Bond proceeds and that a further €1.2m over 3 years shall be spent to upgrade the vessel/s and install a water ballast treatment which shall be funded through retained earnings. The UBO may part finance any additional vessel/s which would require additional financing in excess of the €6.5m of the bond issue proceeds earmarked for the purchase of the New Vessel/s. New vessels are expected to have a useful life of 10 years

1.4.2. Use of proceeds

The net proceeds of the bond issue, which are expected to amount within the region of €8.2m, are earmarked by the Issuer for the following purposes:

- *Circa* €1.6m shall be used for the redemption of the 2018 Prospects MTF Bonds;
- *Circa* €6.5m shall be used to expand the fleet of the Group through the New Vessel/s; and
- *Circa* €0.1m to be kept for general corporate funding purposes.

Bond issue costs are estimated at €300k and consist of broker, sponsor, legal, and financial advisory fees.

Part 2 - Historical Performance and Forecasts

The financial information in sections 2.1 to 2.3 is extracted from the audited financial statements of the Issuer for the financial years ended 31 December 2019, 2020 and 2021.

The projected financial information for the years ending 31 December 2022, 2023 and 2024 has been provided by the Company's management. This financial information relates to events in the future and are based on assumptions which the Company believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecast and actual results may be material.

2.1. Issuer's Statement of Comprehensive Income

Issuer's Statement of Comprehensive Income for the year ended 31 December	**FY19A**	**FY20A**	**FY21A**	**FY22P**	**FY23P**	**FY24P**
	€'000s	**€'000s**	**€'000s**	**€'000s**	**€'000s**	**€'000s**
Finance income	146	145	145	137	436	595
Finance costs	(104)	(103)	(101)	(101)	(388)	(531)
Dividend income	54	-	-	104	-	-
Net finance income / (loss)	**96**	**42**	**44**	**140**	**48**	**64**
Management fee	-	-	-	-	55	56
Administrative overheads	(57)	(38)	(49)	(44)	(50)	(51)
Amortisation of issue costs	(6)	(6)	(6)	(6)	(49)	(30)
Profit / (loss) before tax	**33**	**(2)**	**(11)**	**90**	**4**	**39**
Tax	(16)	(11)	(11)	(62)	2	(10)
Profit / (loss) after tax	**17**	**(13)**	**(22)**	**28**	**6**	**29**

Ratio Analysis	**FY19A**	**FY20A**	**FY21A**	**FY22P**	**FY23P**	**FY24P**
Profitability						
Growth in Revenue (YoY Revenue Growth)	N/A	-0.68%	0.00%	-5.52%	218.25%	36.47%
Gross Profit Margin (Gross Profit/ Revenue)	65.8%	29.0%	30.3%	102.2%	11.0%	10.8%
Net Margin (Profit for the year / Revenue)	11.6%	-9.0%	-15.2%	20.4%	1.4%	4.9%
Return on Common Equity (Net Income / Average Equity)	6.4%	-5.0%	-9.1%	11.4%	2.3%	10.4%
Return on Assets (Net Income / Average Assets)	0.8%	-0.6%	-1.0%	1.2%	0.1%	0.3%

The Issuer was set up as the finance and holding company of the Group and therefore its revenue consists of interest income generated on the funds advanced to its subsidiaries, being the proceeds from the 2018 Prospects MTF Bonds net of issue costs. Around €1.6m were advanced to AST Shipping for the purpose of acquiring and upgrading the Ship, whilst the remaining amount of €0.1m were advanced to DIL for working capital purposes. As per loan agreement dated 26 March 2018 with ASL and 25 April 2018 with DIL, the funds of €1.6m and €0.1m respectively were advanced subject to an interest rate of 8%, repayable in staggered instalments between FY21 and FY27. As a result, finance income was stable at €145k per annum in the historical periods.

Finance costs, on the other hand, comprise mainly of interest incurred by the Issuer on the 2018 Prospects MTF Bonds in issue of €1.8m bearing an interest rate of 5.5% per annum and maturing on 31 January 2028. The Issuer also recorded bank interest and charges in FY19 and FY20 of €3k and €2k respectively. In FY19 the Issuer received a dividend of €54k from DIL which is eliminated as an inter-company adjustment upon consolidation. Administrative expenses amounted to €49k in FY21 and include professional fees, director's fees and insurance costs, whilst amortisation of bond issue costs amounted to €6k. The reduction in administrative expenses from FY19 was mainly due to lower professional fees. All this led to a loss after tax of €22k in FY21 after deducting taxes of €11k.

Going forward, the Issuer shall generate interest on the amounts advanced to its subsidiaries at 1% over the proposed bond interest rate which was purposefully set to compensate the Issuer for its ongoing administrative expenses to administer the bonds. The initial bond issue costs of €0.3m will be initially capitalised and amortised over the ten-year term of the bond using the straight-line method. The Issuer will also charge its subsidiaries a management fee at a base amount of €55k upon the issuance of bonds which is expected to increase at an inflation rate of 2%. This is to compensate the Issuer for the additional administrative expenses incurred due to the bond issue, which are expected to increase to €50k in FY23.

2.2. Issuer's Statement of Financial Position

Issuer's Statement of Financial Position as at 31 December	FY19A	FY20A	FY21A	FY22P	FY23P	FY24P
	€'000s	€'000s	€'000s	€'000s	€'000s	€'000s
Assets						
Non-current assets						
Investment in subsidiaries	1	1	1	1	1	1
Sinking fund	-	-	-	300	-	-
Loans receivables	1,812	1,687	1,518	1,492	8,200	8,200
Total non-current assets	**1,813**	**1,688**	**1,519**	**1,793**	**8,201**	**8,201**
Current assets						
Loans receivables	126	298	581	164	396	396
Trade and other receivables	253	255	265	379	379	379
Cash and cash equivalents	1	4	-	28	39	109
Total current assets	**380**	**557**	**846**	**571**	**814**	**884**
Total assets	**2,193**	**2,245**	**2,365**	**2,364**	**9,015**	**9,085**
Equity						
Share capital	50	50	50	250	250	250
Retained earnings	216	203	181	9	15	44
Total equity	**266**	**253**	**231**	**259**	**265**	**294**
Liabilities						
Non-current liabilities						
Interest bearing borrowings	1,789	1,795	1,800	1,806	8,220	8,250
Total non-current liabilities	**1,789**	**1,795**	**1,800**	**1,806**	**8,220**	**8,250**
Current liabilities						
Trade and other payables	126	174	298	237	532	532
Current tax payable	12	23	36	62	(2)	9
Total current liabilities	**138**	**197**	**334**	**299**	**530**	**541**
Total liabilities	**1,927**	**1,992**	**2,134**	**2,105**	**8,750**	**8,791**
Total equity and liabilities	**2,193**	**2,245**	**2,365**	**2,364**	**9,015**	**9,085**

Ratio Analysis	FY19A	FY20A	FY21A	FY22P	FY23P	FY24P
Financial Strength						
Gearing 1 (Net Debt / Net Debt and Total Equity)	87.1%	87.6%	88.6%	87.3%	96.9%	96.5%
Gearing 2 (Total Liabilities / Total Assets)	87.9%	88.7%	90.2%	89.0%	97.1%	96.8%
Gearing 3 (Net Debt / Total Equity)	672.2%	707.9%	779.2%	686.5%	3087.2%	2769.0%
Current Ratio (Current Assets / Current Liabilities)	2.8x	2.8x	2.5x	1.9x	1.5x	1.6x
Interest Coverage 1 (Finance Income / Cash interest paid)	N/A	1.5x	1.5x	1.4x	4.7x	1.1x
Interest Coverage 1 (Finance Income / Finance Costs)	1.4x	1.4x	1.4x	1.4x	1.1x	1.1x

As at end of FY21, the Issuer's total assets stood at €2.4m, primarily consisting of loans and receivables of €2.1m. Of this balance, €1.5m are classified as non-current assets, whilst €0.6m are classified as current assets. The non-current receivables consist of the funds raised from the 2018 Prospects MTF Bonds, whilst the current portion reflects the accrued interest for the year plus loan repayments due by the end of FY21. The investment in subsidiaries of €1k relates to the 100% holding of the four subsidiaries being: DIL, ASL, DSC and DSSL. Trade and other receivables amounted to €0.3m in FY21 and consisted of amounts due from subsidiaries, amounts due from AFTL, and prepayments.

As at FY21, equity consisted of share capital of €50k and retained earnings of €0.2m. The Issuer's equity position decreased consistently, albeit at a slow pace, over the 3 historical years due to the losses recorded in FY20 and FY21.

On the liabilities side, borrowings relate to the 2018 Prospects MTF Bonds and remained stable across the historical period under review, at €1.8m in FY21, and are stated net of amortisation of bond issue costs. Trade and other payables as at FY21 amounted to €0.3m and primarily consisted of dues from related party balances and the interest payable accrued from the existing bonds. Current tax payable amounted to €35k in FY21 and led to total equity and liabilities of €2.4m.

In FY22, the Issuer is projecting non-current assets to increase by €0.3m due to a sinking fund as set out in the Company Admission Document of the 2018 Prospects MTF Bonds. Following the bond issue in FY23, the Issuer's interest bearing borrowings and corresponding loan receivables will increase to €8.2m and will consist of solely of the new bond, given that the 2018 Prospects MTF Bonds will be redeemed through the proceeds of the said new bond. The Issuer's share capital will also increase, to €250k, in FY22 in line with the Capital Markets Rules of the MFSA. Cash and cash equivalents are expected to increase consistently in FY22, FY23 and FY24 at €28k, €39k and €109k respectively.

2.3. Issuer's Statement of Cash Flows

Issuer's Statement of Cash Flows for the year ended 31 December	FY19A	FY20A	FY21A	FY22P	FY23P	FY24P
	€'000s	€'000s	€'000s	€'000s	€'000s	€'000s
Cash flows from operating activities						
Operating profit / (loss) for the year	33	(2)	(10)	90	4	38
Adjustments						
Amortisation of bond costs	6	6	6	6	49	30
Finance income	(146)	(145)	(145)	(137)	(436)	(595)
Finance costs	100	100	100	101	388	531
Cash generated from operations	**(7)**	**(41)**	**(49)**	**60**	**5**	**4**
Movements in:						
Movement in trade and other receivables	(1)	(9)	6	303	164	-
Movement in trade and other payables	14	(3)	(4)	(61)	-	-
Cash generated from operations	6	(53)	(47)	302	169	4
Net finance cost	23	-	-	-	-	-
Taxation paid	(4)	-	-	(35)	(62)	2
Interest received	-	53	20	137	40	595
Interest paid	-	(99)	(99)	(101)	(93)	(531)
Net cash generated from / (used in) operating activities	**25**	**(99)**	**(126)**	**303**	**54**	**70**
Cash flows from financing activities						
Advancement to parent company	(27)	-	-	-	-	-
Advances from / (to) subsidiary	(5)	102	122	25	(6,708)	-
Utilization of / (release of) sinking fund	-	-	-	(300)	300	-
Bond repayments	-	-	-	-	(1,835)	-
Bond proceeds	-	-	-	-	8,500	-
Bond issue costs	-	-	-	-	(300)	-
Net cash generated from / (used) financing activities	**(32)**	**102**	**122**	**(275)**	**(43)**	**-**
Movement in cash and cash equivalents	**(7)**	**3**	**(4)**	**28**	**11**	**70**
Cash and cash equivalents at start of year	8	1	4	-	28	39
Cash and cash equivalents at end of year	**1**	**4**	**-**	**28**	**39**	**109**

Ratio Analysis	FY19A	FY20A	FY21A	FY22P	FY23P	FY24P
Cash Flow						
Free Cash Flow (Net cash from operations + Interest - Capex)	€ 25	€ 0	-€ 27	€ 404	€ 147	€ 601

As previously stated, in FY18, the Issuer raised €1.8m, whereby the net proceeds were advanced to its subsidiaries and used for the acquisition and upgrading of MV/AST Malta and for working capital purposes on the trading operations. Given the Issuer's treasury management function, its main cash movements, other than that of raising and repaying debt instruments, is to advance loans to its subsidiaries against an annual interest charge of 8%. The interest rate on these loans was set at a rate of 2.5% higher than the bond interest, so that the spread allows the Issuer to pay for any administrative expenses it incurs to administer its debt instrument. Net cash used in operations in FY21 amounted to €125k whilst net cash from financing activities amounted to €122k which resulted in an outward net cash movement of €3k and led to a negligible ending cash position for FY21. Apart from minor movements in the Issuer's operating activities, the Issuer's main cash movements in FY23 will relate to the proceeds from the new bond issue, the early repayment of the 2018 Prospects MTF Bonds, and the advancement of proceeds principally to AST Shipping 2 by way of a loan agreement. Following the bond issue, the Issuer expects to pay its bondholders €388k in interest payments whilst receiving €436k in interest from its subsidiaries. This is expected to lead to a closing cash position of €39k in FY23 and a further increase to €109k in FY24. In FY23 the Issuer is expecting a number of movements from financing activities due to the bond issue. More specifically, the Issuer expects to receive €8.5m from the bond issue, to advance €6.7m to its subsidiary, to use €1.8m to repay the 2018 Prospects MTF Bonds, to utilise the €300k from the sinking fund, and to pay €300k in bond issue costs.

2.4. Group's Statement of Comprehensive Income

Group's Statement of Comprehensive Income for the year ended 31 December	FY19A	FY20A	FY21A	FY22P	FY23P	FY24P
	€'000s	€'000s	€'000s	€'000s	€'000s	€'000s
Revenue	15,660	18,845	29,660	49,768	46,354	48,304
Cost of sales	(14,949)	(19,060)	(27,965)	(47,036)	(42,842)	(43,841)
Gross profit	**711**	**(215)**	**1,695**	**2,732**	**3,512**	**4,463**
Selling and distribution expenses	(75)	(138)	(167)	(275)	(244)	(248)
Administrative expenses	(460)	(413)	(497)	(707)	(732)	(747)
Other income	4	23	10	-	-	79
Other charges	(9)	-	(33)	-	-	-
EBITDA	**171**	**(743)**	**1,008**	**1,750**	**2,536**	**3,547**
Depreciation and amortisation	(255)	(224)	(373)	(597)	(1,312)	(1,329)
EBIT	**(84)**	**(967)**	**635**	**1,153**	**1,224**	**2,218**
Finance costs	(217)	(182)	(189)	(286)	(617)	(727)
Profit / (loss) before tax	**(301)**	**(1,149)**	**446**	**867**	**607**	**1,491**
Tax	(40)	40	19	(9)	7	(3)
Profit / (loss) after tax	**(341)**	**(1,109)**	**465**	**858**	**614**	**1,488**
Revaluation of property, plant and equipment	354	489	1,706	-	-	-
Total comprehensive income / (loss)	**13**	**(620)**	**2,171**	**858**	**614**	**1,488**

Ratio Analysis	FY19A	FY20A	FY21A	FY22P	FY23P	FY24P
Profitability						
Growth in Revenue (YoY Revenue Growth)	N/A	20.34%	57.39%	67.80%	-6.86%	4.21%
Gross Profit Margin (Gross Profit/ Revenue)	4.5%	-1.1%	5.7%	5.5%	7.6%	9.2%
EBITDA Margin (EBITDA / Revenue)	1.1%	-3.9%	3.4%	3.5%	5.5%	7.3%
Operating (EBIT) Margin (EBIT / Revenue)	-0.5%	-5.1%	2.1%	2.3%	2.6%	4.6%
Net Margin (Profit for the year / Revenue)	-2.2%	-5.9%	1.6%	1.7%	1.3%	3.1%
Return on Common Equity (Net Income / Average Equity)	-20.0%	-79.4%	21.4%	23.3%	13.9%	27.2%
Return on Assets (Net Income / Average Assets)	-4.9%	-18.2%	7.4%	10.4%	5.0%	9.0%
Return on capital employed (EBITDA/Total Assets - Current Liabilities)	4.9%	-24.5%	19.3%	28.7%	19.3%	24.5%
EBIT Growth	N/A	-1051.2%	165.7%	81.6%	6.2%	81.2%

The Group's revenue is principally derived from trading operations (animal feed) which represented around 92% and 94% of total revenue in FY20 and FY21 respectively. FY20 was a difficult year for the Group given that the COVID-19 pandemic hit worldwide. Despite this, the Group traded in 2 new animal feed business, being corn and barley. These 2 new products contributed to €7.3 in additional revenue and led to a total revenue figure of €18.9m in FY20 and a total trading volume of 73k tonnes (FY19: 37k tonnes). Being a staple good, demand for the Group's product is considered inelastic, hence the continued growth in revenue in FY20.

In FY19 the Greek and Maltese branches contributed the highest portion of revenue from animal feed at 32.3% and 39.7% of total revenue respectively, whilst Cyprus only contributed 20.2%. This changed drastically in FY20 and FY21 with the introduction of corn, barley, wheat and soya, whereby the customers' country of distribution for these products is principally Cyprus. This led to the portion of revenue from animal feed from the Cyprus branch to reach 56.1% in FY20 and 74.9% in FY21. The second largest contributor of revenue from animal feed in FY21 was the Greek branch, which generated €4.0m (14.2%) in revenue and is expected to increase significantly in FY22 principally due to an increase in sales of roasted guar meal korma and fish meal as the Group expanded its operations. The Maltese branch generated €0.2m (FY20: €3.4m) in revenue in FY21, the decline coming from lower Distiller's dried grains with soluble ("DDGS") volume sold, the discontinuation of fish meal, and no factoring agreement in place in Malta in FY21. Instead, fish meal was sold from the Greek and French branch in FY21.

Roasted guar meal korma is typically accounted for in the Greek branch, given that it is sold to one of Greek's largest fish feed producers and made up 12.1% of the Group's animal feed revenue in FY21. Corn is the Group's largest contributor to revenue at 37% (€10.3m) followed by barley which made up 34.8% (€9.7m) of animal feed revenue in FY21. Although fish meal only averages around 1k-2k tonnes per annum, it generated *circa* €2.1m in revenue in FY21. This is because fish meal is the most expensive product sold by the Group, at an average price of €1,000/tonne. All in all, as mentioned previously, the trading operations made up *circa* 93.8% (€29.6m) of total revenue.

The remainder of revenue was generated through the shipping operations, specifically from freight services, which are invoiced either to third parties or to DIL, since management fees between DS Shipping and ASL are adjusted for upon consolidation. Revenue from shipping operations reached €4.5m in FY21 (FY20: €2.6m). This increase in revenue was due to a number of factors. The first being a surge in freight shipping rates worldwide due to shortages of container space, congested ports and labour shortages amidst soaring global demand. The second is the expansion of shipping operations as additional vessels were added to the Group's fleet. During FY19 and FY20 the Group owned M/V AST Malta and chartered third party vessels on a voyage basis. During FY21, along with the chartering of third party vessels on a voyage basis when needed and in addition to operating the Ship, the Group also chartered the M/V Forester.

The final factor relating to the increased revenues from shipping operations is the expansion of trading operations of the Group and change in strategy (explained further in the next paragraph) in FY21 whereby the Group's vessels were principally used to mitigate the logistical issues and higher transportation costs faced by the trading arm of the Group which also gave the Group added control over its value chain.

Up until FY20, the Group distributed its animal feed either by land in containers loaded on trucks or by sea through the M/V AST Malta or third-party vessels chartered on a voyage basis. Post COVID-19, the Group encountered various transportation and logistical issues, combined with spikes in freight charges and as a result, the Group chartered both M/V Forester and M/V Admiral De Ribas. These two ships along with the M/V AST Malta were then used to distribute the animal feed. This change in strategy allowed the Group to expand its animal feed business in terms of volume and generate higher margins and led to a growth in revenue of 57.39% to €29.7m in FY21.

The Group operates in a high volume, low profit sector which historically has led to gross profit ("**GP**") margins between 4% and 6% and EBITDA margins between 1% and 3.5%. Cost of sales for the Group primarily comprise of the purchase of animal feed, transportation costs, crew wages and expenses, fuel, and oil and port charges. Although trading operations revenue increased by €3.9m in FY20, GP decreased by €0.2m. This is because of the introduction of corn and barley, which are low margin products compared to other products such as roasted guar meal korma, fish meal and DDGS. However, following inflationary pressure and the change in Group's strategy, the Group's GP margin is expected to increase significantly in FY22.

The shipping operations side also saw a slump in margins in FY20. This was mainly due to a trip made by M/V AST Malta to the USA, returning in February 2020 and, although the revenue generated from this trip was accounted for in FY19, the costs were erroneously not accrued for in FY19 and all accounted for in FY20. In fact, shipping costs related to demurrages and commission totalled to €1.2m in FY20 compared to €0.7m a year earlier, despite lower shipping revenue accounted for in FY20 (€1.5m) when compared to FY19 (€2.3m). Both these facts together led to negative GP margins of 1.1% in FY20. In FY21 the shipping operations segment saw a steep increase in GP margins, to 26%.

Selling, distribution and administrative expenses increased from €0.5m in FY19 to €0.7m in FY21, following the expansion in operations. These primarily consist of marketing costs, wages and salaries, directors' remuneration and professional fees. Other charges relate to differences on exchange rates. These primarily arise on shipping operations which are carried out in USD, as well as trading of guar meal given that it is sourced from India.

Over the period under review, an uplift of €2.5m was recognised on the Ship in other comprehensive income most of which was recognised in FY21. The useful life of the vessel however was not extended and so depreciation and amortisation costs increased from €0.3m in FY19 to €0.4m in FY21. This led to an EBIT of €0.6m in FY21 (FY20: €-1.0m). Finance costs remained relatively stable at around €0.2m in the 3 historical periods and consist mainly of the bond interest of 5.5% on the 2018 Prospects MTF Bonds.

Revenue is expected to drop by 6.9% in FY23 mainly due to lower expected prices in the trading operations segment.

Animal feed volume is expected to increase slightly to 102k tons in FY23 from 101k tons in FY22 but the lower expected prices is expected to result in animal feed revenue of €37.5m in FY23 vs €42.3m in FY22. Revenue from shipping operations is expected to increase from €4.5m in FY21 to €10.2m in FY24 mainly due to the introduction of chartered vessel revenue in FY22. The projections assume that the Group will continue chartering two vessels and that it will acquire a new vessel in mid-FY23 through the Bond proceeds. The Group expects to generate GP margins between 5% and 10% in the projected years. The trading operations is expected to generate GP margins in the region of 2% whilst the shipping operations segment is expected to generate margins of over 30%.

Both selling and distribution costs and administration expenses are expected to increase in FY22 in line with the structures needed to be put in place for the Bond issue. Depreciation and amortisation is also expected to increase in the forecasted years due to the additional vessel/s and the fact that the vessels are depreciated over ten years, being the vessel's useful life, whilst dry-docking and special surveys are capitalised and depreciated over 2.5 years and 5 years respectively.

Finance costs are expected to increase to €0.6m following the Bond issue with a corresponding projected profit before tax of €0.6m in FY23 and a net margin of 1.3%. Net margin is projected to increase to 3.1% in FY24. In the forecasted years the Group expects to generate a return on assets of between 5% and 10% with return on equity expected to reach 27.2% in FY24.

2.5. Group's Statement of Financial Position

Group's Statement of Financial Position as at 31 December	FY19A	FY20A	FY21A	FY22P	FY23P	FY24P
	€'000s	€'000s	€'000s	€'000s	€'000s	€'000s
Assets						
Non-current assets						
Property, plant and equipment	1,838	2,132	3,771	3,214	8,883	8,234
Right of use assets	48	32	15	-	-	-
Sinking fund	-	-	-	300	-	-
Deferred tax asset	27	84	158	158	158	158
Total non-current assets	**1,913**	**2,248**	**3,944**	**3,672**	**9,041**	**8,392**
Current assets						
Inventories	1,219	1,207	1,572	2,599	2,330	2,365
Trade and other receivables	3,097	1,416	1,280	1,603	1,519	1,530
Cash and cash equivalents	739	334	621	1,157	2,877	4,910
Total current assets	**5,055**	**2,957**	**3,473**	**5,359**	**6,726**	**8,805**
Total assets	**6,968**	**5,205**	**7,417**	**9,031**	**15,767**	**17,197**
Equity						
Share capital	50	50	50	250	250	250
Total reserves	1,208	1,697	3,403	3,204	3,204	3,204
Retained earnings/ (Accumulated losses)	448	(661)	(196)	661	1,274	2,762
Total equity	**1,706**	**1,086**	**3,257**	**4,115**	**4,728**	**6,216**
Liabilities						
Non-current liabilities						
Borrowings	1,745	1,755	1,792	1,804	8,220	8,250
Lease liability	35	19	18	18	-	-
Other non-current liabilities	27	172	159	159	159	-
Total non-current liabilities	**1,807**	**1,946**	**1,969**	**1,981**	**8,379**	**8,250**
Current liabilities						
Trade and other payables	3,312	2,032	2,032	2,923	2,667	2,728
Lease liability	16	17	3	3	-	-
Current tax liabilities	127	124	156	9	(7)	3
Total current liabilities	**3,455**	**2,173**	**2,191**	**2,935**	**2,660**	**2,731**
Total liabilities	**5,262**	**4,119**	**4,160**	**4,916**	**11,039**	**10,981**
Total equity and liabilities	**6,968**	**5,205**	**7,417**	**9,031**	**15,767**	**17,197**

Ratio Analysis	FY19A	FY20A	FY21A	FY22P	FY23P	FY24P
Financial Strength						
Gearing 1 (Net Debt / Net Debt and Total Equity)	38.26%	57.29%	26.79%	13.97%	53.05%	34.95%
Gearing 2 (Total Liabilities / Total Assets)	75.5%	79.1%	56.1%	54.4%	70.0%	63.9%
Gearing 3 (Net Debt / Total Equity)	62.0%	134.2%	36.6%	16.2%	113.0%	53.7%
Net Debt / EBITDA	6.18x	(1.96)x	1.18x	0.38x	2.11x	0.94x
Current Ratio (Current Assets / Current Liabilities)	1.46x	1.36x	1.59x	1.83x	2.53x	3.22x
Quick Ratio (Current Assets - Inventory / Current Liabilities)	1.11x	0.81x	0.87x	0.94x	1.65x	2.36x
Interest Coverage 1 (EBITDA / Cash interest paid)	1.02x	(5.38)x	7.41x	6.14x	4.11x	4.88x
Interest Coverage 1 (EBITDA / Finance Costs)	0.79x	(4.08)x	5.33x	6.12x	4.11x	4.88x

As at FY21, total assets stood at €7.4m and consisted of property, plant and equipment ("**PPE**") (€3.8m), inventories (€1.6m) and trade and other receivables (€1.3m). The Group's non-current assets are made up of the aforementioned PPE, right of use assets and deferred tax assets mainly related to tax losses carried forward. PPE basically refers to the M/V AST Malta which made up around 89.5% of PPE in FY21. The Ship was built in 1998 and was purchased by AST Group in FY18 with the proceeds raised from the 2018 Prospects MTF Bonds. The Ship is held under a security trust, as a guarantee in favour of bondholders until such time that these are repaid.

The Ship was valued on 26 November 2021 by Hanse Bereederung GmbH, a leading shipping company based in Hamburg, at €3.5m to €4m. The valuation was based on the vessel's charter free market value based on prompt delivery between a willing buyer and a willing seller. As a result, in FY21, the Ship was revalued to €3.8m being the mid-point of the valuation range given by Hanse Bereederung GmbH. The Ship's useful life of 10 years was not affected by the revaluation. Furthermore, a scrap value of €0.8m has been assumed when calculating the vessel's depreciation.

The Group's current assets include inventories, trade and other receivables, and cash and cash equivalents. Inventories which totalled €1.6m in FY21 include animal feed held for resale and fuel and oils in relation to the Ship. Animal feed made up 91.3% of the Group's inventories in FY21. Management stated that the Group does not keep high levels of stock, and that balances as at end of year would relate to January/February orders. In fact, inventory days were relatively low between 10 to 30 days during the period under review. Furthermore, the Group's inventory balance is higher for guar meal than other animal feed products because guar meal is sourced from India, and therefore is bought in bulk.

Trade and other receivables totalled €1.3m in FY21 (FY20: €1.4m) and consisted mainly of trade receivables, prepayments and accrued income and amounts due from the UBO. The Group's trade receivables totalled €2.1m in FY19, but decreased to *circa* €0.4m in FY20 and FY21. This decrease is principally due to factoring agreements entered into with various financial institutions. Given that the factoring agreements are on a non-recourse basis, this allows the Group to collect its receivables on a timely basis. Hence, the trade receivables reported in the audited financial statements and management accounts are net of the factored receivables. As at FY21, the factoring agreements entered into cover the Group's exposure up to 80% of the receivables due. Credit terms with customers vary depending on the product being sold.

Typically, animal feed must be paid by customers within two business days from the receipt of the shipping document, unless the invoice is covered by a factoring agreement, with the exception of guar meal whereby in Greece customers are offered 90-days credit, and a 60-days credit in all other branches. Amounts due from the UBO (Mr Emmanouil Kalamaras), are unsecured, interest-free and are repayable within the normal operating cycle of the Group. These relate to advances made to the UBO over the years, which are now to be regulated by means of a loan agreement and will be repaid over the term of the proposed bond. Total current assets came in at €3.5m in FY21 (FY20: €3.0m).

In FY21, the Group's equity totalled €3.3m and comprised of €50k in share capital, €3.4m in total reserves, and accumulated losses of €0.2m. The Group's total reserves in FY21 were made up of €0.3m in general reserves, €0.2m in other reserves, €0.4m in capital contribution reserves, and €2.5m in revaluation reserves. The general reserve was set up as a non-distributable reserve to finance the branches' capital expenditures. The capital contribution reserve relates to contributions from the UBO whilst the revaluation reserves constitute the revaluation uplifts carried out on M/V AST Malta.

Non-current liabilities totalled €2.0m in FY21, and mainly consisted of debt securities in issue (€1.8m) and other liabilities (€0.1m). Other non-current liabilities pertain to provision on government grants amounting to €0.2m which were received by the Greek branch, half of which is to be repaid to the Greek government within the next five years. The tax on these provisions is reported as deferred tax liability.

Current liabilities, on the other hand, totalled €2.2m in FY21 and primarily relate to trade and other payables of €2.0m. The Group's trade and other payables consisted mainly of trade payables of €1.1m in FY21. The decrease in trade payables from €3.1m in FY19 was mainly due to the factoring agreement mentioned previously which aided the Group's cash flow and consequently allowed the Group to repay its suppliers on a timely basis. All this together led to a total equity and liabilities figure of €7.4m in FY21 (FY20: €5.2m).

In FY23 the Group's assets will increase to €15.8m due mainly to the increase in PPE coming from the New Vessel/s. Inventories, trade receivables and deferred tax assets are expected to remain relatively stable throughout the forecasted years with cash and cash equivalents expected to increase year on year and reaching €4.9m in FY24. The Group's equity position is expected to increase year on year from €1.1m in FY20 to €6.2m in FY24 in line with the registered profits for each year which are passed on through retained earnings.

Non-current liabilities are expected to increase to €8.4m in FY23 due to the bond issue. All other liabilities are expected to remain relatively stable throughout the forecasted years with total liabilities forecasted to reach €11.0m in both FY23 and FY24. Following the bond issue, the Group expects to post a gearing ratio of 53.1% which is expected to drop to 35% in the following year. The Group expects to have a strong liquidity position in FY24 with a current ratio of 3.2x and expects to be able to safely cover its interest payments with an interest coverage ratio of 4.9x.

2.6. Group's Statement of Cash Flows

Group's Statement of Cash Flows for the year ended 31 December	FY19A	FY20A	FY21A	FY22P	FY23P	FY24P
	€'000s	€'000s	€'000s	€'000s	€'000s	€'000s
Cash flows from operating activities						
EBITDA	170	(743)	1,008	1,750	2,536	3,546
Adjustments	(19)	51	60	-	-	-
Adjusted EBITDA	**151**	**(692)**	**1,068**	**1,750**	**2,536**	**3,546**
Working capital changes						
Movement in inventories	(518)	12	(365)	(1,027)	268	(35)
Movement in trade and other payables	1,497	(1,127)	1	(324)	84	(10)
Movement in trade and other receivables	(617)	1,683	135	892	(256)	(98)
Cash generated from/ (used in) operations	**513**	**(124)**	**839**	**1,291**	**2,632**	**3,403**
Taxation paid	(35)	(39)	(35)	(156)	(9)	7
Interest paid	(168)	(138)	(136)	(285)	(617)	(727)
Net cash generated from/ (used in) operating activities	**310**	**(301)**	**668**	**850**	**2,006**	**2,683**
Cash flows from investing activities						
Acquisition of property, plant and equipment	(1)	(2)	(252)	(14)	(6,930)	(650)
Net cash generated from / (used in) investing activities	**(1)**	**(2)**	**(252)**	**(14)**	**(6,930)**	**(650)**
Cash flows from financing activities						
Net advances to parent	-	-	(16)	-	-	-
Net advances to ultimate beneficial owner	(27)	(84)	(106)	-	-	-
Proceeds from borrowings	-	-	-	-	8,500	-
Bond issuance costs	-	-	-	-	(300)	-
Release of / (additions to) sinking fund	-	-	-	(300)	300	-
Repayment of borrowings	-	-	-	-	(1,835)	-
Payment for lease obligations to third parties	(20)	(18)	(7)	-	(21)	-
Net cash generated from / (used in) financing activities	**(47)**	**(102)**	**(129)**	**(300)**	**6,644**	**-**
Movement in cash and cash equivalents	**262**	**(405)**	**287**	**536**	**1,720**	**2,033**
Cash and cash equivalents at start of year	477	739	334	621	1,157	2,877
Cash and cash equivalents at end of year	**739**	**334**	**621**	**1,157**	**2,877**	**4,910**

Ratio Analysis	FY19A	FY20A	FY21A	FY22P	FY23P	FY24P
Cash Flow						
Free Cash Flow (Net cash from operations + Interest - Capex)	€ 477.00	-€ 165.00	€ 552.00	€ 1,121.00	-€ 4,307.00	€ 2,760.00

The Group's main cash flow movements come from its operating activities and, more specifically, movements in its working capital. As previously mentioned, the Group frequently benefits from favourable movements in its working capital due to the various receivable and payable factoring agreements. This resulted in positive cash generated from operations in all historical years under review except for FY20 when the Group sustained an EBITDA loss of €0.7m. Following the adjustments made for any tax and interest paid, the Group posted positive net cash generated from operating activities of €0.5m and €0.8m in FY19 and FY21 respectively. On the other hand, In FY20 the

Group posted a net cash used in operating activities of €0.3m.

Subsequent to the acquisition of the Ship in FY18, the only key investing activity was the special survey and dry docking conducted on M/V AST Malta in FY21 of €0.3m. Cash outflows from financing activities comprise were minimal in the three historical years and mainly included advances made to the Group's parent company to pay company expenses (€16k in FY21), various advances made to the Group's UBO (€27k, €84k and €106k in FY19, FY20 and FY21 respectively). The Group also made payments for lease obligations to third parties of €20k, €18k and €7k in FY19, FY20 and FY21 respectively. No dividends were declared and distributed during the period under review. All this led to a positive movement in cash and cash equivalents of €0.3m in FY21 and led to an ending cash balance of €0.6m for the year.

In FY22 the Group expects to generate an EBITDA of €1.8m. After adjusting for negative movements in both inventories and trade payables and also positive movements from trade receivables the Group expects to generate €1.3m from operations. Following adjustments for taxation and interest paid the Group expects net cash generated from operating actives to be in the region of €0.9m in FY22. Negligible movements in investing activity are expected in FY22. The Group expects to add €0.3m to its sinking fund which will result in a positive total movement in cash and cash equivalents of €0.5m which will result in an expected ending cash balance of €1.2m for FY22. In FY23 the Group expects to register heightened movements in financing activities due to the Bond issue and is expected to end the year with a cash balance of €2.9m.

Part 3 - Key Market and Competitor Data

3.1. General Market Conditions

At the time of publication of this Analysis, management considers that generally, it shall be subject to the normal business risks associated with the industries in which the companies are involved and operate and, barring unforeseen circumstances, does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of the companies and their respective businesses, at least with respect to the financial year 2022. However, investors are strongly advised to carefully read the risk factors disclosed in the Prospectus.

3.2. Economic Update[1]

The Bank's Business Conditions (BCI) Index indicates that in February, annual growth in business activity remained slightly above its long-term average, estimated since January 2000. The European Commission confidence surveys show that in February, sentiment in Malta edged up from a month earlier, and stood above its long-term average, estimated since November 2002. When compared with the previous month, the improvement was largely driven by the construction and services sectors.

Additional survey information shows that price expectations stood around their year-ago level among consumers as well as in industry and services, with larger deviations for the remaining two sectors. In particular, price expectations stood firmly above their year ago level in the construction sector, while standing significantly lower in the retail sector. In February, the European Commission's Economic Uncertainty Indicator (EUI) for Malta decreased when compared with January, indicating lower uncertainty. Uncertainty fell mostly in industry.

In January, industrial production grew at a strong, yet slower rate on a year earlier. Meanwhile, retail trade also increased at a slower pace in annual terms. The unemployment rate stood at 3.0% in January, marginally higher than the rate registered in the previous month, and unchanged from that registered in January 2022. Commercial building and residential permits decreased in January relative to their year-ago level but exceeded those issued in December. In February, the number of promise-of-sale agreements rose on a year-on-year basis, while the number of final deeds of sales fell.

The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood at 7.0% in February, up from 6.8% in the previous month. Inflation based on the Retail Price Index (RPI) also increased, standing at 7.1% in February, from 6.9% in January. Maltese residents' deposits expanded at an annual rate of 3.9% in January, following an increase of 4.0% in the previous month, while annual growth in credit to Maltese residents moderated to 7.3% from 7.6% a month earlier.

In January, the deficit on the Consolidated Fund widened when compared with a year earlier, as government expenditure rose while revenue remained broadly stable.

3.3. Economic Outlook[2]

According to the Bank's latest forecasts, Malta's gross domestic product (GDP) growth is projected to moderate significantly from 6.8% in 2022 to 3.7% in 2023, and to ease slightly further to 3.6% and 3.5% in 2024 and 2025, respectively. When compared to the previous projections, the Bank's latest forecast for headline GDP is broadly unchanged, as upward revisions in private investment and exports were offset by an upward revision in imports.

In 2023, domestic demand is expected to be the main driver of growth as investment begins to recover after last year's contraction, while consumption is expected to remain relatively robust. The net export contribution is expected to be marginal in 2023, as exports should grow at a significantly slower rate following the strong rebound seen in 2022. Although the contribution of net exports is set to edge up slightly in 2024 and 2025, domestic demand is then expected to remain the main driver of growth in those years.

Employment growth is set to moderate too, from 5.4% in 2022 to 3.3% in 2023, which partly reflects the envisaged slowdown in economic activity towards its potential. Over the rest of the projection horizon, employment growth is set to stand at 2.0%. The unemployment rate is expected to stand at 3.0% in 2023, and to remain at a relatively low level of 3.2% in 2024 and 2025. In view of the increase in inflation in 2023, together with tight labour market conditions, wage growth is projected to be relatively strong. Nevertheless, nominal wage growth is forecast to remain below consumer price inflation in 2023 due to lags in the transmission from prices to wages. In later years wage growth is expected to remain robust and outpace consumer price inflation.

[1] Central Bank of Malta – Economic update – 03/2023
[2] Central Bank of Malta – February 2023 projections

Annual inflation based on the Harmonised Index of Consumer Prices is projected to remain high in 2023, but significantly lower than in 2022. Indeed, it is envisaged to stand at 4.5% in 2023, down from 6.1% in 2022. The fall in inflation reflects a broad-based decrease across all sub-components of HICP, except for energy inflation. Services is envisaged to be the main contributor to HICP inflation, but non-energy industrial goods (NEIG) and processed food are also projected to contribute strongly to annual HICP inflation in 2023. Inflation is set to ease further in 2024 and 2025 to 2.3% and 2.1%, respectively.

The general government deficit-to-GDP ratio is estimated to have declined to 5.2% of GDP in 2022, from 7.5% in 2021. It is then projected to narrow further to 4.9% of GDP in 2023, and to continue declining over the rest of the forecast horizon, reaching 2.9% of GDP by 2025. This improvement is driven by a declining share of expenditure in GDP, especially following the unwinding of COVID-19 support measures in 2022 and the declining profile of inflation-mitigation measures. The general government debt ratio is estimated to have decreased in 2022 and then increase progressively over the rest of the forecast horizon, stabilising at around 58.0% by 2025.

On balance, risks to economic activity are slightly tilted to the downside in 2023 and more balanced thereafter. The main downside risks relate to the possibility of stronger than envisaged weakness in the international economic environment, which could lead to lower exports. Foreign demand may also be weaker than expected, especially if monetary policy in advanced economies tightens more forcibly than assumed in this projection round. Some of these risks could be mitigated by stronger than expected wage growth, which could offer additional support to household consumption.

Risks to inflation are considered as balanced for the entire projection horizon. Indeed, while the effect of upward price pressures to salaries in Malta and an incomplete lagged pass-through of past increases in energy costs in the euro area could increase commodity prices further, the re-opening of China could be seen as a partial reversal of the previous supply shocks. Also, a stronger pass-through of the recent appreciation of the euro, monetary tightening as well as lower international energy and transport costs should result in downward pressures on inflation. On the fiscal side, risks are on the downside (deficit-increasing) from 2023 onwards. These mainly reflect the likelihood of State Aid to the national airline, though possible weaker economic growth would also have an impact. These risks may be partly offset by the profile of outlays on price mitigation measures, which could be less than projected if oil and gas prices stabilise at lower levels.

[3]In Greece, growth is expected to moderate from 6.7% in 2022 to 1.6% in 2023 and 2024. Despite the rebound in tourism and continued fiscal support, consumption is projected to slow in 2023 as real incomes shrink and uncertainty remains elevated. Receding energy prices are projected to reduce inflation and support consumption in 2024. Disbursements of Greece’s Recovery and Resilience Plan are projected to sustain modest investment growth in the face of higher costs.

[4]In Cyprus on the other hand, economic sentiment among consumers and businesses slightly improved in January 2023. The improved economic outlook among Cyprus’s trading partners is set to further support tourism, which is expected to almost reach the 2019-level. The 50% wage indexation, implemented in January 2023, is expected to somewhat support purchasing power. However, increasing interest rates are set to negatively affect corporate investments and residential construction. Elevated prices and tightening monetary policy are expected to weigh on real GDP growth, which is forecast to slow down to 1.6% in 2023, before accelerating to 2.1% in 2024.

Furthermore, HICP inflation reached 8.1% in 2022 fuelled by high energy prices and supply bottlenecks. HICP inflation is projected to decrease over the forecast horizon, as falling gas and oil prices ease energy inflation and supply disruptions attenuate further. By contrast, wage indexation is expected to exert some upward pressure on core inflation. Overall, HICP inflation is set to moderate to 4% in 2023 and to 2.5% in 2024.

3.4. Animal Feed Trading

Population increases and sustainability, along with its environmental, economic and societal objectives, will play an increasingly prominent role in EU meat markets, for both producers and consumers. [5]As a result, EU meat consumption is set to decline from 69.8 kg in 2018 to 67 kg retail weight per capita by 2031. The overall decline will be accompanied by a shift in the consumer basket. This shift mainly concerns the ongoing replacement of pigmeat by poultry meat consumption.

[3]https://www.oecd.org/economy/greece-economic-snapshot/
[4]https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/cyprus/economic-forecast-cyprus_en
[5]https://agriculture.ec.europa.eu/system/files/2023-01/agricultural-outlook-2021-report_en_0.pdf

The expected decline in EU meat consumption will in turn result in a decline for feed in the EU, coupled with higher prices and better feed conversion ratios resulting from genetic improvement. This decline should partly offset the projected growth of the poultry sector and further increases in milk production. The projected increase in the organic dairy production as well as the further extensification and diversification of dairy production systems will also push the share of livestock feed proteins coming from grass. Overall feed use is projected to fall to 39.1m tonnes in protein equivalent in 2031 (down 4.1% compared to 2021). The use of low-protein feed (less than 15% protein content excluding grass), is set to decline by 4.3% by 2031, driven by decreasing cereal use in feed.

Use of high protein feed (over 30% protein content), which includes oilseed meals, fish meals and skimmed milk powder, is projected to decrease even more by 2031. The factors behind this decline include a reduction in crushing in the EU (lowering the availability of oilseed meals), environmental and climate concerns around imports of soya meals for use in feed rations, and high prices. By contrast, increased availability of protein crops in the EU could boost the use of medium-protein feed (between 15-30% protein content) by 4.2% compared to 2021. In the next 10 years, EU milk production will be characterised by more sustainable solutions to dairy farmers, the climate and society at large.

[6]According to the State of World Fisheries and Aquaculture 2022 report in 2020, aquatic animal production reached 178m tonnes. Of the overall production of aquatic animals, over 157m tonnes (89%) were used for human consumption. The remaining 20m tonnes were destined for non-food uses, to produce mainly fishmeal and fish oil (16m tonnes or 81%).

[7]In a report published by MarketLine in August 2021, European cereal crops industry which consists of the production of wheat, maize, rice and barley, has recorded a CAGR of 7.1% over the past five years. The prolonged heatwave in 2018 led to extensive crop damage which caused the industry value to fell at 3%. This however was followed by a significant growth of 11% in 2019 despite the hot summer. Due to the recent disruptions in the supply chains, a large of number of countries have been reducing its exports activity to secure availability of domestic products. This is expected to cause the fall in supply of cereal stocks hence unable to meet the demand in the short-term. Despite the expected deceleration in the coming years, the industry is expected to grow steadily over the next five years.

3.5. Shipping Operations

[8]According to the Toepfer Transport GmbH, as at 1 January 2022, the multipurpose fleet consisted of 1,046 vessels, of which 276 vessels were between 5,000 DWT and 9,999 DWT. Furthermore, the fleet has an average age of 16 years, with 246 of these vessels being over 20 years old. In addition, the top 5 operator’s control 32.7% and the top 20 operators control 58.7% of DWT. Hence there are limited consolidation opportunities due to limited synergies and cost savings effects. Multipurpose time charter rates as well as short-shipping charter rates have increased significantly over the past two years. This is primarily due to the pandemic, the Russian-Ukraine crisis, a shortage of drivers, increase in fuel prices and ports congestion.

The surge in time charter rates had a corresponding rise in freight costs. In fact, the price Index of freight for grains and oil seeds were relatively constant between 2016 and 2020 but increased following the onset of the COVID-19 pandemic. A reduction in freight prices that was underway in early 2022 was then interrupted by the war in Ukraine. The tables have now turned regarding freight costs. More recently, lower demand due to inflation and forecasts of economic difficulty has eased the logistical struggles which caused gridlocks at ports around the world in 2021 which means that it is now the [9]importer and exporter shipping managers who have the upper hand in negotiations.

The freight market is currently in flux as the economy transitions from a growth phase to a more sustainable one. The market is expected to continue to grow at a slower pace soon as more shippers transition to freight transport that is more environmentally friendly. [10]The below comparison of container freight costs for March 2023 compared to one year prior according to the Freightos Baltic Index give a more clear and current picture.

	Global	Asia – US East Coast	North Europe – US East Coast
This Week	$1,790	$2,344	$4,562
Last Week	3%	-8%	-8%
Last Year	-77%	-93%	-34%

Short sea shipping is restricted to relatively short distances along the coast and ships in the size range that fall below the typical Handysize vessels, that is approximately 20,000 DWT

[6] https://knowledge4policy.ec.europa.eu/publication/state-world-fisheries-aquaculture-sofia-2022
[7] MarketLine Industry Report, August 2021
[8] Toepfer Transport GmbH, 2022
[9]https://www.seafoodsource.com/news/supply-trade/shipping-container-logistics-remain-complex
[10] https://fbx.freightos.com/

and below. This is the opposite of deep sea shipping which covers transport of goods on intercontinental routes and oceans. Short sea shipping is particularly pronounced in Malta and Cyprus with a share of more than 90% from total sea transport. [11]According to Eurostat, the gross weight of goods transported in the Mediterranean Sea amounted to 587m tonnes in 2020, representing one third of the total short sea shipping cargo volumes transported between the main EU ports and ports located in this region in the past 10 years.

Furthermore, according to Toepfer Transport GmbH, 60% of all cargo shipped from or to the EU in 2020 was short sea cargo. Hence short sea shipping is the back bone of the European economy. The EU has a strategic interest in ensuring the continuous performance of short sea shipping, given that short sea shipping will enable the EU to reach its transport goal of shifting 30% of road freight over 300 km to other modes by 2030 as well as reducing 60% of greenhouse gas emissions generated by the transport industry by 2050.

The total gross weight of goods transported as part of EU short sea shipping in 2019 reached a new high at almost 1.8 billion tonnes. In 2020, there was a 6.6% decrease from the previous year due to the COVID-19 pandemic, amounting to 1.7 billion tonnes.

The majority of EU Member States witnessed a fall in short sea shipping between 2019 and 2020, except for Malta, Cyprus, Croatia and Sweden. For Malta, the increase is mostly due to higher levels of dry bulk goods handled in relation to the rapid development of construction and transportation. In fact, dry bulk goods reflected 63% of all short sea shipping cargo in 2020, this is a huge increase from just 27% in the previous year. Overall, however, liquid bulk goods remain the dominant type of cargo in EU short sea shipping, followed by dry bulk goods. According to Toepfer Transport GmbH the current high prices will be gently declining in the coming months. The increase in prices was also due to a reluctance to build small and/or niche market ships.

[11]https://ec.europa.eu/eurostat/statistics-explained/index.php?oldid=549184

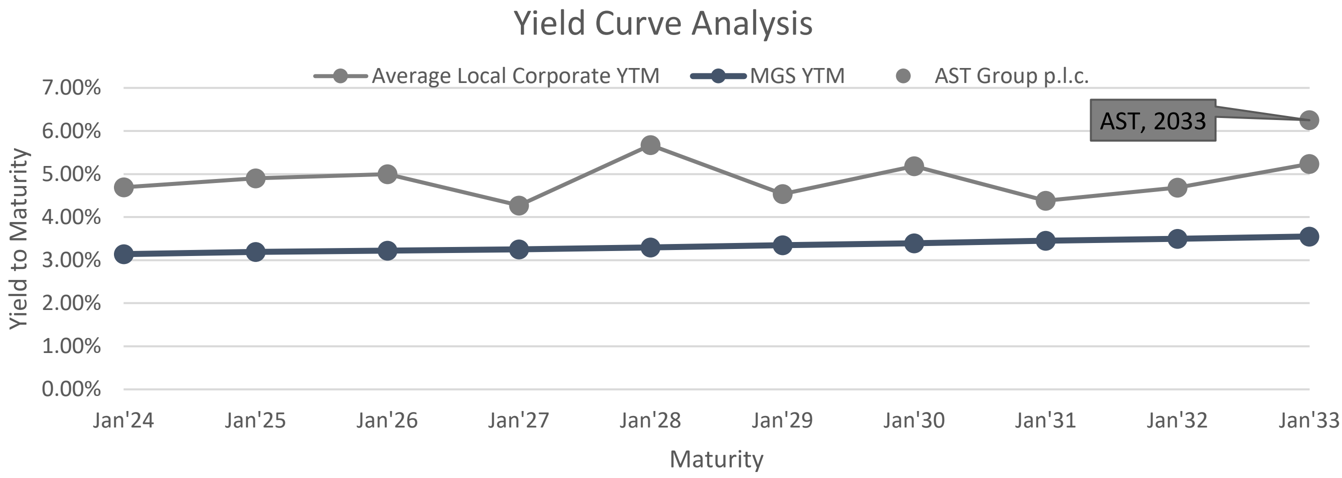
3.6. Comparative Analysis

The purpose of the table below compares the proposed debt issuance of the Issuer to other debt instruments. Additionally, we believe that there is no direct comparable company related to the Issuer and as such, we have included different issuers with a similar maturity to the Issuer. One must note that given the material differences in profiles and industries, the risks associated with the business and that of other issuers are therefore different.

Security	Nom Value	Yield to Maturity	Interest coverage (EBITDA)	Total Assets	Total Equity	Total Liabilities / Total Assets	Net Debt / Net Debt and Total Equity	Net Debt / EBITDA	Current Ratio	Return on Common Equity	Net Margin	Revenue Growth (YoY)
	€000's	(%)	(times)	(€'millions)	(€'millions)	(%)	(%)	(times)	(times)	(%)	(%)	(%)
5% CF Estates Finance plc Secured € 2028-2033	30,000	4.89%	0.3x	113.0	34.6	69.4%	47.4%	99.5x	1.8x	-19.6%	-117.0%	-75.1%
6% Pharmacare Finance plc Unsecured € 2033	21,000	5.80%	2.0x	58.2	23.6	59.4%	54.7%	21.3x	1.2x	15.5%	227.7%	19.1%
5.25% Qawra Palace plc Secured € 2033	25,000	5.16%	(4.8)x	11.6	6.4	44.5%	10.8%	N/A	6.1x	5.3%	-461.2%	-95.5%
4.75% Dino Fino Finance plc Secured € 2033	7,800	4.75%	31.8x	14.5	3.8	73.6%	63.8%	8.4x	2.6x	10.1%	4.9%	22.1%
6.25% AST Group plc Secured € 2033	8,500	6.25%	5.3x	7.4	3.3	56.1%	26.8%	1.2x	1.6x	21.4%	1.6%	57.4%
	Average	5.15%										

Source: Latest available audited financial statements

* Last closing price as at 03/04/2023
**Average figures do not capture the financial analysis of the Issuer



The above graph illustrates the average yearly yield of all local issuers as well as the corresponding yield of MGSs (Y-axis) vs the maturity of both Issuers and MGSs (X-axis), in their respective maturity bucket, to which the spread premiums can be noted. The graph illustrates on a stand-alone basis, the yield of the AST Group plc bond.

As at 3 April 2023, the average spread over the Malta Government Stocks (MGS) for issuers with the same year of maturity (2033) was 160 basis points. The proposed AST Group plc bond is being priced with a 6.25% coupon issued at par, meaning a spread of 270 basis points over the equivalent MGS, and therefore at a premium to the average on the market of 110 basis points. It is pertinent to note that the above analysis is based on a maturity-matching basis and that the Issuer’s industry is significantly different to the corporates identified and as such its risks also differ to that of other issuers.

Part 4 - Glossary and Definitions

Income Statement	
Revenue	Total revenue generated by the Group/Company from its principal business activities during the financial year.
Costs	Costs are expenses incurred by the Group/Company in the production of its revenue.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the Group's/Company's earnings purely from operations.
Operating Profit (EBIT)	EBIT is an abbreviation for earnings before interest and tax.
Depreciation and Amortisation	An accounting charge to compensate for the decrease in the monetary value of an asset over time and the eventual cost to replace the asset once fully depreciated.
Net Finance Costs	The interest accrued on debt obligations less any interest earned on cash bank balances and from intra-group companies on any loan advances.
Net Income	The profit made by the Group/Company during the financial year net of any income taxes incurred.

Profitability Ratios	
Growth in Revenue (YoY)	This represents the growth in revenue when compared with previous financial year.
Gross Profit Margin	Gross profit as a percentage of total revenue.
EBITDA Margin	EBITDA as a percentage of total revenue.
Operating (EBIT) Margin	Operating margin is the EBIT as a percentage of total revenue.
Net Margin	Net income expressed as a percentage of total revenue.
Return on Common Equity	Return on common equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing the net income by the average common equity (average equity of two years financial performance).
Return on Assets	Return on assets (ROA) is computed by dividing net income by average total assets (average assets of two years financial performance).
Cash Flow Statement	
Cash Flow from Operating Activities (CFO)	Cash generated from the principal revenue producing activities of the Group/Company less any interest incurred on debt.
Cash Flow from Investing Activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Group/Company.
Cash Flow from Financing Activities	Cash generated from the activities that result in change in share capital and borrowings of the Group/Company.
Capex	Represents the capital expenditure incurred by the Group/Company in a financial year.
Free Cash Flows (FCF)	The amount of cash the Group/Company has after it has met its financial obligations. It is calculated by taking Cash Flow from Operating Activities less the Capex of the same financial year.

Balance Sheet	
Total Assets	What the Group/Company owns which can de further classified into Non-Current Assets and Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Inventory	Inventory is the term for the goods available for sale and raw materials used to produce goods available for sale.
Cash and Cash Equivalents	Cash and cash equivalents are Group/Company assets that are either cash or can be converted into cash immediately.
Total Equity	Total Equity is calculated as total assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.
Total Liabilities	What the Group/Company owes which can de further classified into Non-Current Liabilities and Current Liabilities.
Non-Current Liabilities	Obligations which are due after more than one financial year.

Total Debt	All interest-bearing debt obligations inclusive of long and short-term debt.
Net Debt	Total debt of a Group/Company less any cash and cash equivalents.
Current Liabilities	Obligations which are due within one financial year.

Financial Strength Ratios	
Current Ratio	The Current ratio (also known as the Liquidity Ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares current assets to current liabilities.
Quick Ratio (Acid Test Ratio)	The quick ratio measures a Group's/Company's ability to meet its short-term obligations with its most liquid assets. It compares current assets (less inventory) to current liabilities.
Interest Coverage Ratio	The interest coverage ratio is calculated by dividing EBITDA of one period by cash interest paid of the same period.
Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets.
Gearing Ratio Level 1	Is calculated by dividing Net Debt by Net Debt and Total Equity.
Gearing Ratio Level 2	Is calculated by dividing Total Liabilities by Total Assets.
Gearing Ratio Level 3	Is calculated by dividing Net Debt by Total Equity.
Net Debt / EBITDA	The Net Debt / EBITDA ratio measures the ability of the Group/Company to refinance its debt by looking at the EBITDA.

Other Definitions	
Yield to Maturity (YTM)	YTM is the rate of return expected on a bond which is held till maturity. It is essentially the internal rate of return on a bond and it equates the present value of bond future cash flows to its current market price.

Calamatta Cuschieri

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