

Securities Note

Dated 22 February 2022



Agotzaina S.L.

a limited liability company incorporated under the laws of Spain with tax registration number B31668932 and having its registered office situated at Crta. Estella s/n, 31839 Arbitzu, Spain

In respect of the Issuance
of

Up to EUR 2,000,000 6% Bonds due 2025

ISIN: MT0002621200

LEI: 959800F30H2VNQ0J8Z75

THIS SECURITIES NOTE IS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF THE CAPITAL MARKETS RULES FOR WHOLESALE SECURITIES MARKETS ISSUED BY THE MALTA FINANCIAL SERVICES AUTHORITY AND IN ACCORDANCE WITH COMMISSION REGULATION (EU) 2017/1129 AND DELEGATED ACT ISSUED THEREUNDER.

THE SECURITIES OFFERED ARE COMPLEX FINANCIAL INSTRUMENTS AND ARE NOT SUITABLE FOR RETAIL INVESTORS. THE SECURITIES ARE INVESTMENTS INTENDED SOLELY FOR 'PROFESSIONAL INVESTORS' BEING INVESTORS WHO OR WHICH MEET THE CRITERIA LAID DOWN IN ANNEX II OF DIRECTIVE 2014/65/EU ON MARKETS IN FINANCIAL INSTRUMENTS ("MIFID II") AND SHALL NOT BE REPACKAGED OR SOLD TO RETAIL INVESTORS. A POTENTIAL INVESTOR SHOULD NOT INVEST IN THE SECURITIES UNLESS THE SECURITIES MEET THE INVESTMENT OBJECTIVES OF THE POTENTIAL INVESTOR.

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1. IMPORTANT INFORMATION

This document constitutes a Securities Note within the terms of the Prospectus Regulation. This Securities Note has been prepared in accordance with the requirements of Commission Regulation (EU) 2017/1129 of the European Parliament and of the Council and delegated acts issued thereunder.

This Securities Note contains information relating to 20 interest-bearing bonds (the “Bonds”) having a nominal value of €100,000 each. Application has been made for the Bonds to be approved by the Malta Financial Services Authority for admissibility to listing and trading on the Institutional Financial Securities Market (IFSM), a regulated market supervised by the Malta Financial Services Authority.

This Securities Note should be read in conjunction with the Registration Document dated 22 February 2022 and containing information about the Issuer. Together, this Securities Note and the Registration Document form a Prospectus.

A copy of this Securities Note has been submitted to the Malta Financial Services Authority and to the IFSM in satisfaction of the Capital Markets Rules.

This Securities Note is valid for a period of twelve (12) months. The Prospectus may be supplemented from time to time to reflect any significant new factor, material mistake or inaccuracy relating to the information included in it. This Securities Note shall be valid in connection with: (i) the listing on the IFSM of 20 interest-bearing bonds and having a denomination per bond of €100,000; and (ii) future issues of debt securities by the Issuer over the period of twelve (12) months from the approval of this Securities Note. The obligation to issue a supplement on any such significant new factor, material mistake or inaccuracy contained in this Prospectus does not apply after its validity period.

This Securities Note has been approved by the Malta Financial Services Authority, as competent authority under Regulation (EU) 2017/1129. The Malta Financial Services Authority only approves this Securities Note as meeting the standard of completeness, comprehensibility and consistency under contents of Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Securities Note and investors should make their own assessment as to the suitability of the investing in the securities.

THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS 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 THIS PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN THE BONDS.

Statements made in this Securities Note are, except where otherwise stated, based on the law and practice currently in force in the Kingdom of Spain (in respect of statements relating to the Bonds, which have been issued in terms of and are governed by Spanish law) and in Malta (in respect of statements relating to the approval of this Securities Note by the Malta Financial Services Authority and the listing of the Bonds on the IFSM in Malta or insofar as relates to the compliance of such statements with the requirements of the Prospectus Directive as transposed into Maltese law) and are subject to changes therein.

The Issuer has obtained all necessary consents, approvals and authorisations (if any) which are

necessary in the Kingdom of Spain in connection with the issue of the Bonds. The Issuer has also obtained all necessary consents, approvals and authorisations (if any) which are necessary in Malta in connection with the listing of the Bonds on the IFSM. The issue of this Securities Note was authorised by a resolution of the Directors approved on 15th July 2021.

The Bonds have not been and will not be approved by the US Securities and Exchange Commission, any State securities commission in the US or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Bonds or the accuracy or adequacy hereof. Any representation to the contrary is a criminal offence in the United States.

Investing in the Bonds involves certain risks and Investors should fully understand these before they invest. See the section entitled 'Risk Factors' herein for a discussion of certain factors to be considered in connection with an investment in the Bonds.

No broker, dealer, salesman or other person has been authorised by the Issuer to publish or issue any advertisement or to give any information or to make any representations in connection with the Bonds other than as contained in the Prospectus and in the documents referred to herein. Any such information given or representation made must not be relied upon as having been authorised by the Issuer.

The Directors confirm that none of the information included in this Securities Note has been sourced from a third party.

The Prospectus does not constitute and may not be used for purposes of an offer or invitation to subscribe for or otherwise acquire the Bonds 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.

It is the responsibility of any person in possession of the Prospectus or any document issued in connection herewith to inform themselves of, and to observe and comply with all applicable laws and regulations of any relevant jurisdiction. Investors should inform themselves as to the legal requirements of acquiring or holding any such Bonds and any applicable exchange control restrictions or requirements and taxes in their country of residence, domicile and/or nationality. Neither the delivery of the Prospectus, nor any sale of Bonds pursuant thereto, shall create any impression that information therein relating to the Issuer is correct at any time subsequent to the date hereof (the foregoing being without prejudice to the Issuer's obligations under applicable rules and regulations).

None of the advisors or any person mentioned in this Securities Note, other than the Issuer and its Directors, shall be responsible for the information contained in the Prospectus, in any supplement, and in any documents incorporated by reference, and accordingly, to the extent permitted by the laws of any relevant jurisdiction, none of these persons, other than the Issuer and its Directors, accepts any responsibility as to the accuracy and completeness of the information contained in any of these documents.

All and any advisors to the Issuer have acted and are acting exclusively for the Issuer in relation to this Securities Note and such advisors have no contractual, fiduciary or other obligation or responsibility towards any other person generally and will accordingly not be responsible to any Investor or any other person whomsoever in relation to the contents of and any information contained in this Securities Note, its completeness or accuracy or any other statement made in connection therewith. Each person receiving this Securities Note acknowledges that such person has not relied on any of the abovementioned advisors in connection with its investigation of the accuracy

of such information or its investment decision and each person must rely on its own evaluation of the Issuer and the Bonds and the merits and risks involved in investing in and holding the Bonds.

This Securities Note is not and does not purport to represent investment advice.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point

(10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended or superseded, the PRIIPs Regulation) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY

TARGET MARKET – Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, MiFID II); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a distributor) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

2. DEFINITIONS

Unless otherwise separately defined herein, capitalized terms used herein shall have the same meaning as that attributed thereto in Registration Document. In this Securities Note, unless the context otherwise requires, the following terms shall have the respective meanings set out below:

Bonds	The 20 interest-bearing bonds having a nominal value of one hundred thousand Euros (€100,000) each;
Bondholder or Investor	A holder of Bonds;
Business Day	A day when banks in the Kingdom of Spain are open for the transaction of normal banking business;
CSD	The Central Securities Depository of the Malta Stock Exchange situated at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
CSD Rules	The rules and procedures governing the provision of services by the CSD to the Issuer in relation to the Bonds, as updated from time to time;
Interest	Shall have the meaning given to it in section 7.7 of this Securities Note;
Issue Date	Expected to be on or around 1 June 2022;
Issue Price	One hundred thousand Euro (€100,000) per Bond;
Maturity Date	31 May 2025, being the date on which the Bonds shall be redeemed in terms of this Securities Note;
Redemption Amount	the equivalent to the nominal value of each Bond (that is, one hundred thousand Euro (€100,000) per Bond) to be payable by the Issuer to Investors on the Maturity Date subject to this Securities Note;
Securities Act	The US Securities Act, 1933;
Terms & Conditions	The terms and conditions regulating the Bonds as set out in this Securities Note in the section entitled “Terms & Conditions”
US	The United States of America; and
US Person	As defined in Regulation S of the Securities Act.

A reference to a 'person' in the Prospectus includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality).

A reference in the Prospectus to a provision of law is a reference to that provision as amended or re-enacted.

References in the Prospectus to a company or entity shall be deemed to include a reference to any successor or replacement thereto.

3. RISK FACTORS

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS INCLUDING BUT NOT LIMITED TO THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS, THE FOLLOWING RISK FACTORS AND THOSE RISKS RELATING TO THE ISSUER DISCLOSED IN THE REGISTRATION DOCUMENT AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS BEFORE DECIDING TO MAKE OR OTHERWISE RETAIN 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 A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE VALUE, YIELD, MARKETABILITY, PAYMENTS AND OTHER CHARACTERISTICS OF THE BONDS AND/OR ON THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE BONDS.

NEITHER THIS SECURITIES NOTE, NOR ANY OTHER PARTS OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION; OR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR ANY OF ITS ADVISORS OR THE LISTING AGENT THAT ANY RECIPIENT OF THIS SECURITIES NOTE OR ANY OTHER PART OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE AND/OR HOLD ANY BONDS.

THE RISKS AND UNCERTAINTIES DESCRIBED BELOW ARE THOSE THAT THE DIRECTORS BELIEVE TO BE MATERIAL AS AT THE DATE HEREOF, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES AFFECTING THE BONDS. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE DIRECTORS ARE NOT CURRENTLY AWARE OF OR DO NOT DEEM MATERIAL, MAY WELL RESULT IN A MATERIAL IMPACT ON THE BONDS, INVESTORS' RIGHTS THEREUNDER AND/OR THE PERFORMANCE OF THE ISSUER.

ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS SECURITIES NOTE AND IN THE PROSPECTUS BEFORE INVESTING IN THE BONDS. IN ADDITION, PROSPECTIVE INVESTORS OUGHT TO BE AWARE THAT RISKS MAY BE AMPLIFIED DUE TO A COMBINATION OF RISK FACTORS.

RISKS RELATING TO ISSUER'S BUSINESS

3.1. Liquidity risk

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 Bonds at any given time and the general economic conditions in the market in which the Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, 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 trade in the Bonds at all.

Risk Rating

		Classification
Probability	Low	Low
Impact	Medium	

3.2. Interest rate risk

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.

Risk Rating

		Classification
Probability	Low	Low
Impact	Low	

3.3. Ongoing compliance requirement of the Issuer

The Issuer is required to remain in compliance with certain ongoing requirements relating, *inter alia*, to the free transferability, clearance and settlement of the Bonds as well as compliance with the Capital Markets Rules in order to remain in good standing in respect of the IFSM and/or any other trading venue(s) on which the Bonds may be listed. Moreover, the MFSA has the authority to suspend trading 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 MFSA may discontinue the trading of the Bonds on the MSE. Any such trading suspension or discontinuance described above could have a material adverse effect on the liquidity and value of the Bonds..

Risk Rating

		Classification
Probability	Low	Low
Impact	Low	

4. PERSONS RESPONSIBLE

This document includes information given in compliance with the Capital Markets Rules and the Prospectus Regulation for the purpose of providing prospective investors with information with regard to the Issuer. All of the Directors of the Issuer, whose names appear under the sub-heading “Board of Directors and Management” in section 7.1 of the Registration Document, accept

responsibility for the information contained in this Securities Note. 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 of the Issuer accept responsibility accordingly.

5. ESSENTIAL INFORMATION

5.1. Interest of Natural and Legal Persons Involved in the Issue

So far as the Issuer is aware, no person involved in the issue of the Bonds has an interest material to the offer.

6. OVERVIEW

6.1. General Description

The issue of the Bonds was approved by the directors of the Issuer on the 15th July 2021. The Issue Date of the Bonds is expected to be 31 1 June 2022.

The aggregate principal amount of Bonds authorized for issuance issued as aforesaid is €2,000,000 divided into 20 bonds having a nominal value per Bond of €100,000. In view of the nominal value per Bond being in excess of €100,000, the issuance of the Bonds pursuant to the Prospectus does not constitute an 'offer of securities to the public' within the meaning of the Prospectus Regulation. Application will be made for the Bonds to be admitted to listing and trading on the IFSM, with the admission date of the Bonds expected to be the Issue Date.

The Bonds are debt securities which constitute the Issuer as the true and lawful debtor for the principal (that is, the Redemption Amount) and Interest in favour of the Investors.

The Bonds create, acknowledge and represent the indebtedness of the Issuer to the Investors and the entitlement of the Investors to receive payment of the Redemption Amount and Interest from the Issuer, as further described in and subject to the Terms & Conditions.

The Bonds will be issued in dematerialized and uncertificated form.

The Issuer has not granted any guarantee or security over its own assets for the repayment of the Redemption Amount and Interest. Nor has any third party granted any guarantee or security over his / its assets for the repayment of the Redemption Amount and Interest.

The Bonds shall be redeemable by the Issuer on the Maturity Date, on such terms specified in section 7.8 of this Securities Note.

The Bonds are governed by this Securities Note and by the laws of Spain under which they have been created and issued.

The Bonds have ISIN MT0002621200.

Application has been made for the Bonds to be admitted to listing and trading on the IFSM. The admission date of the Bonds is expected to be the same as the date of approval of this Securities Note by the Malta Financial Services Authority.

6.2. Reasons for the Issue and Use of Proceeds

The proceeds will be used to invest in poultry facilities, as well as the permanent improvement of the current facilities of the company. In this sense, €1.5m of the €2m will be used to part finance new investments in poultry facilities, and the other €0.5m to improvements to the existing facilities.

6.3. Expenses of Admission to Trading

The amount of bond issue expenses will be deducted from the proceeds of the issue, which, accordingly will bring the estimated net proceeds from the Bond issue to €1,900,000. No fees or expenses will be charged directly to Investors.

7. TERMS & CONDITIONS

7.1. General

Each Bond forms part of a duly authorised issue of €2,000,000 in aggregate nominal value of unsecured interest-bearing bonds.

Each Bond has a nominal value of hundred thousand EUR (€100,000) and shall be issued by the Issuer at the Issue Price of hundred thousand EUR (€100,000) per Bond.

The Bonds will bear Interest at the rate of six per cent (6%) *per annum* which shall be payable on such terms specified in section 7.7 of this Securities Note.

The Bonds shall be redeemed on the Maturity Date by the payment of the Redemption Amount and any Interest accrued up to (but excluding) the Maturity Date.

The Bonds are governed by the terms and conditions (the “Terms & Conditions”) comprised in this section which must be read in conjunction with the remaining sections of the Prospectus.

Investing in the Bonds involves certain risks and Investors should fully understand these before they invest. See the section entitled ‘Risk Factors ’ herein for a discussion of certain factors to be considered in connection with an investment in the Bonds. All applications shall be subject to the Terms and Conditions of the Bond issue as set out in this section, the terms of which will form an integral part hereof.

7.2. Overview of the Bonds

ISIN	MT0002621200
Type	Unsecured Interest-Bearing Bonds
Currency	EUR
Form	In the form of uncertificated dematerialized bonds
Nominal Value	€100,000 per Bond
Issue Price	€100,000 per Bond

Amount of Bonds	Twenty (20) Bonds
Interest	6% <i>per annum</i>
Issue Date	1 June 2022
Maturity Date	31 May 2025

7.3. Issue of Bonds

The issuance of the Bonds was approved and authorised by a resolution of the Issuer on the 15th July 2021.

7.4. Form and Title

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 by the CSD on behalf of the Issuer. There will be entered in such electronic register, the names, addresses, identity card numbers (or details of some other official document in the case of natural persons), registration numbers (or details of some other official document in the case of companies or other legal persons) and account details of the Bondholders and the particulars of the Bonds held by them respectively. Bondholders will also have, at all reasonable times during business hours, access to the register of Bondholders held at the CSD for purposes of inspecting information held on their respective accounts.

Title to the Bonds shall be evidenced by an entry in the electronic register of Bonds held by the CSD. The CSD will issue, upon a request by a Bondholder, a statement of holdings to a Bondholder evidencing that Bondholder's entitlement to Bonds held in the register kept by the CSD. Except as ordered by a court of competent jurisdiction or as required by law, the Issuer shall be entitled to treat the person in whose name a Bond shall be registered at the CSD as the absolute owner thereof for the purpose of making payment and for all other purposes, regardless of any notice of any nominee relationship or trust.

7.5. Status

The Bonds will:

- a) be general obligations of the Issuer;
- b) rank *pari passu* in right of payment with any existing and future indebtedness of the Issuer that is not subordinated to the Bonds;
- c) rank senior in right of payment to any existing and future indebtedness of the Issuer that is expressly subordinated to the Bonds; and
- d) be effectively subordinated to any existing and future indebtedness of the Issuer that is secured by property or assets that do not secure the Bonds, to the extent of the value of the property or assets securing such indebtedness.

7.6. Rights Attached to the Bonds

An Investor shall have the following rights:

- a) the repayment of capital (that is, the Redemption Amount) on the Maturity Date in accordance with the ranking set out in section 7.5 of this Securities Note;
- b) the payment of Interest in accordance with the ranking set out in section 7.7 of this Securities Note;
- c) all such other rights attached to the Bonds emanating from the Prospectus and applicable law.

7.7. Interest

The Bonds will bear interest from and including the Issue Date at the rate of 6 per cent per annum, payable quarterly in arrears on 31 August, 30 November, 28 February and 31 May of each year, commencing on 31 August 2022 (each an “Interest Payment Date”). If any of the aforementioned dates of each year falls on a day other than a business day, the payment of interests shall be done the next business day following that date. Each Bond will cease to bear interest from and including its due date for redemption, unless payment of the principal 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.

The first payment of interest to be made on 31 August 2022 in respect of the period from the Issue Date to 31 August 2022 (the “First Interest Period”) shall be per Calculation Amount (as defined below).

Bonds will cease to bear interest from the due date for redemption unless, payment of the principal is improperly withheld or refused in which event interest will continue to accrue at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder and (b) the day seven days after the date on which the Issuer has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Terms and Conditions).

Where interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period (as defined below), the day-count fraction used will be the number of days in the relevant period, from and including the date from which interest begins to accrue (the “Accrual Date”) to but excluding the date on which it falls due, divided by the number of days from and including the Accrual Date to but excluding the next following Interest Payment Date.

The First Interest Period and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is referred to herein as an “Interest Period”.

Interest in respect of any Bond shall be calculated per €100,000 in principal amount of the Bonds (the “Calculation Amount”). The amount of interest payable per Calculation Amount for any period other than the First Interest Period shall be equal to the product of 6 per cent, the Calculation Amount and the day- count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

7.8. Redemption

The Bonds shall be redeemed on the Maturity Date.

Notice of redemption: All Bonds in respect of which any notice of redemption is given under this section shall be redeemed on the date specified in such notice in accordance with this section.

7.9. Payments

Bondholders must rely on the procedures of the Issuer to receive payments under the Bonds. The Issuer will discharge all of its payment obligations under the Bonds directly by making payments to the accounts of the respective Bondholders indicated in the register of Bondholders.

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.

Repayment of the principal amount of the Bonds will be made in EUR on the Maturity Date by the Issuer to the person in whose name such Bonds are registered as at the close of business on the Maturity Date, together with interest accrued up to (but excluding) the Maturity Date. The Issuer shall not be responsible for any loss or delay in transmission due to reasons beyond the reasonable control of the Issuer. Upon repayment of the principal the Bonds shall be redeemed and the appropriate entry made in the register of the Bonds.

Payment of any instalment 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 relevant Interest Payment Date.

No commissions or expenses shall be charged by the Issuer to Bondholder in respect of such payments. The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer.

7.10. Transferability of the Bonds

The Bonds are freely transferable in accordance with applicable laws and the rules and regulations of the IFSM provided that the Bonds have not been and will not be registered under the Securities Act. The Bonds may not be sold within the US, its territories or its possessions, or any area subject to its jurisdiction or to or on behalf or for the account of a US Person.

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 required by the CSD, elect either to be registered himself as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the Bond. All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.

The cost and expenses of effecting any trading or transfer in the Bonds on the IFSM shall be at the charge of the Bondholder or at the charge of such person as the rules and regulations of the IFSM may from time to time determine.

The CSD will not register the transfer or transmission of Bonds for a period of fifteen (15) days preceding the due date for any payment of principal or interest on the Bonds. Bonds may only be transferred in whole, and no part of a Bond may form the object of a transfer.

Transfers of Bonds may only be affected through the CSD and in accordance with the rules and regulations of the IFSM, the CSD Rules and any other applicable laws.

7.11. Purchases and Cancellations

The Issuer may at any time purchase Bonds in the open market or otherwise at any price. The Issuer shall not be obliged to inform Investors of any such purchase of Bonds. Bonds so purchased may be held, surrendered for cancellation or resold, all in accordance with applicable laws and regulations.

7.12. Events of Default

The Bonds are, and they shall accordingly become, immediately due and repayable at their principal amount, together with accrued interest, in any of the following events (each an “Event of Default”):

- a. Non-Payment: default being made for a period of 90 days in the payment of Principal or interest on any of the Bonds when the same is due in accordance with these Terms and Conditions; or
- b. Breach of Other Obligations: the Issuer failing to perform or observe any of its other obligations under the Bonds and such failure is not remedied within 90 days (or such longer period as the Issuer may reasonably permit); or
- c. Winding-up - Issuer: an order being made or an effective resolution being passed for the winding up of the Issuer; or
- d. Cessation of Business - Issuer: the Issuer stopping or threatening to stop payment generally or ceasing or threatening to cease to carry on all or substantially all of its business; or
- e. Insolvency: an order being made by any competent court, or a resolution being passed by the Issuer to apply for judicial composition proceedings with the creditors of the Issuer, or the Issuer making a general assignment for the benefit of its creditors; or an administrative or other receiver, administrator or other similar official being appointed in relation to the Issuer or a substantial part of its or any of their assets; or a distress or execution or other process being levied or enforced upon or sued out against or an encumbrancer taking possession of any substantial part of the assets of the Issuer and in any such case not being discharged within 90 days or the Issuer being unable to pay or admitting its inability to pay its debts as they fall due, provided, in the case of any such Event of Default described in paragraph (b) above, the Bondholder shall have certified to the Issuer that such Event of Default is in its opinion materially prejudicial to the interests of the Bondholders.

7.13. Enforcement

At any time after the Bonds shall have become due and repayable (“Default”) a Bondholder may, at its discretion and without further notice, take such proceedings against the Issuer or take any step or action as it may think fit to enforce the terms of the Bonds.

7.14. Notices

All notices to Investors concerning the Bonds shall be deemed to have been duly given and valid:

- i. if published on the website of the IFSM (www.borzamalta.com.mt) where so required by the rules and regulations of the IFSM; and
- ii. published on the website of the Issuer or in a daily newspaper of general circulation in Madrid.

Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper on the date of the first publication in each such newspaper or, where published in such newspapers on different dates, on the last date of such first publication.

Failure to give notice where required will not invalidate any determination, calculation or correction, as applicable.

7.15. Yield

The gross yield of the Bonds calculated on the basis of the Interest, the Issue Price and the Redemption Amount of the Bonds at Maturity Date, is 6%.

7.16. Further Issues

The Issuer may from time to time, without the consent of any existing Bondholders, create and issue further debentures, debenture stock, bonds, loan notes, or any other debt securities, whether secured or unsecured and whether subordinated or unsubordinated and, generally, upon such terms as the Issuer may determine at the time of their issue. There is no restriction on the amount of debt which the Issuer may issue from time to time.

7.17. Representations and Warranties

By investing in the Bonds, each Investor or prospective Investor confirms, acknowledges, represents and warrants that:

- a) it has received, carefully read and fully understands the terms set out in the Prospectus and also understands the organization of the Issuer and its business and, in making a decision to acquire and/or hold the Bonds, it has relied solely upon the Prospectus and independent investigations made by it;
- b) it understands that it is not anticipated that there will be any secondary market for the Bonds and that it must, therefore, bear the economic risk of any investment in the Bonds;
- c) it has not subscribed for or acquired Bonds as a result of or subsequent to an offer of the Bonds to the public within the meaning of the Prospectus Directive;
- d) it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its investment in the Bonds and is able to bear such risks and has obtained, in its judgment, sufficient information from the Issuer or its authorized representatives to evaluate the merits and risks of such investment;
- e) it has evaluated the risks of investing in the Bonds and has determined that the Bonds are a suitable investment for it;

- f) it is not relying on the Issuer or its Directors, officers, affiliates or advisors with respect to financial advice, tax and other regulatory or economic considerations involved in this investment;
- g) it has been (and is hereby) advised to consult with its own attorney regarding legal matters concerning
the Bonds and to consult with an independent tax adviser regarding the tax consequences to it of purchasing and owning the Bonds;
- h) that it has not been furnished with any oral or written representation in connection with any Bonds which is not contained herein;
- i) it has not and shall not reproduce, duplicate or deliver this or any ancillary document to any other person except professional advisers to it;
- j) all and any advisors to the Issuer have acted and are acting exclusively for the Issuer in relation to the Prospectus and such advisors have no contractual, fiduciary or other obligation or responsibility towards the Investor or any other person generally and will accordingly not be responsible to the Investor or any other person whomsoever in relation to any transactions contemplated or proposed in the Prospectus; and
- k) it is responsible to satisfy itself as to the full observance of the laws of any relevant territory in which it resides or is domiciled, 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 or dues required to be paid in such territory.

7.18. Governing Law and Jurisdiction

The Bonds shall be governed by the laws of Spain exclusively. Any disputes or any other matter arising within a legal context will be only and exclusively subjected to the jurisdiction of the Laws and Courts of Spain. No other jurisdiction will have any rights whatsoever.

7.19. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

7.20. Admission to Listing and Trading

The Malta Financial Services Authority has authorised the admissibility of the Bonds to listing and trading on the IFSM pursuant to the Capital Markets Rules by virtue of a letter dated 22 February 2022.

Application has been made for the Bonds to be admitted to listing and trading on the IFSM. The admission date of the Bonds is expected to be the Issue Date.

7.21. Material Contracts and Third Party Statements

There are no material contracts entered outside the ordinary course of the Issuer's business, which could result in any group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to holders of the Securities in respect of the securities being issued pursuant to, and described in, the Securities Note.

8. DIRECTORY

Registered Office:	Agotzaina SL Crta. Estella s/n, 31839 Arbitzu, Spain
Directors:	Cristina Viader Netto Josep Badia Camprubi Santiago Albarracin Reyes Ignacio Perales de Miguel
Listing Agent:	Calamatta Cuschieri Investment Services Limited Ewropa Business Centre Triq Dun Karm Birkirkara, BKR 9034, Malta
Auditor:	Auditing Hispania, SLP Paseo de la Castilla, 259 C 28046 Madrid