

**REGISTRATION DOCUMENT**

**Dated 20 April 2023**

This Registration Document 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.

**THIS REGISTRATION DOCUMENT HAS BEEN APPROVED BY THE MFSA AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. 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 THAT IS THE SUBJECT OF THIS REGISTRATION DOCUMENT. IN PROVIDING THIS AUTHORISATION, THE MFSA DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN ANY INSTRUMENT ISSUED BY THE COMPANY. FURTHERMORE, SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENTS.**

**THE MFSA 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 ISSUED BY THE COMPANY.**

**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**



**APPROVED BY THE DIRECTORS**

A handwritten signature in blue ink, appearing to read 'W. Wait', is written over a horizontal line.

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.

**THE MFSA 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 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:

<b>2018 AST Prospects MTF Bonds</b>	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;
<b>2017 AST Company Admission Document</b>	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;
<b>Additional Insurance Policy/ies</b>	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;
<b>Additional New Shipping Company/ies</b>	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;
<b>AST Green Shipping Ltd.</b>	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;
<b>AST Group or Group</b>	the Issuer and its subsidiaries;
<b>AST Shipping Limited</b>	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;
<b>AST Shipping 2 Limited</b>	AST Shipping 2 Limited, a company to be registered under the laws of Malta and to be owned entirely by AST Green Shipping Ltd.;
<b>AST Trust II</b>	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;
<b>Act or Companies Act</b>	the Companies Act (Chapter 386 of the laws of Malta);
<b>Authorised Intermediaries</b>	the licensed financial intermediaries whose details are listed in Annex I of the Securities Note forming part of the Prospectus;
<b>Bond Issue or Issue</b>	the issue of the Bonds;
<b>Bond Obligations</b>	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;
<b>Bondholder</b>	a holder of Bonds to be issued by the Issuer in terms of the Prospectus;
<b>Bonds</b>	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% <i>per annum</i> ;
<b>Capital Markets Rules</b>	the capital markets rules issued by the Malta Financial Services Authority, as may be amended and/or supplemented from time to time;
<b>Collateral</b>	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: <ul style="list-style-type: none"> <li>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</li> </ul>

	<p>AST Trust II pursuant to the terms of the Pledge of Bank Account Agreement and the Trust Deed II;</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• 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;</li> <li>• 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;</li> <li>• 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;</li> <li>• 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</li> <li>• 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;</li> </ul>
<b>Damask Investment Limited</b>	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;
<b>DS Shipping Limited</b>	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;
<b>DS Chartering Limited</b>	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;
<b>Deadweight tonnage or DWT</b>	the measurement of potential weight carried by a commercial vessel;
<b>Directors or Board</b>	the directors of the Issuer whose names are set out in sub-section 4.1 of this Registration Document;
<b>EBITDA</b>	earnings before interest, tax, depreciation and amortization;
<b>Euro or €</b>	the lawful currency of the Republic of Malta;
<b>Exchange or Malta Stock Exchange or MSE</b>	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;
<b>Financial Analysis Summary</b>	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;
<b>Insurance Policy I</b>	the insurance policy providing for the replacement value of Vessel 1 owned by AST Shipping Limited;
<b>Issuer or Company</b>	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;
<b>Memorandum and Articles of Association or M&amp;As</b>	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;
<b>MFSA</b>	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;
<b>MSE Bye-Laws</b>	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;
<b>New Vessel/s</b>	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;
<b>Official List</b>	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the MSE Bye-Laws;
<b>Pledge Agreement I</b>	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;
<b>Pledge Agreement II</b>	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;
<b>Pledge Agreement III</b>	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;
<b>Pledge of Bank Account Agreement</b>	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;
<b>Prospects MTF</b>	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;
<b>Prospects MTF List</b>	the list prepared and published by the MSE as its recognised list in accordance with the Prospects MTF Rules;
<b>Prospects MTF Rules</b>	the rules issued by the Board of Directors of the MSE regulating the Prospects MTF market;
<b>Prospectus</b>	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;
<b>Prospectus Regulation</b>	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;
<b>Redemption Date</b>	16 June 2033;
<b>Registration Document</b>	this document in its entirety issued by the Issuer dated 20 April 2023, forming part of the Prospectus;
<b>Securities Note</b>	the securities note issued by the Issuer dated 20 April 2023, forming part of the Prospectus;
<b>Security Trust Deed II</b>	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;
<b>Security Trustee</b>	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;
<b>Sponsor, Manager &amp; Registrar</b>	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;
<b>Summary</b>	the summary issued by the Issuer dated 20 April 2023, forming part of the Prospectus;
<b>Vessel 1</b>	M/V AST Malta; and
<b>Vessels</b>	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 privileged 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 complement 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 Practising 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 I-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.

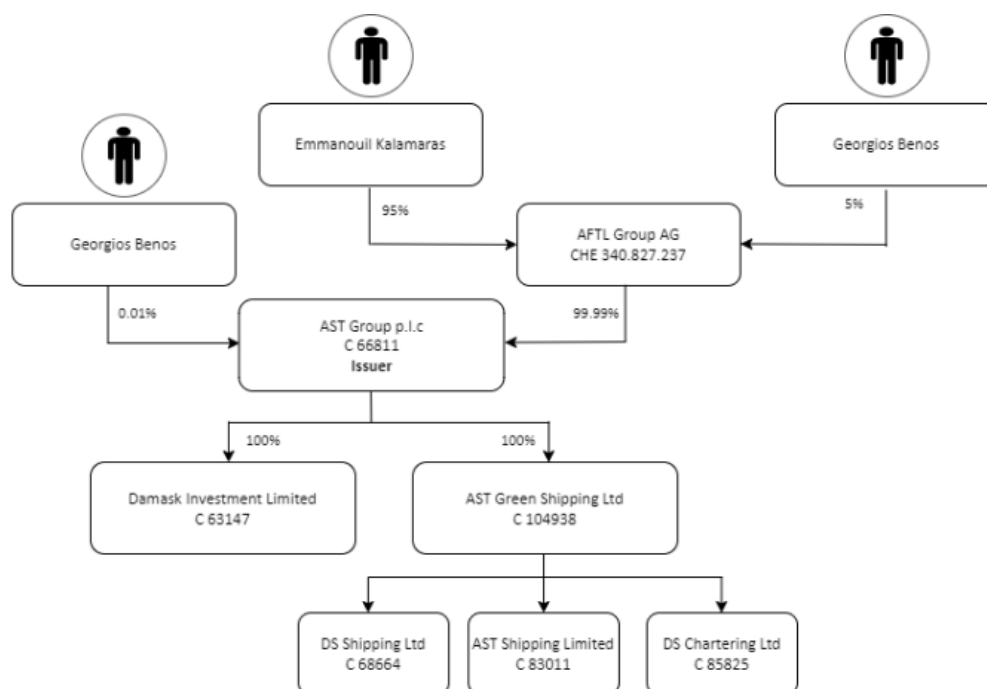
To ensure that the appropriate health and safety standards are in place, the Group adopted the occupational safety and health standards established by the International Labour Organization in the Promotional Framework for Occupational Safety and Health Convention (2006), the Occupational Safety and Health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

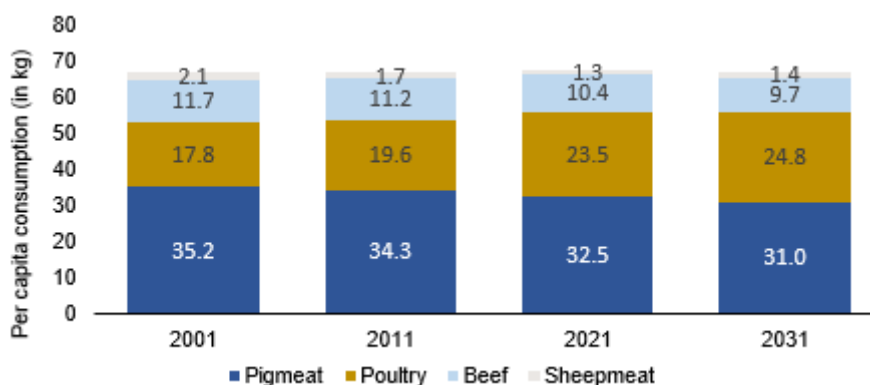
AST Group's demand for animal feed products relies significantly on worldwide consumption trends and animal feed production within European jurisdictions. As such, increased demand for meat, fish and other animal produce will result in an increase in overall demand for animal feed. Due to the recent 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**

<b>DWT</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
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](http://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's 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
	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
<b>(Loss) / profit after tax</b>	<b>(341)</b>	<b>(1,109)</b>	<b>465</b>	<b>200</b>	<b>228</b>
<b>Other comprehensive income</b>					
Items that will not be re-classified to profit or loss					
Revaluation of property, plant and equipment	354	489	1,706	-	-
<b>Other comprehensive income</b>	<b>354</b>	<b>489</b>	<b>1,706</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income / (loss) for the year</b>	<b>13</b>	<b>(620)</b>	<b>2,171</b>	<b>200</b>	<b>228</b>

**AST Group p.l.c.**
**Consolidated statement of financial position**

€000	31-Dec-19	31-Dec-20	31-Dec-21	30-Jun-22
<b>Assets</b>				
<b>Non-current assets</b>				
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
<b>Total non-current assets</b>	<b>1,912</b>	<b>2,249</b>	<b>3,945</b>	<b>3,579</b>
<b>Current assets</b>				
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
<b>Total current assets</b>	<b>5,055</b>	<b>2,956</b>	<b>3,473</b>	<b>4,458</b>
<b>Total assets</b>	<b>6,968</b>	<b>5,205</b>	<b>7,417</b>	<b>8,037</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
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
<b>Total equity</b>	<b>1,706</b>	<b>1,086</b>	<b>3,257</b>	<b>3,485</b>
<b>Non-current liabilities</b>				
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	-	-
<b>Total non-current liabilities</b>	<b>1,806</b>	<b>1,947</b>	<b>1,969</b>	<b>1,963</b>
<b>Current liabilities</b>				
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
<b>Total current liabilities</b>	<b>3,456</b>	<b>2,172</b>	<b>2,191</b>	<b>2,589</b>
<b>Total liabilities</b>	<b>5,262</b>	<b>4,119</b>	<b>4,160</b>	<b>4,552</b>
<b>Total equity and liabilities</b>	<b>6,968</b>	<b>5,205</b>	<b>7,417</b>	<b>8,037</b>

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
<b>Cash and cash equivalents at the end of year</b>	<b>739</b>	<b>334</b>	<b>621</b>	<b>(655)</b>	<b>714</b>

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)
<b>Total</b>	<b>15,660</b>	<b>18,845</b>	<b>29,660</b>	<b>14,590</b>	<b>25,180</b>

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:

<b>Name of shareholder</b>	<b>Number of shares held</b>
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](http://www.astgroupplc.com).