

BONDHOLDER CIRCULAR

25th April 2023

This Circular is being issued by AST Group plc (C 66811) with registered office at 31, 32, 33 Third Floor, Kingsway Palace, Republic Street, Valletta, Malta (the “**Company**”) pursuant to the provisions of Chapter 6 of the Prospects MTF Rules in connection with the proposed redemption of the €2,000,000 5.5% unsecured bonds 2028 (ISIN: MT0001701201) issued by the Company, admitted and trading on the Prospects MTF List pursuant to a company admission document dated 4 December 2017 (hereinafter the “**2018 AST Prospects MTF Bonds**”).



IMPORTANT INFORMATION

THIS IS AN IMPORTANT DOCUMENT. THE DIRECTORS OF THE COMPANY HAVE AGREED ON THE ISSUES AND MATTERS DESCRIBED HEREIN BY MEANS OF A RESOLUTION IN WRITING. IN THE EVENT THAT BONDHOLDERS RECEIVING THIS DOCUMENT ARE IN ANY DOUBT AS TO THE IMPORT OF THIS DOCUMENT OR AS TO ANY OF THE CONTENT HEREIN, THEY ARE URGED TO CONSULT THEIR INDEPENDENT PROFESSIONAL ADVISERS.

All the Directors of the Company, whose names appear on page 5 of this Circular, accept responsibility for the information contained in this Circular. 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 Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

INTRODUCTION

This circular (the “**Circular**”) contains information about the resolution of the Directors of the Company that was taken by the said Directors on 14th April 2023 (the “**Directors Resolution**”). By means of the Directors Resolution, the Directors resolved to issue a maximum of €8.5 million secured bonds due in 2033 of a nominal value of €100 per bond to be issued at par by the Company and redeemable at their nominal value, bearing interest at the rate of 6.25 % *per annum* and, for such purpose and prior thereto, to redeem the 2018 AST Prospects MTF Bonds.

This Circular is being dispatched to all holders of the 2018 AST Prospects MTF Bonds appearing on the applicable register of bondholders held at the Malta Stock Exchange Central Securities Depository as at 25 April 2023 (trading session of 21 April 2023), to enable them to understand better the nature of the proposed early redemption of the 2018 AST Prospects MTF Bonds, the principal commercial terms thereof, and to provide other necessary information about the proposed early redemption of the 2018 AST Prospects MTF Bonds to the holders thereof. This Circular is being dispatched in compliance with the requirements of Rule 6.00.01.06 of the Prospects MTF Rules and complies therewith in respect of content and form.

Where any or all of the 2018 AST Prospects MTF Bonds have been sold or transferred by the recipients of this Circular, then this Circular and any other relevant documents should be passed on to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

As provided for in the Company Announcement issued by the Company on the 20 April 2023, trading in the 2018 AST Prospects MTF Bonds on the Prospects MTF List of the Malta Stock Exchange shall be suspended on close of business of 21 April 2023.

A copy of this Circular has been provided to the Malta Stock Exchange in terms of Prospects MTF Rule 6.00.41.

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1 DEFINITIONS

For the purposes of this Circular, the following capitalised terms shall have the meaning attributed thereto hereunder:

2018 AST Prospects MTF Bonds	€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 Company Admission Document issued by the Company on the 4 December 2017;
2018 Prospects MTF Bond Transfer	the process by which Existing AST Prospects MTF Bondholders may elect to subscribe for the Bonds through the transfer to the Company of all or part of the 2018 AST Prospects MTF Bonds held by them as at the Cut-Off Date (including any Cash Top-Up necessary) resulting in Bonds being allocated to Existing AST Prospects MTF Bondholders for the corresponding nominal value of 2018 AST Prospects MTF Bonds transferred to the Company (including Cash Top-Up, where applicable);
Applicant/s	any person or persons, natural or legal, who subscribes for the Bonds;
Authorised Intermediaries	the licensed financial intermediaries whose details are listed in Annex II of the Securities Note forming part of the Prospectus;
Bonds	a maximum of €8.5 million secured bonds due in 2033 of a nominal value of €100 per bond issued at par by the Company and redeemable on the Redemption Date at their nominal value, bearing interest at the rate of 6.25% per annum;
Bondholders Meeting	the meeting of the Existing AST Prospects MTF Bondholders called by the Company on 10 May 2023 in terms of the Company Admission Document for the purpose of obtaining the approval of the Existing AST Prospects MTF Bondholders for the early redemption of the 2018 AST Prospects MTF Bonds;
Capital Markets Rules	the rules issued by the Malta Financial Services Authority, as may be amended and/or supplemented from time to time;
CET	Central European Time;
Company	AST Group plc, a public limited liability company registered and existing under the laws of Malta with company registration number C 66811 and having its registered office at 31-33 Third Floor, Kingsway Palace, Republic Street, Valletta VLT 1115, Malta;
Companies Act	the Companies Act, Chapter 386 of the laws of Malta;
Company Admission Document	the company admission document dated 4 December 2017 setting out the terms and conditions of the 2018 AST Prospects MTF Bonds issued by the Company;
Cut-Off Date	close of business on 25 April 2023 (trading session of 21 April 2023);
€ or Euro	the lawful currency of the Republic of Malta;
Exchange or Malta Stock Exchange or MSE	Malta Stock Exchange plc, as originally constituted in terms of the Financial Markets Act (Chapter 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Existing AST Prospects MTF Bondholders	the holders of the 2018 AST Prospects MTF Bonds as at the Cut-Off Date;
Intermediaries' Offer	the balance of the Bonds not subscribed to by Existing AST Prospects MTF Bondholders by means of a 2018 Prospects MTF Bond Transfer, subject to a Cash Top-Up, as and if applicable, as contemplated in terms of the Prospectus, shall be offered for subscription by Authorised Intermediaries participating in the Intermediaries' Offer as set out in terms of the Prospectus;
Issue Period	the period between 08:30 hours CET on 15 May 2023 and 12:00 hours CET on 2 June 2023 (or such earlier date as may be determined by the Issuer) during which the Bonds are available for subscription;
MFSA	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Chapter 330 of the laws of Malta) in its

	capacity as the competent authority in terms of the Financial Markets Act (Chapter 345 of the laws of Malta) authorised to approve prospectuses and admissibility to listing and to monitor and supervise local regulated markets and participants thereof falling within the regulatory and supervisory remit of the MFSA;
MSE Bye-Laws	the MSE bye-laws issued by the authority of the board of directors of Malta Stock Exchange plc, as may be amended from time to time;
Official List	the list prepared and published by the Malta Stock Exchange as the list indicating the companies admitted to the Main Market of the Malta Stock Exchange in accordance with the Capital Markets Rules;
Prospects MTF Market	the market regulated as a multilateral trading facility operated by the MSE providing a venue for start-up and growth for small to medium-sized enterprises to float their capital (including equity or debt) on the market;
Prospects MTF List	the list prepared and published by the Malta Stock Exchange as the list indicating the companies admitted to the Prospects MTF Market in accordance with the Prospects MTF Rules;
Prospects MTF Rules	the rules issued by the board of directors of the Malta Stock Exchange, in exercise of the powers conferred on it by the Financial Markets Act (Chapter 345 of the laws of Malta), regulating the Prospects MTF Market;
Prospectus	collectively, the Summary, the Registration Document and the Securities Note published by the Company in connection with the issue of the Bonds, dated 20 April 2023, as such documents may be amended, updated, replaced and supplemented from time to time;
Registration Document	the registration document published by the Company dated 20 April 2023, forming part of the Prospectus;
Securities Note	the securities note issued by the Company dated 20 April 2023, forming part of the Prospectus;
Summary	the summary issued by the Company dated 20 April 2023, forming part of the Prospectus;
Redemption Date	16 June 2033;
Sponsor, Manager & Registrar	Calamatta Cuschieri Investment Services Limited, a private limited liability company registered under the laws of Malta having its registered office at Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta and bearing company registration number C 13729. Calamatta Cuschieri Investment Services Limited is authorised to conduct investment services by the Malta Financial Services Authority in terms of the Investment Services Act (Chapter 370 of the laws of Malta) and is a member of the MSE.

Unless the context otherwise requires, words and expressions not otherwise defined in this Circular shall bear the same meanings as in the Prospectus or Company Admission Document, as applicable.

2 RESPONSIBILITY STATEMENT

All of the Directors of the Company, as at the date of this Circular being William Wait, Austin Demajo, Giuseppe Muscat and Kris Balzan, accept responsibility for the information contained in this Circular. To the best of their knowledge and belief (after having taken all reasonable care to ensure that such is the case), the information contained in this Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

3 INFORMATION ABOUT THE COMPANY

Full legal and commercial name of the Company:	AST Group Plc
Registered address:	31-33 Third Floor, Kingsway Palace, Republic Street, Valletta VLT 1115, Malta Malta C66811
Place of registration and domicile:	22 September 2014
Registration number:	The Company is lawfully existing and registered as a public limited liability company in terms of the Act
Date of registration:	485100EV94B5FY2A0332
Legal form:	+356 21242152
Legal Entity Identifier:	info@astgroupplc.com
Telephone number:	www.astgroupplc.com
E-mail address:	
Website:	

The Company has an authorised and issued share capital of two hundred and fifty thousand Euro (€250,000) divided into two hundred and fifty thousand 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.

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

Specifically, in 2018, the Company issued to the public in Malta on the Prospects MTF List of the Malta Stock Exchange €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, issued at par pursuant to a company admission document dated 4 December 2017. The said 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 said issue of the 2018 AST Prospects MTF Bonds (ISIN: MT0001701201) is regulated by the terms and conditions set out in the Company Admission Document.

4 PURPOSE OF THIS CIRCULAR

As detailed in Company Announcement AST49 issued on 20 April 2023, the Company has been granted authorisation for the admissibility to listing of €8,500,000 worth of secured bonds due in 2033 of a nominal value of €100 each to be admitted to listing and trading on the Official List of the Malta Stock Exchange, pursuant to and in terms of the Prospectus. The Bonds to be issued by the Company shall be due for redemption on 16 June 2033 and shall bear interest from and including 16 June 2023 to the date of redemption at a fixed rate of interest of 6.25 % per annum, payable annually in arrears on the 16 June of each year, between and including each of the years 2023 and 2033.

The issue and allotment of the Bonds is conditional upon: (i) the minimum amount of €7,500,000 being subscribed for; (ii) the Company obtaining the approval of the Existing AST Prospects MTF Bondholders for the early redemption of the 2018 AST Prospects MTF Bonds pursuant to a meeting called for the purpose in terms of the Company Admission Document, as well as the written approval of the MSE; and (iii) the Bonds being admitted to trading on the Official List.

An amount of circa €1,600,000 of the Bond Issue net proceeds will be used by the Issuer to part finance the redemption of the outstanding amount of 2018 AST Prospects MTF Bonds remaining in issue as at or about 16 June 2023 (including payment of interest thereon and of the Redemption Premium detailed in the Prospectus), being the expected date of redemption of the 2018 AST Prospects MTF Bonds as determined by the Issuer and duly notified to Existing AST Prospects MTF Bondholders. The balance of the outstanding amount of 2018 AST Prospects MTF Bonds (including payment of interest thereon

and of the Redemption Premium), in an amount of €300,000, will be paid out of the sinking fund constituted in terms of the Company Admission Document.

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

- i. first to Existing AST Prospects MTF Bondholders applying for Bonds by way of 2018 Prospects MTF Bond Transfer (and subject to any Cash Top-Up¹ as and if applicable) in accordance with the terms of the Prospectus, and subject to a minimum application of €1,000;
- ii. the balance of the Bonds not subscribed for by Existing AST Prospects MTF Bondholders limitedly by means of a 2018 Prospects MTF Bond Transfer (and subject to any Cash Top-Up as and if applicable), shall be made available for subscription to Existing AST Prospects MTF Bondholders in respect of any additional Bonds applied for other than by 2018 Prospects MTF Bond Transfer exceeding in value the aggregate nominal value of 2018 AST Prospects MTF Bonds held by them as at the Cut-Off Date, without priority or preference between them and together with subscriptions received from Authorised Intermediaries participating in the Intermediaries' Offer and in accordance with the allocation policy as determined by the Company. Accordingly, in the event that an Existing AST Prospects MTF Bondholder applies for additional Bonds other than by way of 2018 Prospects MTF Bond Transfer as specified in (i) above, no preference or guarantee shall be given with respect to the amount of Bonds to be allocated to the excess Bonds applied for by such Existing AST Prospects MTF Bondholder; and
- iii. the Company shall offer remaining Bonds not subscribed for by Existing AST Prospects MTF Bondholders limitedly by means of a 2018 Prospects MTF Bond Transfer (and subject to any Cash Top-Up as and if applicable) to Authorised Intermediaries through an Intermediaries' Offer as detailed in the Prospectus, to be allocated *pari passu* together with additional Bonds applied for by Existing AST Prospects MTF Bondholders other than by 2018 Prospects MTF Bond Transfer exceeding in value the aggregate nominal value of 2018 AST Prospects MTF Bonds held by them as at the Cut-Off Date, including Cash Top-Up (where applicable). Subscription agreements received from Authorised Intermediaries through an Intermediaries' Offer, if any, shall be allocated without priority or preference and in accordance with the allocation policy as determined by the Company, acting through the Registrar, which will be communicated by latest 9 June 2023. Any amounts unallocated in terms of the subscription agreements shall be returned to the respective Authorised Intermediary by direct credit to the account indicated in the respective subscription agreement by latest close of business on 9 June 2023.

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

The transfer of 2018 AST Prospects MTF Bonds to the Company in consideration for the subscription for Bonds shall cause the obligations of the Company with respect to such 2018 AST Prospects MTF Bonds to be extinguished and shall give rise to obligations on the part of the Company under the Bonds.

Pursuant to the foregoing, the Company confirms that the purpose of this Circular is to provide Existing AST Prospects MTF Bondholders with the necessary information in accordance with the Prospects MTF Rules with respect to the Company's intention to obtain the approval of the Existing AST Prospects MTF Bondholders for the early redemption of the 2018 AST Prospects MTF Bonds during the Bondholders Meeting (as detailed in section 5 below), with a view to the proposed issue of the Bonds by the Company.

¹ Existing AST Prospects MTF Bondholders applying for Bonds may elect to settle all or part of the amount due on the Bonds applied for by the transfer to the Company of 2018 AST Prospects MTF Bonds at par value, subject to a minimum application of €1,000 in Bonds. Any Existing AST Prospects MTF Bondholders whose holding in 2018 AST Prospects MTF Bonds is less than €1,000 shall be required to pay the difference together with the submission of their application ("Cash Top-Up").

5 MEETING OF BONDHOLDERS AND EARLY REDEMPTION OF 2018 AST PROSPECTS MTF BONDS

In terms of the Company Admission Document, a meeting of the Existing AST Prospects MTF Bondholders for the purpose of considering the early redemption of the 2018 AST Prospects MTF Bonds is called by the Directors of the Company by giving all Existing AST Prospects MTF Bondholders listed on the register of bondholders as at a date being not more than 30 days preceding the date scheduled for the Bondholders Meeting, not less than 14 days' notice in writing.

The notice itself has been announced to the market via company announcement dated 25 April 2023 and is available for viewing on the Company's website. The results of the Bondholders Meeting shall, similarly, be communicated to the market via company announcement.

The quorum at the Bondholders Meeting is at least 2 Existing AST Prospects MTF Bondholders present, in person or by proxy, representing not less than 50% in nominal value of the 2018 AST Prospects MTF Bonds then outstanding. If a quorum is not present within 30 minutes from the time scheduled for the commencement of the Bondholders Meeting as indicated in the notice convening same, the Bondholders Meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to Existing AST Prospects MTF Bondholders present at that Bondholders Meeting and the Company shall within 2 days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held – the adjourned meeting shall be held not earlier than 7 days, and not later than 15 days, following the original meeting and at the adjourned meeting the number of Existing AST Prospects MTF Bondholders present at the commencement of the meeting, in person or by proxy, shall constitute a quorum and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at and decided upon during, the adjourned meeting.

The proposal for the early redemption of the 2018 AST Prospects MTF Bonds placed before the Bondholders Meeting shall only be considered approved if at least 60% in nominal value of the Existing AST Prospects MTF Bondholders present at the Bondholders Meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.

In the event of the required majority of Existing AST Prospects MTF Bondholders voting in favour of the aforesaid proposal during the Bondholders Meeting, upon redemption of the 2018 AST Prospects MTF Bonds, all Existing AST Prospects MTF Bondholders will be afforded a premium in the form of payment of a redemption price of one Euro (€1) per 2018 Prospects MTF Bond held as at the Cut-Off Date (the "**Redemption Premium**"). Existing AST Prospects MTF Bondholders will be entitled to have the Redemption Premium settled in cash upon redemption of the 2018 AST Prospects MTF Bonds (by direct credit into the Existing AST Bondholders' bank account).

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

The Bondholders Meeting for the purpose of obtaining the approval of the Existing AST Prospects MTF Bondholders for the early redemption of the 2018 AST Prospects MTF Bonds has been called by the Company on 10 May 2023 and the formal notice calling said Bondholders Meeting has been issued on the date of this Circular.

All details relative to the Bonds and the terms and conditions of issue of said Bonds are set out in the Prospectus, a copy of which is available on the Company's website www.astgroupplc.com.

6 DIRECTORS' CONFLICTS OF INTEREST

None of the Directors of the Company have any interest in the 2018 AST Prospects MTF Bonds and there are no material conflicts of interest pertaining to the early redemption of the 2018 AST Prospects MTF Bonds.

7 MARKET VALUE OF 2018 AST PROSPECTS MTF BONDS

First dealing day in month of	€
August 2022	€100
September 2022	€100
October 2022	€100
November 2022	€100
December 2022	€100
January 2023	€100
February 2023	€100
March 2023	€100
As at 25 April 2023	€97.40

8 EXPECTED TIMETABLE

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

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

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

9 TAXATION

9.1 General

Existing AST Prospects MTF Bondholders are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the redemption of the 2018 AST Prospects MTF Bonds and the subscription to the Bonds, including their acquisition, holding and transfer, as well as any income/gains derived therefrom or made

on their disposal. The following is a summary of the anticipated tax treatment applicable to the redemption of the 2018 AST Prospects MTF Bonds in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive.

The information below is based on an interpretation of tax law and practice relative to the applicable legislation, as known to the Company at the date of this Circular, in respect of a subject on which no official guidelines exist. Existing AST Prospects MTF Bondholders are reminded that tax law and practice and their interpretation, as well as the levels of tax on the subject matter referred to in the preceding paragraph, may change from time to time.

This information is being given solely for the general information of Existing AST Prospects MTF Bondholders. The precise implications for bondholders will depend, among other things, on their particular circumstances and on the classification of the 2018 AST Prospects MTF Bonds from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

9.2 Maltese taxation on the Premium paid by the Company on the redemption on the 2018 AST Prospects MTF Bonds

On the basis that the 2018 AST Prospects MTF Bonds do not fall within the definition of “securities” in terms of article 5(1)(b) of the Income Tax Act, that is, *“shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return”*, and to the extent that the 2018 AST Prospects MTF Bonds are held as capital assets by the Existing AST Prospects MTF Bondholder, no tax on capital gains shall be chargeable upon the receipt of the Redemption Premium upon redemption of the 2018 AST Prospects MTF Bonds.

10 DOCUMENTS AVAILABLE FOR INSPECTION

Certified copies of the following documents will be available for inspection at the Company’s registered office up to and including the date of the Bondholders Meeting:

- a) the Memorandum and Articles of Association of the Company; and
- b) the audited financial statements of the Company for the year end 31 December 2021 and the unaudited interim financial statements as at 30 June 2022 of the Company².

² The audited financial statements of the Company for the year end 31 December 2021 and the unaudited interim financial statements as at 30 June 2022 of the Company are available on the Company’s website <https://astgroupplc.com/>.