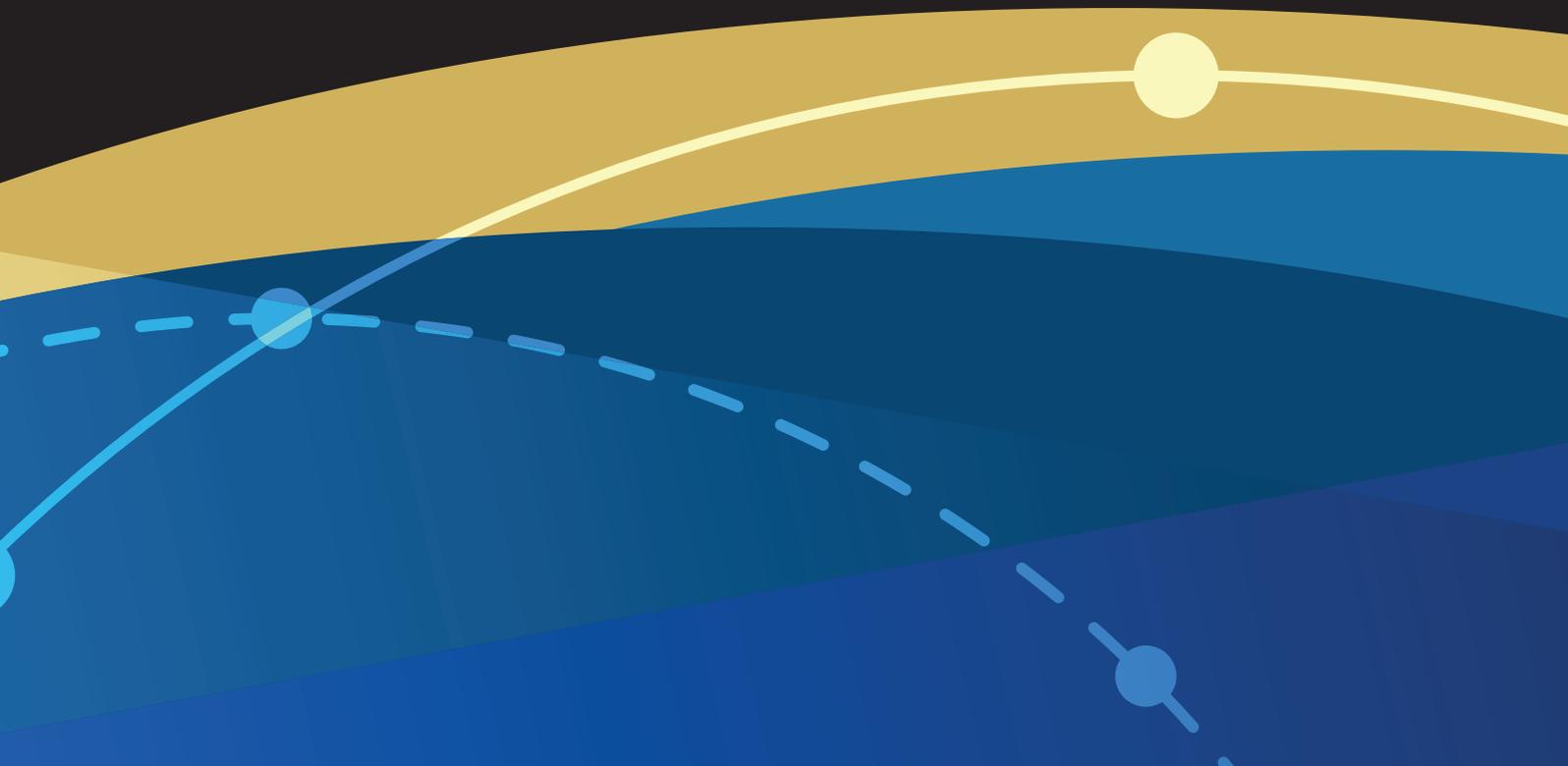




SUMMARY NOTE





This document, which comprises an admission document, required by the rules of Prospects MTF, a market regulated as an MTF and operated by the Malta Stock Exchange (the "MSE" or "Exchange"), has been drawn up in compliance with the Prospects Rules issued by the Exchange. This document does not comprise a document drawn up in terms of the EU Prospectus Directive (2003/71/EC) or for the purposes of the Listing Rules of the Listing Authority. In terms of article 2(3)(b)(v) of the Companies Act, Chapter 386 of the Laws of Malta, this Bond Issue does not constitute an offer of securities to the public and this document does not constitute a prospectus as defined in article 2(i) of the said Act.



a public limited liability company incorporated under the Laws of Malta
company registration number C 66811

In respect of an issue of
€2,000,000 5.5% Unsecured Bonds 2028
(or up to €3 million in the event of exercise of the Over-Allotment Option)
ISIN: MT0001701201

COMPANY ADMISSION DOCUMENT

Dated 4 December 2017

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

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

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

APPROVED BY THE DIRECTORS

A handwritten signature in black ink, appearing to be 'G. Muscat', written over a horizontal line.

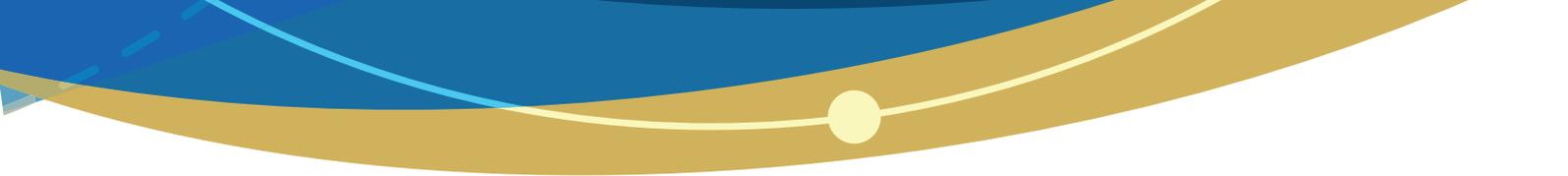
Mr Giuseppe Muscat

A handwritten signature in black ink, appearing to be 'W. Wait', written over a horizontal line.

Mr William Wait

A handwritten signature in blue ink, appearing to be 'L. Vella', written over a horizontal line.

Dr Luca Vella



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IMPORTANT INFORMATION

THIS COMPANY ADMISSION DOCUMENT CONTAINS INFORMATION ON AST GROUP P.L.C. IN ITS CAPACITY AS ISSUER, IN ACCORDANCE WITH THE PROSPECTS RULES ISSUED BY THE MALTA STOCK EXCHANGE.

APPLICATION HAS BEEN MADE TO THE EXCHANGE FOR THE BONDS TO BE ADMITTED TO TRADING ON PROSPECTS MTF. PROSPECTS MTF IS A MARKET REGULATED AS A MULTILATERAL TRADING FACILITY AND OPERATED BY THE MALTA STOCK EXCHANGE DESIGNED PRIMARILY FOR EMERGING AND SMALLER COMPANIES TO WHICH A HIGHER INVESTMENT RISK TENDS TO BE ATTACHED. PROSPECTS MTF SECURITIES ARE NOT ADMITTED TO THE OFFICIAL LIST OF THE MALTA STOCK EXCHANGE.

THE INFORMATION CONTAINED HEREIN IS BEING MADE AVAILABLE IN CONNECTION WITH AN ISSUE BY THE ISSUER OF €2 MILLION (OR UP TO €3 MILLION IN THE EVENT OF EXERCISE OF THE OVER-ALLOTMENT OPTION) UNSECURED BONDS 2028 OF A NOMINAL VALUE OF €100 PER BOND, EACH TO PROSPECTS MTF. THE BONDS SHALL BE ISSUED AT PAR AND BEAR INTEREST AT THE RATE OF 5.5% PER ANNUM PAYABLE ANNUALLY IN ARREARS ON 31 JANUARY OF EACH YEAR UNTIL THE REDEMPTION DATE, WITH THE FIRST INTEREST PAYMENT FALLING DUE ON 31 JANUARY 2019. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON 31 JANUARY 2028.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER OR ITS RESPECTIVE 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 COMPANY ADMISSION DOCUMENT AND OTHER DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, OR ITS RESPECTIVE DIRECTORS, OR ADVISORS.

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

THE COMPANY ADMISSION DOCUMENT DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER BY ANY PERSON IN ANY JURISDICTION: (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED; OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE COMPANY ADMISSION DOCUMENT 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 COMPANY ADMISSION DOCUMENT AND THE OFFERING, SALE OR DELIVERY OF ANY BONDS MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE COMPANY ADMISSION DOCUMENT 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 COMPANY ADMISSION DOCUMENT 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.

INVESTING IN COMPANIES ADMITTED TO PROSPECTS MTF MAY PUT AN INVESTOR'S CASH PARTLY OR WHOLLY AT RISK. SECURITIES ISSUED BY SMALL AND MEDIUM SIZED ENTERPRISES ("SMEs") TEND TO BE ILLIQUID AND CARRY HIGHER RISKS. INVESTORS SHOULD THUS SEEK APPROPRIATE ADVICE AND READ THE WHOLE DOCUMENT BEFORE MAKING ANY INVESTMENT DECISION. A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY FINANCIAL INSTRUMENT. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT LEGAL ADVISORS, ACCOUNTANTS AND/OR OTHER FINANCIAL ADVISORS AS TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE BONDS AND THE COMPANY ADMISSION DOCUMENT.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION.

PROSPECTIVE APPLICANTS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE COMPANY 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.

NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE BONDS OR THE DISTRIBUTION OF THE COMPANY ADMISSION DOCUMENT (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

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

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

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

ALL ADVISORS TO THE ISSUER NAMED IN THIS COMPANY ADMISSION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS INTERMEDIARIES' OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY 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 COMPANY ADMISSION DOCUMENT, NEITHER SHALL SUCH ADVISORS BE RESPONSIBLE FOR THE CONTENTS OF, AND ANY INFORMATION CONTAINED IN THE ADMISSION DOCUMENT, ITS COMPLETENESS OR ACCURACY OR ANY OTHER STATEMENT MADE IN CONNECTION THEREWITH.

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

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 COMPANY ADMISSION DOCUMENT. ACCORDINGLY NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

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

01 DEFINITIONS

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

| | |
|---|--|
| Act or Companies Act | the Companies Act (Cap. 386 of the Laws of Malta); |
| Admission Document or Company Admission Document or Document | this document in its entirety, including all its annexes; |
| Applicant/s | a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form; |
| Application Form | the form of application for subscription, a specimen of which is contained in Annex B of this Company Admission Document; |
| Application/s | the application to subscribe for Bonds made by an Applicant/s by completing an Application Form/s and delivering same to the Placement Agent, Manager and Registrar (defined below) in accordance with the terms of this Company Admission Document; |
| AST Group or Group | AST Group p.l.c. including its subsidiaries Damask Investment Limited, AST Shipping Limited and Damask Shipping Management Company Limited; |
| AST Shipping Limited | AST Shipping Limited, a company registered under the laws of Malta with company registration number C 83011, having its registered office situated at 35, Triq l-Imghazel, Swieqi, SWQ 3141, Malta; |
| AST Trust | The trust established by means of a trust deed which is available for inspection at the registered office of the Issuer, dated 5 January 2018 and entered into by GVZH Trustees Limited, as "Original Trustee", AST Group p.l.c as the "Issuer" and AST Shipping Limited as the "Company"; |
| Authorised Financial Intermediary | the licensed stockbrokers and financial intermediaries listed in Annex C of this Company Admission Document; |
| Bond Issue | the issue of the Bond/s; |
| Bond Issue Price | the price of €100 per Bond; |
| Bond/s or Securities | the €2 million (or up to €3 million in the event of the Over-Allotment Option) unsecured bonds 2028 of a nominal value of €100 per bond issued at par and redeemable on the Redemption Date at their nominal value, bearing interest at the rate of 5.5% per annum; |
| Bondholder/s | a holder of Bond/s; |
| Business Day | any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business; |
| CAGR | Compound Annual Growth Rate; |
| CET | Central European Time; |
| Company or Issuer | AST Group p.l.c., a public limited company registered under the Laws of Malta with company registration number C 66811 having its registered office at 35, Triq l-Imghazel, Swieqi SWQ 3141, Malta; |

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| Corporate Advisor and/ or Reporting Accountant | Grant Thornton of Suite 3, Tower Business Centre, Tower Street, Swatar, BKR 4013, Malta, and/or any related entity, and/or affiliate, as duly authorised to act as Corporate Advisor by the MSE, in terms of the Prospectus Rules; |
| CSD | the Central Securities Depository of the MSE authorised in terms of Part IV of the Financial Markets Act (Cap. 345 of the Laws of Malta), having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta; |
| Damask Investment Limited | Damask Investment Limited, a company registered under the laws of Malta with company registration number C 63147, having its registered office situated at Noel Muscat & Co, Triq l-Imghazel, Swieqi, SWQ 3141, Malta; |
| Damask Shipping Management Company Limited | Damask Shipping Management Company Limited, a company registered under the laws of Malta with company registration number C 68664, having its registered office situated at Noel Muscat & Co, Triq l-Imghazel, Swieqi, SWQ 3141, Malta; |
| DDGS | Distiller's Dried Grains and Solubles; |
| Deed of Covenants | the deed of covenants connected with the first priority mortgage over the Vessel to be purchased by AST Shipping Limited, in favour of the Security Trustee; |
| Directors or Board | the directors of the Issuer whose names are set out in section 5.1, and 'Director' shall be construed accordingly; |
| EBIT | Earnings Before Interest and Taxation; |
| EBITDA | Earnings Before Interest, Taxation, Depreciation and Amortisation; |
| EU | European Union; |
| Euro or € | the lawful currency of the Republic of Malta; |
| Exchange, Malta Stock Exchange or MSE | Malta Stock Exchange p.l.c., a public limited liability company registered under the Laws of Malta, having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta and bearing company registration number C 42525; |
| Financial Markets Act | The Financial Markets Act (Cap. 345 of the Laws of Malta) formerly the Malta Stock Exchange Act; |
| FY | Financial Year; |
| Group Companies or Subsidiaries | Damask Investment Limited, AST Shipping Limited and Damask Shipping Management Company Limited; |
| Insurance Policy | the insurance policy providing for the replacement value of the Vessel to be purchased by AST Shipping Limited; |
| Interest | the Bonds shall bear interest from and including 1 February 2018 at the rate of 5.5% per annum payable annually in arrears on the Interest Payment Date; |
| Interest Payment Date | annually, on 31 January of each year commencing on 31 January 2019 and ending and including the Redemption Date, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day; |
| Intermediaries' Offer | shall have the meaning set out in section 22.2 of the Company Admission Document; |
| Issue Period | the period between 08:30 hours (CET) on 8 January 2018 and 12:00 hours (CET) on 27 January 2018 (or such earlier date as may be determined by the Issuer) during which the Bonds are available for subscription; |

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| Listing Authority | the Malta Financial Services Authority, appointed as Listing Authority for the purposes of the Financial Markets Act (Cap. 345 of the Laws of Malta) by virtue of Legal Notice 1 of 2003; |
| Listing Rules | the listing rules issued by the Listing Authority, as may be amended from time to time; |
| Malta Freeport Terminals | Established in 1988, it is Malta's international port, and is situated in Birzebbugia. It is owned by Malta Freeport Corporation Limited, a company registered under the laws of Malta with company registration number C 9353, having its registered office situated at Freeport Centre, Port of Marsaxlokk, Kalfrana, Birzebbugia BBG05, Malta and operated by Malta Freeport Terminals Limited a company registered under the laws of Malta with company registration number C 27581, having its registered office situated at Freeport Centre, Port of Marsaxlokk, Kalfrana, Birzebbugia BBG05, Malta; |
| Memorandum and Articles of Association or M&A | the memorandum and articles of association of the Issuer, in force at the time of publication of the Company Admission Document; |
| MFSA | Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap. 330 of the Laws of Malta); |
| Over-Allotment Option | the option of the Issuer to elect to increase the original Bond Issue by up to an additional €1 million 5.5% Bonds 2028 in the event of over-subscription of the original Bond Issue; |
| Placement Agent, Manager and Registrar or Escrow Agent | Financial Planning Services Limited, a limited liability company registered under the Laws of Malta and duly authorised in terms of the Investment Services Act (Cap. 370 of the Laws of Malta), having its registered address situated at 4, Marina Court, Giuseppe Cali Street, Ta' Xbiex, XBX 1421, Malta, and company registration number C 3608; |
| Pledge Agreement | the agreement by means of which the Issuer constitutes a pledge over the shares it holds in AST Shipping Limited, in favour of the Security Trustee; |
| Prospects MTF | the market regulated as a multilateral trading facility operated by the MSE providing a venue for start-up and growth small to medium-sized enterprises to float their capital (including equity or debt) on the market; |
| Prospects List | the list prepared and published by the MSE as its recognised list in accordance with the Prospects Rules; |
| Prospects Rules | the rules issued by the Board of Directors of the MSE, in exercise of the powers conferred on it by the Financial Markets Act (Cap. 345 of the Laws of Malta) regulating the Prospects MTF market; |
| Prospectus Directive | Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as may be amended from time to time; |
| Redemption Date | 31 January 2028; |
| Redemption Value | at par (€100 per Bond); |

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| Security Rights | <ul style="list-style-type: none"> • a first priority mortgage on the Vessel in favour of the Security Trustee in its capacity as trustee of the AST Trust; • a pledge by the Issuer 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; • the Insurance Policy pledged in favour of the Security Trustee in its capacity as trustee of the AST Trust; |
| Security Trust | The AST Trust; |
| Security Trust Documents | the trust deed constituting the AST Trust and the instruments constituting the Security Rights, including but not limited to the Deed of Covenants, the Pledge Agreement and the Insurance Policy; |
| Security Trustee | the trustee of the AST Trust as identified in section 5.5 hereof; |
| Sinking Fund | the sinking fund referred to in section 22.24 of this Company Admission Document; |
| Small and medium sized enterprises or SMEs | an enterprise as defined in Article 2(1) of the Companies Act (Cap. 386 of the Laws of Malta) and in line with the Prospectus Rules, and 'SMEs' shall be construed accordingly; |
| Summary | a summary of the salient features of the Document, as contained in the section entitled "Summary"; |
| Terms and Conditions | the terms and conditions of the Bond Issue, which are included in section 24 of this Company Admission Document; |
| Vessel | the multipurpose vessel to be purchased by AST Shipping Limited by means of financing provided by the Issuer in virtue of the proceeds following the successful Bond Issue. |

All references in this Company Admission Document 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 assignees;
- 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;
- 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 issue of this Company Admission Document.

02 SUMMARY

SECTION A - INTRODUCTION AND WARNINGS

A.1 This Summary should be read as an introduction to the Company Admission Document. Prospective investors are hereby warned that:

- i. this Summary is being provided to convey the essential characteristics of, and risks associated with the Issuer and the securities being offered pursuant to this Document. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this Summary in making a decision as to whether to invest in the securities described in this Document. Any decision to invest in the securities should be based on consideration of the Company Admission Document as a whole by the investor;
- ii. where a claim relating to the information contained in this Company Admission Document is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Company Admission Document before the legal proceedings are initiated; and
- iii. civil liability attaches only to those persons who have tabled the Summary including any translation thereof and who applied for its notification, but only if the Summary, when read together with the other parts of the Company Admission Document, is misleading, inaccurate or inconsistent; or does not provide key information in order to aid investors when considering whether to invest in such securities.

A.2 Consent required for use of the Company Admission Document in connection with the Intermediaries' Offer, prospective investors are hereby informed that:

- i. for the purposes of any subscription for Bonds by Authorised Financial Intermediaries pursuant to the Intermediaries' Offer and any subsequent resale, placement or other offering of Bonds by Authorised Financial Intermediaries participating in the Intermediaries' Offer in circumstances where there is no exemption from the requirement to publish a Company Admission Document under the Prospects Rules, the Issuer consents to the use of the Company Admission Document (and accepts responsibility for the information contained herein in accordance with the terms hereof) with respect to any such subsequent resale, placement or other offering of Bonds, provided this is limited only: (a) in respect of Bonds subscribed for in terms of the Intermediaries' Offer by Authorised Financial Intermediaries participating in the Intermediaries' Offer; (b) to any resale, placement or other offering of Bonds subscribed for as aforesaid, taking place in Malta; and (c) to any resale, placement or other offering of Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Company Admission Document;
- ii. **in the event of a resale, placement or other offering of Bonds by an Authorised Financial Intermediary subsequent to the Intermediaries' Offer, said Authorised Financial Intermediary shall be responsible to provide information to prospective investors on the terms and conditions of the resale, placement or other offering at the time such resale, placement or other offering is made;** and
- iii. any new information with respect to Authorised Financial Intermediaries unknown at the time of the approval of the Company Admission Document will be made available through a company announcement made out by the Issuer and published on the Prospects MTF website and which will also be made available on the Issuer's website www.astgroupplc.com.

SECTION B – THE ISSUER

- B.1 Legal and commercial name of the Issuer** – The legal and commercial name of the Issuer is AST Group p.l.c. (company registration number C 66811).
- B.2 Domicile and legal form of the Issuer** – The Issuer is incorporated and domiciled in Malta and is a public limited liability company duly registered in terms of the Companies Act. The Issuer operates under the Companies Act, any regulations enacted thereunder and any other applicable legislation enacted in Malta.
- B.3 Nature of the Issuer’s operations and its principal activities** – The principal object of the Issuer is to carry on the business of a finance and holding company. The Issuer itself does not have any substantial assets, apart from its shareholding in Damask Investment Limited, AST Shipping Limited and Damask Shipping Management Company Limited, and is a special purpose vehicle with the function of raising finance for the business of Damask Investment Limited and AST Shipping Limited, through the Bond proceeds raised on behalf of Damask Investment Limited and AST Shipping Limited as mentioned in section E.1 “Use of Proceeds”. As the Issuer itself does not carry on any trading activities, the Issuer is economically dependent on the business prospects of Damask Investment Limited, AST Shipping Limited and Damask Shipping Management Company Limited.

The principal object of Damask Investment Limited is to trade in animal feed products through its branches in Greece, Cyprus, Hungary, Spain and France. The principal products which are traded by Damask Investment Limited are roasted guar meal korma, fish meal, DDGS and HiPro Sunflower meal, which are sourced from suppliers based in India, Morocco, Hungary and Bulgaria respectively.

To date, the Group has distributed the animal feed either by land or by sea (through chartering of vessels), with the majority of purchases being ordered following a contracted sales order, hence minimising the volume of stock held by the Group. However, in order to have better control on the continuity of supply of its products, particularly due to the fact that fish meal is a seasonal product traded in the summer months and therefore a high level of inventory is required for Damask Investment Limited to continue to expand its operations, Damask Investment Limited is setting up a logistics centre in Malta, situated close to the Malta Freeport Terminals.

It is the Group’s intention to vertically integrate its operations and expand into the logistics business. Malta’s strategic location in the middle of the Mediterranean Sea places it along the Group’s main trade route. Hence, Malta was chosen as a base for the Group’s logistics operations. To this end, in 2017, the Issuer set up two companies, AST Shipping Limited and Damask Shipping Management Company Limited, with the intention of setting up shipping operations. AST Shipping Limited, shall be acquiring the Vessel, through the Bond proceeds, which the Issuer will be advancing to AST Shipping Limited by way of loan, whilst Damask Shipping Management Company Limited shall be managing the Vessel. Damask Investment Limited shall have a right of first refusal to use the Vessel with any additional capacity being chartered out to third parties. The Vessel is expected to operate primarily within the Mediterranean region.

AST Group has commenced negotiations with a prospective seller in relation to the acquisition of a multipurpose vessel, the acquisition of which will be subject to a positive outcome of an inspection carried out and raising the required funding. Should negotiations fall through, in carrying out its functions,

the Board of Directors aims to focus its investment decisions on the acquisition of the Vessel with the following characteristics:

- c. 5,000–6,500 Dead Weight Tonnes;
- 100–150 metres in length;
- less than 25 years since year of build;
- grain/bale capacity of c. 255,000–280,000 cbft;
- the vessel is certified by an approved classification society.

Given that there are currently 10 second hand multipurpose vessels available on the market which fit the above mentioned characteristics (excluding the multipurpose vessel which is currently in the process of negotiation by the Group), the Directors are confident that the multipurpose Vessel will be acquired by the Group by 30 June 2018.

The Security Trustee shall hold on the AST Trust the following Security Rights in favour of Bondholders:

- a first priority mortgage on the Vessel in favour of the Security Trustee in its capacity as trustee of the AST Trust;
- a pledge by the Issuer 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; and
- the Insurance Policy pledged in favour of the Security Trustee in its capacity as trustee of the AST Trust.

B.4 Significant recent trends of the Issuer – The demand for AST Group's animal feed products is largely dependent on animal production and consumption trends throughout Europe and the world. Animal feeds, in their various forms, have become very important to animal production around the world, particularly as different mixtures of ingredients can improve yields or quicken animal growth. Increased demand for meat, fish and other animal produce, such as milk, will result in an increase in overall demand for animal feed, including the products supplied by AST Group, given that the Group's consumers breed various types of animals particularly focusing on beef, swine, poultry and aquaculture.

According to the EU Agriculture Outlook for 2016–2026, world meat consumption is still expected to increase by 13.5%, or 43 million tonnes, between 2016 and 2026, representing a CAGR of 1.3%. EU meat production is expected to increase from 46 million tonnes in 2015 to 48 million tonnes in 2026, representing an increase of 3.9% over the ten year period, or a CAGR of 0.4%, principally driven by sustained demand in the EU. In addition, world population and income growth are expected to lead to an increase in the demand for meat, therefore contributing to higher EU meat exports.

Global fish production totalled 167 million tonnes in 2014 and is expected to increase to c. 187 million tonnes by 2030, representing a CAGR of 0.7%, according to the Food and Agriculture Organisation of the United Nations and the World Bank. According to the State of World Fisheries and Aquaculture 2016 report, aquaculture production represented 26% of total fish consumption in 1994, however, due to the growth in fish farming in the past decades, it represented 44% of total fish consumption by 2014. This is expected to rise to c. 52% by 2025 as aquaculture remains the main contributor to growth in fish production. The growth in aquaculture has in turn led to a growth in animal feed, particularly an increase in fish meal, as well as growth in the global supply of fish for human consumption.

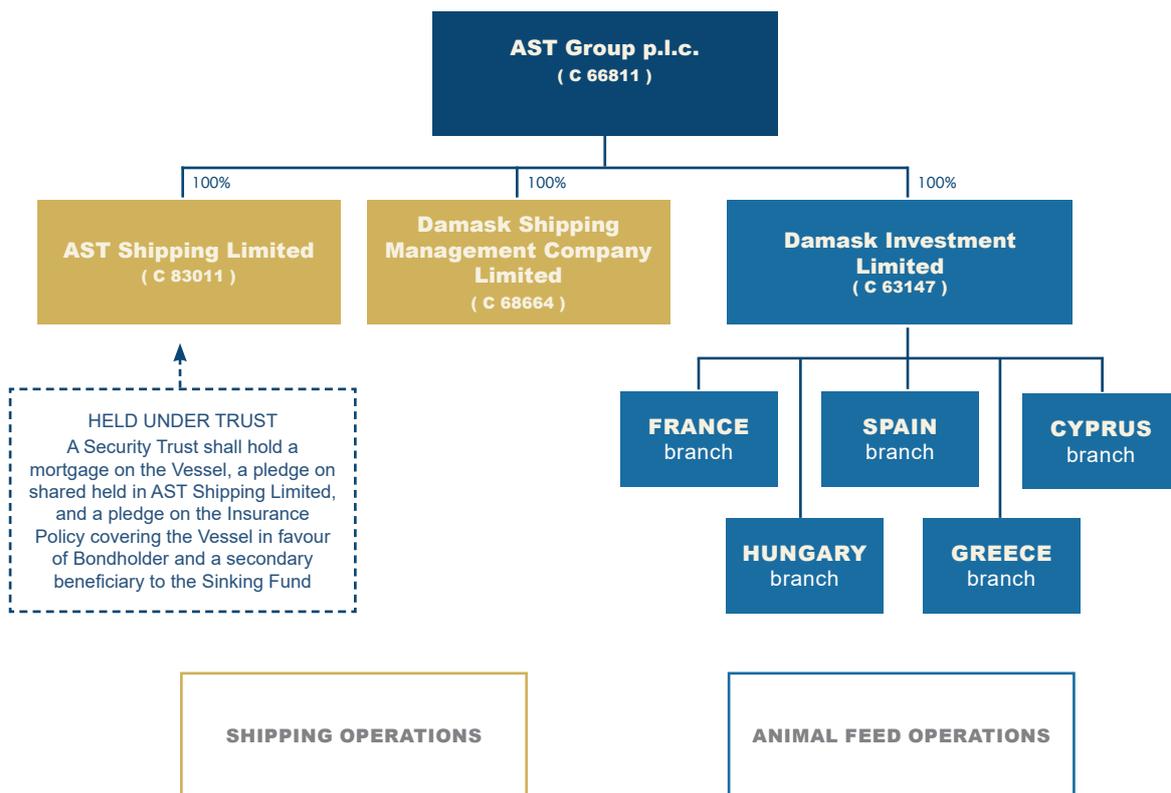
According to the EU Agriculture Outlook for 2016–2026, the increased poultry, pig meat and dairy production expected in the EU over the next decade, is expected to result in a 2.9% increase in the use of compound feed, from 263 million tonnes as at 2015, to 270 million tonnes in 2026. In turn, the increased use of these animal feeds is expected to contribute to the growth in animal production over the same

period. The increase in poultry production together with the push for higher productivity will necessitate an increase in the use of medium and high protein feeds as opposed to low protein feeds.

The volume of cargo transported via short sea shipping within the EU has recovered strongly after suffering a sharp drop as a result of the decrease in trade in the aftermath of the financial crisis in 2008. According to Eurostat statistics, after decreasing to a low of 552 million tonnes in 2011, the gross weight of goods transported to and from the main ports in the 28 EU Member States and ports in the Mediterranean basin increased to 598 million tonnes in 2015, rising to the annual volume of cargo transported prior to the financial crisis.

The EU has a strategic interest in ensuring the continuous performance of short sea shipping, given that short sea shipping will enable the EU to reach its transport goal of shifting 30% of road freight over 300 km to other modes by 2030 as well as reducing 60% of greenhouse gas emissions generated by the transport industry by 2050. In this regard, amongst other priority areas, the European Commission is aiming to enhance the integration of short sea shipping in full logistics chains on the continent.

B.5 Shareholding structure – The Issuer’s current authorised and issued share capital of €50,000 is divided into 50,000 ordinary shares of €1 each, all fully paid up. The below chart sets out the shareholding structure of the AST Group:



B.6 Summary financial information – The historical financial information of the Issuer for the financial years ended 31 December 2014, 2015 and 2016, and for the period ended 30 June 2017 as audited by Silvio Muscat of 63C, Flat 1, Birkirkara Road, St Julian’s, STJ 1301, Malta is available for inspection on AST Group’s website (www.astgroupplc.com) and from the registered office of the Issuer during office hours.

Extracts from the audited financial statements of the Issuer for the financial years ended 31 December 2014, 2015 and 2016 and projections of the Issuer for the years ending 31 December 2017 and 2018 are set out below. The following extracts assume that the shipping operations commence on 1 July 2018 and that the Over-Allotment Option is not exercised.

There has not been any significant change in the financial or trading position of the Issuer since the date of the latest audited financial statements.

EXTRACT FROM THE CONSOLIDATED INCOME STATEMENT FOR THE YEARS ENDING 31 DECEMBER

| €000 | 2014 Actual | 2015 Actual | 2016 Actual | 2017 Forecast | 2018 Projected |
|-------------------------|----------------|----------------|----------------|------------------|-------------------|
| Revenue | 1,914 | 2,945 | 5,952 | 9,236 | 12,630 |
| Gross profit | 166 | 404 | 356 | 562 | 904 |
| EBITDA | 49 | 263 | 157 | 277 | 502 |
| Profit before tax | 46 | 259 | 124 | 233 | 283 |
| Profit after tax | 31 | 192 | 78 | 196 | 233 |

Source: Audited financial statements of AST Group p.l.c. for the years ended 31 December 2014, 2015 and 2016 and projections for the years ending 31 December 2017 and 2018

EXTRACT FROM THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

| €000 | 2014 Actual | 2015 Actual | 2016 Actual | 2017 Forecast | 2018 Projected |
|-------------------------------------|----------------|----------------|----------------|------------------|-------------------|
| Total assets | 680 | 1,347 | 2,938 | 4,147 | 7,569 |
| Equity | 519 | 712 | 890 | 1,436 | 1,670 |
| Total liabilities | 161 | 635 | 2,048 | 2,711 | 5,899 |
| Total equity and liabilities | 680 | 1,347 | 2,938 | 4,147 | 7,569 |

Source: Audited financial statements of AST Group p.l.c. for the years ended 31 December 2014, 2015 and 2016 and projections for the years ending 31 December 2017 and 2018

EXTRACT FROM THE CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDING 31 DECEMBER

| €000 | 2014 Actual | 2015 Actual | 2016 Actual | 2017 Forecast | 2018 Projected |
|---|----------------|----------------|----------------|------------------|-------------------|
| Net cash (used in)/ generated from operating activities | (133) | (3) | (557) | (333) | (457) |
| Net cash flows used in investing activities | - | (1) | (1) | - | (1,900) |
| Net cash flows generated from/financing activities | 51 | 29 | 721 | 278 | 2,315 |
| Net movement in cash and cash equivalents | (82) | 25 | 163 | (54) | (41) |
| Cash and cash equivalents at beginning of year | 229 | 147 | 172 | 335 | 281 |
| Cash and cash equivalents at end of year | 147 | 172 | 335 | 281 | 240 |

Source: Audited financial statements of AST Group p.l.c. for the years ended 31 December 2014, 2015 and 2016 and projections for the years ending 31 December 2017 and 2018

Extracts from the audited financial statements of the Issuer for the interim period ended 30 June 2017 are set out below.

| EXTRACT FROM THE CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDING 30 JUNE | | |
|--|-----------|-----------|
| €000 | 2016 | 2017 |
| Revenue | 1,899 | 3,494 |
| Gross profit | 139 | 234 |
| EBITDA | 70 | 100 |
| Profit before tax | 68 | 85 |
| Profit after tax | 34 | 48 |

Source: Audited financial statements of AST Group p.l.c. for the period ended 30 June 2017

| EXTRACT FROM THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT | | |
|---|------------------|--------------|
| €000 | 31 December 2016 | 30 June 2017 |
| Total assets | 2,938 | 3,117 |
| Equity | 890 | 1,288 |
| Total liabilities | 2,048 | 1,829 |
| Total equity and liabilities | 2,938 | 3,117 |

Source: Audited financial statements of AST Group p.l.c. for the period ended 30 June 2017

| EXTRACT FROM THE CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDING 30 JUNE | | |
|--|--------------|-------------|
| €000 | 2016 | 2017 |
| Net cash (used in)/generated from operating activities | (153) | 70 |
| Net cash flows used in investing activities | 5 | (5) |
| Net cash flows generated from/financing activities | 14 | (137) |
| Net movement in cash and cash equivalents | (134) | (71) |
| Cash and cash equivalents at beginning of year | 172 | 335 |
| Cash and cash equivalents at end of year | 38 | 263 |

Source: Audited financial statements of AST Group p.l.c. for the period ended 30 June 2017

SECTION C – THE SECURITIES

C.1 Type and class of securities – The Issuer shall issue an aggregate of €2 million (or up to €3 million in the event of exercise of the Over-Allotment Option) in Bonds having a face value of €100 per bond, subject to a minimum subscription of €5,000 in Bonds and multiples of €100 thereafter. The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. On admission to trading on Prospects MTF, the Bonds will have the following ISIN: MT0001701201. The Bonds shall bear interest at the rate of 5.5% per annum. The Bonds shall be repayable in full upon maturity on the 31 January 2028 (together with the interest accrued to the date fixed for redemption) unless previously repurchased and cancelled, provided that the Issuer reserves the right to purchase any Bonds on the secondary market, at the price they would be trading at the time, prior to the Bonds' Redemption Date.

C.2 Currency – The Bonds are denominated in Euro (€).

C.3 Transferability – The Bonds are freely transferable and, once admitted to the Prospects MTF, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.

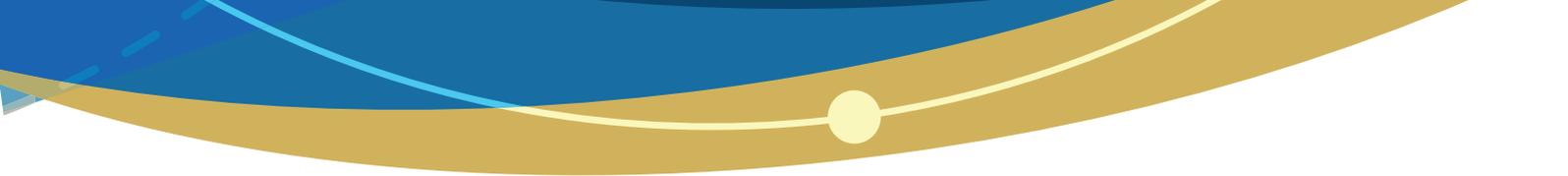
C.4 Rights attached to the Bonds – Investors wishing to participate in the Bonds will be able to do so by duly executing the appropriate Application Form in relation to the Bonds. Execution of the Application Form will entitle such investor to:

- i. the receipt of interest;
- ii. the repayment of capital;
- iii. a beneficial interest under the Security Trust which shall hold the Security Rights in favour of Bondholders;
- iv. ranking with respect to other indebtedness of the Issuer in accordance with the status of the Bonds, as follows: “the Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other outstanding and unsecured debt each of the Issuer, present and future”;
- v. attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and
- vi. enjoy all such other rights attached to the Bonds emanating from the Company Admission Document.

Save for the rights granted to Bondholders in virtue of the Security Rights, the Bonds would rank after any future debts which may be secured by a cause of preference such as a pledge, privilege and/or a hypothec.

C.5 Interest – The Bonds shall bear interest at the rate of 5.5% per annum payable annually in arrears on 31 January of each year, the first interest falling on 31 January 2019. Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date is 5.5%.

Redemption shall take place on 31 January 2028, unless previously repurchased and cancelled. The Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike. All Bonds so purchased will be cancelled forthwith and may not be re-issued or re-sold.



C.6 Admission on Prospects MTF – The MSE has authorised the Bonds as admissible pursuant to the Prospects Rules by virtue of a letter dated 4 December 2017. Application has been made to the MSE for the Bonds to be issued pursuant to the Company Admission Document and to be admitted and traded on its Prospects MTF. The Bonds are expected to be admitted to the MSE with effect from 5 January 2018 and trading is expected to commence on 6 February 2018. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

SECTION D – RISKS

An investment in the Bonds involves certain risks including those described below. Prospective investors should carefully consider, with their own independent financial and other professional advisors, the following risk factors and other investment considerations as well as all the other information contained in the Company Admission Document before deciding to acquire the Bonds. Prospective investors are warned that by investing in the Bonds they may be exposing themselves to significant risks that may have the consequence of losing a substantial part or all of their investment. The sequence in which the risks below are listed is not intended to be indicative of any order of priority or of the extent of their consequences.

The Company Admission Document contains statements that are, or may be deemed to be, “forward-looking statements”, which relate to matters that are not historical facts and which may involve projections of future circumstances. They appear in a number of places throughout the Company Admission Document and include statements regarding the intentions, beliefs or current expectations of the Issuer and its Directors. These forward-looking statements are subject to a number of risks, uncertainties and assumptions and important factors that could cause actual risks to differ materially from the expectations of the Issuer and the AST Group’s respective Directors. No assurance is given that the future results or expectations will be achieved.

Authorised Financial Intermediaries are to determine the suitability of prospective investors’ investment in the Bonds in the light of said prospective investors’ own circumstances. The Bonds may not be a suitable investment for all investors. In particular, Authorised Financial Intermediaries should determine whether each prospective investor:

- i. has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in the Company Admission Document or any applicable supplement;
- ii. has sufficient financial resources and liquidity to bear all the risks of an investment in the bonds, including where the currency for principal or interest payments is different from the prospective investor’s currency;
- iii. understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets; and
- iv. is able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect his/her/its investment and his/her/its ability to bear the applicable risks.

Below is a summary of the principal risks associated with the Bonds of the Company – there may be other risks which are not mentioned in this Summary. Investors are therefore urged to consult their own financial or other professional advisor with respect to the suitability of acquiring any of the Bonds. The following is a summary of the principal risk factors:

D.1 Risks relating specifically to the Issuer’s reliance on Group companies

The Issuer has the function of acting as a finance and holding company, with its main purpose being that of financing the funding requirements of the Group companies, and as such, its

assets consist of its shareholding in the Group companies as well as loans to be issued to its subsidiaries Damask Investment Limited and AST Shipping Limited, as mentioned hereinafter in section E.1 “Use of Proceeds”.

Consequently, the Issuer is largely dependent, including for the purpose of servicing interest payments on the securities described in the Company Admission Document: Part Two and the repayment of the principal on maturity date, on receipt of interest and loan repayments from Damask Investment Limited and AST Shipping Limited.

D.2 Essential information on the key risks relating specifically to the Issuer and the AST Group

- i. The Group’s business activities are concentrated in the Mediterranean region. The Group is highly susceptible to the macro-economic climate in Europe and North Africa. Negative economic factors and trends in Europe and North Africa, particularly those having an effect on consumer demand, may have a negative impact on the business of the Group.**
- ii. The Group’s business activities are subject to general market and economic conditions as well as geopolitical events due to its international presence. Should general economic and political events/conditions deteriorate, the Group’s results of operations and financial condition may be adversely affected.**
- iii. The Group, together with all its customers, has operations in Greece and Cyprus and economic uncertainty in these countries may have an adverse effect on the Group. The tough economic environment in Greece and Cyprus may pose a number of risks to companies operating in these countries. Such risks may include the liquidity of the financial system and other businesses. The economic uncertainty of Greece and Cyprus could have an adverse effect on the future financial performance, cash flow and financial position of the AST Group, both from a company point of view as well as from its customers’ point of view.**
- iv. The Group’s operations are in part exposed, in the case of transactions not denominated in Euro, to foreign currency risk on transactions and receivables that are denominated in a currency other than the Euro. The Group can be impacted by transaction risk and foreign currency risks which could have a material adverse effect on its results and financial position.**
- v. The Group may also be subject to increases in operating and other expenses which could impact its financial performance and position, given that some of these increases potentially cannot be passed on to customers.**
- vi. Changes in environmental laws, anti-corruption laws, health and safety regulations and general laws and regulations, at a national or European level could be enacted that may have an adverse impact on the Group’s business, results of operations, financial condition or prospects.**
- vii. The Group’s growth since inception is, in part, attributable to the efforts and abilities of the Chief Executive Officer. Although no single person is instrumental in fulfilling the Group’s business objectives, there is no guarantee that these objectives will be achieved to the degree expected should the Chief Executive Officer no longer be employed by the Group.**

- viii. **The Group has a material amount of debt and may incur additional debt in connection with its future growth. The AST Group's indebtedness could adversely affect its financial position.**
- ix. **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. 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.**

D.2.1 Risks relating to the Group: Animal feed

- i. **The Group is dependent on four suppliers, one for each of the products sold and two key customers. 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.**
- ii. **The Group does not have long-term or exclusive agreements with its customers and suppliers. Therefore customers could, depending on overall supply available on the market, opt for the services of competitors.**
- iii. **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, including animal diseases, 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 and/or cash flows.**
- iv. **The Group operates in a highly competitive environment, facing competition from international feed producers and distributors. The Group competes with these operators 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. 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.**
- v. **The demand for products of the Group may decline due to a variety of factors that affect society's attitude towards the consumption of food, in particular the consumption of meat and fish. This could negatively impact on the number of animals of a particular species for which animal feed is required, which could lead to a decline in the demand for products of the AST Group, which could negatively effect the Group's operations, earnings and financial position.**
- vi. **The animal feed business is seasonal and a substantial proportion of its revenue and operating profit is generated over the summer period.**

D.2.2 Risks relating to the Group: Operation of the Vessel

- i. Although the Chief Executive Officer has experience in ship management companies, the Group has no history in operating a vessel, or in hiring and retaining crew.**
- ii. Failure to acquire the Vessel could have a material adverse effect on the Group's business, operating results and financial condition.**
- iii. The shipping operations are subject to external factors, many of which are common to the shipping operating industry and beyond the Group's control, including: (i) changes in consumer trends and preferences and the ability of the Group to swiftly anticipate, identify and capitalise thereon; (ii) susceptibility to local and global competition; (iii) increase in the price of fuel; (iv) changes in laws and regulations on employment, health and safety, environmental and marine protection concerns and the related costs of compliance; (v) the impact of increased threats of terrorism, impediments to means of transportation, extreme weather conditions, natural disasters, travel-related accidents, and outbreaks of health concerns; (vi) increases in operating costs; and (vii) the arrest or detainment of the Vessel by maritime claimants or other authorities, or the requisitioning of any vessel during a period of war or emergency. In particular, given that the maritime business is a highly competitive market and due to the Group's lack of experience in this market, this may limit the Group's ability to operate efficiently. The competitive environment potentially threatens the generation of revenues and could prevent the Group from charging freight rates that are necessary for it to be profitable.**
- iv. The Group's charter operations depend on its ability to establish 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 AST Group. Such competitors may have greater name recognition, larger customer bases and greater financial and other resources.**
- v. The shipping industry is cyclical and volatile in nature, since it is heavily dependent on the prevailing conditions in the world's economies. Consequently, freight rates are highly volatile, charter rates tend to fluctuate significantly in response to market participants' perceptions of supply and demand for the shipping markets and the market value of the Vessel could fluctuate significantly. Imbalances of supply and demand as well as the cyclical and volatility of the industry could have a material adverse effect on the Group's business, results of operations and financial condition.**
- vi. Under the provisions of the Merchant Shipping Act (Cap. 234 of the Laws of Malta), certain debts specified therein are secured by a special privilege upon the relevant vessel, including: wages and other sums due to the master, officers and other members of the vessel in respect of their employment on the vessel; tonnage dues and moneys due to creditors for labour, work and repairs. The potential risk associated with the privileged debts attaching to the Vessel arises out of the fact that the obligations under the Bonds are subordinated to these privileged debts. Consequently, in the event that there are insufficient funds to cover all the claims of the creditors of the Group, if any and whether secured or otherwise, the Bondholders' claims would be subordinated to these privileged debts and the ability of the Issuer to fulfil its obligations under the Bonds may be materially adversely affected.**
- vii. 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).

D.3 Essential information on the key risks specific to the Bonds

An investment in the Bonds involves certain risks, including those set out below in this section. In deciding whether to make an investment in the Bonds, prospective investors are advised to carefully consider, with their own independent financial and other (including tax, financial, legal and regulatory) professional advisors, the following risk factors (not listed in order of priority) and other investment considerations, together with all the other information contained in the Company Admission Document.

- i. Prior to the Bond Issue, there has been no public market nor trading record of the Bonds within or outside Malta. Due to the absence of any prior market for the Bonds, there can be no assurance that the Bond Issue Price will correspond to the price at which the Bonds will trade in the market subsequent to the Bond Issue.
- ii. Only upon successful admission, may the Bonds be traded on a multilateral trading facility but will NOT be traded on any regulated market. Hence, the market for the Bonds may be less liquid than a regulated market and a Bondholder may find it more difficult to identify willing buyers for their Bonds. The existence of an orderly and liquid market depends on a number of factors. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or if it develops, that it will continue. Furthermore, there can be no assurance that an Investor will be able to sell or otherwise trade in the Bonds at all.
- iii. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.
- iv. An investor in the Bonds will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the investor's currency of reference, if different.
- v. No prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time.
- vi. The Issuer is entitled to issue Bonds bearing a fixed rate of interest. Investment in such fixed rate Bonds involves the risk that subsequent changes in market interest rates may adversely affect the market value of the said Bonds. Investors should also be aware that the price of the fixed rate bonds moves adversely to changes in interest rates.
- vii. The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds will be repayable in full upon maturity on the Redemption Date unless the Bonds are previously repurchased and/or cancelled.

- viii. **Application has been made to the MSE for the Bonds to be admitted and traded on Prospects MTF once the Bonds are authorised as admissible by the MSE. Prospects MTF, is a market regulated as a multilateral trading facility and operated by the MSE and provides a venue for SMEs to float their securities. Consequently, this market is designed primarily for companies to which a higher risk than that associated with established companies tends to be attached. A prospective investor should be aware of the potential risks in investing in such companies and should make the decision to invest only after careful consideration and consultation with his or her own independent financial advisor.**
- ix. **Even after the Bonds are admitted to trading on Prospects MTF, the Issuer is required to remain in compliance with certain requirements relating, *inter alia*, to the free transferability, clearance and settlement of the Bonds in order to remain eligible to trade on Prospects MTF in terms of the Prospects Rules issued by the Exchange as amended from time to time. Moreover, the MSE has the authority to suspend trading of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The MSE may discontinue the trading of the Bonds on Prospects MTF. Any such trading suspension or discontinuance described above could have a material adverse effect on the liquidity and value of the Bonds.**
- x. **The Issuer has not sought, nor does it intend to seek, the credit rating of an independent rating agency and there has been no assessment by any independent rating agency of the Bonds.**
- xi. **In the event that the Issuer wishes to amend any of the Terms and Conditions of issue of the Bonds it shall call a meeting of Bondholders in accordance with the provisions of section 22.16 of Part II of the Company Admission Document. These provisions permit defined majorities to bind all Bondholders, including Bondholders who do not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority.**
- xii. **The Bonds and the Terms and Conditions of the Bond Issue are based on the requirements of the Prospects Rules and Maltese Law, including the Companies Act, in effect as at the date of the Company Admission Document. 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 Company Admission Document.**
- xiii. **The funds or assets constituting the Sinking Fund (as described in section 22.24 of this Company Admission Document) shall be managed by the Issuer and administered by the Board of Directors in line with the treasury management policy. In accordance with section 302 of the Act, in the event of winding up of the Issuer with insufficient assets to meet its liabilities, the right of secured and unsecured creditors (which include the Bondholders) and the priority and ranking of their debts shall be regulated by the law for the time being in force.**
- xiv. **The Bonds shall constitute the general, direct, unconditional and unsecured obligations of the Issuer. The Bonds shall at all times rank *pari passu*, without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, shall rank without priority and preference to all other present and future unsecured obligations of the Issuer. The Bonds will, however, rank subordinate to the present and future secured creditors of the Issuer, if any.**

Furthermore, subject to the negative pledge included in the Company Admission Document, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.

SECTION E – INTERMEDIARIES' OFFER

E.1 Use of Proceeds – The proceeds from the Bond Issue, which net of issue expenses are expected to amount to approximately €1.9 million (or up to €2.9 million in the event of the Over-Allotment Option) will be used by the Issuer for the following purposes in the following order of priority:

- A) a maximum of €2 million of the proceeds from the Bond Issue will be advanced under title of loan to AST Shipping Limited who will in turn utilise such funds to acquire the Vessel, upon conclusion of the purchase of the Vessel, which is set out in further detail in section 6.5. Until such time the proceeds shall be held on escrow by the Escrow Agent; and
- B) any remaining balance of the net Issue proceeds (including proceeds raised through the exercise of the Over-Allotment) will be advanced under title of loan to Damask Investment Limited and will be used to upgrade the Group's office space and warehousing facilities once a rental agreement is entered into and/or general corporate funding purposes.

E.2 Subscription – The Bonds are open for subscription by Authorised Financial Intermediaries through an Intermediaries' Offer. The total amount of the Bond is being reserved for subscription by Authorised Financial Intermediaries participating in the Intermediaries' Offer. In this regard, the Issuer may enter into conditional subscription agreements with a number of Authorised Financial Intermediaries for the subscription of Bonds, whereby it will bind itself to allocate Bonds thereto up to the total amount of €2 million (or up to €3 million in the event of exercise of the Over-Allotment Option) as aforesaid during the Intermediaries' Offer.

In terms of each subscription agreement entered into with an Authorised Financial Intermediary, the Issuer will be conditionally bound to issue, and each Authorised Financial Intermediary will conditionally bind itself to subscribe for, a number of Bonds as indicated therein subject to the Bonds being admitted to trading on the Prospects MTF. Authorised Financial Intermediaries subscribing for Bonds may do so for their own account or for the account of underlying customers, including retail customers, and shall, in addition, be entitled to distribute any portion of the Bonds subscribed for upon commencement of trading.

Applications for subscriptions to the Bonds may be made through the Placement Agent, Manager and Registrar during the Issue Period on a first-come-first-served basis. The Issue Period shall close immediately upon attaining full subscription or on the last day of the Issue Period, whichever is the earliest. It is expected that notification of allotment will be announced to Bondholders within five (5) Business Days of the closing of the Issue Period.

The following is a synopsis of the general Terms and Conditions applicable to the Bonds. A Bondholder is deemed to have invested only after having received, read and understood the contents of the Company Admission Document, including the full terms and conditions contained therein and in the annexes thereto:

1. GENERAL

Each Bond forms part of a duly authorised issue of 5.5% unsecured bonds 2028 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €2 million (or up to €3 million in the event of exercise of the Over-Allotment Option).

2. FORM, DENOMINATION AND TITLE

The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100 provided that on subscription the Bonds will be issued for a minimum of €5,000 per individual Bondholder. Authorised Financial Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €5,000 to each underlying client.

3. REDEMPTION AND PURCHASE

Unless previously repurchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 31 January 2028. Subject to the provisions of this paragraph, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike. All Bonds so purchased will be cancelled forthwith and may not be re-issued or re-sold.

4. INTEREST AND YIELD

The Bonds shall bear interest at the rate of 5.5% per annum payable annually on 31 January of each year. Interest shall accrue as from 1 February 2018. The first Interest Payment Date following the issuance of this Company Admission Document shall be 31 January 2019. Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day.

The gross yield calculated on the basis of the interest, the Bond Issue Price and the redemption value of the Bonds at Redemption Date, is 5.5%.

5. STATUS OF THE BONDS

Save for the rights granted to Bondholders in virtue of the Security Rights, the Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt of the Issuer.

6. PAYMENTS

Payment of the principal amount of the Bonds by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account is denominated in Euro. Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business 15 days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in Euro. Any relevant charges related to the Interest Payment transactions are borne by the Bondholders.

7. EVENTS OF DEFAULT

Section 22.13 sets out a list of events of default, the occurrence of which would result in the Bonds becoming immediately due and repayable at their principal amount, together with accrued interest.

8. TRANSFERABILITY OF THE BONDS

The Bonds are freely transferable and once admitted to the Prospects MTF, shall be transferable only in whole (in multiples of €100) in accordance with the rules and regulations of Prospects MTF and the MSE applicable from time to time. If Bonds are transferred in part, such an attempted partial transfer will not be cleared and the transferee thereof will not be registered as a Bondholder or claim from the Issuer any purported benefit therefrom.

9. FURTHER ISSUES

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

10. MEETINGS OF BONDHOLDERS

The Issuer may, from time to time, call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which in terms of the Company Admission Document require the approval of a Bondholders' meeting.

11. SINKING FUND

The Issuer undertakes that as from the financial year ending 31 December 2020 it shall, over a period of eight years, build a sinking fund the value of which will by the Redemption Date be equivalent to 100% of the value of the issued Bonds.

The Issuer shall make periodic payments for the purpose of building up the Sinking Fund. The following table sets out the minimum amounts to be paid by the Issuer for this purpose:

| SINKING FUND CONTRIBUTION FOR THE YEARS ENDING 31 DECEMBER | | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| €000 | 2021 Projected | 2022 Projected | 2023 Projected | 2024 Projected | 2025 Projected | 2026 Projected | 2027 Projected |
| Annual Contribution | 100 | 200 | 300 | 300 | 300 | 300 | 500 |
| Cumulative balance | 100 | 300 | 600 | 900 | 1,200 | 1,500 | 2,000 |

The Sinking Fund shall have the Issuer as primary beneficiary, whereas the Security Trustee, in its capacity as trustee of the AST Trust, shall be identified as a secondary beneficiary. Upon the occurrence of any of the Events of Default, the secondary beneficiary shall be granted priority rights over the Sinking Fund.

12. SECURITY TRUST

The Issuer and AST Shipping Limited have agreed to grant the Security Rights for the benefit of the Bondholders, as Primary Beneficiaries and in terms of a trust deed constituting the AST Trust, and to instruct the Security Trustee to hold the property under trust (identified below and in terms of the AST Trust) as security for the outstanding amount due to the Bondholders in terms of the Company Admission Document in relation to the Bonds, together with amounts of interest and charges thereon. The initial Security Trustee is GVZH Trustees Limited.

The property held under trust shall include the following:

- (i) initial property being a pledge, by the Issuer as Pledgor, in favour of the Security Trustee, over 1 165 ordinary shares, having a nominal value of €1 each in AST Shipping Limited; and
- (ii) future property which shall be settled into the AST Trust, including, but not limited to the Security Rights which will be held by the Trustee in its capacity as trustee of the AST Trust, at any time during the term of the AST Trust. The Security Rights include the following:
 - a. a first priority mortgage on the Vessel in favour of the Security Trustee in its capacity as trustee of the AST Trust;
 - b. a pledge by the Issuer 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 (also initial property settled on trust); and
 - c. the Insurance Policy pledged in favour of the Security Trustee in its capacity as trustee of the AST Trust.

Without prejudice to other powers and discretions of the Security Trustee in terms of the AST Trust, the Security Trustee shall have the discretion to enforce any of the Security Rights on its own accord or upon receiving notice from the Bondholders that any of the Events of Default has occurred in accordance with the provisions of the Company Admission Document.

E.3 Governing law and jurisdiction – The Bonds have been created, and the Bond Issue relating thereto is being made, in terms of the Act. From their inception, the Bonds, and all contractual arrangements arising therefrom, shall be governed by and shall be construed in accordance with Maltese Law. Any legal action, suit, action or proceedings against the Issuer arising out of or in connection with the Bonds shall be brought exclusively before the Maltese courts and the Bondholder shall be deemed to acknowledge that it is submitting to the exclusive jurisdiction of the Maltese courts.

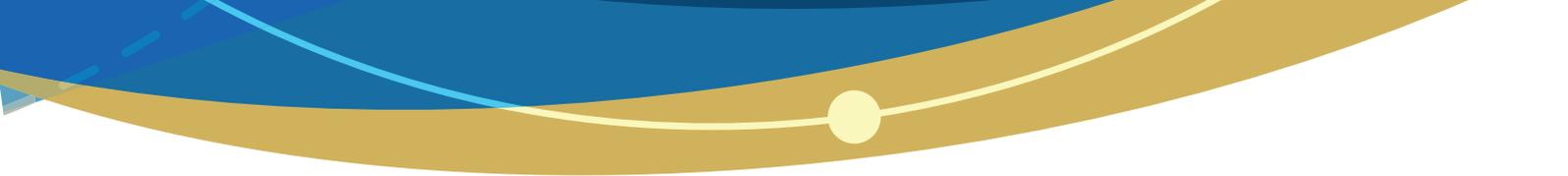
E.4 Interest of natural and legal persons involved in the Issue – Save for the subscription for Bonds by the Authorised Financial Intermediaries (which include the Placement Agent, Manager and Registrar) and any fees payable to Financial Planning Services Limited as Placement Agent, Manager and Registrar in connection with the Bond Issue, to the best of the Issuer’s knowledge no person involved in the Issue has an interest material to the Bond Issue.

E.5 Expected Timetable of Principal Events

| | | |
|----|--|---------------------|
| 1. | Application Forms Available | 8 January 2018 |
| 2. | Issue Period | 8 - 27 January 2018 |
| 3. | Commencement of interest on Bonds | 1 February 2018 |
| 4. | Expected date of Admission of the Bonds to Prospects MTF | 5 February 2018 |
| 5. | Expected date of commencement of trading in the Bonds | 6 February 2018 |

The Issuer reserves the right to close the offer of the Bonds before the 27 January 2018 at 12:00 CET

in the event that the Bonds are fully subscribed prior to the said date and time. In such an eventuality, the events set out in steps three (3) to five (5) above shall be brought forward although the number of working days between the respective events shall not be also altered.



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Issuer

AST Group p.l.c.

35, Triq l-Imghazel, Swieqi SWQ 3141



Corporate Advisor and Reporting Accountant
Grant Thornton

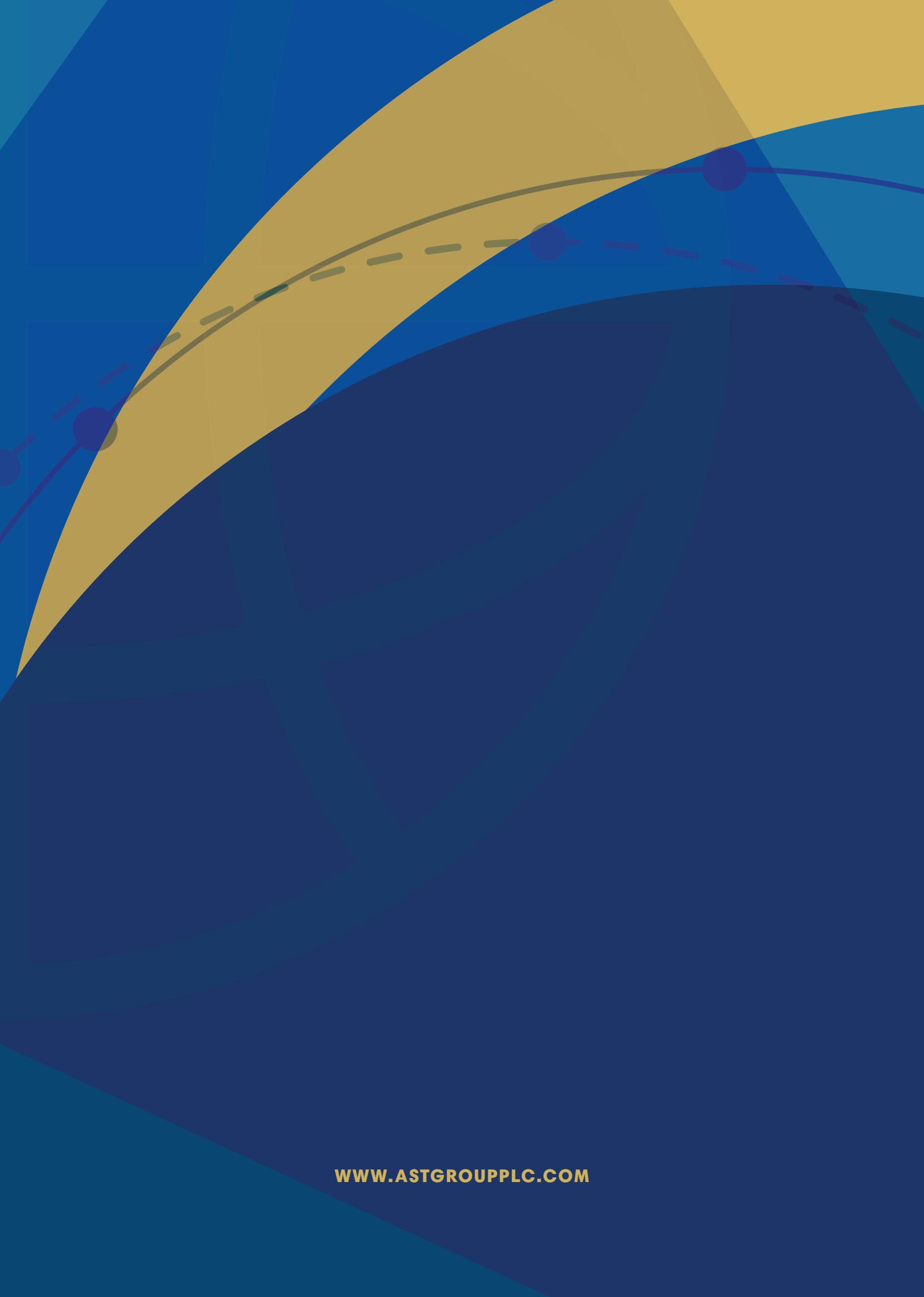
Tower Business Centre,
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