

## Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

## Product

Terragarda GmbH Covered Bonds 4.25% NTS 30/04/2029 EUR (the “Bonds”)

Date: 26 May 2022

Issuer: Terragarda GmbH

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ISIN: IE000RYAUT27

## What is this product?

### Type

This product is an unrated corporate Covered bonds with two prime properties in Germany worth €111,75 mln pledged for the benefit of bondholders. The corporate Covered bond is issued by a private German incorporated company and listed on the Vienna Stock Exchange MTF Market, effective since 26 May 2022.

### Objectives

Terragarda GmbH, (“Issuer”, “Terragarda” or the “Company”) was incorporated in Germany on 12 August 2021, with registration number HRB 232466B as a private company, limited by shares. Its registered office is at Goethestr. 68, 10625 Berlin, Germany.

The object of Terragarda GmbH is the planning, development and implementation of real estate projects in Germany and other countries as well as the provision of real estate management and technical services.

The Company also invests in Private Equity (PE) deals with the objective to realise the implementation of various industry projects, including but not limited to medical and entertainment areas.

The Issuer is active in raising capital by the issue of debt securities to finance its investment plans.

Terragarda uses its extensive holdings in real estate in Germany to leverage and raise funds from institutional and well-informed investors in order to implement its objectives.

Terragarda has pledged two of its property holding in Germany as security to raise funds through the issue of debt instruments to develop the “Proton Therapy Centre” project (“PTCB”) made up of a state-of-the-art cancer treatment therapy centre and an adjacent hotel.

The Therapy Centre will cover an area of 100,000 sq. metres and will be constructed in several stages while the adjacent Hotel project will cover an area of 120,000 sq. metres.

The Issuer will rely heavily on third party outsourced expertise and services in all stages of the development of the business plan, starting from the licensing process until the relevant permits are obtained during a 22-month period, to when construction works will commence and end within 12 months to actual commencement of operations expected in April 2025.

The obligations of Terragarda under the Covered Bond pledge to which it is a party are secured by the pledge on the two properties and recourse against Terragarda is limited to such assets.

## Property description and valuation

Terragarda has pledged two properties for the benefit of bondholders.

The first property is a complex of apartments number KG-118 located in Kostenhof in 95355 Presseck has been valued at €28,800,000 based on land registry title deed as well as insurance valuation made by Versicherungsagentur Insurer of Bruder-Grimm street 60, 36396 Berlin as recently as 15 November 2021.

The second property is a complex of three buildings consisting of apartments, number 23414 located in Bismarckstre 86-90, Stadt Charlottenburg for a total area of 7,643 sq. metres has been valued at €82,950,000 based on land registry title deed as well as insurance valuation made by Allianz of Berlin 10900 Germany as recently as 2 December 2021.

The current value of both properties amounts to €111,750,000, which is more than adequate to meet the Issuer’s obligations towards the bondholders.

## Use of issuing proceeds

The use of proceeds from the issue will be as follows:

### Therapy Centre

From the total €110 mln fund raise, the Proton Therapy Centre will absorb 45% of the total or €49,5 mln. Once the licensing and permits are secured within maximum 22 months, the Issuer will commence the construction phase, which is expected to commence in April 2024.

Every therapy centre is estimated to cost €25 mln each to construct and equip. The Issuer will start with two units. The construction time and the period when the equipment will be delivered and installed is expected to take about 12 months, which means both units of the Therapy Centre will be operational from April 2025.

The Issuer believes that it will be eligible for national and EU funding grants, but such assistance has not been included in the overall projections or use of funds. When such funds are received, they will be used to expand and add to the project.

### Hotel project

From the total €110 mln fund raise, the Proton Hotel will absorb 30% of the total or €33 mln. Once the licensing and permits are secured within maximum 22 months, the Issuer will commence the construction phase, which is expected to commence in April 2024. The construction time and the period when the hotel will be fully equipped is expected to take about 12 months, which means the hotel project will be operational from April 2025.

## Terms and Conditions

The Covered bond issue has the following characteristics:

**Date of Issue:** 4 April 2022

**Maturity Date:** 30 April 2029

**Issue Price:** 100% at par

**Currency:** EUR

**Denomination:** €1,000

**Min Subscription:** €125,000

**Total issue size:** 110,000 Covered Bonds of €1,000

**Total value of issue:** €110,000,000

**Interest:** 4.25% per annum

**Interest payment dates:** semi-annually in arrears on 30<sup>th</sup> April and 31<sup>st</sup> October every year until maturity

**Method of calculation:** 30/360 days

**Redemption Terms at the option of Issuer:** The Issuer may, at its discretion, redeem all, and partially the Notes at par plus accrued interest only after 30 April 2027

**Redemption Terms at the option of Bondholders:** Noteholders do not have the right for early redemption

**Notes Guarantee:** Terragarda has provided a guarantee as to payments of interest and principal under the Covered bonds. Terragarda has agreed to pay an amount equal to the guaranteed amounts when the same shall become due for payment, but which would otherwise be unpaid by the Issuer. The obligations of Terragarda under the Covered Bond Guarantee constitute direct and unconditional obligations of Terragarda, secured as provided in the Trustee deed. The Bond Trustee will be required to serve a Notice to pay on Terragarda following the occurrence of an Issuer

**Security:** To secure its obligations under the Covered Bond Guarantee, Terragarda has granted security over the Charged property in favour of the Trustee pursuant to the Trustee Deed.

**Listing and Admission to Trading:** The Terragarda covered bonds are listed on Vienna Stock Exchange MTF Market since 26 May 2022

**Registry:** Clearing and settlement of the Covered bonds is made through Euroclear Ireland.

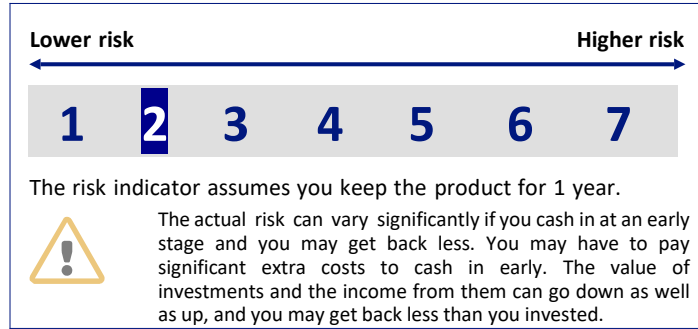
**Investor Target:** The Covered bonds have been offered and will be offered only to professional and well-informed investors via private placement.

**Selling restrictions:** The Covered bonds have not been and will not be registered under the Securities Act and will not be offered or sold within the United States of America. The Bonds will be sold in other jurisdictions (including the European Economic Area) only in compliance with applicable laws and regulations.

**Trustee:** The Trustee is Mr. George Christofides, c/o of Meerkat Services, of 20 Agammemnonos Nicosia 1041 Cyprus, contact email address: gchristofides@meerkatcity.com

## What are the risks and what could I get in return?

### Risks



We have classified this product as 2 out of 7, which is the second lowest risk class. The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

### Performance scenarios

Scenarios		7 years (Mandatory Holding Period)
Nominal amount of €125,000		
<b>Stress Scenario</b>	<b>What you might get after costs</b> Average return/loss over nominal amount	<b>€26,477</b> 3.03%
<b>Unfavorable Scenario</b>	<b>What you might get after costs</b> Average return/loss over nominal amount	<b>€32,827</b> 3.75%
<b>Moderate Scenario</b>	<b>What you might get after costs</b> Average return/loss over nominal amount	<b>€37,188</b> 4.25%
<b>Favorable Scenario</b>	<b>What you might get after costs</b> Average return/loss over nominal amount	<b>€37,188</b> 4.25%

This table shows the money you could get over the period of investment, under different scenarios, assuming you invest €125,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.

The scenarios presented are an estimate of future performance until the bonds mature. Under the Moderate and Favourable scenarios, Investors will receive the fixed coupon return of 4.25% per annum for seven years and capital investment on maturity of the bonds.

The unfavorable scenario assumes that Investors will receive the annual return until maturity, but the Issuer cannot repay at the end of the Bond term and the secured properties are sold at a loss of 5% on their current values.

The Stress scenario assumes that Investors will receive the annual return until maturity, but the Issuer cannot repay at the end of the Bond term and the secured properties are sold at a loss of 10% on their current values.

This rates the potential losses from future performance at a low level, in view of the pledge of the two properties for the benefit of bondholders. Changes to tax laws/treaties may adversely affect returns on the Investor's investment.

**The risk indicator assumes you keep the product until maturity. The actual risk can vary significantly if you cash in at an early stage and you may get back less. Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.**

Be aware of changes in the economic situation of the country where the Proton Therapy Centre and Hotel investment will be made. The final return you will get depends on multiple factors outside of the control of the Company. This risk is not considered in the indicator shown above.

The Company is exposed to general risks such as market risk, credit risk and liquidity risk.

This product cannot be terminated since there is no option to refund your money back in case you change your mind.

This means it is difficult to estimate how much you will get if you end before maturity of the bonds. You will either be unable to exit, or you will have to pay high costs or make a large loss if you do so.

The figures shown include all the costs of the product itself but may not include all the costs that you pay to your advisor or distributor. The above assumptions are made on the basis that well-informed investors will send their contributions directly to the Issuer's bank account without additional costs.

Since it is difficult to estimate the custody fees that investors will pay to their custodian banks to maintain the registry in Euroclear, such costs have not been taken into account.

Your maximum loss would be that you will lose all your investment, if the value of the two properties goes to zero for whatever reason. The figures do not take into account your personal tax situation, which may also affect how much you get back.

## What happens if Terragarda is unable to pay out?

You don't face a default risk, since the two properties as stated above have been pledged for the benefit of bondholders. If the Issuer is unable to pay out, the Investors will be eligible to receive the value of the invested amount from the sale of the two properties at the price prevailing in the market at the occurrence event.

## What are the costs?

### Composition of costs

The table below shows the impact each year of the different types of costs on the performance of the product at the end of the recommended holding period and the meaning of the different cost categories.

This table shows the impact on return per year			
One-off costs	Entry costs	0.00%	The Issuer will not apply any entry costs.
	Exit costs	0.00%	The impact of the costs of exiting your investment when it matures. The Issuer will not apply any exit fees.
On-going costs	Brokerage transaction costs	1.00%	The brokerage fees charged by banks and licensed investment firms through which the OTC trades are made may be up to 1%.
	Other ongoing costs	0.05%	The Investment firms or Custodians will apply custody fees for holding custody of the bonds. The custody fees are payable annually and can range from 5 to 35 bps.
Incidental costs	Performance fees	0.00%	The impact of costs which are variable to the performance. The Issuer will not apply any performance fees.
	Carried interest	0.00%	The Issuer will not apply any carried interests.

### Costs over time

The total costs take into account one-off, ongoing, and incidental costs.

The amounts shown here are the cumulative costs of the product itself. The figures assume you invest 125,000 EUR. The figures are estimates and may change in the future.

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs and show you the impact that all costs will have on your investment over time.

Nominal amount of €125,000		For holding for 7 years (Recommended Holding Period)
<b>Total Costs*</b>		<b>€0</b>
<b>Impact on Return (RIY) per year</b>		<b>0%</b>

- It is assumed that Investors subscribe directly to the Issuer and we have not calculated the custody fees, which differ from custodian firms.

## How long should I hold the investment?

This product is designed to be held until maturity, you should be prepared to stay invested for the full 7 years until maturity. As bondholder you don't have the option to redeem your investment before the maturity date.

## How can I complain?

If you ever need to complain about the service you have received, please contact the Company's prime brokers through whom you purchased the bonds, or directly to the Issuer at [info@terragarda.net](mailto:info@terragarda.net).

## Other relevant information

This Key Information Document has been produced in accordance with the Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulatory Standards issued by the EU Commission. You can get other information relating to this Product, including the offering document, latest annual report and the latest price of bonds, from the Listing Agent's head offices at 18 Kyriakou Matsi, Victory Tower, 1st Floor, 1082, Nicosia, Cyprus.