

**FURTHER SUPPLEMENT DATED 15 JULY TO SERIES MEMORANDUM DATED 3
OCTOBER 2018 AS SUPPLEMENTED ON 24 APRIL 2020**

HFMX DESIGNATED ACTIVITY COMPANY

**Costamare (Series 231) Notes due 2022
issued under its € 5,000,000,000 Secured Note Programme**

SUPPLEMENT NO. 2 TO SERIES MEMORANDUM

1 GENERAL

This Series Memorandum supplement (as used herein, this “**Supplement**”) supplements, forms part of and should be read in conjunction with, the Series Memorandum dated 3 October 2018 as supplemented on 24 April 2020, the “**Series Memorandum**”) prepared in connection with the EUR 5,000,000,000 Secured Note Programme (the “**Programme**”) of HFMX Designated Activity Company (the “**Issuer**”) and is issued in conjunction with, and incorporates by reference the contents of, the Programme Memorandum dated 15 August 2018 relating to the Programme (the “**Programme Memorandum**”).

Terms defined in the Series Memorandum have the same meanings when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Series Memorandum. To the extent that there is any inconsistency between any statement in herein and any statement in or incorporated by reference into the Series Memorandum, the statement herein will prevail.

Background

The Notes originally had a Maturity Date of 2 October 2020. Pursuant to an Extraordinary Resolution of the Noteholders dated 8 April 2020, the Noteholders approved an extended maturity date of 30 April 2021 (the “**First Extended Maturity Date**”) in respect of the Notes. The Notes matured as the First Extended Maturity Date occurred.

Section 2.02 (*Interest Rate*) of the Secured Term Loan Agreement provides that interest will accrue daily on the outstanding principal amount under the Loan at an annual rate equal to 9%. Accrued interest on the outstanding principal amount under the Loan is payable in accordance with a schedule of payments appended to the Secured Term Loan Agreement (the “**Payment Schedule**”) beginning on and from the date on which the Borrower received the first advance of the Loan (being 5 October 2018) with the final payment of interest due on 31 March 2021 (the “**Loan Maturity Date**”). Section 2.11 (*Arranger Fee*) of the Loan Agreement provides that the Borrower shall pay to the Issuer (as Lender) an arranger fee in the amount of (a) 0.45% of the amount advanced and outstanding under the Secured Term Loan Agreement up to USD\$50,000,000 and (b) 0.40% thereafter, per annum of the Loan, which shall accrue daily and be payable in accordance with the Payment Schedule (the “**Loan Arranger Fee**”). The Loan Arranger Fee is due to the Lender in satisfaction of the Arranger Fee (as defined in the Series Memorandum) owed by the Issuer to the Arranger under the Notes. The Loan Arranger Fee is payable in accordance with the Payment Schedule.

Section 2.09 (*Late Payment Fee*) of the Secured Term Loan Agreement provides that if the Borrower fails to meet any of its payment obligations under the Secured Term Loan Agreement the Borrower shall pay to the Lender a fee equal to an additional ten per cent (10%) per annum on such overdue amount; this fee shall accrue on a daily basis from the date of default (being the date of non-payment) and be payable on demand (the “**Default Interest**”).

The Borrower failed to make the following payments of accrued but unpaid interest and the Loan Arranger Fee under the Secured Term Loan Agreement on 30 September 2020 (the “**September 2020 Loan Interest and Loan Arranger Fee Payment Failure**”); 31 December 2020 (the “**December 2020 Loan Interest and Loan Arranger Fee Payment Failure**”); and 31 March 2021 (the “**March 2021 Loan Interest and Loan Arranger Fee Payment Failure**” and,

together with the September 2020 Loan Interest Payment Failure and the December 2020 Loan Interest and Loan Arranger Fee Payment Failure, the “**Loan Interest and Loan Arranger Fee Payment Failures**”). The aggregate amount owing pursuant to the Loan Interest and Loan Arranger Fee Payment Failures are referred to as the “**Loan Interest and Loan Arranger Fee Unpaid Amounts**”. The current outstanding Loan Interest and Loan Arranger Fee Unpaid Amounts is USD 703,074.90.

The Borrower also failed to make the scheduled payment of the entire principal amount outstanding under the Loan (being USD 9,612,412.68) (together with accrued but unpaid interest and Loan Arranger Fee) due on 31 March 2021 (the “**Loan Principal Payment Failure**” and, together with the Loan Interest and Loan Arranger Fee Payment Failures, the “**Loan Payment Failures**”).

On 6 October 2020, the Issuer provided written notice to the Borrower that the September 2020 Loan Interest and Loan Arranger Fee Payment Failure constituted a payment default under section 5.01 (*Events of Default*) of the Secured Term Loan Agreement. The Cure Period(s), under section 5.02 (*Cure Period*) of the Secured Term Loan Agreement, applicable to the September 2020 Loan Interest and Loan Arranger Fee Payment Failure has passed therefore upon expiration of the Cure Period without payment being made, an event of default under the Loan occurred as of 25 November 2020 (the “**Loan Agreement Default**”). The Issuer has not, however, exercised any of the rights or remedies available to it under the Secured Term Loan Agreement following the occurrence of the Loan Agreement Default with respect to this or any other Loan Payment Failure.

Notwithstanding the fact the notes matured on the First Extended Maturity Date being 30 April 2021 the Loan Payment Failures constituted an Additional Mandatory Redemption Event in accordance with Special Condition 5.6(B) (*Mandatory Redemption*) of the Notes. Accordingly, the Notes became due and repayable as a result of the Additional Mandatory Redemption Event under Condition 5.6(B) of the Notes, provided that Noteholders did not elect by Extraordinary Resolution that the Notes would not be subject to mandatory redemption in accordance with Condition 2.2.

Extension of the Loan and Extended Maturity Date

In connection with the foregoing, on 19 February 2021, the Borrower served written notice on the Issuer (the “**Loan Extension Request**”) requesting that the Issuer (i) extend the maturity of the Loan until 31 March 2022 (the “**Proposed Loan Extension**”), (ii) approve the Proposed Loan Amendments (as defined below), and (iii) waive any Loan Agreement Default under the Secured Term Loan Agreement and/or any Event of Default under the Notes that had occurred as a result of the Loan Interest Payment Failures (the “**Proposed Waivers**”).

The Borrower presented the Loan Extension Request in light of the COVID-19 worldwide outbreak declared a pandemic by the World Health Organisation and the subsequent resolutions, decrees, orders, and actions implemented by the Republic of Panama that suspended construction activities throughout the country, which represents the main commercial activities of the Borrower. The Borrower cites article 34-D of the Panamanian Civil Code in claiming that the events that have transpired are a “fortuitous and force majeure and/or an unforeseeable and unavoidable event” which has directly impacted its ability to fulfill its obligations under the Secured Term Loan Agreement. The Issuer has offered no view on such claims.

Giving effect to the Proposed Loan Extension consisted of amending the Secured Term Loan Agreement and Trust, *inter alia*, as follows:

1. to extend the maturity date of the Loan to 31 March 2022 (the “**Extended Loan Due Date**”);
2. to allow any accrued but unpaid interest and fees, including but not limited to the Loan Interest and Loan Arranger Fee Unpaid Amounts, to be deferred until the next payment date(s), as set out in the second revised payment schedule in Annex A of the Amended and Restated Loan Agreement (as defined below) (the “**Revised Payment Schedule**”, should the amounts received by the Issuer on any given payment date, as set out in the Revised Payment Schedule, be less than the total amount due on that payment date, as set out in the Revised Payment Schedule, provided that any payments received by the Lender under the Loan shall be applied in the following order (the “**Priority of Payments**”):
 - (i) existing accrued but unpaid interest (which shall include any interest that has been deferred from previous payment dates under the Payment Schedule);
 - (ii) any accrued and unpaid interest in respect of the current payment period under the Amended and Restated Loan Agreement (as defined below);
 - (iii) accrued but unpaid Loan Arranger Fees (which shall include any Loan Arranger Fees that have been deferred from previous payment dates under the Payment Schedule); and
 - (iv) principal.
3. to agree and acknowledge that a failure to pay interest, principal, or Loan Arranger Fee on any Payment Date (as defined in the Amended and Restated Loan Agreement) shall not be a Loan Agreement Default and no Default Interest shall accrue in respect of such failure, provided that failure to pay any amounts due on the Extended Loan Due Date shall be a Loan Agreement Default and the Default Interest shall accrue on any such unpaid amount on and from the Extended Loan Due Date.
4. to the extent that there is any accrued unpaid interest outstanding, to require the Borrower to deposit either in cash, via check or via the assignment of an irrevocable promise of payment (*carta promesa*) into the Trust Account not less than seventy percent (70%) of the total price obtained from the sale of any Property, subject to a minimum of one hundred twenty thousand dollars (US\$120,000) per Property;
5. to the extent that there is no accrued unpaid interest outstanding, to require the Borrower to deposit either in cash, via check or via the assignment of an irrevocable promise of payment (*carta promesa*) into the Trust Account a minimum of one hundred twenty thousand dollars (US\$120,000) per Property sold (amounts deposited pursuant to 3. and 4., the “**Minimum Payment for Release of Trust Property**”);
6. to eliminate the restriction on the Borrower’s ability to create or the allow the existence of a lien on any of its assets pursuant to clause 4.02(b)(i) of the Secured Term Loan Agreement, provided that the Borrower does not create a Lien over any of the Properties in the Trust (any such liens permitted being the “**Permitted Liens**”).

Numbers 1 to 6 above are the “**Proposed Loan Amendments**”.

Noteholders or potential Noteholders should be aware that the term of the Notes has been extended to 15 April 2022 (the “**Second Extended Maturity Date**”) pursuant to an Extraordinary Resolution dated 29 June 2021, in which the Issuer also provided its consent to the Proposed Loan Extension, the Proposed Loan Amendments and the Proposed Waivers.

In connection with and to give effect to the Proposed Loan Amendments, the Issuer entered into (i) an amendment and restatement in respect of the Secured Term Loan Agreement (the “**Amended and Restated Loan Agreement**”) and (ii) an amendment and restatement in respect of the Trust Agreement (the “**Amended and Restated Trust Agreement**”) and together with the Amended and Restated Loan Agreement, the “**Amendment Documents**”) each appended hereto as Annex 1. A copy of the Revised Payment Schedule which replaced Annex A of the Secured Term Loan Agreement is included in Annex 1.

ANNEX 1 – AMENDMENT DOCUMENTS
