

Company name HFMX Designated Activity Company
Headline Notice to Noteholders of Series 231

14 May 2021

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

THIS NOTICE CONTAINS IMPORTANT INFORMATION OF INTEREST TO THE OWNERS OF THE NOTES. IF APPLICABLE, ALL DEPOSITARIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO PASS THIS NOTICE TO SUCH OWNERS IN A TIMELY MANNER.

If you are in any doubt as to the action you should take, you are recommended to seek your own financial, legal or other advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriately authorised independent financial adviser.

If you have recently sold or otherwise transferred your entire holding(s) of the Notes referred to below, you should immediately forward this document to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

NOTICE FROM THE ISSUER TO NOTEHOLDERS

HFMX Designated Activity Company
(the “**Issuer**”)

Costamare (Series 231) Notes due 2020
ISIN: XS1887321518 COMMON CODE: 188732151
(the “**Notes**” or the “**Series**” and the holders thereof the “**Noteholders**”)

Capitalised terms used but not otherwise defined in this notice shall have the meanings ascribed to them in the Series Memorandum dated 3 October 2019 as supplemented on 24 April 2020 and the Conditions of the Notes as same may be amended and / or supplemented from time to time.

BACKGROUND

The Issuer used the entire net proceeds of the Notes make a loan (the “**Loan**”) to Boulevard Costa Sur S.A. (the “**Borrower**”).

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 in respect of the Notes. The Notes have now matured as the Extended Maturity Date has occurred.

Special Condition 5.3 (*Redemption Amount*) provides that, unless previously redeemed or purchased, the Notes will be redeemed by a payment in respect of each Note of the Redemption Amount on the Final Maturity Payment Date save where Notes are redeemed pursuant to Condition 2.4.5. The Redemption Amount is defined as an amount equal to the greater of (i) zero and (ii) the Net Proceeds. The Special Condition also provides that no interest or other amount shall accrue or be payable in respect of the Notes in respect of the period from and including the Extended Maturity Date, to and including the Final Maturity Payment Date.

The calculation of the Net Proceeds is dependent on the determination of the Realisable Value. The Realisable Value is defined as an amount determined by the Calculation Agent being the proceeds of sale or other means of realisation of the Charged Assets less any costs, expenses, taxes and duties incurred in connection with the disposal or transfer of the Charged Assets by the Charged Assets Realisation Agent.

Subject to the Conditions, the Final Maturity Payment Date is defined as the date falling five (5) Business Days following the day that the Issuer receives the aggregate Realisable Value pursuant to Special Condition 5.3 (*Redemption Amount*). It is also stipulated that the Final Maturity Payment Date may be significantly later than the Extended Maturity Date (as was disclosed in the “*Risk Factors – Payments*” in the Series Memorandum). Special Condition 5.11 (*Events of Default*) provides that an Event of Default under Condition 4.1.1 shall occur if the Final Maturity Payment Date does not occur within 90 days of the Maturity Date or Extended Maturity Date, as applicable.

The Issuer hereby gives notice to the Noteholders that the Borrower has failed to make the payments of accrued but unpaid interest and the Loan Arranger Fee under the 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 Borrower also failed to make the scheduled payment of the entire principal amount outstanding under the Loan (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 clause 5.0.1 (*Events of Default*) of the Loan Agreement. The Issuer has not, however, exercised any of the rights or remedies available to it under the Loan Agreement following the occurrence of an Event of Default with respect to this or any other Loan Payment Failure.

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 certain amendments to the Secured Term Loan Agreement (the “**Proposed Loan Amendments**”), and (iii) waive any Event of Default under the Secured Term Loan Agreement and/or under the Notes that has 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 offers no view on such claims.

As a result of the Loan Extension Request the term of the Notes also need to be similarly extended. Special Condition 5.11 (*Extended Maturity Date*) provides that the term of the Notes may be extended for further periods of up to ten (10) years, provided that, at the request of the Issuer, the Calculation Agent, on behalf of the Issuer, has given a notice (the “**Extension Notice**”) to the Trustee, the Principal Paying Agent and the Noteholders one (1) calendar month prior to the Maturity Date or any Extended Maturity Date, if applicable, stating that such extension shall take place in respect of the Notes. No such Extension Notice has been given. This procedural requirement has not been adhered to.

The Issuer hereby provides notice that:

1. The Notes matured on the Extended Maturity Date of 30 April 2021.
2. The provisions of Special Condition 5.3 (*Redemption Amount*) apply so that the Redemption Amount of the Notes will be paid on the Final Maturity Payment Date, which may be significantly later than the Extended Maturity Date. However, if the Final Maturity Payment Date does not occur within 90 days of Extended Maturity Date (i.e. 29 July 2021), it will be an Event of Default of the Notes.
3. As a result of the Loan Extension Request, the Arranger has been coordinating with the Issuer and Borrower, in respect of the preparation of an Extraordinary Resolution of the Noteholders to extend the term of the Notes, (notwithstanding that the procedural requirements in relation to such extension have not been complied with, as referred to above) and to grant the Proposed Loan Extension, the Proposed Loan Amendments, and the Proposed Waivers. The Extraordinary Resolution is expected to take place during the month of May 2021 or June 2021.

This Notice has not been formulated by the Trustee who expresses no view on it and the Trustee expresses no opinion as to the actions (if any) the Noteholders may take in respect of this Notice. The information contained herein has not been independently verified by the Trustee and the Trustee makes no representation that all relevant information has been disclosed to Noteholders in or pursuant to this Notice. In accordance with normal practice, the Trustee expresses no view as to the truth, veracity, accuracy or completeness of the contents of this Notice. Accordingly, the Trustee recommends that Noteholders consider seeking their own financial, tax, accounting, investment and legal advice in respect of this Notice.

No responsibility or liability is or will be accepted by the Trustee in relation to the accuracy or completeness of this Notice or any other written or oral information made available to any person receiving this Notice or its advisers and any such liability is expressly disclaimed. This Notice is made without prejudice to any and all of the Trustee's rights under the Conditions of the Notes and the transaction documents relating to the Notes, all of which are expressly reserved.

PROPOSED ACTION

Other than as disclosed above, the Issuer proposes no further course of action at this time. This notice is for informational purposes only.

Further Information

For further information with regards to your investment in the Notes, please contact the Issuer at: IE-hfmx@intertrustgroup.com.