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JERSEY REGULATOR APPROVES FIRST-OF-ITS-KIND SHARI'A COMPLIANT WORKING CAPITAL INVESTMENT PROGRAMME

Cordoba Capital Markets launches the first listed profit participating note (PPN) on proprietary investment platform

Cordoba Capital Markets Jersey PCC (the "PCC"), has received approval from the Jersey Financial Services Commission to launch a Shari'a-compliant USD notes issuance programme for professional investors to participate in listed trade finance, working capital and supply chain financing opportunities. The PCC is a protected cell company incorporated and regulated in Jersey offering a master investment programme in low risk, income-generating profit participating notes ("PPNs").

Cordoba Capital Markets Limited ("CCM") acts as Advisor and Programme Manager to a diverse range of medium-sized companies trading in the global real economy. CCM's proprietary finance solution offers investors specific, risk-managed trades from specialised, market-leading companies with ambitious growth plans. PPNs generate premium yields directly linked to either revenues or gross profits of portfolio companies. Unlike sukuk and conventional bonds, the PPN structure allows significant upside potential whilst mitigating operational and financial risks.

PPNs offer greater flexibility to companies seeking growth capital than would typically be offered to them by banks, whilst at the same time being significantly more attractive to investors. By spreading administrative overheads at the programme level, CCM offers companies access to its global investor base via a sophisticated listed instrument, without the usual high costs of listing on an international exchange. CCM is a first mover in addressing this multi-trillion dollar market inefficiency.

Portfolio companies are mature and stable with highly experienced management, exceptional financial and operational performance, and strong internal governance. CCM closely controls the flow of capital and monitors the performance of each investment through adopting a wide range of treasury controls, cover ratios and reporting metrics.

The first listed PPN has been launched through a protected cell note issuer under the PCC programme. White Lion Foods PTE Ltd ("WLF"), an international agribusiness headquartered in Singapore, closed the first USD 4.5 million of its USD 12 million issuance programme. The funds will be deployed as working capital to purchase raw materials, process, ship and sell the final product, sharing the proceeds directly with note holders.

Unusually in the global *sukuk* (Islamic bond) market, the PPN does not rely on a conventional bond-like senior unsecured debt structure. Instead it combines aspects of a revenue-financing or profit-financing model commonly used in North America with the principles of classical trade in the Islamic economic model, resulting in attachment to a real economic activity providing consistent, reliable income whilst minimising risks commonly associated with pure equity financing.

CCM advised WLF in managing all elements of the transaction from corporate finance and origination through to structuring and issuance, coordinating service providers to provide the relevant regulatory infrastructure.



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WLF is one of the world's leading Brazil nut exporters, holding 9% of global market share and expecting to surpass 50% market share in Peru this year. It has traditionally utilised restrictive bank debt or more expensive shareholder financing to finance its working capital, but instead sought an alternative solution that was non-dilutive, competitively priced and flexible. CCM assisted WLF in identifying and creating an appropriate financial structure based on a type of investment partnership commonly referred to in classical Islamic finance as *mudaraba*. This solution was refined into a cutting-edge securitisation product building on the CCM team's world-leading experience in benchmark sukuk, including a number of previous world firsts. By focusing on gross profits from a single business activity or asset, the PPN concept combines the simplicity of trade finance with the flexibility of a note format.

The notes are limited recourse direct unsecured obligations of the issuer, a Jersey securitisation vehicle, whose underlying assets include an investment management agreement with WLF, providing a beneficial interest in the raw Brazil nuts purchased with issuance proceeds. The Brazil nuts are processed in WLF's Peruvian factory, packaged, shipped and sold in the international market. The profits are then split between the note holders and WLF in a pre-determined manner.

Take up of the PPN has been spread evenly across both Islamic and non-faith-based investors, with note holders including family offices, high net worth individuals and mass affluent investors. Investors have been attracted to the yield (currently generating 16% per annum) balanced by carefully-managed risks, WLF's strong management and internal controls, outright ownership of land and facilities, globally diversified distribution network, and a focus on ESG/social impact due to WLF's involvement in local Amazon communities. The note also appeals to the Muslim investor demographic due to the lack of investment options available to them in a *halal* (religiously permissible) format. Feedback from Muslim investors in particular has focused on the attractiveness of participating directly in a specific real economic activity in a more readily understood format than traditional Islamic capital markets instruments.

CCM drew on its world class experience in corporate finance advisory, capital markets and Shari'a structuring to provide analysis and guidance to its client that ultimately led to a successful issuance.

Following this ground-breaking issuance, CCM is now preparing the Jersey PCC to issue PPNs for several more clients, helping them to raise a total of USD 60 million in trade finance, working capital and supply chain finance across diversified industry sectors and trade activities. For further information, please contact:

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Notes to Editor:

About Cordoba Capital Markets Ltd

Cordoba Capital Markets (CCM) is corporate finance and consulting firm incorporated in the United Kingdom specialising in providing CFO services to high quality SMEs, helping them to improve their internal processes and controls and preparing them to raise working capital from a range of investors, structuring profit-sharing notes and working with service providers to project manage the issuance of these notes. For further information, please see www.ccmkts.com.

About Cordoba Capital Markets Jersey PCC

Cordoba Capital Markets Jersey PCC (PCC) is a protected cell company incorporated in Jersey and approved by the Jersey Financial Services Commission. The PCC has established a master programme to issue profit participating notes (PPNs) from protected cells. Each cell is a bankruptcy-remote, segregated, single-purpose notes issuer that enters into a Shari'a-compliant investment management agreement with a company raising working capital to undertake a defined trading activity. The following entities provide third party services in relation to the programme: CCM as advisor, programme manager and agent; Collas Crill LLP as Jersey legal counsel; Hogan Lovells as English legal counsel to the advisor; CSC Capital Markets (Jersey) Limited as the administrator; CSC Fiscal Trustee (Jersey) a.r.l. as the trustee.

About White Lion Foods

White Lion Foods (WLF) is an international agribusiness headquartered in Singapore, with operations throughout South America. It is the largest Peruvian exporter of Brazil nuts and expects to surpass 50% market share in 2024. WLF owns five production facilities in Peru and Brazil. In a broker-dominated marketplace, WLF is one of the few players who deals directly with end customers, bypassing brokers and providing industry leading margins. WLF obtained a AA standard, the highest grade, by the BRCGS, the highest global food hygiene standard certifier. It is also rated A- with stable outlook by the rating agency JCR LatAm. For further information, please see www.whitelionfoods.com.