

**Thera Trust**  
**("The Issuer")**

Date: 14<sup>th</sup> December 2021

**GBP 6,000,000 Note Programme (the "Agreement")**

**GBP 2,000,000 5.5% 2015 Bond, GBP 5,000,000 5.5% 2018 Bond and GBP 5,000,000  
5.25% 2020 Bond (the "Bond Instruments")**

1. We refer to the Conditions of the Agreement and to the Undertakings of the Bond Instruments.
2. Terms used in this certificate have the same meaning and definitions as in the Agreement and/or the Bond Instruments, unless the context otherwise requires.
3. We confirm that the audited consolidated financial statements of Thera Trust for the year ended 31 March, 2020 fairly represent the Issuer's financial condition as at that date.
4. We confirm that no Default is continuing.

*Asset Cover Test*

5. We confirm that, as at 31 March, 2020:

- i) Total Net Assets were £18,153,201; and
- ii) Total Net Debt was £8,128,229;

and therefore that the Total Net Assets are 223 per cent of Total Net Debt as at 31 March, 2020 (which is at least 130 per cent of the Total Net Debt).

6. Accordingly the Issuer is in compliance with the Asset Cover covenant.
7. We set out a summary of our calculations establishing the figures set out in paragraph 5 above.

**Total Net Asset Calculation**

Tangible Fixed Assets	2,770,117
Investment Properties	9,375,284
Current Assets	<u>13,354,678</u>

**Total Assets** 25,500,079

Creditors (Amounts Falling Due Within One Year)	-7,538,966
Excluding Current Element of Long Term Bank Loans	135,895
Excluding Current Element of Long Term Finance Leases	<u>56,193</u>

**Total Current Liabilities** -7,346,878

**Total Net Assets** 18,153,201

**Total Net Debt Calculation**

Bank Loans and Overdrafts (Amounts Falling Due Within One Year)	2,121,397
Amounts Due Under Finance Leases (Amounts Falling Due Within One Year)	56,193
Bank Loans (Amounts Falling After More Than One Year)	971,379
Bonds (Amounts Falling After More Than One Year)	4,860,062
Amounts Due Under Finance Leases (Amounts Falling After More Than One Year)	<u>119,198</u>

**Total Net Debt** 8,128,229

**Net Asset Cover** 223%

### *Interest Cover Test (EBIT)*

8. We confirm that for the year ending 31st March, 2020:

- i) EBIT was £1,046,166 (re-stated); and
- ii) Interest Costs were £450,231;

and therefore that EBIT is 232 per cent of Interest Costs for the financial year ended 31 March, 2020 (which is less than 250 per cent of Interest Costs).

9. Accordingly the Issuer is not in compliance with the Interest Cover (EBIT) covenant and the provisions for penalty interest as set out in the GBP 2,000,000 5.5% 2015 Bond Instrument will apply.

10. We set out a summary of our calculations establishing the figures set out in paragraph 8 above:

#### **EBIT Calculation**

Net Incoming Resources	931,065
Remove Service Income / Costs from Closed DB Pension Schemes	88,000
Add back Exceptional Costs	298,958
Add back Covid-19 Exceptional Costs	134,865
Exclude Covid-19 Exceptional Income	-105,817
Exclude Donations Resulting from Acquisitions / Non-Cash Donations	0
Exclude Investment Gains / Losses	-386,700
Exclude Net Actuarial Gains / Losses on Defined Benefit Pension Schemes	-364,436
Add Back Interest Paid incl. Interest Element of Finance Lease Rental Payments	450,231
<b>Total EBIT</b>	<b><u>1,046,166</u></b>
<b>Total Interest Costs Calculation</b>	
Interest Paid incl. Interest Element of Finance Lease Rental Payments	<u>450,231</u>
<b>Total Interest Costs</b>	<b><u>450,231</u></b>
<b>Interest Cover (EBIT)</b>	<b><u>232%</u></b>

### *Interest Cover Test (EBITDA)*

11. We confirm that for the year ending 31st March 2020:

- i) EBITDA was £1,505,305 (re-stated); and
- ii) Interest Costs were £450,231;

and therefore that EBITDA is 331 per cent of Interest Costs for the financial year ended 31 March, 2020 (which is at least 300 per cent of Interest Costs).

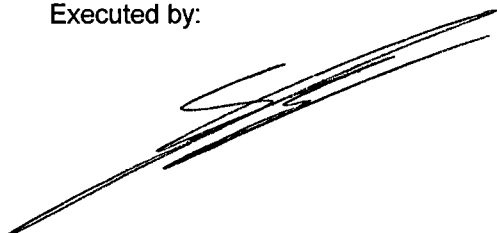
12. Accordingly the Issuer is in compliance with the Interest Cover (EBITDA) covenant.

13. We set out a summary of our calculations establishing the figures set out in paragraph 11 above:

**EBITDA Calculation**

Net Incoming Resources	931,065
Remove Service Income / Costs from Closed DB Pension Schemes	88,000
Add back Exceptional Costs	298,958
Add back Covid-19 Exceptional Costs	134,865
Exclude Covid-19 Exceptional Income	-105,817
Exclude Donations Resulting from Acquisitions / Non-Cash Donations	0
Exclude Investment Gains / Losses	-386,700
Exclude Net Actuarial Gains / Losses on Defined Benefit Pension Schemes	-364,436
Add Back Interest Paid incl. Interest Element of Finance Lease Rental Payments	450,231
Add Back Depreciation	397,752
Add Back Amortisation	61,387
<b>Total EBITDA</b>	<b><u>1,505,305</u></b>
<b>Total Interest Costs Calculation</b>	
Interest Paid incl. Interest Element of Finance Lease Rental Payments	<u>450,231</u>
<b>Total Interest Costs</b>	<b><u>450,231</u></b>
<b>Interest Cover (EBITDA)</b>	<b><u>334%</u></b>

Executed by:



Simon Conway

Director/Trustee

On behalf of Thera Trust