

## TERM SHEET

### Palladium p.l.c. (the “Issuer”)

#### Offer of 150,000,000 Equity Warrants

THIS TERM SHEET IS A BRIEF SUMMARY OF THE ISSUER’S PROSPECTUS FOR EQUITY WARRANTS DATED 10 JULY 2018 (THE “PROSPECTUS”), AS APPROVED BY THE REGISTRY OF COMPANIES, ACTING ON BEHALF OF THE MALTA FINANCIAL SERVICES AUTHORITY. THE INFORMATION IN THIS TERM SHEET IS NOT COMPLETE AND THIS TERM SHEET DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE NOTES, WHETHER TO THE PUBLIC OR OTHERWISE. ANY OFFER AND SUBSCRIPTION OF THE NOTES CAN TAKE PLACE ONLY THE BASIS OF AND PURSUANT TO THE PROSPECTUS. INVESTORS SHOULD NOT TAKE ANY DECISION TO INVEST IN THE NOTES BEFORE READING AND CAREFULLY UNDERSTANDING ALL OF THE INFORMATION CONTAINED IN THE FULL PROSPECTUS.

<b>Issuer</b>	Palladium p.l.c., a public limited company registered in Malta with Company Registration Number C87116
<b>Securities</b>	Equity Warrants
<b>Aggregate Principal Amount of Issue</b>	€150,000,000
<b>Issue Price</b>	€1.00 per Equity Warrant
<b>Minimum Subscription</b>	€20,000
<b>Date of Issue</b>	15 October, 2018
<b>Offer period</b>	25 July, 2018 to 30 September, 2018
<b>Use of Proceeds</b>	<p>50% of the issue proceeds will be used to acquire a controlling interest in a bank and to be invested in the bank’s technology in order to suit the needs of the Palladium Group;</p> <p>35% of the issue proceeds will be used to establish a crypto exchange and build the ‘Palladium Blockchain Clearing and Settlement Platform’; and</p> <p>The remaining 15% of the issue proceeds will be allocated by the Investment Committee of the Company to the acquisition of strategic interests in other financial services companies or ventures involved in distributed ledger technology which are</p>

complimentary to, and enhance the objectives of, the Issuer's business plan.

**Convertibility**

The Equity Warrants are convertible into shares of the Issuer at the option of the holders of the Equity Holders on October 15, 2021. Each Equity Warrant will be convertible into 1 Ordinary Class B share of the Issuer with a nominal value of €0.000038. The Ordinary Class B shares will represent, in aggregate, 15% of the total nominal share capital of the Issuer

**Ordinary B Shares**

When issued upon conversion of the Equity Warrants, the Ordinary B Shares shall (i) entitle holders thereof to the distributable profits of the Company by way of dividend on a pari passu basis with the other shareholders of the Company in accordance with the nominal value of the Ordinary Shares held by each Shareholder; and (ii) not entitle the holders thereof to any voting rights or the right to attend any general meetings of the Issuer.

**Form**

The Equity Warrants will be in registered form and will be encoded and tokenized on a specially developed Ethereum blockchain (the Equity Warrant Blockchain). All the information necessary to identify the holders of Equity Warrants, at the Issue Date, will be recorded on a register of the Equity Warrants which will be maintained by the Issuer and which will provide for the name, surname, nationality, passport number and residential address of the holders of Equity Warrants.

**Placement Agent Fees Payable by Issuer**

Up to 5% of the aggregate subscription amount

**Governing Law & Jurisdiction**

Malta

**Eligibility Criteria**

The Equity Warrants can only be sold or transferred to investors who confirm in writing that (i) they have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of the prospective investment in the Equity Warrants; (ii) an investment in the Equity Warrants meets their investment objectives; and (iii) they are able to bear the investment and financial risks resulting from an investment in the Equity Warrants.

It is a clear preference of the Issuer that applicants are also 'Qualified Investors' (as such term is defined in the Companies Act). Applicants will also be

expected to answer a number of questions in order for the Issuer to determine whether the applicant satisfies the eligibility criteria to its satisfaction. Such a questionnaire would be available on the Online Subscription Portal and will need to be completed to the Issuer's satisfaction prior to the particular applicant being allowed to subscribe to the Equity Warrants