



MALITA

INVESTMENTS

SHAREHOLDERS' CIRCULAR

DATED 14TH NOVEMBER 2023

This circular is being issued by Malita Investments p.l.c. (C 53047) with registered office at Clock Tower, Level 1, Tigne Point, Sliema, Malta (the “**Company**”) and sent to those shareholders appearing on the register of members of the Company as at the close of business on the 14th November 2023, and is intended to provide an explanation on one ordinary resolution and three extraordinary resolutions which are being proposed to shareholders at the Extraordinary General Meeting of the Company scheduled to be held on the 14th December 2023 (the “**Circular**”).

1. IMPORTANT INFORMATION

This Circular, containing information about the four resolutions to be proposed for approval at the forthcoming extraordinary general meeting of the Company scheduled to be held on 14th December 2023 (the “**EGM**”), as approved by the Board of Directors of the Company, is being dispatched to all persons appearing on the Company’s register of members as at close of business on 14th November 2023 (the “**Members**”).

This Circular is being issued in compliance with the Capital Markets Rules issued by the Malta Financial Services Authority, in particular the requirements set out in Capital Markets Rule 6.1.7 for circulars relating to changes to the memorandum and articles of association and Capital Markets Rule 6.2 on the contents of all circulars.

Where any or all of the shares in the Company held by a recipient of this Circular have been sold or transferred by the date of receipt of this document, a copy of this Circular should be passed on to the person through whom the sale or transfer was effected for transmission of the Circular to the purchaser or transferee.

All the Directors of the Company as at the date hereof, namely Miguel Borg, Tania Brown, Victor Carachi, Desiree Cassar, David Mallia, Marlene Mizzi and Robert Suban (together the “**Directors**”) accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything which is likely to affect the import of such information.

This Circular is important and requires your immediate attention as you shall be required to vote at the EGM. If you remain in doubt as to what voting action to take, you are advised to consult an appropriate independent adviser.

2. INTRODUCTION

The Directors have called the EGM for the purpose of placing before the Members four resolutions relating to the special business of the Company. These are:

- i. one ordinary resolution relating to the approval by the Members, for the purposes of Article 3.1.2 of the Company’s Articles of Association, of a proposed rights issue by the Company and issue and allotment of new ordinary shares in the issued share capital of the Company;
- ii. one extraordinary resolution relating to the re-designation of and increase in the Company’s authorised share capital;
- iii. one extraordinary resolution relating to the re-designation of the Company’s issued share capital; and
- iv. one extraordinary resolution relating to proposed changes to the Company’s Memorandum and Articles of Association and the substitution of the Company’s current Memorandum and Articles of Association with that made available to Members at the registered office of the Company and on the Company’s website since the dispatch of the notice convening the EGM.

3. PROPOSED ORDINARY RESOLUTION – SPECIAL BUSINESS

RESOLUTION 1: AUTHORISATION GRANTED TO THE BOARD OF DIRECTORS OF THE COMPANY TO GIVE EFFECT TO A RIGHTS ISSUE AND SUBSEQUENT ISSUANCE AND ALLOTMENT OF NEW ORDINARY SHARES IN THE ISSUED SHARE CAPITAL OF THE COMPANY IN TERMS OF ARTICLE 3.1.2 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

The proposed resolution reads as follows:

“That for the purposes of Article 3.1.2 of the Articles of Association of the Company, the Board of Directors of the Company be authorised and empowered to:

- (i) **as and when deemed appropriate at the sole discretion of the Board of Directors, give effect to a rights issue and subsequent issue and allotment of new ordinary shares in the issued share capital of the Company to be offered on a pre-emptive basis to shareholders in proportion to the shares held in the Company as at the record date (the “Eligible Shareholders”) and subject to such other terms as the Board of Directors may deem fit;**

- (ii) **determine the allocation policy in respect of any new ordinary shares not subscribed for by the Eligible Shareholders;**
- (iii) **carry out all such actions and execute all such documents as may be required in order to give effect to the rights issue and subsequent issue and allotment of new ordinary shares as set out in (i) and (ii) above.**

EXPLANATORY NOTE

The Board of Directors is evaluating the Company's financial position and capital base in light of the Company's current and future projects and endeavours. To this end, the Board of Directors is considering a number of financing options, including a potential rights issue. A rights issue is an offer to existing holders of shares in the Company to subscribe for or purchase further shares in proportion to their holdings made by means of the issue of "nil paid" rights. The full terms and conditions of the rights issue will be set out in a prospectus drawn up in accordance with the EU Prospectus Regulation (Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC).

In order to facilitate the proposed rights issue, the Board of Directors is requesting that the Members authorise and empower the Board of Directors of the Company to, inter alia, take all such measures and actions to give effect to a rights issue and subsequent issue and allotment of new ordinary shares in the issued share capital of the Company, as and when deemed appropriate by the Board of Directors of the Company and upon such terms and conditions as shall be specified in the prospectus to be published in terms of applicable law. The approval of the Members set out in this resolution is being requested, in particular, in light of the fact that any such rights issue and subsequent increase in the issued share capital of the Company would give rise to the dilution in shareholding of any Members who do not accept in full their respective entitlement to subscribe for additional shares in the Company pursuant to the rights issue. While it is envisaged that the new ordinary shares to be issued by the Company pursuant to the proposed rights issue will be offered, in the first instance, to shareholders of the Company on the register of members of the Company as at a record date to be specified on a pre-emptive basis pro rata between them, the Board of Directors shall, subject to the approval of the Members, be determining the allocation policy to be adopted in the event of any new ordinary shares not being subscribed for in the first instance by the Company's shareholders as aforesaid.

It is envisaged that, in the event that the requisite approvals from the Members as set out in this Circular are forthcoming, such issuance, allotment and corresponding conversion of rights into ordinary shares will be effected by the Board of Directors of the Company in terms of the authorisation granted to the Board of Directors as set out in Article 3.2 of the Company's Articles of Association.

In the event of any rights issue being undertaken, the Board of Directors of the Company will be making the relevant publications and announcements as required in terms of applicable law and regulation.

Please see the text of resolutions 2 and 3 below in connection with the proposed re-designation of the Company's authorised and issued share capital into one class of Ordinary shares.

4. PROPOSED EXTRAORDINARY RESOLUTIONS – SPECIAL BUSINESS

RESOLUTION 2: RE-DESIGNATION AND INCREASE OF THE COMPANY'S AUTHORISED SHARE CAPITAL

The proposed resolution reads as follows:

"That the Company's authorised share capital be re-designated from one hundred million Euro (€100,000,000) divided into one hundred and fifty million (150,000,000) Ordinary 'A' shares of a nominal value of fifty Euro cents (€0.50) each and fifty million (50,000,000) Ordinary 'B' shares of a nominal value of fifty Euro cents (€0.50) each, to two hundred million (200,000,000) Ordinary shares of a nominal value of fifty Euro cents (€0.50) each, and immediately following such re-designation, the Company's authorised share capital be increased to one

hundred and twenty-five million Euro (€125,000,000) divided into two hundred and fifty million (250,000,000) Ordinary shares of a nominal value of fifty Euro cents (€0.50) each.”

RESOLUTION 3: RE-DESIGNATION OF THE COMPANY'S ISSUED SHARE CAPITAL

The proposed resolution reads as follows:

“That the Company’s issued share capital be re-designated from seventy-four million fifty-four thousand and thirty-two Euro (€74,054,032) divided into one hundred and eighteen million one hundred and eight thousand and sixty-four (118,108,064) Ordinary ‘A’ shares of a nominal value of fifty Euro cents (€0.50) each and thirty million (30,000,000) Ordinary ‘B’ shares of a nominal value of fifty Euro cents (€0.50) each, to one hundred and forty-eight million one hundred and eight thousand and sixty-four (148,108,064) Ordinary shares of a nominal value of fifty Euro cents (€0.50) each.”

EXPLANATORY NOTE

The Board of Directors is proposing to re-designate the Company’s authorised and issued share capital, which currently consists of two classes of Ordinary shares (Ordinary ‘A’ shares and Ordinary ‘B’ shares), into one class of Ordinary shares having equal voting and economic rights. In addition, the proposal by the Board of Directors to increase the Company’s authorised share capital immediately following its re-designation is intended to provide sufficient headroom insofar as the Company’s authorised share capital is concerned to allow for the issuance of new shares pursuant to the Company’s proposed rights issue.

In terms of the Articles of Association of the Company, the holders of Ordinary A shares and the holders of Ordinary B shares are described as having the same rights attached to their shares except that, until the 31 December 2014, the holders of the Ordinary A shares were not entitled to receive a dividend or other distribution declared by the directors of the Company. In view of the passage of time, no distinction between the rights attaching to the Ordinary A shares and the rights attaching to the Ordinary B shares subsists, and accordingly it is considered appropriate for the Company to amend its Articles of Association so that the issued share capital shall consist of one single class of Ordinary shares.

In light of the requirements set out in the Capital Markets Rules that all the shares of a particular class are to be listed, it is the Company’s intention that, should the authorised and issued share capital of the Company be re-designated (and, in the case of the authorised share capital, increased) as is being proposed in this Circular, an application will be made for the Ordinary shares held by the Government of Malta to be admitted to listing and trading on the Official List of the Malta Stock Exchange. Upon the admission to listing and trading of the Ordinary shares held by the Government of Malta to the Official List of the Malta Stock Exchange, the entire issued share capital of the Company, consisting of one class of Ordinary shares, would be admitted to listing and trading on the Official List of the Malta Stock Exchange.

The admission to listing and trading of the Ordinary shares held by the Government of Malta to the Official List of the Malta Stock Exchange will immediately result in less than 25% of the Company’s issued share capital being held in “public hands”, within the meaning of Capital Markets Rule 3.26. In anticipation of the proposed conversion of the Company’s share capital into one class of shares and the admission to listing and trading thereof on the Official List of the Malta Stock Exchange, the Company applied to the Malta Financial Services Authority (“MFSA”) for a derogation from the application of Capital Markets Rule 3.26 relating to the minimum percentage holding of shares which must remain in public hands. Such request for derogation was duly approved by the MFSA on 21st August 2023.

The Board of Directors is of the view that the conversion of the Company’s two classes of shares into one class of shares will simplify the Company’s capital structure and enhance prospects for increased liquidity going forward.

RESOLUTION 4: AMENDMENTS TO THE COMPANY'S MEMORANDUM AND ARTICLES OF ASSOCIATION

The proposed resolution reads as follows:

“That the current Memorandum and Articles of Association of the Company be replaced in their entirety by the new Memorandum and Articles of Association (a copy of which was made available to shareholders at the registered office of the Company and on the Company’s website since the dispatch of the notice convening this meeting), amended as explained in the Shareholders’ Circular dated 14th November 2023 and circulated together with the notice convening this meeting.”

- A. It is being proposed that the current clause 4 (Capital) of the Memorandum of Association be re-titled as ‘Share Capital’ and amended to read as follows:

4. SHARE CAPITAL

- 4.1 The authorised share capital of the Company is one hundred and twenty-five million Euro (€125,000,000) divided into two hundred and fifty million (250,000,000) Ordinary shares having a nominal value of fifty Euro cents (€0.50) each.
- 4.2 The issued share capital of the Company is seventy-four million, fifty-four thousand and thirty-two Euro (€74,054,032) divided into one hundred and forty-eight million one hundred and eight thousand and sixty-four (148,108,064) Ordinary shares having a nominal value of fifty Euro cents (€0.50) each which have been fully paid up and all of which are subscribed as follows:-

Name & ID/Corporate Details	Address	Number of Shares
Government of Malta	Ministry Of Finance, The Economy And Investment, Maison Demandols, South Street, Valletta, Malta	118,108,064 Ordinary shares of fifty Euro cents (€0.50) each, fully paid up
Shares held by the public listed on the Malta Stock Exchange	Malta Stock Exchange, Valletta, Malta	30,000,000 Ordinary shares of fifty Euro cents (€0.50) each, fully paid up

- 4.3 The Ordinary shares shall rank pari passu for all intents and purposes of law.
- B. It is being proposed that the current clause 5 (Rights Attached to Ordinary A and Ordinary B shares) of the Memorandum of Association be deleted in its entirety in light of the proposed re-designation of the Company’s authorised and issued share capital to one class of Ordinary shares, rendering this clause 5 redundant.
- C. It is being proposed that the current clause 6 (Prescribed Ceiling) of the Memorandum of Association be re-numbered to read as ‘clause 5’ in light of the proposed deletion put forward in (B) above. It is also proposed that this clause be amended to remove previous distinctions to the Company’s Ordinary A shares and Ordinary B shares and to, instead, refer to a prescribed ceiling which applies to the Company’s sole class of Ordinary shares.
- D. In addition, the current clause 2 (Registered Office) of the Memorandum of Association is being re-titled to read ‘Registered Office and Email Address’ and is being updated to reflect the electronic mail address of the Company as required in terms of article 69(d) of the Companies Act (Chapter 386 of the laws of Malta) and clause 8 (Directors) of the Memorandum of Association is being re-numbered to read ‘clause 7’ and is being updated to reflect the current composition of the Board of Directors of the Company as shown on the public records of the Malta Business Registry. The remaining clauses 9 and 10 of the Memorandum of Association are also being re-numbered as a result of the above.

- E. It is being proposed that article 55.1(iv) of the Articles of Association relating to the term of office for the appointment of directors of the Company be deleted in its entirety and replaced with the following:

“Unless they resign or are removed, each Director shall hold office up until the conclusion of the next annual general meeting following their appointment. Each Director shall retire from office at each annual general meeting of the Company but shall be eligible for re-appointment or re-election. Directors who resign or are removed shall also be eligible for re-appointment or re-election.”

It is also being proposed that article 55.1(v) of the Articles of Association be amended to read as follows:

“Subject to the provisions of articles 55.1(ii) and 55.3, an appointment of Directors shall take place every year at a general meeting of the Company.”

These changes are being proposed in order to clarify that directors of the Company shall hold office for a one-year term and while they shall retire from office at each annual general meeting of the Company, they may be re-appointed.

- F. Lastly, the Articles of Association are being amended in order to update references to the Malta Financial Services Authority (previously, Listing Authority) and Capital Markets Rules (previously, Listing Rules).

In addition to the above, other minor and cosmetic changes are being proposed to the Memorandum and Articles of Association, which changes do not impact the interpretation of the relevant clauses and articles.

EXPLANATORY NOTE

A. Amendments to clause 4 of the Memorandum of Association:

This amendment is being proposed in order to (i) give effect to the re-designation of the Company's authorised and issued share capital into one class of Ordinary shares, (ii) give effect to the increase in the Company's authorised share capital and (iii) to reflect the fact that all Ordinary shares in the issued share capital of the Company have equal economic and voting rights attached to them. In addition, this clause is also being updated to reflect the latest shareholding in the Company.

B. Deletion of clause 5 of the Memorandum of Association:

This deletion is being proposed so as to reflect the fact that all Ordinary shares in the issued share capital of the Company have equal economic and voting rights attached to them.

C. Amendments to clause 6 of the Memorandum of Association

The updates to clause 6 of the Memorandum of Association (to be re-numbered to 'clause 5') are required by way of follow-on action as a result of the re-designation of the Company's authorised and issued share capital and the resultant deletion of clause 5 of the Memorandum of Association.

D. Updates to articles 55.1(iv) and 55.1(v) of the Articles of Association

With the aim of maintaining a high standard of corporate governance, it has been the Company's practice to hold an appointment (together with an election, if relevant and necessary) of directors at each annual general meeting of the Company. On this basis, it is being proposed to update the provisions of articles 55.1(iv) and 55.1(v) of the Articles of Association to clarify that directors of the Company shall hold office for a one-year term and that, while they are required to retire from office at each annual general meeting of the Company, they may be re-appointed.

E. Updates to other clauses in the Memorandum of Association

The update proposed to clause 2 of the Memorandum of Association is being made in order to address the requirement set out in article 69(d) of the Companies Act (Chapter 386 of the laws of Malta) which requires the memorandum of association of every company to state, amongst others, the electronic mail address of the company in question. While the electronic mail address of the Company has already been provided to the Malta Business Registry as required in terms of applicable regulation, this is now being inserted into the Company's constitutive document.

In addition, the update being proposed to clause 8 of the Memorandum of Association (to be re-numbered to 'clause 7') is required in order for the details found in the Memorandum of Association in relation to the Directors of the Company to be up to date and reflective of the most recent information available at the Malta Business Registry, further to the relevant statutory notifications made to the Malta Business Registry from time to time.

The remaining clauses 9 and 10 of the Memorandum of Association are also being re-numbered as a result of the above.

F. Other minor and cosmetic changes to the Memorandum and Articles of Association

The Articles of Association are being amended in order to update references to the Malta Financial Services Authority (previously, Listing Authority) and Capital Markets Rules (previously, Listing Rules). Furthermore, other minor and cosmetic changes are also being proposed by way of general update to the document.

By way of concluding remark, it is to be noted that, for all intents and purposes and in terms of the provisions of articles 3.2 and 3.3 of the Articles of Association, the 'prescribed period' during which the Board of Directors has the authority to issue and allot shares up to the prescribed amount is being renewed for a further five year period with effect from the date of the EGM, this being the date of adoption of the Memorandum and Articles of Association of the Company.

5. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be available for inspection at the Company's registered office situated at Clock Tower, Level 1, Tighe Point, Sliema, Malta, for at least fourteen (14) days from the date of publication of this Circular:

- a) the Company's existing Memorandum and Articles of Association;
- b) the Company's draft Memorandum and Articles of Association, as amended should the resolution set out above be passed;
- c) the Company's last Annual Financial Report for the year ended 31 December 2022; and
- d) the Company's Interim Report for the period 1 January 2023 to 30 June 2023.

6. DIRECTORS' RECOMMENDATION

The Directors, having made the necessary considerations, are of the view that the proposed resolutions are in the best interests of the Company and its shareholders as a whole. The Directors therefore recommend that the shareholders vote in favour of the said resolutions at the forthcoming EGM.

Date: 14th November 2023

Approved and issued by Malita Investments p.l.c., with registered office situated at Clock Tower, Level 1, Tighe Point, Sliema, Malta



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