



MerkantiHolding
p.l.c.

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Aragon House Business Centre
Dragonara Road
St. Julians, STJ 3140
Malta

COMPANY ANNOUNCEMENT

Reference: (03/2024)

This is a company announcement issued by Merkanti Holding p.l.c. (C 70823) (the “**Company**”) pursuant to the Capital Markets Rules of the Malta Financial Services Authority.

Merkanti Proposes Amendment to Existing Bonds

The Company today announced that it intends to propose to holders (the “**Bondholders**”) of its existing secured bonds due 2026 (ISIN: MT0002291202) (the “**Bonds**”) certain amendments to the terms and conditions of the Bonds designed to, among other things, extend Bondholders’ ability to participate in the Company, while at the same time maintaining the Company’s balance sheet diversification through a fiscally responsible transaction (the “**Proposed Amendments**”).

Highlights

- Bondholders are to be offered the opportunity to continue to participate in the Company at an interest rate reflecting the current rate climate.
- The Proposed Amendments are intended to retain the Company’s balance sheet diversification with balanced long-term debt, without incurring the significant cost and time requirements of a new issuance (related in particular to the re-registration of the German mortgages securing the Bonds).
- The interest rate for the Bonds will increase to 5.7% and the maturity will be extended by seven years to 2033.
- All Bondholders will receive an additional bonus payment of 0.8% of the nominal (face) value of the Bonds held by them if the Proposed Amendments are approved and concluded.
- The Proposed Amendments will not impact existing Bond security or collateral arrangements.

The Proposed Amendments

The Bonds were issued pursuant to a Prospectus dated 18 July 2019 and the aggregate outstanding principal amount of the Bonds is €25,000,000.

Pursuant to the Proposed Amendments, among other things: (i) the interest rate of the Bonds will be increased from 4.00% to 5.70%, to reflect the current interest rate environment; and (ii) the maturity of the Bonds will be extended by seven years to 2033. The Proposed Amendments will have no impact on the security package underlying the Bonds, including existing pledges and German law mortgages, with the Bonds to remain fully secured throughout the proposed extended term of the Bonds.

Further information regarding the Proposed Amendments is set forth in a presentation which shall be made available in the coming days at <https://merkantiholding.com/Investor%20Relations/#companyannouncements>.



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Bonus Payment

If the Proposed Amendments are approved, each Bondholder will receive a bonus payment equivalent to 0.8% of the nominal (face) value of the Bonds held by such Bondholder. This bonus payment will be made to Bondholders holding Bonds as at a record date that will be determined and announced by the Company in due course. The bonus payment is currently expected to be paid on 12 August 2024 together with accrued interest due for the immediately preceding interest period.

Bondholders' Meeting

The Company intends to call a meeting of Bondholders (the “**Bondholders' Meeting**”) in or about July 2024 to, among other things, consider and approve the Proposed Amendments.

Those Bondholders who do not wish to retain their Bonds under the amended terms and conditions will have the ability to sell their bonds on the market at any time prior to or after the Bondholders' Meeting. Alternatively, any Bondholders who vote against the Proposed Amendments at the Bondholders' Meeting will, should the Proposed Amendments be approved, also be given the opportunity to sell their Bonds to the Company prior to the Proposed Amendments taking effect (and before the relevant record date for the Bonus Payment) at a price which is yet to be determined.

Additional important information regarding the Proposed Amendments, including the above rights, and the Bondholders' Meeting will be set forth in a notice and agenda for the Bondholder's Meeting (the “**Notice**”), which will be published and sent to Bondholders by the Company in due course. The Company expects to discuss the Proposed Amendments, including the presentation referred to above, with certain institutional Bondholders prior to delivering the Notice to Bondholders.

For the purposes of article 2(1)(b)(i) of Commission Implementing Regulation (EU) 2016/1055, the Company hereby announces that this company announcement includes ‘inside information’ in terms of Regulation (EU) 596/2014 (the Market Abuse Regulation).

By order of the Board.

Name: Dr. Matthew Bianchi
For and on behalf of
Ganado Services Limited
Company Secretary
17 May 2024