



MALITA INVESTMENTS PLC 2024 RIGHTS ISSUE FACT SHEET

KEY DETAILS

Issuer:	Malita Investments plc	Listing:	Official List, Malta Stock Exchange
Amount of Ordinary Shares in Issue:	148,108,064	Rights Issue Ratio:	4 new ordinary shares for every 9 ordinary shares
Share Price*:	€0.50	Market Capitalisation:	€74.1 million
Amount of New Ordinary Shares being Issued:	Up to 65,825,806	Offer Price for New Ordinary Shares:	€0.50
Rights Issue Offer Period Including Excess Shares:	28 February 2024 to 15 March 2024	Placement Date:	13 March 2024
Rights Issue Minimum Subscription:	1 share	Excess Shares Minimum Subscription:	1,000 shares and in multiples of 100 shares thereafter
Net Proceeds (if fully subscribed):	€32.5 million	Expected Listing Date:	1 April 2024

¹ Market data are based on share price as at close of trading on 16 February 2024, the cut-off date for eligible shareholders.

ABOUT MALITA INVESTMENTS PLC

Malita Investments plc ('Malita' or 'the Company') was set up in June 2011 by the Government of Malta as an investment holding company with the mandate to acquire, develop, and manage immovable property. Malita's majority shareholder is the Government of Malta with an equity stake of 79.7%. In anticipation of the proposed Rights Issue, the Government of Malta provided an irrevocable undertaking to subscribe to its Proportionate Entitlement in full. However, the Government will be renouncing a portion of its proportionate entitlement to be made available to other investors, provided that the Government of Malta will retain at least 70% of the issued share capital of the company following the rights issue. The Company had total assets of €284.7 million and shareholders' funds of €154.1 million as at 30 June 2023. The Company's activities can be classified in three distinct categories as follows:

- **Ownership of the Malta International Airport and Valletta Cruise Port sites**

The Company acquired the *directum dominium* of Malta International Airport and Valletta Cruise Port sites in June 2012. The airport operator (Malta International Airport plc) holds the site under title of temporary emphyteusis expiring in July 2067. The annual ground rent payable by MIA currently stands at €1.32 million, and revisable upwards every five years by 15%. The Valletta Cruise Port operator (Valletta Cruise Port plc) holds the site under title of temporary emphyteusis expiring in November 2066. The annual temporary ground rent payable by VCP to Malita amounts to around €0.8 million and includes an upward adjustment for inflation. The deed also has a variable component based on the revenue generated at the VCP site.

- **Lease of the land of the Parliament Building and the Open-Air Theatre**

Malita holds a temporary emphyteusis of the land of the Parliament Building and the Open-Air Theatre expiring in 2077. The current ground-rent payable to the Government of Malta is of around €0.12 million and is subject to revisions in accordance with the terms of the emphyteutical grant. Meanwhile, the annual rent payable by the Government of Malta to Malita amounts to around €6.79 million, payable on a semi-annual basis and revisable upwards every three years by the rate of inflation as determined by the Retail Price Index.

- **The Affordable Housing Project**

Malita acquired 15 sites (previously 16) under title of temporary emphyteusis expiring in December 2053 (previously 2045). The ownership of the land, together with any improvements constructed thereon, will revert to the Housing Authority upon the expiration of the temporary emphyteusis. The ground rent payable by Malita to the Housing Authority currently stands at around €0.15 million and is revisable upwards every three years by 5%.

The Affordable Housing Project comprises 752 residential apartments, 698 car spaces and lock-up garages and 4 small commercial outlets. These are spread across 15 sites of which 7 are completed and another 8 are expected to be completed between 2024 and 2026. Upon completion of the construction of the sites, Malita rents the residential units to individuals who qualify for affordable housing and who are in possession of the relevant certificate from the Housing



Authority. The tenants are required to pay rent directly to Malita at a subsidised rate. The subsidised amount is paid by the Housing Authority directly to Malita. Malita also leases garages forming part of the developed Affordable Housing Property Sites. The garage rent is payable yearly in advance and is subject to an increase of 3% every three years. No part of the rent payable by lessees of the garages is subsidised by the Government of Malta.

Due to variations made to the original plans of the Luqa Site to accommodate the construction of additional residential units and car spaces, the full completion of the Affordable Housing Project has been delayed. Additionally, due to increased costs, the total capital expenditure required to complete the Affordable Housing Project has increased by circa €63 million. This amount is expected to be financed through a combination of new credit facilities currently being negotiated and the proceeds of the Rights Issue.

USE OF PROCEEDS

The net proceeds from the Rights Issue, estimated at €32.5 million, are principally earmarked to part-finance the required capital expenditure for the ongoing Affordable Housing Project.

DIVIDEND POLICY

In the Rights Issue Prospectus dated 14 February 2024, the Board of Directors stated an objective of recommending a gross dividend of 7% on the rights issue price (gross dividend per share of €0.035), subject to company requirements and any required approvals. The tax treatment on the dividend may vary from time to time resulting in different amounts of net dividend per share as follows:

Classification	Tax Rate	Net Dividend Per Share	Net Dividend Yield on Rights Issue Price
Standard Corporate Tax	35%	€0.02275	4.55%
Withholding Tax	15%	€0.02975	5.95%

ALLOCATION POLICY

Malita will allocate the new ordinary shares according to the following policy:

1. An amount of up to 65,825,806 new ordinary shares will be first offered to all shareholders in proportion of their rights, including any assigned entitlements.
2. An amount of up to 20,846,827 excess shares will be allocated to institutional investors pursuant to Placement Agreements.
3. Any additional excess shares will be offered to: (i) Existing Shareholders who have accepted their Proportionate Entitlement in full and applied for Excess Shares during the Offer Period; and (ii) Applicants applying for Excess Shares through Authorised Financial Intermediaries during the Offer Period, in proportions at its discretion.

ASSIGNED ENTITLEMENT

The rights of eligible shareholders may be transferred through an Assigned Entitlement by completing the appropriate section of the Form of Acceptance, Authority and Election 'B' – Split/Assign. Eligible shareholders should note that any financial consideration received for the transfer of rights may not be sufficient to compensate for the dilution from an ownership perspective. The dilution effect from an ownership perspective in case of no participation and assuming that the rights issue is fully subscribed is of 30.8%.

APPLICATION PROCEDURE

Eligible shareholders wishing to take up all the entitlement, with an option to apply for excess shares, are kindly asked to complete the **Form of Acceptance, Authority and Election 'A'** provided by Malita Investments plc.

Eligible shareholders wishing to take up part of the entitlement, including the option to assign or lapse the remaining rights are kindly asked to complete the **Form of Acceptance, Authority and Election 'B'** provided by Malita Investments plc.

Prospective investors who are not Malita Investments shareholders and wish to apply for excess shares are kindly asked to complete our 'Application Form' which must be for a minimum of 1,000 shares (€500) and in multiples of 100 shares (€50) thereafter.

All applications must be returned to us by Friday 15 March 2024 at 12:00 hours together with a duly completed and signed 'Assessment & Confirmation Form'. All application forms must be accompanied by the appropriate payment, either by cheque in EUR payable to 'Rizzo, Farrugia & Co (Stockbrokers) Ltd – Clients' a/c' or credited into either one of our EUR denominated Clients' Accounts as detailed below:

	HSBC Bank Malta plc	Bank of Valletta plc
EUR A/C No	006 050041 004	400 135 62906
IBAN	MT46 MMEB 4406 0000 0000 0605 0041 004	MT18 VALL 2201 3000 0000 400 135 62906
SWIFT CODE	MMEB MTMT	VALL MTMT



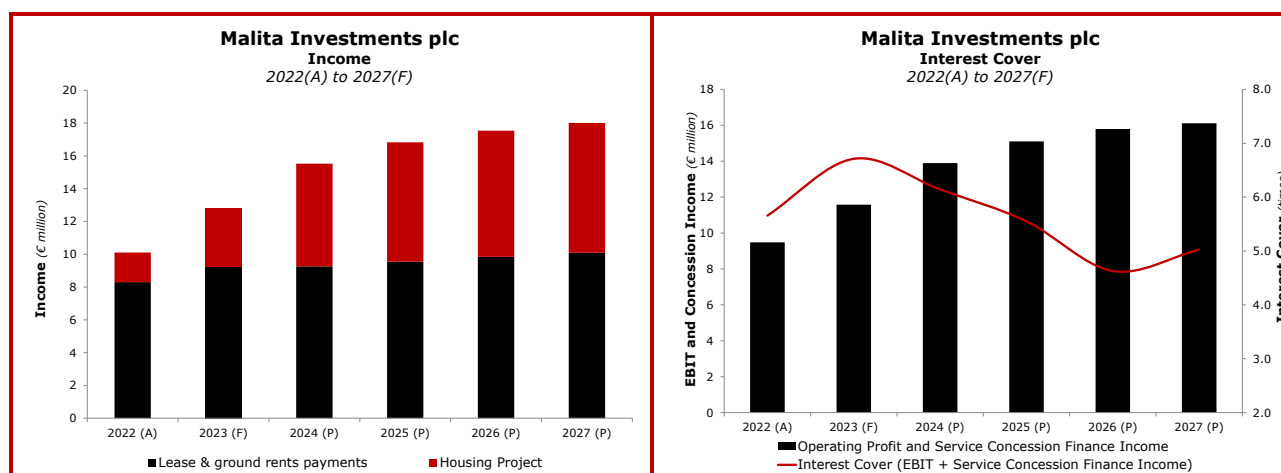
RISK FACTORS

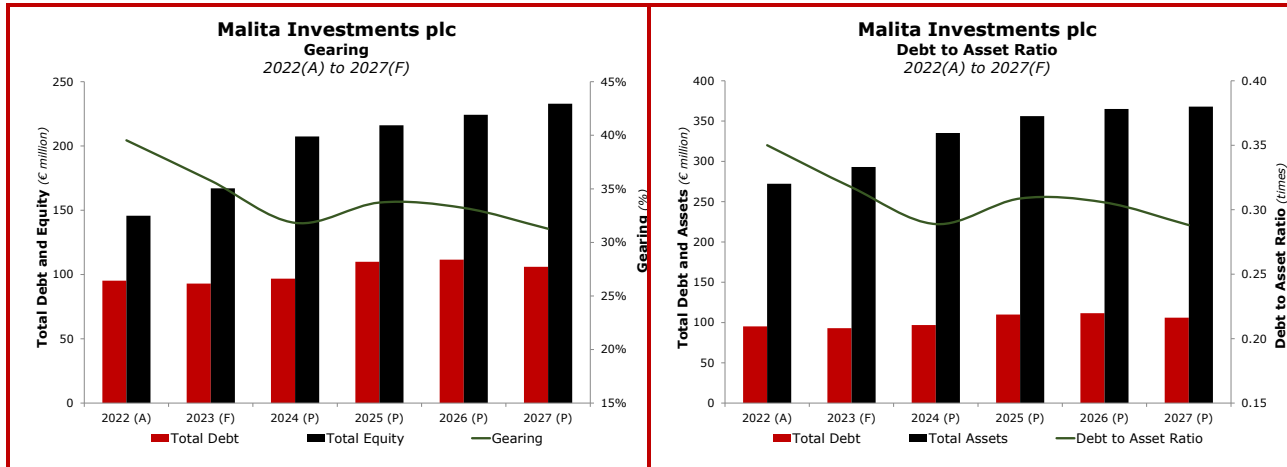
The value of investments may increase as well as decrease and past performance is not an indication of future performance. Malita Investments plc is subject to a number of risks pertaining to the nature of its businesses. Prospective investors are urged to read the risk factors found in the rights issue Prospectus dated 14 February 2024, copies of which are available by email upon request or from our website at <https://rizzofarrugia.com/malta-market-news/2024/mlt2403/>.

KEY FINANCIAL HIGHLIGHTS AND METRICS

Financial year ending 31 December	2022 Actual	2023 Estimate	2024 Projection	2025 Projection	2026 Projection	2027 Projection
Lease and Ground Rents [€000]	8,300	9,211	9,262	9,550	9,847	10,092
Net Revenue from Housing Project [€000]	514	533	1,449	973	776	870
Revenue [€000]	8,814	9,744	10,711	10,523	10,623	10,962
EBIT [€000]	8,191	8,541	9,079	8,792	8,878	9,062
Fair Value Changes in Property Valuation [€000]	2,852	18,111	3,946	4,097	3,901	4,055
Finance Income from Housing Project [€000]	1,292	3,037	4,815	6,308	6,914	7,046
Finance Income from Bank Interest	0	94	59	60	57	49
Finance Costs [€000]	(1,676)	(1,725)	(2,262)	(2,720)	(3,412)	(3,205)
Profit before Tax [€000]	10,659	28,058	15,637	16,537	16,338	17,007
Net Profit [€000]	8,777	24,662	13,017	13,691	13,301	13,676
Net Cash from Operating Activities [€000]	4,257	8,457	5,442	5,331	5,478	5,339
Net Cash (used in)/from Investing Activities [€000]	8,631	(11,850)	(33,966)	(10,671)	606	7,732
Net Cash (used in)/from Financing Activities [€000]	10,774	(9,233)	28,581	5,123	(6,759)	(13,444)
Investment Property [€000]	202,996	221,109	225,055	229,151	233,052	237,108
Contract Asset [€000]	49,514	66,322	104,850	121,813	127,500	126,713
Cash & Cash Equivalents [€000]	17,364	4,737	4,794	4,577	3,902	3,529
Total Assets [€000]	272,230	292,989	335,247	356,092	365,007	367,905
Total Liabilities [€000]	126,489	125,948	127,793	140,017	140,701	134,989
Total Equity [€000]	145,741	167,041	207,454	216,075	224,306	232,916
Total Debt [€000]	95,284	93,007	96,838	109,927	111,572	105,986
Net Debt [€000]	77,920	88,270	92,044	105,350	107,670	102,457
Return on Assets [%] (Net Profit / Average Assets)	3.40	8.73	4.14	3.96	3.69	3.73
Return on Equity [%] (Net Profit / Average Equity)	6.13	15.8	6.95	6.47	6.04	5.98
Net Debt-to-Equity [times] (Net Debt / Equity)	0.53	0.53	0.44	0.49	0.48	0.44
Net Debt-to-Invested Capital [times] (Net Debt / [Net Debt + Equity])	0.35	0.35	0.31	0.33	0.32	0.31
Gearing Ratio [%] (Total Debt / [Total Debt + Equity])	39.5	35.8	31.8	33.7	33.2	31.3
Debt-to-Asset Ratio [times] (Total Debt / Total Assets)	0.35	0.32	0.29	0.31	0.31	0.29
Leverage Ratio [times] (Total Assets / Total Equity)	1.87	1.75	1.62	1.65	1.63	1.58

Data source: Malita Investments plc Rights Issue Prospectus dated 14 February 2024





Disclaimer

This document was prepared by Jonathan Falzon, Research Analyst at Rizzo, Farrugia & Co (Stockbrokers) Ltd ("Rizzo Farrugia") and reviewed by Edward Rizzo, Director, at Rizzo Farrugia which is a member of the Malta Stock Exchange and licensed to conduct Investment Services business by the Malta Financial Services Authority.

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