

22 July 2022

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by Izola Bank p.l.c. (“the Bank”) pursuant to the Capital Markets Rules.

Issue of up to €14,000,000 Izola Bank p.l.c. 5% Unsecured Subordinated Bonds 2027-2032

Quote

Izola Bank p.l.c. (the “**Issuer**”) hereby announces that it has received regulatory approval for the issue of up to €14,000,000 5% unsecured subordinated bonds 2027-2032, having a nominal value of €100 per bond and issued at par (the “**New Bonds**”).

The New Bonds shall be made available for subscription as follows:

- a) an amount of up to €8,000,000 in nominal value of New Bonds shall be made available for subscription by holders of the €12,000,000 4.50% Izola Bank p.l.c. Unsecured Bonds 2025 (ISIN MT0000531211) (the “**Exchangeable Bonds**”) as at 15 July 2022 (the “**Cut-Off Date**”) up to the extent of their holdings of Exchangeable Bonds as at the Cut-Off Date and subject to a minimum subscription of €10,000 in New Bonds. Such persons are to settle all or part of the amount due on the New Bonds applied for by the transfer to the Issuer of all Exchangeable Bonds held by them as at the Cut-Off Date (the “**Exchangeable Bond Transfer**”). The exchange of Exchangeable Bonds for New Bonds shall be at a premium of 2.50% on the nominal value of Exchangeable Bonds being surrendered. Any holders of Exchangeable Bonds whose holding in Exchangeable Bonds as at the Cut-Off Date is less than €10,000 are to settle the difference by means of a cash top-up; and
- b) an amount of up to €6,000,000 in nominal value of New Bonds shall be made available for subscription by Authorised Financial Intermediaries, for their own account or for the account of underlying customers, applying for New Bonds through an Intermediaries’ Offer.

In the event that less than €8,000,000 in nominal value of Bonds are subscribed for by Existing Bondholders by way of Exchangeable Bond Transfer in terms of paragraph (a) above, the balance shall be allocated to: (i) Existing Bondholders in respect of any excess applied for; and (ii) Authorised Financial Intermediaries subscribing for New Bonds through an Intermediaries’ Offer. In the event that not all of the Bonds made available through the Intermediaries’ Offer referred to in paragraph (b) above are subscribed for, the amount

allocated to Existing Bondholders in terms of paragraph (a) above shall be increased accordingly.

Application forms shall be mailed to holders of Exchangeable Bonds on 27 July 2022. The offer period for holders of Exchangeable Bonds and for Authorised Financial Intermediaries shall commence on 1 August 2022 and lapse on 7 September 2022, but may close earlier in the event of over-subscription.

Full details of the New Bonds are included in the Prospectus dated 22 July 2022 which will be available on the Issuer's website - <https://www.izolabank.com/mt-en/> - from 26 July 2022. Copies of the Prospectus may be obtained from Authorised Financial Intermediaries listed in Annex II of the Securities Note forming part of the Prospectus as from 1 August 2022.

Unquote



Calvin Bartolo
Company Secretary