



COMPANY ANNOUNCEMENT

Melite Finance plc

Approval of audited financial statements

Date of Announcement	30 April 2024
Reference	50/2024
In terms of Chapter 5 of the Capital Markets Rules	

QUOTE

Approval of audited financial statements

During a meeting of the Board of Directors of Melite Finance p.l.c. (the “**Company**”) held today 30 April, 2024, the Board of Directors of the Company approved the audited consolidated financial statements of the Company for the financial year ended 31 December, 2023 (the “**Financial Statements**”). The Financial Statements are available for viewing on the Company’s website at <http://meliteproperties.com/melite-finance/financial-information/>. Attached to this Company Announcement is a Directors’ Declaration on ESEF Annual Financial Reports.

Disclosure required in terms of Capital Markets Rule 5.16.24

For the purposes of Capital Markets Rule 5.16.24, the Board of Directors notes that the results in the Annual Financial Report and Audited Financial Statements for the financial year ended 31 December 2023 differed by more than ten percent (10%) from the previously published forecast financial information included in the bondholders' circular published by the Company on 18 October, 2021 (the “**Forecast Financial Information**”).

In particular, the overall negative variance is attributable to the following factors:

- i. the erosion of the rental margin generated by Melite Properties S.r.l as a result of Italian ISTAT increases on the rental payments due by Melite Properties S.r.l. to its landlords, which ISTAT increases were not always aligned with the corresponding ISTAT increases on Melite Properties S.r.l.’s rental income from its own tenants during the financial year ended 31st December 2023. Melite Properties S.r.l was contractually bound to gradual yearly increases in the rental income generated from its principal tenant who leased out 10 of Melite Properties S.r.l.’s 18 stores, which yearly increases were lower than the ISTAT increases.



- Compensatory ISTAT increases from Melite Properties S.r.l.'s principal tenant were expected to commence as from 1st January 2024, however this did not take place following the termination of the aforementioned tenant's leases by Melite Properties S.r.l as set out in the company announcement dated 15th March 2024 (MTE 46/2024); and
- ii. operating expenses at both the level of the Company as well as Melite Properties S.r.l. were significantly higher than previously contemplated, primarily due to higher professional fees and the unprecedented inflationary pressures on costs in general.

Specifically insofar as cash position is concerned, the Melite Finance Group is in a more favourable position than that included in the Forecast Financial Information. The Board of Directors notes however that this is largely due to the fact that the Forecast Financial Information did not take into consideration the undertakings to provide financial support and contributions which were given in favour of the Company shortly after publication of the Forecast Financial Information, as had been announced on the 11th November, 2021 (MTE 31/2021).

UNQUOTE

By order of the Board of Directors of Melite Finance plc.

Malcolm Falzon
Company Secretary

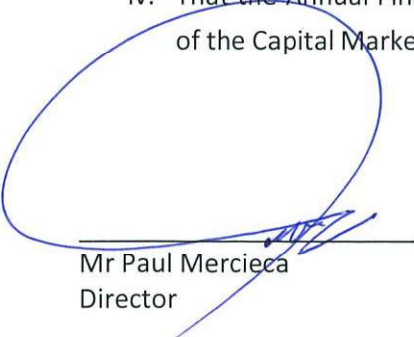


MELITE

**DIRECTORS' DECLARATION
ON ESEF ANNUAL FINANCIAL REPORTS**

We, Mr Paul Mercieca and Dr Stanley Portelli, in our capacity as Directors of Melite Finance p.l.c. (C 88405) hereby certify:

- i. That the Annual Financial Report for the year ended 31 December 2023 has been approved by the Board of Directors of the Company and is hereby being made available to the public.
- ii. That the Annual Financial Report has been prepared in terms of the applicable rules and regulations, including the Commission Delegated Regulation on the European Single Electronic Format ("ESEF")¹ and the Capital Markets Rules².
- iii. That the Audit Report on the ESEF Annual Financial Report is an exact copy of the original signed by the auditor and that no alterations have been made to the audited elements of the Annual Financial Report including the annual financial statements.
- iv. That the Annual Financial Report shall serve as the official document for the purposes of the Capital Markets Rules and the Companies Act (Chapter 386 of the Laws of Malta).



Mr Paul Mercieca
Director



Dr Stanley Portelli
Director

¹ Commission Delegated Regulation 2019/815 on the European Single Electronic Format, as may be further amended from time to time.

² Capital Markets Rules as issued by the Malta Financial Services Authority (MFSA).