



COMPANY ANNOUNCEMENT

Melite Finance plc

Update to the market

Date of Announcement	14 June 2024
Reference	51/2024
In terms of Chapter 5 of the Capital Markets Rules	

QUOTE

Update on Melite Properties Srl operations

The Board of Directors of Melite Finance plc (the “**Company**”) makes reference to the Company’s announcement of the 15th March 2024 (co ann 46/2024), in terms of which it was announced that, amongst other things, the management team of Melite Properties Srl, the Company’s wholly-owned Italian subsidiary, is actively seeking to find alternative tenants for the stores previously leased to Giadea Srl. As set out in the aforementioned announcement, Melite Properties Srl had terminated the lease agreements previously in effect with Giadea Srl in relation to 10 out of the 18 stores in various locations in northern Italy which Melite Properties Srl holds title to (the “**Stores**”).

Giadea Srl was placed in judicial liquidation with effect from 14th March 2024. On the 7th May 2024, a settlement agreement was entered into between Melite Properties Srl, Giadea Srl and Accessorize Brands Ltd and certain of its related companies (“**ABL**”) pursuant to which ABL agreed to take over the leases to the majority of the stores previously leased by Melite Properties Srl to Giadea Srl (the “**Selected Stores**”).

Pursuant to the abovementioned settlement agreement, the parties agreed, amongst other things and subject to the satisfaction of certain conditions, to the purchase by ABL of the stock previously held by Giadea Srl at the Selected Stores, the orderly vacation of the Stores previously leased to and abusively retained by Giadea Srl, and the return of the Stores to Melite Properties Srl, thus enabling the Selected Stores to be sub-let to ABL or a related company thereto.

Furthermore, and by way of further update to the ongoing developments in Italy, the Board of Directors of the Company also announces that on the 27th May 2024, Melite Properties Srl entered into seven lease contracts (*contratti d'affitto di ramo d'azienda*) with Adena Stores Italy Srl, an Italian company controlled by ABL. With effect from 13th May 2024, Adena Stores Italy Srl took over, by way of sub-lease, the leaseholds to seven of the Selected Stores.



In connection with the leaseholds to two of the Selected Stores located in train stations in Northern Italy (Milano Garibaldi and Padova Stazione), in light of the fact that the consent of the relevant landlord to such sub-leases was not forthcoming, Melite Properties Srl has entered into a termination agreement with the relevant landlord setting out the terms for an early termination of its leases for these stores and, subject to an undertaking to pay an exit fee to Melite Properties Srl, Adena Stores Italy Srl will enter into the relevant lease agreements directly with the landlord for these two stores.

As at the date hereof, Melite Properties Srl's management is continuing in its efforts to identify a tenant for the sub-lease of the store located in Torino.

The Company remains in close contact with management on the developing situation and will be providing further updates to the market in due course.

Update on proposal to buy back and delist bonds

Separately, by reference to the company announcement published on 27 April 2024 (49/2024), the Company also announces that preparations for the launch of the Company's offer to buy back the €9,250,000 secured bonds issued by the Company in terms of a prospectus dated 12th November 2018 (the "**Bonds**"), and for seeking bondholder and regulatory approval for the discontinuance of listing of the Bonds from the Official List of the Malta Stock Exchange, are underway. In this regard, further company announcements are expected to be published shortly.

UNQUOTE

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

Malcolm Falzon
Company Secretary