



Merkanti Holding p.l.c.
Aragon House Business Centre
Dragonara Road
St. Julians, STJ 3140
Malta

COMPANY ANNOUNCEMENT

Reference: (02/2021)

Re-denomination of share capital of Merkanti (A) International Ltd and Merkanti (D) International Ltd

This is a company announcement issued by Merkanti Holding p.l.c. (C 70823) (the “**Company**”) pursuant to the Listing Rules issued by the Listing Authority.

The Company would like to inform the market that its subsidiaries, Merkanti (A) International Ltd (C92495) and Merkanti (D) International Ltd (C92496) (collectively referred to as the “**Subsidiaries**”) have separately resolved to re-denominate their respective share capital from United States Dollar to Euro, in accordance with the provisions of article 186 of, and the Eighth Schedule to, the Companies Act (Chapter 386 of the laws of Malta).

As a result:

- (i) the nominal value per share of each of the Subsidiaries is EUR0.891665;
- (ii) the new authorised share capital of each of the Subsidiaries is EUR44,583.25 divided into 50,000 ordinary shares of EUR0.891665 each; and
- (iii) the new issued share capital each of the Subsidiaries is EUR1,783.33 divided into 2,000 ordinary shares of EUR0.891665 each, 50% paid-up

(the “**Re-Denomination of Capital**”).

The purpose behind the Re-Denomination of Capital was purely administrative, with a view to keeping the Subsidiaries’ day-to-day running costs as low as possible. In particular, this allows the Subsidiaries to prepare their annual financial statements in their functional currency of Euro, rather than US Dollars.

The Re-Denomination of Capital was approved by (i) a joint resolution of each of the Subsidiaries (passed by the board of directors together with the shareholders of each of the respective Subsidiaries), both dated 6 April 2021, as well as (ii) a Board resolution by the Company, dated 6 April 2021.

Given that the Company’s shares in the Subsidiaries are currently pledged in favour of Equity Wealth Solutions Limited (C31987) (“**EWS**”) in its capacity as security trustee, for the benefit of the Company’s bondholders, the Company entered into two separate share pledge amendment



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agreements with EWS in order to reflect the Re-Denomination of Capital in the two separate share pledge agreements which the Company had originally entered into with EWS. Notice of the amended share pledge agreements has also been given to the Malta Business Registry.

Furthermore, in the Company's opinion, the value of the Subsidiaries' shares which are currently pledged in favour of EWS, in its capacity as security trustee, for the benefit of the Company's bondholders, has not been affected by the Re-Denomination of Capital.

By order of the Board.

Name: Dr. Andre Zerafa
For and on behalf of
Ganado Services Limited
Company Secretary
30 April 2021