

Explanatory Note to Shareholders

Annual General Meeting – 23rd April 2024

Tuesday 2 April 2024

This Explanatory Note is being issued by AX Real Estate p.l.c., a public limited liability company having Maltese registration number C92104 and having its registered office located at AX Business Centre, Triq id-Difiza Civili Mosta, Malta, MST 1741 (the “**Company**”). This Circular is being sent to all shareholders appearing on the register of members of the Company maintained by the Malta Stock Exchange on the Record Date, being the 25th March 2024 (the “**Shareholders**”).

Important Information

Hereunder you will find information relating to the timing of future dividends, and the Company's wish to align such dividends with the Company's Annual General Meeting (“AGM”). This business shall not be on the Agenda and does not require a vote during the said AGM.

Where any or all of the shares held by a recipient of this Note in the Company have already been sold or transferred on the date of receipt of this document, it is your responsibility to ensure that this Note, the notice of the Annual General Meeting (the “AGM”) and all other relevant documentation, or copies thereof, are passed to the person/entity acquiring such shares. All the Directors of the Company as on the date hereof, namely, Mr. Angelo Xuereb, Ms. Denise Xuereb, Mr. Michael Warrington, Mr. Joseph Lupi, Mr. Christopher Paris, Mr. Stephen Paris and Dr. Christian Farrugia (together, the “**Directors**”) accept responsibility for the information contained in this Note. To the best of knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is factual and does not omit anything likely to affect the import of such information.

Subject

Change in Dividend Payment Schedule.

Details

Further to the Company's approved dividend policy and forecasts outlined in section 19.2 of the Prospectus dated December 6, 2021, the Directors are firm in their commitment towards maintaining a consistent dividend stream for Company shareholders. The Company had committed towards the payout of a net dividend yield of 4% for the first two financial years i.e. financial year 2022 and 2023 (the “**Guaranteed Period**”), which commitment was met in full.

In spite of the Guaranteed Period having now lapsed, the Company remains committed towards distributing the majority of the Company's distributable profits, whilst ensuring the maintenance of a minimum cash balance of €1,000,000 (one million euro). In this sense, the Company's approved dividend policy remains unchanged. In an effort to align the distribution of dividends with the Company's AGM, going forward, the Directors will consider and if deemed appropriate approve an interim dividend in September and recommend a final dividend at the AGM, instead of the previous schedule of January and July.

Finally, the extent of any dividend distribution will depend on, amongst other factors, the distributable profit for the year, the Directors' view on the prevailing market outlook, financial projections and forecasts, any debt servicing and repayment requirements, financial covenants and other restrictions contained in its facilities and other credit arrangements, the cash flows for the Company, working capital requirements, capital investment commitments and other investment opportunities and the requirements of the Companies Act (Cap. 386 of the Laws of Malta). The Directors may recommend that such dividend be distributed by way of a cash dividend or a bonus issue, or a combination of the two.