

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by BMIT Technologies. (“**the Company**”) pursuant to the Listing Rules as issued by the Listing Authority.

Quote

Class 2 Transaction

BM IT Limited, a company registered in Malta bearing registration number C 39594 and with registered address at Building SCM02, Level 2, Smartcity Malta, Ricasoli, Kalkara, SCM 1001 Malta (“BM IT”), a subsidiary of the Company, is in the business of the provision of data centre services in Malta, including hosting and managed services, as well as a range of public, private and hybrid cloud services.

On the 23 May 2019, BM IT entered into a promise of sale agreement with BM Holdings & Investments Limited, a company registered in Malta with registration number C 39616 and with registered address at 124, Triq ic-Cawsli, Qormi, QRM 3906, Malta (the “Vendor”). Pursuant to the promise of sale agreement, BM IT promised and bound itself to purchase and acquire from the Vendor, which bound itself to sell and transfer to BM IT, a building, without official number constructed on two plots of land known as plot 55 and plot 56 respectively, situated in Triq Manuel Borg Gauci corner with Triq Luigi Maria Galea in Tal-Handaq, Qormi, Malta (the “Property”).

The Property is being sold *tale quale*, with all its rights and appurtenances including own roof and overlying airspace and its underlying ground-space and sub-terrain, free and unencumbered save for an annual and perpetual ground-rent of two euro fifty nine cents (€2.59), and with immediate full vacant possession. The Property is presently leased by the Vendor to BM IT and houses its largest data centre with a capacity of approximately 300 racks. The lease will terminate upon the acquisition of the Property by BM IT.

The consideration for the sale and acquisition of the Property is four million euro (€4,000,000), of which four hundred thousand euro (€400,000) have been paid as part of the consideration on the signing of the promise of sale agreement. The balance of price, amounting to three million six hundred thousand euro (€3,600,000) is payable in full and final settlement of the consideration upon execution of the deed of sale.

The purchase of the Property is conditional on the approval of the purchase of the Property by the Company’s shareholders in general meeting, the attainment by BM IT of the relevant permit in terms of the Immovable Property (Acquisition by Non-Residents) Act (Chapter 246 of the Laws of Malta) and the Property being determined as free from any material structural defects. The purchase of the Property is also subject to, *inter alia*, the procurement of evidence recognising the Vendor as *utilista* of the Property and confirming payment of ground-rent due, and the securing of a continuous power supply to the Property following its acquisition.

The promise of sale agreement is valid and effective up to the 23 January 2020. Notary Pierre Attard was appointed by Vendor and BM IT to register the promise of sale agreement with the Inland Revenue Department.

The acquisition of the Property will be instrumental to the Company and its subsidiaries (the “Group”) since it will permit the Group to carry on a significant part of its operations from its own property. This will minimise, and in some cases, avoid risks associated with a migration to another facility including financial expense, operational disruption and risk of loss of business since customers allocated to the data centre operating from the Property would not need to be relocated. The acquisition of the Property will also mean that the Group will no longer have to honour the remaining term of the current lease resulting in the Group incurring less expenditure on rental of premises.

As the transaction refers to the acquisition of a property, there are no profits attributable to the asset the subject of the transaction, nor are there key individuals that need to be identified pursuant to Listing Rules 5.164.5 and 5.164.9.

Unquote



Dr. Francis Galea Salomone LL.D.
Company Secretary

23rd May 2019