SUMMARY NOTE

Dated 4th March 2019

This Summary Note is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and in accordance with the provisions of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No. 486/2012 of the 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015.

In respect of an issue of
€11,500,000 3.75% Secured* Bonds 2027
of a nominal value of €100 per Bond issued at par ISIN: MT0002191204
(the **"Series I Bonds"**)
and
€11,000,000 4.25% Secured* Bonds 2031
of a nominal value of €100 per Bond issued at par ISIN: MT0002191212
(the **"Series II Bonds"** and together with the Series I Bonds the **"Bonds"** or **"Secured Bonds"**)
by

MERCURY PROJECTS FINANCE P.L.C.

a public limited liability company duly incorporated under the Laws of Malta, with Company registration number C89117
with the joint and several Guarantee* of Mercury Towers Limited
a private limited company registered in Malta with company registration number C 77402

*Prospective investors are to refer to the Guarantee contained in Annex III of the Securities Note and Sections 5.5 and 5.6 of this Registration Document for a description of the Guarantee and the Collateral in general.

Sponsor & Registrar — Calamatta Cuschieri

Security Trustee — CSB legal

Legal Counsel — salibastafrace legal

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENT IS IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS OF INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENT.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS, ACCURACY OR COMPLETENESS OF THE PROSPECTUS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS, INCLUDING ANY LOSSES INCURRED BY INVESTING IN THESE SECURITIES.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENT. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISOR.

APPROVED BY THE DIRECTORS

Joseph Portelli	Stephen Muscat	Mario Vella	Peter Portelli

IMPORTANT INFORMATION

THIS SUMMARY NOTE CONSTITUTES PART OF A PROSPECTUS AND CONTAINS INFORMATION ON MERCURY PROJECTS FINANCE P.L.C. IN ITS CAPACITY AS ISSUER AND MERCURY TOWERS LIMITED AS GUARANTOR, AND THE BONDS ISSUED BY THE ISSUER. THIS DOCUMENT INCLUDES INFORMATION GIVEN IN COMPLIANCE WITH THE REQUIREMENTS OF THE LISTING RULES OF THE LISTING AUTHORITY, THE COMPANIES ACT (CAP. 386 OF THE LAWS OF MALTA) AND COMMISSION REGULATION (EC) NO. 809/2004 OF 29 APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION CONTAINED IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS (AS AMENDED FROM TIME TO TIME BY VARIOUS INSTRUMENTS, INCLUDING BY COMMISSION DELEGATED REGULATION (EU) NO. 486/2012 OF 30 MARCH 2012, COMMISSION DELEGATED REGULATION (EU) NO. 862/2012 OF 4 JUNE 2012, COMMISSION DELEGATED REGULATION (EU) NO. 759/2013 OF 30 APRIL 2013, COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7 MARCH 2014 AND COMMISSION DELEGATED REGULATION (EU) NO. 2016/301 OF 30 NOVEMBER 2015), AS WELL AS IN COMPLIANCE WITH THE RULES AND REGULATIONS APPLICABLE TO THE ADMISSION OF SECURITIES ON THE OFFICIAL LIST OF THE MALTA STOCK EXCHANGE.

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IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE APPLICANTS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH SECURITIES AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES, IN ACCORDANCE WITH THE COMPANIES ACT. APPLICATION HAS ALSO BEEN MADE TO THE MALTA STOCK EXCHANGE FOR THE BONDS TO BE ADMITTED TO ITS OFFICIAL LIST.

STATEMENTS MADE IN THIS DOCUMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN.

UNLESS OTHERWISE STATED, THE CONTENTS OF THE ISSUER'S OR GUARANTOR'S WEBSITES (IF ANY) OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S OR GUARANTOR'S WEBSITES DO NOT FORM PART OF THE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS.

THE DIRECTORS OF THE ISSUER CONFIRM THAT WHERE INFORMATION INCLUDED IN THE PROSPECTUS HAS BEEN SOURCED FROM A THIRD PARTY, SUCH INFORMATION HAS BEEN ACCURATELY REPRODUCED, AND AS FAR AS THE DIRECTORS OF THE ISSUER ARE AWARE AND ARE ABLE TO ASCERTAIN FROM INFORMATION PUBLISHED BY THAT THIRD PARTY, NO FACTS HAVE BEEN OMITTED WHICH WOULD RENDER THE REPRODUCED INFORMATION INACCURATE OR MISLEADING.

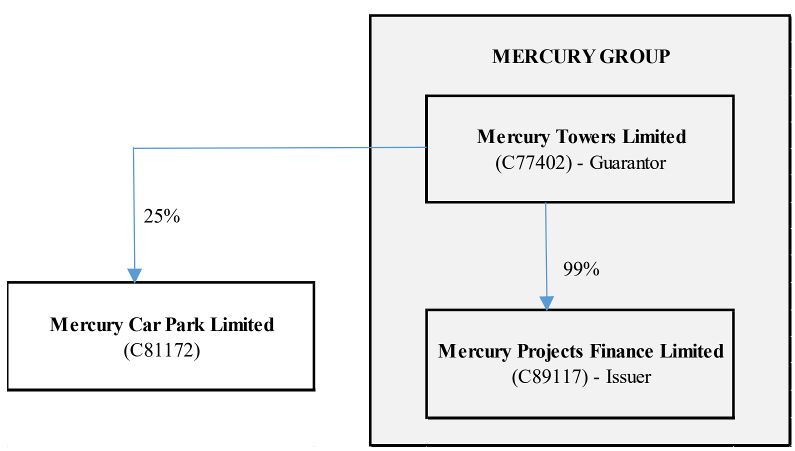
THIS DOCUMENT AND ALL AGREEMENTS, ACCEPTANCES AND CONTRACTS RESULTING THEREFROM SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF MALTA. THE MALTESE COURTS SHALL HAVE EXCLUSIVE JURISDICTION TO SETTLE ANY DISPUTES THAT MAY ARISE OUT OF OR IN CONNECTION WITH THE BONDS, AND THE ISSUER AND (IN TERMS OF THE GUARANTEE) THE GUARANTOR AND EACH BONDHOLDER THEREFORE IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF MALTA TO HEAR AND DETERMINE ANY DISPUTE AS AFORESAID.

This Summary Note is prepared in accordance with the requirements of the Regulation.

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1– E.7) as set out in the Regulation. This summary contains all the Elements required to be included in a summary in connection with the type of securities being issued pursuant to the Prospectus and the Issuer. Since some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities being issued pursuant to the Prospectus and the Issuer, it is possible that no relevant information can be given regarding such Element. In such case a short description of the Element is included in the summary with the mention of 'not applicable'.

Except where otherwise defined herein or the context otherwise requires, capitalised terms used in this Summary Note shall bear the meanings assigned to them in the Registration Document and the Securities Note, as the case may be.

1	**SECTION A - INTRODUCTION AND WARNINGS**
A.1	Prospective investors are hereby warned that: - This summary is being provided to convey the essential characteristics and risks associated with the Issuer, the Guarantor and the securities being offered pursuant to the Prospectus, but is merely a summary and should therefore only be read as an introduction to the Prospectus. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this summary in making a decision as to whether to invest in the securities described in this document. Any decision to invest in such securities should be based on consideration of the Prospectus as a whole by the investor; - Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and - Civil liability attaches only to those persons who have tabled the summary including any translation thereof, and who applied for its notification, but only if the summary, when read together with the other parts of the Prospectus: is misleading, inaccurate or inconsistent; or does not provide key information in order to aid investors when considering whether to invest in such securities.
A.2	The Issuer has entered into the Placement Agreements with the Authorised Financial Intermediaries. It is the intention of such Authorised Financial Intermediaries that during the Offer Period they shall accept subscriptions for the Bonds from customers. Prospective investors are hereby informed that: - for the purposes of any subscription for Bonds through any of the Authorised Financial Intermediaries during the Offer Period and any subsequent resale, placement or other offering of Bonds by such Authorised Financial Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Directive, the Issuer consents to the use of this Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale or placement or other offering of Bonds, provided this is limited only: (i) in respect of Bonds subscribed for through Authorised Financial Intermediaries during the Offer Period; (ii) to any resale or placement of Bonds subscribed for as aforesaid taking place in Malta; and (iii) to any resale or placement of Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Prospectus. - **in the event of a resale, placement or other offering of Secured Bonds by an Authorised Financial Intermediary, the Authorised Financial Intermediary shall be responsible to provide information to investors on the terms and conditions of the resale, placement or other offering at the time such is made.**
2	**SECTION B – ISSUER AND GUARANTOR**
B.1/ B.19	The legal and commercial name of the Issuer is Mercury Projects Finance p.l.c.. The legal and commercial name of the Guarantor is Mercury Towers Limited.
B.2/ B.19	The Issuer was registered in Malta in terms of the Act on 16 January 2019 as a public limited liability company, and is domiciled in Malta. The Guarantor was registered in Malta in terms of the Act, on 28 September 2016 as a private limited liability company, and is domiciled in Malta, and is currently a single-member company.
B.4b/ B.19	The following is an overview of the most significant recent trends affecting the Issuer and the Guarantor and the market in which the Group operates. The Issuer does not have any trading record, and was established as a special purpose vehicle to act as the finance arm of the Group. The Issuer is dependent on the business prospects of the Group, namely the Guarantor, and, therefore, the trend information of the members of the Group, in particular the Guarantor has a material effect on their respective financial position and prospects. As at the time of publication of the Prospectus, the Issuer and the Guarantor consider that generally they shall be subject to the normal business risks associated with the business and industries in which the Group is involved and operates, and, barring unforeseen circumstances, do not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be considered likely to have a material effect on the upcoming prospects of the Group and its business, at least with respect to the current financial year. However, investors are strongly advised to carefully read the risk factors in the Prospectus. The principal activity of the Group, particularly through the Guarantor, is the acquisition and disposal and/or development and operation of the various immovable properties within and constituting the mixed-use Project to be situated at Mercury Site at Paceville, St. Julians, Malta. The Group was in fact specifically set up in view and for the purposes of the Project and its activities will accordingly be focused thereon, mainly through: (a) the disposal of the airspaces within which the accommodation serviced apartment units comprised in the Tower at Mercury Site will be developed; and (b) the acquisition and development of parts of Mercury Site to be retained in ownership by the Group, in particular the Guarantor, for long-term

	investment, through the operation and/or letting thereof and the revenues generated therefrom, mainly the operation of the Hotel and the rental to third parties of the Commercial Outlets. ***Sales of apartment units*** The Project faces competition from other high end mixed-use projects in Malta that offer a mix of accommodation, hospitality and/or retail space. The Board however believes that, given some unique features (conceptual, design, architectural etc) of the Project, Malta's current economic growth and the considerable rise in immovable property prices over recent years, the increasing preference for high quality accommodation, forming part of a mixed use development, as well as the fact that till 31st December 2018, 92 % of the accommodation serviced apartment units on offer for sale had secured a preliminary agreement with prospective buyers at the desired prices, the level of interest and demand for high-end property is and will continue to be strong and grow in the foreseeable future. ***Hospitality[1]*** Year-on-year Malta reaches new record highs in the number of inbound tourists visiting the country. Latest figures for local tourism at the end of 2017 indicate that Malta recorded an influx of circa 2.3 million tourists in 2017, representing an increase of circa 15.7% on 2016, with a pronounced increase in the first quarter (January to March). Inbound tourist trips for the first five months of 2018 reached 904,799, an increase of 18.5% over the same period in 2017. Statistical figures for the first 4 months (January to April) of 2018 already show an increase of 17.9% over the same period in 2017. Malta's main tourism source countries are the United Kingdom, followed by Italy, Germany, France and Scandinavia, which consists of Denmark, Finland, Norway and Sweden. Tourist expenditure has also been on the rise, with a total spend of circa €1.95 billion in 2017, marking an increase of 13.9% over 2016. Moreover total tourism expenditure between January to May 2018 was estimated at €628.3 million, 12.2% higher than that recorded for the same period in 2017. Latest figures issued by the Malta Tourism Authority indicate an average length of stay per capita of 7.3 days for 2017. Total nights spent by inbound tourists in May 2018 went up by 18.5%. The continued increase in tourism numbers has had a positive effect on the local hotel market. Available data for 2017 indicates that the 4-star hotel sector in Malta registered a strong performance, with a notable increase also in the 5-star hotel bracket, with continued year-on-year growth in both occupancy and rate levels. The Board is confident that the outlook for the local hospitality market remains positive for the foreseeable future. ***Leases of commercial units*** National statistics relating to leases of commercial property in Malta could not be sourced. Yet, there seems to be a stable trend of a high demand for, and high occupancy rate of existing, catering, retail and other establishments within Paceville, St.Julians and surrounding areas, and the Directors believe that such trend will be steady and probably even grow further in the foreseeable future.
B.5/ B.19	The Issuer is (except for one share) a fully-owned subsidiary of the Guarantor, which latter entity is the parent company of the Group. As at the date hereof the Group consists of the Guarantor, as parent, and its sole subsidiary company, the Issuer. The Guarantor also owns 25% of Mercury Car Park Limited, which however does not form part of the same group of companies as the Group. The diagram hereunder illustrates the principal group companies and associates within the organisational structure of the Group, as at the date of the Prospectus: 
B.9/ B.19	*Not Applicable:* the Registration Document does not contain any profit forecasts or estimates.

[1] Malta Tourism Authority – Tourism in Malta Facts and Figures – 2017; NSO – News Release, 28 February 2018

B.10/ B.19	*Not Applicable:* the Issuer was registered and incorporated on 16 January 2019 and since incorporation to the date of the Prospectus no financial statements have been prepared; and the audit reports on the audited financial statements for the year ended 31 December 2017 of the Guarantor do not contain any material qualifications.
B.12/ B.19	As at the date hereof the Issuer has no financial information to report. Accordingly, it is not in a position to assert whether there has been a material adverse change since the date of publication of its latest audited financial statements. There has not been any significant change in the prospects of the Issuer, which has occurred since the date of its incorporation. The historical financial information of the Guarantor is set out in the audited financial statements for the accounting reference period starting 28 September 2016 and ending 31 December 2017, which is the first but also the most recent accounting reference period of the Guarantor, as audited by KPMG, and which are available at the Issuer's registered office. There was no material adverse change to the prospects of the Guarantor and no significant changes to its financial or trading position since the date of the last published audited financial statements of the Guarantor and subsequent to the period covered by such statements. Extracts of the historical annual financial information of the Guarantor referred to above are set out below:

Mercury Towers Ltd – Statement of Comprehensive Income Extract	
For the period 28 Sep 16 to 31-Dec-17	***2017 €'000***
Revenue	1,300
Cost of sales	(1,300)
Gross profit	--
Administrative expenses	(51)
Other income	8
Operating profit / (loss)	(43)
Finance costs	(115)
Profit / (loss) before tax	(158)
Tax expenses	0
Profit / (loss) for the period	**(158)**

Mercury Towers Ltd – Statement of Financial Position Extract	
As at 31 December	***2017 €'000***
Assets	
Non-current assets	9,374
Current assets	22,715
Total assets	**32,089**
Equity	
Total equity	342
Liabilities	
Non-current liabilities	5,900
Current liabilities	25,847
Total liabilities	31,747
Total equity and liabilities	**32,089**

Mercury Towers Ltd – Statement of Cash Flows Extract	
For the period 28 Sep 16 to 31-Dec-17	***2017 €'000***
Net cash generated from operating activities	1,913
Net cash used in investing activities	(9,374)
Net cash generated from / (used in) financing activities	7,529
Net increase / (decrease) in cash and cash equivalents	69
Cash and cash equivalents at start of period	--
Cash and cash equivalents as at 31 December 2017	**69**

The interim unaudited financial results of the Guarantor for the period 28 September 2016 to 30 June 2017 and the six-month period ended 30 June 2018 are set out below:

Mercury Towers Ltd – Statements of Comprehensive Income Extract		
For the period	***28-Sep-16 to €'000***	***1 Jan-18 to €'000***
Revenue	1,080	--
Cost of sales	(1,080)	--
Gross profit	--	--
Administrative expenses	(38)	(27)
Other income	8	0
Operating profit / (loss)	(30)	(27)
Finance costs	(4)	(117)
Profit / (loss) before tax	(34)	(144)
Tax expense	0	0
Profit / (loss) for the period	**(34)**	**(144)**

Mercury Towers Ltd – Statements of Financial Position Extract		
As at 30 June	***2017 €'000***	***2018 €'000***
Assets		
Non-current assets	8,385	10,852
Current assets	21,213	24,909
Total assets	**29,598**	**35,761**
Equity		
Total equity	(33)	200
Liabilities		
Non-current liabilities	5,900	4,900
Current liabilities	23,731	30,661
Total liabilities	29,631	35,561
Total equity and liabilities	**29,598**	**35,761**

Mercury Towers Ltd – Statements of Cash Flows Extract		
For the period	***28-Sep-16 to €'000***	***1 Jan-18 to €'000***
Net cash generated from operating activities	1,299	2,168
Net cash used in investing activities	(8,385)	(1,477)
Net cash generated from / (used in) financing activities	7,142	(608)
Net increase / (decrease) in cash and cash equivalents	56	83
Cash and cash equivalents at start of period	--	69
Cash and cash equivalents as at 31 December 2017	**56**	**152**

B.13/ B.19	*Not Applicable:* neither the Issuer nor the Guarantor is aware of any recent events which are to a material extent relevant to the evaluation of their solvency.
B.14/ B.19	As noted in B.5 above, On the date hereof the Group consists of the Guarantor, as parent undertaking, and the Issuer, a wholly owned subsidiary of the Guarantor (except for one share). The Issuer was set up on 16 January 2019, essentially as a special purpose vehicle to act as a financing company for the needs of the Group with no substantial assets and, as such, it is dependent on the business prospects and operating results of the Group, particularly the Guarantor. More specifically, the Issuer is principally dependent, including for the purpose of servicing interest payments on the Bonds and the repayment of the principal amount on Redemption Date, on the receipt of interest payments and loan repayment from the Guarantor to whom the net proceeds of the Bond Issue will be advanced by way of loan. As the property holding and operating company of the Group, the Guarantor, which was set up on 28 September 2016, is ultimately dependent on the results of its own operations and its own performance, particularly the operational and rental revenues from its hospitality and commercial premises rental business.
B.15/ B.19	The Issuer is incorporated as a public limited liability company, registered in terms of the Act. The principal object of the Issuer are set out in clause 4 of the Issuer's Memorandum of Association. These include, but are not limited to, the carrying on the business of a finance and investment company in connection with the ownership, development, operation and financing of the business activities of group companies or associated companies, and for such purpose to lend or advance money or otherwise give credit to any such group or associated company, with or without security, and to borrow or raise finance for the above mentioned purpose, on such terms as the Directors may deem expedient, and also to invest and deal with the moneys of the Issuer and any group or associated company in or upon such investments and in such manner as the Directors may, from time to time, deem expedient. The issue of bonds and other debt securities falls within the objects of the

	Issuer. As seen above, the Issuer was setup as a special purpose vehicle to act as the financing arm of the Group and as such is not intended to undertake any trading activities itself apart from the raising of finance and the advancing thereof to members of the Group, namely the Guarantor. The Guarantor is incorporated as a private limited liability company, registered in terms of the Act. The principal objects of the Guarantor are set out in clause 4 of the Guarantor's Memorandum of Association. These include, but are not limited to the purchasing, taking by title of emphyteusis, lease or exchange or otherwise acquiring under any title and to dispose of or give on lease or exchange, and to charge or hypothecate, in whole or in part, or to otherwise turn to the advantage of the Guarantor, and to develop, any immovable or movable property, and any rights or licences which it may deem necessary or convenient for the purposes of its business, and carrying on the business of operating or managing hotels, guest houses or other accommodation and leisure facilities, or shops, offices or other commercial complexes or outlets, whether belonging to the Company or otherwise, and to construct, reconstruct, renovate, alter, improve, decorate, enlarge, pull down and remove or replace, fix up, furnish and maintain any property or properties for the purposes mentioned above, and to enter into management or franchise agreements with international hotel brands to assist it in the running of the accommodation and catering properties under its charge. The Guarantor is also empowered in terms of its Memorandum and Articles of Association, to borrow otherwise raise money in connection with its business and to secure the repayment thereof or any other obligations by giving security upon its movable and immovable property, and to guarantee, support or secure the performance of any obligations or commitments of any person. As seen in B.4b above, the principal activities of the Guarantor and of the Group as a whole, is the acquisition and disposal and/or development and operation of the various immovable properties within and constituting the mixed-use Project to be situated at Mercury Site at Paceville, St. Julians, mainly: (a) the acquisition and disposal of airspaces for development of apartments within the Tower; and (b) the acquisition and development of parts of Mercury Site to be retained in ownership by the Guarantor for long-term investment, in particular the operation of the Hotel (through the hotel chain Meliá, in terms of the management agreement with Meliá Hotels International S.A. and Prodigios Interactivos S.A.), which may also include the pooling of apartments within the uppermost level of the Tower retained by the Guarantor, and the rental to third parties of the Commercial Outlets.
B.16/ B.19	The Issuer has an authorised share capital of €500,000 divided into 500,000 ordinary shares of a nominal value of €1.00 each and an issued share capital of €250,000 divided into 250,000 ordinary shares of a nominal value of €1.00 each fully paid up, which are fully owned and held by the Guarantor, except for one share which is held by Mr. Joseph Portelli. The Guarantor has an authorised share capital of €500,000 divided into 500,000 ordinary shares of a nominal value of €1.00 each and an issued share capital of €500,000 divided into 500,000 ordinary shares of a nominal value of €1.00 each fully paid up, which are owned and held in full by Mr. Joseph Portelli, such that Mr. Portelli is in turn the ultimate beneficial owner of the Group.
B.17/ B.19	*Not Applicable:* neither the Issuer nor the Guarantor have sought the credit rating of an independent rating agency and there has been no assessment by any independent rating agency of the Bonds issued by the Issuer.
B.18/ B.19	For the purposes of the Guarantee, the Guarantor irrevocably and unconditionally guarantees to the Security Trustee, for the benefit of the Bondholders, that if for any reason the Issuer fails to pay any sum payable by it to such Bondholder as and when the same shall become due pursuant to the terms and conditions of the Bonds, it will pay to the Security Trustee on demand the indebtedness to the Security Trustee. The obligations of the Guarantor under the Guarantee shall remain in full force and effect until no sum remains payable to any Bondholder pursuant to the issue of the Bonds.
3	**SECTION C – SECURITIES**
C.1	The Issuer shall issue two series of Bonds, namely: €11.5 million Secured Bonds of a nominal value of €100 per Bond issued at par (subject to a minimum subscription of €2,000) and maturing in 2027 which shall pay interest at 3.75% per annum, and €11 million Secured Bonds of a nominal value of €100 per Bond issued at par (subject to a minimum subscription of €2,000) and maturing in 2031 which shall pay interest at 4.25% per annum. The Secured Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. On admission to trading the Series I Bonds and Series II Bonds will have the following respective ISIN numbers MT0002191204 and MT0002191212.
C.2	The Bonds are denominated in Euro (€).
C.5	The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.
C.8	A Bondholder shall have such rights as are, pursuant to the Securities Note, attached to the Bonds, including: (a) the repayment of capital; (b) the payment of interest; (c) the benefit of the Collateral through the Security Trustee; (d) the right to attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and (e) enjoy all such other rights attached to the Bonds emanating from the Prospectus. Following the issue of the Bonds and application of the proceed, the Security Trustee will have the benefit of a special hypothec over the Series I Bonds Security Property for the full amount of such Series, namely €11,500,000, for the benefit of Bondholders of Series I Bonds and a special hypothec over the Series II Bonds Security Property for the full amount of such Series, namely €11,000,000, for the benefit of Bondholders of Series II Bonds. Also, the Bonds of both Series shall be guaranteed, in respect of both the interest and the principal amount due, by the Guarantor in terms of the Guarantee.
C.9	The Bonds shall bear interest from and including 27 March 2019, in the case of the Series I Bonds, at the rate of 3.75% per annum on the nominal value thereof, and in the case of the Series II Bonds, at the rate of 4.25% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will, in the case of both

	Series of Bonds, be effected on 27 March 2020 (covering the period 27 March 2019 to 26 March 2020). Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. The nominal value of the Bonds will be repayable in full upon the respective maturity on the respective Redemption Date unless the Bonds are previously re-purchased and cancelled. The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds is 3.75% per annum in the case of the Series I Bonds and 4.25% per annum in the case of the Series II Bonds. The remaining component of Element C.9 is *Not Applicable*, given that no representative of debt security holders has been appointed.
C.10	*Not Applicable:* there is no derivative component in the interest payments on the Bonds.
C.11	The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 4th March 2019. Application has been made to the MSE for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List. The Bonds are expected to be admitted to the MSE with effect from 4 April 2019 and trading is expected to commence on 5 April 2019.
4	**SECTION D – RISKS**
	Holding of a Bond involves certain risks. Prospective investors should carefully consider, with their own independent financial and other professional advisors, the following risk factors and other investment considerations as well as all the other information contained in the Prospectus before deciding to acquire Bonds. Prospective Investors are warned that by investing in the Bonds they may be exposing themselves to significant risks that may have the consequence of losing a substantial part of or all of their investment. **This document contains statements that are, or may be deemed to be, "forward-looking statements", which relate to matters that are not historical facts and which may involve projections of future circumstances. They appear in a number of places throughout the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and/or its Directors. These forward-looking statements are subject to a number of risks, uncertainties and assumptions and important factors that could cause actual risks to differ materially from the expectations of the Issuer's Directors. No assurance is given that the future results or expectations will be achieved.** **Prospective investors are advised to read the Prospectus in its entirety and, in particular, the sections entitled "Risk Factors" in the Registration Document and Securities Note, for an assessment of the factors that could affect the Issuer's and the Guarantor's future performance.** **The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds will be repayable in full upon maturity of the respective Series, unless the Bonds are previously re-purchased and cancelled. An investment in the Bonds involves certain risks, including those described below.** **An investment in the Issuer and the Bonds may not be suitable for all recipients of the Prospectus and Authorised Financial Intermediaries are to determine the suitability or otherwise of prospective investors' investment in the Bonds before making an investment decision.** **The risk factors set out below are a summary of the principal risks associated with an investment in the Issuer and the Secured Bonds – there may be other risks which are not mentioned in this summary.**
D.2	**Key information on the key risks specific to the Issuer:** **(i) Risks relating to The Issuer's Business and its reliance on the Group** **The Issuer was recently set up and, accordingly, has no trading record or history of operations. Furthermore, the Issuer does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company for the Group and its assets are intended to consist primarily of loans issued to Group companies, currently the Guarantor.** **The Issuer is therefore dependent on the business prospects of the Group, in particular the Guarantor and, consequently, the operating results of the Guarantor and the risks affecting its business have a direct effect on the Issuer's financial position, and its ability to receive interest payments and loan repayments from the Guarantor to be able to service interest payments on the Bonds and the repayment of the principal amount on the respective Redemption Date.** **The ability of the Guarantor to effect interest payments and loan repayments to the Issuer or payments under the Guarantee to the Security Trustee is subject to certain risks, which may inter alia affect its cash flows and earnings. These may be restricted: by changes in applicable laws and regulations; by the terms of agreements, including rental agreements, to which it is or may become party; by the operating results, cashflows, liquidity, profitability and financial position of the Guarantor itself with respect to the Hotel and/or the lessees of the Commercial Outlets; or by other factors beyond the control of the Issuer and/or Guarantor, including risks common to the hotel and real estate industry.** **The Guarantor itself has a limited operating history. As such therefore both the Issuer and the Guarantor are substantially a start-up operation with all the attendant risks that start-ups normally entail. These risks include, but are not limited to, a lack of financial stability.** **(ii) Risks relating to The Group and its Business and Operations** ***<u>General</u>*** **The Group (currently consisting of the Guarantor as parent and operating company and the Issuer being the Group's financing special purpose company) have been set up for the purposes of and/or in connection with the Project on Mercury Site in St. Julians. Their respective business, operations, revenues and financial position are accordingly exposed to the real estate market as well as to the array of competitive pressures in the operation and management of the hospitality, accommodation and retail markets, and are intimately connected to and dependent on the hotel and tourism industry and property rental (commercial tenancies) markets in Malta and more specifically in such region, and are exposed to the consequent risks directly or indirectly affecting such markets.**

Project
The Group is subject to concentration risk in view of the restriction of its activities and operations to the Project, albeit the Project itself consists of various real estate elements with different business and operational aspects and realities and which thus create diversification within the Project itself.

Risks relating to the political, economic and social environment in which the Group operates
The Group's assets and operations are all situated and concentrated in Malta. Accordingly, the Group is generally exposed to the economic and political conditions which are prevalent in Malta from time to time, which, in the event of downward trend could have a material adverse impact on the operations of the Group and the value of its assets.

The Group is subject to market and economic conditions generally
The Group is subject to general market and economic risks that may affect its property developments and their timely completion within budget and their profitable operation, and ultimately the financial condition of the Group. These include factors such as the health of the local property market, inflation and fluctuations in interest rates, exchange rates, property prices and rental rates.

Material risks relating to real estate development
There are a number of factors that commonly affect the real estate development industry, many of which are beyond the Group's control, and which could adversely affect the economic performance and value of the real estate properties under development within the Project. Such factors include: changes in global economic conditions and/or general economic conditions in Malta; general industry trends, including the cyclical nature of the real estate market; changes in local market conditions, such as an oversupply of similar properties, a reduction in demand for real estate or change of local preferences and tastes; delays or refusals in obtaining required permits and authorisations; shortages and/or price increases in raw materials or other construction inputs, leading to cost overruns; possible structural and environmental problems; acts of nature, that may lead to development damages or delays; and increased competition in the relevant market segment, which could lead to a lowering of prices and rental rates and a corresponding reduction in revenue of the Group.

Risks relating to the hospitality industry
The Group's hospitality operations (including rates and occupancy levels) and the financial results thereof are subject to a number of external factors and risks relevant to the hotel industry, including: changes in travel patterns, any increase in or the imposition of new taxes on air travel and fuel, and cutbacks and stoppages on Malta-bound airline routes, and generally the cyclical nature of the tourism industry; the impact of increased threats of terrorism, impediments to means of transportation (including airline strikes and border closures), extreme weather conditions, natural disasters, travel-related accidents, outbreaks of contagious diseases and health concerns, or other factors that may affect travel patterns; changes in laws and regulations relevant to or affecting any aspect of tourism, and the related costs of compliance; increases in operating costs due to inflation, employment costs, taxes etc.; and the termination, non-renewal and/or the renewal on less favourable terms of agreements entered into with tour operators.
Furthermore, the hospitality industry is subject to rapidly evolving consumer trends and the success of the Group's hospitality operations is dependent upon its ability to swiftly anticipate, identify and capitalise upon such emerging consumer trends. The Group's hospitality operations are also susceptible to strong and increasing local and global competition.

Risks relating to the commercial rental business of the Group
The health of the commercial rental market may be affected by a number of factors such as national economy, political developments, government regulations, changes in planning or tax laws, interest rate fluctuations, inflation, the availability of financing and yields of alternative investments and competition.
The Group, in particular the Guarantor, is also subject to the risk of tenants failing to honour their respective lease obligations, or that tenants terminate or do not renew their respective lease, as well as the risk of increases in operating and other expenses with respect to the said properties, with the consequent risk of loss of rental income and revenues.

The Group may not be able to realise the benefits it expects from property investments
The Group's business consists of the acquisition, sale and/or development of Mercury Site and the subsequent operation of immovable property and real estate elements comprised within the Project. The Group will therefore be subject to various risks affecting directly and/or indirectly, and in potentially different ways and to different extents, the various elements of the Project and the Guarantor's different operations and transactions in respect thereof, which may prevent the Group from realizing to the full the benefits it expects from its property investments. These include the inability to source adequate opportunities, market disruption or oversupply, "acts of God", construction delays, insufficiency of resources to complete the projects, cost overruns not recoverable from buyers or tenants and the difficulty in financing same, non-materialisation of sales or rental transactions at the timings envisaged resulting in a liquidity strain or even potential penalties or litigation, higher interest costs, counter-party risks including contractors', prospective buyers' or lessees' defaults, and the consequent loss or erosion of revenue generation. No assurance can be given that the Group will be able to deal with these risks in an efficient and cost effective manner to secure the expected benefits.

Dependence of Group on third parties - counter-party risks

The Group relies upon third party or related service providers such as architects, project managers, building contractors, subcontractors, suppliers, hotel operators and others for the construction and completion and (where applicable) subsequent operation of its property developments, and non-performance, defaults or delays by any of these may have an adverse effect on its operations and financial results, and may also involve the Group in litigation with third parties to which it has committed itself. In the case of the Tower apartments which are being purchased by third parties, the contractual responsibility for works and timely completion has been undertaken towards the buyers directly by the contractor, Mercury Contracting Projects Limited, and the Guarantor is only selling the airspace to such buyers with no liability for works, albeit defaults by the contractor may still lead to the relevant buyer rescinding also the acquisition of the airspace. The Guarantor may also fail to attract sufficient apartments within the Tower building to be pooled by the respective owners within the hotel extended accommodation pool arrangement, rendering its management operation unfeasible.

High leverage risks and increase in financial gearing further to the Bond Issue

The Group's financial gearing levels will increase further to the Bond Issue. The increase in the level of financial gearing gives rise to all risks typically associated with higher leverage, including lower asset cover and lower debt service cover levels. In addition to the substantial gearing created by the Bond Issue itself, the Guarantor is also currently indebted for an amount of €11,020,496 related party balance due to a related (non-group) company, Mercury Exchange Limited, representing deposits on preliminary agreements paid by prospective buyers of property elements within the Exchange Project to be developed by such related company on the Exchange Site, which Exchange Project is still subject to planning permits and the acquisition of which Exchange Site is still on preliminary agreement by Mercury Exchange Limited with the relative vendors. Whilst such indebtedness currently bears no interest against the Guarantor and has an agreed repayment date extending beyond the maturity of the Bonds, it may be subject to early repayment at the request of Mercury Exchange Limited in circumstances beyond the control of the Guarantor, including the failure of Mercury Exchange Limited to enter into the final deed of purchase of the Exchange Site or to obtain permits for the Exchange Project for any reason whatsoever.

The Group may be exposed to environmental liabilities attaching to real estate property

The Group may be exposed to environmental liabilities attaching to real estate property, such as costs for the removal, investigation or remediation of any hazardous or toxic substances that may be located on or in, or which may have migrated from, a property owned or occupied by it, which costs may be substantial.

Fixed Operating Expenses

A significant portion of the Group's costs are or will be fixed and the Group's operating results are vulnerable to short-term changes in revenues.

Increases in Operating and other Expenses

The Group's operating and other expenses could increase without a corresponding increase in turnover or revenue, including as a result of inflation increases; increases in taxes; changes in laws and increase in compliance costs; increases in insurance premia; unforeseen increases in maintenance costs; unforeseen capital expenditure or repairs. Such increases in costs and expenses may not be recoverable or fully recoverable from buyers, tenants or other users of the property.

Financing for current and future investments and future indebtedness

The Group may, from time to time, require bank credit facilities or other indebtedness, including through the issue of further debt securities, to maintain the Project, in particular the Hotel and Commercial Outlets and other property within the Project owned by the Group, to refinance indebtedness as well as to fund future growth in terms of acquisition and/or developments. The Group may not be able to obtain such financing in a timely fashion, on commercially reasonable terms, or at all. Furthermore, any such financing obtained may experience an increase in costs, also through an increase in interest rates, and be subject to significant financial covenants imposed on the Group by the lender/s (including restrictions on obtaining further financing or incurring capital or other expenditure). Any such financing or indebtedness will require a portion of the Group's generated cash flows to be used to service the same. All of the above may limit the Group's growth and/or materially adversely affect its business, financial condition and prospects.

Liquidity risk

The lack of liquidity and alternative uses of real estate investments could significantly limit the Group's ability to respond to adverse changes in the performance of its properties thereby potentially harming its financial condition.

Risks relative to changes in laws

The Group is at risk in relation to negative changes in tax, environmental, planning and other laws and regulations relevant to its business.

The Group's key senior personnel and management have been and remain material to its growth

The Group's growth is largely attributable to the efforts and abilities of the directors and members of its executive management team and other key personnel. If any of these were unable or unwilling to continue in their present

	position, the Group might not be able to replace them within the short term, which could have a material adverse effect on the Group's business, financial condition and results. ***Litigation risk*** **The Group is subject to the risk of legal claims, with or without merit, and the consequent costs and losses which can be substantial, and may have a material adverse effect on the Group's future cash flow, results of operations or financial condition.** ***The Group's insurance policies*** **No assurance can be given that the Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates. Furthermore, it may be difficult and may take time for the Group to recover covered losses from insurers, and the Group may not be able to recover the full amount.** **(iii)Risks inherent in Property Valuations** **The valuation of property is inherently subjective, due to, among other things, the individual nature of each property and the assumptions upon which the valuation is carried out. Accordingly, there can be no assurance that the valuation of properties, including of Security Property, referred to in the Prospectus reflects actual market values that could be achieved on a sale, even where any such sale were to occur shortly after the valuation date. Actual values may be materially different from any future values that may be expressed or implied by forward-looking statements set out in the valuation or anticipated on the basis of historical trends, as reality may not match the assumptions made.**
D.3	**Key information on the key risks specific to the Bonds:** **An investment in the Bonds involves certain risks, including those set out below in this section. In deciding whether to make an investment in the Bonds, prospective investors are advised to carefully consider, with their own independent financial and other (including tax, accounting, credit, legal and regulatory) professional advisors, the following risk factors (not listed in order of priority) and other investment considerations, together with all the other information contained in the Prospectus:** ***Trading and liquidity risks*** **There can be no assurance that an active secondary market for the Bonds will develop or, if it develops, that it will continue. Nor can there be any assurance that an investor will be able to re-sell his Bonds at or above the Bond Issue Price or at all. A public trading market having the desired characteristics of depth, liquidity and orderliness depends on a number of factors over which the Issuer has no control. No prediction can be made about the effect which any future public offerings of the Issuer's securities or any takeover or merger activity involving the Issuer or a Group Company will have on the market price of the Bonds prevailing from time to time.** ***Interest rate risk and price changes*** **Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds, with the price of bonds tending to move in a way that is inversely proportional to changes in interest rates. Moreover, the price changes also depend on the term or residual time to maturity of the Bonds; in general, bonds with shorter terms have less price risks than bonds with longer terms.** ***Currency risk*** **A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different.** ***Continuing compliance obligations*** **Following admission of the Bonds to trading on the MSE, the Issuer is required to remain in compliance with certain ongoing requirements. The Listing Authority has the authority to suspend or discontinue trading or listing of the Bonds in certain circumstances, for the protection of investors or the integrity or reputation of the market. Any such trading suspension or listing revocation / discontinuation could have a material adverse effect on the liquidity and value of the Bonds.** ***Changes in laws and regulations*** **The Terms and Conditions of the Bond Issue are based on the requirements of the Listing Rules of the Listing Authority, the Companies Act and the Commission Regulation in effect as at the date of the Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of this Prospectus.** ***Amendments to Terms and Conditions*** **The Issuer may call a meeting of Bondholders in the event that it wishes to amend any of the Terms and Conditions of this Bond Issue or of either of the Series I Bonds or Series II Bonds. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.**

	Risks relating to the Collateral **The Secured Bonds, as and when issued and allotted, shall constitute the general, direct, and unconditional obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under said Secured Bonds by the Guarantor and the Collateral.** **The joint and several Guarantee entitles the Security Trustee to take action against the Guarantor without having to first take action against the Issuer. The strength of this undertaking on the part of the Guarantor and therefore, the level of recoverability by the Security Trustee from the Guarantor of any amounts due under any of the Secured Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantor, which as seen above is exposed to risks.** **The Guarantee is further supported by the Collateral that is to be granted over the respective Security Property to secure payments under each of the Series I Bonds and Series II Bonds. Whilst this grants the Security Trustee a right of preference and priority for repayment of the relevant Series over the creditors of the Guarantor in respect of the Security Property relative to such Series, there can be no guarantee that the value of the said Security Property over the term of the relevant Series of Secured Bonds will be sufficient to cover the full amount of interest and principal outstanding under the said Series of Bonds. This may be the result of various factors, including general economic factors that could have an adverse impact on the value of the Security Property. Furthermore, whilst the independent valuation opines that the value of the Security Property relative to each Series of Bonds in its current state actually exceeds the aggregate nominal value of the relevant Series of Bonds, there is no guarantee that such value determined in the independent valuation would be achieved, particularly if the Collateral is enforced at a time when such Security Property is still not completed and unfinished. Upon full payment of principal and interest under the Series I Bonds, the first ranking special hypothec over the Series I Bonds Security Property and securing the said Series I Bonds shall be cancelled, and will not secure payments under Series II Bonds, which will remain secured by the first ranking special hypothec over the Series II Bonds Security Property.** **Notwithstanding that the Bonds constitute the general, direct and unconditional obligations of the Issuer and in relation to the Guarantor the general, direct, unconditional and secured obligations, there can be no guarantee that privileges accorded by law in specific situations will not arise during the course of the business of each of the Issuer and the Guarantor which may rank with priority or preference to the Collateral.**
5	**SECTION E – OFFER**
E.2b	The proceeds from the Bond Issue, net of expenses of the Bond Issue, which are expected to amount to approximately €22,050,000 will be used by the Issuer to make a loan facility to the Guarantor, to be used as provided below, bearing interest at 4.75% per annum as regards the firstly drawn portion thereof up to the amount of €11,500,000 whereas the balance will bear interest at 5.25% per annum, which interest shall be payable on 13 March of each year, and the principal amount of which loan shall be repayable, as to the amount of €11,500,000 by not later than 13 March 2027 and as to the balance by not later than 13 March 2031 (the "Issuer-Guarantor Loan"). In turn, the Issuer-Guarantor Loan will be used by the Guarantor for the following purposes, in the amounts set out below: (i) <u>Re-financing existing bank loans</u>: an amount of circa €5,650,000 will be used to re-finance outstanding banking facilities of the Guarantor with Lombard Bank Malta p.l.c., which funds were originally principally utilised to acquire the Mercury Site; (ii) <u>Construction and finishing of Project elements owned by the Guarantor</u>: the amount of circa €16,400,000] will be used to finance part of the fees and costs due by the Guarantor to Mercury Contracting Projects Limited in respect of development and finishing works on the Retained Property, in terms of the contract of works between the two companies. The Issuer-Guarantor Loan shall be drawn down as follows: (a) the amount used to repay the bank loan indebtedness to Lombard Bank Malta p.l.c. will be deemed immediately drawn down upon execution of the notarial deed creating the Issuer-Guarantor Loan; and (b) the balance will be advanced in one or more subsequent drawdowns following a request by the Guarantor to the Issuer, in order to pay invoices for construction and finishing works on Retained Property received by the Guarantor from Mercury Contracting Projects Limited and against presentation of such invoices, but the Guarantor shall have the right to make an initial drawdown, at any time after the execution of the notarial deed creating the Issuer-Guarantor Loan, for the full or any part of the amounts already invoiced and/or paid to the said Mercury Contracting Projects Limited at any time up to the execution of the said notarial deed. All proceeds from the Bond Issue shall be held by the Security Trustee pending perfection of the Collateral to secure the Secured Bonds, in accordance with the provisions of the Security Trust Deed. In terms of the Prospectus and Security Trust Deed, the Security Trustee shall not release any of the Bond Issue proceeds, except for the payment of the loan to Lombard Bank Malta p.l.c. as provided in (i) above, until such time as the Collateral is duly constituted in favour of the Security Trustee, in accordance with the provisions of the Security Trust Deed. The issue and allotment of the Bonds is conditional upon: (i) the Bonds being admitted to the Official List; and (ii) the Collateral being constituted in favour of the Security Trustee in accordance with the provisions of the Security Trust Deed. In the event that either of the aforesaid conditions is not satisfied, the Security Trustee shall return Bond Issue proceeds to the investors.
E.3	The Issuer has entered into placement agreement/s with Authorised Financial Intermediaries, whereby the Issuer bound itself to issue, and such Authorised Financial Intermediaries bound themselves to subscribe for the full amount of the Bond Issue, subject to the Bonds being admitted to trading on the Official List of the Malta Stock Exchange and the Collateral being constituted in favour of the Security Trustee in accordance with the provisions of the Security Trust Deed. The following is a synopsis of the general terms and conditions applicable to the Bonds. A Bondholder is deemed to have invested only after having received, read and understood the contents of the Prospectus, including the full terms and conditions contained therein and in the annexes thereto:

1. Registration, Form, Denomination and Title

Certificates will not be delivered to Bondholders in respect of the Bonds, which will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. Bondholders shall have, at all reasonable times during business hours, access to the register of bondholders held at the CSD for the purpose of inspecting information held on their respective account. The CSD will issue, upon a request by a Bondholder, a statement of holdings to such Bondholder evidencing his/her/its entitlement to Bonds held in the register kept by the CSD. The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100, subject to a minimum subscription of €2,000 per individual Bondholder. Authorised Financial Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client. Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Bond. Title to the Secured Bonds may be transferred as provided in the Securities Note.

2. Interest

Details of interest payable on the Bonds are provided in Element C.9 of this Summary Note.

3. Status of the Secured Bonds and Security

The Secured Bonds shall constitute the general, direct and unconditional obligations of the Issuer and shall at all times rank pari passu, without any priority or preference among themselves. The Secured Bonds of both Series shall be guaranteed in respect of both the interest due and the principal amount under said Secured Bonds by the Guarantor in terms of the Guarantee. In respect of the Guarantor, the Secured Bonds shall rank with priority or preference to all other present and future unsecured obligations of the Guarantor, save for such exceptions as may be provided by applicable law, by virtue and to the extent of the first ranking special hypothec over the Series I Bonds Security Property as regards the Series I Bonds, and the Series II Bonds Security Property as regards the Series II Bonds.

4. Payments

Payment of the principal amount of Bonds will be made in Euro (€) by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the respective Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time. Such payment shall be effected within seven days of the Redemption Date. Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business fifteen days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time. Such payment shall be effected within seven days of the Interest Payment Date.

5. Redemption

Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the respective date fixed for redemption), on 27 March 2027 in the case of Series I Bonds and on 27 March 2031 in the case of Series II Bonds.

6. Events of Default

Pursuant to the Trust Deed, the Security Trustee may in its absolute discretion, and shall upon the request in writing of not less than 75% in value of the Bondholders or (as the case may be) of the registered Bondholders of the relevant Series at the relevant time, by notice in writing to the Issuer and the Guarantor declare the Bonds, or either the Series I Bonds or the Series II Bonds, to have become immediately due and repayable at their principal amount together with accrued interest, upon the happening of any of the following events: (a) the Issuer fails to pay any interest under the Bonds or under Bonds of any Series when due and such failure continues for a period of sixty (60) days after written notice thereof by the Security Trustee to the Issuer; (b) the Issuer fails to pay the Redemption Value of a Bond when due and such failure continues for a period of sixty (60) days after written notice thereof by the Security Trustee to the Issuer; (c) the Issuer fails duly to perform or shall otherwise be in breach of any other material obligation contained in the Terms and Conditions of the Bonds and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by the Security Trustee; (d) there shall have been entered against the Issuer or the Guarantor a final judgment by a court of competent jurisdiction from which no appeal may be made or is taken for the payment of money in excess of €5,000,000 or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed; (e) the Issuer or the Guarantor is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent, within the meaning of Article 214(5) of the Act; (f) an order is made or an effective resolution passed for the dissolution, termination of existence, liquidation or winding-up of the Issuer or the Guarantor, except for the purpose of a reconstruction, amalgamation or division; (g) a judicial or provisional administrator is appointed upon the whole or any part of the property of the Issuer or the Guarantor; (h) the Issuer ceases or threatens to cease to carry on its business or a substantial part thereof; (i) the Issuer or the Guarantor commits a breach of any covenants or provisions contained in the Trust Deed and on its part to be observed and performed and the said breach still subsists for sixty (60) days after having been notified by the Security Trustee (other than any covenant for the payment of interests or principal monies owing in respect of the Bonds); (j) it becomes unlawful at any time for the Issuer or the Guarantor to perform all or any of its obligations hereunder or under the Trust Deed; (k) the Issuer or the Guarantor repudiates, or does or causes or permits to be done any act or thing evidencing an intention to repudiate the Bonds and/or the Trust Deed; (l) all, or in the sole opinion of the Security Trustee, a material part, of the undertakings, assets, rights, or revenues of or shares or other ownership interests in the Issuer or the Guarantor are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government.

	7. *Transferability of the Secured Bonds* The Bonds are freely transferable and, once admitted to the Official List shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time. All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations. The Issuer will not register the transfer or transmission of Secured Bonds for a period of 15 days preceding the due date for any payment of interest on the Bonds or the due date for redemption. 8. *Further Issues* The Issuer may, from time to time, without the consent of the Bondholders, create and issue further debt securities either having the same terms and conditions as any outstanding debt securities of any series (including the Bonds) and so that such further issue shall be consolidated and form a single series with the outstanding debt securities of the relevant series (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue, provided that no issue may be made that would rank senior to the Bonds in respect of the Collateral. 9. *Meetings of Bondholders* The Terms and Conditions of the Bonds or of any Series of Bonds may be amended or waived with the approval of the prescribed majority of Bondholders or (as the case may be) of Bondholders of the relevant Series at a meeting called for that purpose by the Issuer through the Security Trustee. 10. *Governing Law and Jurisdiction* The Bonds and any non-contractual matters arising out of or in connection therewith shall be governed by and shall be construed in accordance with Maltese law. Any dispute, legal action, suit or proceedings against the Issuer and/or the Guarantor arising out of or in connection with the Bonds and/or the Prospectus and/or any non-contractual matters arising out of or in connection therewith shall be brought exclusively before the Maltese courts, and the Issuer and (in terms of the Guarantee) the Guarantor and each Bondholder therefore irrevocably submits to the exclusive jurisdiction of the Courts of Malta as aforesaid.
E.4	As at the date of the Prospectus, the executive Director and ultimate beneficial owner of the Issuer, Mr. Joseph Portelli, is a director and officer and ultimate beneficial owner of the parent company, the Guarantor, and as such is susceptible to conflicts between the potentially diverging interests of the different members of the Group, particularly in connection with the Issuer-Guarantor Loan to be advanced by the Issuer to the Guarantor out of the net proceeds of the Bond Issue. Mr. Joseph Portelli, is also the 100% shareholder and director of Mercury Contracting Projects Limited, with which the Guarantor has entered into a general contract of works for the construction (including supply of material), development and finishing of the Retained Property, and which company is also appointed as principal contractor in respect of the whole Project (including those elements thereof to be sold to third parties). The executive Director and ultimate beneficial owner of the Group is also director and ultimate beneficial owner of Mercury Exchange Limited (and its parent undertaking, Mercury Holdings Limited) which is the proposed acquirer of the Exchange Site and proposed developer of the Exchange Project. This may create potential conflicts of interest in the context of any transactions between the Guarantor and Mercury Exchange Limited relating to the respective projects, including the repayment of the €11,020,496 related party balance due by the Guarantor to Mercury Exchange Limited as referred to under 'High leverage risks and increase in financial gearing further to the Bond Issue' in Section D.2 above. Procedures have however been put in place to manage and mitigate the effects of such potential conflicts of interest. Without prejudice to the aforesaid, and save for the subscription for Bonds by the Authorised Financial Intermediaries (which include Calamatta Cuschieri Investment Services Limited as the Sponsor), and any fees payable in connection with the Bond Issue to the Sponsor and to the Registrar, so far as the Issuer is aware no person involved in the Bond Issue has an interest material to the Bond Issue.
E.7	Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €450,000.

EXPECTED TIMETABLE OF THE BOND ISSUE

Offer Period:	13 March 2019 to 27 March 2019
Commencement of interest:	27 March 2019
Expected date of constitution of special hypothecs on Security Property	3 April 2019
Expected date of notification of registration:	4 April 2019
Expected date of admission of Bonds to listing:	4 April 2019
Expected date of commencement of trading in the Bonds:	5 April 2019