REGISTRATION DOCUMENT

Dated 22 March 2022

This Registration Document is issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules issued by the Malta Financial Services Authority and in accordance with the Prospectus Regulation.

MERCURY FINANCE

MERCURY PROJECTS FINANCE P.L.C.

a public limited liability company duly incorporated under the Laws of Malta, with Company registration number C 89117

Sponsor & Co-Manager	Registrar & Co-Manager	Security Trustee	Legal Counsel
Calamatta Cuschieri YOUR PARTNER IN FINANCIAL SERVICES	BOV Bank of Valletta	CSB trustees& fiduciaries ltd	salibastafrace LEGAL

THIS REGISTRATION DOCUMENT HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MALTA FINANCIAL SERVICES AUTHORITY ONLY APPROVES THIS REGISTRATION DOCUMENT AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT HOWEVER BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER THAT IS THE SUBJECT OF THIS REGISTRATION DOCUMENT. IN PROVIDING THIS AUTHORISATION, THE MALTA FINANCIAL SERVICES AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN ANY INSTRUMENT ISSUED BY THE ISSUER AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENTS.

THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS 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 THE SECURITIES ISSUED BY THE ISSUER.

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 IN 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

in his capacity as Director of the Company and on behalf of each of Stephen Muscat, Mario Vella and Peter Portelli.

IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON MERCURY PROJECTS FINANCE P.L.C. IN ITS CAPACITY AS ISSUER AND MERCURY TOWERS LTD AS GUARANTOR, IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES, THE COMPANIES ACT (CAP. 386 OF THE LAWS OF MALTA) AND THE PROSPECTUS REGULATION.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR OR THEIR RESPECTIVE DIRECTORS, TO PUBLISH OR ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE ISSUER, THE GUARANTOR AND/OR THE SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THE PROSPECTUS AND IN THE DOCUMENTS REFERRED TO THEREIN, AND IF PUBLISHED, ISSUED, GIVEN OR MADE, SUCH ADVERTISEMENT, INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR OR THEIR RESPECTIVE DIRECTORS OR ADVISORS.

ALL THE ADVISORS TO THE ISSUER NAMED UNDER THE HEADING "ADVISORS" IN SECTION 3.4 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THE PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER BY ANY PERSON IN ANY JURISDICTION: (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED; OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION.

THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

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.

SAVE FOR THE OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE SECURITIES DESCRIBED IN THE SECURITIES NOTE OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, NO SECURITIES MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THE PROSPECTUS NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL MAY BE DISTRIBUTED OR PUBLISHED IN ANY JURISDICTION, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE POSSESSION THE PROSPECTUS OR ANY SECURITIES MAY COME MUST INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS ON THE DISTRIBUTION OF THE PROSPECTUS AND THE OFFERING AND SALE OF SECURITIES.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE MALTA FINANCIAL SERVICES AUTHORITY IN SATISFACTION OF THE CAPITAL MARKETS 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 ACT.

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

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY SECURITIES ISSUED BY THE ISSUER MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER OR THE GUARANTOR SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

THIS REGISTRATION DOCUMENT IS VALID FOR A PERIOD OF TWELVE MONTHS FROM THE DATE HEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO UPDATE OR SUPPLEMENT THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.

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 ANY SECURITIES ISSUED BY THE ISSUER.

THE VALUE OF INVESTMENTS CAN FALL AS WELL AS RISE, 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.

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1 | DEFINITIONS

In this Registration Document the following words and expressions shall bear the following meanings except where otherwise expressly stated or where the context otherwise requires:

2019 Bond Issue	The issue of the 2027 Existing Bonds and of the 2031 Existing Bonds by the Issuer pursuant to the 2019 Prospectus;
2019 Prospectus	The prospectus dated 4 March 2019 issued by the Company in relation to the 2019 Bond Issue;
2027 Existing Bonds	The 3.75% secured bonds due 2027 issued by the Issuer pursuant to the 2019 Prospectus, of a nominal value of €100 per bond and of an aggregate nominal value of €11,500,000, and carrying ISIN MT0002191204;
2031 Existing Bonds	The 4.25% secured bonds due 2031 issued by the Issuer pursuant to the 2019 Prospectus, of a nominal value of €100 per bond and of an aggregate nominal value of €11,000,000, and carrying ISIN MT0002191212;
Act	The Companies Act, 1995, Cap. 386, Laws of Malta;
Bersella Holdings Limited	Bersella Holdings Limited, a limited liability company registered under the laws of Malta, with company registration number C 79829, having its registered office at Mangion Building, N/S Off Valletta Road, Luqa LQA 6000, Malta;
Bondholders	The holders of the Bonds, each a "Bondholder";
Bond Issue	The issue of Bonds;
Bonds or **Secured Bonds**	The €50,000,000 secured bonds due in 2032 of a nominal value of €100 per bond payable in full upon subscription and redeemable at their nominal value on the Redemption Date, bearing interest at the rate of 4.3% per annum, as set out in the Securities Note;
BOV Loans	The existing bank financing due by the Guarantor to Bank of Valletta p.l.c. as set out in Section 6.2 of this Registration Document;
Business Day	Any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
Capital Markets Rules	The capital markets rules issued by the Malta Financial Services Authority in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta);
Car Park Site – Phase 1	The underground levels minus three (-3) to minus six (-6) underlying parts of the Mercury Site which were approved for the construction therein of a car parking complex by virtue of the Full Development Permit issued by the Malta Planning Authority on 7 February 2018 (REF. Planning Authority Permit PA 06955/17), which permit was confirmed on appeal on the 7 March 2019, and more precisely an approximate space of *circa* 4,533 square metres on each level commencing from 2.6 metres from sea level up and limited to 14.3 metres from sea level, wherein there has been constructed and there is being developed and finished part of the Parking Complex which will underlie parts of the Site, and which

	underground levels were transferred by the Guarantor to TTRS Holdings Limited in two separate stages and portions by virtue of a public deed in the records of Notary Kristen Dimech of the twenty third day of June of the year two thousand and seventeen (23/06/2017) and a subsequent public deed in the records of the same Notary of the nineteenth day of July of the year two thousand and seventeen (19/07/2017), which TTRS Holdings Limited was subsequently acquired by amalgamation by the company Mercury Car Park Limited, which latter company currently owns the Car Park Site – Phase 1;
Car Park Site – Phase 2	The underground levels minus three (-3) to minus seven (-7) underlying parts of the Site, which were approved for the construction therein of car parking facilities by virtue of the Full Development Permit issued by the Malta Planning Authority on 17 December 2020 (REF. Planning Authority Permit PA 1892/19) as an extension to the previously approved car parking facilities within Car Park Site – Phase 1 but excluding the said Car Park Site – Phase 1, and more precisely an approximate space of *circa* 1964 square metres on each level commencing from 0.8 metres from sea level up and limited to 14.3 metres from sea level, wherein there has been constructed and there is being developed and finished part of the Parking Complex which will underlie parts of the Site;
Collateral	The following security granted by Mercury Hotel Ltd. and the Guarantor respectively in favour of the Security Trustee for the benefit of Bondholders: (a) the Special Hypothec; and (b) the Guarantee;
Commercial Mall or **Shopping Mall**	The retail and commercial outlets being developed by Mercury Commercial Mall Ltd. on the Site, which is planned to consist of a number of retail and catering establishments, and which are intended to be leased by Mercury Commercial Mall Ltd. to various third parties;
Conditions Precedent	The conditions set out under paragraph (a) of Section 8.2 of the Securities Note, to which the issue and final allotment of the Bonds is subject, namely the following events, in the chronological order set out below: (1) the Collateral being constituted in favour of the Security Trustee, in accordance with the provisions of the Security Trust Deed, within 15 Business Days of the close of the Offer Period; and (2) the Bonds being admitted to the Official List;
Directors or **Board**	The directors of the Issuer whose names are set out under the heading "Identity of the Directors, Advisors and Auditors" in Section 3 of this Registration Document;
Euro or **€**	The official currency of the member States of the European Union that form part of the Euro-zone, including Malta;
Exchange Site	The immovable property adjacent to the Mercury Site, consisting of a divided portion of land at St. Julians, measuring *circa* one thousand nine hundred and sixty four square metres (1,964 m^2), on which Saint George's Exchange, without official number in Triq San Gorg, Saint Julians was built before its recent demolition, inclusive of its subsoil and airspace, which was acquired by the Guarantor from SGE Property Company Limited by

	means of the Exchange Site Public Deed, following an assignment of the promise of sale agreement dated 2 August 2018 that took place on the same Exchange Site Public Deed between Mercury Exchange Limited (company registration number C 87640) and the Guarantor, as more fully and accurately described in the Exchange Site Public Deed and the plans and drawings attached thereto;
Exchange Site Public Deed	The public deed in the records of Notary Kristen Dimech of the twelfth day of August of the year two thousand and twenty-one (12/08/2021), by virtue of which the Guarantor acquired the Exchange Site;
Existing Bondholders	The holders of the Existing Bonds, each an "Existing Bondholder";
Existing Bonds	Collectively, the 2027 Existing Bonds and the 2031 Existing Bonds;
Group or **Mercury Group**	The Guarantor and its direct or indirect Subsidiaries, including the Issuer, and the term "Group Company" shall mean any one of the companies forming part of the Group;
Guarantee	The joint and several guarantee dated 22 March 2022 granted by the Guarantor as security for the punctual performance of the Issuer's payment obligations under the Bond Issue, subject to the terms and conditions contained in the Security Trust Deed and as the same is held on trust for the benefit of the Bondholders by the Security Trustee. A copy of the Guarantee (which contains a description of the nature and scope and the terms of the Guarantee) is appended to the Securities Note as Annex II thereto;
Guarantor	Mercury Towers Ltd, a limited liability company registered under the laws of Malta with company registration number C 77402 and having its registered office at J Portelli Projects, 1400, Block 14, Portomaso, St. Julians, Malta;
Hotel	The Hotel being developed by Mercury Hotel Ltd. on the Site, which is planned to consist of a 130-room 19-storey hotel, together with several additional recreational functions and other facilities forming part of or ancillary to such hotel, which Hotel and respective facilities are intended to be subsequently operated by the said Mercury Hotel Ltd. Under a hotel management agreement with Meliá Hotels International S.A. and Prodigios Interactivos S.A. to manage and operate such Hotel;
Issuer or **Company**	Mercury Projects Finance p.l.c., a limited liability company registered under the laws of Malta with company registration number C 89117 and having its registered office at 1400, Block 14, Portomaso, St. Julians, Malta;
Issuer-Guarantor virtue Loan 2019	The loan facility between the Issuer (as lender) and the Guarantor (as borrower) by of which the proceeds of the 2019 Bond Issue were made available by the Issuer to the Guarantor and regulated by the public deed in the records of Notary Kristen Dimech of the twenty fifth day of March of the year two thousand and nineteen (25/03/2019);
Issuer-Guarantor Loan 2022	The loan facility between the Issuer (as lender) and the Guarantor (as borrower) referred to in Section 4.2 of the Securities Note, by virtue of which part of the proceeds of the Bond Issue will be made available by the Issuer to the Guarantor;

Malta Financial Services Authority or **MFSA**	The Malta Financial Services Authority, established in terms of Article 3 of the Malta Financial Services Authority Act (Cap. 330 of the Laws of Malta), and which has been appointed by the Financial Markets Act (Cap. 345 of the Laws of Malta) as the competent authority to approve prospectuses of any offer of securities to the public in Malta;
Malta Stock Exchange or **Exchange** or **MSE**	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Memorandum and Articles of Association or **Articles**	The memorandum and articles of association of the Issuer in force at the time of Articles publication of this Registration Document;
Mercury Car Park Limited	Mercury Car Park Limited, a limited liability company registered under the laws of Malta, with company registration number C 81172, having its registered office at Mangion Building, New Street off Valletta Road, Luqa LQA 6000, Malta;
Mercury Car Park II Ltd.	Mercury Car Park II Ltd., a limited liability company registered under the laws of Malta, with company registration number C 100736, having its registered office at Mercury House, St. George's Road, St. Julians, Malta;
Mercury Commercial Mall Ltd.	Mercury Commercial Mall Ltd., a limited liability company registered under the laws of Malta, with company registration number C 100729, having its registered office at 1400, Block 14, Portomaso, St. Julians, Malta;
Mercury Contracting Projects Limited	Mercury Contracting Projects Limited, a limited liability company registered under the laws of Malta, with company registration number C 77531 and having its registered office at J. Portelli Projects, 1400, Block 14, Portomaso, St. Julians, Malta;
Mercury Hotel Ltd.	Mercury Hotel Ltd., a limited liability company registered under the laws of Malta, with company registration number C 100730, having its registered office at Mercury House, Triq San Gorg, St. Julians, Malta;
Mercury Site	The "Site" as defined in the Mercury Site Public Deeds, consisting of a divided portion of land at St. Julians, measuring *circa* seven thousand seven hundred and one point eight square metres (7,701.8m^2), consisting of various portions of land and levels above and below sea level (airspaces and subterranean portions and levels) which was acquired by the Guarantor from Pender Ville Limited in two stages by means of the Mercury Site Public Deeds, subject to all the terms and conditions and exclusions set out in such Mercury Site Public Deeds, as more fully and accurately described in the Mercury Site Public Deeds and the plans and drawings attached thereto, but excluding therefrom the Car Park Site – Phase 1, which has been subsequently transferred by the Guarantor to TTRS Holdings Limited in two separate stages and portions by virtue of a public deed in the records of Notary Kristen Dimech of the twenty third day of June of the year two thousand and seventeen (23/06/2017) and a subsequent public deed in the records of the same Notary of the nineteenth day of July of the year two thousand and seventeen (19/07/2017), which TTRS Holdings Limited was subsequently acquired by amalgamation by the company Mercury Car Park Limited;

Mercury Site Deeds	The public deed in the records of Notary Kristen Dimech of the fifth day of Public December of the year two thousand and sixteen (05/12/2016), and the subsequent public deed in the records of Notary Kristen Dimech of the twenty seventh day of June of the year two thousand and seventeen (27/06/2017), by virtue of which the Guarantor acquired the Mercury Site in two stages;
Offer Period	The period between 08:00 hours on 4 April 2022 and 12:00 hours on 14 April 2022 during which the Bonds are on offer;
Official List	The list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;
Parking Complex	The aggregate parking facilities being developed for the benefit and as part of the Project in the underground levels minus seven to minus three (B07 to B03) underlying parts of the Site, consisting collectively of those being developed within Car Park Site Phase 1 and those within Car Park Site – Phase 2;
Pender Ville Limited	Pender Ville Limited, a limited liability company registered under the laws of Malta, with company registration number C 36675, having its registered office at Pendergardens Business Centre, 14, Level 1, Pendergardens, St. Andrews Road, St. Julians, Malta;
Peripheral Block	The peripheral block of serviced apartments being developed by the Guarantor, which is planned to consist of 170 serviced apartments, which will be adjacent to the Hotel podium, which serviced apartments within the Peripheral Block are intended for resale to third parties;
Project or **Mercury House Project**	The Group's project comprising the development of the Site into a mixed use development comprising of *inter alia* serviced apartments, a commercial mall, a hotel, other leisure, entertainment, health and beauty, retail and commercial activity and underlying car parking facilities, all as described in more detail in Section 5 below;
Prospectus	Collectively, the Registration Document, the Securities Note and the Summary;
Prospectus Regulation	Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as may be amended and/or supplemented from time to time;
Redemption Date	25 April 2032;
Registrar or **Registrar & Co-Manager**	Bank of Valletta p.l.c., a public limited liability company registered under the laws of Malta, with company registration number C 2833, having its registered office at 58, Zachary Street, Valletta VLT 1130, Malta;
Registration Document	This document in its entirety;
Retained Property	The Hotel, the Shopping Mall and other property within the Project to be retained in ownership by the Group;
Securities Note	The securities note issued by the Issuer dated 22 March 2022, forming part of the Prospectus;

Security Property BOV Loans	The first ranking special hypothec and first special privilege over certain immovable for property within the Site, to secure the BOV Loans, as set out in Section 6.2 of this Registration Document;
Security Property Existing Bonds	In respect of the 2027 Existing Bonds, the following immovable property owned by for the Guarantor: – 'Mercury House' being the scheduled Grade Two heritage building and extension thereto in terms of the building permit relative to the Project as may be amended from time to time, situated on Levels B02, B01, L00, L01 and L02 of the Mercury Site, and measuring approximately on each of the said levels 358m² 345m², 631m², 429m² and 328m² respectively. Mercury House underlies the Tower and does not include the relative airspace; – 'Commercial Space L01' meaning the space presently in shell form situated on Level L01 of the Tower and limitedly to this floor level measuring approximately 358m² intended for the development of a commercial space the use of which shall be determined by the building permit from time to time; – 'Commercial Space L02' meaning the space presently in shell form situated on Level L02 of the Tower and limitedly to this floor level measuring approximately 646.5m² intended for the development of a commercial space consisting mainly of a restaurant and/or an event space and its ancillary service rooms, amenities and facilities and/or as otherwise determined by the building permit from time to time; and in respect of the 2031 Existing Bonds, the following immovable property owned by the Guarantor:
	– 'Twist L11 and L12' meaning those divided portions presently built in shell form at Levels L11 and L12 of the Tower without their underlying and overlying airspace and which two levels accommodate a transitioning twist between the lower and upper part of the Tower. The divided portion de quo at Level L11 has an approximate aggregate area of 800m² and at Level L12 has an approximate aggregate area of 439m². These spaces are intended for the development of an indoor pool, event space/s, restaurant/s, office/s, and other commercial areas, ancillary facilities and amenities and/or as otherwise determined by the building permit from time to time; – 'Residential L31' meaning all the residential units currently built in shell form at Level 31 of the Tower and limitedly to this floor level, and namely (a) apartment internally numbered 3101 measuring approximately 205m² as built-up areaand 40m² as external area; (b) apartment internally numbered 3102 measuring approximately 106m² as built-up area and 20m² as external area; (c) apartment internally numbered 3103 measuring approximately 223m² as built-up area and 40m² as external area; (d) apartment internally numbered 3104 measuring approximately 49m² as built-up area and 10m² as external area; (e) apartment internally numbered 3105 measuring approximately 47m² as built-up area and 10m² as external area;

Security Property for Bonds	The following immovable property owned by the Mercury Hotel Ltd.: – The airspaces earmarked for the construction of the Hotel (as covered by planning permit REF. Planning Authority PA 01892/19), namely: (i) the airspace commencing from the floor level L02 up to the uppermost level L19 being developed within the Hotel building, having a planned internal floor area measuring approximately 12,252m² and external balconies measuring approximately 3,636m², including the airspace above them, and any and all constructions and improvements thereon from time to time; (ii) the airspace commencing from the roof of floor level L08 upwards without limitation within the Peripheral Block, having a superficial area of approximately 992m², and any and all constructions and improvements thereon from time to time; and (iii) the part of the fourth basement level (B04) which is earmarked to be developed as a SPA and Wellness Centre, having an internal floor area measuring approximately 1,093m², which will form part and be operated as part of the amenities of the Hotel, and any and all constructions and improvements therein from time to time;
Security Trust Deed or **Trust Deed**	The security trust deed entered into in respect of the Bond Issue between the Security Trustee, the Issuer, the Guarantor and Mercury Hotel Ltd. dated 22 March 2022;
Security Trustee	CSB Trustees and Fiduciaries Limited, a private limited liability company duly registered and validly existing under the laws of Malta, with company registration number C 40390 and having its registered office at Level 3, Tower Business Centre, Tower Street, Swatar, Birkirkara BKR 4013, Malta, duly authorized to act as a trustee or co-trustee in terms of Article 43(3) of the Trusts and Trustees Act (Cap. 331 of the Laws of Malta);
SGE Property Company Limited	SGE Property Company Limited, a limited liability company registered under the laws Malta, with company registration number C 51494, having its registered office at The Bastions, Triq Emvin Cremona, Floriana FRN 1281, Malta;
Site	Collectively, the Mercury Site, the Exchange Site and the Car Park Site – Phase 1;
Special Hypothec	The first ranking special hypothec over the Security Property for Bonds to be granted by Mercury Hotel Ltd. in favour of the Security Trustee, for the benefit of Bondholders, to secure the claim of the Security Trustee, for the benefit and in the interest of Bondholders, for the repayment of the principal and interest under the Bonds by the Issuer, as set out in Section 6.2 of this Registration Document;
Sponsor or **Sponsor & Co-Manager**	Calamatta Cuschieri Investment Services Limited, a private limited liability company registered under the laws of Malta having its registered office at Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta and bearing company registration number C 13729. Calamatta Cuschieri Investment Services Limited is authorised to conduct investment services by the Malta Financial Services Authority in terms of the Investment Services Act (Cap. 370 of the laws of Malta) and is a member of the MSE;

Subsidiary	When such term used in respect of an undertaking (a parent undertaking) it means an undertaking which is such parent undertaking's direct or indirect "subsidiary undertaking", as such latter term is defined in Article 2(2)(c) of the Act, and for such purpose the term "parent undertaking" shall have the meaning assigned to it in Article 2(2)(a) of the Act;
Summary	The summary issued by the Issuer dated 22 March 2022, forming part of the Prospectus;
Tower	The twisted shaped high-rise building being developed on the Site which is on the date hereof fully constructed in shell form and being completed and finished, which shall consist of a 34-storey tower, an overlying viewing gallery and airspace, as well as 2 underground storeys (but excluding the car park levels) overlying the car park facility, from levels B02 to L33, and wherein there are being developed 291 branded serviced apartments, as well as commercial areas (particularly in levels B02 to L02, L10 to L12 and L32 and L33); and
TTRS Holdings Limited	TTRS Holdings Limited a limited liability company which was registered under the laws of Malta, with company registration number C 81170, and which had its registered office at J. Portelli Projects, 1400, Block 14, Portomaso, St. Julians, Malta, which company was struck off the Register of Companies following its amalgamation with Mercury Car Park Limited.

All references in the Prospectus to "Malta" are to the "Republic of Malta".

Unless it appears otherwise from the context:

(a) words importing the singular shall include the plural and *vice-versa*;
(b) words importing the masculine gender shall include also the feminine gender and *vice-versa*;
(c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;
(d) any references to a person includes natural persons, firms, partnerships, companies, corporations, associations, organizations, governments, states, foundations or trusts;
(e) any phrase introduced by the term "including", "include", "in particular" or any similar expression is illustrative only and does not limit the sense of the words preceding the term; and
(f) any references to a law, legislative act and/or other legislation shall mean that particular law, legislative act and/or legislation as in force at the time of issue of this Registration Document.

2 | RISK FACTORS

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 MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER OR ITS SECURITIES.

SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

THE RISK FACTORS BELOW HAVE BEEN CATEGORISED UNDER TWO MAIN CATEGORIES, ACCORDING TO WHETHER THE RISK FACTORS RELATE TO: (I) THE ISSUER; OR (II) THE GUARANTOR, WITH THE LATTER CATEGORY BEING DIVIDED INTO FURTHER SUB-CATEGORIES. THE RISK FACTOR FIRST APPEARING UNDER EACH SUB-CATEGORY CONSTITUTES THAT RISK FACTOR WHICH THE DIRECTORS HAVE ASSESSED TO BE THE MOST MATERIAL RISK FACTOR UNDER SUCH SUB-CATEGORY AS AT THE DATE OF THIS REGISTRATION DOCUMENT. IN MAKING THIS ASSESSMENT OF MATERIALITY, THE DIRECTORS HAVE EVALUATED THE COMBINATION OF: (I) THE PROBABILITY THAT THE RISK FACTOR OCCURS; AND (II) THE EXPECTED MAGNITUDE OF THE ADVERSE EFFECT ON THE FINANCIAL CONDITION AND PERFORMANCE OF THE ISSUER, THE GUARANTOR OR THE GROUP, IF THE RISK FACTOR WERE TO MATERIALISE.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER'S AND/OR GUARANTOR'S FINANCIAL RESULTS, FINANCIAL CONDITION, OPERATIONAL PERFORMANCE, BUSINESS AND/OR TRADING PROSPECTS, AND ON THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES TO BE ISSUED BY IT FROM TIME TO TIME AND OF THE GUARANTOR TO HONOUR ITS OBLIGATIONS UNDER THE GUARANTEE. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AND BELIEVED TO BE MATERIAL AS AT THE DATE HEREOF BY THE DIRECTORS OF THE ISSUER, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER AND THE GUARANTOR MAY FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL ADVERSE IMPACT ON THE FINANCIAL RESULTS, FINANCIAL CONDITION, OPERATIONAL PERFORMANCE, BUSINESS AND/OR TRADING PROSPECTS.

NEITHER THE PROSPECTUS NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH SECURITIES ISSUED BY THE ISSUER: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION OR (II) IS OR SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE DIRECTORS, ANY OF THE ADVISORS LISTED IN SECTION 3 BELOW, THE SPONSOR OR ANY OF THE AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE ISSUER. PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT AND IN OTHER DOCUMENTS COMPRISED IN THE PROSPECTUS.

/ *Forward-looking Statements*

The Prospectus and the documents incorporated therein by reference or annexed thereto contain statements that are, or may be deemed to be, forward-looking statements. Forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believe", "estimate", "forecast", "project", "plan", "anticipate", "expects", "envisage", "intend", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places within the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and, or the Directors concerning, amongst other things, the Issuer's or the Guarantor's strategy and business plans, financial condition and performance, results of operations, liquidity, prospects, investments, and the markets in which it operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may, or may not occur, in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer's and/or the Guarantor's actual operational results, financial condition and performance, and trading prospects may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the operational results, financial condition and performance, and trading prospects of the Issuer or the Guarantor are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, those factors identified under this section and elsewhere in the Prospectus.

All forward-looking statements contained in the Prospectus are made only as at the date hereof. Subject to applicable legal and regulatory obligations, the Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

2.1 Risks relating to the Issuer

/ *Risks relating to the Issuer's Business and its reliance on the Group*

As stated in Section 5.1, the Issuer does not undertake any trading activities itself and its sole purpose is that of acting as the finance arm of the Group, principally by raising finance and advancing same to members of the Group. The Issuer itself therefore does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company solely for the needs of the Group and, as such, its assets are intended to consist primarily of loans issued to Group companies (including the existing Issuer-Guarantor Loan 2019 and the proposed Issuer-Guarantor Loan 2022).

Accordingly, the Issuer is economically dependent principally on the operational results, financial condition and performance of its borrower Group companies, principally the Guarantor, which will in turn economically depend in part on its own operational results and financial performance and in part, after completion of the Project, also on the results and performance of its Subsidiaries (from which it expects to receive dividends and/or payments of shareholders' loans, as applicable).

Therefore, the risks intrinsic in the business and operations of Group companies have an effect on the ability of the Issuer and the Guarantor to meet their respective obligations in connection with the payment of interest on the Bonds and repayment of principal when due (including, in the case of the Guarantor, any payments that it may be required to make under the Guarantee). Accordingly, the risks of the Issuer are indirectly those of the Group, in particular the Guarantor and, in turn, all risks relating to the Group are the risks relevant to the Guarantor.

2.2 Risks relating to the Guarantor

As noted in Section 5.3, the Guarantor will carry a substantial part of the Group's revenue generating business, including development and sales of serviced apartment units, as well as the letting and/or operation of various parts of the Group's Retained Property owned by it. Furthermore, as noted in Section 6.2, until the Project becomes operational and starts generating rental and operational income for the Group as a whole, the Guarantor is and will remain the only company within the Group generating revenues, mainly through sales of serviced apartments, and will accordingly make available the funds needed by other members of the Group for their acquisitions and operations, apart from being responsible for funding payments under the various financing (bank borrowings and bonds) in place in connection with the Project. The economic and operational performance of the Guarantor will therefore be pivotal for the completion of the Project and the repayment of financings obtained, as well as for the success of the Group's business. Such performance will be subject to certain risks.

ECONOMIC AND FINANCIAL RISKS

/ *Risks relating to COVID-19*

The COVID-19 pandemic has affected the economy as a whole and, to some extent, has already affected the current operations of the Group, mainly through delays in importation and supply of material needed for construction and finishing of the Project and delays in securing working permits for foreign workforce employed in such construction and finishing. The virus, which has now spread globally, has resulted in government authorities in many countries taking various measures (including extreme measures and restrictions) to arrest or delay the spread of the virus including the declaration of states of emergency, restrictions on movement, border controls, travel bans and the closure of offices, schools and other public amenities, all of which measures and restrictions have added challenges, given the rapid pace of change and significant operational demands. While the full impact of the pandemic and the resulting measures is not yet known, these events are expected to have a material adverse effect on general global economic conditions and market liquidity. A health crisis could also affect the global economy in ways that cannot necessarily be foreseen at the present time, and may also exacerbate other pre-existing political, social and economic risks. Furthermore, there is no assurance of continuity of the various economic incentives and schemes and other measures taken by governments (including the Government of Malta) to mitigate the implications of the pandemic. Moreover, whilst certain effects of the COVID-19 pandemic have been or are expected to be temporary especially in light of the success achieved by global vaccination efforts, the implications of the pandemic are expected to continue to have a bearing on market operations, specifically those sectors which have been directly impacted by the pandemic.

Whilst it is not possible to accurately predict the full impact thereof as at the date of this Registration Document, the ongoing COVID-19 pandemic and possible future outbreaks, and the macroeconomic effects thereof, may have direct and indirect adverse effects on the current and/or future business and financial performance of the Guarantor and the Group, including but not limited to further disruption of the business operations of the Group's contractors and suppliers, including through delays in importation and delivery of materials (which has already been experienced by the Group) or a potential spread of disease among the employees of such contractors and suppliers and resulting quarantine measures that may hinder the said employees from carrying out their work, as well as potential imposed restrictions on or natural aversion to traveling, or the forced government closure of non-essential retail stores or leisure outlets or the natural aversion towards unnecessary spending, all of which may negatively affect the tourism, retail and entertainment sectors, and thus the anticipated future operations and revenues of the Group once the Project becomes operational.

/ *Risks relating to financing of the Group*

The Guarantor's indebtedness could adversely affect its financial position.

As at the date of this Registration Document, the Guarantor has bank debt, as well as the Issuer-Guarantor Loan 2019 due to the Issuer (representing the proceeds of the 2019 Bond Issue which were made available to the Guarantor for the purposes of the Project).

The Guarantor's, and consequently the Group's, financial gearing levels will further increase pursuant to the Bond Issue. This may also increase as a result of further indebtedness which may from time to time in future be obtained by the Group, for the purposes of completion of certain elements of the Project, or for its maintenance or to refinance existing indebtedness or otherwise for its business purposes. 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.

Such indebtedness as aforesaid requires and will continue for a number of years in future to require a substantial portion of the Group's generated cash flows to be used to service the same. Should the Guarantor or its Subsidiaries significantly increase their debt obligations, this may have an adverse effect on the profitability of the Guarantor or its Subsidiaries.

There can be no assurance that the Group will have access to such further debt financing as may be required from time to time at reasonable interest rates and at reasonable terms. Furthermore, any borrowings under bank credit facilities will likely be at variable interest rates, which could cause the Group to be vulnerable to increases in interest rates.

BUSINESS AND OPERATIONAL RISKS

/ *Concentration risks*

The Group's business model remains primarily reliant on the development of the Project within the Site and the subsequent (a) sale to third parties of constructed services apartments or airspaces within which accommodation serviced apartments have been or will be developed; and (b) retention and letting to third parties and/or operation of various elements thereof, as a hotel and for retail, leisure and other commercial activities. In addition, the Group's assets and operations are concentrated in Malta, in a specific region thereof, St. Julians, and are accordingly intimately dependent on the tourism industry and property market in Malta and more specifically in such region.

The Group is therefore subject to concentration risk in view of the restriction of its activities and operations to the Project, and this lack of diversification may exacerbate the real estate development, hospitality, accommodation, and retail market related risks to which the Project is or may become exposed, as mentioned below.

/ *The Group depends on third parties in connection with its business, giving rise to counter-party risks*

The Group is subject to various 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. This gives rise to counter-party risks in those instances where such third parties do not perform in line with the Group's expectations and in accordance with their contractual obligations. If these risks were to materialise, the resulting development cost overruns or delays in completion or loss of revenue could have an adverse impact on the Group's business, and its financial condition, results of operations and prospects.

Prospective purchasers of properties (apartments or airspaces of apartments) may default on their obligations under preliminary agreements of sale with the Guarantor, in particular by failing to appear on the final deed of sale and/or pay the outstanding amounts of the price when due, and tenants of the commercial outlets may default on their rental payment obligations towards Mercury Commercial Mall Ltd., thus causing potential liquidity shortages for the Group (including, indirectly, the Issuer) and forcing same into potential litigation.

Although the Guarantor only sells the relative airspace within which the relevant apartment unit is to be developed (save where the unit in question is already built at the time the preliminary agreement is entered into, in which case the Guarantor sells the same as already built), and the obligations for construction, finishing and timely completion of all relevant works and consequent liabilities for breach thereof are assumed and undertaken directly by Mercury Contracting Projects Limited, defaults by the said Mercury Contracting Projects Limited on its respective obligations towards buyers may entitle the said buyer to rescind the preliminary agreement and its promise to buy the relative airspace from the Guarantor, resulting in a loss of potential sale for the Guarantor.

/ *Material risks relating to real estate acquisition, development and sale*

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 of the Group and the value of the real estate properties under development within the Project. Such factors include:

- 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;
- shortages and/or price increases in raw materials, services or other construction inputs, such as, among others, cement, steel, energy and other utilities, leading to cost overruns;
- insufficiency of resources to complete the projects;
- sales transactions or rental of commercial areas not being made at the prices and/or at the timings envisaged resulting in a liquidity strain or even potential penalties or other financial sanctions or litigation;
- possible structural and environmental problems;
- acts of nature, such as earthquakes and floods, that may damage any of the properties or delay development thereof;
- the inherent risks to health and safety arising from the nature of property development, including the risk of serious injury or even fatality, and the litigations that may arise therefrom; and
- increased competition in the market segment in which the Group operates may lead to an oversupply of residential or commercial properties in such markets, which could lead to a lowering of prices and rental rates and a corresponding reduction in revenue of the Group.

Any of the factors described above could have a material adverse effect on the Group's business, its financial condition and prospects and accordingly on the repayment of the Bonds and interest thereon

/ *Risks arising from war and/or conflict*

Wars and conflicts which may from time to time occur in various parts of the world, including the Russia – Ukraine conflict as at the date of this Registration Document, may present new risks or exacerbate certain risks to which the operations of the Group are subject, including in particular but without limitation, shortage of building material and supplies sourced from the affected regions and countries and which are necessary for the development of the Project, as well as sudden and unexpected increase in prices and delay in importation and delivery thereof.

/ *Risks relating to the hospitality industry*

The Group's future hospitality operations and the results thereof are subject to a number of external factors that could adversely affect its business, many of which are common to the hotel industry and beyond the Group's control, including (without limitation) changes in travel patterns and customer trends, the seasonality and cyclical nature of the tourism industry, the impact of outbreaks of contagious diseases and possibly of other unexpected calamities on patterns and/or volume of travel, the introduction of new laws or more restrictive laws and requirements related to the hospitality industry, increases in operating costs and increased taxes, and the strong and increasing local and global competition in the tourism sector.

The impact of any of these factors (or a combination of them) may adversely impact room rates and occupancy levels at the Hotel, or otherwise cause a reduction in the Group's revenue from hospitality services, which could have a material adverse effect on the Group's business, financial condition and results of operations.

/ *Risks relating to the commercial rental business of the Group*

Various Group companies will or may lease the Retained Property they own to third parties for commercial operation, including retail outlets and food and beverage outlets. The health of the commercial rental market may be affected by a number of factors, including economic, political and social factors. An increase in the supply of commercial retail and catering space could impact negatively upon capital values and income streams of the Group's properties, and the Group's ability to source new lessees upon termination or non-renewal of the then current leases.

Moreover, the business, revenue and projected profits of the Group would be negatively impacted if lessees fail to honour their respective lease obligations, which failure may be due to several reasons which are beyond the Group's control, including the insolvency and lack of liquidity of the lessees.

Furthermore, the Group may be subject to increases in operating and other expenses with respect to the said properties-, which expenses may not necessarily be recoverable from the third party tenants.

/ *Risks relating to operation of leisure business*

The Guarantor and Mercury Commercial Mall Ltd. intend to operate, either themselves or through third parties, various entertainment facilities and attractions, including the go-karting entertainment area as well as the Mercury Experience which includes the flying theatre within Mercury House and the viewing gallery on top of the Tower. These leisure operations and the profits which may be generated by the Group therefrom may be adversely affected by various factors and risks, beyond the Group's control, including changes in leisure trends and appetites of consumers, increased competition from similar and also alternative forms of entertainment attractions, the high costs involved in maintenance and updating of relevant technological equipment and health and safety risks arising from operation and use of certain entertainment attractions.

/ *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 at a given point in time upon which the valuation is carried out. Accordingly, there can be no assurance that the valuation of properties, including of Security Property for Bonds, referred to in the Prospectus reflects actual 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. Moreover, property valuations are largely dependent on current and, or expected market conditions which may fluctuate from time to time. There can be no assurance that such valuation of property will reflect actual market values.

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

The Group believes that its growth is largely attributable to the efforts and abilities of the directors and members of its executive management team and other key personnel. If one or more of the members of this team 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 of operations.

/ *The Group's insurance policies*

As at the date of this Registration Document, the Group companies are mentioned as insured and/or covered under Contractors' All Risks and Third Party Liability insurance covers, at levels determined by the Group to be appropriate in light of the cost of cover and the risks of activities and risk profiles of the business in which the Group operates. With respect to losses for which the Group is covered by such policies, it may be difficult and may take time to recover such losses from insurers. In addition, the Group may not be able to recover the full amount from the insurer. 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.

LEGAL AND REGULATORY RISKS

/ *Risks relative to changes in laws and new industry standards and practices*

The Group and its current and future operations are subject to laws and regulatory requirements applicable to property development and the business sectors within which they will operate, including laws and regulations relating to health and safety, environment, accommodation, bribery and corruption, data privacy and information protection, financial matters, accounting and tax. Furthermore, the regulatory environment in which the Group operates is constantly evolving, with the introduction of new rules and regulations, or the amendment of existing ones, including new initiatives at regional and/or local level which may result in the imposition of new requirements for the Group in terms of sustainability factors and other matters. As with any business, the Group is at risk in relation to changes in laws and regulations and the timing and effects of changes in the laws and regulations to which it is subject, including changes in the interpretation thereof, and in administrative practices, which cannot be predicted and which can negatively affect the business and operations of Group companies. The Guarantor or one of its Subsidiaries may be unable to anticipate the implications of legal and regulatory changes in a given sector, which necessitate a re-evaluation of processes from both a fiscal and operational perspective. This may result in a loss of revenue for the respective sector and the profitability of the Guarantor directly or pursuant to the operations of a Subsidiary.

/ *Risks relating to health and safety*

As owners of the various Retained Properties which are still under construction, the Guarantor and its Subsidiaries must comply and ensure compliance with, and can be exposed to claims relating to, health and safety at work, and may also be exposed to claims for injury or even death at the workplace, all of which could have a detrimental effect on their operations and profits. When the Project becomes operational, the various Group companies will then be required to ensure compliance with applicable health and safety standards and practices in the relevant sectors in which they will operate, including the hospitality, food and beverage and leisure business, and failure to comply with such standards or practices could expose such Group companies to third party claims which could in turn have a material adverse effect on their business, profitability and reputation.

/ *Litigation risk*

All industries, including the real estate development industry in which the Guarantor and its Subsidiaries are currently involved, as well as the business sectors in which they will eventually be operating, are subject to legal claims, with or without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute will not have a material adverse effect on the Group's future cash flow, results of operations or financial condition.

3 | IDENTITY OF THE DIRECTORS, ADVISORS AND AUDITORS

3.1 Directors of the Issuer and the Guarantor

Directors of the Issuer

As at the date of this Registration Document, the Board of Directors of the Issuer is constituted by the following persons:

Name and Identity Card number	Office Designation
Joseph Portelli (497193M)	Chairman and executive Director
Stephen Muscat (460561M)	Independent non-executive Director
Mario Vella (672753M)	Independent non-executive Director
Peter Portelli (364666M)	Independent non-executive Director

Joseph Portelli is an executive Director and occupies senior executive positions within the Group. The other three Directors, Stephen Muscat, Mario Vella and Peter Portelli serve on the Board of the Issuer in a non-executive capacity. They are considered as independent Directors since they are free of any significant business, family or other relationship with the Issuer, its controlling shareholders or the management of either, that could create a conflict of interest such as to impair their judgement. In assessing the said directors' independence due notice has been taken of Rule 5.119 of the Capital Markets Rules.

The business address of the Directors is at the registered office of the Issuer.

Reference is made to Section 9 titled "Administrative, Management and Supervisory Bodies" for a short *curriculum vitae* of the Directors, description of principal activities (if any) performed by them outside the Issuer, their potential conflicts of interest and other information relevant to such Directors.

/ Director of the Guarantor

As at the date of this Registration Document, the board of directors of the Guarantor is constituted by the following person:

Name and Identity Card number	Office Designation
Joseph Portelli (497193M)	Executive Director

3.2 Company Secretaries of the Issuer and the Guarantor

Dr. Joseph Saliba of 9/4, Britannia House, Old Bakery Street Valletta VLT 1450, Malta, holder of Identity Card number 49574M is the company secretary of the Issuer

Dr. Ian Stafrace of 9/4, Britannia House, Old Bakery Street Valletta VLT 1450, Malta, holder of Identity Card number 106173M is the company secretary of the Guarantor

3.3 Responsibility and Authorisation Statement

The Directors of the Issuer are the persons responsible for the information contained in this Registration Document. To the best of the knowledge and belief of the Directors (who have all taken reasonable care to ensure such is the case), the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

This Registration Document has been approved by the Malta Financial Services Authority as the competent authority in Malta for the purposes of the Prospectus Regulation. The Malta Financial Services Authority has only approved this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Issuer.

3.4 Advisors

The persons listed hereunder have advised and assisted the Directors in the drafting and compilation of the Prospectus

Sponsor & Co-Manager

Name:	Calamatta Cuschieri Investment Services Limited
Address:	Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta

Registrar & Co-Manager

Name:	Bank of Valletta p.l.c.
Address:	58, Zachary Street, Valletta VLT 1130, Malta

Financial Advisors

Name:	Grant Thornton Malta
Address:	Fort Business Centre, Level 2, Triq L-Intornjatur, Zone 1, Central Business District, Birkirkara CBD1050, Malta.

Legal Counsel

Name:	Saliba Stafrace Legal
Address:	9/4, Britannia House, Old Bakery Street, Valletta VLT 1450, Malta

3.5 Auditors of the Issuer and the Guarantor

As at the date of the Prospectus, the statutory auditors of the Issuer are:

Name:	Baker Tilly
Address:	Level 5, Rosa Marina Building, 216, Marina Seafront, Pieta' PTA 9041, Malta.

The annual statutory financial statements of the Issuer for the financial years ended 31 December 2019 and 31 December 2020 have been audited by Baker Tilly. Baker Tilly is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the Laws of Malta). The Accountancy Board registration number of Baker Tilly is AB26/84/28.

As at the date of the Prospectus, the statutory auditors of the Guarantor are also Baker Tilly.

The annual statutory financial statements of the Guarantor for the financial years ended 31 December 2018 and 31 December 2019 have been audited by KPMG of Portico Building, Marina Street, Pieta PTA 9044, Malta (Accountancy Board registration number KPMG - AB/26/84/12), whilst those for year ended 31 December 2020 have been audited by Baker Tilly.

3.6 Security Trustee

Name:	CSB Trustees & Fiduciaries Limited
Registered Office:	Level 3, Tower Business Centre, Tower Street, Swatar, Birkirkara 4013, Malta

4 | INFORMATION ABOUT THE ISSUER AND THE GROUP

4.1 History and Development of the Issuer

Full legal and commercial name of the Issuer:	Mercury Projects Finance p.l.c.
Registered address:	1400, Block 14, Portomaso, St Julians, Malta
Place of registration and domicile:	Malta
Registration number:	C 89117
Legal Entity Identifier ('LEI')	391200HPXPO29NMJCF40
Date of registration:	16 January 2019
Legal Form:	A public limited liability company duly registered in terms of the Act
Telephone number:	+356 2131 3029
Email:	info@mercuryfinance.com.mt
Website:	www.mercuryfinance.com.mt*

*The information on the Issuer's website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

4.2 History and Development of the Guarantor

Full legal and commercial name of the Guarantor:	Mercury Towers Ltd
Registered address:	J. Portelli Projects, 1400, Block 14, Portomaso, St Julians, Malta
Place of registration and domicile:	Malta
Registration number:	C 77402
Legal Entity Identifier ('LEI')	3912008XQEJHUJ4GAI82
Date of registration:	28 September 2016
Legal Form:	A private limited liability company duly registered in terms of the Act
Telephone number:	+356 2131 3029
Email:	info@mercury.com.mt
Website:	www.mercury.com.mt*

*The information on the Guarantor's website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus

4.3 Organisational Structure of the Group

The Issuer is, except for one (1) share which is held by Mr Joseph Portelli, a fully-owned subsidiary of the Guarantor, which latter entity is the parent company of the Group.

The Group currently consists of the following entities:

- The Guarantor, being the parent company, which is itself actively involved in the property development business and which owns and is intended to continue to own, finish and eventually operate the essential elements of Retained Property within the Tower and some other elements of Retained Property within the Project, including Mercury House and the Pavilion next to it;

- Mercury Hotel Ltd., a single-member private limited liability company, recently incorporated under the laws of Malta on 7 December 2021 with registration number C 100730 and with its registered office situated at Mercury House, Triq San Gorg, St. Julians, Malta, which owns the existing constructions and airspaces of, and is intended to continue to own, develop, finish and eventually operate the Hotel;

- Mercury Commercial Mall Ltd., a single-member private limited liability company, recently incorporated under the laws of Malta on 15 December 2021 with registration number C 100729 and with the same registered office as the Issuer, which is in the process of acquiring from the Guarantor portions of the existing constructions and airspaces of, and is intended thereafter to own, develop and finish such portions of the existing constructions and airspaces of, and to eventually operate the totality of, the Commercial Mall;

- Mercury Car Park II Ltd., a single-member private limited liability company, recently incorporated under the laws of Malta on 15 December 2021 with registration number C 100736 and with the same registered office as the Issuer, which is in the process of acquiring from the Guarantor the existing constructions and airspaces of, and is intended thereafter to own, develop, finish and eventually operate the parking complex within Car Park Site – Phase 2; and

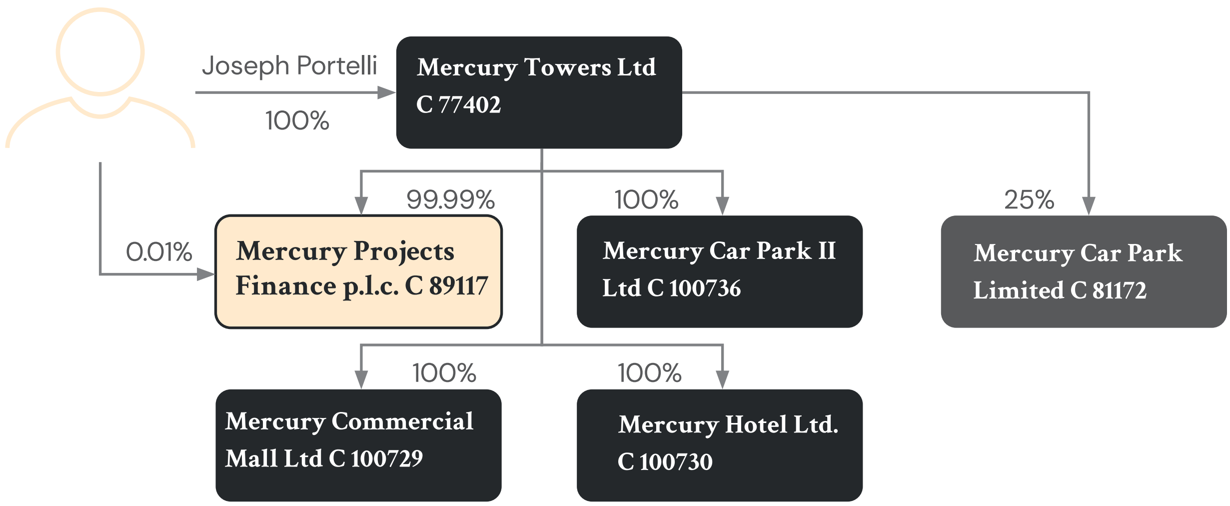
- the Issuer, which does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company for the Group, and intended to serve as a vehicle through which the Group will continue to finance its future projects, principally and in the immediate future the Project as set out in detail in Section 6.2 of this Registration Document, and potentially other projects that may be undertaken from time to time in future by the Group and/or enabling the Group to seize new opportunities arising in the market.

As of the date hereof, the Guarantor owns 1,500 Class 'B' ordinary shares in, and constituting 25% of the share capital of, Mercury Car Park Limited, a private limited liability company registered under the laws of Malta on 1 June 2017, having its registered office at Mangion Building, New Street Off Valletta Road, Luqa LQA 6000, Malta. Mercury Car Park Limited owns the existing constructions and airspaces of, and is intended to continue to own, develop, finish and eventually operate the parking complex within Car Park Site – Phase 1.

The Guarantor has entered into a promise of sale agreement with Bersella Holdings Limited for the acquisition of 4,080 Class 'A' ordinary shares in, and constituting 68% of the share capital of, Mercury Car Park Limited, for a price of €9 million, subject to the conditions stated therein. The promise of sale agreement provides for completion of the share transfer by not later than 30 June 2022. If and when such share transfer is completed, the Guarantor will become the owner of 93% of the share capital of, Mercury Car Park Limited (namely 4,080 Class 'A' ordinary shares and 1,500 Class 'B' ordinary shares), which will therefore become a subsidiary of the Guarantor. The Guarantor may also at any time thereafter proceed to merge Mercury Car Park Limited and Mercury Car Park II Ltd., so that the whole Parking Complex will be owned by one Group company.

The Memorandum and Articles of Association of Mercury Car Park Limited provide *inter alia* that whilst the holders of Class "A" ordinary shares shall be entitled to appoint up to three (3) directors, one of which shall also serve as the Chairman (but he shall not have a second or casting vote), the holders of "B" Shares shall be entitled to appoint up to two (2) directors. Save as aforesaid, the shares in both classes rank equally in all respects.

The organisational structure of the Group, as at the date of this Registration Document, is illustrated in the diagram hereunder:



/ Dependence of Issuer and Guarantor on the Group

As previously stated, the Issuer is, essentially, a special purpose vehicle set up to act as a financing company for the needs of the Group 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, on the receipt of interest payments and loan repayment from the Guarantor to which the proceeds of the Bond Issue will be advanced by way of loan under the Issuer-Guarantor Loan 2022.

As the holding company and as an important operating company of the Group, the Guarantor is ultimately dependent on the results of its own operations and its own performance (particularly the operational revenues and the rental payments, as applicable, deriving from the Retained Property within the Tower, Mercury House and the Pavilion next to it, as described in Section 5.3 of this Registration Document), as well as the future results and performance of its Subsidiaries from which it expects to eventually receive dividends.

5 | BUSINESS OVERVIEW OF THE GROUP AND INVESTMENTS

5.1 Principal Activities and Markets

The Issuer does not undertake any trading activities itself and its sole purpose is that of acting as the finance arm of the Group, principally by raising finance and advancing same to members of the Group. Accordingly, the Issuer is economically dependent principally on the operational results, financial condition and performance of its borrower Group companies.

Subject to the successful issue and allocation of the Bonds, the Issuer will grant the Issuer-Guarantor Loan 2022 to the Guarantor, by virtue of which the proceeds of the Bond Issue will be made available to such Guarantor as set out in more detail in Section 4 of the Securities Note.

The principal activity of the Group is the acquisition and disposal and/or development and operation of the various immovable properties within and constituting the Project to be situated at Mercury Site at Paceville, St. Julians. The Group was in fact specifically set up in view and for the purposes of, and will principally operate by reference to, the Project and its activities will accordingly be focused thereon. Whilst the Group has a limited operational history and is of relatively recent origin, with the longest existing member of the Group being its parent, the Guarantor, set up in September 2016, and the Issuer being set up only in January 2019 whilst the other Subsidiaries of the Guarantor being set up very recently, the ultimate beneficial owner of the Group, Mr Joseph Portelli, has a long trading history in the acquisition, development, management and operation of real estate developments including hotels, residential, office and retail property.

The Project itself will consist of mixed-use developments, including accommodation serviced apartment units, commercial, retail and entertainment outlets, as well as a 5-star Hotel, and will be complemented by an extensive car parking facility underlying the Site and servicing the owners and users of the various Project elements. A more detailed description of the concept, characteristics and other matters relating to the Project are found in Section 5.2 below.

The Group's main business therefore consists and will consist of:

(a) the resale of immovable property within the Site, mainly the disposal of the constructed accommodation serviced apartment units in the Tower and the Peripheral Block or of the airspaces within which there will be developed the accommodation serviced apartment units comprised in the Peripheral Block;

(b) the acquisition and development of parts of the Site to be retained in ownership by the Group for long-term investment, through the operation and/or letting thereof and the revenues generated therefrom, mainly the development and operation of the Hotel, the leisure and entertainment elements as well as the Parking Complex, and the development and rental to third parties of the Commercial Mall.

A more detailed overview of these two main lines of business of the Group is given below in Section 5.3.

5.2 The Project and the Site

The 'Mercury House Project' is a commercial, accommodation and leisure (mixed use) development of approximately 109,717m^2 of floorspace (excluding balconies and voids) located in the heart of Malta's most popular entertainment district, Paceville, in St. Julians, which is to be developed on the Site.

/ Acquisition of the Site and transfer of parts thereof to Group companies

Acquisition of Mercury Site

The Guarantor acquired the Mercury Site in two stages, by virtue of the two Mercury Site Public Deeds in December 2016 and June 2017.

Such acquisition was made for a total price of €24,255,000, which was split into a price of €17,425,000 paid for the first portion of the site sold by virtue of the first Mercury Site Public Deed and the balance of €6,830,000 paid for the remaining portion of the site sold by virtue of the second Mercury Site Public Deed, together with €305,385 paid by way of interest accrued on such second portion of the price from the date of the first deed to the date of the second deed (as agreed to between the parties).

Such acquisition and price included also the Car Park Site – Phase 1, the airspace of which was subsequently transferred by the Guarantor to TTRS Holdings Limited in two separate stages and portions by virtue of a public deed in the records of Notary Kristen Dimech of the twenty third day of June of the year two thousand and seventeen (23/06/2017) and a subsequent public deed in the records of the same Notary of the nineteenth day of July of the year two thousand and seventeen (19/07/2017), for an aggregate price of €1,300,000. The said TTRS Holdings Limited was subsequently acquired by amalgamation by the company Mercury Car Park Limited.

Acquisition of Exchange Site

The Exchange Site was originally meant to be acquired by Mercury Exchange Limited, a limited liability company registered under the laws of Malta on 31 July 2018 with registration number C 87640, which is a related company to the Group that is ultimately beneficially owned by the same shareholder of the Guarantor but does not form part of the same group of companies as the Group. This company in fact entered into the promise of sale agreement for the Exchange Site with SGE Property Company Limited, dated 2 August 2018. At the time, it was the intention to have this Exchange Site developed into the Exchange Project (as such term was defined in the 2019 Prospectus), separately from the first phase

(Phase 1) of the whole Mercury Project which was to be developed on the Mercury Site by virtue of the 2018 planning permit – REF. Planning Authority Permit PA 06955/17, and as a separate phase (Phase 2) of the whole Mercury Project. However, it was subsequently decided by the Guarantor, after discussion with Mercury Exchange Limited, that it was more sensible, from a design and planning, conceptual, operational and financial perspective to rationalise and consolidate Phase 1 of the Mercury Project on Mercury Site (already owned by the Guarantor) and Phase 2 of the Mercury Project on the Exchange Site (at the time still under a promise of sale agreement entered into by Mercury Exchange Limited with SGE Property Company Limited) into one single Project, as described herein, covered by the 2020 planning permit of new developments and of changes to previously approved developments REF. Planning Authority PA 01892/19. Pursuant to such decision to consolidate, it was therefore decided that the Exchange Site be acquired by the Guarantor rather than by Mercury Exchange Site.

The Guarantor acquired the Exchange Site by virtue of the Exchange Site Public Deed in August 2021, pursuant to an assignment of the promise of sale agreement dated 2 August 2018 that took place on the same Exchange Site Public Deed between Mercury Exchange Limited and the Guarantor.

Such acquisition was made for a total price of €14,000,000.

/ Transfers to Group Companies

Mercury Hotel Ltd.

On 12 March 2022, by virtue of a public deed in the records of Notary Anna Theuma, the Guarantor transferred to Mercury Hotel Ltd., the airspaces and existing constructions of the Site within which the Hotel is being developed and which will constitute the Security Property for Bonds, consisting essentially of (i) the second floor to fourth floor (L02 to L04) which will form part of the Hotel podium, and the overlying fifth floor up to the nineteenth floor (L05 to L19), including the airspaces above them, (ii) the roof at the ninth level (L09) of part of the Peripheral Block, intended for development into the pool and pool amenities to service the Hotel, and (iii) the part of the fourth basement level (B04) which is earmarked to be developed as a SPA and Wellness Centre, which will form part and be operated as part of the amenities of the Hotel.

Such transfer was made for a total price of €14,600,000, which remains outstanding and has by virtue of the above-mentioned deeds of sale been made available by the Guarantor to Mercury Hotel Ltd. as an interest-free shareholders' loan payable either in cash or by capitalisation (through the issue of new shares in Mercury Hotel Ltd. to the Guarantor).

It is the intention that the Guarantor will shortly transfer to Mercury Hotel Ltd., the existing constructions of the Site within the Hotel building consisting essentially of the ground floor and first floor (L00 and L01) which will form part of the Hotel podium, but will not comprise any accommodation rooms or suites of the Hotel. These constructions within these two levels will not form part of the Security Property for Bonds.

It is the intention that the Guarantor retains ownership of the whole second basement level (B02) underlying and spanning across the whole Project within the Site which is intended to serve as back of house space and facilities for the various elements of the Project, and for the Guarantor to grant a part of such level to Mercury Hotel Ltd. As at the date of this Registration Document, discussions and negotiations are still ongoing and no definitive agreement has yet been reached on the terms and conditions for such lease of part of the back of house level.

Whilst the ground floor and first floor (L00 and L01) within the Hotel podium will eventually be owned by Mercury Hotel Ltd. as mentioned above, some areas within these two floors (excluding entrance, hallway, lift lobby, staircase, stair landings and other amenities within such floors intended for use by the Hotel staff and/or patrons) may be rented to Mercury Commercial Mall Ltd. to be operated as part of the Commercial Mall. As at the date of this Registration Document, discussions and negotiations are still ongoing and no definitive agreement has yet been reached on the terms and conditions for such lease.

Mercury Commercial Mall Ltd.

It is the intention that the Guarantor will shortly transfer to Mercury Commercial Mall Ltd., the following constructions, underground spaces and airspaces of the Site which are intended to form part of the Commercial Mall to be operated by Mercury Commercial Mall Ltd. and the indoor go-karting entertainment arena, namely:

(i) the underground space within which the first basement level (B01) underneath the Hotel podium is being developed;

(ii) the underground spaces and airspaces within which the first basement level up to the first floor (B01 to L01) of the Peripheral Block are being developed; and

(iii) the airspace within which the part of the piazza of the Project which is to be roofed is being developed; and

(iv) an underground space within the second and third basement levels (B02 and B03), within which a substantial part of the entertainment arena is being or will be developed.

It is the intention of the Guarantor and Mercury Commercial Mall Ltd. that the first basement level up to the first floor (B01 to L01) underlying the Tower building, or parts thereof, and the part of the piazza of the Project which is to be open (without roof), all of which will remain in the ownership of the Guarantor, be granted on lease by the Guarantor to Mercury Commercial Mall Ltd. to be operated by the latter as part of the Commercial Mall.

Furthermore, as already noted under the preceding heading 'Mercury Hotel Ltd.', the areas within the ground floor and first floor (L00 and L01) within the Hotel podium which are intended to form and be operated as part of the Commercial Mall, are intended to be granted on lease by Mercury Hotel Ltd. (after it acquires the same) to Mercury Commercial Mall Ltd.

It is also the intention that the Guarantor grants on lease to Mercury Commercial Mall Ltd. a part of the second basement level (B02) to be used mainly as back of house for such Commercial Mall.

It is also the intention that, after and subject to the completion of the promise of sale for the acquisition of further shares by the Guarantor in Mercury Car Park Limited as referred to in Section 4.3 of this Registration Document, the Guarantor will also transfer to Mercury Commercial Mall Ltd. another underground space within the third basement level (B03), which is currently owned by Mercury Car Park Limited, and within which the remaining part of the entertainment arena will be developed.

As at the date of this Registration Document, discussions and negotiations are still ongoing and no definitive agreement has yet been reached on the terms and conditions for the transfer of immovables mentioned in (i) to (iv) above, for the lease of the relevant areas within the first basement floor up to the first floor of the Tower, for the lease of the open piazza, for the lease of the relevant areas within the ground floor and the first floor of the Hotel podium, and for the lease of part of the back of house second basement level as referred to in the preceding three paragraphs.

/ Mercury Car Park II Ltd.

It is the intention that the Guarantor will shortly transfer to Mercury Car Park II Ltd., the underground spaces on the third basement floor down to the seventh basement floor (B03 to B07) of the Car Park Site – Phase 2 within which part of the Parking Complex is being developed.

As at the date of this Registration Document, discussions and negotiations are still ongoing and no definitive agreement has yet been reached on the terms and conditions for such transfer.

Acquisition of shares in Mercury Car Park Limited

As mentioned in Section 4.3 above, as at the date hereof, the Guarantor owns 25% of the share capital of Mercury Car Park Limited, which in turn owns the Car Park Site – Phase 1, and the Guarantor has on 30 November 2021entered into a promise of sale agreement with Bersella Holdings Limited for the acquisition of 4,080 Class 'A' ordinary shares in Mercury Car Park Limited, such that if and when such share transfer is completed, the Guarantor will become the owner of 93% of the share capital of Mercury Car Park Limited. The promise of sale agreement provides for completion of the transfer of shares by not later than 30 June 2022. It was agreed that such transfer of shares will be made for a total price of €9 million payable as provided therein, namely an initial deposit of €450,000 payable in instalments, with the balance payable on the definitive transfer of the shares, but with the option of the Guarantor to postpone the payment of €1 million from such balance up to 30 June 2023 with interest at the rate of 6% *per annum* to accrue from 30 June 2022 until full payment.

/ Description of the Project

The Project was initially awarded full development permit by the Malta Planning Authority on 12 January 2018 – REF. Planning Authority Permit PA 06955/17, which at the time covered only the development on Mercury Site. On 17 December 2020, the Malta Planning Authority issued permit REF. Planning Authority PA 01892/19 through which it awarded full development permit for the rest of the Project, mainly that part thereof to be developed on the Exchange Site and also to approve three additional floors on the previously approved main Tower as well as change of use for some spaces within the said Tower and other parts of the previously approved Project, including the redesign of the podium to include a 19- storey hotel (Class 3B) as an extension to the approved hotel.

The finished complex will include a mix of historical and ultra-modern edifices on its Site. At its heart is a 19th century heritage building, also known as Mercury House, which is flanked by a 34-storey Tower, next to which lies a 19-storey Hotel which is in turn flanked by a V-shaped Peripheral Block, with all these buildings abutting onto a piazza, and with underground storeys underlying such entire development. The Project will consist of a mixed-use development comprising serviced apartments, a hotel, a commercial mall, other leisure, retail and commercial activity and an underlying car park.

The following are the primary components and main featural highlights of the Project:

Serviced Apartments - Tower and Peripheral Block

At the heart of the Project will be a 34-storey Tower. The Tower is designed by internationally renowned architectural firm Zaha Hadid Architects (www.zaha-hadid.com) and is one of the final projects signed off by Zaha Hadid herself, only a few days before her untimely passing.

Apart from certain floors and/or parts thereof intended to be used for commercial and entertainment purposes, the major part of the floorspace within the Tower will consist of 291 serviced apartments, spread over the third floor up to the thirty first floor (L02 to L31) of such Tower, excluding the tenth to the twelfth floors (L10 to L12). The majority of such serviced apartments have been sold or are intended for sale by the Guarantor to third parties, although some of these are intended to be retained by the Guarantor, particularly the apartments at the uppermost level (L31), which are intended to be rented as part of the hotel accommodation pooling arrangement explained below. The Guarantor will also retain ownership of the Tower cores and common areas.

In addition to the serviced apartments within the Tower, the Peripheral Block is being developed into and will comprise approximately a further 170 serviced apartments / suites, which are all intended for sale by the Guarantor to third parties, and a substantial number of these have already been the subject of preliminary agreements concluded with third parties, whilst others have already been sold through a final deed.

The owners of the apartments and suites will have the choice to either keep such apartments for their personal purposes (including rental in their personal capacity), or else to pool these as part of an extended 5-star serviced accommodation for the Hotel users and to be operated as part of the Hotel. They will therefore let these to Mercury Hotel Ltd. for pre-agreed periods under a pre-agreed rental consideration arrangement. The period of lease is typically of 15 years and the rent is based on a percentage return from total yearly apartment / suite revenue which is typically 28%. As at the date of this Registration Document the owners of 46 units have already accepted to enter into such pooling arrangements.

Hotel

Another major element of the Project will be a 5-star branded hotel, consisting of a 130-room 19 storey building, which will be situated within the second to the fourth floor (L02 to L04) of the Hotel building, namely within the podium of such building, and the overlying fifth floor up to the nineteenth floor (L05 to L19) of such building, which will consist of the tower of the Hotel building. The Hotel will also extend to the roof at the ninth level (L09) of part of the Peripheral Block, which is intended to be developed and used as the pool area of such Hotel. The Hotel will also extend to part of the fourth basement level (B04), which will be developed and used as a state-of-the-art SPA and Wellness Centre, and will be located in the limestone vaults which used to house the post-World War 2 telecommunications hub.

The accommodation capacity of the Hotel will extend by virtue of the serviced apartments within the Tower and the Peripheral Block whose owners sign up to the hotel accommodation pooling arrangement mentioned above.

The Hotel will be owned and operated by Mercury Hotel Ltd. through a hotel management agreement with the internationally renowned hotel chain Meliá, in particular with Meliá Hotels International S.A. (www.meliahotelsinternational.com/en) (as manager) and Prodigios Interactivos S.A. (as provider), in respect of the Hotel and its facilities, for the management and operation of the Hotel under the brand name of 'ME'.

Commercial Mall

The Project will also include a Commercial Mall comprising a mix of retail and catering outlets, which will be spread over three floors across the Tower, the Hotel building and the Peripheral Block, and situated across the large partially roofed and partially open piazza onto which the Tower, the Hotel and the Peripheral Block will abut. The Commercial Mall will also include an indoor go-karting entertainment arena in levels B02 and B03. A total gross floor area of 12,242m² is estimated to be available for use for commercial space, which as of the date of this Registration Document are proposed to be split between the different floors as follows:

Level	Location	Approximate gross area (m²)
B02/B03	Peripheral Block	788
B01	Across entire development	4,543
B00	Across entire development	3,404
L01	Across entire development	3,507
	TOTAL	**12,242**

It is currently planned that, apart from the entertainment arena, the Commercial Mall will consist of various retail outlets and catering establishments, although such plans may change from time to time by joining or further splitting such elements or otherwise.

Ancillary components and amenities

The project will also feature and comprise various other ancillary components, facilities and amenities, including the following:

Mercury House

This 19th century villa, originally built to house the region's early telecommunication infrastructure, with its beautiful limestone façade, has rendered it a Grade II listed structure of significant interest. As at the date of this Registration Document it is undergoing the last stages of restoration and rehabilitation works. It is owned by the Guarantor and part of it is intended to comprise an element of food and beverage activity and another part will comprise part of the planned Mercury Experience (including the flying theatre) as mentioned below.

Mercury Experience

This will consist of an attraction walkthrough various spaces within Level 01 of the Tower and Mercury House, with audio-visual presentations of various historical eras and/or points of interest in Malta, and ending in the admission to the flying theatre, which will be a type of entertainment-themed simulator ride, consisting of rigged-seats, and virtual reality or virtual projection combination to create the illusion of flight.

The Pavilion

This will be a single-standing building set next to Mercury House. It is owned by the Guarantor and is intended to be operated as an all-day hub of activity with an indoor and outdoor catering facility and an underground auditorium for live music performance.

Rooftop bar and viewing gallery

The uppermost two floors of the Tower (L32 and L33) are planned to house a rooftop bar. An overlying viewing gallery, which will afford a 360º view from what is so far the highest building in Malta, will also be accessible to guests and patrons alike.

Parking Complex

The Project will also comprise a five-storey sub-structure Parking Complex which spans across underground levels minus seven to minus three (B07 to B03), and is planned to include approximately 683 car spaces and 45 lock-up garages, which are generally meant for use by owners and users of the various components of the Project, and some of which, particularly the lock-up garages, are being sold to some purchasers of serviced apartments. The said Parking Complex will be contained and is being developed partly within Car Park Site – Phase 1, which is currently owned by Mercury Car Park Limited, a company separate from the Group albeit partly owned by the Guarantor and which may eventually become a Group company by the acquisition of further shares therein by the Guarantor, and partly within Car Park Site – Phase 2, which will shortly be transferred by the Guarantor to, and will be owned by Mercury Car Park II Ltd., a company fully owned by the Guarantor and forming part of the Group.

/ Project phasing and expected total costs of the Project

The table below shows, in respect of the various elements of the Project:

(i) the approximate stage of development as at the date of this Registration Document; and

(ii) the expected date of completion.

Property elements	Current stage of development	Expected Completion
Tower (excluding Commercial Mall and Parking Complex levels)	Fully constructed and currently being finished	October 2022
Peripheral Block (excluding Commercial Mall and Parking Complex levels)	In the course of construction of shell structure	March 2023
Hotel (excluding Commercial Mall and Parking Complex levels)	In the course of construction of shell structure	March 2023
Commercial Mall, including piazza	Shell structure construction has been practically completed	March 2023
Parking Complex	Shell structure construction has been completed and currently being finished	October 2022

It is envisaged that the Project will become fully operational as early as March 2023, although for prudence's sake, earnings from the operations of the Hotel are being assumed to start in January 2024.

As at the date of this Registration Document, the total capital expenditure, construction and development costs of the Project for the Group (including cost of acquisition of relative land/airspace, excavation and construction costs, mechanical and electrical costs, finishing costs, professional fees, interest and other pre-operational costs, but excluding such costs as will be incurred by the purchasers of the serviced apartment units directly towards the relevant contractors and/or suppliers) are estimated and budgeted at approximately €103 million, although the actual amount of costs incurred may vary over time up to completion due to a variety of factors. The above-mentioned amount also excludes the costs of the Parking Complex as contained in Car Park Site – Phase 1, which costs have been and are being borne by Mercury Car Park Limited, which at the date hereof is not a company forming part of the Group.

5.3 Business overview of the Group

As noted under Section 5.1 above, the main business activities of the Group are expected to be the resale of certain immovables within the Project as well as the development and retention of other immovables within the Project for long-term investment to generate rental and operational income therefrom.

Sale of serviced apartment units

As mentioned earlier, the majority of the apartments (namely 279 apartments) within the Tower, have been sold or will be sold to third parties. As at 31 December 2021, 261 (90%) of the said apartments have already been allocated to third parties (including local and international buyers), with whom in the majority of cases a definitive sale has already been completed and a final deed of sale executed and full payment of the price received by the Guarantor, whilst in some cases the relevant apartments form the subject of binding preliminary agreements with the relevant proposed buyers who have so far only paid prescribed deposits on account of the price to the Guarantor.

All of the apartments (namely 170 apartments) within the Peripheral Block, have been sold or will be sold to third parties. As at 31 December 2021, 96 (56%) of the said apartments have already been allocated to, and form the subject matter of preliminary agreements with third parties (including local and international buyers) who had by such date only paid applicable deposits on account of the price to the Guarantor, whilst 15 (9%) of the said apartments had already been definitively sold through a final deed of sale.

Both in respect of units within the Tower and units within the Peripheral Block, the Guarantor typically only sells the relative airspace within which the relevant apartment unit is to be developed, save where the unit in question is already built at the time the preliminary agreement is entered into, in which case the Guarantor sells the same as already built. Where only the airspace is sold, the buyer, concurrently with the relevant preliminary agreement for the sale of the airspace, enters into a direct agreement with Mercury Contracting Projects Limited, a limited liability company registered in Malta on 7 October, 2016 whose main business is to act as immovable property contractor, to carry out the construction and finishing works for the buyer. The preliminary agreement for an apartment unit therefore typically takes the form of a tripartite agreement between the Guarantor, Mercury Contracting Projects Limited and the buyer, whereby the Guarantor therefore directly agrees the terms and conditions, including the price, of the relative airspace with the buyer, and concurrently but separately Mercury Contracting Projects Limited is engaged by the buyer and agrees with the buyer the terms and conditions, including price and fees, for carrying out the works. In this manner, the Guarantor is not liable towards the buyer for defects in construction or otherwise for the works.

The preliminary agreements vary between themselves in the methodology and timings of payments of the price, adopting different methodologies as to the stages of payment and the percentage of the price payable at each stage.

/ Retention and letting and/or operation of immovables

The Guarantor, Mercury Hotel Ltd., Mercury Commercial Mall Ltd. and Mercury Car Park II Ltd. will be retaining the ownership of various elements of the Project, for long-term investment, for the generation of rental and other operational revenues therefrom by such companies respectively and the Group in general. These include principally certain areas and/or floors within the Tower, Mercury House, the Pavilion, the Hotel, the Commercial Mall and the Parking Complex, as described in more detail below.

/ Guarantor - Tower, Mercury House and Pavilion

The Guarantor will retain the ownership of the accommodation serviced apartments in the thirty-first floor (L31) of the Tower, as well as all other floors and parts of the Tower other than accommodation serviced apartments sold or intended for sale to third parties, namely levels B02 to L02, L10 to L12, L32, L33 and the overlying viewing gallery and airspace above the Tower, as well as the Tower cores and common areas. The Guarantor will also retain ownership of other parts of level B02 across the whole Project, as well as of Mercury House and the Pavilion next to it, and the open piazza.

As regards the serviced apartments at level L31 of the Tower, the Guarantor may either rent the same in its personal capacity, thus generating rental income therefrom, or else participate in the hotel accommodation pooling arrangement described under the heading 'Serviced Apartments – Tower and Peripheral Block' under Section 5.2 above (as is currently the intention) and thus be entitled to receive the consideration for such pooling along the lines of the formula being used by the hotel operator to calculate the consideration to other apartment owners participating in such pooling arrangement which, as seen under the said heading 'Serviced Apartments – Tower and Peripheral Block' is a formula essentially based on a percentage of revenue, typically 28% of total yearly apartment / suite revenue.

As regards level B02 of the Project structure, it is the intention that part of this level will be used by the Guarantor itself as a back of house for its own operations, whereas other parts thereof will be granted on lease by the Guarantor to Mercury Hotel Ltd. and Mercury Commercial Mall Ltd. respectively to be used by them as back of house for their respective operations. The Guarantor will thus generate further rental revenue through such leases but the amount of rent is not yet agreed as at the date of this Registration Document.

As regards levels B01 up to L01 of the Tower, it is the intention that these, or parts thereof, and the open piazza will be granted on lease by the Guarantor to Mercury Commercial Mall Ltd. to be operated by the latter as part of the Commercial Mall, thus generating further rental income for the Guarantor. The amount of rent payable to the Guarantor is still being negotiated and not yet agreed as at the date of this Registration Document.

Levels L10 to L12 of the Tower constitute the twist section of the Tower, and the usable parts thereof are intended to be operated by the Guarantor as events space, for the purpose of hosting certain functions and events therein, and to generate the consequent operational revenue therefrom.

Similarly, the Guarantor plans to generate operational income through the operation of the rooftop bar at levels L32 and L33 of the tower and also from entrance fees generated from the operation of the overlying viewing gallery.

Further operational income for the Guarantor is to be generated through entrance fees and other revenue generated from the operation of the Mercury Experience.

It is not excluded that the events spaces within the Tower twist, the rooftop bar on top of the Tower, the overlying viewing gallery and/or the Mercury Experience and possibly other Retained Property owned by the Guarantor are not operated by it but are granted on lease or under operational concessions by the Guarantor to third parties in which case the income received by the Guarantor may be in the form of rental income or even an agreed percentage of operational revenue.

The Guarantor expects to generate further rental and operational income through the grant on lease of the food and beverage establishments to be situated within parts of Mercury House and the Pavilion building next to it as well as from the letting and/or operation of leisure activities within and around the Pavilion.

Being the parent company of the Group, the Guarantor is also expected to benefit indirectly from the letting and/or operational revenues generated by its subsidiary and affiliated companies through dividends which may be distributed by them from time to time.

/ Mercury Hotel Ltd. - Hotel

Mercury Hotel Ltd. will own and operate the Hotel (as described under Section 5.2 above).

The Guarantor had entered into a hotel management agreement dated 15 August 2018 with Meliá Hotels International S.A. and Prodigios Interactivos S.A., in respect of the hotel and its facilities, whereby the said Meliá Hotels International S.A. and Prodigios Interactivos S.A. had agreed to manage and operate the hotel within the project under the brand name of 'ME', in accordance with the parameters and under the conditions agreed to between the parties. The parties had agreed on a management consideration payable to Meliá Hotels International S.A. and Prodigios Interactivos S.A. calculated in accordance with a formula essentially based on a percentage of revenue and gross operating profit, with the remaining operational revenue being retained by the Guarantor. Following the incorporation of Mercury Hotel Ltd. and in view of the transfer by the Guarantor and the said Mercury Hotel Ltd. of the immovables within which the Hotel is being developed, the parties are in the process of updating their contractual relationships such that the hotel management agreement with Meliá Hotels International S.A. and Prodigios Interactivos S.A. is executed with Mercury Hotel Ltd. as party thereto.

The term of the agreement is expected to be of 15 years with effect from the Opening Date, which is anticipated to be March 2023, renewable for a further period of 5 years.

Mercury Hotel Ltd. is also concluding agreements with, and has also contractually acquired and assumed and/or is in the process of contractually acquiring and assuming the Guarantor's rights and obligations under previously concluded agreements with the purchasers or proposed purchasers of the accommodation serviced apartments within the Tower and the Peripheral Block who are willing to participate in the hotel accommodation pooling arrangement for a revenue-percentage based consideration, as referred to earlier, under the heading 'Serviced Apartments - Tower and Peripheral Block' under Section 5.2 above. In this way, Mercury Hotel Ltd. will have the opportunity to extend the accommodation offered by the Hotel, thereby enhancing the potential operational revenues for itself.

It is expected that Mercury Hotel Ltd. will also generate rental income from the lease of parts of the ground floor and first floor (L00 and L01) within the Hotel podium (which will shortly be acquired by the said Mercury Hotel Ltd. from the Guarantor) to Mercury Commercial Mall Ltd., to be operated by the latter as part of the Commercial Mall.

/ Mercury Commercial Mall Ltd. - Commercial Mall

Mercury Commercial Mall Ltd. will own parts of the Commercial Mall (namely level B01 underneath the Hotel podium, levels B01 to L01 of the Peripheral Block, the roofed piazza and the entertainment arena) and will hold by title of lease from other Group companies other parts of such Commercial Mall (including parts of levels B01 to L01 within the Tower building, the open piazza and part of level B02 from the Guarantor and levels L00 and L01 within the Hotel podium from Mercury Hotel Ltd.). A substantial part of the Commercial Mall will be finished as, and consist of, various retail and food and beverage outlets, which Mercury Commercial Mall Ltd. intends to rent out directly to third party operators. As at the date of this Registration Document, no rental or operation agreements have yet been concluded for these outlets, although advanced negotiations in respect thereof are underway. These are expected to generate rental rates in line with the applicable market rates for similar outlets in similar localities.

Mercury Commercial Mall Ltd. is expected to generate operational and/or rental income flow from the operation, by itself or third parties, of the go-karting entertainment arena to form part of the Commercial Mall.

/ Mercury Car Park II Ltd. – Parking Complex

Mercury Car Park II Ltd. is expected to generate a steady income stream from the operation and/or letting of car park spaces within the part of the Parking Complex situated within the Car Park Site – Phase 2 to users and patrons of the various elements of the Project. The car parking fares are expected to reflect market rates for car parks in similar localities.

A similar income flow is expected to be generated from the operation and/or letting of car park spaces within the part of the Parking Complex situated within the Car Park Site – Phase 1, by Mercury Car Park Limited, which at the date of this Registration Document is only 25% owned by the Guarantor, although the Guarantor may increase its shareholding stake therein to 93% if there is completion of the share transfer forming the subject matter of the promise of sale agreement with Bersella Holdings Limited dated 30th November 2021 as referred to under the heading 'Acquisition of shares in Mercury Car Park Limited' under Section 5.2 above.

Mercury Car Park Limited and Mercury Car Park II Ltd. may join forces and merge the operation of the Parking Complex as a single operational reality, to be operated by themselves or any of them or by a third party, and they may eventually also be merged into one single entity.

Contract of works with Mercury Contracting Projects Limited and expected costs of the Retained Property

Each of the Guarantor, Mercury Hotel Ltd., Mercury Commercial Mall Ltd. and Mercury Car Park II Ltd. have entered into general contract of works with Mercury Contracting Projects Limited whereby they have respectively engaged the latter company for the construction (including supply of material), development and finishing of the Retained Property respectively owned or shortly to be owned by them (after conclusion of the relevant immovable acquisitions from the Guarantor). Mercury Contracting Projects Limited is the principal contractor engaged for the whole Project (the Retained Property as well as other elements of the Project to be sold to third parties). It is fully owned by Mr Joseph Portelli, Director of the Issuer and of the Guarantor and the other Group companies and is 100% shareholder of the Guarantor and 100% beneficial owner of the Group. Each of the Guarantor and the other Group companies mentioned above and such contractor have however entered into a contract of works on an arm's length basis, which is essentially based on an industry standard FIDIC contract of works.

The approximate costs, paid or payable to Mercury Contracting Projects Limited, in respect of the Hotel, being the main element of the Project the construction and finishing whereof will be financed by the proceeds of the Bond Issue (as set out in Section 4.2 of the Securities Note) are estimated to amount to a total of approximately €35,000,000. It should be noted that these costs, as they apply in respect of any period prior to 30 September 2021, whether already invoiced or paid, have been or will be paid by the Guarantor and remain its exclusive responsibility, whereas those incurred or to be incurred in respect of any period from and after 1 October 2021 have been or will be paid by, and shall be the exclusive responsibility of, Mercury Hotel Ltd.

Mercury Contracting Projects Limited has contractually agreed with the Guarantor and each of the Group companies with which it has entered into a contract of works as aforesaid, to renounce to and that it will not seek to inscribe and/or register the special privilege for the price of works accorded to it by law over the Retained Property. In this way, the special hypothecs over the Security Property for Existing Bonds granted by the Guarantor to the Security Trustee for the benefit of the Bondholders under the Existing Bonds and the Special Hypothec over the Security Property for Bonds to be granted by Mercury Hotel Ltd. to the Security Trustee for the benefit of the Bondholders under the Bonds, may be first ranking at law.

The construction, development and finishing costs payable by the Group to Mercury Contracting Projects Limited, as well as the cost of acquisition of the Site, professional fees and other pre-operational costs incurred or to be incurred by the Group, have been and will be financed as set out in Section 6.

6 | FINANCING AND SOLVENCY

6.1 Solvency and credit ratings

There are no recent events particular to the Issuer or the Guarantor which are to a material extent relevant to an evaluation of their respective solvency.

No credit ratings have been assigned to the Issuer or the Guarantor at the request or cooperation of the said Issuer or (as the case may be) the Guarantor in the rating process.

6.2 Financing and funding structure of the Issuer and the Group

/ *2019 Bond Issue and the Issuer-Guarantor Loan 2019*

As noted earlier, the Issuer does not undertake any trading activities itself and its sole purpose is that of raising finance and advancing same to members of the Group. Its sole finance raising activity since the date of its incorporation to date has been the 2019 Bond Issue by virtue of the 2019 Prospectus, by virtue of which it raised the sum of €22,500,000 through the issue of two series of bonds, as follows:

- the €11,500,000 secured bonds due in 2027 of a nominal value of €100 per Bond having a coupon of 3.75% *per annum* issued in March 2019 (ISIN: MT0002191204) (2027 Existing Bonds); and

- the €11,000,000 secured bonds due in 2031 of a nominal value of €100 per Bond having a coupon of 4.25% *per annum* issued in March 2019 (ISIN: MT0002191212) (2031 Existing Bonds).

The said Existing Bonds are listed on the Official List of the MSE and have been admitted to trading on the said regulated market in Malta.

The Existing Bonds are secured as follows:

- both the 2027 Existing Bonds and the 2031 Existing Bonds are secured by a joint and several guarantee dated 4 March 2019 granted by the Guarantor as security for the Issuer's payment obligations under the 2019 Bond Issue, held on trust for the benefit of the Existing Bondholders by the Security Trustee;

- the 2027 Existing Bonds and the 2031 Existing Bonds are further secured by a first ranking special hypothec over the respective Security Property for Existing Bonds securing such series of bonds respectively.

The net proceeds of the Existing Bonds were made available by the Issuer to the Guarantor through the Issuer-Guarantor Loan 2019 as a loan facility for the purpose of, and were used, as to the amount of €5,650,000 to re-finance and repay in full the then existing loan facility of the Guarantor from Lombard Bank Malta p.l.c., and as to the remining €16,400,000 to finance part of the construction and finishing works on Retained

Property of the Guarantor. None of these proceeds were however used to finance any development of the Hotel, as defined in the 2019 Prospectus and as approved and understood at the time of the 2019 Bond Issue, which Hotel was subsequently substantially redesigned as now approved by permit REF. Planning Authority PA 01892/19, as referred to under the heading "Description of the Project" under Section 5.2 of this Registration Document.

The Issuer-Guarantor Loan 2019, which is still outstanding as at the date of the Prospectus, was created and is regulated by public deed in the records of Notary Kristen Dimech of the 25th March 2019, which provides as follows: (i) the firstly drawn portion thereof up to the amount of €11,500,000 will bear interest at 4.75% *per annum* and payable on 13 March of each year, and the principal amount thereof shall be repayable by not later than 13 March 2027; and (ii) the balance thereof will bear interest at 5.25% *per annum* and payable on 13 March of each year, and the principal amount thereof shall be repayable by not later than 13 March 2031. Such interest payment and repayment terms were designed to ensure that the Issuer would timely receive sufficient funds to finance payments due under the Existing Bonds, with a residual amount to finance its corporate funding requirements.

By virtue of a public deed in the records of Notary Anna Theuma of the 14th February 2022, there was a restructuring of the components of immovable property over which the first ranking special hypothec securing the 2027 Existing Bonds and the 2031 Existing Bonds was originally constituted by virtue of the above-mentioned notarial deed dated 25th March 2019. As a result, the said 2027 Existing Bonds and the 2031 Existing Bonds are now respectively secured by a first ranking special hypothec over the respective Security Property for Existing Bonds securing such series of bonds respectively.

Existing financing of the Guarantor's and other Group companies' activities

Apart from the outstanding Issuer-Guarantor Loan 2019 financed by the proceeds of the 2019 Bond Issue, the Guarantor currently also has the outstanding bank financing with or facilities available from Bank of Valletta p.l.c. as shown in the table below (the "BOV Loans"):

Loan	Limit	Drawdown date	Outstanding amount as at 31.12.2021	Use of financing	Repayment terms
Loan 1	€16,700,000	Various drawdowns	€15,608,076	Development costs of Commercial Mall	To be repaid over a 15-year period, following a 2-year moratorium
Loan 2	€13,300,000	12 August 2021	€13,300,000	Acquisition of Exchange Site	To be repaid over a 15-year period, following a 2-year moratorium
Loan 3	€5,000,000	Various drawdowns (in 2022)	Undrawn (but fully drawn in March 2022	Development costs of the Project	To be repaid over 3 years
Loan 4	€10,250,000	12 August 2021	€9,412,902	To refinance facilities held at Lombard Bank Malta p.l.c.	To be fully repaid by 31 December 2023, from deposits, against waivers of services apartments units forming part of the Peripheral Block

Interest on the above-mentioned BOV Loans is payable at the rate of 475 basis points above the 3-month EURIBOR. An interest rate is applied commencing at 475 basis points upon achievement of 50% of the projected rental income, reducing to 450 basis points upon attainment of 100% of the projected rental income and to 400 basis points once the projected rental income is exceeded.

The BOV Loans are currently secured *inter alia* by a first ranking special hypothec and first special privilege over the following immovable property at the Site (the "Security Property for BOV Loans"):

- the Exchange Site, excluding the airspaces earmarked for the construction of the Hotel, namely the airspace commencing from the floor level L02 upwards without height limitations being developed within the Hotel building and the airspace commencing from the floor level L08 upwards without limitation within the Peripheral Block;

- the airspaces from levels L02 to L07 forming part of the Peripheral Block, earmarked for the construction of serviced apartments;

- the following commercial units:
  - Commercial space forming part of Block 1 (Tower) situated at level L00 within the Site;
  - Commercial outlets and namely the spaces in shell form forming part of Block 1 (Tower) situated at piazza level B01 and including three commercial outlets (B111), (B112) and (B113);
  - Airspaces of retail and commercial outlets having a total gross area of 10,794m^2 on the basement level B01 and two overlying floor levels L00 and L01;
  - The Pavilion;
  - The serviced apartment units on level L31 of the Tower;
  - The spaces in levels L32 and L33 of the Tower intended for the development of a rooftop bar;
  - The level of car park spaces marked B07 spread over the whole Site; and
  - the Parking Complex levels B06, B05, B04, B03 and B02 constructed within Car Park Site – Phase 2.

The Guarantor is currently negotiating another loan facility from Bank of Valletta p.l.c., the terms and conditions whereof are still being negotiated.

/ *Further financing through the Bonds*

The Group intends to obtain further financing for the Project through the issue of the Bonds, by virtue of which the Issuer intends to raise €50,000,000 and to make the proceeds from the Bond Issue available to the Group, to finance mainly the construction and finishing of the Hotel and other corporate funding requirements, all as set out further below and in Section 4.2 of the Securities Note.

The Bonds will be due in ten (10) years, namely in 2032, and will pay a coupon of 4.3% *per annum*. The Bonds will be listed on the Official List of the MSE and admitted to trading on such regulated market.

The proceeds of the Bonds will be made available by the Issuer to the Guarantor by way of loan under the Issuer-Guarantor Loan 2022, a substantial part of which will be used to finance construction and finishing works to the Hotel owned by Mercury Hotel Ltd.

/ *Collateral for Bonds*

The Bonds will be secured by the Collateral as provided below.

Security for the fulfilment of the Issuer's obligations under the Bonds is to be granted by the Guarantor and Mercury Hotel Ltd. (as applicable) in favour of the Security Trustee for the benefit of Bondholders, by way, *inter alia*, of Collateral in the form of a first ranking special hypothec over the Security Property for Bonds (the Special Hypothec), as described hereunder.

Security Property for Bonds	Valuation based on open market value of property in its existing state as at 15 February 2022, as per the Architect's Valuation Report* - (€)	Estimated capital value at current prices and on the basis of current market conditions, after development has been completed, as per the Architect's Valuation Report* - (€)	Estimated capital value at current prices and on the basis of current market conditions, after development has been completed and the property let (where applicable), as per the Architect's Valuation Report* - (€)

The Hotel as described hereunder:	€14,610,000	€52,250,000	€54,250,000

(i) the airspaces earmarked for the construction of the Hotel, namely the airspace commencing from the floor level L02 up to the uppermost level L19 being developed within the Hotel building, having a planned internal floor area measuring approximately 12,252m^2 and external balconies measuring approximately 3,636m2, including the airspace above them,and any and all constructions and improvements thereon;

(ii) the airspace commencing from the roof of floor level L08 upwards without limitation within the Peripheral Block, having a superficial area of 1,101m^2, and any and all constructions and improvements thereon; and

(iii) the part of the fourth basement level (B04) which is earmarked to be developed as a Spa and Wellness Centre, having an internal floor area measuring approximately 1,063m^2, which will form part and be operated as part of the amenities of the Hotel, and any and all constructions and improvements therein.

*These valuations are based on the Architect's Valuation Report dated 15 February 2022, which is accessible on the Issuer's website at the following hyperlink: **https://mercuryfinance.com.mt/investor-relations/** and is deemed to be incorporated by reference in this Prospectus.

Pursuant to the Security Trust Deed, the Guarantor agrees to jointly and severally guarantee the punctual performance by the Issuer of its payment obligations under the Bonds by entering into the Guarantee. In support of the Guarantee and as part of the Collateral Mercury Hotel Ltd. has agreed to grant a first ranking special hypothec over the Security Property for Bonds owned by it for the full amount of the Bond Issue, namely €50,000,000 and interests thereon.

The said Special Hypothec will secure the claim of the Security Trustee, for the benefit and in the interest of Bondholders, for the repayment of the principal and interest under the Bonds by a preferred claim over the Security Property for Bonds. Accordingly, upon the issue of the Bonds and application of the Bond Issue proceeds in accordance with the terms of the Securities Note, the Security Trustee will have the benefit of a first ranking special hypothec over the Security Property for Bonds for the full amount of €50,000,000 and interests thereon.

In its existing state, the Security Property for Bonds has been valued for a total amount which is less than, and which is not sufficient to cover, the full principal amount of the Bonds (if fully subscribed) and interest thereon, as shown in the table above. However, as mentioned under the heading 'Closing dynamics' below and under Section 4.2 of the Securities Note, the proceeds of the Bond Issue intended to be used for the construction and finishing of the Hotel, although they will constitute a loan by the Issuer to the Guarantor under the Issuer-Guarantor Loan 2022 from inception, they will not be transferred to such Guarantor but will be retained in cash by the Security Trustee under trust, who will be irrevocably authorised by the Guarantor (by way of security for the benefit of the Security Trustee and the Bondholders) to retain the same in cash, and to release and pay the same only to the contractor against invoices for works and certificates of completion relevant to works on the Hotel, which Hotel will constitute the Security Property for Bonds. As noted in the table above, the estimated value of such Security Property for Bonds after completion of works will increase substantially, and should be sufficient to cover payment obligations under the Bonds. With respect to such portion of the proceeds of the Bond Issue which is intended to be used for general corporate funding purposes, these will be held by the Registrar, and shall be paid in full to the Guarantor upon the instruction of the Issuer made after the listing of the Bonds on the Official List of the Malta Stock Exchange (save for such amount needed to cover the expenses of the Bond Issue which will be transferred by the Registrar to the Issuer), but the value of the Security Property for Bonds in its existing state, as professionally valued, adequately covers such portion of the proceeds of the Bond Issue.

/ *Closing dynamics*

All proceeds from the Bond Issue shall be received by the Registrar which shall apply and forward the same as provided herein.

The issue and final allotment of the Bonds is conditional upon the following events, in the chronological order set out below: (1) the Collateral being constituted in favour of the Security Trustee in accordance with the provisions of the Security Trust Deed within 15 Business Days of the close of the Offer Period; and (2) the

Bonds being admitted to the Official List. In the event that any of the aforesaid Conditions Precedent is not satisfied, the Registrar shall return Bond Issue proceeds to the investors, as provided in Section 4.2 of the Securities Note.

Indeed, the Bonds shall not be admitted to the Official List of the Malta Stock Exchange unless all security has been duly perfected, in accordance with the provisions of the Security Trust Deed.

It is expected that within 15 Business Days from the close of the Offer Period and following allocation of the Bonds, the Issuer, the Guarantor, Mercury Hotel Ltd. and the Security Trustee shall appear on a notarial deed, pursuant to which Mercury Hotel Ltd. will constitute and grant to the Security Trustee, and the Security Trustee will obtain, the Special Hypothec over the Security Property for Bonds.

By virtue of such deed, the Issuer will agree to make the Issuer-Guarantor Loan 2022 to the Guarantor, namely to make available a loan facility in the total amount equal to the proceeds from the Bond Issue. The said loan facility shall be drawn down as follows:

(a) the amount of such loan facility which is intended to be used to finance the construction and finishing of the Hotel, as set out in Section 4.2 of the Securities Note, which will be held by the Security Trustee, will be drawn down 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 the Hotel owned by Mercury Hotel Ltd., as such invoices are received from Mercury Contracting Projects Limited in terms of the contract of works between Mercury Hotel Ltd. and the said Mercury Contracting Projects Limited and against presentation of such invoices and architect's certificate of completion in respect of the relevant works included in the invoice, provided that the Guarantor shall have the right to make an initial drawdown request, at any time after the execution of the notarial deed creating the Issuer-Guarantor Loan 2022, for the full or any part of the amounts for works on the Hotel already invoiced by and paid to and/or invoiced by but not yet paid to the said Mercury Contracting Projects Limited at any time up to the execution of the said notarial deed and in respect of which the Guarantor produces an architect's certificate of completion. The said drawdowns will not be paid by the Security Trustee to the Guarantor, but will be paid by the Security Trustee directly to Mercury Contracting Projects Limited in satisfaction of the relevant invoices. The drawdown requests and payments so made to satisfy invoices for works on the Hotel will for all intents and purposes constitute and be deemed to constitute, as between the Issuer and the Guarantor, loans made by the Issuer to the Guarantor under the Issuer-Guarantor Loan 2022, and the payment of the relevant invoices to Mercury Contracting Projects Limited will be considered as payments made by the Guarantor in the name and for the discharge of the relevant Group company which incurred the costs and expenses under the relevant invoice; and

(b) the amount of such loan facility which are intended to be used for general corporate funding purposes, as set out in Section 4.2 of the Securities Note, which will be held by the Registrar, excluding those required to fund the expenses of the Bond Issue which are expected to amount to approximately €800,000, shall be drawn down in full in one drawdown following a request by the Guarantor to the Issuer made after the listing of the Bonds on the Official List of the Malta Stock Exchange, whereupon the Issuer shall promptly instruct the Registrar to transfer the relevant amount to the Guarantor: provided that such part of the loan facility which is required by the Guarantor to fund the expenses of the Bond Issue (which the Guarantor has agreed to bear itself) shall be forwarded by the Registrar to or to the order of the Issuer upon request.

The Issuer-Guarantor Loan 2022 will bear interest at 4.5% *per annum* payable on 15 April of each year, and the principal amount thereof shall be repayable by not later than 15 April 2032. Interest shall be payable as aforesaid on the full amount of the loan from inception, notwithstanding the date/s when this is drawn down. The payments becoming due under such Issuer-Guarantor Loan 2022 and the timings thereof are such as to enable the payments due under the Bonds (including interest and repayment of capital due on maturity) to be financed through such payments to be received by the Issuer from the Guarantor under such Issuer-Guarantor Loan 2022, leaving also a residual amount for the Issuer to finance its corporate funding requirements.

If the aforesaid Conditions Precedent are satisfied, the Registrar shall:

- forward the amount of €35,000,000 (which is intended to be used to finance the construction and finishing of the Hotel) to the Security Trustee, which shall hold the same in accordance with the provisions of the Security Trust Deed;

- forward the remaining proceeds of the Bond Issue intended to be used for general corporate funding purposes, less the amount equivalent to the expenses of such Bond Issue (as indicated by the Issuer), to the Guarantor, upon instruction of the Issuer; and

- forward the remaining amount equivalent to the expenses of the Bond Issue to or to the order of the Issuer, upon request.

Financing of other Group companies' acquisitions and operations

As at the date of this Registration Document and until the Project becomes operational and starts generating rental and operational income for the Group as a whole, the Guarantor is and will remain the only company within the Group generating revenues, mainly through sales of serviced apartments. Accordingly, the funds needed by other members of the Group for their acquisitions and operations (including mainly acquisitions and subsequent development and finishing of their respective Retained Properties) will be made available to them by the Guarantor, whether through injection of capital or through shareholders' loans (which may also be capitalised eventually) or otherwise, or a combination of any of the above.

It is also not excluded that the Group may seek further debt or other financing from alternative sources in respect of certain elements of Retained Property or otherwise in respect of specific elements of the Project.

Funding of payments required under various financing in place and under the Project

The financing in place for the Project (including existing bank borrowings, the payments due to the Issuer under the Issuer-Guarantor Loan 2019 which finances payments of the Issuer under the Existing Bonds and payments to become due to the Issuer under the Issuer-Guarantor Loan 2022 which will finance payments of the Issuer under the Bonds) as well as other expenditure and costs of the Project incurred by the Group from time to time and not covered by the financing mentioned above, have been and will be funded:

(i) by payments of deposits and balances of prices received by the Guarantor in respect of sales of serviced apartment units; and

(ii) once the Project becomes operational, they are expected to be eventually funded also through rental and operational revenues to be generated by the Guarantor from its Retained Property and indirectly also from dividends as well as repayments of shareholders' loans (which have not been capitalised) received from other Group companies when they start generating rental and operational income from their respective Retained Properties.

As mentioned above, it is not excluded that the Group may seek further financing from banks or other sources for specific elements of the Project.

7 _ TREND INFORMATION

7.1 Economic Update[1]

The Bank's Business Conditions Index shows that in January annual growth in business activity remained well above its historical average, though it is gradually normalising, as many economic variables are reaching their pre-pandemic levels.
European Commission data show that economic sentiment in Malta rose in January when compared with December. It stood well above its level a year earlier and was marginally higher than its long-term average. The recent increase was driven by improved sentiment across all sectors but fell in the retail sector and to a lower extent among consumers.

In January, the European Commission's Economic Uncertainty Indicator (EUI) eased when compared with December. The recent decrease in uncertainty was largely driven by developments in industry, and to a lesser degree, in the construction and retail sectors. On balance, consumers continued to report that they were able to predict their household's financial situation with relative ease but less so relative to December. Meanwhile, uncertainty increased in the services sector.

In December, industrial production contracted on an annual basis for the fifth consecutive month and fell at a faster pace when compared with November. The volume of retail trade conversely rose, though at a slower pace when compared to a month earlier. The unemployment rate was unchanged from that recorded in November and well below last year's rate.

Commercial permits increased slightly in December relative to their year-ago levels, while residential permits fell. In January, the number of final deeds of sale rose on an annual basis but the number of promise-of-sale agreements declined.

The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood at 2.6% in December, up from 2.4% in the previous month. Similarly, inflation based on the Retail Price Index (RPI) rose to 2.6% in December from 2.4% a month earlier.

Maltese residents' deposits expanded at an annual rate of 10.4% in December, following an increase of 9.7% in the previous month, while annual growth in credit to Maltese residents stood at 8.3%, slightly below the rate of 8.4% recorded a month earlier.

7.2 Economic Outlook[2]

Since the Central Bank of Malta finalised its December 2021 projections, the pandemic situation continued to evolve with the emergence of the highly contagious Omicron variant, which caused a sharp spike in active cases of COVID-19. Consequently, containment measures were reinstated in several countries. However, progress with vaccination ensured that hospital admissions and patients in intensive care remained low. However, absences caused by the rapid spread of Omicron, amplified already elevated global supply disruptions and international price pressures.

Although stringency measures increased in Malta too, this was to a much lower extent than in other countries. Nevertheless, the worsening of the pandemic situation is expected to have adversely affected Malta's travel industry during the final weeks of 2021 and the start of 2022.

At the same time, vaccination campaigns have intensified. By the end of January, around two thirds of Malta's population had received a third dose. Moreover, following a sharp rise in December, active cases have declined somewhat since the start of 2022. Therefore, some containment measures were relaxed in mid-January and eased further in February.

1 Central Bank of Malta - Economic Update 2/2022

2 Central Bank of Malta - Economic Projections 2021 - 2024 (2022:1)

Meanwhile, the latest national accounts vintage has surprised on the upside once again. In particular, investment and private consumption growth were stronger than envisaged. Hence, despite some deterioration in the pandemic situation, domestic economic activity levels over the projection horizon are assessed to be higher than those projected in December 2021. On the other hand, price pressures have intensified and hence, inflation is projected to pick-up more strongly than envisaged in the December 2021 round of projections.

7.3 Hospitality

The Maltese tourism industry has been progressively growing in recent years, benefiting from a surge in tourism with records broken year-on-year. Indeed, the tourism industry is considered to be an important contributor to the Maltese economy as, directly and indirectly, it is estimated to account for 29% of Malta's GDP and 33,180 jobs, or 14.9% of total employment in 2018[3].

This trend is summarised in the below table, illustrating the number of tourist arrivals over the last three years:

	2018	2019	2020	Change 2020/2019
Inbound tourists	2,598,690	2,753,239	658,567	-76.10%
Tourist guest nights	18,569,716	19,338,860	5,227,229	-73.00%
Average length of stay	7.1	7.0	7.9	12.90%
Tourist expenditure (€'000s)	2,101,765	2,220,627	455,108	-79.50%
Tourist expenditure per capita (€)	809	807	691	-14.40%

Unfortunately, the tourism sector both locally and internationally, has been severely impacted by the outbreak of the COVID-19 pandemic. As from early March 2020, Malta started to introduce several confinement measures, with the eventual suspension of all passenger flights as from 21 March 2020. Malta International Airport was reopened on 1 July 2020 and demand for travel started picking up, however this was short-lived, as after the summer of 2020 several EU countries started to battle the second wave of COVID-19 cases, which resulted in the reintroduction of several confinement measures. The unprecedented impact of the pandemic on the local tourism industry is demonstrated by the data above, where during 2020 local inbound tourists fell by 76.1%. Similarly, the industry experienced a decrease of 73.0% in tourist guest nights, with total tourist expenditure plummeting by 79.5% when compared with 2019.

At a European level, international tourist arrivals to Europe dropped 70% in 2020 over 2019. The pandemic now holds a 58% share of international tourist arrivals worldwide, with Asia Pacific remaining closed to tourism. In early 2021, travel restrictions have been tightened further and lockdowns re-introduced across Europe as destinations suffer a third wave of infections.

For the time being, there is no concrete end in sight of the COVID-19 pandemic as cases rise worldwide and multiple variants of the virus emerge. Nevertheless, the roll-out of vaccines, despite distribution challenges, has provided some grounds for optimism for 2021 projections and, together with improved testing regimes, is expected to stimulate consumer confidence and hasten the easing of movement restrictions. Notwithstanding the positive developments from the vaccine front, a return to typical inter-national travel demand patterns will be gradual and apparent towards the second half of 2021, with 2019 levels are expected to possibly be fully reached by 2023. In view of this, HVS[4] report predicts that the European hotel sector is expected to re-establish its RevPAR 2019 performance by 2024.

3 OECD Tourism Trends and Policies 2020

4 HVS: The Impact of COVID-19 on the European Hotel Sector

8 | FINANCIAL INFORMATION

Selected Financial Information: the Issuer

The Issuer was registered and incorporated on 16 January 2019 as a special purpose vehicle to act as the financing arm of the Group. The financial information included below is extracted from the audited financial statements of the Issuer for the financial years ended 31 December 2019 and 2020 and the unaudited interim financial statements of the Issuer for the nine-month period beginning 1 January 2021, up to 30 September 2021. There were no significant changes to the financial or trading position of the Issuer since 30 September 2021.

As at the date of this Prospectus there has been no material adverse change in the prospects of the Issuer since the date of the Issuer's last published audited financial statements, nor has there been a significant change in the financial position or performance of the Issuer (or of the Group) since 31 December 2020 (being the end of the last financial period for which the Issuer has published audited financial statements).

The said financial statements have been published and are available on the Issuer's website (www.mercuryfinance.com.mt) and are available for inspection at its registered office as set out in Section 17 of this Registration Document.

STATEMENT OF COMPREHENSIVE INCOME

€'000	**FY2020**	**FY2019**	**FY2020**	**FY2021**
	12 months	**12 months**	**9 months**	**9 months**
Finance income	825	1,121	841	838
Finance costs	(689)	(899)	(675)	(672)
Net interest income	**135**	**222**	**167**	**166**
Administrative overheads	(57)	(80)	(59)	(65)
Operating profit	78	142	108	101
Tax expense	(44)	(74)	(57)	(55)
Profit for the year	**34**	**67**	**50**	**46**

STATEMENT OF FINANCIAL POSITION AS AT

€'000	**31 Dec 2019**	**31 Dec 2020**	**30 Sep 2021**
Assets			
Non-current assets			
Interest bearing receivables	22,444	22,444	22,444
Total non-current assets	**22,444**	**22,444**	**22,444**
Current assets			
Other receivables	828	1,047	986
Cash and cash equivalents	257	142	68
Total current assets	**1,085**	**1,189**	**1,054**
Total assets	**23,529**	**23,633**	**23,498**
Equity and Liabilities			
Equity			
Share capital	250	250	250

Retained earnings	34	101	148
Total equity	**284**	**351**	**398**
Non-current liabilities			
Interest bearing borrowings	22,500	22,500	22,500
Total non-current liabilities	**22,500**	**22,500**	**22,500**
Current liabilities			
Other payables	701	708	480
Taxation payable	44	74	120
Total current liabilities	**745**	**782**	**600**
Total liabilities	**23,245**	**23,282**	**23,100**
Total equity and liabilities	**23,529**	**23,633**	**23,498**

STATEMENT OF CASH FLOWS

€'000	FY2019	FY2020	FY2020	FY2021
	12 months	**12 months**	**9 months**	**9 months**
Net cash from/(used in) operating activities	(50)	31	(76)	(74)
Net cash from/(used in) investing activities	(22,444)	–	–	–
Net cash from/(used in) financing activities	22,751	(146)	–	–
Net movement in cash and cash equivalents	**257**	**(115)**	**(76)**	**(74)**
Cash and cash equivalents at the start of the year/period	–	257	257	142
Cash and cash equivalents at the end of year/ period	**257**	**142**	**181**	**68**

In March 2019, the Issuer successfully raised €22.5 million as follows:

- €11.5 million secured bonds due in 2027 of a nominal value of €100 per Bond having a coupon of 3.75% *per annum*; and
- €11.0 million secured bonds due in 2031 of a nominal value of €100 per Bond having a coupon of 4.25% *per annum*.

The amount of €22.4 million, being the proceeds less some expenses from the bond issue, were on-lent to the Guarantor.

Finance income represents the interest generated on the loans granted to the Guarantor, which totalled €2.8 million between 6 January 2019 and 30 September 2021. Finance costs comprise interest incurred by the Issuer on its debt securities in issue, which totalled €2.3 million during the same period. After accounting for administrative expenses and taxation, total comprehensive income generated by the Issuer between 6 January 2019 and 30 September 2021 totalled €148k.

/ *Selected Financial Information: the Guarantor*

As the Group was formed in January 2019, the financial information included hereinafter is extracted from the audited consolidated financial statements of the Guarantor for the financial years ended 31 December 2019 and 2020 and the unaudited interim consolidated financial statements of the Guarantor for the nine-month period beginning 1 January 2021, up to 30 September 2021. The said financial statements have been published and are available on the Issuer's website (www.mercuryfinance.com.mt) and are available for inspection at its registered office as set out in Section 17 of this Registration Document.

There has not been any significant change in the prospects or in the financial or trading position of Mercury Towers Ltd since 30 September 2021.

As at the date of this Prospectus there has been no material adverse change in the prospects of the Guarantor since the date of the Guarantor's last published audited financial statements, nor has there been a significant change in the financial position or performance of the Guarantor (or of the Group) since 31 December 2020 (being the end of the last financial period for which the Guarantor has published audited financial statements).

Despite the pandemic's adverse impact on several industries, the Group has, to date, continued to operate without significant disruptions, even during the more-challenging months of the pandemic.

STATEMENT OF COMPREHENSIVE INCOME

€'000	FY2019	FY2020	FY2020	FY2021
	12 months	**12 months**	**9 months**	**9 months**
Revenue	9,047	19,836	17,559	2,522
Cost of sales	(7,428)	(12,863)	(11,570)	(2,318)
Gross profit	**1,620**	**6,973**	**5,988**	**203**
Other income	5	185	13	-
Administrative and selling expenses	(1,229)	(1,089)	(827)	(573)
Revaluation of investment property	-	24,561	-	-
Operating profit	**396**	**30,629**	**5,175**	**(370)**
Finance costs	(1,096)	(899)	(676)	(682)
Profit/(loss) before tax	**(700)**	**29,731**	**4,499**	**(1,052)**
Tax expense	(741)	(4,825)	(1,350)	(197)
Profit/(loss) for the year	**(1,441)**	**24,905**	**3,149**	**(1,250)**

In FY2019, FY2020 and FY2021, the Guarantor generated revenue of €31.4 million, being the sale of airspace and shell, if applicable, pertaining to the residential units situated in Mercury Tower. In accordance with IFRS 15, revenue from residential units is recognised upon the entering by the Guarantor of a final deed of sale with a potential purchaser. As at 30 September 2021, 241 units were sold and recognised as revenue by the Guarantor between FY2018 and FY2021, whilst 121 units are on promise of sale. These 121 units are expected to generate revenue of €29.5 million in the forthcoming months, of which €9.1 million has already been received as a deposit as at 30 September 2021.

Cost of sales on these residential units totalled €22.6 million during the same period, comprising the cost of land, stamp duty, architect, design and professional fees, and construction costs in the case of residential units sold in shell form.

Administration expenses primarily consist of wages and salaries, marketing costs, commissions, professional fees, insurance and bank charges. These have totalled €2.9 million between FY2019 and FY2021.

During FY2020, the Group recognised a gain of €24.6 million on its investment property, based on a valuation of DHI Periti.

Finance costs during FY2019 and FY2021 totalled €2.7 million and represent bond interest and bank loans which are not capitalised as part of investment property and property, plant and equipment in line with the Guarantor's accounting policies.

STATEMENT OF FINANCIAL POSITION

€'000	31 Dec 2019	31 Dec 2020	30 Sep 2021
Assets			
Non-current assets			
Property, plant and equipment	22,294	11,661	13,112
Investment property	401	40,887	41,692
Investment in associate	2	2	2
Other receivables	853	21	21
Total non-current assets	**23,549**	**52,570**	**54,826**
Current assets			
Inventories	18,023	8,919	25,014
Trade and other receivables	20,381	7,337	18,347
Cash and cash equivalents	267	578	73
Total current assets	**38,670**	**16,834**	**43,433**
Total assets	**62,219**	**69,403**	**98,259**
Equity and Liabilities			
Equity			
Share capital	500	500	500
Investment property reserve	–	22,596	22,596
Retained earnings/(losses)	(1,108)	1,201	(49)
Shareholders loan	–	–	9,107
Total equity	**(608)**	**24,297**	**32,154**
Non-current liabilities			
Bonds payable	22,500	22,500	22,500
Bank borrowings	–	–	27,287
Deferred tax liability	–	3,203	3,203
Total non-current liabilities	**22,500**	**25,703**	**52,990**
Current liabilities			
Borrowings	10,566	10,406	1,863
Trade and other payables	29,761	8,998	11,252
Total current liabilities	**40,327**	**19,404**	**13,115**
Total liabilities	**62,827**	**45,106**	**66,105**
Total equity and liabilities	**62,219**	**69,403**	**98,259**

STATEMENT OF CASH FLOWS

€'000	FY2019	FY2020	FY2021
	12 months	**12 months**	**9 months**
Net cash from/(used in) operating activities	(19,344)	6,662	(25,202)
Net cash from/(used in) investing activities	(6,101)	(5,293)	(2,256)
Net cash from/(used in) financing activities	25,490	(1,059)	26,953
Net increase/(decrease) in cash and cash equivalents	**45**	**311**	**(505)**
Cash and cash equivalents at the start of the period	222	267	578
Cash and cash equivalents at the end of the period	**267**	**578**	**73**

During FY2020, the Mercury Project was redesigned under the second phase permit (REF. Planning Authority PA 01892/19). As a result, areas which were previously allocated to the hotel were allocated to the commercial units. Furthermore, due to a shift in strategy, whereby the Commercial Mall would be leased out rather than operated by the Group, the costs relating to the commercial units were reclassified from property, plant and equipment to investment property during FY2020. Consequently, as at 30 September 2021, the Group's main asset comprises property, plant and equipment (€13.1 million), investment property (€41.7 million), inventory (€25.0 million) and trade and other receivables (€18.4 million):

- Property, plant and equipment: Property, plant and equipment includes the cost of airspace, construction and development and capitalized interest on the Hotel;
- Investment property: As at 30 September 2021, investment property comprises the cost of airspace, construction and development and capitalized interest in relation to Level 30 and Level 31 of the Tower, the Pavillion, Mercury House and the Commercial Mall;
- Inventory: inventory represents the cost attributed to the 38 units that are on promise of sale or held as stock within the Tower, and the land, concept design fees, Zaha Hadid fees and MEPA permit expenses in relation to 170 units being development within the Peripheral Block;
- Trade and other receivables: €16.5 million of the trade and other receivables represent advance payments made to Mercury Contracting Projects Limited, in relation to the construction and development of the Project.

During FY2021, Level 30 was marked for sale, and therefore, going forward these units will be transferred from investment property (net of revaluation uplifts) to inventory.

Total equity amounted to €32.2 million as at 30 September 2021, comprising of share capital of €500,000, investment property reserve of €22.3 million and accumulated losses of €49k. Furthermore, during FY2021, Mr Joseph Portelli injected €9.1 million by way of shareholder's loans. The shareholder's loan is unsecured, interest free and repayable at the discretion of the borrower. This balance increased to €10 million on 6 December 2021, and the Guarantor has capitalised this balance as share capital on 10 December 2021, thus increasing the share capital of the Guarantor to €10,500,000.

Total liabilities as at 30 September 2021 amounted to €66.1 million and principally consist of:

- Debt securities of €22.5 million, being the 2027 Existing Bonds and the 2031 Existing Bonds;
- Bank borrowings of €27.4 million, which consists of Loans 1 to 4 as described in Section 6.2 of this Registration Document. Based on the facilities in place with Bank of Valletta, this is expected to increase to €45 million once all facilities are drawn;

- Trade and other payables of €11.1 million of which €9.1 million are deposits received in advance;
- Deferred tax liability of €3.2 million, being the deferred taxation element recognized on the revaluation of investment property, calculated as 8% of the uplift in value.

Cash flows from financing activities includes the draw down of bank loans and bonds issued in FY2019 as well as repayment of existing loans and finance costs. These funds were used to finance the development of the Mercury Project to date, together with cash generated from operations following the sale of residential units. Cash and cash equivalents as at 30 September 2021 amounted to €73k.

9 | ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

9.1 Board of Directors of the Issuer

The Issuer is currently managed by a Board consisting of four Directors entrusted with its overall direction and management. As at the date of this Registration Document, the Board of the Issuer is composed of the individuals listed in Section 3.1 of this Registration Document.

The Board of Directors of the Issuer curently consists of one executive Director and three non-executive Directors.

The executive Director, Mr Joseph Portelli, who is also an executive director on the board of the Guanator and the other Group companies, as well as and together with the Group's executive team, are responsible for acquisitions, development, sales and operations and are entrusted with the Group's day-to-day management.

The non-executive Directors' main functions are to monitor the operations of the executive Director/s and their performance, as well as to review any proposals tabled by the executive Director/s, bringing to the Board the added value of independent judgment, and also to provide specialist support to the executive Director/s. In line with generally accepted principles of sound corporate governance, a majority of the non-executive Directors (who should constitute at least a third of the Board) shall be a person/s independent of the Group. Currently, the Issuer has 3 non-executive Directors who are all deemed independent, as set out in Section 3.1 of this Registration Document. The non-executive Directors of the Issuer are Mr Stephen Muscat, Mr Mario Vella and Mr Peter Portelli.

The following is the *curriculum vitae* of the executive Director:

Joseph Portelli

Joseph Portelli is a self-made businessman. Starting his business in the year 1996, Joseph Portelli has been involved in a number of successful property development projects within the real estate market in Malta and Gozo, which include the acquisition, development and sale or operation of all types of residential and commercial properties, including Villagg San Guzepp in Gozo, Forum Residences in St. Andrews as well as a foray into the hospitality sector with Quaint Boutique Hotels in Gozo.

Through Menfi Limited (C 46491), a consortium of Maltese and Gozitan individuals. Mr Portelli was also involved in the development of a €21 million luxury rural complex called Hal Saghtrija Complex in Zebbug, Gozo.

Apart from overseeing the day-to-day operations of the Group, his main responsibilities today are sales and business development and hotel operations.

Mr Portelli is also the sole shareholder and director of Mercury Contracting Projects Limited, which has been engaged by the Guarantor and the other Group companies as a contractor in respect of the construction and finishing of the respective Retained Property.

The following are the *curriculum vitae* of the non-executive Directors:

Stephen Muscat

Stephen Muscat is a Certified Public Accountant and a graduate of the University of Malta with a BA (Honours) Accountancy degree, a fellow of the Malta Institute of Accountants, the Malta Institute of Taxation and the Institute of Directors (UK). He is the former CEO and Director of Maltacom p.l.c., today GO p.l.c. (C 22334).

Mr Muscat is an authorised Company Service Provider serving as a Non Executive Director of holding and trading companies. He is also a Director of locally licensed financial institutions and a bank. Currently he is a member of the Board of Directors and chairs the Audit Committee of public bond issuers trading on the Malta Stock Exchange main market namely SD Finance p.l.c. (C 79193) and on two bond issuers on the Prospects MTF being JD Capital plc (C 82098) and Agriholdings plc (C 57008).

Mario Vella

Mario Vella joined Barclays Bank in Malta in 1969 and has occupied several positions within the bank concluding his career with HSBC in 2013 in the role of Head of Corporate Banking in which position he was responsible for the major share of the Bank's lending portfolio and its largest corporate customers. He has been involved in driving through major changes in banking strategies especially on Mid-Med Bank's take-over by HSBC. Over the years Mr Vella has arranged finance for a significant number of high-profile projects including via a mix of bank / syndicated lending and capital markets.

In 2013, after 43 years in banking, Mr Vella moved to KPMG as Director, Deal Advisory. In this role he has served as consultant to several companies. He helped clients restructure and refinance their trading activities and raise financing for new ventures. He has participated in putting together high-profile mergers and other significant business deals.

Mr Vella retired from KPMG in August 2017 but continues to provide consultancy services to various businesses. He presently also sits as non- Executive Director or Chairman on a number of corporate Boards, including Boards of companies with securities listed on the Malta Stock Exchange, namely TUM Finance p.l.c. (C 91228) and Hili Finance Company p.l.c. (C 85692), apart from the Issuer.

Peter Portelli

Peter Portelli obtained a degree of BA (Hons) Public Administration from the University of Malta in 1990 and a Masters in Business Administration from Henley Management College (UK) in 1997.

Between 1990 and 1998, he held various middle management and senior positions within the Ministry of Tourism and the Office of the Prime Minister, Malta. From 1998 to 2004 he was Private Secretary to the Prime Minister, and later Private Secretary to His Excellency, the President of Malta for a short period between April to December 2004. From January 2005 to June 2013, Mr Portelli acted as Permanent Secretary within the Maltese Public Service, heading the Ministry responsible for Tourism, with a portfolio that also included Culture and the Environment. Since July 2013 he is an Officer in Grade 2, Malta Public Service. Since 2015, he has held the position of Executive Secretary of The Strickland Foundation

9.2 Board of directors of the Guarantor

As at the date of this Registration Document, the board of directors of the Guarantor is composed of one director, being Mr Joseph Portelli.

The curriculum vitae of the director of the Guarantor is mentioned in Section 9.1 above.

9.3 Management structure and management team

The Issuer is the finance arm of the Group and as such does not require an elaborate management structure. Its business is managed by its Board of Directors and does not separately employ any senior management.

The Directors believe that the current organisational structures are adequate for the current activities of the Issuer. The Directors will maintain these structures under continuous review to ensure that they meet the changing demands of the business and to strengthen the checks and balances necessary for better corporate governance.

The key members of the Group's management team, apart from the executive director of the Issuer and the Guarantor mentioned above, are the following:

- Silvan Mizzi, who is a full time employee of the Guarantor and acts as the Guarnator's and the Group's Chief Financial Officer; and

- Lorraine Ellul Bonavia, who is a full time employee of the Guarantor and is responsible for the general legal and administrative affairs of the Guarnator and the Group.

As at the date hereof, the Group companies other than the Guarantor and the Issuer, all of which have been recently set up, do not separately employ any senior management, and they are effectively managed by their executive Director, Mr Joseph Portelli, with the assistance of the above-mentioned key employees of the Guarantor, who render key management services to the Group as a whole.

9.4 Conflicts of interest

As at the date of the Prospectus, the executive Director of the Issuer, namely Mr Joseph Portelli, is a director and officer of the parent company, namely the Guarantor, and also a Director of all the other Group companies, and as such is susceptible to conflicts between the potentially diverging interests of the different members of the Group, including the Issuer-Guarantor Loan 2022 to be advanced by the Issuer to the Guarantor out of the proceeds of the Bond Issue. In order to manage such potential conflicts, however, the said Issuer-Guarantor Loan 2022 (like the Issuer-Guarantor Loan 2019) will be structured as a loan facility to be drawn down against presentation of invoices for relevant works received from the contractor and the whole process will be overseen by the Board, a majority of the members whereof is independent.

The said executive Director is also the ultimate beneficial owner of the Issuer and of the Guarantor and of the latter's Subsidiaries.

As mentioned in Section 5.3 of this Registration Document, the said executive Director and owner, Mr Joseph Portelli, is the 100% shareholder and director of Mercury Contracting Projects Limited, with which the Guarantor and other Group companies have each entered into a contract of works for the construction (including supply of material), development and finishing of their respective Retained Property. This made logistical and business sense considering that the said Mercury Contracting Projects Limited is appointed as principal contractor in respect of the whole Project (including those elements thereof to be sold to third parties). Such involvement of Mr Portelli in all these companies may create conflicts between the potentially diverging interests of each of the Guarantor and its Subsidiaries on the one hand and the said Mercury Contracting Projects Limited on the other with respect to the said employer-contractor relationship, throughout its '*iter*', although as mentioned in such Section 5.3 the said companies have entered into a contract of works on an arm's length basis based on industry standard terms and conditions.

In situations of conflict the Directors of the Issuer shall act in accordance with the majority decision of those Directors who would not have a conflict in the situation and in line with the advice of outside legal counsel.

The Audit Committee of the Issuer has the task of ensuring that any potential conflicts of interest that may arise at any moment pursuant to the different involvements of the Directors are handled according to law. The fact that the Audit Committee is constituted solely by independent, non-executive Directors provides an effective measure to ensure that transactions vetted by the Audit Committee are determined on an arms-length basis and in the interests of the Issuer. Additionally, the Audit Committee has, pursuant to the relative terms of reference, been granted express powers to be given access to the financial position of the Issuer, the Guarantor and other Group companies on a quarterly basis. To this effect, the Issuer and other Group companies are to submit to the Audit Committee quarterly accounts.

The presence of independent non-executive directors on the Board of the Issuer also aims to minimise the possibility of any abuse of control by its major shareholder and/or beneficial owner. Furthermore, in terms of the Memorandum and Articles of Association of the Issuer, in the event that a Director has a material interest in any contract, arrangement or proposal, such Director is not entitled to vote at a meeting of Directors in respect thereof.

To the extent known or potentially known to the Issuer as at the date of the Prospectus, there are no other potential conflicts of interest (save for those mentioned above) between any duties of the Directors of the Issuer and/or of the Guarantor, as the case may be, and their respective private interests and/or their other duties, which require disclosure in terms of the Prospectus Regulation.

10 BOARD PRACTICES

10.1 Audit Committee

The terms of reference of the Audit Committee of the Issuer consist of *inter alia* its support to the Board in its responsibilities in dealing with issues of risk, control and governance, and associated assurance. The Board has set formal terms of establishment and the terms of reference of the Audit Committee that establish its composition, role and function, the parameters of its remit, as well as the basis for the processes that it is required to comply with. The Audit Committee, which meets at least once every three months, is a committee of the Board and is directly responsible and accountable to the Board. The Board reserved the right to change the Committee's terms of reference from time to time.

Briefly, the Audit Committee is expected to deal with and advise the Board on:

(a) its monitoring responsibility over the financial reporting processes, financial policies and internal control structures;

(b) maintaining communications on such matters between the Board, management and the independent auditors;

(c) facilitating the independence of the external audit process and addressing issues arising from the audit process; and

(d) preserving the Issuer's assets by understanding the Issuer's risk environment and determining how to deal with those risks.

Additionally, the Audit Committee has the role and function of considering and evaluating the arm's length nature of any proposed transaction to be entered into by the Issuer or the Guarantor and a related party, given the role and position of the Issuer within the Group, to ensure that the execution of any such transaction is, indeed, at arm's length and on a sound commercial basis and, ultimately, in the best interests of the Issuer. In this regard, the Audit Committee of the Issuer has the task of ensuring that any potential abuse which may arise in consequence of the foregoing state of affairs is immediately identified and resolved.

For this purpose, the Audit Committee has, pursuant to the relative terms of reference, been granted express powers to be given access to the financial position of the Issuer, the Guarantor and all other entities comprising the Group on a quarterly basis.

All of the Directors sitting on the Audit Committee are non-executives and also independent. The Audit Committee is presently composed of Stephen Muscat, Mario Vella and Peter Portelli, all three members being non-executive Directors and all of them also being independent of the Issuer. The Audit Committee is chaired by Stephen Muscat. In compliance with the Capital Markets Rules, Mr Stephen Muscat and Mr Mario Vella are the independent, non-executive Directors who are competent in accounting and/or auditing matters. In his capacity as Chairman of the Audit Committee, Mr Stephen Muscat holds meetings with the executive Directors as necessary to review the Issuer's accounts and operations. The Issuer considers that the members of the Audit Committee have the necessary experience, independence and standing to hold office as members thereof. The CVs of the said Directors may be found in Section 9.1 above.

The Guarantor is not bound by the Capital Markets Rules to set up an Audit Committee.

10.2 Compliance with corporate governance requirements

As a consequence of the 2019 Bond Issue and the forthcoming Bond Issue and in accordance with the terms of the Capital Markets Rules, the Issuer is required to endeavour to adopt and comply with the provisions of the Code of Principles of Good Corporate Governance forming part of the Capital Markets Rules (the "Code"). The Issuer declares its full support of the Code and undertakes to continue to comply with the Code to the extent that this is considered complementary to the size, nature and operations of the Issuer.

The Issuer supports the Code and believes that its application results in positive effects accruing to the Issuer.

As at the date of the Prospectus, the Board considers the Issuer to be in compliance with the Code, save for the following exceptions:

A. Principle 7 "Evaluation of the Board's Performance"

Under the present circumstances, the Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board's performance is evaluated on an ongoing basis by, and is subject to the constant scrutiny of, the Board itself (the majority of which is composed by independent non-executive Directors), the Audit Committee (in so far as conflicting situations are concerned), the Company's shareholders, the market and the rules by which the Issuer is regulated as a listed company.

B. Principle 8 "Committees"

- The Issuer does not have a Remuneration Committee as recommended in Principle 8; and
- The Issuer does not have a Nomination Committee as recommended in Principle 8.

The Board considers that the size and operations of the Issuer do not warrant the setting up of remuneration and nomination committees. In particular:

(i) the Issuer does not believe it necessary to establish a remuneration committee, given that the remuneration of the directors is required by the Memorandum and Articles of Association of the Issuer to be determined by the company in general meeting. Furthermore, the executive Director of the Issuer, Mr Joseph Portelli, who is a director of the shareholder of the Issuer (namely the Guarantor) and the ultimate beneficial owner of the Group, and therefore can influence the general meeting's decision on remuneration of Directors, has waived and does not receive Director's fees;

(ii) the Issuer does not believe it is necessary to establish a nomination committee as appointments to the Board of Directors are determined by the shareholders of the Company in accordance with the Memorandum and Articles of Association of the Issuer. The Issuer considers that the current members of the Board provide the required level of skill, knowledge and experience expected in terms of the Code.

C. Principle 9 "Relations with Shareholders and with the Market"

Currently there is no established mechanism disclosed in the Memorandum and Articles of Association of the Issuer to trigger arbitration in the case of conflict between the minority shareholders and the controlling shareholders. The Issuer's shares are all held by the Guarantor, except for one share which is held by Mr Joseph Portelli, who in turn is the sole shareholder and director of the said Guarantor and is thus a controlling shareholder of the whole Group, including the Issuer. The Issuer is thus of the view that there is currently no need to establish such mechanism.

Going forward, the Issuer shall, on an annual basis in its annual report, explain the level of the Issuer's compliance with the principles of the Code, explaining the reasons for non-compliance, if any, in line with the Capital Markets Rules' requirements.

11 | MAJOR SHAREHOLDERS

11.1 The Issuer

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, which are subscribed to and allotted as fully paid up shares as follows:

Name of shareholder	Number of shares held
Mercury Towers Ltd 1400, Block 14, Portomaso, St Julians, Malta Company Registration number C 77402	249,999 ordinary shares of a nominal value of €1.00 each, fully paid up.
Joseph Portelli Eagle, Triq ta' Grunju, Nadur, Gozo Identity Card number 497193M	1 ordinary share of a nominal value of €1.00, fully paid up.

Mr Joseph Portelli in turns owns and controls Mercury Towers Ltd and, indirectly therefore, also the Issuer.

To the best of the Issuer's knowledge there are no arrangements in place as at the date of this Registration Document the operation of which may at a subsequent date result in a change in control of the Issuer.

The Issuer adopts measures in line with the Code of Principles of Good Corporate Governance forming part of the Capital Markets Rules (the "Code") with a view to ensuring that the relationship with its major shareholders is retained at arm's length, including adherence to rules on related party transactions set out in Chapter 5 of the Capital Markets Rules requiring the vetting and approval of any related party transaction by the Audit Committee, which is constituted by independent, non-executive Directors. The Audit Committee has the task of ensuring that any potential abuse is managed, controlled and resolved in the best interests of the Issuer. The composition of the Board, including the presence of three independent, non-executive Directors, effectively minimises the possibility of any abuse of control by any major shareholder.

11.2 The Guarantor

The Guarantor has an authorised share capital of €20,000,000 divided into 20,000,000 ordinary shares of a nominal value of €1.00 each and an issued share capital of €10,500,000 divided into 10,500,000 ordinary shares of a nominal value of €1.00 each, which are subscribed to and allotted as fully paid up shares as follows:

Name of shareholder	Number of shares held
Joseph Portelli Eagle, Triq ta' Grunju, Nadur, Gozo Identity Card Number 497193M	10,500,000 ordinary shares of a nominal value of €1 each, fully paid up.

The Issuer adopts measures in line with the Code with a view to ensuring that the relationship with its major shareholder, namely the Guarantor, is retained at arm's length, including adherence to rules on related party transactions requiring the evaluation of the Issuer's Audit Committee, which has the task of ensuring that any potential abuse is managed, controlled and resolved in the best interests of the Issuer.

The Guarantor has eneterd and is expected to enter from time to time into trading transactions with related companies to the Group in its normal course of business. These transactions will be subject to regular scrutiny of the Audit Committee of the Issuer, which will be provided with all relative material contracts for their review, to ensure that they are made on an arm's length basis and that there is no abuse of control by or in respect of the Issuer or the Guarantor in the context of related party transactions. In this regard, the Audit Committee of the Issuer will meet as and when necessary for the purpose of discussing any transactions or circumstances which may potentially give rise to such conflict or abuse. The Audit Committee will thus have the power of vetting and making recommendations (directed towards securing arm's length parameters) to the Board of Directors of the Guranator with respect to material related party transactions of such Guarantor prior to the Guarantor proceeding with the transaction.

12 | LITIGATION

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period covering twelve months prior to the date of this Registration Document which may have, or have had in the recent past significant effects on the financial position or profitability of the Issuer, the Guarantor and/or the Group, taken as a whole.

13 | ADDITIONAL INFORMATION

13.1 Share Capital of the Issuer

The authorised share capital of the Issuer is €500,000 divided into 500,000 ordinary shares of a nominal value of €1.00 each. The issued share capital of the Issuer is €250,000 divided into 250,000 ordinary shares of a nominal value of €1.00 each, each share being 100 per cent paid up and subscribed for, allotted and taken up by the Guarator, except for 1 share which is subscribed for, allotted and taken up by Mr Joseph Portelli.

The authorised share capital of the Issuer may be increased by an extraordinary resolution of the shareholders in general meeting. Shares can be issued when and under those conditions decided by extraordinary resolution of the shareholders in general meeting.

There are no different classes of shares. Each ordinary share confers the right to one vote at general meetings of the Issuer. All ordinary shares rank *pari passu* in all respects.

The shares of the Issuer are not listed on the Malta Stock Exchange and no application for such listing has been made to date.

There is no capital of the Issuer which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Issuer is to be put under option.

13.2 Memorandum and Articles of Association of the Issuer

The Memorandum and Articles of Association of the Issuer are registered with the Registrar of Companies at the Malta Business Registry.

The principal objects of the Issuer are set out in clause 4 of the Issuer's Memorandum and Articles 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.

A copy of the Memorandum and Articles of Association of the Issuer may be inspected during the lifetime of this Registration Document at the registered office of the Issuer and as set out in Section 17 of this Registration Document and at the Malta Business Registry during the lifetime of the Issuer.

13.3 Share Capital of the Guarantor

The Guarantor has an authorised share capital of €20,000,000 divided into 20,000,000 ordinary shares of a nominal value of €1.00 each and an issued share capital of €10,500,000 divided into 10,500,000 ordinary shares of a nominal value of €1.00 each, each share being 100 per cent paid up and subscribed for, allotted and taken up in full by Mr Joseph Portelli.

The authorised share capital of the Issuer may be increased by an extraordinary resolution of the shareholders in general meeting. Shares can be issued when and under those conditions decided by extraordinary resolution of the shareholders in general meeting.

The transfer of shares in the Guarantor by any shareholder is subject to pre-emption righst in favour of the other shareholder/s (where applicable).

There are no different classes of shares. Each ordinary share confers the right to one vote at general meetings of the Issuer. All ordinary shares rank *pari passu* in all respects.

The shares of the Gurantor are not listed on the Malta Stock Exchange and no application for such listing has been made to date.

There is no capital of the Guarantor which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Guarantor is to be put under option.

13.4 Memorandum and Articles of Association of the Guarantor

The Memorandum and Articles of Association of the Guarantor are registered with the Registrar of Companies at the Malta Busienss Registry.

The principal object and main trading activity of the Guarantor is set out in clause 4 of the Guarantor's Memorandum and Articles of Association, namely to purchase, take by title of emphyteusis, lease or exchange or otherwise acquire 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 Company, and to develop, any immovable or movable property, and any rights or licences which the company may deem necessary or convenient for the purposes of its business, and to carry 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:

(a) to borrow, or in any manner raise money, without any limit, for the purpose of or in connection with the Guarantor's business and to secure the repayment of any monies borrowed or any other obligations by giving hypothecary or other security upon the whole or part of the movable and immovable property of the Guarantor; and

(b) to guarantee, support or secure, either with or without the company receiving any consideration or any benefit whatever, and whether by direct obligation, or by assigning or charging, mortgaging, hypothecating or charging all or any part of the undertaking, property, assets (present and future) and uncalled capital of the Guarantor, or by issuing any security of the Guarantor, or by any one or more of all such methods or by any other method, the performance of any obligations or commitments of any person, firm, company or corporation, including (without prejudice to the generality of the foregoing) any company which is for the time being a subsidiary company or holding company or which is otherwise directly or indirectly associated with the Guarantor in business or through shareholdings.

A copy of the Memorandum and Articles of Association of the Guarantor may be inspected during the lifetime of this Registration Document at the registered office of the Issuer and as set out in Section 17 of this Registration Document and at the Malta Business Registry during the lifetime of the Guarantor.

14 | MATERIAL CONTRACTS

Each of the Issuer and the Guarantor has not entered into any material contracts which are not in the ordinary course of their respective business which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's or the Guarantor's ability to meet its respective obligations to security holders in respect of the Bonds being issued pursuant to, and described in, the Securities Note.

15 | PROPERTY VALUATION REPORT

The Issuer commissioned Architect Denis Camilleri to issue a property valuation report in relation to the properties owned by the Group. The business address of Architect Camilleri is at DHI Periti, 2nd Floor, No. 56, Ewropa Centre, St. Anne Street, Floriana FRN 9011, Malta.

Capital Markets Rule 7.4.3 provides that property valuations to be included in a prospectus must not be dated (or be effective from) more than 60 days prior to the date of publication of the prospectus. The valuation report is dated 15 February 2022.

A copy of the report compiled by Architect Denis Camilleri, is accessible on the Issuer's website at the following hyperlink: **https://mercuryfinance.com.mt/investor-relations/** and is deemed to be incorporated by reference in this Prospectus. A copy thereof shall also be available for inspection at the registered address of the Issuer for the duration period of this Registration Document.

16 | THIRD PARTY INFORMATION STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Save for the Architect Valuation Report prepared in relation to the Group properties and the financial analysis summary incorporated by reference in this Prospectus, the Prospectus does not contain any statement or report attributed to any person as an expert.

The valuation report and financial analysis summary have been included in the form and context in which they appear with the authorisation of Architect Denis Camilleri, with qualifications: Eur. Ing, A & CE, B.Sc. (Eng)., B.A. (Arch.)., C.Eng., A.C.I.Arb.,F.I.Struct.E., F.I.C.E., of DHI Periti, 2nd Floor, No. 56, Ewropa Centre, St. Anne Street, Floriana FRN 9011, Malta, and Calamatta Cuschieri Investment Services Limited of Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta (C 13729) respectively, that have given and have not withdrawn their consent to the inclusion of their respective reports herein.

Architect Denis Camilleri and Calamatta Cuschieri Investment Services Limited do not have any material interest in the Issuer. The Issuer confirms that the valuation report and the financial analysis summary have been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from the information contained therein, no facts have been omitted which render the reproduced information inaccurate or misleading.

The sourced information contained in Section 7 of this Registration Document has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the published information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

17 _ DOCUMENTS AVAILABLE FOR INSPECTION

For the duration period of this Registration Document the following documents shall be available for inspection at the registered address of the Issuer and also on the Issuer's website, on the following hyperlink **https://mercuryfinance.com.mt/investor-relations/**.

(a) Memorandum and Articles of Association of the Issuer and of the Guarantor;

(b) Audited financial statements of the Issuer for the two financial years ended 31 December 2019 and 31 December 2020 and the audited consolidated financial statements of the Guarantor for the three financial years ended 31 December 2018, 31 December 2019 and 31 December 2020;

(c) Interim unaudited financial results of the Issuer for the nine months ended 30 September 2021 and interim unaudited financial results of the Guarantor for the nine months ended 30 September 2021;

(d) Architect Valuation Report dated 15 February 2022 and prepared at the Issuer's request in respect of the Group's properties;

(e) Financial Analysis Summary dated 22 March 2022 and prepared by Calamatta Cuschieri Investment Services Limited;

(f) The original Guarantee;

(g) The Security Trust Deed; and

(h) The letter of confirmation drawn up by Baker Tilly and dated 21 February 2019.